

Report to the North Pacific Fishery Management Council on the 2014 Bering Sea Pollock Mothership Salmon Savings Incentive Plan

James Mize, IPA Representative

This report is to the North Pacific Fishery Management Council and covers the Bering Sea and Aleutian Islands Management Area (BSAI) Pollock Mothership Salmon Savings Incentive Plan Agreement (“MSSIP” or “Agreement”).

Amendment 91 Reporting Requirements

Amendment 91 to the Fishery Management Plan for Groundfish of the Bering Sea and Aleutian Islands Fishery combines a hard cap on the amount of Chinook salmon that may be caught incidentally with an incentive plan agreement (“IPA”) and a Performance Standard designed to minimize bycatch to the extent practicable in all years and prevent bycatch from reaching the limit in most years. The regulations implementing Amendment 91 require participants engaged in an IPA to submit to the Council an annual report including:

- (1) A comprehensive description of the incentive measures in effect in the previous year;
- (2) A description of how these incentive measures affected individual vessels;
- (3) An evaluation of whether incentive measures were effective in achieving salmon savings beyond levels that would have been achieved in absence of the measures; and
- (4) A description of any amendments to the terms of the IPA that were approved by NMFS since the last annual report and the reasons that the amendments to the IPA were made.

Each is addressed below.

Description of MSSIP Incentive Measures

The MSSIP contains two key incentive measures: the ability to earn Salmon Savings Credits for use in later years, and the Rolling Hotspot Closure (“RHC”) program that restricts access to fishing grounds where bycatch is unacceptably high.

Each operator of a Vessel participating in the MSSIP is motivated to avoid Chinook salmon as a means to earn Salmon Savings Credits. Credits give a Vessel the ability to exceed the Annual Threshold in years when encounter rates are particularly high and bycatch amounts, even after best avoidance efforts are taken, are higher than the Amendment 91 Performance Standard. These credits are only earned, however, by reducing bycatch below the Annual Threshold in other years. In years of high salmon encounters, credits offer a Vessel the ability to harvest more of its annual pollock allocation than it otherwise could due to the Annual Threshold, and so serve as “insurance” against risks of closure due to high encounters of salmon bycatch. Each Vessel’s desire to earn these credits for insurance is the primary incentive in the MSSIP.

The RHC program establishes the incentive to maintain low bycatch rates in order to have access to all productive fishing grounds. Fleets achieving relatively low Chinook salmon bycatch rates are not constrained by hotspot closures, while Fleets with average or higher rates are. The RHC program creates the incentive to find ways and means to harvest pollock while avoiding Chinook salmon bycatch at all times. The RHC program insures that Fleets failing to meet that standard are excluded from the fishing areas with the highest bycatch rates.

The RHC program provides for the designation of Bycatch Avoidance Areas closed to fishing when the rate of Chinook salmon bycatch in that area (the “Area Rate”) exceeds the Base Rate. The Base Rate is an index of relative Chinook salmon abundance defined as the ratio of the three week rolling sum of total Chinook salmon taken incidentally in the Fishery to the three week rolling sum of the total number of metric tons of pollock caught in the Fishery. The Base Rate is updated weekly, with rules in the first three weeks of the “A” season or “B” season to determine initial Base Rates.

Effect of Incentive Measures on Individual Vessels

Mothership fishing operations are uniquely dependent upon individual fishermen’s ability to work cooperatively. Under the MSSIP, incentives to avoid Chinook salmon bycatch at all rates of encounter must not only be at the individual Vessel level but also at the Fleet level such that individual incentives are carefully balanced with the need to maintain a cohesive and efficient Fleet. Since many decisions related to salmon avoidance strategies must be made collectively by the Vessels and processor working together in a Fleet (or two processors in a “Pooled Fleet”), it is at that level where the incentive to avoid Chinook salmon at all rates of encounter is most appropriately directed.

Under the MSSIP, each Fleet manages a share of the Mothership Sector Annual Threshold equal to that Fleet’s percentage of the mothership pollock allocation. In 2014, three Fleets participated in the MSSIP, consisting of nineteen Vessels. Two of these Fleets participated as a

Pooled Fleet, where the Fleets' shares of salmon bycatch were aggregated. Each Fleet avoided Chinook salmon bycatch such that total incidental catch remained significantly below the Fleet's share of the Annual Threshold, thus generating Salmon Savings Credits. At the end of the season, the total Salmon Savings Credits generated by each Fleet or Pooled Fleet was disaggregated and distributed to each Vessel in proportion to the Vessel's percentage of contribution to the Fleet's pollock allocation. Accordingly, Vessels participating in a Fleet with lower Chinook salmon bycatch generated more Salmon Savings Credits than Vessels participating in a Fleet with higher bycatch.

During the course of the 2014 fishery, the MSSIP and RHC program implemented a total of three fishing closure areas in order to avoid bycatch of Chinook salmon. Under the terms of the Agreement, the "Chinook Salmon Conservation Area" (approximately 735 square miles) remained closed to Vessels participating in the MSSIP during the entire 2014 "A" season. In addition, two Bycatch Avoidance Areas were identified and closed in the RHC program during the 2014 "A" season. During the "B" season, no Bycatch Avoidance Areas were closed to mothership Fleets in the RHC program. Maps and effective dates of the Chinook Salmon Conservation Area closure and the Bycatch Avoidance Area closures are shown in Appendix 1.

Evaluation of Effectiveness

In 2014, the three Fleets participating in the mothership sector collectively avoided incidental catch of Chinook salmon such that the total bycatch was approximately 17% of the mothership sector's portion of the Base Cap. Total Chinook salmon bycatch was 643 salmon, 3,064 below the Annual Threshold. As a result, the participants in the MSSIP in the 2014 fishery generated a total of 1,338 Salmon Savings Credits. It is not possible to assess how many salmon would have been incidentally caught in the mothership sector in the absence of a salmon savings IPA for the mothership sector; however, if there were no salmon savings IPA, Vessels would not have had the incentive to avoid Chinook salmon bycatch in order to earn Salmon Savings Credits.

Vessels also saved Chinook salmon by avoiding areas of higher Chinook salmon encounters in order to avoid triggering the closure of Bycatch Avoidance Areas under the RHC. It is not possible to assess precisely how many Chinook salmon would have been incidentally caught in the mothership sector in the absence of this RHC program; however, if there were no RHC program, Vessels would not have had the incentive to avoid Chinook salmon bycatch in order to avoid being restricted from fishing in Bycatch Avoidance Areas designated under the RHC program. Generally, areas closed by the RHC program result in lower bycatch rates in the weeks following the closures, and if Vessels encounter high bycatch rates when relocating to new fishing grounds, additional closures are designated, which tends to reduce Chinook salmon bycatch overall.

As an additional measure of effectiveness, the MSSIP requires that on an annual basis the participants engage knowledgeable and competent third-parties to conduct compliance audits of the MSSIP rules and the RHC program. Audit results are attached at Appendix 2.

Amendments to IPA Approved by NMFS

Two Amendments were made to this IPA effective during the 2014 reporting period. The Mothership Fleet Cooperative Entity amended its Agreement to substitute James Mize as the IPA Representative, which was approved by NMFS on March 18, 2014 as the third revision of the MSSIP, as previously reported in the 2013 MSSIP Report. Also during the 2014 reporting period, the Mothership Fleet Cooperative met and discussed potential amendments to incorporate additional salmon protection measures into the MSSIP. Draft revisions were considered, discussed, and tasked to the Salmon Bycatch Committee for further development, including a set of best management practices for Chinook salmon bycatch avoidance to be incorporated into the MSSIP. The committee's recommendations, including establishment of Best Management Practices to be followed at all times while fishing in the directed mothership pollock fishery, were adopted by the Board effective at the start of the 2014 B Season and included in the fourth revision to the MSSIP, which NMFS approved August 6, 2014.

Additional Reporting Requirements

In a final rule published February 3, 2012, NMFS published additional reporting requirements to be included in annual IPA reports, including information about sub-allocations of Chinook salmon PSC amounts and information regarding any in-season transfers of Chinook salmon PSC. Specific information to be included regarding sub-allocations include the number of Chinook salmon PSC and amount of pollock (mt) at the start of each fishing season allocated to participating Vessels, and the number of Chinook salmon PSC and amount of pollock (mt) caught at the end of each season. With regard to in-season transfers of Chinook salmon PSC, the final rule requires reporting of transfers between entities and transfers among vessels in the IPA. For each, the specific information to be reported includes the date of transfer; name of transferor and transferee; number of Chinook salmon PSC transferred; and amount of pollock (mt) transferred.

Sub-allocations of Chinook Salmon PSC

The MSSIP provided for individual vessel sub-allocations in proportion to the individual vessels' percentages of pollock under the terms of the MFC. These percentages are detailed in Table 2, grouped by Fleet within which the individual vessels participated.

Season Totals

The number of Chinook salmon PSC and amount of pollock (in metric tons) caught at the end of each season are detailed in Table 3, by Fleet (pollock amounts differ from Table 2 due to in-season adjustments to the Bering Sea DFA by NMFS).

In-season Transfers of Chinook Salmon PSC

In the 2014 MSSIP, no in-season Transfer of Chinook salmon PSC or pollock occurred among AFA cooperatives, entities eligible to receive Chinook salmon PSC allocations, or CDQ groups. No Transfers occurred among Vessels participating in the MSSIP during the 2014 pollock fishery. No Fleet to Fleet Paired Transfers (Transfers of pollock and corresponding Chinook salmon PSC) occurred during 2014.

Table 2 - Sub-Allocations of Chinook Salmon PSC and Pollock Amounts, By Vessel, Start 2014

Vessel	Co-op %	2014 Base Cap	2013 Pollock Amount
California Horizon	3.79%	140.347	4,199.73
Misty Dawn	3.57%	132.303	3,959.02
Papado II	2.95%	109.468	3,275.70
Vesteraalen	6.20%	229.871	6,878.65
Western Dawn	4.15%	153.841	4,603.51
<i>Excellence Fleet Total</i>	20.66%	765.83	22,916.62
Aleutian Challenger	4.93%	182.607	5,168.65
Alyeska	2.27%	84.223	2,383.92
American Beauty	6.00%	222.42	6,295.56
Ocean Leader	6.00%	222.42	6,295.56
Pacific Challenger	9.67%	358.504	10,147.39
Vanguard	5.35%	198.325	5,613.54
<i>Golden Alaska Fleet Total</i>	34.22%	1,268.50	37,958.45
Margaret Lyn	5.64%	209.186	6,259.67
Mar-Gun	6.25%	231.725	6,934.11
Mark 1	6.25%	231.725	6,934.11
Morning Star	3.60%	133.489	3,994.52
Nordic Fury	6.18%	228.981	6,852.02
Oceanic	7.04%	260.899	7,807.11
Pacific Fury	5.89%	218.305	6,532.55
Traveler	4.27%	158.363	4,738.84
<i>Ocean Phoenix Fleet Total</i>	45.12%	1,672.67	50,052.93
MFC Total	100%	3,707	104,926.00

Table 3 – Number of Chinook Salmon PSC and Pollock Amounts Caught, by Season, 2014

Season	Fleet/Pooled Fleet	Chinook Salmon (#)	Pollock (mt)
A season	Excellence	177	10,032.09
	Golden Alaska	142	15,161.17
	Ocean Phoenix	144	19,059.85
	Total MSSIP	463	44,253.11
B season	Excellence	10	9,142.53
	Golden Alaska	112	22,961.00
	Ocean Phoenix	58	34,652.39
	Total MSSIP	180	66,755.92

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Appendix 1 – 2014 Area Closures Under the MSSIP and RHC Program

Figure A1-1. Chinook Conservation Area closure, effective entire A season.

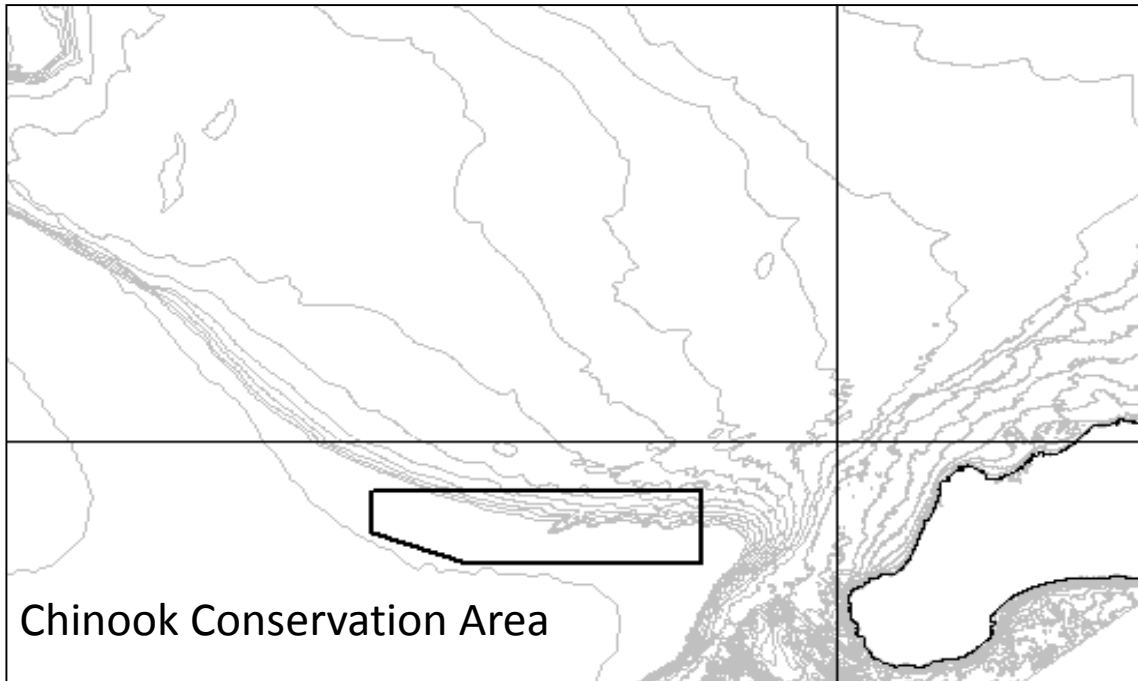


Figure A1-2. A season Bycatch Avoidance Area closures, effective 3/7/2014 to 3/14/2014.

Map of closure area for CP and mothership sectors

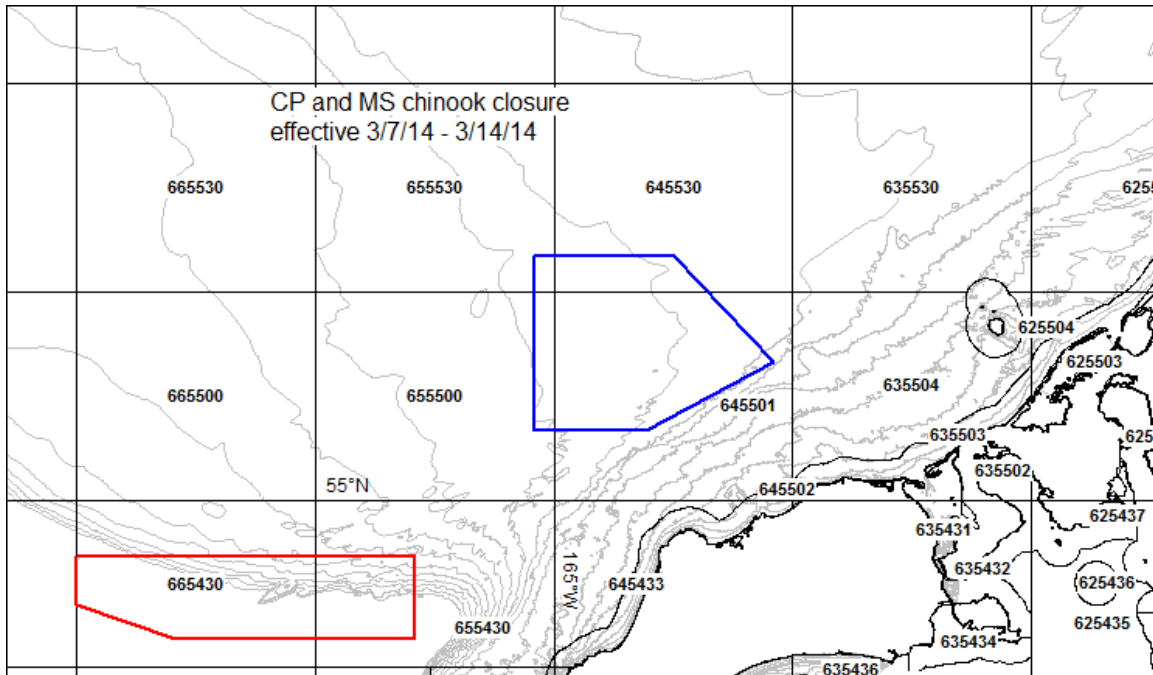
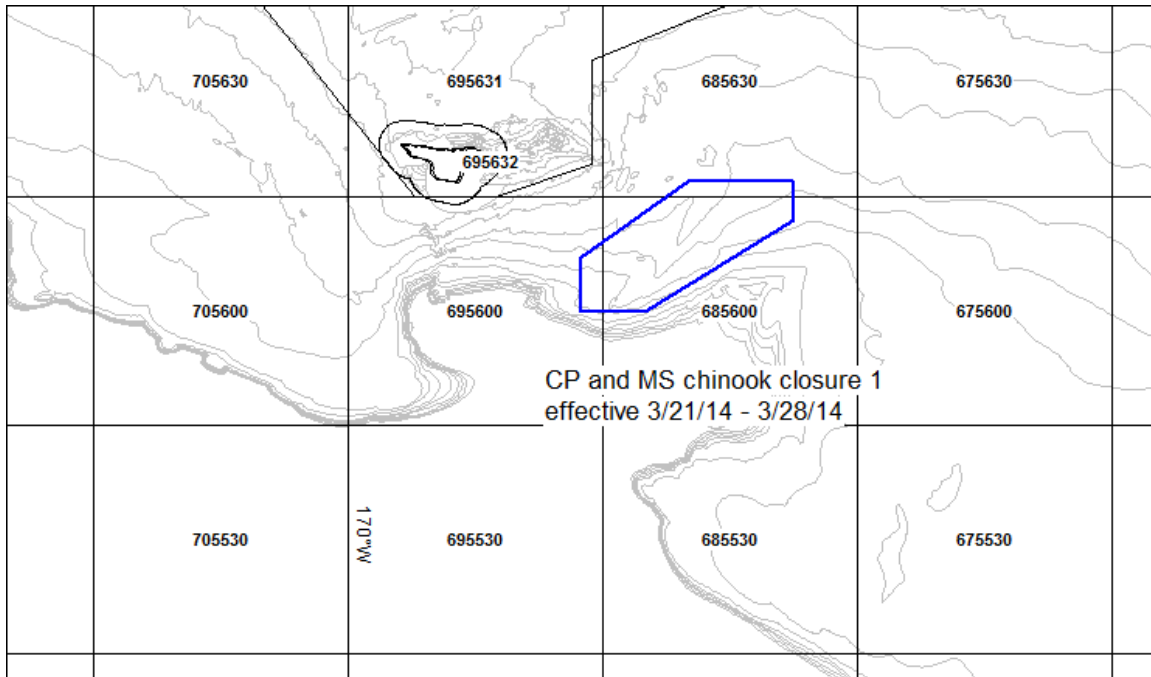
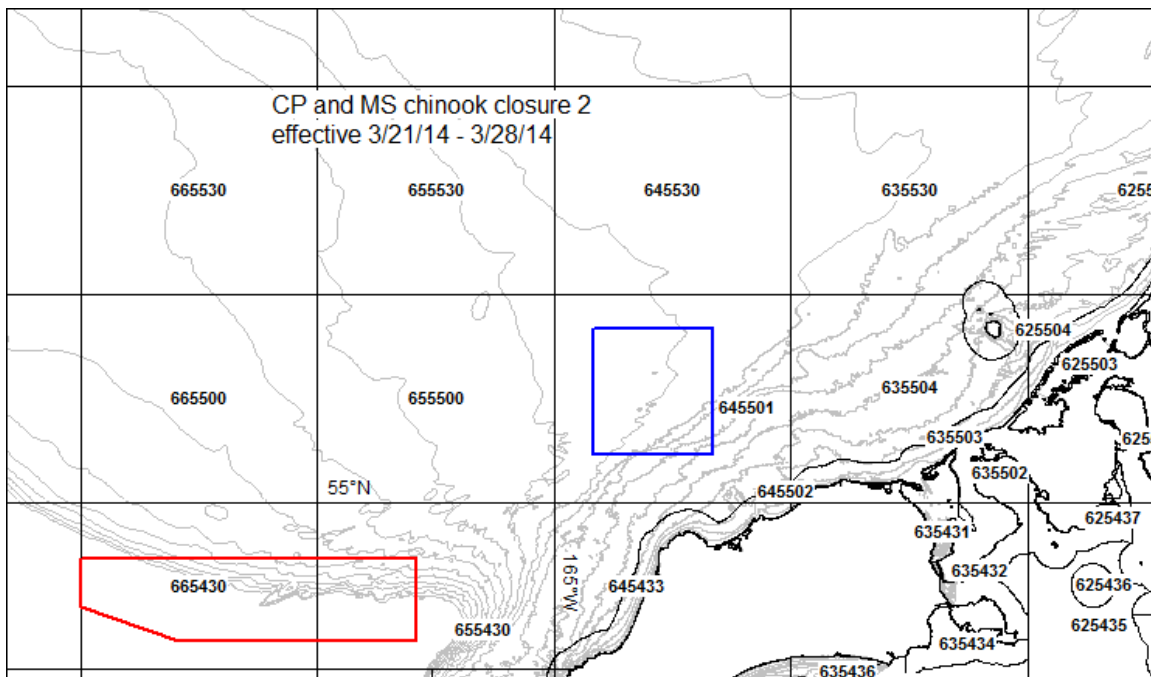


Figure A1-3. A season Bycatch Avoidance Area closures, effective 3/21/2014 to 3/28/2014.

Map of closure 1, offshore sectors



Offshore closure 2



Appendix 2 – Third-Party Audit of RHC Program and MSSIP Rules

[Attached]

**MSSIP AUDIT,
MOTHERSHIP FLEET COOPERATIVE,
BERING SEA POLLOCK FISHERY, 2014**

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Background

The Mothership Sector of the Bering Sea / Aleutian Islands Pollock Fishery has agreed to follow the rules set up in the Mothership Salmon Savings Incentive Plan Agreement (MSSIP). This agreement includes the provision that “knowledgeable and competent third-parties” will “conduct compliance audits of the MSSIP rules and the Rolling Hotspot Closure program.” The following report briefly describes the results of the compliance audit conducted by ABR, Inc.—Environmental Research and Services (hereafter, ABR) for the Mothership Fleet Cooperative (MFC).

Rolling Hotspot Closure Program

Audit Methods

All vessels participating in the pollock fishery, including those in the MFC, have fisheries observers which provide haul deployment and retrieval times, catch, and bycatch weights for pollock and Chinook salmon. In addition, vessels are equipped with Vessel Monitoring System (VMS) units, which transmit vessel locations periodically during the fishing seasons.

We received observed haul data, processed VMS locations, and closure documents from the Rolling Hotspot Closure (RHC) Manager. Haul data and VMS locations were derived from raw data obtained from the National Marine Fisheries Service. Closure polygons and Fleet-level closure dates were generated from the closure documents. To assess compliance with the RHC program, we examined the geospatial and temporal relationship between VMS locations, observed hauls, Vessel / Fleet assignments, and closure polygons. Intersections between closures (spatially, temporally, and according to Fleet membership) and VMS locations would indicate vessels fishing in a hotspot closure (or Chinook Conservation Area for all “A” season locations), and would constitute a violation of the RHC program.

To the extent possible, we also examined the RHC Manager’s calculations of rates and performance benchmarks, and the implementation of Bycatch Avoidance Areas.

Results and Discussion

For the “A” season we compared VMS locations during observed fishing activity against the Chinook Conservation Area and found no violations of the closure (Figure 1). Because this wasn’t a rolling closure, it falls under Rule 16 of the MSSIP, rather than Rule 15 (RHC program), but the analysis is similar so we report the results here.

We repeated this analysis for the three other “A” season closures identified in the documents from the RHC Manager and found no violations. There were no locations found where a vessel was fishing inside a closure while the closure was in effect regardless of fleet. Figures 2–4 show the closures and vessel locations where all members of the fleet subject to the closure were fishing.

There were no “B” season closures in 2014 due to low Chinook salmon bycatch encounters.

Mothership Salmon Savings Incentive Plan Agreement Rules

Audit Methods

We used 2014 MFC pollock allocation percentages, Vessel / Fleet Assignments, Mothership MSSIP Transfer Request forms (of which there were none), salmon bycatch data from the RHC Manager, and 2011–2012 credit data from previous audits of the MSSIP Agreement to assess compliance with MSSIP Agreement rules.

Results and Discussion

We performed per-Vessel and per-Fleet calculations of Available Cap (Rule 1), Management Buffer Adjustment (2), Aggregation of Available Cap (3), Chinook Salmon Bycatch (4), Salmon Savings Credits (5), and Disaggregation of Remaining Available Cap (7) and concluded that these rules were applied appropriately. There was also a Change of Platform (11) done in accordance with the MSSIP Rules.

Rules 8, 9, 10, 12, and 13 did not occur or didn't apply in 2014, and the remaining rules required no calculations (6), or are already part of this report (15 through 18).

Rule 14 established a set of best management practices, including a provision for annual review of the previous year's performance. As Rule 14 was implemented mid-2014, the first annual management review was scheduled for 2015, and is expected to be part of the 2015 audit.

Conclusions

ABR concludes that, based on the data available, 1) there were no violations of the Chinook Salmon Conservation Area, nor of the closures established as part of the Rolling Hostspot Closure Program, and 2) the rules established in the Mothership Salmon Savings Incentive Plan Agreement were followed, and Salmon Savings Credits were calculated in accordance with the Plan rules. We did not consider data sources beyond the Mothership Fleet Cooperative and the RHC Manager, but the concordance of the data between these sources supports the use of this information and our conclusion.

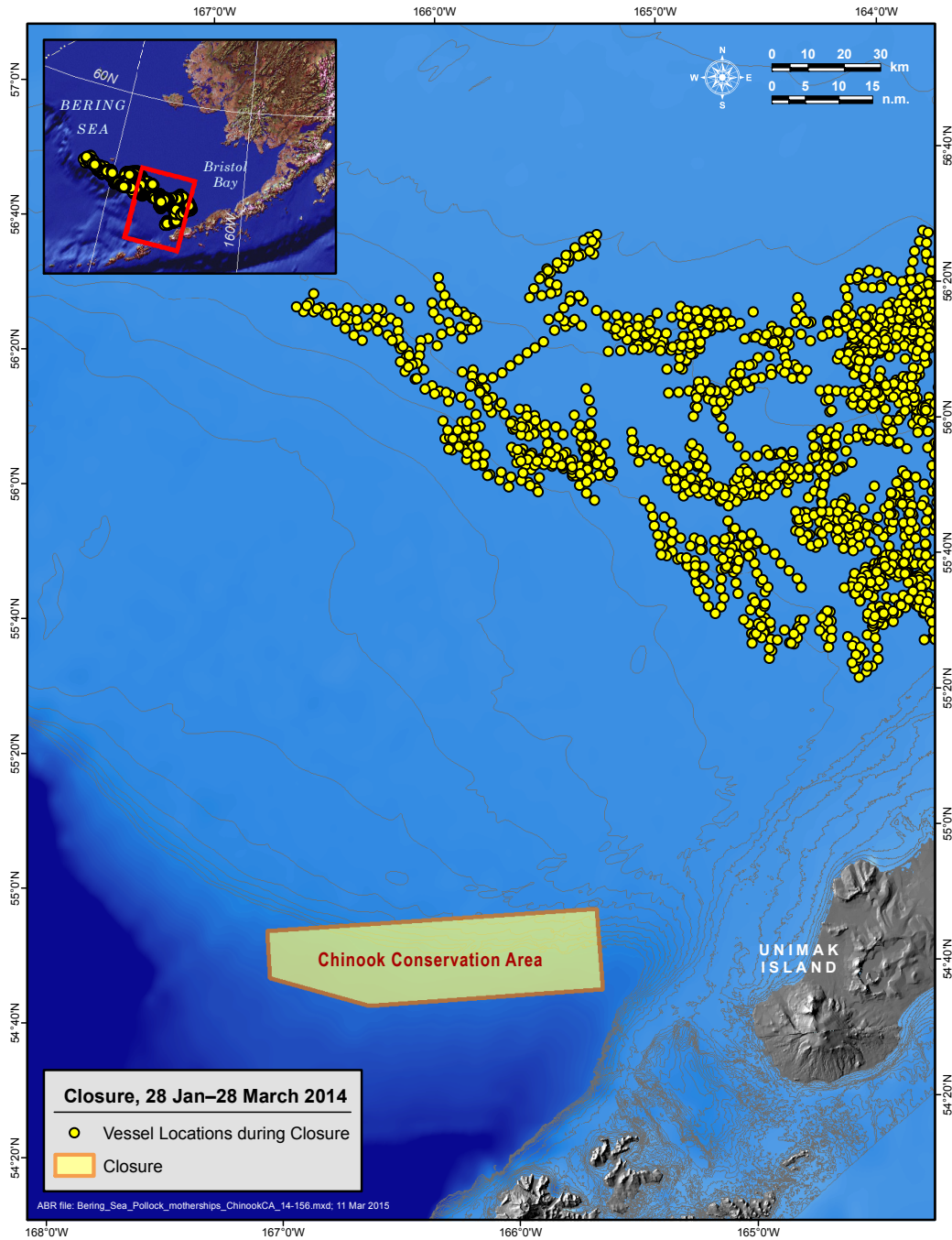


Figure 1. Chinook Salmon Conservation Area, “A” Season closure, and vessel locations when fishing, Bering Sea, Alaska, 28 January–28 March 2014.

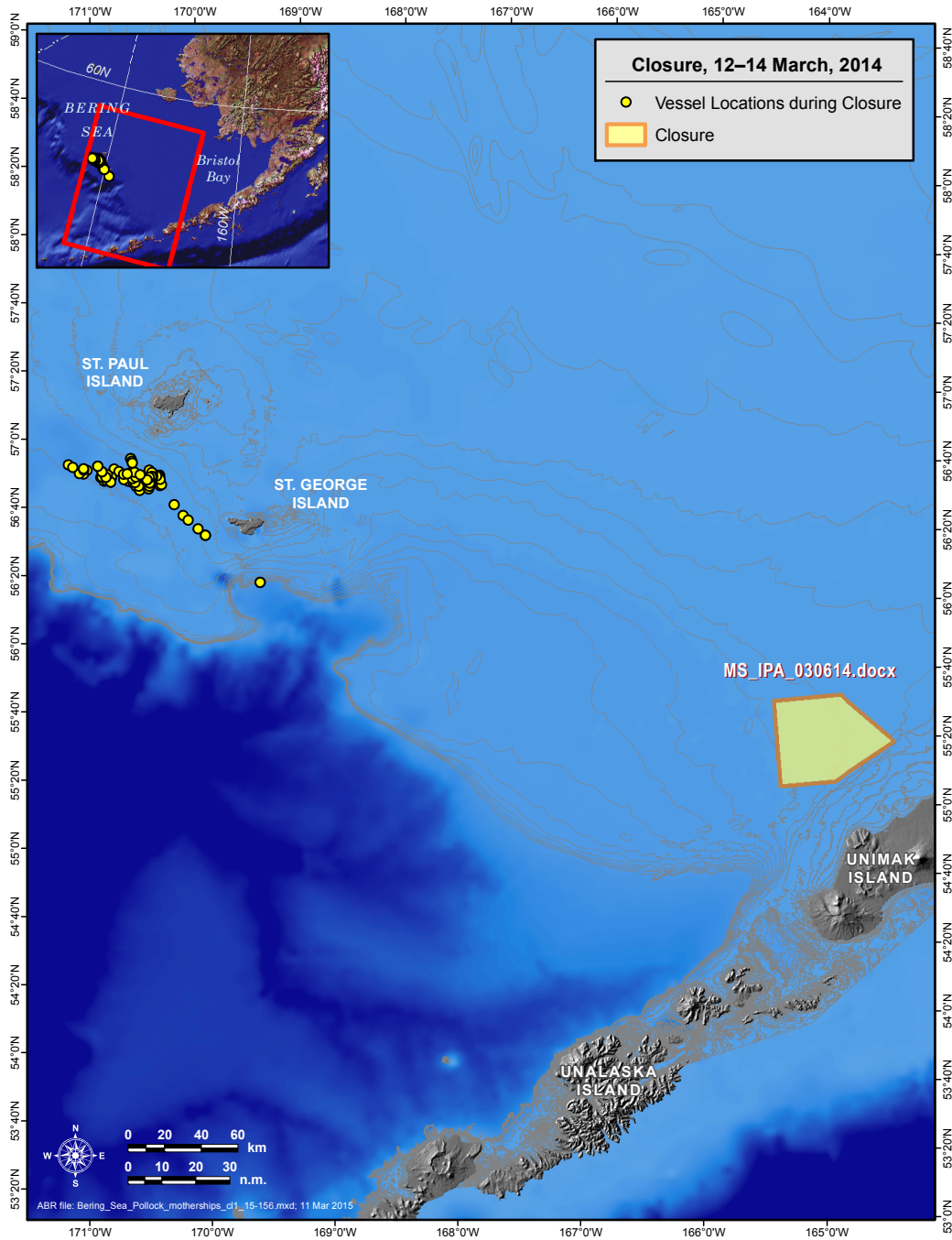


Figure 2. Rolling Hot Spot closure (MS_IPA_030614), and vessel locations when fishing during closure, Bering Sea, Alaska, March 12–March 20 2014.

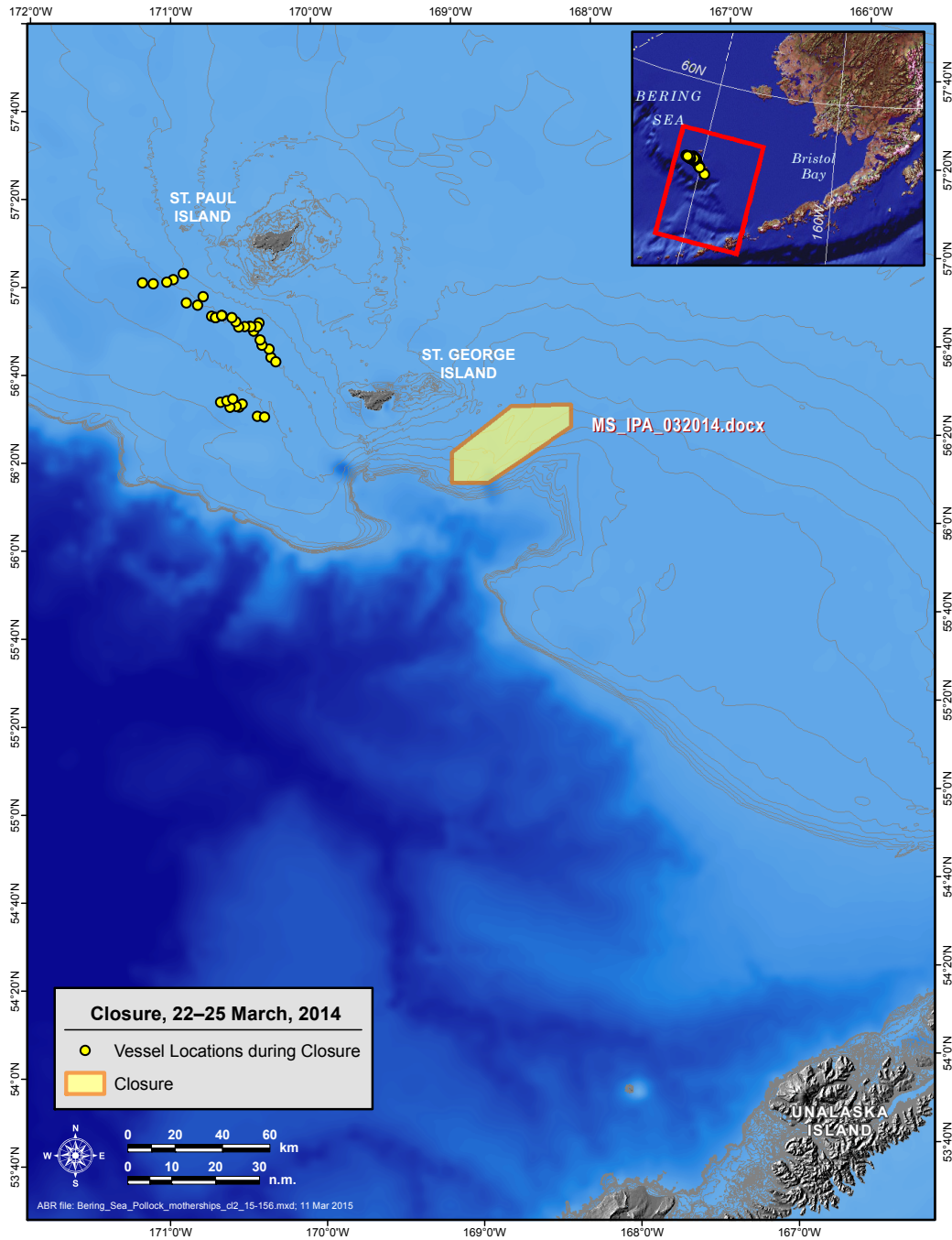


Figure 3. Rolling Hot Spot closure (MS_IPA_032014), and vessel locations when fishing during closure, Bering Sea, Alaska, March 22–March 25 2014.

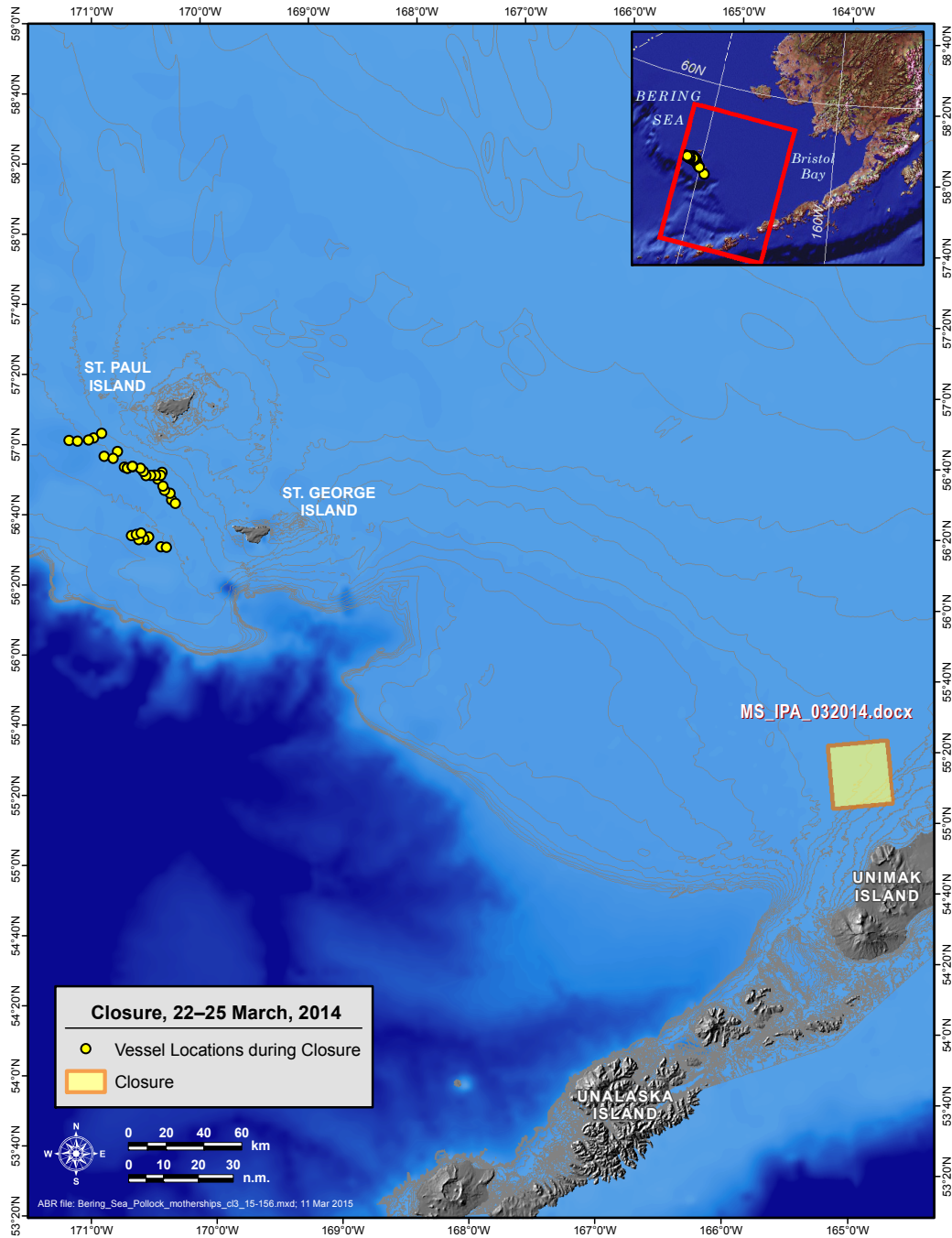


Figure 4. Rolling Hot Spot closure (MS_IPA_032014, second closure), and vessel locations when fishing during closure, Bering Sea, Alaska, March 22–March 25 2014.