C1 CGOA Rockfish Program Adjustments Final Action

June 2022
Jon McCracken
Introduction

- February 2022 – Council initiated an analysis to modify the CGOA Rockfish Program
- April 2022 – After initial review, Council released analysis for final action at this meeting. Council also selected a PPA
  - Change season start date from May 1 to April 1
  - Eliminate the CV cooperative holding cap of 30%
  - Increase the processor cap to 35% - 40% of the CV quota for sablefish, Pacific cod, and/or primary rockfish
  - Revise the CV aggregate primary rockfish harvesting cap by capping only POP at 8%
- Purpose and need is to increase flexibility and efficiency, improve functionality, and better ensure the rockfish quota are fully harvested and landed in Kodiak as intended (Section 2.2; page 9)
Major Changes from April Initial Review

- Corrected language describing cooperative formation around processors (Section 2.6)
- Enhanced the usability of Figures 2-4 and 2-5 to show monthly data and included a pre-COVID year (Section 2.6.3)
- Included tables showing monthly PSC data (Section 2.6.4)
- Provided additional information about regulations relevant to prohibitions on discarding (page 15)
- Ensured there is a description of the original rationale for season and use caps
- Characterized the administrative costs that are likely to be saved associated with removing the cooperative holding cap of 30% (Section 2.7.2.2)
- Clarified the specifics of what has driven processor consolidation (Section 2.6.7)
- Characterized the potential impacts of changes to the use caps on vessel crew and processors workers (Section 2.7.2.4)
- Included an EA (Chapter 3)
Background

Section 2.5 notes the analysis draws largely on AM111, CGOA RP review, final RIR for a temporary rule to modify the RP season start date for 2021 (pages 10-11).

Section 2.6 builds on the background sections from AM111 and final RIR for the emergency rule to include overviews of the following elements:

- Overall harvest to include vessels, LLP licenses, processing plants, reported catch, exvessel value and wholesale value for CV and CP sectors (Section 2.6.1)
- TAC and catch of the RP primary and secondary species (Section 2.6.2)
- Updated Seasonal fishing activity for CV and CP RP vessels (Section 2.6.3)
- Updated PSC species (Section 2.6.4)
- Cooperatives (Section 2.6.5)
- Excessive share limits (Section 2.6.6)
- Shore-based processors (Section 2.6.7)
- Fishing communities (Section 2.6.8)
- Rockfish products (Section 2.6.9)
- Safety considerations (Section 2.6.10)
- Cost recovery (Section 2.6.11)
Option 1: April 1 Start Date

- In February 2021, the Council recommended, and the Agency approved an emergency rule to modify the RP start date for 2021 to April 1
  - Intended to address negative economic and social impacts on harvesters and processors participating in the RP due to the COVID-19 pandemic
- Given the ongoing potential of another COVID-19 pandemic outbreak and the loss of the April arrowtooth market due to the trade tariffs Council proposed changing the RP start date to April 1
Option 1: April 1 Start Date

Alternative 1 would maintain the May 1 start date:
- Continued reduced operations in April since there are limited fisheries during this period
- Limit flexibility to adapt to COVID-19 restrictions which could lead to overlapping operational conflicts between the RP and the salmon fisheries

Alternative 2, Option 1 would change the start date to April 1:
- Provide enhanced flexibility to mitigate some of operational impacts from the loss of the April flatfish market
- Adjust operations if future COVID-19 outbreaks occur to prevent overlapping RP and salmon operations
- Included monthly halibut and Chinook salmon PSC data for CVs (Figures 2-3 and 2-4 on page 24 and 25) which shows April 2021 data relative to other months. PSC rates for both halibut and Chinook lower than other months
- CPs monthly data is confidential but normally have not fished in the RP earlier than June. Starting in 2020, 1 CP has fished in the RP in May. Sector will likely focus on BSAI trawl fisheries until June with one CP maybe entering the May fishery
Option 2: Elimination of CV Cooperative Holding Cap

- The cooperative holding cap was intended to provide greater opportunity for multiple shorebased processors to receive RP quota

- Alternative 1 would maintain 30% CV cooperative holding cap:
  - Would limit cooperative would could continue provide opportunity for multiple shorebased processors to receive RP quota
    - No regulation that prevents multiple cooperatives being associated with the same processor

- Alternative 2, Option 2 would remove the 30% CV cooperative holding cap:
  - Would likely reduce the minimal management and administrative costs for those cooperatives associated with the same processor that would like to consolidate into one cooperative
  - Only two cooperatives are currently associated with same shorebased processor, and if combined, the CQ would exceed the existing 30% cap
    - Likely these two cooperatives would consolidate into a single cooperative under this option
Option 3: Increase the CV Quota Share Pool

Processor Caps

- Processor caps were intended to maintain the distribution of processing activity to a minimum of 4 processors, which would benefit employees of those plants.
- Cap was also intended to stabilize the Kodiak processing sector.
- From 2012 – 2014, there were 7 shorebased processors.
- Starting in 2015, the number of shorebased processors declined to a low of 4 in 2020 and 2021.
  - In 2014, Trident purchased Western Alaska Fisheries, so in 2015 Western Alaska Fisheries Rockfish Cooperative associated with Star of Kodiak as its processor.
  - Global Seafoods ceased processing operations altogether in 2018.
  - Pacific Seafoods no longer takes rockfish deliveries.
- As a result of the declining number of shorebased processors, the 30% processing cap has become constraining for some shorebased processors.
Option 3: Increase the CV Quota Share Pool Processor Caps

- Alternative 1 would maintain the 30% CV shorebased processing caps for sablefish, Pacific cod, and primary rockfish:
  - Given the current 30% caps are constraining for Pacific cod, sablefish, and the primary rockfish, these three fisheries will continue to be constraining under Alt 1
    - Would likely result in some portion of the CV quota remaining unharvested
  - Primary species could be even more constraining under Alt 1 if the Council revises the vessel use cap (Option 4) to only limit POP to 8%
Option 3: Increase the CV Quota Share Pool Processor Caps

- Alternative 2, Option 3 would increase the CV shorebased processing caps to 35% - 40%:
  - Would likely provide additional flexibility to ensure all the CV quota is harvested and processed
    - PPA of 40% would provide slightly more flexibility relative to 35%
  - The 30% CV shorebased processing cap is constraining for Pacific cod, sablefish, and the primary rockfish species for some processors
  - In addition, revising the vessel use cap (Option 4) could increase the risk of a 30% processor cap for primary rockfish species being even more constraining
Option 3: Increase the CV Quota Share Pool Processor Caps

- Increase the CV shorebased processing caps to 35% - 40% (Alt 2):
  - Increasing processors cap could improve economic efficiencies for those processors constrained by the current caps
    - Processors can operate at a more efficient capacity, which may reduce costs per unit of production
  - Overall, the proposed processor caps will ensure that a minimum of three Kodiak processors will be required to process all the CV rockfish quota while providing some additional flexibility for current Kodiak processors
Option 4: Revise CV Aggregated Rockfish Vessel Use Cap

- Vessel use cap was intended to ensure that harvest activity does not exceed the specified threshold and at a minimum 13 harvesting vessels would be needed to harvest all the CV quota.

- As noted in Table 2-1 (page 13), in 2021 there were 26 CVs active in the RP.

- CAS data indicates no CVs have exceeded the 8% harvesting cap limit.
  - Three or fewer CVs have reported primary species catch data approaching the 8% limit.

- Catch amongst the three primary species is very different.
  - Figure 2-1 (page 14) shows that POP is a fully harvest species.
  - Figures 2-2 & 2-3 (page 15) shows that northern rockfish and dusky rockfish are far from a fully harvested species.
  - The reason northern and dusky rockfish species are not fully utilized is because they are much harder to catch relative to POP and CVs have a limited window to harvest the RP quota.
Option 4: Revise CV Aggregated Rockfish Harvesting Cap

- Alternative 1 would leave in place the existing 8% CV aggregate rockfish use cap:
  - Would likely continue a pattern of low quota harvests of northern rockfish and dusky rockfish due to the difficulty catching these two rockfish species relative to POP

- Alternative 2 would revise the CV aggregated rockfish use cap to only cap POP at 8%:
  - Could provide an incentive to harvest a greater portion of the northern rockfish and dusky rockfish CV quota since these species would not have a vessel use cap
    - One to three CVs have harvested rockfish quota near the aggregate cap, but have never exceeded the cap
    - The CVs that harvested rockfish quota near the 8% cap primarily harvest POP, so maintain the 8% cap for POP will continue to restrict these vessels from exceeding the cap for POP
Environmental Assessment

- EA was conducted to assess the impact on the alternatives to the following biological resource components
  - Target species
  - Unallocated species, including PSC
  - Essential Fish Habitat (EFH)
Alternatives

- Alternative 1: Status Quo

- Alternative 2: Amend the current Rockfish Program with the following options:
  1. Change season start date from May 1 to April 1
  2. Eliminate the CV cooperative holding cap of 30%
  3. Increase the processor cap to 35% - 40% of the CV quota for sablefish, Pacific cod, and/or primary rockfish
  4. Revise the CV aggregate primary rockfish harvesting cap by capping only POP at 8%

- Throughout the EA, it was found that Alternative 2, options 2,3,4 would have no adverse environmental effect.
Target Species Life History

- Primary Species Life History is largely unknown
  - Northern, Dusky and Pacific Ocean Perch (POP)
    - POP thought that larvae remain in offshore surface water
    - 3 years they migrate to deeper/offshore habitats

- Alternative 2, Option 1, adjusting the start date of April 1 for the RP, is unlikely to have impacts to the process of spawning/parturition and or larval dispersal for RP species
  - During their larval pelagic state, it is unlikely fishing or fishing gear will negatively impact development
Target Species and Vessel Participation

- CPs did not utilize the April start date
  - Earliest enter date for CP participating in the RP was May
- Despite vessel participation in April, analyst estimate it would be unlikely that the early start date would negatively impact target species life history and parturition.
- CVs utilized the flexible April 1 start date in 2021 (seen in Fig 3-4)
- **Alternative 2, Option 1, adjusting the start date of April 1 for the RP, is unlikely to have impacts to the process of spawning/parturition and or larval dispersal for RP species**
  - CV and low CP vessel participation is unlikely to have negligible impact on April parturition phase for primary RP species
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Stock Author Consultation

- Stock author agrees that the early start date will likely have minimal impacts on the primary RP species
  - Model projections of biomass and apply catch account for some catch prior to spawning
  - Encounters with spawning fish may provide an opportunity for increased collection of information about RP species reproductive biology
  - Stock authors suggest continued monitoring of vessel participation during April months in conjunction with monitoring of the primary stock status
Unallocated Species and PSC Species

- Since the RP was implemented in 2012, PSC rates have declined for both Chinook and Halibut.

- Chinook Salmon
  - Timing of Chinook salmon bycatch follows a predictable pattern in most years, corresponding primarily with seasonal openings of the pollock fishery
  - 2021 season Stats:
    - April: 66 salmon; November: 993 (highest)

- Halibut
  - The rockfish fishery generally accounts for between 2-16% percent of the halibut bycatch of these vessels in the GOA
  - 2021 Season:
    - April PSC Rate: 0.37; November PSC Rate: 14.00 (highest)

- It is not likely that Alternative 2 would result in significant changes to the current levels of bycatch of salmon or halibut as PSC limits are not proposed to change in Alternative 2.
### Table 3. Rockfish Genetics results, 2013-2020.

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</table>
Essential Fish Habitat

- As seen in the most recent 2017 EFH 5-year review, The FE model assumed no bottom contact for GOA slope rockfish pelagic trawl.
  - the total number of fishing events for both CV and CP has remained relatively constant.
- Likely a continued trend in decreased habitat for RP species as seen in 2017 EFH 5 year Review
- Concentrations of bottom trawl effort in the CGOA rockfish fisheries would likely be reduced as trawl vessels continue to move towards pelagic and semi-pelagic trawls to reduce halibut bycatch.
- The rockfish fisheries are likely to continue to have minimal and temporary effects on the essential fish habitat. No long-term negative impacts to essential fish habitat are likely under the program alternatives.
Conclusions

- Alternative 2, options 2,3,4 would likely have no adverse environmental effect on target species, unallocated species and PSC, and EFH.

- Alternative 2, option 1 would likely have minimal effect on target species, specifically in life-history alterations including the timing/success of parturition.

- Alternative 2, option 1 would have negligible impacts on unallocated species and PSC species as rates of PSC is highest during the standing RP season, under alternative 1.

- Alternative 2, option 1 would likely have no impact to EFH.
Thank You

Questions?
## Historical Monthly PSC Rates by Rockfish Program

### Halibut

<table>
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<th>Month</th>
<th>Average monthly halibut PSC rate (CVs and CPs combined) across years</th>
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</thead>
<tbody>
<tr>
<td>April</td>
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<tr>
<td>May</td>
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<td>June</td>
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<td>July</td>
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<td>August</td>
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<td>October</td>
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<td>November</td>
<td>0</td>
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<tr>
<td>Average</td>
<td>10.73</td>
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Source: AKFIN; Source file is PP_MNTH_PSC(5-10-22)
*Based on rockfish targets in the CGOA
**While checked into the RPP or RP

1 Kilograms of PSC per ton of groundfish
Historical Monthly PSC Rates by Rockfish Program

<table>
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<th>Month</th>
<th>Average monthly Chinook PSC rate(^1) (CVs and CPs combined) across years</th>
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<td>May</td>
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<td>June</td>
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<tr>
<td>November</td>
<td>0</td>
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<tr>
<td>Average across months and years</td>
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Source: AKFIN; Source file is PP_MNTH_PSC(5-10-22)

*Based on rockfish targets in the CGOA

**While checked into the RPP or RP

\(^1\)Chinook/total groundfish