

C-2 GOA Trawl Bycatch Management Council motion April 11, 2014

The Council requests that staff provide a paper reviewing the expanded program structure described below and a preliminary evaluation of the combined effects of several primary elements. The paper should continue to evaluate whether and how the elements of this design address the objectives in the Council's purpose and need statement. The intent is to receive feedback characterizing: 1) how the fishery would operate under the new design; 2) how well it may meet the Council's stated objectives; and 3) which decision points are necessary to transform the program structure into alternatives for analysis.

GOA Trawl Bycatch Management Program

1. Bycatch management

The primary objective of this action is to improve incentives for PSC reduction and PSC management, achieved in several ways through this program design.

- a. **Reduced PSC:** The Council intends to adopt a program to: (1) minimize Chinook salmon bycatch, and (2) achieve more efficient use of halibut PSC, allowing some efficiency gains to provide additional target fishery opportunity while leaving some halibut PSC savings in the water for conservation and contribution to exploitable biomass.
- b. **Cooperative management:** A system of cooperative management is best suited to managing and reducing bycatch (such as, hotspot program, gear modifications, excluder use, incentive plan agreements) while maximizing the value of available target species. Cooperatives are intended to facilitate a flexible, responsive, and coordinated effort among vessels and processors to avoid bycatch through information sharing and formal participation in a bycatch avoidance program.
- c. **Gear modification.** Option: gear modifications for crab protection.

2. Observer Coverage

All trawl catcher vessels in the GOA will be in the 100% observer coverage category, whether they participate in the voluntary cooperative structure or the limited access fishery with trawl gear. NMFS will develop monitoring and enforcement provisions necessary to track quota, harvests, and use caps for catcher vessels and catcher processors.

3. Areas

Western Gulf, Central Gulf, West Yakutat

4. Sector eligibility

Inshore sector: Shoreside processors and harvesters that meet the qualifications under the cooperative program. Allocations are based on trawl landings during the qualifying years with a CV trawl LLP or a CP trawl LLP that did not process catch onboard. Any CP LLP not used to process catch offshore during the qualifying years will be converted to a CV LLP at the time of implementation.

Offshore sector: Am 80 vessels, and their replacement vessels, defined in Table 31 CFR Part 679, and their current LLP. Allocations are based on trawl landings during the qualifying years with a CP trawl LLP that processed catch onboard.

5. Allocated species

Target species:

Pollock (610/620/630/640)

Pacific cod (WG/CG)

Additional target species for consideration include:

CGOA flatfish: Rex sole, arrowtooth flounder, and/or deep water flatfish

WGOA rockfish and WY Pacific ocean perch

Secondary species:

Sablefish (that not allocated under the CG Rockfish Program)

CG Skates (big and longnose)

Thornyhead rockfish

Shortraker rockfish

Rougheye/blackspotted rockfish

Other rockfish

Consider whether cooperative measures would be an effective approach to managing secondary species, as opposed to cooperative allocations.

PSC species: Halibut and Chinook salmon

6. Sector allocations of target species, secondary species, and PSC

Allocations to the trawl CV sector for WG and CG Pacific cod (Am 83), CGOA rockfish program (Am 88), and GOA pollock (Am 23) are maintained. Allocations to the trawl CP sector for the CGOA rockfish program are maintained. GOA flatfish eligibility for the trawl CP sector under Am 80 is maintained.

Pollock and Pacific cod:

Pollock and Pacific cod TACs would be allocated to the inshore sector; the offshore sector would receive an incidental catch allowance (ICA) for Pacific cod and pollock and be managed under maximum retainable amounts (MRAs).

Other target species and secondary species: If other target and/or secondary species are allocated under the program, sector allocations would be based on each sector's harvest share from:

Option 1. 2008 – 2012

Option 2. 2007 – 2012

Option 3. 2003 - 2012

In addition to the options based on catch history above, options for establishing WG and WY rockfish sector allocations include:

Option 1. Allocate based on Am 80 sideboards (dusky rockfish would be recalculated based on dusky rockfish harvest only)

Option 2. Allocate to the CP sector only. The CV sector is prohibited from directed fishing and managed under MRAs.

PSC sector allocations:

Chinook salmon PSC apportionments to support the non-pollock trawl CV and CP sectors (excluding CG rockfish program for the CV sector) are based on GOA Amendment 97. The Chinook salmon PSC limit to support the pollock trawl fisheries is a CV allocation only. Any Chinook salmon PSC caught in WY comes off the cooperative's Chinook salmon PSC limit.

Halibut PSC apportionment between the CP and CV sectors will be based on halibut PSC use during:

Option 1. 2008 - 2012

Option 2. 2007 – 2012

Option 3. 2003 - 2012

7. Voluntary inshore cooperative structure

- a. Annually allocate target species at the cooperative level, based on aggregate retained catch histories associated with member vessels' LLPs:

Option 1. 2008 – 2012

Option 2. 2007 – 2012

Option 3. 2003 - 2012

- b. Apportion halibut PSC and Chinook salmon PSC limits to each cooperative on a pro rata basis relative to target fisheries of GOA trawl vessels in the cooperative [such as, pollock Chinook salmon PSC cap divided based on pollock landings; non-pollock Chinook salmon cap divided based on non-pollock landings (excluding rockfish); halibut PSC apportioned in proportion to target groundfish landings associated with cooperative members' LLPs.] PSC could be further divided based on use in target fisheries or fisheries groupings, prior to being allocated to each cooperative on a pro rata basis. Once in the cooperative, PSC can be used to support any target fisheries within the cooperative.

Option: Each processor controls a portion of PSC within a cooperative and negotiates terms of access through private agreement. The processor would activate the incremental PSC through NMFS, making it accessible to the cooperative. PSC made available by these agreements cannot be used by processor-owned vessels.

- c. Participants can choose to either join a cooperative or operate in a limited access fishery [sector-level, non-transferable target allocations and PSC]. Harvesters would need to be in a cooperative with a processor by November 1 of the previous season to access a transferable allocation.
- d. Initial (2 years) cooperative formation (suboption: in the first 2 years of each harvester's participation in a cooperative) would be based on the majority of each license's historical landings (aggregate trawl groundfish deliveries, excluding Central GOA rockfish harvested under a rockfish cooperative quota allocation) to a processor during:
Option 1. The qualifying years for determining target species allocations
Option 2. 2011 – 2012, or the two most recent qualifying years they fished
- e. Each cooperative would be required to have an annual cooperative contract filed with NMFS. Initial formation of the cooperative would require a cooperative contract signed by (options: 51% - 80%) of the license holders eligible for the cooperative and the processor (option: and community in which the processor is located). Cooperative members shall internally allocate and manage the cooperative's allocation per the cooperative contract.
- f. The annual cooperative contract must include:
 - Bylaws and rules for the operation of the cooperative
 - Annual fishing plan
 - Operational plan for monitoring and minimizing PSC, with vessel-level accountability, as part of the annual fishing plan
 - Clear provisions for how a harvester and processor may dissolve their contract after the cooling off period of two years. If a harvester wants to leave that cooperative and join another cooperative or the limited access sector, they could do so if they meet the requirements of the contract.
 - Specification that processor affiliated harvesters cannot participate in price-setting negotiations except as permitted by general anti-trust law.
- g. Additional contract elements (such as, bycatch management, active participation, mechanism to facilitate entry, community provisions) may be required to ensure the program is consistent with Council objectives.

- h. Full transferability for annual use by other harvesters within the cooperative. Cooperatives can engage in inter-cooperative transfers of annual allocations to other cooperatives on an annual basis. Inter-cooperative transfers must be processed and approved by NMFS. Inshore allocations can only be transferred to and used by inshore cooperatives.
- i. Cooperative members are jointly and severally responsible for cooperative vessels harvesting in the aggregate no more than their cooperative's allocation of target species and PSC allowances, as may be adjusted by annual inter-cooperative transfers.
- j. Cooperatives will submit a written report annually to the Council and NMFS. Specific criteria for reporting shall be developed by the Council and specified by NMFS as part of the program implementing regulations.
- k. Permit post-delivery transfers of annual allocations among cooperatives. All post-delivery transfers must be completed by December 31.

8. Voluntary catcher processor cooperative structure

- a. Annually allocate target species at the cooperative level, based on aggregate total catch histories associated with member vessels' LLPs:
 - Option 1. 2008 – 2012
 - Option 2. 2007 – 2012
 - Option 3. 2003 – 2012
- b. Apportion halibut PSC and Chinook salmon PSC limits to each cooperative on a pro rata basis relative to target fisheries of vessels in the cooperative [such as, non-pollock Chinook salmon cap divided based on non-pollock landings; halibut PSC apportioned in proportion to target groundfish landings associated with cooperative members' LLPs.] PSC could be further divided based on use in target fisheries or fisheries groupings, prior to being allocated to each cooperative on a pro rata basis. Once in the cooperative, PSC can be used to support any target fisheries within the cooperative.
- c. Participants can choose to either join a cooperative or operate in a limited access fishery [sector-level, non-transferable target allocations and PSC]. No later than November 1 of each year, an application must be filed with NMFS by the cooperative with a membership list for the year. In order to operate as a cooperative, membership must be comprised of:
 - Option: at least 2 separate entities (using the 10% individual and collective rule) and/or
 - Option: at least [2 – 4] eligible LLP licenses
- d. Cooperative members shall internally allocate and manage the cooperative's allocation per the cooperative contract. Cooperatives are intended only to conduct and coordinate harvest activities of the members and are not FCMA cooperatives.
- e. The contract would require signatures of all LLP holders in the cooperative. The annual cooperative contract must include:
 - Bylaws and rules for the operation of the cooperative
 - Annual fishing plan
 - An operational plan for monitoring and minimizing PSC, with vessel level accountability, as part of the annual fishing plan
 - Specification that processor affiliated harvesters cannot participate in price setting negotiations except as permitted by general anti-trust law.
 - A cooperative may adopt and enforce fishing practice codes of conduct as part of their membership agreement.

- f. Full transferability for annual use by other harvesters within the cooperative. Cooperatives can engage in inter-cooperative transfers of annual allocations to other cooperatives on an annual basis. CP annual cooperative allocations may be transferred to inshore cooperatives; inshore annual cooperative allocations cannot be transferred to CP cooperatives. Inter-cooperative transfers must be processed and approved by NMFS.
- g. Cooperative members are jointly and severally responsible for cooperative vessels harvesting in the aggregate no more than their cooperative's allocation of target species, secondary species, and PSC, as may be adjusted by annual inter-cooperative transfers.
- h. Cooperatives will submit a written report annually to the Council and NMFS. Specific criteria for reporting shall be developed by the Council and specified by NMFS as part of the program implementing regulations.
- i. Permit post-delivery transfers of annual allocations among cooperatives. All post-delivery transfers must be completed by December 31.

9. Fishery dependent community stability (applies to inshore cooperatives)

a. Consolidation limits

- Vessel caps and limits on the percentage of the total allocation that a person can hold (accessible only through a cooperative).

Harvester use caps in each region (WG and CG/WY). Harvesters that exceed these percentages are grandfathered into the program. No person may hold or use more than the following percentage of target species CV shares, using the individual and collective rule:

- Option 1. 3%
- Option 2. 5%
- Option 3. 7%

Vessel use caps are applicable within the cooperative. A vessel may not be used to harvest more than the following percentages of target species cooperative quota issued to the CV sector:

- Option 1. 3%
- Option 2. 10%
- Option 3. 15%

- Processor use caps

Processor use caps (facility-based) in each region (WG and CG/WY). Processors that exceed these percentages are grandfathered into the program. No processor shall receive or process more than the following percentage of aggregate target species cooperative quota issued to the CV sector:

- Option 1. 10%
- Option 2. 20%
- Option 3. 30%

- b. Target species quota would be required to be landed in the region in which it is designated (WG or CG/WY designation) based on historical delivery patterns during the following years:
 - Option 1. The qualifying years for determining target species allocations
 - Option 2. 2011 - 2012
 - Option 3. Target species CG quota that has historically been landed in Kodiak would have a port of landing requirement to be delivered to Kodiak; CG quota not historically landed in Kodiak would be regionalized (WG or WY/CG).
- c. Require individuals or entities to meet fishery participation criteria in order to be eligible to purchase an eligible trawl license with associated history.

10. Transferability

- a. (Annually) Full transferability for annual use within the cooperative. Cooperatives can engage in inter-cooperative agreements on an annual basis.
- b. (Long-term) The LLP is transferable, with the associated history of the target species (which, when entered into a cooperative, brings with it a pro rata share of PSC.)

Target species history is severable from a CV trawl license and transferable to another eligible CV trawl license (which, when entered into a cooperative, brings with it a pro rata share of PSC).

Transferred history retains the regional delivery designation.

11. Gear conversion

Upon further development, the Council could include gear conversion provisions that allow Pacific cod trawl CV allocations to be fished with pot gear, although any harvest would continue to be deducted from the vessel's annual trawl quota account and would not affect the pot gear Pacific cod sector allocations.

12. Limited access trawl fisheries (CV and CP)

If a license holder chooses not to join a cooperative, it may fish in the limited access fishery. Under the limited access fishery, the LLP's historic share of (non-transferable) target species will be fished in a competitive fishery open to all trawl vessels in the sector who are not members of a cooperative. The catcher vessel limited access fishery will be subject to all current regulations and restrictions of the LLP and MRAs.

PSC limits in the limited access fishery will retain status quo apportionments by area, season, and/or fishery. Halibut and Chinook salmon PSC limits are annually apportioned to the limited access fishery on a pro rata basis relative to groundfish catch histories associated with LLPs that are not assigned to a cooperative, as reduced by [options: 10% - 30%].

13. Sideboards

Consider whether sideboards that apply under the Rockfish Program for the CV and CP sectors, non-exempt AFA CV sideboard limits, non-AFA crab vessel groundfish sideboards, and Amendment 80 groundfish and halibut PSC sideboard limits in the GOA should be removed.

Consider sideboards for or prohibition of directed fishing for Pacific cod in the West Yakutat area with trawl gear. Consider sideboards on directed fishing for Pacific cod with pot gear in the WG and CG (harvest that accrues to the Pacific cod pot sector allocations).

14. Program review

Per the Magnuson Stevens Act, a program review would be conducted five years after implementation and every seven years thereafter.

15. Cost recovery and loan program

Per the Magnuson Stevens Act, a cost recovery program would be implemented to recover the incremental agency costs of the program related to data collection, analysis, and enforcement, up to a maximum of 3% of the ex-vessel value from landings of species allocated under the program. Up to 25% of cost recovery fees may be set aside to support a loan program for purchase of shares by fishermen who fish from small vessels and first-time purchases of shares under the program. Loan qualification criteria would need to be defined.

The Council also requests further information on latent trawl licenses and their effect on the proposed cooperative program, to evaluate the need for further recency criteria in the WG and CG trawl CV sectors.