
D4 Amendment 80 Program Review Presentation to AP December 2024

Authors:

Jon McCracken, McCracken & Associates

Sam Cunningham, formerly NPFMC

Brian Garber-Yonts, AFSC



NOAA
FISHERIES

OVERVIEW OF PRESENTATION

- Scope of program review
- Overview of AM80 allocations, harvest, revenue, participation, and economic performance
- Overview of the goals of the AM80 Program and how the AM80 Program is meeting those goals
- Overview of the Safety section, Excess Capacity section, and what AM80 Program key features are adaptive to unanticipated impacts



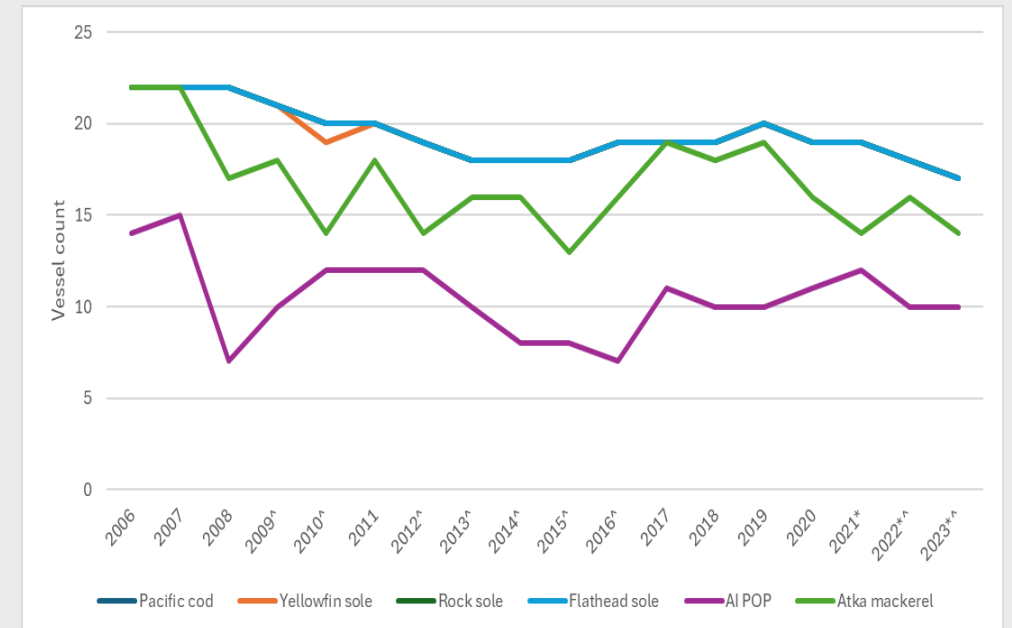
SECTION I: SCOPE OF AM80 PROGRAM REVIEW

- Workplan presentation was at the October 2022 Meeting
- SSC suggestions include:
 - Capture ownership of active vessels with specific focus on CDQ groups (Section 9.1)
 - Describe Alaska community engagement footprint in part by port calls (Section 9.2 & Table 9-5)
 - Estimate share of community tax revenue attributable to the AM80 fleet (Section 9.3 & Table 9-6)
- AM80 Problem Statement Goals
 1. Maintain a healthy marine ecosystem (Section 7)
 2. Reduce bycatch (non-groundfish) (Section 5)
 3. Minimize waste and improve utilization (Section 8)
 4. Provide maximum benefit to present generations of fishermen, communities, CDQ groups, and the nation as a whole (Sections 2, 9, & 119)
 5. Minimize negative impacts on other fisheries (Section 4)
- Additional MSA LAPP Review Issues
 - Capacity Reduction (Section 3)
 - Fishing Safety (Section 11)



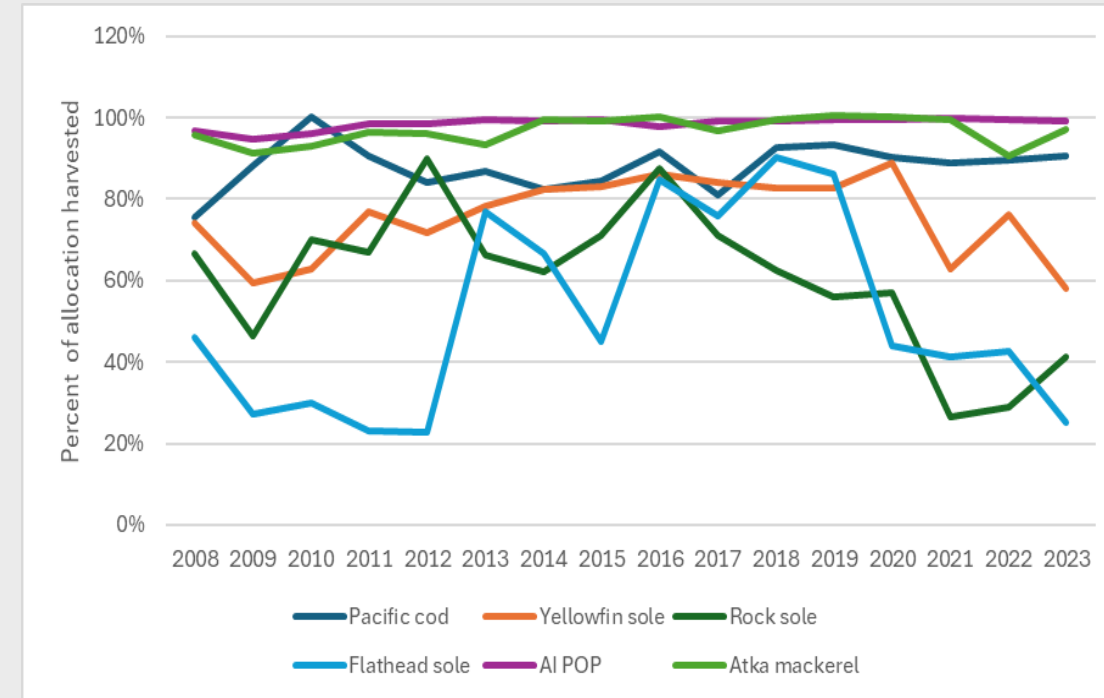
SECTION 2: AM80 ALLOCATION, HARVEST, REVENUE & PARTICIPATION

- Tables 2-1 & 2-2 summarize AM80 activity across the AM80 species to include vessel count, allocations, harvest, and percent of allocations harvested
- Vessel Counts
 - AM80 sector has experienced a gradual consolidation over the 17-year history of the program
 - Vessel counts have declined from 22 active vessels in pre-AM80 years to 17-18 active vessels in 2022 and 2023



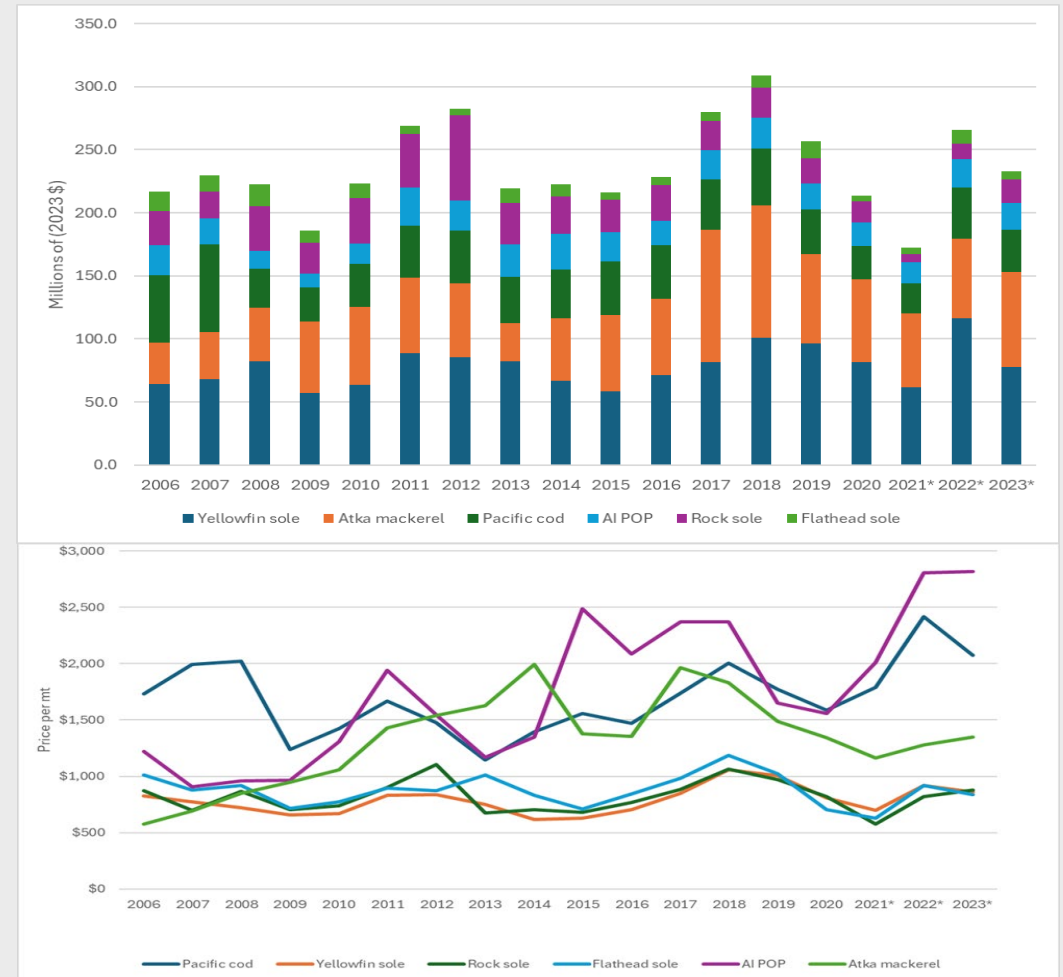
SECTION 2: AM80 ALLOCATION, HARVEST, REVENUE & PARTICIPATION

- AM80 Harvest
 - Harvest has varied from 195,000 mt to 254,000 mt in aggregate with average of 236,000 mt over the AM80 Program years
 - Of the AM80 fisheries, roundfish are consistently harvested at greater than 90% of their allocation, while flatfish have shown lower harvest percentages relative to their allocations



SECTION 2: AM80 ALLOCATION, HARVEST, REVENUE & PARTICIPATION

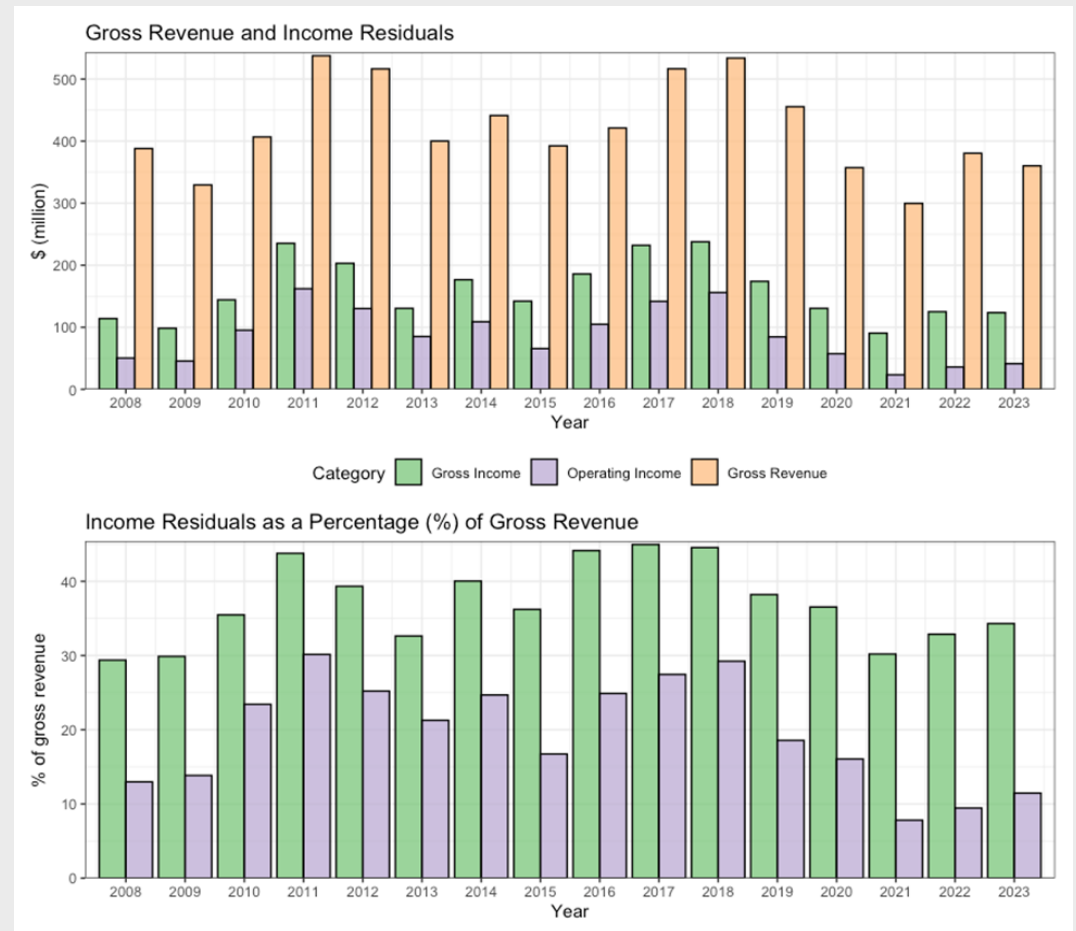
- First Wholesale Gross Revenue and Prices
 - Figure 2-9 shows first wholesale value by species
 - Typically, the highest grossing species has been yellowfin sole, Atka mackerel, and Pacific cod
 - From perspective of price, (Figure 2-10) AI POP, Pacific cod, and Atka mackerel yield more value per mt
- Overall, 79% of the total first wholesale revenue during 2008-2023 was from harvest of AM80 allocations & 21% was from non-AM80 harvest



SECTION 2: AM80 SECTOR ECONOMIC PERFORMANCE

- Overall economic performance of the AM80 sector are shown in Section 2.3.
- Economic performance shown in Figure ES-9 and Figure 2-17
- Overall trend for this review period:
 - Increasing economic performance between 2015-2018
 - Declining economic performance 2019-2021 with 2021 representing the lowest economic returns since the management program began
 - The decline in economic performance in 2020 and 2021 due to unprecedented and destabilizing economic conditions in the Alaska seafood market

Recent Improvements: Operating margin has increased for 2022 and 2023



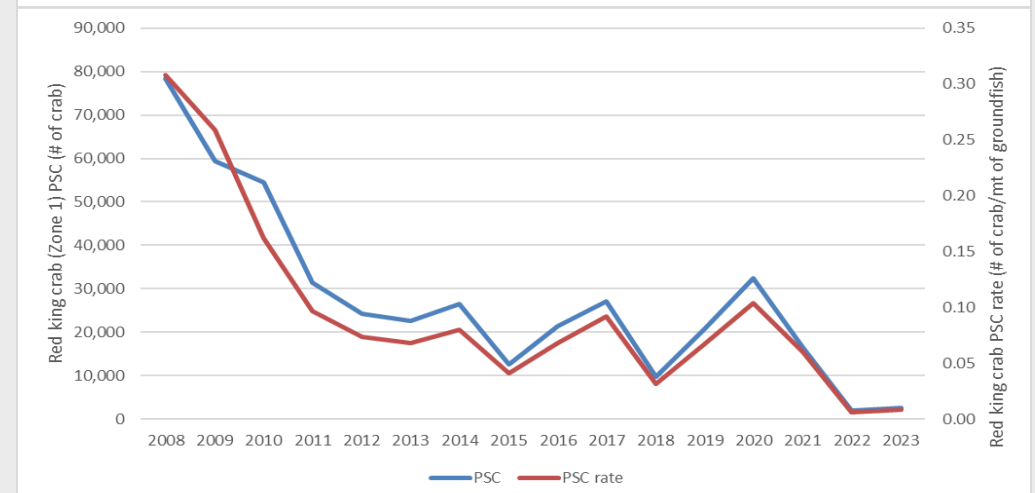
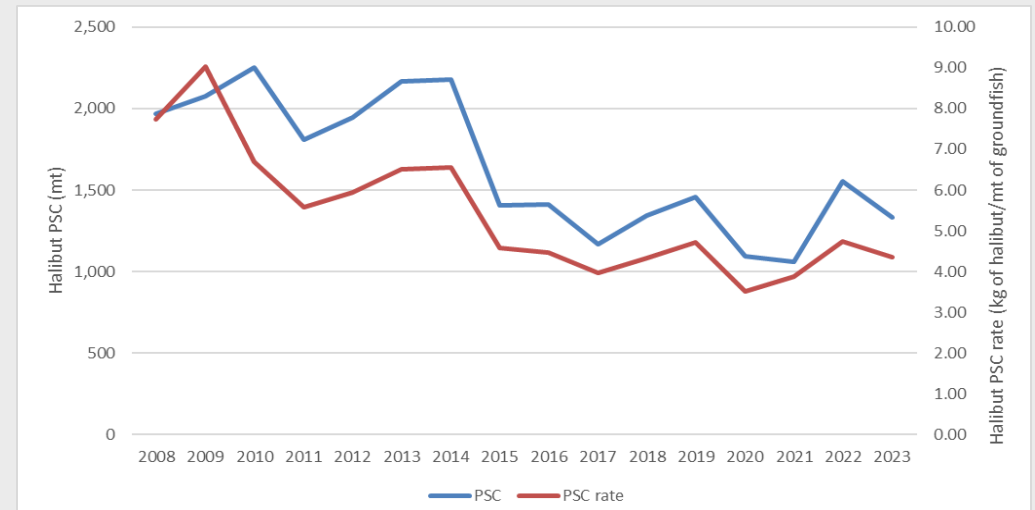
AM80 GOAL 1: MAINTAIN A HEALTHY MARINE ECOSYSTEM (SECTIONS 5, 6, AND 7)

- AM80 Program success: Led to near elimination of the race for fish in AM80 fisheries.
- Shift in fishery dynamics: Participants are no longer forced to maximize catch and revenue per unit of time.
- Increased willingness for change: AM80 sector has modified gear and behavior to reduce environmental impact.
- Examples of positive changes:
 - Modified trawl doors and sweeps
 - Ongoing gear modification experiments
 - Use of excluders and deck sorting to reduce bycatch mortality
 - Development of underwater web fences to prevent killer whale entanglement
- Detailed discussions:
 - Section 5.2: Bycatch mortality reduction strategies in the AM80 sector
 - Section 5.3: Status of halibut deck sorting innovation and experimentation
 - Section 7: Gear modifications to lift trawl sweeps off the bottom
 - Section 6.2: Development of underwater web fences to prevent killer whale entanglement



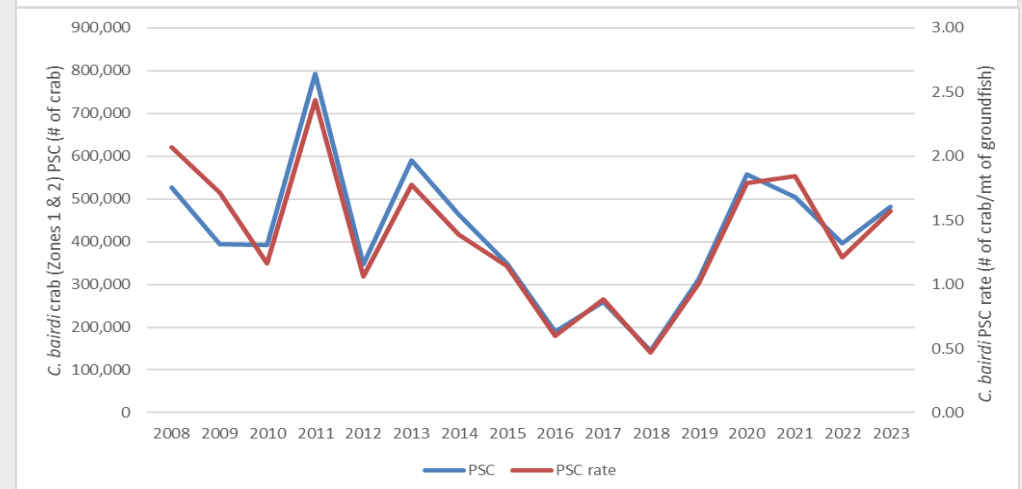
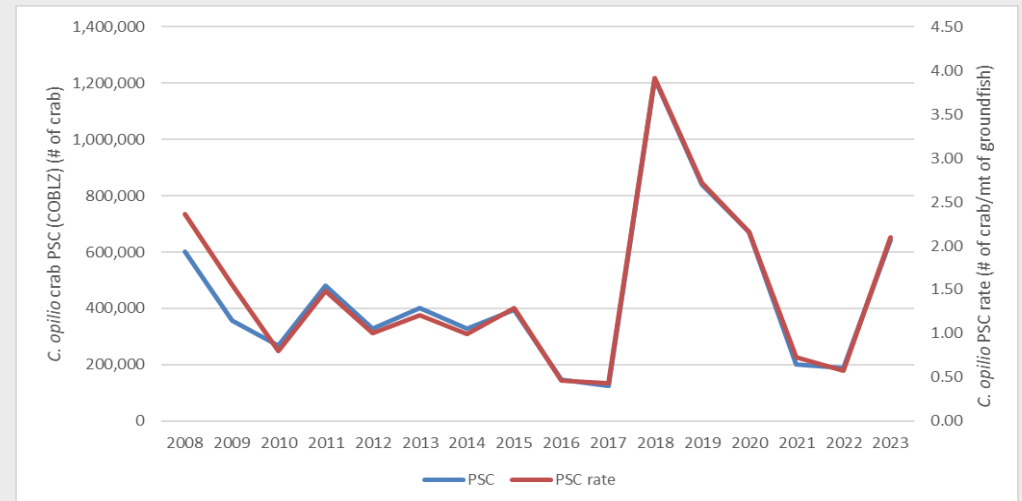
AM80 GOAL 2: REDUCE BYCATCH (SECTION 5)

- Overall Trends:
 - General decline in PSC and PSC rates since AM80 was implemented in 2008
 - Halibut and crab PSC limits were not exceeded during the review period (2015-2023)
- Halibut PSC
 - Annual PSC declined from an average 2,057 mt (2008-2014) to an average 1,314 mt (2015-2023)
 - PSC rate also declined from 6.9 kg/mt to 4.3 kg/mt
- Red king crab (Zone I)
 - Declined in PSC and PSC rates (0.15 crabs/mt to 0.05 crabs/mt)



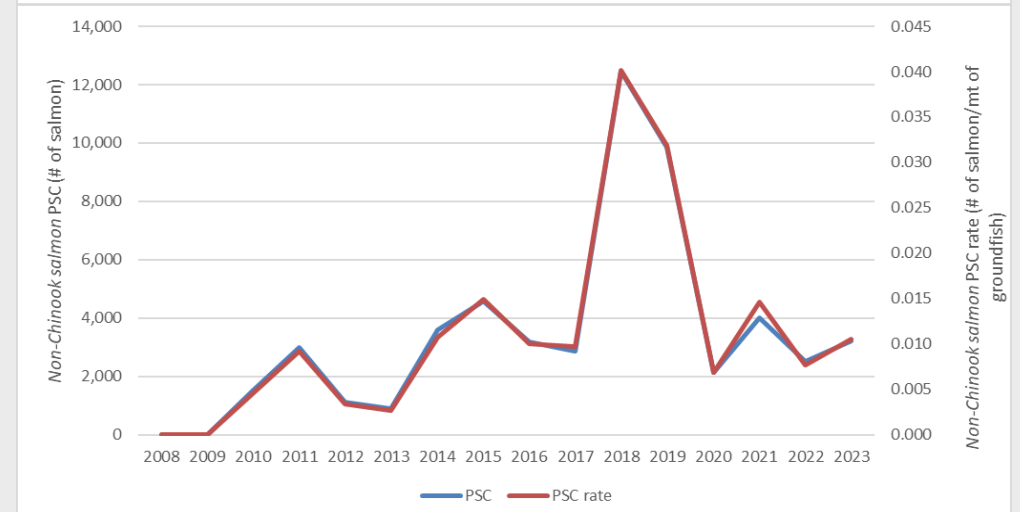
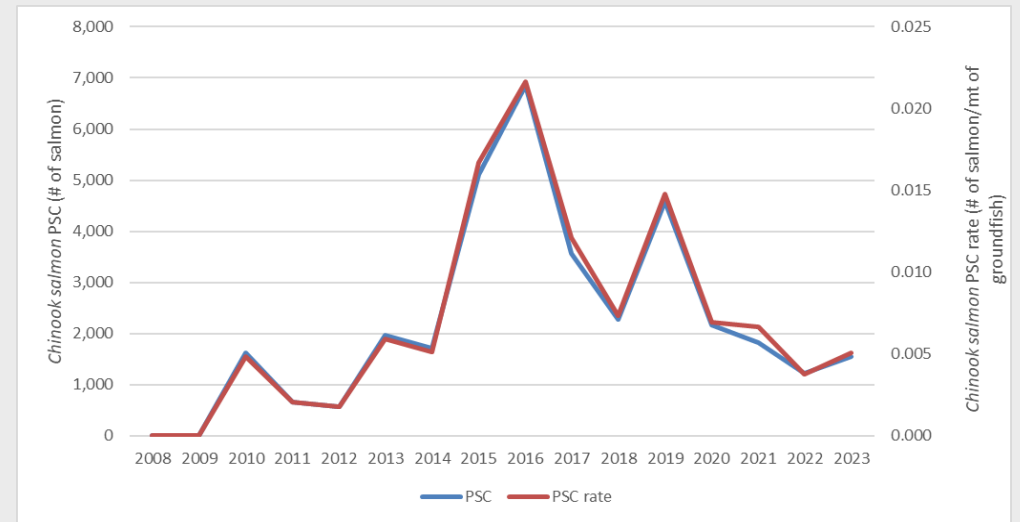
AM80 GOAL 2: REDUCE BYCATCH (SECTION 5)

- **C. opilio crab (COBLZ) PSC**
 - PSC & PSC rates declined until 2017 then increased in 2018, and then resumed decline through 2022 (1.34 crabs/mt to 1.597 crabs/mt)
 - Increase in 2018 was likely due to the historical high observed snow crab abundance
- **C. bairdi crab (Zones 1 & 2) PSC**
 - Variable trends, but overall PSC rate declined from 1.66 crabs/mt to 1.17 crabs/mt



AM80 GOAL 2: REDUCE BYCATCH (SECTION 5)

- Chinook and Non-Chinook Salmon PSC
 - Generally low PSC and PSC rates, with short increases of Chinook in 2015-2016 and non-Chinook in 2018-2019
 - Average PSC rates
 - Chinook: 0.003 salmon/mt to 0.011 salmon/mt
 - Non-Chinook: 0.004 salmon/mt to 0.016 salmon/mt



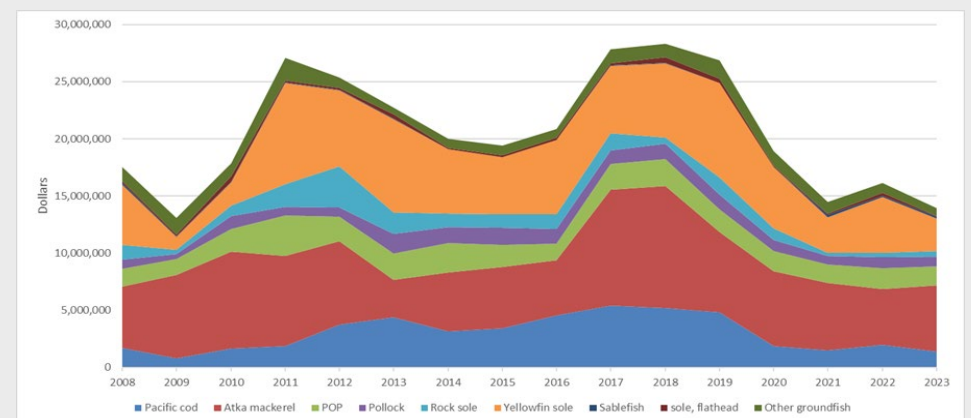
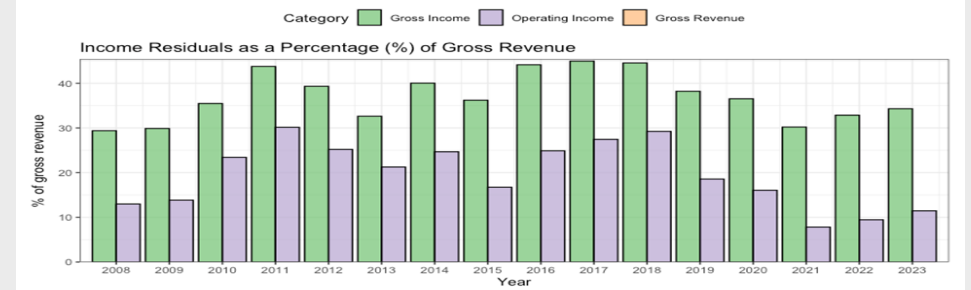
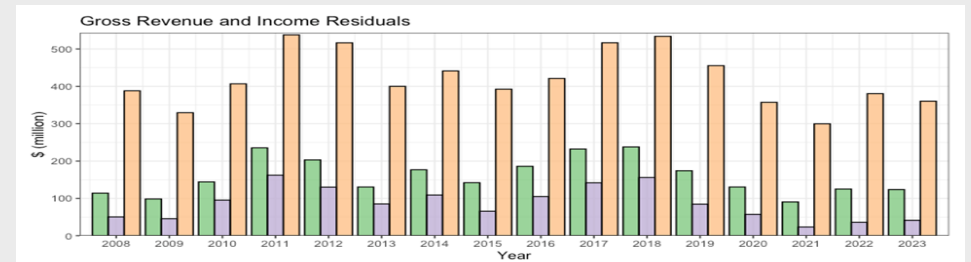
AM80 GOAL 3: MINIMIZE WASTE AND IMPROVE UTILIZATION (SECTION 8)

- Retention Standards (GRS):
 - GRS phased in under Amendment 79:
 - Started at 65% in 2008 and then increasing 5% per year until 2011 at 85%
 - AM80 superseded Amendment 79 and applied to all AM80 vessels
 - Retention measured at the cooperative; limited access held to individual accountability
- Regulatory Adjustment
 - 2010 Emergency Order which exempted AM80 fleet from GRS requirements due to unintended effect of requiring retention well above what the Council intended, and enforcement was much more complex and costly than anticipated
 - 2013 Final Rule replaced GRS with Retention Compliance Standard (RCS)
 - Cooperatives self-monitor retention and report annual rates to NMFS
 - Independent audits conducted by SeaState
- Retention Outcome – Significant improvement in retention rates from 69% in 2004 to above 90% under RCS



AM80 GOAL 4: MAXIMUM BENEFIT TO USER GROUPS (SECTION 9)

- Vessel Owners:
 - Cooperative fishing under AM80 has improved sector efficiency
 - Overall increase in operating income since AM80 implementation however the recent downturn has been severe (Figure 2-17)
- Crewmembers and Society
 - Aggregate wages for crew has increased since implementation but decline in recent years has been severe
 - Safety has improved since implementation due to rationalized fishing, ACSA (Alternative Compliance & Safety Agreement), and fleet modernization
- CDQ Groups
 - Allocations of groundfish increased from 7.5% to 10.7% of TAC
 - Revenue from CDQ harvest on AM80 vessels ranged from \$13 million to \$28 million



AM80 GOAL 4: MAXIMUM BENEFIT TO USER GROUPS (SECTION 9)

- Alaska Communities:
 - AM80 Program has contributed important tax revenue for Alaska communities, boroughs, and the State of Alaska
 - AM80 vessel port calls foster local support services for crew transfers, fuel purchases, cold storage facility use, and logistical support
- Lower-48 Communities (Seattle, Renton, Kirkland, and Rockland ME):
 - 100% of vessels historic ownership address is in the Seattle, Renton, Kirkland, and Rockland ME region
 - Reported \$366 million average annual first wholesale revenue, representing 23% of the total annual revenue for all areas and gear types



AM80 GOAL 5: MINIMIZE NEGATIVE IMPACTS ON OTHER FISHERIES (SECTION 4)

- Goals of AM80 sideboards
 - Mitigate adverse effects on GOA fisheries from AM80 operational and economic efficiencies
 - Prevent increased competition and a “race for fish” in non-AM80 fisheries
- Type of GOA sideboard limits
 - Groundfish sideboard limits – restricts pollock, cod, and rockfish harvests to average levels (1998-2004)
 - Halibut PSC limits – caps halibut PSC usage based on historic levels (1998-2004)
 - Flatfish fishery prohibition – restricts the number of AM80 vessels conducting directed flatfish fishing
 - F/V Golden Fleece cannot direct on GOA pollock, cod, and rockfish, but is not subject to GOA halibut PSC sideboard limits
- Sideboard limits managed as soft caps
- AM80 vessels operate under a voluntary cooperative system



AM80 GOAL 5: MINIMIZE NEGATIVE IMPACTS ON OTHER FISHERIES (SECTION 4)

- Groundfish sideboard catch
 - AM80 vessels generally have stayed within sideboard limits for cod and rockfish
 - Limits have been exceeded in the WVG pollock fishery and the CG pollock fishery
 - Limits were exceeded due to incidental catch of these species in other directed GOA fisheries (soft cap management)
 - GOA Flatfish fishery prohibition – of the 11 identified vessels that can participate in the GOA flatfish fishery, between 3 to 6 have participated since 2008
- Halibut PSC sideboard limits
 - Subdivided by seasons (five total) and fishery complex (shallow-water and deep-water)
 - Halibut PSC and PSC rates have declined during the review period (Table 4-8)



OVERVIEW OF SECTION 3: EXCESSIVE SHARE

- Regulatory Caps on Ownership and Use:
 - Quota Share Use Cap:
 - No person may hold or use >30% of AM80 quota share
 - Grandfathering applies to initial holders exceeding this limit
 - Cooperative Quota Vessel Use Cap:
 - No single vessel may harvest >20% of AM80 species cooperative quota in a year
- Quota Share Ownership Trends:
 - Initially allocated across nine companies; consolidated to five as of 2024
 - Largest initial quota share holder (grandfathered) ceased operations and exited in 2017
 - Currently no entity exceeds the 30% quota share cap
- Cooperative Quota Vessel Use Cap Trends:
 - No vessel has approached the 20% cooperative quota use cap during 2008–2023



OVERVIEW OF AM80 SECTION 11: SAFETY IN AM80 FISHERIES

- Significant safety improvements - personnel fatalities reduced from 25 (2001–2012) to 1 (since 2013)
- Vessel sinkings reduced - only one since 2012 (*Alaska Juris*, 2016, no lives lost)
- Factors Driving Safety Improvements
 - Implementation of AM80 rationalized fishing model & Amendment 97 (vessel replacement)
 - Adoption of ACSA (Alternate Compliance and Safety Agreement)
 - Fleet modernization and replacement
 - Exit of high-risk company-level entities
- Vessel Safety Recommendations
 - Emphasize prevention of “loss of propulsion” events (most common cause of moderate vessel casualties with potential for escalation)
 - Maintain ACSA enrollment for non-classed/loadlined vessels
 - Continued investment in fleet modernization and safety protocols



SECTION 10: ADAPTIVE AND MALADAPTIVE FEATURES OF AM80 PROGRAM

- Council requested all program reviews include a description of key program elements adaptive and maladaptive features in context with climate/environmental related instability
- Table 10-2 provides the adaptive and maladaptive features of key elements of AM80 Program
 - Program has provided members tools to decrease the vulnerability to negative impacts outside the AM80 Program
 - Key program features were designed to facilitate efficiency within the program
 - Example: cooperative and flatfish flexibility exchange program reduces impacts from changes in world market and global COVID-19 pandemic

