

# Pacific whiting utilization- Final Action

Agenda Item E.2.

March 2022

# Process to Date

2016: Issues identified through Catch Share Review

October 2018: MS Industry Meeting on Issues

June 2020: Industry developed ROA

March 2021: Adopted final P&N and ROA for public review

# 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.

# Process to Date

- September 2021: Adopted ROA/PPA
  - Season Start Date- May 1<sup>st</sup>
  - MS Obligation Deadline- Remove from regulation
  - MS Processor Cap- Unlimited
  - MS/CP Permit Transfer- Allow vessel to be CP/MS in same year

# Council Action

Adopt a final preferred alternative(s), as appropriate

# 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)

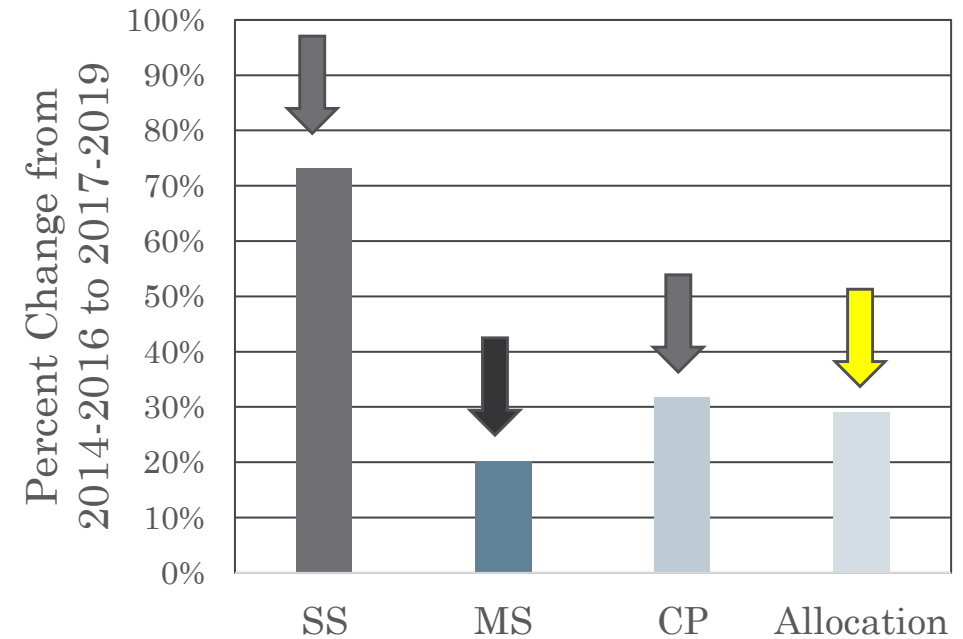


## Shoreside

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

# Catch and attainment trends

- 2017-2021 average attainment
  - + CP=89%
  - + SS=85%
  - + MS=55%



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

# Changes from September 2021 Analysis

- Consideration of minor reporting requirements related to the season start date alternative (Section 1.3)
- Updated information relative to impacts to salmon exploitation rates from moving the season start date (Section 2.3.3 and Appendix C).
- Further discussion on changes to the MS processor cap and the excessive shares consideration (Section 3.2.4)
- Update on the 2021 MS/CP permit transfer emergency rule (Section 3.3.1)
- Synergy analysis of Council's preliminary preferred alternatives (Section 4)
- Regulatory Impact Review (Section 6)
- Magnuson-Stevens Act and FMP Considerations (Section 8)



# Season Start Date

# Alternatives

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

**Alternative 1 (PPA):** 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.

# Alternative 1- Modifications

- Currently, there are other reporting requirements tied to March 31<sup>st</sup>
  - SMPs Post Season Reports
  - Annual Co-op Reports
  - Deadlines for Declaring into Co-Op or Non Co-Op fishery
- If the Council selects Alternative 1 as FPA, the Council should consider aligning all requirements to 45 days prior (i.e. March 17<sup>th</sup>)

# Impacts of PPA

- Likely to increase attainment of Pacific whiting, particular for MS sector
- Increase in economic benefits to the fleets and coastal communities
- Non-whiting groundfish impacts may decrease due to shift in effort to earlier time period

# Impacts of PPA

- Salmon impacts are expected to be within those estimated in the 2017 BiOp
  - Appendices A-C present a comprehensive analysis of potential effects of moving the season start date on overall salmon take and ESU level impacts
  - Even if the bycatch from May 1-14 were additive, the overall estimates are conservative and still within those estimated within the BiOp
  - Likely that impacts will not be additive as effort may shift to earlier in the season where bycatch rates are lower
- No re-initiation required

# MS Obligation Deadline

# Alternatives

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

**Alternative 1 (PPA):** Remove mothership processor obligation from regulation.

# Impacts of PPA

- Removal of administrative burden to industry and NMFS
- May have indirect benefit of giving MSCVs security in finding platform without having to obligate under the current season



# MS Processing Cap

# MS Processor Cap Alternatives

No Action: 45 percent

Alternative 1: 65 percent

Alternative 2: 85 percent

**Alternative 3 (PPA):** Remove processor cap from regulation.

# Conclusions

- Processing cap was intended to inhibit consolidation
  - No consolidation evident as of 2022
- More than 3 processors participate in most years- still lack of markets
- Data suggests that there are no current constraints on the processing limit, however,
  - Not a limit on the amount obligated- but the amount actually processed- may affect business planning
  - Future TACs and other fishing opportunities may impact historic trends
- Overall, impacts to processors and MSCVs under the action alternatives will depend on the distribution of whiting processing

# National Standard 4: Excessive Shares Consideration

- National Standard 4 describes an “allocation” or “assignment” of fishing privileges as “a direct and deliberate distribution of the opportunity to participate in a fishery among identifiable, discrete user groups or individuals....”
- Action alternatives may allow an entity to process the majority or all of the MS allocation- but does not affect the opportunity to participate.
- Therefore, there does not appear to be an issue with excessive shares.

# Other Considerations

- What if an entity could theoretically process the entire allocation?
  - Likely not logistically possible
  - Does not guarantee they would have MSCVs to deliver.
  - As of 2021, 2/3rds of MSCV permits are independently owned- suggesting they may have bargaining power with the processors
- On the issue of broader control of whiting market, still competition from other owners across other whiting sectors and whitefish fisheries.
  - PPA could allow for more extensive control across the entire whiting sector; however, that's a broader issue for outside of this package.
  - MS sector would still be held to other accumulation limits, - 20 percent CHA ownership limit and 30 percent harvest limit for the MSCVs

# 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 (PPA):** 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 (PPA):** Unlimited transfers.

# Alternative 1- Clarification

- In September, staff noted that there were differences in the way that this alternative was described in Informational Report 4 and the way the emergency rule in 2020 and 2021 was implemented
  - Original alternative- only one permit registered to a vessel at a time
  - Emergency rule- allowed permits to be registered simultaneously
- No guidance given in September 2021 from Council
- Specify method or leave to NMFS to implement the most efficient way?



# Impacts of PPA

- 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

# Council action

Adopt a Final Preferred  
Alternative(s), as Appropriate.

Questions?