

SUMMARY OF THE PACIFIC WHITING CARRYOVER WORKSHOP

A workshop was held on Friday, November 2 in Costa Mesa, California to discuss approaches for implementing the surplus carryover provisions for Pacific whiting in the shorebased individual fishing quota (IFQ) program ([Agenda Item I.5.a, Attachment 8, November 2012](#)). Council and National Marine Fisheries Service (NMFS) staff reviewed the Pacific whiting treaty process and timelines, Council role, and the carryover approaches ([Agenda Item I.5.a, Supplemental Attachment 10](#)). An additional implementation approach, Approach E, was included in Supplemental Attachment 10. The approaches discussed at the workshop are summarized on page 4 of this document, and a brief summary of individual input is described below.

During a review of the existing regulations, participants were reminded that the eligible surplus carryover in the shorebased IFQ program is calculated by multiplying the carryover percentage by the cumulative total of quota pounds (QP) (used and unused) in a vessel account for the base year, less any transfers out of the vessel account or any previous carryover amounts (see regulations at 660.140(e)(5)). Further, QP issued as a result of tribal reapportionment are not included in the calculation of eligible surplus carryover (see comment 15 in [77FR28497](#)). NMFS further clarified that when QP are issued to vessel accounts as a result of tribal reapportionment, they are kept in a separate column from regularly-issued QP and are debited prior to the removal of non-tribal QP. However, if a vessel has already caught fish, when reapportionment happens, NMFS counts the QP from reapportionment against the fish already landed and credits the vessel back for previously-used, regularly-issued QP. The effect of this accounting is that in the event of a tribal reapportionment, fish already harvested from regularly-issued QP may again become eligible for surplus carryover after the fact, de facto making the tribal fish eligible for carryover. Participants raised significant concern over this policy decision since it could have consequences for the treaty process (in terms of the total allowable catch adjustment process) and inequities among the non-tribal sectors. Participants suggested that using "first in, first out" accounting would better accomplish the Agency policy of not allowing reapportioned fish to be eligible for surplus carryover.

Comments of the US Advisory Panel

Mr. Joe Bersch, co-chair of the Advisory Panel to the Pacific whiting treaty process, spoke on behalf of the US members of the Advisory Panel. Prior to the workshop, the US members of the Advisory Panel discussed the approaches outlined in [Agenda Item I.5.a, Attachment 8](#) (excluding Approach E). The US members of the Advisory Panel recommended that the Council reject Approach A or any other adjusted total allowable catch (TAC) plus carryover mechanism for apportionment of the US TAC. The US members of the Advisory Panel encouraged the Council to take steps to encourage full utilization of the US TAC annually and ensure that the approach adopted is consistent with and encourages release of unused TAC consistent with the tribal reapportionment regulations. Draft minutes of the US Advisory Panel meeting are provided as [Agenda Item I.5.b, Supplemental US Advisory Panel Draft Minutes](#).

Summary of Individual Input

Commenter 1: An individual that participates in both the shoreside and mothership sectors recommended the following approaches be removed from further consideration: Approach A: TAC Plus Carryover, Approach B: TAC Adjustment Funds Carryover, and Approach D: Tribal Reapportionment Funds Carryover. He recommended Approach E, which expands the carryover provisions to the at-sea sectors (catcher-processor and mothership). If the Council does not support expanding the carryover provision to all sectors, he would support Approach C, which would issue the shorebased IFQ program surplus carryover to vessel accounts from the shorebased IFQ allocation. If Approach C is not supported, he recommends analyzing the approach that would remove the surplus carryover provision for Pacific whiting (i.e., the 2012 approach). He was concerned, however, that removing the provision could result in a greater number of vessels fishing into deficit. He said this was of particular concern, given the lag in reporting from the West Coast Groundfish Observer Program. Further, he noted that the situation could result in the TAC being exceeded, and in the following years all sectors would be affected if the TAC were adjusted downward to account for the overage.

Commenter 2: An individual from the mothership and shoreside sectors recommended the following prioritization for analysis (highest priority to lowest):

- 1) Approach C: Issue from Shorebased IFQ Allocation
- 2) Approach E: Expand Carryover to At-sea Sectors
- 3) No surplus shorebased IFQ carryover for Pacific Whiting
- 4) Approach B: TAC Adjustment Funds Carryover
- 5) Approach D: Tribal Reapportionment Funds Carryover
- 6) Approach A: TAC Plus Carryover

He said he suspects many participants in the shorebased IFQ program may support the surplus carryover provision and Approach C appears to be the least complex. He was interested in exploring Approach E, yet acknowledged that expanding the carryover provision could increase complexity and may have tribal implications. He also believed that Approach B was overly complex.

Commenter 3: An individual spoke on behalf of the United Catcher Boats (UCB) organization. Prior to the workshop, the UCB Board of Directors met to discuss the approaches outlined in Agenda Item I.5.a, Attachment 8 (excludes Approach E). The UCB does not support the surplus carryover provision for Pacific whiting in the shorebased IFQ program, and therefore supports the 2012 approach.

Commenter 4: An individual representing owners of a permit with substantial shoreside IFQ and two mothership processors (whose owners also have shoreside IFQ interests) recommended the 2012 approach, where the surplus carryover in the shorebased IFQ program is not implemented. If the Council does not want to eliminate the carryover provision, he recommended that implementation be delayed until after the need for the surplus carryover provision for Pacific whiting in the shorebased IFQ program can be analyzed during the five year program review. If the Council wants to maintain the surplus carryover provision in the shorebased IFQ program, he thought Approach C, which funds the surplus carryover from the

IFQ allocation, would be most appropriate since it has the fewest implications to the other sectors. He did not support Approach A or any other approach that allocates amounts greater than the US TAC. He did not support Approach E, which expands the carryover provision to the at-sea sectors, because he was concerned that the approach was overly complex and has tribal implications that have not been adequately considered. The individual also recommended that the Council and NMFS have further discussions regarding how QP from tribal reapportionment are deducted from the shorebased IFQ vessel accounts. He recommended further analysis and discussion regarding how such accounting impacts the amount of eligible surplus carryover in the shorebased IFQ program.

Commenter 5: A representative of the Pacific Whiting Conservation Cooperative supported the comments of Commenter 4. He recommended the 2012 approach where the surplus carryover in the shorebased IFQ program is not implemented. He also recommended that if the Council wants to maintain the surplus carryover provision in the shorebased IFQ program, then Approach C, which funds the surplus carryover from the IFQ allocation, would be most appropriate since it has the fewest implications to the Treaty process, tribal fishery, and the at-sea sectors. He also expressed concern about the ability to implement any approach in 2013, because of the complex dynamics inherent in the approaches. It was not clear to him if previous analyses fully analyzed the interplay between whiting surplus carryover and the Treaty process, as well as potential effects on the tribal whiting fishery and the at-sea whiting sectors. He agreed with the US Advisory Panel that promoting full utilization of the annual whiting TAC should be a high priority. Finally, he also recommends revisiting the accounting procedures used by NMFS when tribal fish are reapportioned to the shorebased IFQ program, that is, further discussion on the “last in, first out” approach reportedly used by NMFS. On this issue, he agreed with the concerns raised by Commenter 4.

Commenter 6: An individual representing shoreside Pacific whiting processors supported the US Advisory Panel recommendation to remove the surplus carryover provision in the shorebased IFQ program. He also recommended the elimination of all IFQ carryover and reliance on market trading to fully utilize the QP allocations. Finally, he recommended full utilization of the annual TAC.

Alternatives Supported by Individuals at the Workshop

No Surplus IFQ Carryover – the 2012 approach

1. Adopt the adjusted Pacific whiting total allowable catch (TAC) (includes additions or deductions per the treaty)
2. Remove set-asides (tribal, research, etc.); resulting value is the commercial harvest guideline
3. Allocate to sectors: catcher-processor (CP) (34%), IFQ (42%), MS (24%)
4. Shorebased IFQ carryover is not issued

Approach C – Shorebased IFQ Allocation Funds Carryover

1. Adopt the adjusted TAC (includes additions or deductions per the treaty)
2. Remove set-asides (tribal, research, etc.); resulting value is the commercial harvest guideline
3. Allocate to sectors CP (34%), IFQ (42%), MS (24%)
4. Issue surplus carryover to vessel accounts from the IFQ allocation
5. Issue the remainder of the IFQ allocation to QS accounts

Approach E – Expand Carryover to At-Sea Sectors

1. Adopt the adjusted TAC (includes additions or deductions per the treaty)
2. Remove set-asides (tribal, research, etc.), resulting value is commercial harvest guideline
3. Set aside the sector's contributions or deficits from the previous year (in the case of an overage it will be a deficit deducted from the results of step 4)
4. Allocate any remainder to sectors: CP (34%) + amounts from Step 3, IFQ (42%), MS (24%) + amounts from Step 3
5. From Step 3: Issue surplus carryover to vessel accounts from the IFQ allocation
6. From Step 4: Issue the remainder of the IFQ allocation to QS accounts

Alternatives Not Supported by Individuals at the Workshop

Approach A – TAC Plus Carryover

1. Adopt the adjusted TAC (includes additions or deductions per the treaty)
2. Remove set-asides (tribal, research, etc.) ; resulting value is the commercial harvest guideline
3. Allocate to sectors CP (34%), IFQ (42%), MS (24%)
4. Issue surplus IFQ carryover to vessel accounts from the previous years vessel account underage
5. This amount is in addition to the TAC, thus the total allocations are greater than the TAC

Approach B – TAC Adjustment Funds Carryover

1. Adopt the unadjusted TAC
2. Remove set-asides (tribal, research, etc.) ; resulting value is the commercial harvest guideline
3. Allocate to sectors CP (34%), IFQ (42%), MS (24%)

4. Issue surplus IFQ carryover to vessel accounts from the TAC carryover
5. If there is any remainder from the TAC adjustment, allocate to sectors CP (34%), IFQ (42%), MS (24%)

Approach D – Tribal Reapportionment Funds Carryover

1. Adopt the adjusted TAC (includes additions or deductions per the treaty)
2. Remove set-asides (tribal, research, etc.); resulting value is the commercial harvest guideline
3. Allocate to sectors CP (34%), IFQ (42%), MS (24%)
4. If tribal whiting is reapportioned in the fall: Issue surplus carryover to vessel accounts, allocate the remainder to sectors CP (34%), IFQ (42%), MS (24%)

Attendee List

Ms. Kelly Ames, Council Staff
Mr. Joe Bersch, Phoenix Processor LP, Co-Chair Pacific Whiting Advisory Panel
Mr. Richard Carroll, Ocean Gold Seafoods, Pacific Whiting Advisory Panel
Mr. Mark Cooper, Trawler
Mr. Kevin Duffy, National Marine Fisheries Service, Northwest Region
Mr. Dan Erickson, Oregon Department of Fish and Wildlife
Ms. Jamie Goen, National Marine Fisheries Service, Northwest Region
Mr. Dale Meyer, Arctic Storm Management Group
Mr. Corey Niles, Washington Department of Fish and Wildlife
Mr. Brad Pettinger, Oregon Trawl Commission
Mr. Jim Seger, Council Staff
Mr. Dan Waldeck, Pacific Whiting Conservation Cooperative

PFMC
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