



Pacific Whiting Utilization in the Mothership Sector



Agenda Item G.3.
March 2021



Agenda Item Overview

- Situation Summary
- Attachment 1 (Scoping Document)
- Supplemental Attachment 2 (Correction)
- Supplemental NMFS Report 1
- Supplemental Joint WDFW/ODFW Report 1
- Supplemental GMT Report
- Supplemental GAP Report
- Public Comment

Council Action

Continue Scoping Whiting Fishery Utilization Issues; Adopt Final Purpose and Need and a Range of Alternatives

Background

- Issue first raised in 2016 during public meetings to discuss 5-year Catch Shares Review- CAB did not prioritize alternatives related to this issue

September 2018:

- [ASMG letter](#) to PFMC requesting processor cap increase
- Public testimony & Council discussion - too late in 5-year review process but tasked industry with coming up with some solutions

October 2018:

- Sector-wide meeting in Portland, OR to discuss solutions

Background (cont.)

November 2018:

- [GAP](#) and [GMT](#) prioritized under workload & new management measures
- Council discussion - issue is important but waiting to prioritize everything in March 2019

March 2019:

- [Sector-wide document](#) submitted to briefing book
- [GAP](#), [GMT](#), and Council prioritized

Background (cont.)

November 2019:

- Council tasked GAP with scoping purpose and need and proposals

March & April 2020:

- GAP conducts internal scoping of purpose and need and proposals

June 2020:

- [GAP Informational Report](#) provides draft purpose & need statement along with list of proposals

Background (cont.)

September 2020:

- Joint Council/NMFS staff [scoping paper](#) in advanced BB - considerations
- [GMT report](#) - preliminary look at data, thoughts on potential causes, and regulatory issues
- Council adopted [purpose and need statement](#) and moved for further scoping of four proposals; excluded at-sea processing south of 42° N. lat. for future consideration as an EFP as part of the 2023-2024 spex

Council-Adopted Purpose and Need

“This action is needed because the mothership (MS) sector of the Pacific whiting fishery has experienced lower average attainment than the other non-tribal whiting sectors since the start of the trawl catch share program, particularly since 2017, leading to social and economic losses for participants.

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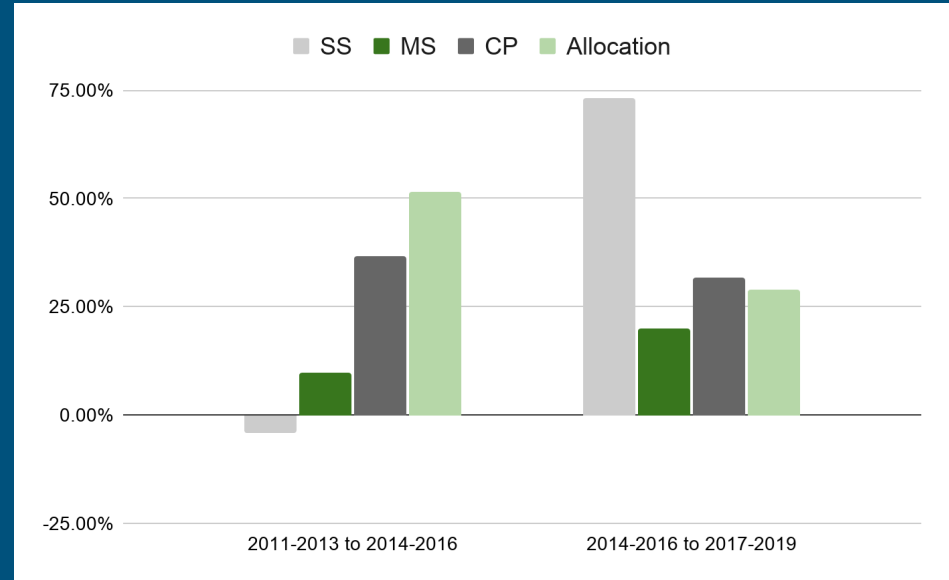
These factors, combined with regulatory barriers that have hindered flexibility, have contributed to decreased utilization rates in the mothership sector. The purpose of this action is to improve MS sector utilization and flexibility, and to better meet the National Standards of the Magnuson-Stevens Act and elements of the Council’s Trawl Rationalization Program goals to “create and implement a capacity rationalization plan that increases net economic benefits, creates individual economic stability, [and] provides for full utilization of the trawl sector allocation.”

The purpose is to address the underutilization in the MS sector. However, alternatives such as an earlier start date may apply to all whiting sectors through participants in common.”

Assessment of P&N

Underattainment

- 2017-2019 average attainment
 - CP=90%
 - SS=83%
 - MS=64%
- TACs have been increasing
- Change in catch by sector has varied



Economic Rationale- Sector Overview

- MS revenue growing at slower rate than CP and SS sectors since 2014
- Efficiency= net revenue/total revenue
 - CP: highest efficiency, no significant change since pre-CS
 - MS and SS: declined since CS
- Product Types vary by Sector



Economic Rationale- Catcher Vessels

Period	MS Percent	SS Percent	Avg. Rev.	Avg. Mt
2011-2013	35.3%	64.7%	18.4	6,533
2014-2016	45.7%	54.3%	13.0	6,426
2017-2019	42.4%	57.6%	16.8	8,954

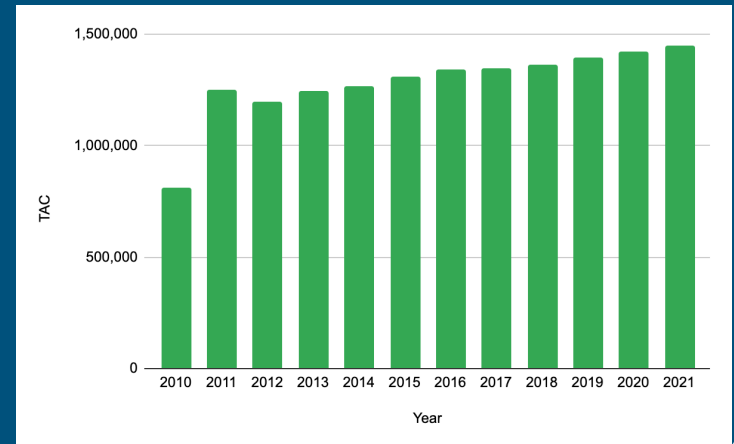
- Shift in percent of total revenue in last 3 years for catcher vessels
- Increase in overall shoreside whiting catch in 2017-2019
- Supports lack of processor capacity, other factors limiting MS participation

Catcher Vessel Harvest Opportunities

- Average of 47% of MSCVs harvest 0% of their catch history assignments (CHAs)
 - CHAs may be harvested by other vessels and compensated in some manner
- Processor availability
 - MS varies by season compared to CP sector
 - Typically fewer MS processors on ground as progress through season

Alaska Pollock Interactions

- Majority of processors and large portion of CVs participate in both AK pollock and whiting fisheries
- AK TAC and catch has been increasing in recent years
- Appears to be an inverse relationship b/t MS attainment and Alaska TAC



Regulatory Overview

- Operations
 - MS and CP: co-ops
 - SS: under IFQ program
- Participation Limits
 - MS
 - Processors limited to 6 MS endorsed permits
 - CVs limited by 34 MSCV endorsed permits
 - CP: Limited by 10 CP endorsed permits
 - SS: Limited only by IFQ regulations

Regulatory Overview

- Catch Limits
 - MSCVs limited to 30% of allocation
 - SS limited by IFQ annual vessel limits (whiting = 15%)
 - No limit for CP
- Processing Limits
 - MS processors limited to 45%
 - No processing limits for CP or SS
- Ownership Limits
 - MS: 20% of CHA
 - CP: Only if co-op were to dissolve (then 5 permits)
 - SS: Limited by IFQ QS limits (10% for whiting)

Staff Proposed P&N

This action is needed because the mothership (MS) sector of the Trawl Catch Share Program is underattaining its post-reapportionment allocations for whiting. Causes of underattainment identified by the industry include limited availability of motherships for delivery of catch due to seasonal overlap of the Alaska pollock fishery. In addition, existing regulations may be limiting some catcher vessels' ability to harvest or deliver fish to MS processors, or limiting the ability for available processors to accept fish from catcher vessels. The purpose of this action is to improve the MS sector's ability to utilize their whiting allocation by identifying and revising regulations that may be constraining to the sector.

This action is also needed to create flexibility in harvest opportunities for the MS, catcher processor, and shorebased IFQ sectors of the Trawl Catch Share Program. The purpose of this action is to balance the use of the whiting fishery resource while maintaining fair and equitable allocation of the resource amongst all sectors of the program.

The actions identified support elements of the Council's Trawl Catch Share Program goals to "create and implement a capacity rationalization plan that increases net economic benefits, creates individual economic stability, [and] provides for full utilization of the trawl sector allocation. Specifically, the action may meet Management Goals 2 and 3 of the Pacific Coast Groundfish Fishery Management Plan respectively, which seek to maximize the value of the groundfish resource as a whole and to achieve the maximum biological yield of the overall groundfish fishery. In addition, this action supports National Standard 1 of the Magnuson-Stevens Act to achieve the optimum yield from the fishery.

Preliminary Assessment of Options

- Primary whiting season start date
- Obligation deadline
- MS processor cap
- Permit transfer



Proposal 1: Primary whiting season start date

“Analyze changing the whiting season start date to something earlier than May 15 for all whiting sectors.”

- Sub-option 1: April 1
- Sub-option 2: April 15
- Sub-option 3: May 1

Season Start Date Considerations

- Historically, sectors have had different start dates
- BiOp implications- ITS states for duration of BiOp that the earliest the whiting season north of 40° 30' N. lat. can start is May 15th
- Staff preliminary assessed:
 - Biological impacts
 - Economic impacts
 - Interactions with whiting treaty
 - Fair and equitable considerations

Season Start Date- Salmon Impacts

- Uncertainty of impacts outside of primary season
- Prior analyses showed greatest risk of salmon bycatch in April-May, but significant management changes since that time and available data was a small sample
- Bycatch rates and salmon count up in fall and winter
 - But haul counts greatest in spring (at-sea) and into summer (SS)
- Individual haul level shows similar bycatch patterns in May/June- could suggest bycatch estimates would be similar if start date moved earlier

Season Start Date- Economic Impacts

- At-sea fisheries harvest 40-50% of all whiting in May and June, with all sectors seeing a general increase in percent taken prior to June since 2011
 - Shoreside fleet tends to pick up after processor leave for AK
- CPUE is high in May and June for MS
- Earlier start date could provide additional opportunity between AK pollock seasons= increased utilization and profit

Season Start Date- Other Considerations

- Whiting Treaty interactions
 - NMFS typically publishes regulations just prior to start date
 - If start date moved earlier, more formal interim allocation process may be needed
- Fair and Equitable (NS4)
 - The Council should consider whether this option would pertain to just the MS sectors or all three sectors
 - Could create market advantage for one sector

Proposal 2: Processor obligation deadline

“Analyze changing the November 30 deadline for when an MSCV-endorsed limited entry permit owner must obligate their catch history assignment to a mothership processor permit.”

- Sub-option 1: February 1
- Sub-option 2: March 1
- Sub-option 3: March 31 (which would align with MS coop application deadline)
- Sub-option 4: If the season start date changes (under Alternative 1) then analyze obligation dates 45, 60, or 90 days before the start of the season

Obligation Deadline Considerations

- Initial purpose: Provide some short-term certainty for MS companies in business planning without having to do the “linkage provision”
- Proposal could provide flexibility for CVs in finding MS to take catch while remove discomfort of obligating during current year
- No biological impacts; little analytical burden; mostly admin
- Other options:
 - Reciprocal clause between CVs and MS
 - Removal of obligation deadline (in favor of letting co-ops only manage)

Proposal 3: MS processor cap

“Analyze increasing the processing cap to something higher than 45% (=status quo).”

Processor Cap Considerations

- Currently, a minimum of 3 MS processors is needed to harvest allocation- but 5-6 typically participate
- Ownership structures have changed since program was implemented
- Council should consider:
 - If they want to maintain 3 MS min to harvest allocation?
 - What other processing limits could be analyzed?
- Other option: Divisible CHAs, TAC-dependent cap

Proposal 4: MS/CP permit transfers

“Analyze alternatives that would allow a vessel that has been registered to a catcher processor permit to be registered to a mothership permit in the same calendar year, and vice versa, and increase the number of transfers available for MS and CP permits annually.”

MS/CP Permit Transfer Considerations

- MS/CP in same year
 - Regulation was intended to provide market stability within sectors
 - E-rule in 2020 never utilized
- Permit Transfer Limit
 - Currently allowed 2 transfers within sector per year (2nd transfer must be back to original vessel)
 - A-20 EIS: Idea was to provide flexibility if the MS was unable to process or other opportunities arose; thought to maintain stable relationships between CVs and MS

MS/CP Permit Transfer Considerations

- May provide for additional processing capacity
- Under proposal- typical MS could operate as CP if permit available
- Council should consider:
 - Permit transfer limits range
- Other option: Open closed class of MS processors

Wrap up

- Continue Scoping Whiting Fishery Utilization Issues; Adopt Final Purpose and Need and a Range of Alternatives
- Multiple Purpose and Need Statements
- Timeline Considerations – Rulemaking package, EFPs