



PACIFIC WHITING UTILIZATION- ROA AND PPA

**AGENDA ITEM C.3
SEPTEMBER 2021**

OVERVIEW

- Provide a little background on the action
- Give an overview of C.3, Attachment I in the BB - Draft Analytical Document
 - Will only present Alternatives and Preliminary Impact Analysis
 - See details of the salmon modeling effort in Appendix A & B (DRAFT)
 - Will take clarifying questions at two points in the presentation

PURPOSE AND NEED

This action is needed because the MS sector of the Pacific Coast Groundfish Trawl Catch Share Program is under attaining its allocations for whiting and has experienced lower average attainment than the other non-tribal whiting sectors since the start of the trawl catch share program, particularly since 2017.

The purpose of this action is to identify and revise regulations that may be unnecessarily constraining, in order to provide increased operational flexibility in the Pacific whiting fishery and increase the MS sector's ability to utilize its whiting allocation, while maintaining fair and equitable access to Pacific whiting by all sectors of the program.

RANGE OF ALTERNATIVES

In March 2021, the Council adopted for public review:

1. Season Start Date
2. MS Obligation
3. MS Processor Cap
4. MS Processor and CP Permit Transfer

SEPTEMBER 2021 - COUNCIL ACTION

Adopt a Range of Alternatives and a Preliminary Preferred Alternative, as Appropriate.

Council is scheduled to select Final Preferred Alternative(s) in March 2022



BACKGROUND

SECTOR OVERVIEW



Mothership

- Co-op since 2011
- 6 MS permits
- 34 MSCV endorsed permits
- Pool system
- Processing limit (45%)
- MSCV catch limit (30 %)
- CHA accumulation limit (20 %)



Catcher Processor

- Co-op since 1997
- 10 CP endorsed permits
- No accumulation limits (unless no co-op)

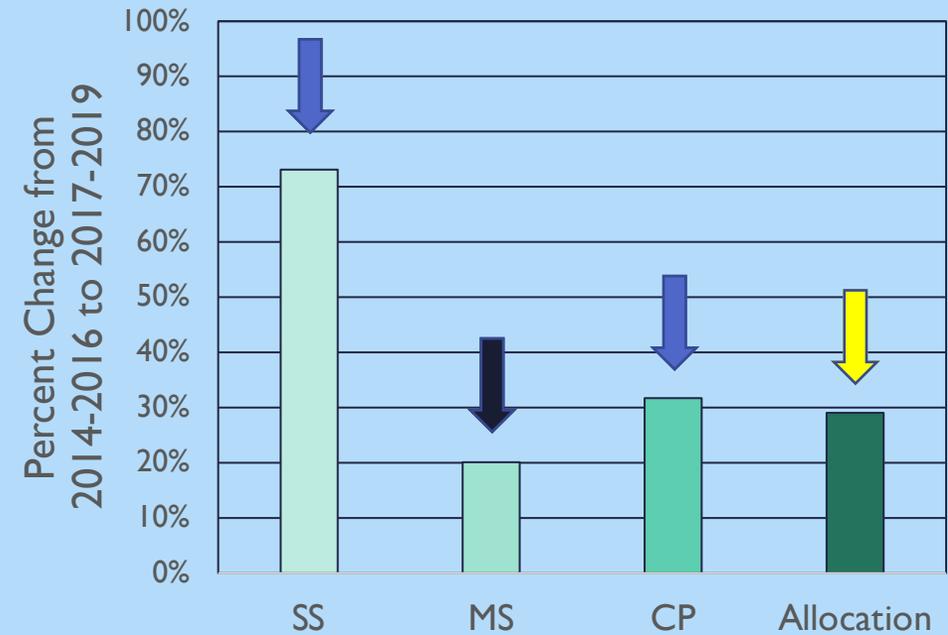


Shoreside

- Within IFQ program
- All catch covered by QPs
- QS control limit (10 %)
- Annual vessel limit (15 %)
- Voluntary co-op

CATCH AND ATTAINMENT TRENDS

- 2017-2019 average attainment
 - CP=90%
 - SS=83%
 - MS=64%



- While TACs have been increasing, catch rates have varied
- Some MSCVs have been unable to deliver for a season or multiple seasons



ANALYSIS



SEASON START DATE

ALTERNATIVES

No Action: Primary whiting season start date north of 40° 30' N. lat. is May 15

Alternative 1: Primary whiting season start date north of 40° 30' N. lat. is May 1. Annual cooperative applications and Salmon Mitigation Plans due 45 days prior to the season start date.

BACKGROUND

- Historical season start dates
 - At-Sea: May 15th
 - Shoreside (as of 2015)
 - N of 40° 30' N. lat. – May 15
 - S of 40° 30' N. lat. – April 15
- 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

METHODOLOGY

- Assessed impacts to:
 - Pacific whiting (biological and socio-economic)
 - Non-whiting groundfish
 - Salmon
- Utilized period of May 15-31 as a proxy for May 1-14

PACIFIC WHITING IMPACTS (BIOLOGICAL AND SOCIO-ECONOMIC)

Sector	Alternative	Whiting catch (mt)	Attain %	Production Value (millions)	Jobs	Income Impacts (millions)
CP	NA/Alt I	123,186	99.9	\$111.7	1,847	\$144.1
SS	NA/Alt I	140,234	92.1	\$92.5	997	\$84.5
MS	No Action	61,946	71.2	\$45.3	830	\$54.9
	Alternative I	80,045	92.0	\$63.5	1,073	\$70.9
	Difference	+18,099	+20.8	+\$18.2	+243	+\$16

NON-WHITING GROUND FISH IMPACTS

- Management
 - At-sea: Set Asides
 - Shoreside: IFQ
- Alternative I may have additional impacts compared to No Action
 - However, depending on processor availability and fishing conditions, if the sectors were able to shift more of their effort and overall catch to the earlier part of the season, it would likely result in fewer overall impacts in the fall for most species.
- Still projected to be within ACLs

COHO SALMON

- Recent bycatch levels
 - 2017-2020: Averaged 16.1% of 494 threshold
 - Recent five year bycatch (2016-2020)
 - At-sea: 13 in total
 - Shoreside: Less than 3 in May
- Impacts were assessed using recent bycatch levels (same as 2017 BiOp)
- Likely no significant impact with two additional weeks- not considered further.

CHINOOK SALMON

- Recent bycatch trends
 - 2017-2020: 47.3% of 11,000 Chinook threshold
 - Less than 4 percent on average taken in May
- Methodology
 - Utilized similar approach as 2017 BiOp in determining overall and ESU specific Chinook impacts
 - May 15-31 used as proxy for May 1-14 haul data
 - Projections added to recent levels of bycatch

CHINOOK SALMON IMPACTS- OVERALL

- Four scenarios assessed
- Greater impact with CP southern distribution
- Still projected to be within the impacts of the 2017 BiOp and the threshold of 11,000 Chinook salmon
- Bycatch may not be additive if effort shifts from fall

Catch Level	Distribution
Low and high for each sector	CP- N and S scenario
	MS/SS- Coastwide

CHINOOK SALMON IMPACTS- OVERALL

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- Greater impact with CP southern distribution
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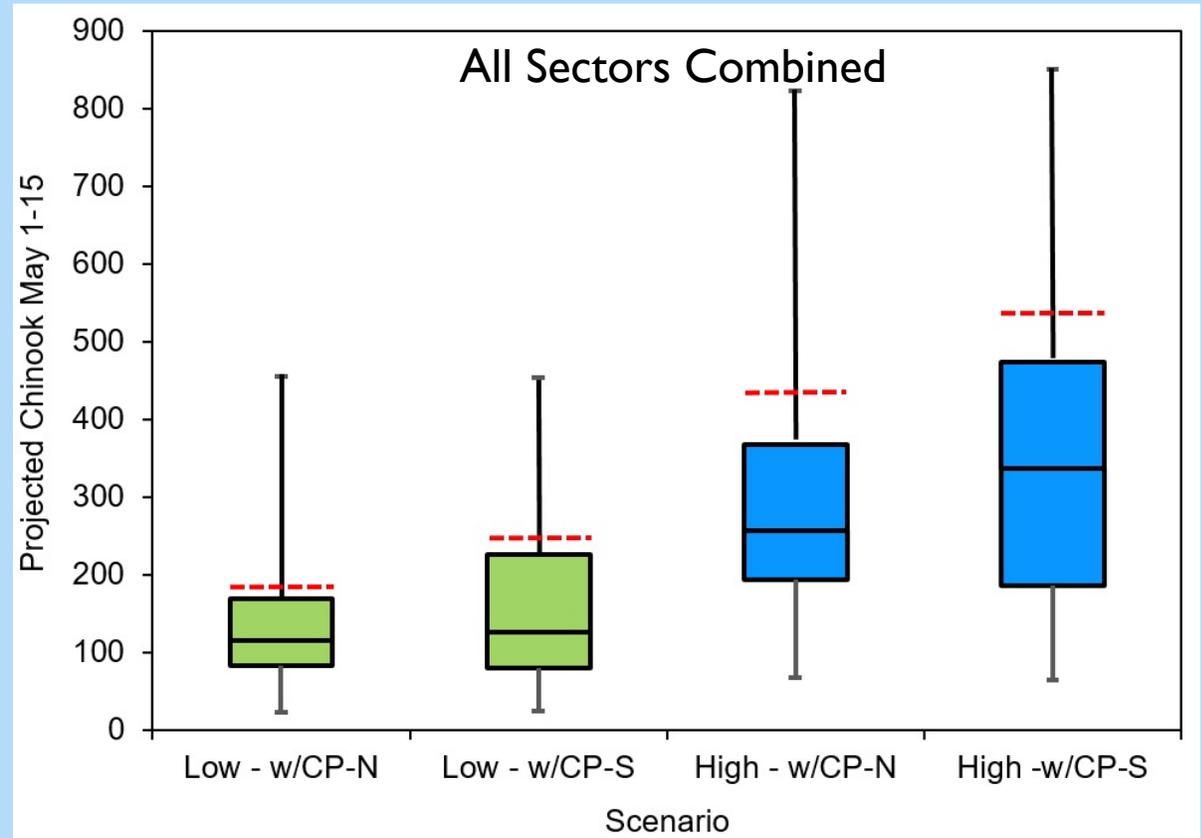


Figure 1

ESU-SPECIFIC IMPACTS

- Based on 80th percent estimate from Appendix A analysis
- Specific stock impacts depend on
 - Catch level of fleet
 - Distribution (Latitude= biggest driver)
- Genetic models used for BiOp appear to capture stocks of concern in early May period based on CWT and GSI comparison.

CONCLUSIONS

- Analysis suggests that the overall impacts of moving the start date to May 1st are within those described in the BiOp
- All management measures would still be available

Mitigation Measure	Available Sector(s)
Block Area Closures (BACs)	Bottom trawl (OR and CA), midwater trawl (WA, OR, CA)
Selective Flatfish Trawl	Bottom Trawl
Salmon Mitigation Plans	Whiting sectors (SS, MS, CP)

CONCLUSIONS

- Analysis suggests that the overall impacts of moving the start date to May 1st are within those described in the BiOp
- All management measures would still be available
- Genetic sampling would continue → help inform the uncertainty in stock compositions from May 1-14



QUESTIONS?

Administrative Alternatives

- Obligation
Deadline
- Processor Cap
- MS/CP Permit
Transfer



MS OBLIGATION DEADLINE

ALTERNATIVES

No Action: Mothership processor obligation made by November 30 through mothership catcher vessel endorsed limited entry permit renewal.

Alternative I: Remove mothership processor obligation from regulation.

BACKGROUND

- Initial purpose of obligation deadline was to provide some short-term certainty for MS companies in business planning
- A MSCV can be released from a processor obligation through a mutual exception agreement (MEA) and commit to a new MS permit.
- Under Alternative 1, MSCVs would obligate their CHAs through individual agreements or within the WMC.

OBLIGATION DEADLINE CONSIDERATIONS

- Alternative I could provide flexibility for CVs in finding MS to take catch while remove discomfort of obligating during current year
- Administrative costs
 - NMFS: Little to no change
 - Industry: Fewer costs under Alternative I



MS PROCESSING CAP

MS PROCESSOR CAP ALTERNATIVES

No Action: 45 percent

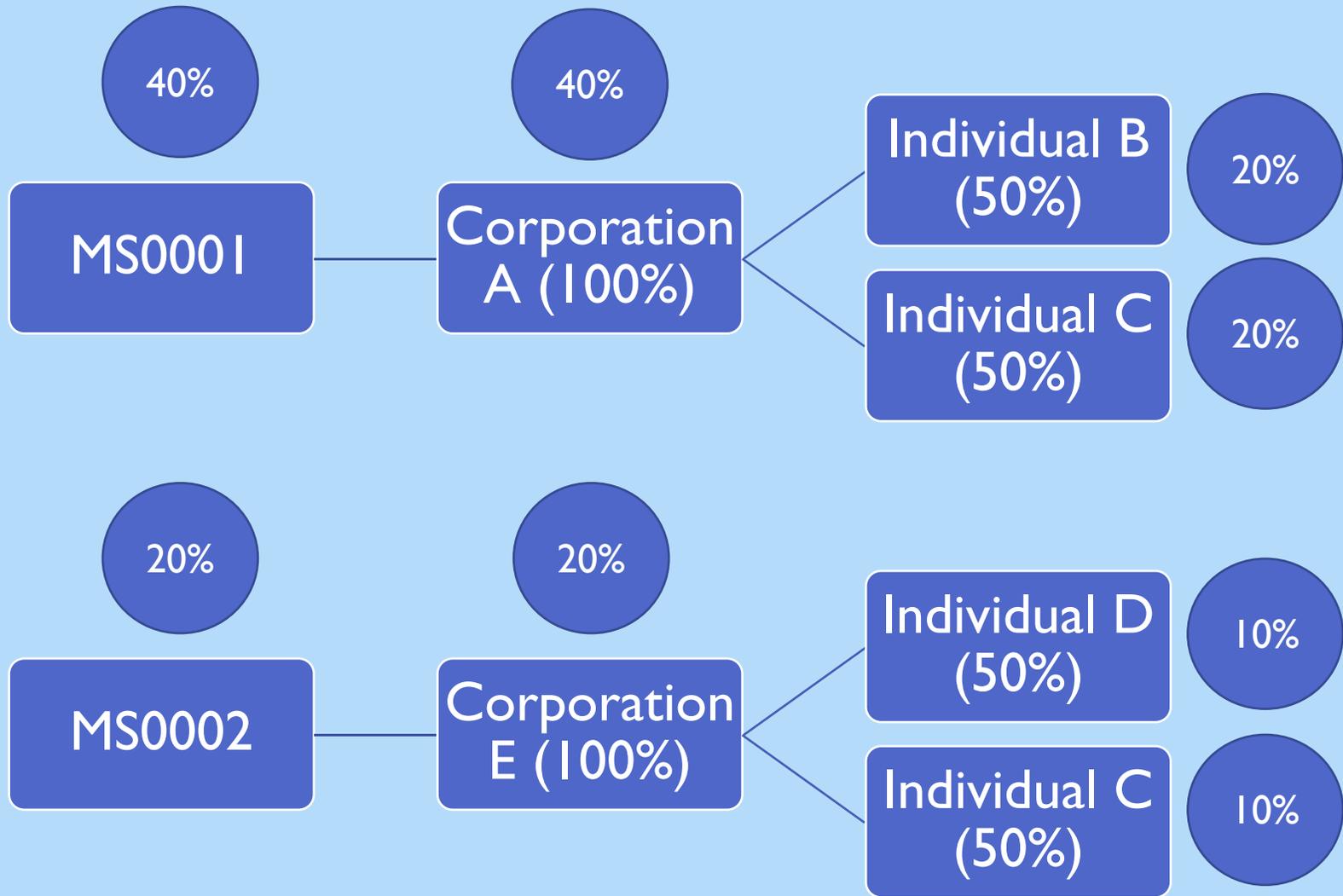
Alternative 1: 65 percent

Alternative 2: 85 percent

Alternative 3: Remove processor cap from regulation.

BACKGROUND

- MS sector is the only sector with a processing cap
- Intended to inhibit consolidation by ensuring that at least three MS companies would participate in the fishery
- Assessed with individual and collective rule
 - Cumulative percentage of permit ownership times the amount of whiting processed for each individual and company (“entity”)



Entity	Processing %
Corp.A	40%
Corp. E	20%
Ind. B	20%
Ind. D	10%
Ind. C	30%

OWNERSHIP AND PROCESSING

- Since 2011, appears to have been no ownership consolidation of permits
- From 2015-2020, 6 occurrences of 20%+ processing
- Suggests that there is not a current constraint.
 - However, may not be the case in the future and may contribute to MS under-attainment.

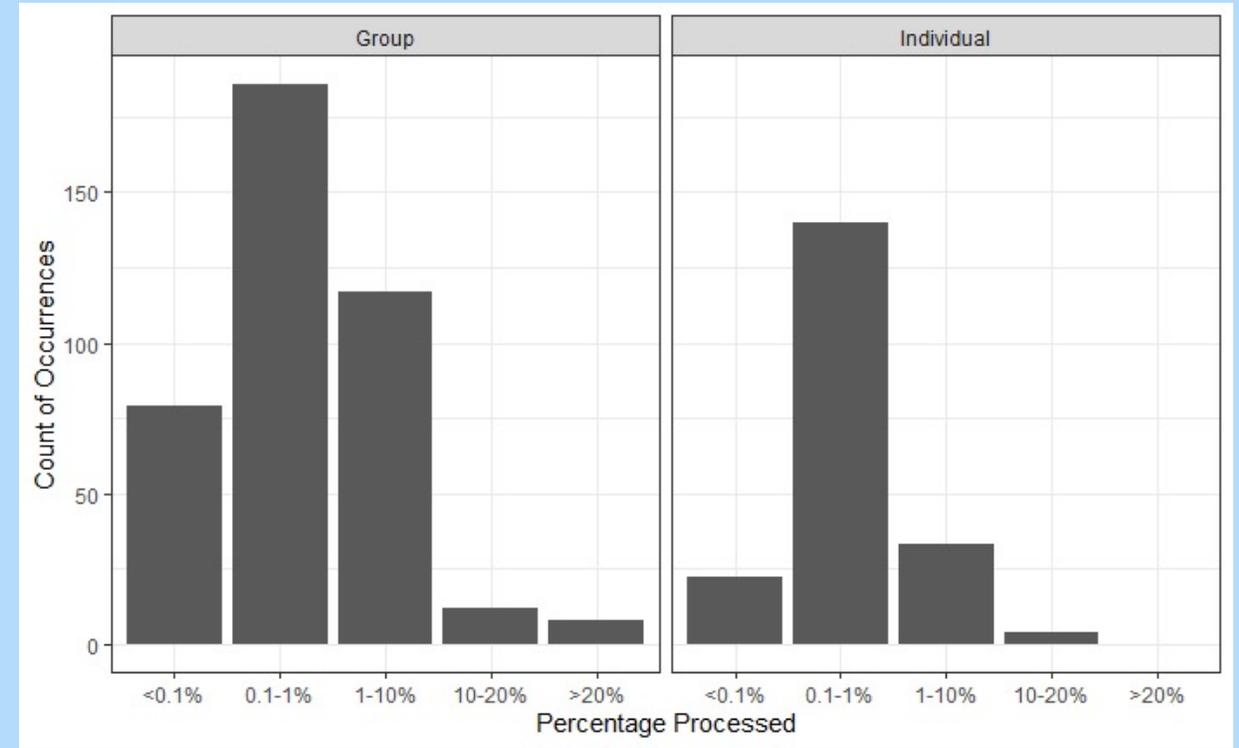


Figure 4

IMPACTS OF TAC AND PROCESSING LIMIT

- TAC influences processing limit
 - A-20: Fewer vessels may be more appropriate under low OY year
 - Looked retrospectively at processing limits under range of TACs compared to recent fleet activity
 - Fleet has current capacity to process above 45 percent limit under low TAC year
- Public comment notes potential for vessel to stay on West Coast to process hake throughout year
- Overall, impacts to processors and MSCVs under the action alternatives will depend on the distribution of whiting processing

NS-4: EXCESSIVE SHARES CONSIDERATION

- Proposed action alternatives would allow 1-2 processors to process entire allocation
- While an entity could theoretically process the entire allocation- does not guarantee they would have MSCVs to deliver.
- Even under unlimited processing cap, a entity may not have control of entire product market because of competition from other whiting sectors and whitefish substitutes.
 - However, would allow for more control across the sectors.



MS/CP PERMIT TRANSFER

MS/CP PERMIT TRANSFER ALTERNATIVES

No Action: A vessel cannot be registered to a **MS** permit and a **CP** permit in the same calendar year.

Alternative 1: A vessel can be registered to a **MS** permit and a **CP** permit in the same calendar year.

Sub-option A: A vessel can switch between the **MS** sector and **CP** sector up to **two** times during the calendar year through permit transfer.

Sub-option B: A vessel can switch between the **MS** sector and **CP** sector up to **four** times during the calendar year through permit transfer.

Sub-option C: Unlimited transfers.

BACKGROUND

- MS/CP in same year
 - Prohibition dates back to 1997 when whiting allocations were established
 - Intended to ensure market stability within the sectors
- Permit Transfer limit
 - Within at-sea sectors, limit of 2 per permit (must be back to original vessel)
 - Intended to help limit participation, maintain stable relationships between MS/MSCVs but allow flexibility in cases where a vessel couldn't process

NO ACTION

MS000 I



Vessel A

MS000 I



Vessel B

MS Sector

CP Sector

GF000 I



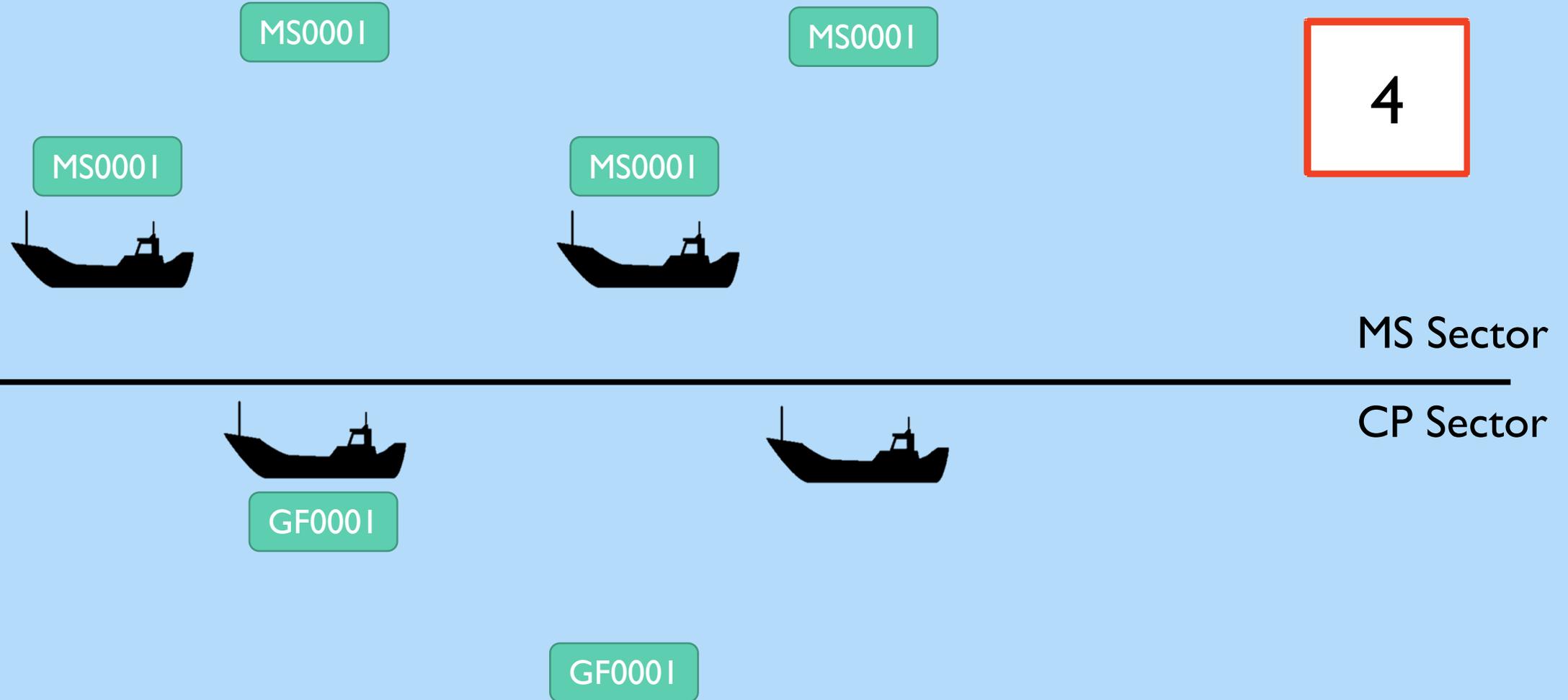
Vessel C

GF000 I



Vessel D

ALTERNATIVE 1, SUB-OPTION B



IMPLEMENTATION DETAILS

EMERGENCY RULE

- Implemented in 2020 and 2021
- Allows for joint registration of a CP/MS permit
 - Declare into a fishery prior to leaving port
- 2020: One vessel dual registered-didn't fish in both
 - 2021 to date: No dual registrations

PROPOSED ALTERNATIVES

- Only one permit registered to vessel at a time (either MS or CP)
- Switching between fisheries would be done via permit registration.

MS/CP IN SAME YEAR- IMPACTS

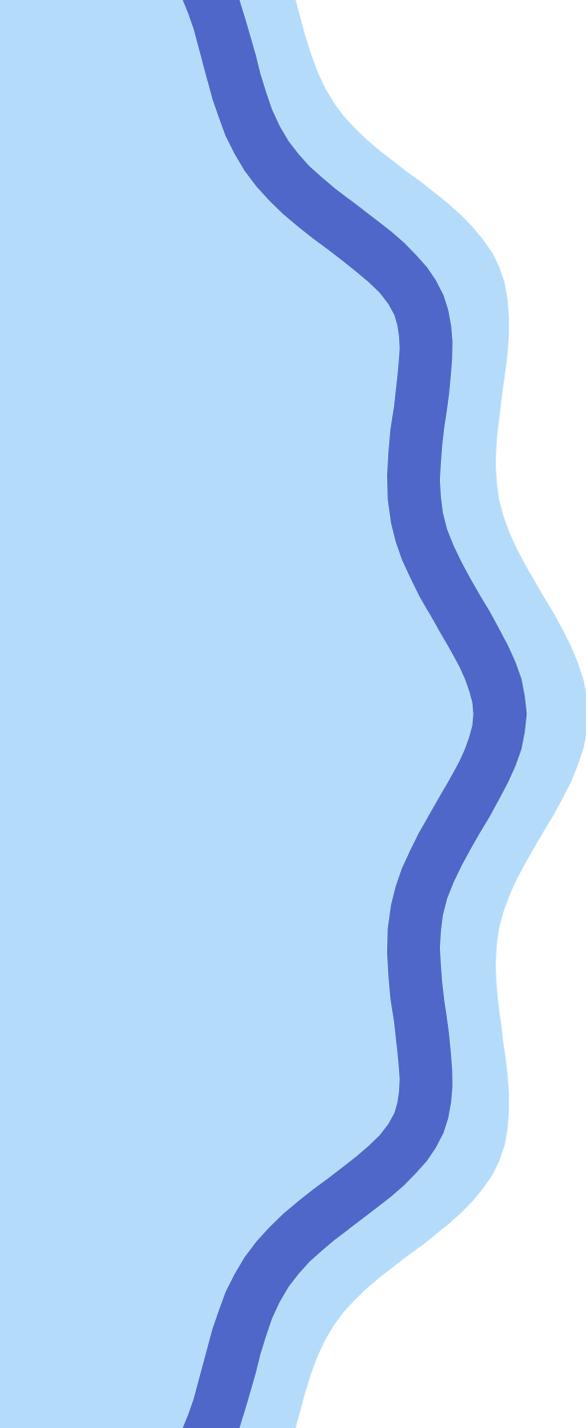
- Under No Action, recent attainment trends likely to continue for each sector
- Under Alternative I,
 - Processor capacity for the MS sector could increase
 - Consolidation could occur across sectors
 - Typical CP vessels may be able to outcompete typical MS vessels for MSCV deliveries
 - All current CPs could be MS, but only half of MS could be CPs

PERMIT TRANSFER SUB-OPTION IMPACTS

- Slightly higher costs with additional transfer numbers
- Council should consider the likely number of transfers to occur given operational logistics of each sector, seasonal constraints (i.e. Alaska pollock prioritization)
- Considerations of changes to within sector permit transfer limits may need to be considered (current limit= 2)

COUNCIL ACTION

Adopt a Range of Alternatives and a Preliminary Preferred Alternative, as Appropriate.



QUESTIONS?