

Mothership Sector Utilization Proposals

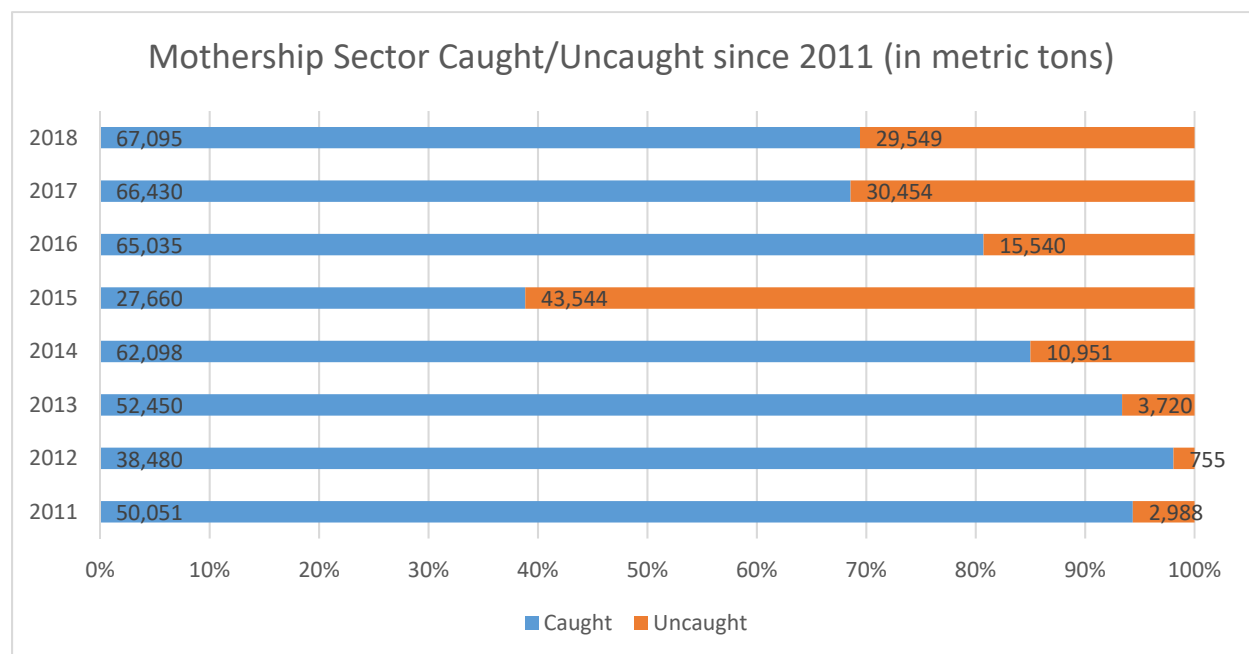
Background

At the September and November 2018 Pacific Fishery Management Council Meetings, members of the mothership sector brought forward proposals to improve utilization and flexibility in the fishery. Mothership catcher vessels and mothership processors met in Portland, Oregon on October 29th, 2018 to discuss the issues facing our sector and how we could work together to improve them. The Midwater Trawlers Cooperative and United Catcher Boats Association submitted a summary of that meeting to the November briefing book ([Agenda Item G.4.b, Supplemental Public Comment 2, November 2018](#)), the proposed solutions from which the Council moved forward to become the basis of the Mothership Sector Utilization omnibus item #15 ([Agenda Item G.4.a, GMT Report 1, March 2019](#)).

Together as a sector, we urge the Council and NMFS to prioritize the Mothership Sector Utilization omnibus item (#15) at the March 2019 meeting, and take action to move two sector-wide consensus solutions forward for analysis: 1) change the processor obligation deadline, and 2) increase the mothership processing cap (currently 45%). This document is intended to provide more background and detail to facilitate that process.

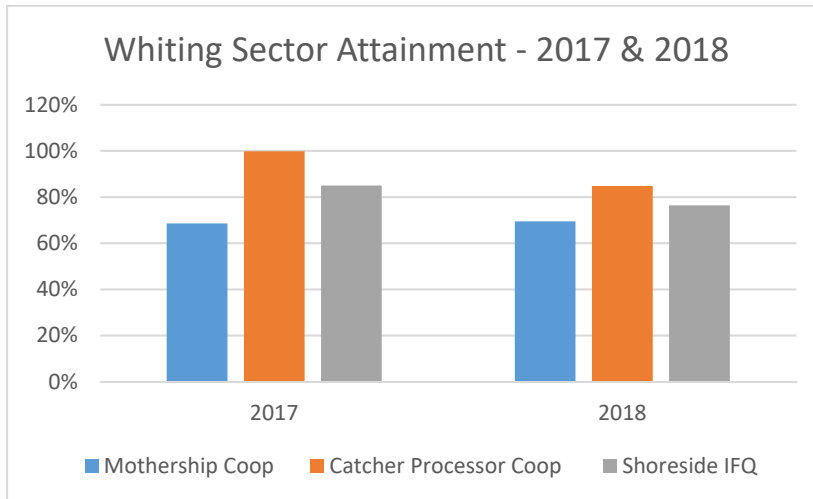
Problem

The mothership sector left a lot of fish unharvested over the past several years, particularly in more recent years.



(Data from PacFIN Whiting Report: <https://reports.psmfc.org/pacfin/f?p=501:202:16879616424532::NO::>)

With the high total allowable catch for whiting at an all-time high in 2017 and 2018, the other whiting sectors were able to achieve higher attainment than the mothership sector. The mothership sector caught 69% of our allocation in 2017 and 2018, while the catcher processor and shoreside whiting sectors averaged 92% and 81% attainment of their respective allocations across the same years.



(Data from PacFIN Whiting Report: <https://reports.psmfc.org/pacfin/f?p=501:202:16879616424532::NO:::>)

The negative impacts of low attainment were not evenly distributed among all mothership catcher vessels or mothership processors. While some catcher vessels delivered record amounts of their mothership sector quota to their processor(s), others harvested none.

Beyond bycatch access, not all members of the mothership sector agree about why we have been struggling to achieve higher attainment in recent years, but we all agree that a higher proportion of our allocation must come out of the water.

Proposed Regulatory Solutions with Sector-Wide Support

Members of the mothership sector acknowledge that the mothership coop program established by the Council and NMFS under trawl rationalization achieved a delicate balance of interests between stakeholders. We also acknowledge that the work the Council has conducted in recent years to improve at-sea access to bycatch is an enormous step forward. At this time it is not our intent to fundamentally change the program that we collaborated to design, but rather to request that the Council and NMFS analyze and implement specific regulatory updates to reflect changes in the fishery after eight years of the program.

At great effort we have come together as a sector to discuss and scrutinize a variety of problems and solutions. Some solutions fall within the scope of the current cooperative program, and we can - and in many cases already have - taken action as individuals, companies, or collectively as a coop to address these (i.e. recent access to more bycatch, improving sector communication,

improving harvester/processor relationships, companies putting out additional processing platforms or taking additional trips, increasing competition for catcher boat deliveries). Other consensus solutions we have come up with require minor regulatory changes, and these must of course be brought before the Council and NMFS to address, which is the purpose of this document. We arrived at two consensus proposals after continuing discussions on how to improve utilization for our sector while continuing to balance the interests between stakeholders in the mothership sector.

Consensus Solution 1: Change the Processor Obligation Deadline for MSCV Permit Owners

Mothership catcher vessel permit owners currently obligate their mothership sector quota (called “catch history assignment” in regulations) to a mothership processor permit annually through their limited entry permit renewal. Limited entry permit renewals are due by November 30 each year, so catcher vessel owners are currently obligating to a mothership processor five and a half months prior to the start of the whiting season on May 15. While some mothership processors have stated that this early deadline helps them plan their year and the number of trips they can take, often balancing their whiting operations with pollock operations, some catcher vessel owners have expressed frustration that they are locked in too early to have the lay of the land for the following year. Changing the obligation deadline could afford the catcher vessel with more flexibility and timely information to be able to choose a mothership processor who is going to be able to accommodate more of their catch, ultimately improving utilization.

Proposed Change¹: At §660.150(b),

(7) Processor obligation and mutual agreement exceptions—(i) Processor obligation. Through the annual MS/CV-endorsed limited entry permit renewal process, **the MS/CV-endorsed permit owner must identify to NMFS if they intend to participate in the MS coop or non-coop fishery. The MS/CV-endorsed permit owner must identify to NMFS through the MS coop permit application² to which MS permit the MS/CV permit owner intends to obligate the catch history assignment associated with that permit if they are participating in the MS coop fishery. Only one MS permit may be designated for each MS/CV endorsement and associated catch history assignment.**

Consensus Solution 2: Analyze an Increase to the MS Processor Cap

The mothership program currently includes a processing cap of 45% of the sector allocation for mothership processors, called an “MS permit usage limit” in regulations, which was meant to assure that at least three motherships would participate in the fishery. However, the cap does not necessarily have the effect of assuring participation. The mothership sector is the only trawl

¹ This proposed change is not meant to be prescriptive for the purposes of analysis or regulation writing, but rather to highlight the specific regulations at hand and the type of change that we are seeking.

² Due March 31 annually.

sector (whiting or nonwhiting) with a processing limit, and the application of the limit is confusing and could actually inhibit attainment at times. There are a very limited number of processor vessels in the United States with the capacity and expertise to process and sell whiting products. If a vessel breaks down for a season or a year, another mothership permit owner/vessel with capacity cannot take deliveries from catcher vessels above the processing cap, limiting the sector's attainment. And if the whiting TAC were to fall to a low level for one or more years such that it became inefficient for some mothership processors to take whiting trips or as many whiting trips, the processors who were operating would not be able to take deliveries above the processing cap, potentially creating a situation where it would become impossible to harvest the full sector allocation even with full catcher vessel harvesting capacity.

For these reasons the mothership sector came to consensus support for an analysis of a range of alternatives from the status quo (45%) to removal of the mothership processing cap.

Proposed Changes: Increase the highlighted number in the following sections, or remove the following sections if the processing cap is removed.

At §660.111,

(2) MS Coop Program. (i) MS permit usage limit means the maximum amount of the annual mothership sector Pacific whiting allocation that a person owning an MS permit may cumulatively process, no more than 45 percent, as described at §660.150(f)(3)(i).

At §660.112(d),

(7) Process more than 45 percent of the annual mothership sector's Pacific whiting allocation.

At §660.150(f)(3),

(i) MS permit usage limit. No person who owns an MS permit(s) may register the MS permit(s) to vessels that cumulatively process more than 45 percent of the annual mothership sector Pacific whiting allocation. For purposes of determining accumulation limits, NMFS requires that permit owners submit a complete trawl ownership interest form for the permit owner as part of annual renewal for the MS permit. An ownership interest form will also be required whenever a new permit owner obtains an MS permit as part of a request for a change in permit ownership. Accumulation limits will be determined by calculating the percentage of ownership interest a person has in any MS permit. Determination of ownership interest will subject to the individual and collective rule:

(ii) Ownership—individual and collective rule. The ownership that counts toward a person's accumulation limit will include:

(A) Any MS permit owned by that person, and

(B) A portion of any MS permit owned by an entity in which that person has an interest, where the person's share of interest in that entity will determine the portion of that entity's ownership that counts toward the person's limit.

Proposed Regulatory Solutions without Sector-Wide Support

After the October 29th, 2018 sector-wide meeting in Portland, the sector put forward a solution that would relax the mothership/catcher-processor permit transfer rules. The proposal would allow vessels registered to a catcher processor permit to be registered to a mothership permit in the same calendar year, and vice versa, which is not currently allowed under program rules³. This could provide suitable options for relief should any processor vessels be unable to operate in a given year, while still maintaining separate sectors and continuing to safeguard the mothership processor class.

While this appeared to be a consensus proposal to move forward for analysis during the sector-wide meeting and upon sector-wide review of the meeting summary document, two mothership processor companies (representing three of the six mothership permits) and some catcher vessel companies have since expressed that they do not support this solution moving forward for action or analysis. This proposed solution therefore is no longer a consensus item, but still merited discussion here so that the Council could track updates from our November document.

³ See 50 CFR §660.150(f)(2)(i) and §660.160(e)(2)(i) for rules on declaring vessel as either a mothership processor or catcher processor for the entire calendar year. See §660.25 (b)(4)(vii)(C) for limit on transfers.