

management approach in the proposed and final rules for the multispecies CDQ Program (62 FR 43866, August 15, 1997; 63 FR 30381, June 4, 1998). At that time, keeping catch in the CDQ fisheries strictly within the CDQ and halibut PSQ reserve amounts, and accounting for all catch in all CDQ fisheries against CDQ group quotas was considered a more important goal of the program than the full harvest of all target species.

The Council recognized that the original management and catch accounting structure developed for the groundfish CDQ Program may not be appropriate to apply to this species category. It noted that managing the "other species" CDQ at the individual CDQ group level may preclude the successful attainment of overall CDQ Program goals. This action would reflect a divergence from the original management philosophy for the CDQ fishery with respect to the management of "other species" CDQ. Management measures used in the non-CDQ fisheries, such as directed fishing closures or placing species on "prohibited species catch" status, would be used to manage the "other species" CDQ reserve, rather than individual allocations to CDQ groups.

The Council also recognized that managing "other species" at the CDQ reserve level could result in the CDQ fisheries catching more "other species" than are in the "other species" CDQ reserve, because "other species" CDQ catch would no longer be constrained by fixed allocations, but by more general management measures. NMFS expects that management of the "other species" CDQ allocation at the CDQ reserve level would not, on its own, result in achievement of the "other species" TAC, Acceptable Biological Catch (ABC), or Overfishing Level (OFL) in the future. An examination of the non-CDQ and CDQ "other species" allocation and catch levels from 1999–2002 illustrates that the combined catch in the CDQ and non-CDQ fisheries was less than the annual TAC, ABC, and OFL. Even if the catch of "other species" in the CDQ fisheries increased if CDQ groups increase their catch of CDQ target species, NMFS does not expect that this increase would contribute significantly to any future potential for attainment of the "other species" TAC. Thus, this action is not expected to cause early closures of non-CDQ fisheries or negatively impact non-CDQ fishermen.

This change in management would, however, have the potential to increase the economic value of the CDQ fisheries by increasing the harvest of target species. The Council considered the social and economic benefits of this

action and the likelihood that this action would not negatively affect management of the "other species" quota category or cause limitations on the non-CDQ fisheries. The Council determined that the social, economic, and conservation benefits associated with this action provide adequate justification to deviate from the original management philosophy for strict quota accountability in the CDQ fisheries.

NMFS also supports implementing the change in "other species" CDQ management because this change should have a positive economic impact on western Alaska communities at a time when adequate "other species" resources are available for both the non-CDQ and CDQ fisheries. Any incomplete harvest of allocated CDQ species that results from the current prohibition against exceeding an individual CDQ group's "other species" allocation results in foregone economic opportunities. CDQ groups and their member communities benefit from their CDQ allocations via the royalty income received from the harvest of such allocations. This income is used to fund fisheries-related investments, local economic development projects, and training and educational programs. CDQ fishing operations also employ residents of CDQ communities in a variety of different positions. Fishing industry partners affiliated with CDQ groups consider their CDQ fishing operations an important component of their aggregate fishing activities, because such operations provide them with access to additional fishery resources and revenues.

Description of Action

This action would modify the management of the "other species" CDQ reserve and amend regulations to distinguish between the management of those groundfish CDQ reserves that are allocated to CDQ groups and those that are not. It would rescind the "other species" CDQ percentage allocations issued to individual CDQ groups in January 2003, thereby superceding the Alaska Regional Administrator's 2003–2005 allocation decision specific to the "other species" CDQ category. The "other species" CDQ reserve would still be established annually, but would no longer be allocated to CDQ groups. All catch of "other species" in the groundfish CDQ fisheries would accrue towards this reserve, rather than towards specific allocations to individual CDQ groups. NMFS would manage the "other species" CDQ reserve with management measures in § 679.20(d). Under these measures, NMFS would issue a directed fishery

closure applicable to "other species" CDQ at the beginning of each year. This would limit the retention of "other species" in the groundfish CDQ fisheries to specified maximum retainable amounts established in regulations at § 679.20(e) and (f). This limitation would minimize the likelihood that the available amount of "other species" CDQ would be reached in the groundfish CDQ fisheries. It would still allow some retention of skates, which are part of the "other species" category, by those CDQ vessels wishing to retain them. Additionally, NMFS would monitor the catch of "other species" in the CDQ fisheries and require that "other species" be treated in the same manner as a prohibited species if the CDQ reserve for "other species" were reached. If this occurred, retention of "other species" in the groundfish CDQ fisheries would be prohibited. Further fishing restrictions would occur if the aggregate catch of "other species" in both the CDQ and non-CDQ fisheries approach the annual OFL for "other species." If this were to occur, NMFS would specify limitations or prohibitions designed to prevent overfishing of this species group.

In addition to modifying the management of the "other species" CDQ reserve, this action would eliminate the CDQ non-specific reserve. Discontinuing the allocation of the "other species" CDQ reserve among individual CDQ groups would remove the need for the CDQ non-specific reserve, as arrowtooth flounder would be the only remaining CDQ category contributing to this reserve. If the CDQ non-specific reserve mechanism were retained, NMFS would apportion 15 percent of each CDQ group's annual arrowtooth flounder CDQ allocation to a group's CDQ non-specific reserve. The only CDQ species category that a group could release its non-specific reserve back to would be arrowtooth flounder, because an "other species" CDQ allocation would no longer be available to contribute to, or receive amounts from, a group's CDQ non-specific reserve. Thus, modifying the management of "other species" CDQ would mean that the CDQ non-specific reserve becomes non-beneficial to CDQ groups.

This action also would revise certain definitions associated with the CDQ Program in order to clarify their meaning within the context of both the groundfish CDQ allocation process and CDQ fisheries management. Current headings and definitions associated with the terms CDQ, CDQ species, PSQ, and PSQ species do not accurately portray the intended definitions and