

MS Sector Meeting, October 29th, 2018
Meeting Summary

A majority of participants from the mothership sector participated in a joint meeting on October 29th. All four mothership processing companies and sixteen catcher vessels were represented. A list of participants is included at the end of this summary.

The meeting was held after receiving direction to do so during the September PFMC meeting. In September a proposal to consider raising the processing cap was presented to the council during the meeting. During public comment on the issue the industry that was present committed to attempting to hold an industry meeting outside of the Council process to discuss issues related to the performance of the mothership sector. Specifically, many believe the fishery is not performing as it was intended, and fish has been left in the water each year (see Table 1) since the implementation of the rationalization program under Amendment 20.

Table 1: Stranded MS whiting 2011-2017

Year	Mothership Allocation	Amount of Fish Harvested	Amount Left Unharvested
2011	53,039 mt	50,050 mt	2,989 mt
2012	39,235 mt	38,480 mt	755 mt
2013	56,170 mt	52,449 mt	3,721 mt
2014	73,049 mt	62,098 mt	10,951 mt
2015	71,204 mt	27,660 mt	43,544 mt
2016	80,575 mt	65,035 mt	15,540 mt
2017	96,884 mt	66,429 mt	30,455 mt
Total Unharvested MS Whiting 2011-2017			107,955 mt
2018	96,644 mt	61,584 mt	35,060 mt*

*2018 fishery is still ongoing, but we already know MS fish will be stranded this season

Source: PacFIN

Mothership sector participants were asked to come to the October 29th meeting prepared to discuss the performance of the fishery, identify areas where the execution of the fishery could be improved and provide possible solutions to meet the issues identified.

It was generally agreed to that the MS sector was not performing as was intended or as well as it could be. Catcher vessels identified several issues with the MS sector including stranding large amounts of fish annually, lack of markets and processing capacity, vertical integration, no commitment from processors to take fish (even though CV's have to commit to the processors the previous year), commitment dates that are too early, no processors on the fishing grounds during the summer months and bycatch constraints. Processors identified bycatch constraints and an inability to make money as two issues impacting the performance of the sector.

The majority of the group agreed to pursue short and long-term “solutions” to meet the MS sector challenges. The short-term solutions would ideally be in place for the 2019 season and could include a “suspension of current rules” in order to facilitate a more successful fishery in 2019.

Short-term Solutions

1. Change the date that CV owners have to obligate their fish to a mothership platform from November 30th the previous year to sometime in March of the current fishing year
2. Relax the MS transfer rules:
 - Allow vessels to operate as both MS processors and Catcher Processors in the same year (currently they can only be one or the other)
 - Allow multiple transfers of the MS processing permit in a calendar year
3. Temporarily increase the MS processor cap to something higher than 45%

Long-term solutions that had broad support for examination:

1. Examine increasing the MS processor cap from 45% to something higher on a permanent versus temporary basis

Long-term solutions discussed with **no** consensus:

1. Require MS processors to commit to catcher vessels the same way that catcher vessels are required to obligate fish to MS processors
2. Allow catcher vessels to deliver their fish to catcher processors if the mothership sector is unable to provide a market
 - a. Require the CP to obtain a MS permit
 - b. Allow CV's to deliver to CPs without a MS permit
3. Make an additional processing permit available in years where the TAC exceeds a certain threshold amount
4. If no MS processor will agree to process a catcher vessel's fish, the catcher vessel can take that fish shoreside

The long-term solutions discussed had no consensus as catcher vessels generally preferred pursuing all avenues to get their fish out of the water while MS processors are generally concerned with opening the closed class of processors and a potential destabilizing of the MS sector. Some of the MS processors also informed the group about their recent and ongoing significant investments intended to provide more processing capacity in future years.

It was generally agreed to by the participants that additional discussion on longer-term solutions was necessary but that the short-term solutions should be proposed at the November PFMC meeting. The group also agreed that the facilitators of the October 29th meeting should reach out to NMFS to set up a separate meeting during the PFMC meeting to discuss the process and ability for NMFS to implement any of the short-term solutions in time for the 2019 season.

The results of the PFMC meeting will be shared with sector participants and next steps developed at that time. For those interested in following the Council discussion on this issue, it will be taken up under Agenda Item G.4.: Omnibus Project Prioritization.

Participants in the October 29th meeting

In Person: Brent Paine (UCB), Heather Mann (MTC), Justin Johnson (F/V Pegasus), Chris Cooper (F/V Perseverance), Mike Hyde (American Seafoods), Trent Hartill (American Seafoods), Phil Anderson (PFMC), Mike Story (F/V Pegasus), Tommy Stam (F/V Miss Berdie), Robert Smith (F/V Raven), Jeff Lackey (F/V Seeker), Jim Seavers (F/V Seeker), Mark Cooper (F/V Leslie Lee), Kurt Cochran (F/V Marathon, F/V Bay Islander, F/V New Life), Sarah Nayani (Arctic Storm Management Group and F/V Sea Storm), and Anne Vanderhoven (Arctic Storm Management Group and F/V Sea Storm)

On the Phone: Fred Yeck (F/V Seadawn), Craig Cross (F/V Muir Milach and F/V Nordic Star), Mark Franklin (Golden Alaska), Dave Smith (F/V Lisa Melinda), Nate Stone (F/V Arctic Fury), Burt Parker (F/V Pacific Challenger), James Mize (Phoenix Processor, LLC), Jan Jacobs (American Seafood), Bob Dooley (PFMC), and David Jincks (F/V Seadawn)