



Dorothy Lowman, Chair
Pacific Fishery Management Council
7700 NE Ambassador Place, Suite 101
Portland, Or 97221

August 14, 2015

RE: Agenda Item H.5. Initial Actions for Setting 2017-2018 Specifications. Inclusion of Voluntary Transfer of Bycatch Species to the MS Sector.

Dear Chair Lowman & Council Members,

Please accept the attached proposal on behalf of Midwater Trawlers Cooperative (MTC) and United Catcher Boats (UCB) for consideration as a *new management measure* for the 2017-2018 groundfish specifications process. The proposal seeks to provide a mechanism that would allow voluntary transfer to the Mothership (MS) sector of bycatch species made available as part of the Buyback program but currently inaccessible to the MS sector. MTC and UCB collectively represent the majority of catcher vessels that participate in the at-sea and shoreside sectors of the Pacific whiting fishery.

The MS sector is allocated relatively minute amounts of rockfish bycatch (Canary, Darkblotched, and widow rockfish and Pacific Ocean Perch). Due to successful efforts to rebuild these species and whiting populations, bycatch encounters have increased significantly making the MS whiting fishery operationally impracticable. To alleviate this problem and avoid premature closures like the one that occurred in 2014 and may occur again in 2015, the MS sector has developed a proposal that allows voluntary, limited transfers to the MS whiting coop of the four constraining species. In this way the MS sector participants are able to solve the problem using rockfish bycatch made available to them as part of the Buyback loan program. Currently, these Buyback bycatch species are allocated to the IFQ program and inaccessible to the MS sector even though the MS sector permit holders assist in repayment of Buyback loan.

Please find attached a one-page description of the proposal accompanied by two tables that identify the amounts eligible for transfer to the MS sector, the amounts generally unused by the shoreside sector and the estimated balance remaining to the shoreside sector if maximum transfers were made to the MS sector.

This proposal offers a fair and equitable solution that will impose no harm on the shoreside fishery that regularly leaves large amounts of constraining rockfish species unused while allowing the MS sector reasonable access to constraining species made available as part of the Buyback program.

We request that the Council recommend analysis of the attached proposal through the 2017-18 specifications process. We believe that this proposal qualifies as a *new management measure* ripe for consideration at this time.

Thank you for your consideration.

Sincerely,

A handwritten signature in cursive script that reads "Heather Mann".

Heather Mann
Midwater Trawlers Cooperative

A handwritten signature in cursive script that reads "Brent C. Paine".

Brent Paine
United Catcher Boats

Proposal for Limited Voluntary Transfer of IFQ Bycatch Species to the MS Coop

Proposal:

The Mothership (MS) sector catcher vessels seek the ability to voluntarily transfer a limited portion of constraining rockfish bycatch species (darkblotched, canary, widow, and POP) from the shoreside IFQ program to the MS whiting coop on an annual basis. These bycatch species have been made available to MS permit holders through participation in the Buyback program but remain inaccessible for use in the MS sector because they have been allocated as IFQ species. This proposal seeks to facilitate a limited transfer of these species between the two sectors.

Amounts available for transfer:

Because MS catcher vessel (CV) permits contribute to repayment of the federal loan that financed the permit Buyback program, all permit holders in the MS sector are annually awarded IFQ allocations of these constraining species even if the MS permit had accrued no history in the shoreside sector. In an attempt to identify a limited aggregate amount of these species for transfer to the MS sector, we propose use of the agency method used to identify the amount of constraining species associated with IFQ target species for individual permits without logbook history in the shoreside fisheries, in other words, MS permit holders without shoreside participation. Once that individual permit amount is isolated from IQs awarded based on participation in the shoreside fisheries, we propose to multiply it by the 34 MS endorsed CV permits. This number would serve as the aggregate limit available for transfer to the MS sector. Application of this method would limit transfers of Canary to 15% of IFQ allocation, 20% of DKB, 20% of POP and 8% of Widow. The poundage amount available for transfer to the MS sector would be identified as part of the annual specification process and would fluctuate depending on the annual ACLs for those species.

How will fish be made available for transfer?

Each CV with a MS sector-endorsed permit will be allowed to transfer a percentage of the aggregate limit to the MS whiting coop based on its pro-rata share of whiting. For instance, a MS CV permit holder with a 1% allocation of MS sector whiting would be limited to accessing 1% of the aggregate amount of constraining species available to the MS sector. Transfers would be voluntary and may be exercised at any time during the season but only available to MS-endorsed CV permits.

Rationale:

The bycatch of four choke species available to the MS sector is extremely limited and these low levels impact the sector's ability to achieve their whiting allocation. CV permit holders in the shoreside and MS sectors annually contribute 5% of their ex-vessel value toward repayment of the federal loan that facilitated buyback of CV permits. While shoreside CV permit holders can utilize IFQ allocations of constraining species distributed as part of the Buyback program, CV's participating in the MS fishery cannot. For instance, in 2015, 626,662 IQ pounds, or 286 mt of DKB were allocated to the shoreside IFQ program compared to 6.5 mt of DKB allocated to the MS sector as an annual bycatch hard cap. Unable to escape to deeper waters where bycatch of most species is significantly less or to access unutilized IQ stranded in the IFQ fisheries, the MS sector participants have installed strict bycatch protocols that often cause them to constantly move from productive fishing grounds or to areas where bycatch of another species is encountered. Last year the DKB cap triggered premature closure of the MS fishery, which may occur again this year. In other years, Canaries, Widows or POP may pose the biggest challenge. The result is a MS whiting fishery that is broken and operationally impracticable. Under this proposal, constraining species transfers to the MS sector would be limited to maximum percentage amounts as identified above. In recent years the Shoreside IFQ sector has left unharvested about 70% of its DKB allocation, 80% of the Canary allocation and 60% of the POP and Widow allocations (See Table 1). Even if the MS sector transferred the maximum limits identified above, the shoreside IFQ fishery would have had an unharvested balance of each species approximating 50% of its initial allocation of DKB and POP, 70% of Canary and 30% of Widow rockfish based on recent use (See Table 2). Access to this limited amount of constraining species made available to MS CV permits would facilitate increased utilization of stranded species and would allow the MS sector to efficiently harvest its whiting in a practicable manner to best achieve OY.

Table 1: Shoreside ITQ Constraining Species Utilization by Year

Canary	2011	2012	2013	2014
Sector Quota LBS	57,100	57,761	87,964	90,610
Quota LBS Remaining	48,975	47,386	70,724	76,017
Unharvested %	86%	82%	80%	84%
DKB	2011	2012	2013	2014
Sector Quota LBS	552,997	548,808	587,976	613,789
Quota LBS Remaining	352,733	404,338	383,323	456,088
Unharvested %	64%	74%	65%	74%
POP	2011	2012	2013	2014
Sector Quota LBS	263,148	263,441	241,241	247,535
Quota LBS Remaining	161,715	169,015	152,657	179,310
Unharvested %	61%	64%	63%	72%
Widows	2011	2012	2013	2014
Sector Quota LBS	755,348	755,352	2,191,016	2,191,020
Quota LBS Remaining	451,645	485,325	1,352,385	951,068
Unharvested %	60%	64%	62%	43%

Table 2: Maximum Amounts for Transfer and Remaining IQ

	Canary	DKB	POP	Widows
2015 IFQ Allocation	95,372	629,662	261,138	3,131,931
2015 MS Sector Allocation	12,566	14,330	15,873	264,552
Buyback Related Component of 2015 for Hypothetical Vessel with No Shorebased History	410	3,633	1,525	10,491
Maximum Aggregate Amount of IFQ Transferable to MS Sector	13,928	123,539	51,841	356,693
<i>in metric tons</i>	6.3	56.0	23.5	161.8
Aggregate Transferable Amount as % of Shoreside Sector Allocation	15%	20%	20%	11%
Balance of 2015 IFQ Available in Shoreside Sector if Maximum Transfers Occurred	81,444	506,123	209,297	2,775,238
2014 IFQ Allocation	90,610	613,789	247,535	2,191,020
Unharvested 2014 Shoreside IFQ	76,017	456,088	179,310	951,068
Percent of 2014 IFQ That Would Have Remained Unharvested if Maximum Transfers Had Occurred in 2014	69%	54%	51%	27%