BSAI PACIFIC COD TRAWL CV COOPERATIVE PROGRAM

INITIAL REVIEW

ROADMAP FOR PRESENTATION

- Brief history of action thus far
- Summary of strawman alternatives and background section
- A focused and detailed overview of the Elements and Options Section
  - Including highlighting issues and staff assumptions needing Council direction and clarification (Table 2-2 on page 47)
- Brief overview of Effects Section
- Brief overview of EA

HISTORY OF ACTION

- Feb 2019 – initiated a BSAI Pacific cod trawl CV cooperative program to address numerous concerns being encountered in the BSAI cod fishery
  - Council developed purpose and need statement, a control date of Feb 7, 2019, and tasked staff to develop a scoping paper that considers methods to rationalize the BSAI cod trawl CV fishery
- At the Oct 2019 meeting, the scoping was presented, after which the Council revised the purpose and need statement (page 35) and proposed alternatives, elements and options for the trawl CV catch share program (page 38)
- Preliminary review was scheduled for June 2020 to provide clarification and adjustments to the elements and options
- Due to a curtailed June 2020 agenda, review of the preliminary analysis was rescheduled to December 2020
- With additional time, staff, using their best judgement on issues needing clarification, prepared an initial review to include review of two staff prepared strawman alternatives
- Given the analysis needs further clarification to complete a fully developed initial review, a second initial review is likely necessary for the Council

SUMMARY OF STRAWMAN ALTERNATIVES

- Alternative 2a: Two-cooperative model (AFA and non-AFA)
  - Use 2014-2019 target catch with no drop for allocation (Option 2.2.1)
  - Only allocate A and B season, C-season would remain unallocated (Element 2.5)
  - Cooperatives would not receive a specific halibut or crab PSC apportionment (Option 3.1)
  - Allocate 15% of harvest shares to processors (Option 5.3.3)
  - 25% set-aside of BSAI A-season harvest for delivery to AI shoreplants (Option 6.1)
  - 5% harvester ownership and use cap (Option 8.1.1) with grandfather provision (Suboption 8.1.1.1)
  - 5% vessel use cap
  - 25% processor ownership and use cap (Element 8.3) with grandfather provision (Suboption 8.3.1.1)
  - 20% processing facility cap (Element 8.4) with grandfather provision based on 2014-2019 history (Option 8.4.1)
  - No gear conversion (Element 14)

SUMMARY OF STRAWMAN ALTERNATIVES

- Alternative 2b: Multiple cooperative model
  - Use 2004-2019 target catch with drop 2 years for allocation (Option 2.2.3)
  - Allocate A, B and C season (Element 2.5)
  - Halibut would be apportioned to the trawl CV sector for Pacific cod fishery based on 2004 -2019 average halibut PSC usage (Suboption 3.1.1)
  - No allocation of harvest shares to processors (Element 5.3)
  - Allocation the lesser 5,000 mt or 5.5% of BSAI trawl CV allocate to AI shoreplants (Option 6.2)
  - 2% harvester ownership and use cap (Option 8.1.1) with grandfather provision (Suboption 8.1.1.1)
  - 2% vessel use cap
  - 10% processor ownership and use cap (Element 8.3) with grandfather provision (Suboption 8.3.1.1)
  - 10% processing facility cap (Element 8.4) with grandfather provision based on 2014-2019 history (Option 8.4.1)
  - Gear conversion included (Element 14)

DESCRIPTION OF FISHERIES

- This section provides the necessary background information for the RIR
  - Section includes the following background information:
    - Description of management of the BSAI Pacific cod fishery (Section 2.6.1 starting on page 50)
    - Reallocations among gear types (Section 2.6.2 starting on page 54
    - Overview of License Limitation Program (Section 2.6.3 starting on page 55)
    - Overview of State water GHL fisheries (Section 2.6.4 starting on page 56)
    - Overview of AI Pacific cod set-aside for AI shoreside processors (Section 2.6.5 starting on page 60)
    - Affected sectors (Section 2.6.6 starting on page 63)
    - Product composition and flow of Pacific cod (Section 2.6.7 starting on page 88)
    - Community information (Section 2.6.8 starting on page 90)

ANALYSIS OF ELEMENTS AND OPTIONS

- This section includes a detailed analysis of the elements and options
- Table 2-2 on starting on page 47 provides a summary of issues needing Council clarifications and concurrence of staff assumptions
  - As staff walks through the elements and options analysis, text in the slides will be bolded and/or staff will point out those issues needing clarification

ELEMENT 1 – COOPERATIVE STYLE

- Option 1.1 – Two cooperative model: AFA and non-AFA
  - Formation is based on 80% of the total eligible catch history assigned to the eligible license
    - **Motion specific to catch history and not QS, so staff assumption is that any QS assigned to processors (E5.3) would not be included in the 80% calculation (footnote 48 on page 125).**
      - **If not correct, then need further direction from Council on how to treat QS assigned to processors**
        - **Options: 1) QS assigned to AFA or non-AFA processor determines appropriate cooperative 2) based how the processor assigns the QS to the cooperative determines appropriate cooperative**
  - Eligible license holders that do not join a cooperative, could fish in limited access based on assigned QS
    - Suboption includes a PSC reduction of 25%-40%
      - **There could be a disconnect between the PSC reduction and how PSC is apportioned to the trawl CV sector within Element 3**

ELEMENT 1 – COOPERATIVE STYLE

- Option 1.1 – Two cooperative model: AFA and non-AFA
  - This option is vessel based but the PCTC program is LLP based, so coop formation may not be as clean
  - **LLP licenses that originate from AFA vessels can only authorize AFA CVs**
  - **But LLP licenses that originate from non-AFA vessels can authorize AFA CVs**
  - There are least three approaches in determining AFA and non-AFA LLP licenses
    - Annually assign licenses and its QS to cooperative based on vessel authorized (default approach)
    - Apply a permanent endorsement to license at the time of implementation of program based on the vessel authorized
    - Apply a permanent endorsement on license based on the vessel that originate the license

ELEMENT 1 – COOPERATIVE STYLE

- Option 1.1 – Two cooperative model: AFA and non-AFA
  - Table 2-56 (page 128) provides # of qualified licenses, total qualifying catch history, 80% of total qualifying history, and 80% of QS converted to 2020

Options	Qualifying year/drop year suboptions	Total number of qualified LLP licenses	Trawl CV sector	Number of qualified LLP licenses by AFA/non-AFA vessel	Total qualifying history by AFA/non-AFA vessel (mt)	80% of total qualifying history by AFA/non-AFA vessel (mt)	80% converted to 2020 TAC by AFA/non-AFA vessel (mt)
Option 2.2.1 (with C-season)	2014-2019 (no drop)	86	AFA	68	27,407	21,925	21,805
			Non-AFA	15	6,573	5,258	5,230
	2014-2019 (drop 1)		AFA	68	31,268	25,015	21,747
			Non-AFA	15	7,603	6,083	5,288
	2014-2019 (drop 2)		AFA	68	35,579	28,463	21,681
			Non-AFA	15	8,786	7,029	5,354

ELEMENT 1 – COOPERATIVE STYLE

- Option 1.2 – Voluntary harvester cooperative with processor association
- Includes two options for cooperative formation: 1) no limitation on numbers of LLP licenses or % of catch history; 2) 3 eligible LLP licenses (Suboption 1.2.1)
- Harvesters have unlimited discretion to choose any cooperative and may freely move among cooperatives annually
- Association with a licensed processor
  - License processor includes: shoreside, stationary floating processor, mothership, and C/Ps acting as mothership (which could be limited to those authorized to act as mothership in the BSAI trawl CV cod fishery)
    - **Language in Option 1.2 only cites FFP (licensed processor) which is required and applicable for C/Ps and motherships**
    - **Shoreside and stationary floaters, however, require FPP (Federal Processor Permit)**
    - **Motion should be revised to include FPP also**

ELEMENT 1 – COOPERATIVE STYLE

- Option 1.2 – Voluntary harvester cooperative with processor association
  - Suboption 1.2.1 requires 3 LLP license holders to form cooperative
    - It is assumed a holder is the licensee name on the most recent LLP license via RAM file
    - 1 person can hold multiple LLP licenses and license could have a different licensee name
      - In other words, a single person can hold 3 licenses with 3 different licensee names, thus permitting the formation of cooperative
      - **If Council intent is a minimum of 3 unique holders, Council may want to apply the "10 percent ownership threshold rule"**
      - For example, using license holder addresses as a proxy:
        - 2014-2019 = 31 unique addresses of the 86 eligible licenses
        - 2009-2019 = 33 unique addresses of the 93 eligible licenses
        - 2004-2019 = 35 unique addresses of the 108 eligible licenses
        - Using the addresses as a proxy and 10% rule would result in between 10-11 cooperatives

ELEMENT 1 – COOPERATIVE STYLE SYSTEMS

- Option 1.2 – Voluntary harvester cooperative with processor association
  - Given the number of potential cooperatives, the complexity of monitoring requirements by NOAA Fisheries will likely increase under this option
    - Sideboards, allocations of harvest shares to processors, transferability, and gear conversion options under consideration will add to management and monitoring burden
    - Increases in management, enforcement, and data collects is subject to cost recovery (Element 13)
  - Suboption 1.2.2 Inter-cooperative formation
    - Applicable to both Options 1.1 and 1.2 would allow civil contract to define how cooperatives would work together
    - Similar inter-cooperative agreement for BS pollock cooperatives under AFA
    - Shifts a large portion of the administrative and monitoring obligations to the cooperatives with agency oversight.

ELEMENT 2 – ALLOCATION TO LLP LICENSES

- Control date clarification – Feb 2019 included control date of Feb 7, 2019 but Oct 2019 motion did not include that control date
- Element 2.1 and 2.2
  - Element 2.1 addresses LLP license eligibility and Element 2.2 provides 3 different sets of years for eligibility
    - Eligibility is any LLP license that authorized that vessel's legal landings of targeted trawl CV BSAI Pacific cod during qualifying years
    - Targeted cod catch history during qualifying years would be assigned to the LLP license as QS
    - Trawl CV that hold valid LLP license to use trawl gear in the BSAI but have no QS, they could still harvest cod as incidental catch in other fisheries but could not target cod in the BSAI.
    - **Its assumed that holders of trawl CV LLP licenses without QS, could join a cooperative and lease CQ from other members unless Council intends to prohibit that activity**

ELEMENT 2 – ALLOCATION TO LLP LICENSES

- Table 2-57, 2-58, & 2-59 on pages 137-139 (the column titles have been revised to better reflect information presented)

Options	Qualifying year/drop year suboptions	Qualifying licenses	Quintile grouping by annual average qualifying landings (mt)	Number of qualified LLPs	Aggregated annual average qualifying landings (mt)	Aggregated annual averge as a percent of total qualifying landings	Average annual allocation per qualifying LLP license	Average allocation using 2019 trawl CV sector apportionment (mt)
Option 2.2.1 (with C-season)	2014-2019 (no drop)	86	0-250	34	3,502	10%	0.30%	106
			250-500	26	10,089	29%	1.12%	401
			500-750	13	8,246	24%	1.84%	655
			750-1,000	7	6,254	18%	2.59%	923
			>1,000	6	6,432	19%	3.11%	1,107
	2014-2019 (drop 1)		0-250	31	3,372	9%	0.28%	98
			250-500	19	7,228	18%	0.96%	343
			500-750	19	11,340	29%	1.51%	539
			750-1,000	9	8,085	20%	2.27%	811
			>1,000	8	9,498	24%	3.00%	1,071
	2014-2019 (drop 2)		0-250	26	2,780	6%	0.24%	84
			250-500	19	7,292	16%	0.85%	303
			500-750	19	11,714	26%	1.36%	487
			750-1,000	8	6,383	14%	1.77%	630
			>1,000	14	17,011	38%	2.69%	959

ELEMENT 2 – ALLOCATION TO LLP LICENSES

- Option 2.2.4 - Blend Allocation
  - Option intended to address BSAI cod AFA sideboard leases within AFA cooperatives via civil contracts
  - Would apply to those eligible LLP licenses affiliated with AFA vessels restricted by BSAI cod sideboard limits
  - Blend option would not be applied to AFA sideboard exempt vessels and non-AFA vessels
  - LLP licenses would be allocated a portion of the trawl CVs QS using a blend of AFA 1997 sideboard history and target cod during the qualifying years Options 2.2.1 -2.2.3
    - Blending uses either 50/50, 80/20, and 20/80 ratio
- 1997 sideboard history is vessel based therefore blending processes not straight forward
  - 3 different distinct points in time to blend the LLP license's catch history from 1997 with LLP license's catch history from Options 2.2.1-2.2.3
    - 1. Blending LLP license catch history at the time of landing (blend the QS assigned to the LLP license that authorized the sideboarded vessel when it reports a targeted cod landing)
    - 2. Blending LLP license catch history at time of final implementation (blend the QS assigned to the LLP license that authorizes the sideboarded vessel at time of implementation)
    - 3. Blending the LLP license that was initially issued based on the activity of sideboarded vessel (use the LLP license that was generated from the sideboarded vessel harvest activity)
    - **Staff blended LLP license catch history based on sideboarded vessel currently authorized as proxy for final implementation since it appears as the cleanest and most transparent approach**

ELEMENT 2 – ALLOCATION TO LLP LICENSES

- Option 2.2.4 - Blend allocation
  - Tables 2-61 thru 2-63 starting on pages 142 show total number of qualified LLP licenses and distribution of qualified catch history at the quintile level
  - Only developed data tables with all three seasons included

Options	Qualifying year/drop year suboptions	Qualifying licenses	Quintile grouping by annual average qualifying landings (mt)	Number of qualified LLPs	Aggregated annual average qualifying landings (mt)	Aggregated annual averge as a percent of total qualifying landings	Average annual allocation per qualifying LLP license	Average allocation using 2019 trawl CV sector apportionment (mt)
Option 2.2.1 (with C-season) **50%SB/50%QS blend**	2014-2019 (no drop)	119	0-250	70	7,601	20%	0.29%	102
			250-500	27	10,890	29%	1.06%	379
			500-750	13	7,788	21%	1.58%	563
			750-1000	4	3,540	9%	2.33%	831
			>1000	5	8,142	21%	4.29%	1,530
	2014-2019 (drop 1)		0-250	61	6,104	14%	0.23%	82
			250-500	28	11,027	25%	0.91%	324
			500-750	18	10,726	25%	1.37%	490
			750-1000	5	4,262	10%	1.97%	701
			>1000	7	11,249	26%	3.71%	1,321
	2014-2019 (drop 2)		0-250	54	5,255	11%	0.20%	70
			250-500	27	10,484	21%	0.79%	280
			500-750	21	12,441	25%	1.20%	428
			750-1000	8	6,547	13%	1.66%	591
			>1000	9	14,687	30%	3.30%	1,178

ELEMENT 2 – ALLOCATION TO LLP LICENSES

- Blending qualifies more licenses due to use of 97 catch history
  - Table 2-64 (page 145) shows license count by blended and non-blended groupings

Option	Blended catch history			Non-blended catch history		Total LLP qualified licenses
	Total number of LLP licenses with blended catch history	Number of additional LLP licenses from 1997 sideboard history	Number of existing LLP licenses that qualify under the non-blend option	Number of sideboard exempt LLP licenses	Number of non-AFA LLP licenses	
2014-2019 (no drop) 2014-2019 (drop1) 2014-2019 (drop2)	90	33	57	14	15	119
2009-2019 (no drop) 2009-2019 (drop1) 2009-2019 (drop2)	93	31	62	15	16	124
2004-2019 (no drop) 2004-2019 (drop1) 2004-2019 (drop2)	95	20	75	15	18	128

ELEMENT 2 – ALLOCATION TO LLP

- Table 2-65 (page 145) shows % of catch history by blended and non-blended groupings
- Example - blending 2014-2019 qualifying history with 1997 sideboard catch history using 80% sideboard history/20% 2014-2019 qualifying history yields:
  - 33 additional LLP licenses receiving 16% of the blended history even though these 33 licenses do not have 2014-2019 history
  - 57 licenses that qualify under 2014-2019 years would receive 38% of blended history instead of the 54% without a blend option

Option	Blended catch history using 20%SB/80%QS			Blended catch history using 80%SB/20%QS			Blended catch history using 50%SB/50%QS			Non-blended catch history	
	Blended total as a % of total catch history	% of total catch history for additional LLP licenses from 1997 sideboard history	% of total for existing LLP licenses that qualify under the non-blend option	Blended total as a % of total catch history	% of total catch history for additional LLP licenses from 1997 sideboard history	% of total for existing LLP licenses that qualify under the non-blend option	Blended total as a % of total catch history	% of total catch history for additional LLP licenses from 1997 sideboard history	% of total for existing LLP licenses that qualify under the non-blend option	% of total for exempt LLP licenses	% of total for non-AFA LLP licenses
2014-2019 (no drop)	54%	4%	50%	54%	16%	38%	54%	10%	44%	20%	26%
2014-2019 (drop1)	54%	4%	49%	54%	16%	38%	54%	10%	44%	21%	26%
2014-2019 (drop2)	53%	4%	49%	53%	16%	38%	53%	10%	43%	21%	26%
2009-2019 (no drop)	51%	4%	47%	51%	14%	37%	51%	9%	42%	22%	27%
2009-2019 (drop1)	51%	4%	47%	51%	14%	37%	51%	9%	42%	22%	27%
2009-2019 (drop2)	51%	4%	47%	51%	14%	37%	51%	9%	42%	22%	27%
2004-2019 (no drop)	54%	3%	51%	54%	8%	46%	54%	6%	48%	21%	25%
2004-2019 (drop1)	54%	3%	51%	54%	8%	46%	54%	6%	48%	21%	25%
2004-2019 (drop2)	54%	3%	51%	54%	8%	46%	54%	6%	48%	21%	25%

ELEMENT 2 – ALLOCATION TO LLP LICENSES

- Blend allocation (Option 2.2.4)
  - If Council moves forward with Option 2.2.4, it will need to specify that LLP license that would receive catch history due entirely from 1997 sideboard history would qualify for QS
    - Language for Element 2.1 would need modification. See Table 2-2 on page 47

ELEMENT 2 – ALLOCATION TO LLP LICENSES

- **Reported catch without an LLP license**
  - **Review of CAS data indicates there is reported catch by vessels that do not have an LLP license listed**
    - Table 2-66 (page 146) reports retained catch by vessels without an LLP license listed
    - Most of the catch is from AI for vessels without an AI endorsed LLP license, but did have a transferrable AI trawl endorsement for use on non-AFA trawl CV less than 60' LLP license
    - Options for addressing issue:
      - 1. QS could be issued to the LLP license currently assigned to the harvesting vessel and the LLP license holder would be required to have a BS or AI trawl endorsement on that license or have an AI transferable endorsement to fish the QS in the AI
      - 2. The QS could be attached to the transferable endorsement that allowed the legal harvest of cod, which increase the value of those transferable permits
      - If history is not assigned to those transferable permits, the endorsements will no longer have any value other than allow vessels without a trawl endorsed license to catch CQ in the AI when they could not otherwise
      - If history is attached to endorsement, then the holder of the endorsement could assign it to the cooperative and fish it on any size vessel
    - Remaining unassigned catch will likely need to be address during initial allocation

ELEMENT 2 – ALLOCATION TO LLP LICENSES

- Element 2.3 addresses stacking of multiple eligible LLP licenses on a vessel
  - Option 2.3.1 would divide catch history equally between licenses
  - Option 2.3.2 owner of the vessel that made the catch would assign the catch between licenses
  - Table 2-67 (page 148) shows the trawl CVs with multiple LLP licenses by area endorsement

Vessel	Total LLP licenses on vessel	BS trawl endorsements		AI trawl endorsement	
		No	Yes	No	Yes
1	4		4	2	2
2	3		3	2	1
3	2	1	1		2
4	2		2	2	
5	2		2	2	
6	2		2		2
7	2		2	1	1
8	2		2	2	
9	2		2		2

Source: AKFIN, April 2020

Table orginates from Excel file BSAI_PCOD_Stacked(4-8-20)

ELEMENT 2 – ALLOCATION TO LLP LICENSES

- Element 2.4 - provides direction that each license will be issued BSAI cod CQ based on its share of the BSAI cod QS and CQ would not be designed at the seasonal or subarea level
  - Cooperatives would be required to ensure they do not exceed the annual BSAI allocation limits and do not exceed the seasonal limits (A-season 74%, B-season 11%, and C-season 15%)
  - In Oct 2019, Council requested analysis include impacts of adjusting seasonal harvest percentages on SSL
    - The information in this Section 3.5 is also reflected in EA
    - Any seasonal adjustment would require consideration of SSL protection measures and require consultation under section 7 of the ESA
      - If changes in season percentages results in no change in temporal fishing patterns, likely no effect to the prey availability
      - If changes do result in temporal fishing patterns, could result in adverse effects on SSL
        - When combined with cooperative style fishing and changes in seasonal percentages that result in greater effort in winter cod fishery, higher potential for adverse impacts on SSL
    - The same pattern applies to changes in spatial harvest concentration
    - Overall cooperative program would likely lengthen the winter cod fishery, but most of the trawl CV fishing effort will continue to occur during A-season which is when cod aggregate during spawning

ELEMENT 2 – ALLOCATION TO LLP LICENSES

- Element 2.5 would only allocate A-season and B-season QS, leaving C-season (15%) as a limited access fishery
  - C-season would continue to be managed as is currently by NMFS
    - C-season TAC and A-season and B-season ICAs that NMFS projects to go unused are subject to reallocation to other sectors
    - **If the Council intends to include unused A-season and B-season CQ in the limited access C-season fishery, Council will need to modify motion to accommodate this intent**
  - An impact of managing the 15% C-season as limited access fishery relative to allocating C-season to cooperatives is the potential for inseason reallocation to other sectors, primarily the <60' HAL/pot CV sector

ELEMENT 2 – ALLOCATION TO LLP LICENSES

- Element 2.6 addresses management of groundfish species not allocated
  - Clarifies that groundfish bycatch in the Pacific cod fishery and Pacific cod bycatch in other groundfish fisheries will rely on traditional bycatch tools to include ICAs and MRAs
    - NMFS would establish an ICA that would be deducted prior to CQ distribution to cooperatives
      - ICA would be based on intrinsic cod bycatch rates in other BSAI trawl CV fisheries, TACs of cod and other groundfish, and whether it is a harvest specification ICA or an inseason ICA
      - Given that incidental catch of cod would be accounted for by qualified LLP licenses outside the cooperative, there is some potential that cooperative vessels could intentionally top off on incidental cod while fishing in other fisheries
      - If incidental catch of cod increases by cooperative vessels, NMFS would likely raise the ICA which would reduce allocation to all cooperatives
      - Overall, other than cod, there appears to be limited opportunities for strategically target incidental catch species

ELEMENT 3 – PROHIBITED SPECIES CATCH

- Element 3 addresses apportionment of PSC to the trawl CV sector
  - Provides two different approaches for apportioning PSC limits
  - Currently halibut PSC for the BSAI trawl limited access sector (trawl CV and AFA C/P) is 745 mt
  - Crab PSC is also apportioned to the trawl limited access sector (trawl CV and AFA C/P sectors)
  - Typically, in other Council developed catch share programs, PSC along with target species are apportioned at the cooperative level
  - If the Council utilizes only Option 3.1 without including Suboption 3.1.1, NMFS cannot apportion halibut or crab PSC at the individual cooperative level (Element 9) because both trawl CV and AFA C/P sectors share the trawl limited access limits
    - Option 3.1 would rely on the sectors to negotiate via an intercooperative agreement, which could provide some flexibility as the cod TAC and PSC changes
      - Holders of eligible LLP licenses that stay in the limited access fishery instead of joining a cooperative (Option 1.1) would fall outside the intercooperative agreement and would not be held accountable for high PSC usage
        - Could in extreme cases result in prematurely PSC closure

ELEMENT 3 – PROHIBITED SPECIES LIMITS

- Suboption 3.1.1 – would apportion halibut PSC between trawl CV sector and the AFA C/P sector
  - **Suboption is silent on the years used to define historic use so staff used qualifying years from Element 2, Options 2.2.1-2.2.3**
  - Staff utilized average annual PSC usage
  - Cooperative program is expected to reduce halibut PSC usage
- **Crab PSC would remain as a combined apportionment**

ELEMENT 3 – PROHIBITED SPECIES CATCH LIMITS

- Table 2-76 on page 162 provides percent of halibut PSC usage for each sector during the 3 qualifying years

Qualifying years	Trawl CV halibut PSC limit		AFA C/P halibut PSC limit	
	Historical percentage	Sector halibut PSC apportionment based on 391 halibut limit	Historical percentage	Sector halibut PSC apportionment based on 391 halibut limit
Option 2.2.1 (2014-2019)	96%	377	4%	14
Option 2.2.2 (2009-2019)	98%	382	2%	9
Option 2.2.3 (2004-1019)	97%	379	3%	12

- This approach would likely provide sufficient halibut PSC for both sectors
  - Using this apportionment approach would have limited the trawl CV sector in 2012, while the AFA C/P would have been constrained in 2017

ELEMENT 3 – PROHIBITED SPECIES CATCH LIMITS

- Option 3.2 – would reduce halibut and crab PSC apportionment by 10% to 25% for the trawl CV sector for use in the BSAI cod fishery
  - At a 10% reduction, a 391 mt trawl limited access apportionment, would yield 339 mt – 344 mt
    - Would have constrained the trawl CV sector in 2012 and 2019
  - At a 25% reduction, at 391 mt trawl limited access apportionment, would yield 283 mt – 287 mt
    - Would have constrained the trawl CV sector in 2008, 2012, 2013, and 2019
  - If Option 3.2 is utilized, there is the potential for the trawl CV sector to negotiate higher halibut PSC limits for the cod fishery during harvest specifications
    - To reduce this potential, specific amounts could be utilized
      - Disadvantage is the inability for the halibut PSC limit to be adjusted based on BSAI cod

ELEMENT 4 – GOA SIDEBOARDS

- Provides direction on GOA sideboard limits for non-exempt AFA CVs, exempt AFA CVs, and non-AFA LLP licenses
- **Given the complexity of existing sideboards combined with new sideboards, it may be possible to simplify the sideboard structure under this program**
  - For example, one idea is that sideboard limits for pollock, Pacific cod, and halibut PSC may be sufficient protection for the GOA stakeholders that are not participants of this program. This is just one idea, there may be others.

ELEMENT 4 – GOA SIDEBOARDS

- Description of existing sideboards (pages 165-172)
  - **AFA Program**
    - Two types of AFA CVs: those that are sideboarded (non-exempt) and those that are exempt from sideboards
      - Those that are sideboard have groundfish limits and halibut PSC limits (Tables 2-78 & 2-79 on pages 167-168)
      - Table 2-80 on page 169 show sideboard species which directed fishing is prohibited
  - **Crab Program**
    - Council included sideboard limits for GOA groundfish for vessels and licenses with BS snow crab history that contributed to QS allocation
    - See Figure 2-8 on page 171 for an overview
  - **CGOA Rockfish Program**
    - Included GOA sideboard limits that apply to both LLP licenses and vessels with CGOA rockfish QS
    - Sideboards are effect from July 1 through July 31
    - Prohibited from fishing for the primary rockfish species in the WYAK and WGOA
    - Rockfish qualified CVs are also prohibited from directed fishing in any target fishery in the deep-water complex
    - Rockfish qualified CVs are limited to fishing species in the shallow-water complex during the month of July

ELEMENT 4 – GOA SIDEBOARDS

Option 4.1 – Non-exempt AFA CVs

- **Motion not specific to non-exempt AFA vessels, but staff assumed (based on Option 4.2)**
- Would limit PCTC eligible non-exempt AFA LLP licenses or vessels with sideboards in the GOA groundfish and halibut PSC based on their GOA catch history during the qualifying period (Options 2.2.1-2.2.3)
- Indicates that sideboard limits would apply to licenses or vessels, but not both
  - Most sideboard limits in cooperative programs limit both
  - **If the intent was to limit both LLP licenses and vessels, motion needs a slight modification**

ELEMENT 4 – GOA SIDEBOARDS

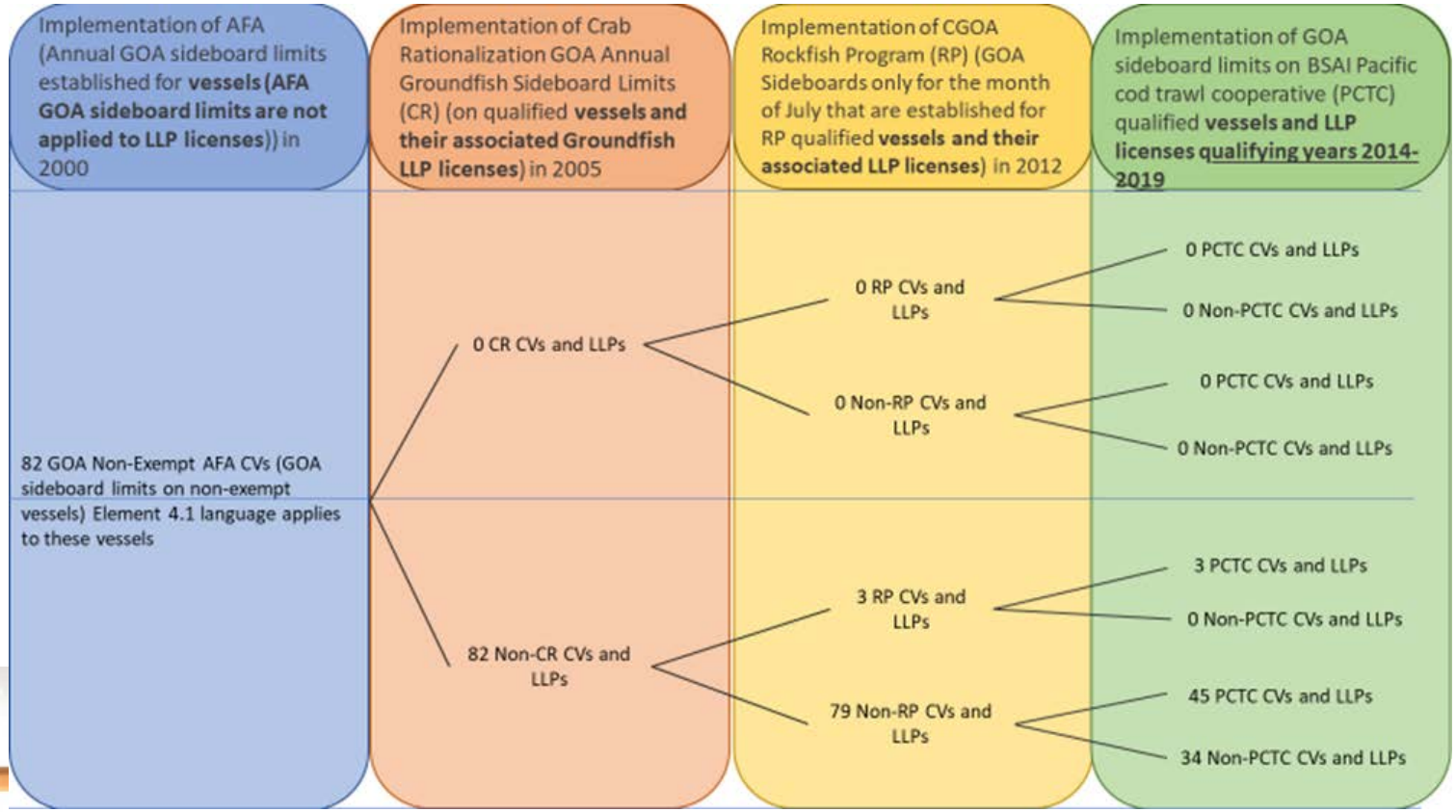
Option 4.1 - Non-exempt AFA sideboard limits

- Option would not include sideboard limits for CGOA Rockfish Program primary and secondary species for the 3 CGOA Rockfish Program qualified non-exempt AFA CVs that qualify for the PCTC Program while checked into the CGOA Rockfish Program
- **Excluding CGOA Rockfish Program fishing activity when calculating GOA sideboard limits could be calculated two ways**
  - Two of the three qualifying year options (2009-2019 and 2004-2019) used to calculate sideboard limits encompass the years during the Pilot Program and the 2012 Rockfish Program
  - Approaches include removing rockfish fishing activity for all 9 non-exempt AFA CVs or remove fishing activity for only the 4 non-exempt AFA CVs that qualified for the 2012 Rockfish Program
    - Staff opted to remove the fishing activity for all 9 non-exempt AFA CVs activity in the Rockfish Program from the GOA sideboard calculations for proposed Pacific cod Cooperative Program

ELEMENT 4 – GOA SIDEBOARDS

Option 4.1 – Non-exempt AFA sideboard limits

- Figures 2-9, 2-10, and 2-11 on pages 174-175 provide a visual of different GOA sideboard limits by catch share program



ELEMENT 4 – GOA SIDEBOARDS

Option 4.1 – Non-exempt AFA sideboard limits

- One approach would be to use the existing GOA sideboard limits from the AFA Program
  - Table 2-81 (pg. 175) provides annual sideboard limits, harvest, and % of limited harvested – historically not harvesting their limit
- However, to limit non-exempt AFA CVs from utilizing increased flexibility offered by PCTC Program to harvest a greater share of the existing sideboard fisheries, new sideboard limits could be utilized
  - Table 2-82 (page 178) provides calculated non-exempt AFA CV GOA groundfish sideboard ratios and estimated 2020 sideboard limits – revised limits are smaller than existing limits (bolded text in table signals potential fisheries)

ELEMENT 4 – GOA SIDEBOARDS

Option 4.1 – Non-exempt AFA sideboard limits

- Along with GOA groundfish sideboard limits there are GOA halibut PSC sideboard limits
  - Could use the existing GOA halibut PSC sideboard limits for the non-exempt AFA CVs
  - Or could generate new GOA halibut PSC sideboard limits, so staff used the same AFA calculations but with qualifying years from Element 2
    - Table 2-83 (page 179) shows the ratios and estimated 2020 limit
    - New limits are smaller than the existing AFA sideboard limits
- Last part of the section addresses a potential need for potentially revising existing non-exempt AFA sideboards for those do not qualify for the PCTC Program

ELEMENT 4 – GOA SIDEBOARDS

Option 4.2 - AFA GOA-exempt sideboard limits

- Would prohibit AFA sideboard exempt vessels from transferring BSAI cod catch history assigned to the LLP license as a condition to continuing to benefit from GOA AFA sideboard exemption
- Suboption 4.2.1 would establish a threshold amount that could be transferred while maintaining their GOA exemption
- **Staff interprets the motion to mean transferring catch history as leasing of QS to maintain vessels sideboard exemption since qualified catch history cannot be severed from LLP license (see Element 7.1)**
- **The language in the motion should be modified (see Table 2-2 on page 49 for suggested language**

ELEMENT 4 – GOA SIDEBOARDS

Option 4.2 - AFA GOA-exempt sideboard limits

- Option is unclear on what the ramifications of leasing BSAI cod CQ other then would not benefit from existing AFA GOA sideboard exemption
  - Creating groundfish and halibut PSC sideboard limits for exempt vessels that lease their BSAI cod CQ is likely not feasible - due to some exempt vessels leasing their QS while others may not, but sideboards would still be based on all exempt vessels history
  - This is the same challenge Council faced in developing limitations for exempt vessels in the AFA Program.
  - Ultimately, the Council recommended the AFA exemption with understanding vessels would not lease their BS pollock in a year the vessel exceeds its GOA 95-97 average harvest level (CV Intercoop. Agreement enforces Council intent)
  - Could use similar approach for exempt AFA vessels in the PCTC Program
- Table 2-86 (page 184) provides the number of exempt AFA CVs and average percent of BSAI cod QS by qualifying year options
- Table 2-87 & 2-88 (page 184) provide vessel count and retained catch by GOA fishery
- Suboption 4.2.1 – Less than a threshold amount of BSAI QS can be transferred while maintaining their GOA exemption, staff provided Tables 2-87, 2-88, 2-89 (page 184) which shows average % of BSAI cod QS for AFA GOA-exempt vessels and their LLP licenses grouped by % to assist in determining threshold

ELEMENT 4 – GOA SIDEBOARDS

Option 4.3 - Non-AFA GOA sideboard limits

- Option would limit non-AFA LLP licenses utilizing GOA groundfish sideboards and would utilize halibut PSC sideboards
  - Those eligible LLP licenses authorizing non-AFA CVs that qualify for CGOA Rockfish Program would not be restricted by these sideboard limits for CGOA Rockfish Program primary and secondary species during the program period
  - Option includes a GOA sideboard exemption for those LLP licenses authorizing non-AFA CVs with less than a threshold amount of qualifying BSAI cod history
- Issues with Option 4.3
  - **Would the sideboard limit include vessels in addition to the LLP licenses?**
  - **Silent on years use to calculate GOA sideboard limit – staff used Element 2, Options 2.2.1-2.2.3**

ELEMENT 4 – GOA SIDEBOARDS

Option 4.3 - Non-AFA GOA sideboard limits

- Tables 2-92 and 2-93 (pages 187-188) provide GOA sideboard ratios and 2020 limits using two different denominators: total retained catch of all vessels and TAC
- Table 2-94 (page 189) show sideboard ratios that are equal to zero, so would be closed annually
- In addition, other sideboards could be closed annually due to insufficient limits (WGOA fisheries to include sablefish, deep-water flats, big skates, longnose skate, and GOA octopus)
- Also included sideboard limit for GOA halibut PSC
  - Two approaches: retained catch & halibut usage
  - Tables 2-95 and 2-96 (page 190) provide sideboard ratios and 2020 limits based on the two approaches – in general retained catch approach results in higher halibut PSC limits

ELEMENT 4 – GOA SIDEBOARDS

Option 4.3 - Non-AFA GOA sideboard limits

- Option includes a GOA sideboard exemption for non-AFA CVs with a large GOA groundfish catch history relative to their BSAI cod catch history
  - GOA catch history from GOA exempt vessels would not be included in sideboard calculations
  - Table 2-97 (page 191) provides number of qualified LLP licenses authorizing non-AFA CVs with GOA catch grouped by BSAI cod catch history for each qualifying year options from Element 2

BSAI Pacific cod catch history (mt)	Number of qualified LLP licenses on non-AFA CVs with GOA retained groundfish catch	Minimum GOA retained groundfish catch (mt)	Maximum GOA retained groundfish catch (mt)	Average GOA retained groundfish catch (mt)
2014-1019 no drop (with C-season				
0-200	3	9,888	28,214	16,152
200-1000	5	3,396	31,779	24,349
Total	8	3,396	31,779	21,275
2009-1019 no drop (with C-season				
0-200	4	9,888	31,449	16,319
200-1000	4	3,396	31,779	21,207
Total	8	3,396	31,779	21,275
2004-1019 no drop (with C-season				
0-200	5	9,888	31,449	19,412
200-700	3	3,396	31,779	16,812
Total	8	3,396	31,779	21,275

Source:TCCP_GOA_GF_QUAL(5-19-20)(1)

ELEMENT 4 – GOA SIDEBOARDS

Suboption for Element 4

- Would exempt eligible LLP licenses from GOA sideboards if the holder opts out of the PCTC Program
  - This is a one-time option
  - Suboption is not specific to AFA or non-AFA CVs
- If opting out because of GOA sideboards, would likely have limited value for AFA exempt vessels and non-exempt vessels, but could have some value for non-AFA CVs with limited QS relative to GOA history

ELEMENT 5 – PROCESSOR AND COMMUNITY PROVISIONS

- Element 5.1 – Program would not create a closed processor class.
- Element 5.2 – Establish a limitation on directed trawl CV Pacific cod deliveries to C/Ps acting as a mothership.
- Element 5.3 – Allocate harvesting shares to processors based on their processing history during the qualifying period.

p. 192

ELEMENT 5.1 - NO CLOSED PROCESSOR CLASS

- **Staff recommends changing the language to also include FFPs to cover all floating processors, motherships, and eligible C/Ps.**
- Any legally permitted shorebased, floating, or true mothership processor may take directed BSAI Pacific cod deliveries from trawl CVs. There is no previous participation requirement. From 10 to 12 processors in these categories took Pacific cod deliveries during the qualifying periods considered.
- Only the two C/Ps qualified to act as a mothership, as defined in BSAI FMP Amendment 120, may process directed BSAI Pacific cod harvested under the trawl CV sector apportionment. Six C/P firms took deliveries during the qualifying period.
- There are currently no options to limit True Motherships from entering the Pacific cod fishery or increasing their processing of Pacific cod, if the PCTC provides greater operational flexibility.

p. 193

ELEMENT 5.2 - C/P ACTING AS A MS SIDEBOARD LIMIT

- Any sideboard limit that is implemented would be calculated using the same qualifying years that are established under Element 2.
- Sideboard limits calculated using the processing history of the two C/Ps qualified to act as a mothership would be confidential and may not be reported in this analysis or after the sideboards are implemented.
- Table 2-100

C/P Sideboards	Annual			Exclude C Season		
	2014-19	2009-19	2004-19	2014-19	2009-19	2004-19
All C/Ps	16.9%	16.1%	13.7%	16.7%	15.5%	13.3%
2 Qualified C/Ps	c	c	c	c	c	c

Source: BSAI_PCOD_LAPP_Processors(4-9-20):CP sideboards

P. 195

ELEMENT 5.2 - C/P ACTING AS A MS SIDEBOARD LIMIT

- If the C/P firms cannot agree on how to divide the sideboard amount, it could result in a race to process the sideboard limit and reduce the benefits of the LAPP for those two firms.
- The likelihood of the two firms being able to come to an amicable agreement to divide the sideboard limit is not known.
- One of the firms owns LLPs that would be assigned QS.
- At a minimum:
  - The firm that owns CVs (and LLP licenses) would want to be able to take deliveries from their CVs at approximately the same level of CQ assigned to their LLP licenses.
  - The firm that contracts with CVs for deliveries would likely want to maintain those relationships and continue to take deliveries from CVs that delivered to them in the past.

p. 196

ELEMENT 5.3: HARVEST QS TO PROCESSORS

- Allocate a percentage of the available harvest quota to processors that took directed BSAI Pacific cod deliveries during the qualifying years. The range considered is 0%, if the Council does not select this option, up to 30% of total available harvest.
  - **There is an option to include only BS processors and eligible C/Ps. Clarify whether there is an option to allocate processing shares to C/Ps acting as a MS that are not eligible to process directed harvests of BSAI Pacific cod.**
  - The analysis does not estimate an optimal allocation of the harvest shares to processors, because data are not available to make those estimates and the optimal division would likely vary annually.
  - A review of literature on this issue was provided.
  - The Pacific Council relied on an industry agreement to determine the division of shares in the whiting fishery (20% to processors).

p. 197

ELEMENT 5.3: HARVEST QS TO PROCESSORS

- Options considered would either allocate only Pacific cod or both Pacific cod and the associated PSC species (halibut and crab).
- As discussed earlier, allocations of PSC would require the Council to sub-divide the current sector limits established for those species.
- Allocations to processors could allow market power to be more similar to what existed under the status quo, since allocations to only harvesters would create a stronger bargaining position for those harvesters.

ELEMENT 5.3: HARVEST QS TO PROCESSORS

Table 2-101

Seasons	Processors	Option 5.3 (2014-2019)		Option 5.3 (2009-2019)		Option 5.3 (2004-2019)	
		Includes all C/Ps	Includes only qualified C/Ps	Includes all C/Ps	Includes only qualified C/Ps	Includes all C/Ps	Includes only qualified C/Ps
All	Processors #	16	13	16	13	18	14
	Quantity (mt)	206,019	196,284	362,060	347,975	481,678	467,231
Excludes C	Processors #	15	12	15	12	16	13
	Quantity (mt)	201,428	191,908	354,732	340,862	471,060	456,832

p. 203

ELEMENT 5.3: HARVEST QS TO PROCESSORS

Table 2-102

Processing Firms	2014-2019 All Seasons	2009-2019 All Seasons	2004-2019 All Seasons
Top 4 firms	72.1%	75.0%	75.5%
Firms 5 - 8	21.3%	19.6%	19.7%
Firms 9 - 12	6.3%	5.1%	4.3%
Bottom 4 to 6 Firms	0.4%	0.3%	0.5%
	2014-2019 A & B Seasons	2009-2019 A & B Seasons	2004-2019 A & B Seasons
Top 4 firms	71.7%	74.6%	75.5%
Firms 5 - 8	21.7%	20.0%	19.7%
Firms 9 - 12	6.3%	5.1%	4.3%
Bottom 4 to 6 Firms	0.3%	0.3%	0.5%

p. 204

ELEMENT 5.3: HARVEST QS TO PROCESSORS

- Council must define what happens to the history of processors that are no longer active.
- NMFS developed the criteria for use in determining the successor in interest on the West Coast. The Pacific Council discussed what constituted a business for the purpose of successor in interest but left it to NMFS to determine. The Pacific Council did state that “transfer of physical assets alone should not be considered a basis for successor in interest. Business relationships such as transfer of the company name and customer base might be reasonable evidence of successor in interest."
- The value of processing history in determining the sales price was also considered.
- Processors do not have a transferrable license so a new permit will be generated and the QS will be attached to that permit.

ELEMENT 5.3: HARVEST QS TO PROCESSORS

- The Council has not established options that define further limitations of use of these shares.
  - Establish further limits on transferability and severability?
  - Limit use on processor owned or controlled vessels?
  - May be used to barter for quota from other LAPPs?
  - Do the processor shares apply to processor ownership or CV use caps?
- The next draft of this analysis will include a section on the National Appeals Office (NAO) process as adjudicator of the Secretary's decisions regarding initial allocation of limited access privileges.

ELEMENT 5.3: HARVEST QS TO PROCESSORS

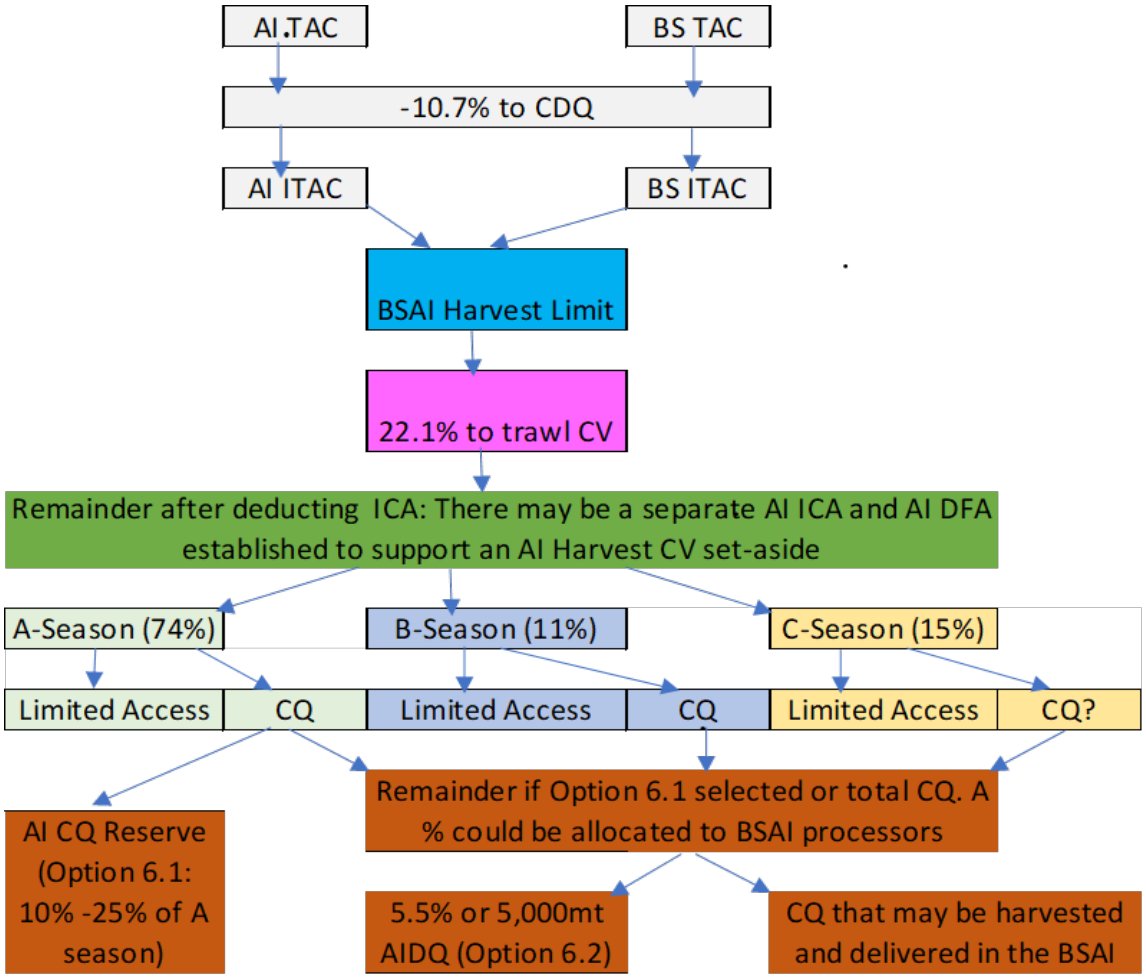
- Processors that do not receive an initial allocation or receive a small allocation of harvest shares may need to offer higher exvessel prices, better delivery terms, or other market incentives to make up for not being able to provide additional quota to attract harvesters.
- These firms may be at a competitive disadvantage which may make it more difficult (increase costs) for new processors to enter the fishery.

ELEMENT 6 – ALEUTIAN ISLANDS PROCESSOR PROVISIONS

- Element 6.1 would establish a set-aside of 10% - 25% of A-season trawl CV sector directed BSAI harvest that cooperatives must deliver to AI shoreplants.
- Element 6.2 would establish an annual allocation of CQ to AI plant operators or an entity representing the community, equal to the lesser of 5.5% of the total BSAI trawl CV Pacific cod quota or 5,000 mt. during years the community notifies NMFS a plant will be operating in those communities.

p. 205

ELEMENT 6.1: AI PROCESSOR PROVISIONS



Element 6: AI Processor Provisions

- The Council will need to reimplement regulations removed by vacating Amendment 113 to make the element function as intended.
  - Define the term “Aleutian Islands shoreplant” in regulation.
  - Calculate and define the amount of the AI Pacific cod TAC available as a DFA and the amount that will be available as an ICA.
  - May need to limit the amount of A-season (from January 20 until April 1) Pacific cod that may be harvested from the BS prior to March 21 (BS Trawl CV A-Season Sector Limitation).
  - Require that either the City of Adak or the City of Atka annually notify NMFS of its intent to process AI Pacific cod during the upcoming fishing year in order for the AI CQ reserve to be effective in the upcoming fishing year.

Element 6.1: AI Processor Provisions

- AIDQ must be harvested from the AI and delivered to the AI shoreplant whose operator (or the community) was initially issued the quota. CQ issued under Element 2.2 would not have an AI delivery requirement.
- Constraints placed upon AIDQ quota are expected to reduce its market value relative to other BSAI CQ that may be transferred and fished in the BS (if there are higher costs to harvest the fish in the AI and/or lower exvessel prices paid for AI Pacific cod).

Element 6.1: AI Processor Provisions

Year	TAC	ITAC	ITAC as % of TAC	CV % of ITAC	Trawl CV annual apportionment total	Trawl CV A season apportionment	10% of A season	25% of A season	% to equal 5,000 mt
2003	207,500	191,938	92.5%	22.1%	42,418	31,390	3,139	7,847	15.9%
2004	215,500	199,338	92.5%	22.1%	44,054	32,600	3,260	8,150	15.3%
2005	206,000	190,550	92.5%	22.1%	42,112	31,163	3,116	7,791	16.0%
2006	194,000	174,067	89.7%	22.1%	38,469	28,467	2,847	7,117	17.6%
2007	170,720	157,916	92.5%	22.1%	34,900	25,826	2,583	6,456	19.4%
2008	170,720	152,453	89.3%	22.1%	33,692	24,932	2,493	6,233	20.1%
2009	176,540	157,916	89.5%	22.1%	34,899	25,826	2,583	6,456	19.4%
2010	168,780	150,975	89.5%	22.1%	33,365	24,690	2,469	6,173	20.3%
2011	227,950	203,559	89.3%	22.1%	44,987	33,290	3,329	8,323	15.0%
2012	261,000	233,073	89.3%	22.1%	51,509	38,117	3,812	9,529	13.1%
2013	260,000	232,180	89.3%	22.1%	51,312	37,971	3,797	9,493	13.2%
2014	253,894	226,727	89.3%	22.1%	50,107	37,079	3,708	9,270	13.5%
2015	249,422	222,734	89.3%	22.1%	49,224	36,426	3,643	9,106	13.7%
2016	251,519	224,606	89.3%	22.1%	49,638	36,732	3,673	9,183	13.6%
2017	239,399	213,784	89.3%	22.1%	47,246	34,962	3,496	8,741	14.3%
2018	203,831	182,021	89.3%	22.1%	40,227	29,768	2,977	7,442	16.8%
2019	180,689	161,355	89.3%	22.1%	35,659	26,388	2,639	6,597	18.9%
2020	138,839	123,983	89.3%	22.1%	27,400	20,276	2,028	5,069	24.7%
Average						30,883	3,088	7,721	16.2%
Std Dev						5,251	525	1,313	

p. 204

Element 6.1: AI Processor Provisions

A-season trawl CV cod allocated to the AI shoreplants	% of annual BSAI trawl CV cod allocation assigned to AI set-aside fishery	Metric tons of halibut apportioned to AI set-aside based on % of 391mt of trawl limited access halibut PSC limit assigned to CVs					
		50%	60%	70%	80%	90%	100%
10%	7.4%	14.5	17.4	20.3	23.1	26.0	28.9
11%	8.1%	15.9	19.1	22.3	25.5	28.6	31.8
12%	8.9%	17.4	20.8	24.3	27.8	31.2	34.7
13%	9.6%	18.8	22.6	26.3	30.1	33.9	37.6
14%	10.4%	20.3	24.3	28.4	32.4	36.5	40.5
15%	11.1%	21.7	26.0	30.4	34.7	39.1	43.4
16%	11.8%	23.1	27.8	32.4	37.0	41.7	46.3
17%	12.6%	24.6	29.5	34.4	39.4	44.3	49.2
18%	13.3%	26.0	31.2	36.5	41.7	46.9	52.1
19%	14.1%	27.5	33.0	38.5	44.0	49.5	55.0
20%	14.8%	28.9	34.7	40.5	46.3	52.1	57.9
21%	15.5%	30.4	36.5	42.5	48.6	54.7	60.8
22%	16.3%	31.8	38.2	44.6	50.9	57.3	63.7
23%	17.0%	33.3	39.9	46.6	53.2	59.9	66.5
24%	17.8%	34.7	41.7	48.6	55.6	62.5	69.4
25%	18.5%	36.2	43.4	50.6	57.9	65.1	72.3

Element 6.1 and 6.2: AI Processor Provisions

- The suboption under Option 6.1 would reduce the amount of the AI CQ set-aside by an amount Adak/Atka processors receive as a direct allocation of harvesting shares under the PCTC Program (Element 5.3), AIDQ (Element 6.2), or through any other legislation.
- **The assumption above raises the issue that as written, Option 6.1 could be established in conjunction with Option 6.2 and/or Element 5.3. If that was not the Council's intent it should provide staff direction.**
- If more than one option may be selected to allocate quota to AI shorebased processors the amounts would be cumulative, but never exceed the maximum established under either Option 6.1 or Option 6.2.

Element 6.2: AI Processor Provisions

- Element 6.2 would allocate CQ to either AI plant operators or an entity representing the community.
- NMFS would hold the underlying QS and only allocate annual CQ based on whether the community representative submitted a timely application indicating the plant would be operational and processing Pacific cod that year.
- The plant/community would then assign CQ to cooperative vessels to harvest AI Pacific cod and deliver the fish to the AI shoreplant.

Element 6.2: AI Processor Provisions

Year	TAC	ITAC	ITAC as % of TAC	CV % of ITAC	CV total (mt)	mt at 5.5%	% of trawl CV to equal 5,000 mt	mt difference between 5,000mt and 5.5%
2003	207,500	191,938	92.5%	22.1%	42,418	2,333	11.8%	2,667
2004	215,500	199,338	92.5%	22.1%	44,054	2,423	11.3%	2,577
2005	206,000	190,550	92.5%	22.1%	42,112	2,316	11.9%	2,684
2006	194,000	174,067	89.7%	22.1%	38,469	2,116	13.0%	2,884
2007	170,720	157,916	92.5%	22.1%	34,900	1,919	14.3%	3,081
2008	170,720	152,453	89.3%	22.1%	33,692	1,853	14.8%	3,147
2009	176,540	157,916	89.5%	22.1%	34,899	1,919	14.3%	3,081
2010	168,780	150,975	89.5%	22.1%	33,365	1,835	15.0%	3,165
2011	227,950	203,559	89.3%	22.1%	44,987	2,474	11.1%	2,526
2012	261,000	233,073	89.3%	22.1%	51,509	2,833	9.7%	2,167
2013	260,000	232,180	89.3%	22.1%	51,312	2,822	9.7%	2,178
2014	253,894	226,727	89.3%	22.1%	50,107	2,756	10.0%	2,244
2015	249,422	222,734	89.3%	22.1%	49,224	2,707	10.2%	2,293
2016	251,519	224,606	89.3%	22.1%	49,638	2,730	10.1%	2,270
2017	239,399	213,784	89.3%	22.1%	47,246	2,599	10.6%	2,401
2018	203,831	182,021	89.3%	22.1%	40,227	2,212	12.4%	2,788
2019	180,689	161,355	89.3%	22.1%	35,659	1,961	14.0%	3,039
2020	138,839	123,983	89.3%	22.1%	27,400	1,507	18.2%	3,493
Average					41,734	2,295	12.0%	2,705
Std Dev					7,096	390		

p. 218

Element 6.2 - AI Processor Provisions

- **The proposed action is silent on the treatment of the AI CQ reserve if it is not harvested by March 21. The Council could consider:**
  - **reallocating any CQ reserve remainder to the eligible PCTC Program LLP license holders on a date selected by the Council, or**
  - **grant the NMFS Regional Administrator the authority to determine where and whether to reallocate the fish after that date based on the conditions of all sectors that utilize BSAI Pacific cod in directed or incidental fisheries.**
  - The motion states that to receive a percentage of the reallocation the LLP license holder must have harvest history in both the BS and AI. Table 2-103 (p. 212) shows that 15 to 28 LLP licenses fished in both areas during the three qualifying periods.

ELEMENT 7.1: TRANSFERS OF QS ASSIGNED TO LLP LICENSES

- QS based on catch history is assigned is to LLP groundfish licenses. Once assigned to the LLP license the QS may not be severed from the LLP license.
- **The Council may wish to address how to treat QS that were generated based on the use of severable AI trawl endorsements (<60') that were used along with LLP licenses that did not have a permanent trawl endorsement for the AI (and perhaps the BS).**
  - This may create a specific class endorsements that are assigned the QS instead of the LLP license that was fished. In that case, the QS could be non-serverable from the endorsement and could be transferred to LLP licenses that meet the size constraints placed on use of the endorsement.
- Selling a LLP license transfers the QS along with the LLP license.
  - Any person eligible to purchase an LLP license may purchase an LLP license and the QS initially assigned to the LLP license.
    - A person may hold a maximum of 10 LLP groundfish licenses.
    - Ownership caps established under Element 8 could further limit the number of LLP licenses that may be held by a person.

p. 220

ELEMENT 7.2: HARVEST QS ISSUED TO PROCESSORS

- Specific transferability provisions for quota issued to processors must be defined. **Staff assumption is the QS is non-severable from the permit it is initially issued.**
  - Who can purchase QS issued to processors?
    - Active BSAI Pacific cod processors.
    - Any processor.
      - Limits on QS moving offshore/outside the community.
      - Limits on sales of QS to C/Ps acting as a MS.
    - Non-processors
      - Communities
      - NGOs
      - LLP license holders
      - Etc.

p. 222

ELEMENT 7.2: HARVEST CQ TO PROCESSORS

- Are there restrictions on which CVs may use the CQ issued to processors?
  - Vessels owned by the processor
  - Other classes of vessels
- Does the quota issued to processors count towards ownership/use caps?
  - Processor
  - CV
  - Cooperative

ELEMENT 7.3: TRANSFERS OF CQ BETWEEN COOPERATIVES

- After being initially issued to a cooperative, CQ may be transferred between cooperatives with approval from NMFS.
- If PSC is apportioned under this program, both Pacific cod and PSC species may be transferred. Pacific cod and PSC species may be transferred together or independently of each other.
- For all PSC (harvester and processor controlled) it is assumed that the PSC is not assigned to an LLP license or permit, but is assigned to cooperatives or the limited access fishery in the same proportion as the Pacific cod CQ.

p. 223

ELEMENT 7.4: POST DELIVERY TRANSFERS OF CQ ARE ALLOWED

- To begin a fishing trip a vessel must have CQ available through its cooperative. However, if the cooperative limit is exceeded the cooperative may agree to a transfer with another cooperative to cover any harvest overages.
- Post-delivery transfers must be completed by December 31 or when the annual CQ permits expire.
- If a cooperative is unable to cover any overages before the annual CQ permits expire, they will be subject to enforcement actions.

p. 224

ELEMENT 8: OWNERSHIP AND USE CAPS

- Section 303A(c) of the MSA requires that the Council consider excessive consolidation in the harvesting and processing sectors to ensure that LAPP permit holders do not acquire an excessive share in the program by:
  - Establishing a maximum share, expressed as a percentage of the total limited access privileges, that a limited access privilege holder is permitted to hold, acquire, or use; and
  - Establishing any other limitations or measures necessary to prevent an inequitable concentration of limited access privileges.
- The Council must determine both the rationale for its ownership and use caps and the appropriate level of those caps.
- A summary of ownership and use caps established for other fisheries is provided in table 2-107.

p. 226

ELEMENT 8.1: CALCULATING THE HARVESTER-ISSUED QS/CQ CAPS A PERSON MAY HOLD/USE

- Individual ownership and use caps for both CVs and processors may be calculated using either the “individual and collective rule” or the “10 percent ownership threshold rule.”
- The “individual and collective rule” calculates ownership/use by applying the percentage of an LLP license/processor permit a person holds as the percentage of the QS assigned to that LLP license against their limit. For example, persons that own 100 percent of an eligible LLP license or processing permit would be assigned 100 percent of the license’s history toward their use cap. If they hold 50 percent of the license, they are credited with holding 50 percent of the history assigned to that license.
- The “10 percent ownership threshold rule” states that when a person owns or controls 10 percent or more of another entity, all the quota owned and quota used by those entities is counted against their caps. For example, if an entity owns 20 percent of another firm, 100 percent of the quota used/owned by the firm is counted against their caps.
- A grandfather provision could be selected and applied to persons over the caps at the time of initial allocation.

ELEMENT 8.1: CALCULATING THE HARVESTER-ISSUED QS/CQ CAPS A PERSON MAY HOLD/USE BASED ON LLP LICENSE HOLDERS ADDRESS

Percent of BSAI Pacific cod catch	Option 2.2.1		Option 2.2.2		Option 2.2.3	
	Sum of LLP license holders not grand-fathered	Sum of LLP license holders grand-fathered	Sum of LLP license holders not grand-fathered	Sum of LLP license holders grand-fathered	Sum of LLP license holders not grand-fathered	Sum of LLP license holders grand-fathered
0-1%	19	24	21	25	25	25
1-2%	28	15	32	14	34	16
2-3%	32	11	35	11	39	11
3-4%	36	7	40	6	44	6
4-5%	37	6	40	6	44	6
5-6%	39	4	41	5	45	5
6-7%	39	4	42	4	46	4
7-8%	40	3	43	3	46	4
8-9%	40	3	44	2	48	2
9-10%	41	2	44	2	48	2
10-11%	43	0	45	1	49	1
11-12%	43	0	46	0	50	0

Table 2-108 p. 231

ELEMENT 8.2: PACIFIC COD CATCH BY BY TOP 3 CATCHER VESSELS EACH YEAR FROM 2003 THROUGH 2019 SORTED FROM LOW TO HIGH.

- The broad range in the percentage of catch by the top three producing vessels varies for a variety of reasons including the sector's annual allocation, exvessel prices for Pacific cod, the number of vessels participating, the season length, and regulatory changes that occurred over the period considered. **Was it the Council's intent to not include a grandfather provision for CV use caps?**

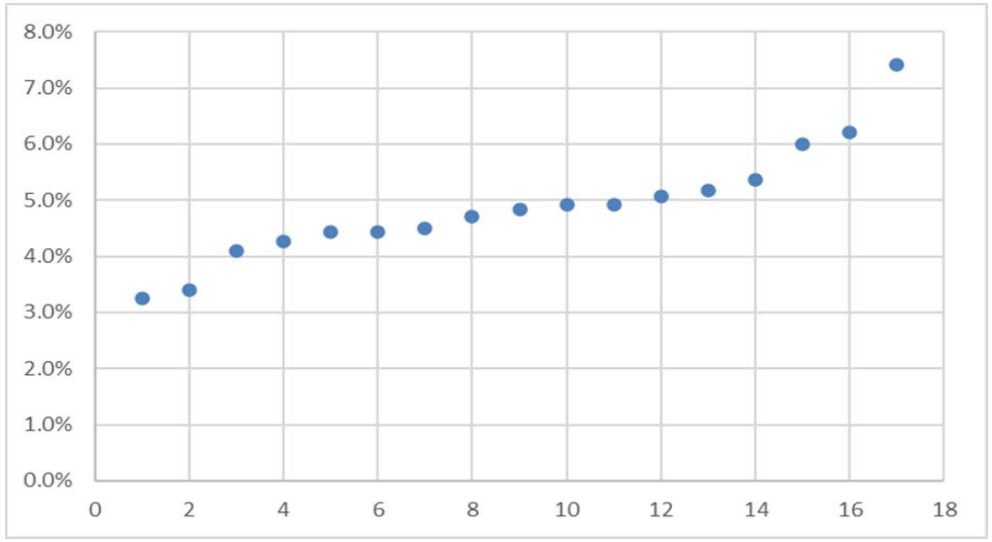


Figure 2-15 p. 234

ELEMENT 8.3: PROCESSOR ISSUED COOPERATIVE SHARES.

- **Staff Comment: Element 8.3 is defined in the motion as processor-issued cooperative harvest shares. Staff has interpreted that language to mean any harvest shares initially issued to processors on a processor permit that is defined under Element 5.3. The language could also be interpreted more broadly to also include any CQ that is derived from processors holding LLP licenses**.
- The Council should clarify its intent to aid the discussion and implementation of the program. It should also be noted that broadening the definition will require additional consideration of linkages between processors and firms that hold LLP licenses and the implications of using the “individual and collective rule” or the “10% ownership and control threshold” to determine the ownership and use caps at the firm level.

p. 236

ELEMENT 8.3: PROCESSOR ISSUED COOPERATIVE SHARES.

- The top four processing firms account for about 75% of the targeted BSAI trawl CV Pacific cod processing history during the qualifying years considered.
- The average of the four firms is shown in the table below Because the values are averages, at least one of the four firms processed more than the average.

Processing Firms	2014-2019	2009-2019	2004-2019
All Seasons	18.0%	18.7%	18.9%
A & B Seasons	17.9%	18.7%	18.9%
Source: BSAI_PCOD_LAPP_Processors(4-9-20): Processing history groupings			

Table 2-110 p. 237

ELEMENT 8.4: PROCESSING FACILITY CAP.

- Average percentage of BSAI Pacific cod delivered by trawl CVs to the top three processing facilities, range from 14.2% to 23.0%. At least one facility took deliveries of more than the average.
- Could prevent a firm that operates more than one plant from consolidating its BSAI Pacific cod operations.

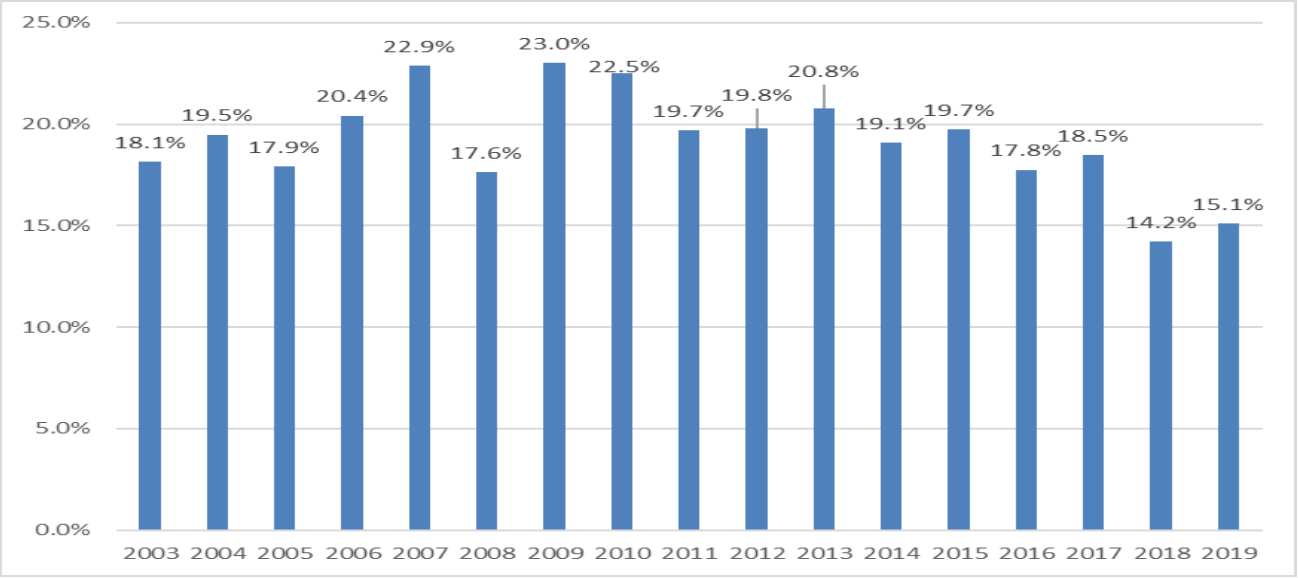


Figure 2-17 p. 238

ELEMENT 9 – COOPERATIVE PROVISIONS

- Each cooperative would be required to file an annual cooperative application to receive annual allocation
  - NMFS recommends applications be submitted by Nov 1 to Regional Administrator
    - Provides time for RAM to process applications (AM80 are due Nov 1 and AFA are due Dec 1)
- Cooperatives are formed by qualified LLP licenses with QS
  - Each qualified LLP license may be assigned to one cooperative
  - A vessel designated on a qualified LLP license is a member of that license's cooperative
  - Vessels not designated on a qualified LLP license may also be allowed to join a cooperative
    - This would be based on provisions outlined in the cooperative's civil contract and approval by NMFS of the cooperative membership application
  - Cooperatives are intended for coordinating harvest activities of members and are not FCMA
  - Each cooperative will receive annual CQ of cod and apportionments of halibut and crab PSC (if both PSC limits are first apportioned between the trawl CV and AFA C/P sectors)
    - Note that Element 3 does not include framework to apportion crab PSC between the trawl CV and AFA C/P sector
- Option would maintain crab PSC limit at the trawl limited access sector since that is how crab PSC is currently apportioned

ELEMENT 10 – SHARE DURATION

- MSA Section 303A states that LAPP permit is limited to not more than 10 years, that will be renewed prior to expiration, unless revoked, limited or modified
  - NMFS would renew permits under the proposed action without Council initiating a formal analysis to reauthorized the program
- Generally, the Council has not included sunset dates when developing LAPPs
  - The one exception was the CGOA Rockfish Program implemented in 2012 which had 10-year sunset date
    - During reauthorization of the CGOA Rockfish Program in Jan 2020, the Council did not include a sunset date
      - Creates considerable time and expense associated with reauthorizing a LAPP when scheduled to sunset
      - These costs are in addition to the required program reviews
      - Sunset dates could also affect the value of the licenses that qualify for the program

ELEMENT 11 – MONITORING

- Element 11 is discussed in Section 2.7.11 on page 241.
- The proposed LAPP would change monitoring requirements for participating trawl CVs to:
  - Full observer coverage (carry an observer on all trips):
  - Retain all allocated groundfish species;
  - After sampling is completed by an observer, discard all PSC;
  - Computer with ATLAS and at-sea transmission capabilities for observers to enter, transmit data, and communicate with NMFS
  - Deliver all catch to a processor that has a NMFS-approved CMCP
- The Council motion specified a goal that all vessels under this program would be in the full coverage category. NMFS concurs with this recommendation, as it would be necessary to monitor at-sea discards and obtain data to estimate PSC.

ELEMENT 11 – MONITORING

- All vessels in the program will be in the full coverage program (100% observer or electronic monitoring coverage category) (if applicable).
  - Currently, participants in the pacific cod trawl CV fishery are in the partial coverage category with the exception of vessels which request to opt into the full coverage category and those participating in other LAPPs with full coverage requirements, such as the AFA Program. Under the proposed LAPPs, all vessels would be in the full observer coverage category.
- NMFS will develop monitoring and enforcement provisions necessary to track quota, harvest, and use caps.
  - Under current recordkeeping and reporting requirements, active trawl CVs that have an FFP and are ≧60 ft. LOA must maintain a trawl gear Daily Fishing Logbook, or DFL. Instead of a DFL, a CV trawl operator may voluntarily use a combination of eLandings and an electronic logbook, or ELB. The operator must notify NMFS of the intent to use an ELB instead of a DFL prior to participating in the fishery or if the operator is unable to submit logbook information within the reporting. For landing reports, processors that receive groundfish from CVs with an FFP are required to submit daily reports using eLandings.
- The Council authorizes NMFS to report weekly vessel-level bycatch information as authorized under MSA Sec 402(b)(2)(A).

ELEMENT 12 – REPORTING AND PROGRAM REVIEW

- This element would request each cooperative to provide a cooperative report annually
  - **Given that the agency is recommending requirements for annual cooperative reports not be included as regulations, the motion should likely be revised to ask cooperatives for annual reports**
  - Asking for annual cooperative report must comply with PRA
  - Cooperative reports are a resource for the Council to track the effectiveness of the cooperative and their ability to meet the Council's goals
  - Cooperative reports also allow the cooperative to provide feedback to the Council
  - Table in this section (page 245) includes summary of current reporting requirements for existing cooperative reports along with PRA authorized information
- Via the Magnuson-Stevens Act, a formal detailed program review would be undertaken 5 years after implementation, with additional reviews, at a minimum, each 7 years thereafter

ELEMENT 13: COST RECOVERY

- Section 304(d)(2) of the Magnuson-Stevens Act authorizes and requires NMFS to recover the actual costs directly related to the management, data collection, and enforcement of any LAPP up to 3% of the exvessel value of the allocated species.
- This cost recovery structure is proposed to be modeled after the AFA cost recovery program.
  - Cost recovery is based on one species, so it seems unnecessary to implement the collection of exvessel volume and value reports. This assumption may need to be revisited if gear conversion is implemented.
  - COAR data may be used to estimate the standardized prices as done in the AFA program.
  - The percentage of the fee each cooperative is required to pay is based on its percentage of the Pacific cod harvest that is deducted from the total CQ used.

p. 249

ELEMENT 14: GEAR CONVERSION

- Allows BSAI Pacific cod CQ to be harvested using pot gear.
  - Trawl CVs that are members of the cooperative.
  - Allow pot CVs to be associated with the cooperative and harvest CQ.
- The vessel would not be required to have a pot gear endorsement on the LLP license, but the vessel would be required to have an area endorsement for the area (BS or AI)
- Based on the 2020 LLP license file, there are 50 CV LLP licenses that are endorsed to fish in the BS or AI for Pacific cod with pot gear. A total of 47 LLP licenses are only endorsed for the BS, two are endorsed for both the BS and AI, and one is only endorsed in the AI.
- None of the trawl CV LLP licenses with an AI or BS area endorsement have a Pacific cod pot gear endorsement in the BS or AI.

p. 251

ELEMENT 14: GEAR CONVERSION

- To account for PCTC Program landings of Pacific cod it will be necessary to clearly determine whether a vessel is in a PCTC Program cooperative.
- Since the sector allocations are not altered, **it is assumed that the PCTC Program quota cannot be permanently converted to a pot sector allocation (transfer of CQ and not QS to pot sector).**
- If a Pacific cod pot gear LAPP is developed, the Council could address limitations on transfers of CQ and/or QS between the PCTC Program cooperative and any pot gear cooperatives that may form after that program is developed.

ELEMENT 14: GEAR CONVERSION

- No halibut PSC mortality is assigned to pot gear (currently exempt from halibut PSC limits). Pot gear DMR for halibut is calculated at 27%).
- Historical, crab PSC rates and total amounts are greater for pot gear than trawl gear used in the Pacific cod fishery. This was described in the background section of the analysis.

ELEMENT 14: GEAR CONVERSION

- The Council would need to determine if vessels opting for Pacific cod pot trips would have different monitoring requirements. Typically, trawl LAPPs in Alaska waters require that CVs have 100 percent observer coverage to accurately account for quota harvest. Whether these same monitoring provisions will apply to vessels using pot gear is a decision that needs to be addressed.
- Electronic monitoring (EM) could possibly by available for pot vessels prior to an EM program for the trawl sector. There remains a lot of uncertainty regarding the timing of when the EM programs will be fully implemented.
- See Section 2.7.11 for more detailed information on monitoring and enforcement for the proposed PCTC.

ELEMENT 14: GEAR CONVERSION

- Gear conversion could have implications on where fishing occurs in terms of State or Federal waters, including potential interactions with vessels currently utilizing pot and HAL gear.
- Gear interactions may be greatest (based on past years distribution of Pacific cod) in the BS area North of Unimak Island where vessels focus their fishing effort when Pacific cod congregate.

ELEMENT 14: GEAR CONVERSION

- The species composition of landings in the directed Pacific cod fishery differs between vessels using pot gear and vessels using trawl gear.
  - Pot gear tends to be more selective with the groundfish catch being almost all Pacific cod. The discard mortality rates of some species taken as incidental catch in the pot fishery is also lower than in the trawl fishery.
  - Trawl gear vessels tend to have higher incidental catches of flatfish and pollock, in the Pacific cod fishery.

ELEMENT 14: GEAR CONVERSION

- It is assumed that if the PCTC Program CQ is harvested with pot gear it may only be harvested by CVs deploying pot gear.
- CVs that are less than 60’ LOA and greater than or equal to 60’ LOA could be allowed to use pot gear to harvest CQ with approval from a cooperative, even though those two classes of pot gear vessels fish off different allocations in their directed Pacific cod fishery. If that is not the intent of the Council, it should be clarified and the discussion should be expanded to include impacts on the various classes of pot gear vessels and the processing sectors.
- The Council will need to clarify whether the fishery would operate under trawl seasons or pot fishing season.
  - January 1 with pot gear could impact the dates the cooperative allocations must be filed and processed
  - January 20 start date of the trawl fishery.

SUMMARY OF EFFECTS OF ALTERNATIVES

- Information in this section is presented as a general summary of the impacts on various sectors
- Additional information and more detailed comparisons of impacts by alternative will be provided after the Council selects a PPA

SUMMARY OF EFFECTS OF ALTERNATIVES

- **Harvest participation and fishing practices**
  - Consolidation of the fleet size is likely under both strawman alternatives
    - Less under Alternative 2b then Alternative 2a given more restrictive ownership and use caps
  - Harvest of the trawl CV allocation would likely increase, leading to higher gross revenue per vessel and per-vessel profits,
    - Alternative 2b would likely be greater relative to Alternative 2a since C-season cod is allocated to cooperatives
  - Bycatch avoidance, ease in transferring harvest privileges, and potential use of pot gear, may lead to changes in the geographic distribution and timing of harvest
  - Harvests will continue to be highly influenced by the timing and location of spawning aggregations
  - Strawman alternatives will improve safety conditions
  - Reallocations of cod from the trawl CV sector to other sectors would be reduced under alternative 2b relative to alternative 2a due to C-season allocation, gear conversion, and benefits of cooperative management
    - This would likely have a negative effect on all sectors that rely on reallocations, particularly the HAL/pot CV 60 ft sector

SUMMARY OF EFFECTS OF ALTERNATIVES

- **Bycatch**
- Not apportioning halibut PSC could jeopardize some of the potential successes of cooperative fishing
- Cooperative fishing would likely provide flexibility to avoid periods of high bycatch rates, changes in gear configuration, and elimination of night fishing
- Rely on an ICA to account for incidental catch of BSAI Pacific cod while directed fishing for other non-Pacific cod groundfish fisheries
  - There is the potential that cooperative vessels could intentionally top off on incidental catch of Pacific cod while targeting other groundfish fisheries
  - If incidental catch of BSAI Pacific cod by cooperative vessels increases, there is the potential that the BSAI Pacific cod allocations to the cooperatives will be reduced to accommodate a larger ICA

SUMMARY OF EFFECTS OF ALTERNATIVES

- **Other Groundfish Fisheries**
  - Additional sideboard limits would likely add an additional layer of GOA sideboard management complexity
  - With exception of some pollock fisheries, CGOA shallow-water flatfish, and CGOA arrowtooth flounder, new GOA sideboard limits for non-exempt AFA CVs would likely be insufficient to allow directed fishing
  - For exempt AFA CVs, additional limits from PCTC Program would rely on cooperatives to ensure they do not lease their BSAI Pacific cod CQ while benefiting from AFA GOA sideboard exemptions.
  - For non-AFA CVs, many of the GOA species/area sideboard ratios under this alternative would be insufficient for a sideboard fishery
    - Species/area fisheries sufficient for a sideboard fishery would likely be limited to pollock, CGOA Pacific cod, shallow-water flatfish, rex sole, arrowtooth flounder, and flathead sole

SUMMARY OF EFFECTS OF ALTERNATIVES

- **Impacts on Shorebased, Floating, and True Mothership Processors**
  - Increased cost for raw fish because harvests are allocated QS
  - Potential regional shifts in landings under the control of processors
  - Potentially increase in the processed value of bycatch species taken incidentally to the Pacific cod target fishery, because processors have more time to process the catch and better match production capacity to the amount of fish available
  - Lower cost of production in the Pacific cod fishery could occur due to better timing of deliveries, longer season length, and increased harvest and better utilization of processing capital to improve the Pacific cod production.
  - Consolidation could occur across shoreside processing firms or within firms, reducing total capital costs and improving technical efficiencies

SUMMARY OF EFFECTS OF ALTERNATIVES

- **Impacts on C/Ps**
  - Maintaining C/P endorsements to act as a MS will likely give these entities some certainty over delivery volumes, depending on agreements within that sector and the level of the processing limits are imposed on the sector.
  - The amount of processing capacity in the fishery is expected to remain the same. The cost of processing Pacific cod may decline because of increased season length and the ability to participate so that deliveries are timed to better match production capacity.
  - Improving the technical efficiency within this sector is dependent on whether the two firms are able to reach an agreement on how to divide any processing limits if a sideboard is imposed.

SUMMARY OF EFFECTS OF ALTERNATIVES

- **Impacts on Consumers and Nation**
  - The effects on consumers of the different PCTC program action alternatives are likely to be greater than the status quo but be very similar across LAPP options since they provide the opportunity to provide higher quality and more diverse products.
  - The greatest change in net benefits to the Nation will result from the Council selecting a version of the PCTC to replace the current management structure that will increase both consumer and producer surplus (lower costs of production and greater product values - all else being equal).

SUMMARY OF EFFECTS OF ALTERNATIVES

- **Impacts on Safety**
  - Management of the BSAI trawl CV Pacific cod fishery under the PCTC Program is expected to extend the A-season season allowing vessel operators to fish under better weather conditions, reduce conflicts with other fisheries/gears, and reduce crowding on the grounds.
  - The B-season (April 1 through June 10) and C-season (under Alternative 2b) could also be timed to fish when weather is better.
  - The C-season (June 10 to November 1) would not be included under Alternative 2a of the PCTC Program, but effort during that season is relatively small and vessels could still time their fishing to avoid bad weather.
  - A person's allocation will not be jeopardized by decisions to delay fishing to reduce safety risks
  - Incentives may exist for persons to fish in inclement weather (i.e., market opportunities, delivery schedules, and operational cost savings).

SUMMARY OF EFFECTS OF ALTERNATIVES

- **Effects on Fishing Communities**
  - Fishing communities identified in Section 2.6.8 (pg. 94)
    - Quantitative indicators of engagement and dependency, 2004-2019 (Sec 2.6.8.1)
      - Trawl CV ownership address communities
        - Within AK, trend of consolidation into Kodiak
        - Overall, large aggregations in Seattle MSA and Newport, OR
        - Limited EDR data on crew
        - Active LLP license ownership address community, plus CV ownership vs LLP license ownership and homeport community cross-walks
      - Location of SBPR operation (and FLPR operation) communities
        - Unalaska/Dutch Harbor, Akutan, and Anchorage
        - Adak, King Cove, and Sand Point
      - <60' HAL and pot CV ownership address communities
        - HAL annual avg > 1 = Unalaska/Dutch Harbor (2.8) and Kodiak (1.1)
        - Pot annual avg > 1 = Unalaska/Dutch Harbor (3.9), Kodiak (5.5), Homer (1.9), Wasilla (1.1)

SUMMARY OF EFFECTS OF ALTERNATIVES

- **Effects on Fishing Communities**
  - Fishing communities described in Section 2.6.8.2
    - Community context of the fishery
      - Alaska communities
        - Demographic overview and institutional summary
        - History, fishing engagement/dependency, relevant taxes
          - Unalaska/Dutch Harbor, Akutan, and Adak (most detail)
          - Kodiak
          - Sand Point and King Cove
          - Other Alaska communities
      - Pacific Northwest communities

SUMMARY OF EFFECTS OF ALTERNATIVES

- **Effects on Fishing Communities**
  - Alternative 1: Status Quo (No Action)
  - Alternatives 2a and 2b
    - Several elements and options combination could function in part as community protection measures by limiting consolidation and stabilizing landings.
    - Under options 2.2.1 thru 2.2.3, CV and LLP license historical participation diversity increases with time depth.
    - Important distinction between 2a and 2b is whether allocations to cooperatives would include C season (no under 2a and yes under 2b)
      - Potential change to historical pattern of annual reallocations from trawl CV sector to < 60' HAL and pot CV sector.
    - Adak complicated processing history makes Element 6 particularly important.
    - Efficacy of consolidation limitation potentially important to support service sector

SUMMARY OF EFFECTS OF ALTERNATIVES

- **Effects on Fishing and Processing Crew**
  - Alternative 1: Status Quo (No Action)
  - Alternatives 2a and 2b
    - Vessel crew
      - A decrease in captain and crew positions is anticipated.
      - Crew earnings could be adversely impacted if crew shares are adjusted to cover quota use costs.
      - Employment stability and working conditions would potentially improve and safety as well as crew earnings per position would potentially increase.
    - Processing crew
      - Processing may occur over a longer period of time, resulting in less positions needed for peak demands.
      - Overtime opportunities would still be available for processing workers unless processors change their basic approach to hiring and retaining processing workers.

SUMMARY OF EFFECTS OF ALTERNATIVES

- **Impacts on Monitoring and Enforcement**
- Table 2-127 on page 302 summarizes the impacts of monitoring and enforcement requirements to implement the proposed LAPP.
  - As the Council develops the alternatives and further fleshes out this analysis, NMFS will continue to evaluate monitoring and enforcement tools necessary to implement the proposed LAPP.
- Although specifics of the proposed management options are not yet available to determine enforcement issues, the primary enforcement goal is to ensure timely and accurate reporting of catch. This is dependent on quota monitoring, which is best enforced dockside or through fishery data review.
  - Additionally, FMP measures that create dependence on observer data for vessel-level management can contribute to added tensions between onboard observers and vessel operators and managers.
- Enforcement anticipates the increase in observer coverage resulting from proposed management measures will result in a correlated increase in all types of potential violations reported through observer statements, at least initially.

The Enforcement Committee has provided law enforcement precepts (see Table 2-102) intended as general guidance for the Council to consider when developing regulatory programs.

SUMMARY OF EFFECTS OF ALTERNATIVES

- **Impacts on Monitoring and Enforcement to be Analyzed (Table 2-127)**

Industry Costs	Alt 1- Status Quo	Strawman Alternatives - Cooperative Based LAPP
Annual application for Cooperative Quota Share (Element 9)	None	Submitted to RAM annually
Trawl CV costs for Observer Coverage (Element 11)	Partial Coverage: 1.25% fee (1.65% starting in 2021) Optional Full Coverage: Direct monitoring costs per day Data entry and transmission equipment for some vessels in full coverage	All CV's (except those delivering unsorted codends to mothership) are in the full coverage with direct monitoring costs. Data transmission and entry equipment required for all for all.
Recordkeeping and Reporting; Processors (Element 11)	Logbooks required for vessels ≧60 ft. LOA and landings are reported by processors via eLandings Reporting requirements specified at 50 CFR §679.5	Logbooks required for all PCTC Program CVs and all landings are reported by processors via eLandings. CMCP's required
Cooperative Annual Reports (Element 12)	None	To be submitted to the Council annually.
Cooperative Cost Recovery Fee Liability (Element 13)	None	Incremental Agency costs to administer the PCTC Program would be recoverable up to 3% annually

SUMMARY OF EFFECTS OF ALTERNATIVES

- **Impacts on Monitoring and Enforcement to be Analyzed (Table 2-127)**

Agency Costs	Alt 1- Status Quo	Strawman Alternatives - Cooperative Based LAPP
Enforcement	see Table 2-102	see Table 2-102
RAM	Staff time to issue FFP's	Additional staff time to process and issue annual CQ applications and transfers.
Observer Program	Observer Training and Debriefing	Possibly additional costs for training and debriefing if this program increases the number of observer deployments.
ISD and Application development	Annual updates to the CAS and maintenance of existing applications	Development of applications for PCTC Program QS issuance and transfers, monitoring use caps, and any additional programming changes needed.
Annual Cost Recovery Billing Process	None	Staff time to annually develop and publish standard prices and administer cost recovery billing.

SUMMARY OF EFFECTS OF ALTERNATIVES

- **Impacts on Monitoring and Enforcement to be Analyzed (Table 2-127)**

Impacts to partial coverage observer category of the Observer Program	Alt 1- Status Quo	Strawman Alternatives - Cooperative Based LAPP
Observer Fees	1.25% (1.65% starting 1/1/2021) fee collected on landings by vessels in partial coverage	PCTC Program landings would not be subject to the observer fee reducing overall observer fee revenues.
Partial Coverage Fishing Effort	ADP specifies observer deployment rates for vessels in partial coverage category	Trawl fishing effort under the PCTC Program would not be included in the Observer ADP.
Impacts on observer Providers	Coverage days are split between one NMFS-contracted observer provider for vessels in PC and four permitted observer providers for full coverage	All observer coverage days under the PCTC Program would be contracted with a permitted observer provider.

SUMMARY OF ENVIRONMENTAL ASSESSMENT

- Overall, the EA of the current alternatives did not identify any significant effects on the biological, physical, or human environment.
- This initial EA analyzes the cumulative effects of each alternative and the effects of past, present, and reasonably foreseeable future actions (RFFA).
- The cumulative effects on the other resources have been analyzed in numerous documents and the impacts of this proposed action and alternatives on those resources is minimal, therefore there is no need to conduct an additional cumulative impacts analysis for those resources.
- The sections presented in this EA focus on Pacific cod (Section 3.2), incidental catch (Section 3.3), Prohibited Species Catch (PSC) (Section 3.4), and marine mammals (Section 3.5).
  - No significant effects are presumed for ecosystem component species, seabirds, habitat, or the ecosystem because harvest limits (TACs), habitat protections (such as closed areas), and current or proposed fishing regulations as described in previous documents (NMFS 2005; NPFMC and NMFS 2017; NPFMC 2018) would not be changed by any of the alternatives.
  - As the Council continues to develop its alternatives, the effects of the alternatives may change.
  - Element 2.4 discusses seasons allocations changes and its impacts on SSL.
  - Gear conversion (Element 14) needs Council direction but at this time, no halibut PSC mortality is assigned to pot gear and crab PSC rates are greater for pot gear than trawl gear.

SUMMARY OF ENVIRONMENTAL ASSESSMENT

- PSC rates may decrease slightly from the status quo if fishing effort moves away from periods with relatively high PSC rates or the fleet implements fishing practices that are known to reduce PSC rates (i.e., eliminating night fishing and using halibut escapement devices in the fishing nets).
- No change in the number of incidental takes for Steller sea lions (SSL) is expected under either alternative. As compared to the status quo, Alternatives 2a and 2b may have potential impacts on a portion of the western DPS of SSL in the BSAI due to any changes in availability of Pacific cod, but not in a way that may be measurable or discernable separate from all the other variables that affect fishery operations and natural variation.
- Any effects to habitat continue to be limited by the amount of the groundfish TACs and by the existing habitat conservation and protection measures. Overall, the combination of the direct, indirect, and cumulative effects on habitat complexity for both living and non-living substrates, benthic biodiversity, and habitat suitability is not likely to be significant under any of the alternatives.
- Considering the direct and indirect impacts of the proposed alternatives when added to the impacts of past and present actions previously analyzed in other documents that are incorporated by reference and the impacts of the RFFAs listed above, the cumulative impacts of the proposed alternatives are determined to be not significant at this time.