

Motion

The AP recommends the Council initiate an analysis to amend the BSAI Pacific cod trawl catcher vessel cooperative program. The Council should consider the following for analysis:

Problem Statement:

- Since the development of the PCTC Program (through Amendments 120 and 122), there has been a decrease in the available number of both shoreside and at-sea processors. Such a decrease was not anticipated during the development of this cooperative-based program.
- A decrease in the overall availability of processors, the shoreside processor use cap, and the structure of the at-sea processing sideboard limit unnecessarily constrains trawl CV cod harvesters by limiting the amount of Pacific cod Cooperative Quota (CQ) that can be processed to less than 100%.
- Processing limitations under the PCTC Program result in a regulatory stranding of CQ and undermines the overall functionality and goals of the cooperative-based program.

Alternatives

Alternative 1. Status Quo

Alternative 2. Adjust the PCTC Program shoreside processing use caps and at-sea processing sideboard limits to the following:

Option 1: No company may process more than 30% - 50% of the Pacific Cod CQ. Applies only in years when three or less active shoreside processing companies are available to process PCTC cod.

Option 2: ~~Each~~ An eligible CP acting as a mothership may process up to 150% - 190% of its eligible CP's processing history. ~~This~~ applies only in years ~~which~~ when ~~only~~ one eligible CP submits a processing agreement to NMFS by November 1 of each year ~~that ensures~~ **ensuring that** the overall mothership sideboard limit is not exceeded.

Note: Options 1 and 2 are not mutually exclusive.

Alternative 3. In years when an originally qualifying catcher-processor (CP) does not operate as a mothership platform in the PCTC fishery, NMFS will assign the cod mothership endorsement to a catcher-processor LLP that didn't qualify under Option 1 (Sub-option 1.3) of Amendment 120. Qualifying criteria will be predicated on if that CP has taken directed cod deliveries from catcher vessels in the Aleutian Islands non-CDQ Pacific cod trawl fishery between 2008-2017 (in at least three years). In years when an originally qualifying CP does not operate in the fishery, processor quota share (under the PCTC Program) will be calculated based on the new CP's processing history.

Note: Action Alternatives 2 and 3 are not mutually exclusive

Substitute Motion passed unanimously.

Rationale in Support of Substitute Motion

- *AP members thought it was important to point out that this motion does not reflect that the PCTC Program is not working. Many Cooperative fisheries have had amendments and emergency actions to fix some initial issues that were unforeseen when the council developed them. The PCTC program participants are asking to tweak the program so that the program continues to work and have full utilization.*
- *Recent unforeseen events in the BSAI processing sector have made the Council's goal of bringing stability and predictability into the BSAI trawl CV cod fishery difficult to achieve.*
- *A reduction in the number of shoreside processing plants just ahead of the start of the 2024 season and the first year of PCTC Program implementation resulted in a number of trawl catcher vessels being forced to quickly find a new market (e.g., joining a new cod cooperative or leasing their available quota) if they were able. This was especially impactful to independent trawl catcher vessels. Ahead of the 2025 season, the remaining shoreside processors need to adjust processing plans to accommodate additional cod deliveries (if they are able and willing to do so).*
- *A reduction in the number of mothership platforms for 2025 due to plans that were shared during public testimony has resulted in only one offshore processing platform with the ability to take trawl CV deliveries of cod. The remaining offshore platform is prevented from receiving any additional deliveries from trawl catcher vessels due to the 125% processing limit imposed under the PCTC Program. This results in an increased number of catcher vessels being forced to find new markets, which is exacerbated by the reduction in the number of shoreside processing plants.*
- *Shoreside processors and offshore motherships are both integral to the success of the PCTC Program. Multiple markets are important to ensuring the continued viability and functionality of the overall program.*
- *While there have been changes in the number of PCTC processors, the original motion was too big of a response for a discrete problem.*
- *The substitute motion better reflects the goals of the PCTC program, including encouraging new entrants into the market.*
- *Given the recency of the processing issues being encountered since the time of final action under both Amendments 120 and 122, the data and information contained in these original analytical packages should still be relevant and applicable. As such, action should be able to be taken in a relatively quick and efficient manner to address these emerging concerns. Importantly, the proposed alternatives will not diminish any of the goals and objectives of either Amendment 120 or 122, but will instead allow them to be fully realized in the way originally intended by the Council under current conditions being faced by the fishery.*
- *Fishery stability and predictability are two core goals of the PCTC Program and a focus of fisheries in general. In a time where many fisheries are facing multiple challenges and stressors, it is important to initiate and support actions that promote commercial harvest and strong markets to the greatest extent possible. The proposed processing alternatives will help to achieve just that under the PCTC Program.*
- *The intent is not to create excessive shares, but rather give flexibility to the program and participants. There are multiple ownership caps and vessel use caps that still provide safeguards against excessive shares. Additionally, the AP heard from some processor representatives that relaxing caps when there are few processors available won't cause excessive share and there will still be a competitive market among them.*

- *Most fisheries, sectors, gear types rely on processors in the Bering Sea. Multiple fisheries are facing similar issues around processing and the lack or loss of them. To ensure that processors stay active and available, it's important to provide enough flexibility so that this program isn't running up against processing capacity issues or the issue of no backup for processing if any type of operation-halting emergency occurs.*
 - *Specific to the mothership cap limits proposed for analysis:*
 - *Lower end of range — expected to only add about 780 mt of additional offshore processing, which allows affiliated vessels of one of the mothership companies to deliver to that mothership, whereas now some of that fish must go shoreside.*
 - *Mid-point of range — allows CVs that can't deliver shoreside to deliver offshore.*
 - *Upper end of range — expected to add about 1,250 mt of additional processing capacity offshore. Allows CVs that have traditionally delivered offshore to continue doing so.*
 - *The substitute motion removed the option to consider removal of the processing cap, and drastically changed the structure and intent of the option for the at-sea sideboard processing limit. The amendment to Alternative 2, Option 2 in the substitute motion was intended to provide clarity and understanding.*
 - *Alternative 2, Option 2 would potentially allow an increase in the at-sea processing sideboard limit in years when only one mothership is operating and had notified NMFS of their operation by a certain time. This is different from the original motion in that the request was to analyze a range of potential increases for the at-sea processing sideboard limit regardless of one or two motherships actively operating, and that idea also has merit for consideration..*
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****Main Motion that was replaced by substitute motion***

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- Processing limitations under the PCTC Program result in a regulatory stranding of CQ and undermines the overall functionality and goals of the cooperative-based program.

Alternatives

Alternative 1. Status Quo

Alternative 2. Remove the PCTC Program processing use cap found under 50 CFR 679.133(a)(5).

Option 1: In years when four or less active processing companies are available to process PCTC cod.

Alternative 3. Adjust the PCTC Program shoreside processing use caps and at-sea processing sideboard limits to the following:

Option 1: No company may process more than 30% - 50% of the Pacific Cod CQ.

Option 2: Each eligible CP acting as a mothership may process up to 150% - 190% of its eligible CP's processing history.

Sub option: These sideboard limits may be combined if the two eligible CPs submit an agreement to NMFS by November 1 of each year that ensures the overall mothership sideboard limit is not exceeded.

Note: Options 1 and 2 are not mutually exclusive

Alternative 4. In years when an originally qualifying catcher-processor (CP) does not operate as a mothership platform in the PCTC fishery, NMFS will assign the cod mothership endorsement to a catcher-processor LLP that didn't qualify under Option 1 (Sub-option 1.3) of Amendment 120. Qualifying criteria will be predicated on if that CP has taken directed cod deliveries from catcher vessels in the Aleutian Islands non-CDQ Pacific cod trawl fishery between 2008-2017 (in at least three years). In years when an originally qualifying CP does not operate in the fishery, processor quota share (under the PCTC Program) will be calculated based on the new CP's processing history.

Note: Action Alternatives 2 and 3 (exclusive of the suboption) are not mutually exclusive with Alternative 4.

Motion 2

Move to approve the October 2024 AP minutes.

Motion passed unanimously.