

**C-2 GOA Trawl Bycatch Management
Council motion February 6, 2016**

The Council moves the following changes to Alternative 3 Element 4 and items for discussion.

4. Voluntary inshore cooperative structure

- a. Cooperative eligibility: Shoreside processors with an eligible FPP and harvesters with an eligible FPP and a CV trawl LLP or a CP trawl LLP that did not process catch onboard during the years selected above. Eligible harvesters must have the applicable area endorsement to use PSC apportioned to the cooperative in that area.
- b. PSC species allocated to the cooperative are halibut and Chinook salmon, divided first by area (WG and CG/WY) based on historical PSC use (*options: 2003 – 2012; 2007 – 2012; 2008 - 2012*). Once in the cooperative, PSC can be used to support any target fisheries within the cooperative in that area at any time (no seasonal PSC apportionments). PSC would be apportioned to the cooperatives as follows (a different option may be selected for each area, WG and CG/WY):

Option 1. Equal shares. Annually apportion PSC limits to each cooperative on an equal share basis relative to the number of member vessels in the cooperative.

Suboption: The non-pollock Chinook salmon PSC limit and halibut PSC limit would first be divided between cod and flatfish landings, before allocating equal shares per vessel to each cooperative. ~~A vessel must have historical target cod and/or flatfish landings in order to receive a PSC apportionment associated with the flatfish and/or cod fishery.~~

Option 2. Vessel capacity ~~dependency~~. Apportion **(option: 10-50%)** halibut PSC and Chinook salmon PSC limits to each cooperative on a pro rata basis relative to the ~~capacity~~ **dependency on GOA trawl groundfish by species (pollock, flatfish, and Pacific cod) and area (WG and CG/WY)** of the vessel assigned to the cooperative member's LLP the ~~first 3 prior years~~. **The remaining PSC would be distributed based on equal shares.** ~~it enters a cooperative. The vessel capacity to determine the PSC apportionment associated with that LLP does not change in subsequent years.~~ **The vessel's dependency on GOA trawl groundfish, by species and area, is established by affidavit at the time of filing intent to join a cooperative or participate in the limited access fishery. Dependency on GOA groundfish is based on a threshold of (option: 25% - 75%) of total pounds landed, by species and area, in GOA trawl groundfish fisheries.**

~~Suboption 1: Vessel capacity is based on highest GOA groundfish landing associated with the license on which the vessel is designated during 2008 – 2012 (or most recent 5 years of landings).~~

Option 3 (can be selected with Option 1 or 2 above). Each processor controls a portion of the annual PSC [options: 5% - 20%] within a cooperative associated with its member vessels. Each processor would assign the incremental PSC to vessels in the cooperative under the terms of the cooperative agreement. PSC made available by these agreements cannot be used by vessels owned by the processor (a vessel with more than 10% ownership by a processor using individual and collective rules for determining ownership).

Suboption 1: Cooperatives that consist exclusively of processor-owned vessels are exempt from this prohibition.

Suboption 2: No prohibition on processor-owned vessels using processor-controlled PSC. Processor-owned vessels cannot access an amount of the cooperative's processor-controlled PSC greater than the amount they brought into the cooperative.

- c. Participants can choose to either join a cooperative or operate in a limited access fishery on an annual basis. Harvesters would need to indicate by affidavit their intent to participate in the GOA trawl pollock, Pacific cod, or flatfish fisheries in the upcoming year and be in a cooperative with a processor by November 1 of the previous season to access a transferable PSC allocation. A trawl CV license holder can be in one cooperative per region (WG and CG/WY) on an annual basis.

Option 1: Cooperative formation requires at least [options: 2 – 5] vessels with a CV trawl LLP.

~~Option 2: One cooperative for CG/WY and one cooperative for WG (more than one processor is allowed in each cooperative).~~

- d. Each cooperative would be required to have an annual cooperative contract filed with NMFS by November 1 of the previous year. Cooperative members shall internally allocate and manage the cooperative's PSC allocation per the cooperative contract. Cooperatives are intended only to conduct and coordinate harvest activities of the members and are not FCMA cooperatives.
- e. **Allocate (option: 5%-20%) of the PSC limits (halibut and Chinook) to cooperatives that sign an inter-cooperative agreement to share member vessel**

bycatch rates on a tow-by-tow basis and provide bycatch reduction incentives at the vessel level. Allocation of PSC is contingent upon agreement to the terms of information sharing within the inter-cooperative agreement. PSC is allocated by area on a pro-rata basis relative to the number of member vessels (option: the number of member vessels that meet the active participation requirements) within each cooperative.

- e-f. The annual cooperative contract must include:
- Bylaws and rules for the operation of the cooperative
 - Annual fishing plan
 - Operational plan for monitoring and minimizing PSC, with vessel-level accountability
 - Provisions that prohibit, on a species or species group basis (pollock, cod, flatfish), an LLP holder/vessel that has had PSC allocated to the cooperative for that species or species group from receiving economic benefits from the cooperative, **cooperative members, or persons acting on behalf of the cooperative members** for PSC quota use unless **both parties meet the active participation requirements** ~~the vessel actively participates~~ in the fishery for which the cooperative was awarded PSC. Active participation shall be determined by the cooperative agreement but shall not be less than 3 annual deliveries per species or species group (pollock, cod, flatfish).
 - **Provisions that prohibit the cooperative, cooperative members and/or persons acting on behalf of the cooperative members from using or transferring PSC, or otherwise receiving economic benefits from PSC allocated to the cooperative, received on behalf of a vessel unless the vessel actively participates in the fishery for which the cooperative was awarded PSC. Active participation shall be determined by the cooperative agreement but shall not be less than 3 annual deliveries per species or species group (pollock, cod, flatfish).**
 - Specification that processor affiliated harvesters cannot participate in price-setting negotiations except as permitted by general anti-trust law
- f-g. Cooperative members are jointly and severally responsible for cooperative vessels harvesting in the aggregate no more than their cooperative's PSC allowances, as may be adjusted by annual inter-cooperative transfers.
- g-h. Cooperatives will submit a written report annually to the Council and NMFS. Specific criteria for reporting shall be developed by the Council and specified by NMFS as part of the program implementing regulations.

- ~~h~~i. Permit post-delivery transfers of annual PSC among cooperatives. All post-delivery transfers must be completed by December 31.

The Council moves the change the description of Alternative 4:

ALTERNATIVE 4. Gulf of Alaska Trawl Bycatch Management Program (Alternative 2 and Alternative 3) with a Community Fisheries Association allocation or Adaptive Management Program. (*Options 1 and 2 are mutually exclusive.*)

The Council requests staff include a discussion of the following issues in the Draft EIS:

- Value: An examination of the potential and extent of change in LLP value in Alternative 3 as a result of PSC allocations and in Alternative 2 the value of the catch history.
- Active participation requirements: Is the three annual delivery requirement representative of the typical range of participation levels in each GOA trawl fishery (pollock, Pacific cod, and flatfish).
- Consolidation/active participation: Further analysis of the effects of consolidation limits in both alternatives as well as effects on consolidation of active participation requirements.
- Information Sharing Incentives: An evaluation of the factors influencing information sharing within and between cooperatives.
- Observer coverage: An examination of the cost of observer coverage (by area), and a discussion of what would be necessary to deploy EM in the pollock trawl fishery to meet monitoring requirements.
- Cooperative Structure: Can more than one cooperative of vessels be associated with a processor?
- Likelihood of new participants: Additional analysis of vessels with low levels of participation in the past 10 years still eligible to enter GOA fisheries.