D1 BSAI Pacific Cod Pot LAPP Discussion Paper

Darrell Brannan and Anna Henry

October Council Meeting 2025

This discussion paper addresses specific issues the Council requested more information on after reviewing a first discussion paper at its June 2024 meeting. A management section was added at NMFS staff request.

Originally scheduled for review in June, postponed to October

Background

- June 2023- motion requesting first discussion paper (including control date)
- A control date of August 1, 2023, was published in the Federal Register (based on the Council's control date of June 11, 2023) for any future management action to address pot CPs of any length and ≥ 60 ft. pot CVs participation in the Bering Sea Aleutian Islands (BSAI) Pacific cod pot sector fisheries.
- A control date informs interested parties that the Council is considering a future action that may affect or limit the number of participants in this fishery
- The Council is not obligated to use this control date in any future management action.
- A June 2024 discussion paper was reviewed by the Council. After that review, the Council did not define elements and options of a LAPP to proceed to analysis. Rather, the Council requested that staff develop a subsequent discussion paper that focuses on seven topics in greater detail.

Background

- Cod allocations by harvest area (BS, AI or BSAI)
- IR/IU implications of extended seasons and any potential additional avenues to address those concerns
- Monitoring issues
- PSC encounter, limits and allocations
- Processing sector issues
- Additional information on active or inactive LLP license holders with only a BS or AI pot cod endorsement (entity type, location of owner, and recent transfers) for the years 2008-2023
- Description of opportunities provided for new entrants in other programs that might be applicable to a program like the one under consideration
- NMFS management considerations

Pacific Cod LAPP: LLP License Endorsements

LLP Area Endorsement	Catcher Vessel	Catcher Processor
Bering Sea Only	48	2
Aleutian Islands Only	1	
Bering Sea and Aleutian Islands	2	5
Total	51	7

Pacific Cod LAPP: LLP License Endorsements

Since 2020 the BS Pacific Cod TAC has been fully harvested, except in 2024. The fishery has been closed to directed fishing in four of the five years, November 18, September 17, October 7, and October 16 from 2020 through 2023, respectively.

	BS			AI			Total		
Year	Total Catch	TAC	% Taken	Total Catch	TAC	% Taken	Total Catch	TAC	% Taken
2025	61,925	119,307	52%	1,514	7,764	19%	63,439	127,071	50%
2024	112,935	131,943	86%	3,469	7,215	48%	116,404	139,158	84%
2023	113,473	113,776	100%	2,997	7,524	40%	116,470	121,300	96%
2022	120,465	121,864	99%	5,288	12,320	43%	125,753	134,184	94%
2021	97,892	99,464	98%	6,396	12,320	52%	104,288	111,784	93%
2020	126,533	126,627	100%	6,376	12,320	52%	132,909	138,947	96%
2019	146,773	166,475	88%	11,799	12,693	93%	158,572	179,168	89%
2018	167,188	168,005	100%	13,319	14,016	95%	180,507	182,021	99%
2017	198,955	199,768	100%	10,726	14,016	77%	209,681	213,784	98%
2016	206,315	213,141	97%	11,293	11,465	98%	217,608	224,606	97%
2015	201,276	220,479	91%	8,205	8,414	98%	209,481	228,893	92%
2014	206,099	220,479	93%	5,695	6,248	91%	211,794	226,727	93%

2025 data is through April

LLP Endorsements

- If the BS closes to all directed fishing, harvesters would be forced to fish any remaining quota in the AI.
- The lack of processors in the AI region, the potentially higher cost of fishing in the area, and the limited number of vessels with an AI endorsement on their LLP license could make harvesting quota in a pot LAPP problematic for CVs.
- Tendering or using floating processors would be the primary options for CVs to deliver AI catch. This paper addresses those issues in more detail in later sections.

Improved Retention / Improved Utilization (IR/IU)

- The IR/IU regulations require vessel operators to retain IR/IU species (e.g., Pacific cod) when the directed fishery for those species is open, with limited exceptions.
- A LAPP is expected to extend the season lengths.
- When the fishery is closed, catch counts against the ICA that is established annually in the harvest specifications for hook and line and pot vessels.
- A primary issue is knowing how much gear a person should set to harvest the allocation without exceeding the limit.
- Cooperatives can help mitigate exceeding a harvest limit.
- IFQ structure where individuals must stay within their limit is more problematic
- Overage / Underage provisions.

Monitoring

Full Coverage (CPs)

- At least one observer present during all fishing or processing activity
- PSC estimation involves extrapolation between hauls on the same vessel

Partial Coverage (≥60CVs)

- Assigned observer coverage according to the scientific sampling plan described in the Annual Deployment Plan (ADP)
- Since 2015 expected coverage rates: 4-44%, realized coverage rates 7.7-47.6%
- EM Expected rates 30-74%
- PSC estimation involves extrapolation between observed and unobserved vessels and trips

Monitoring

Crab PSC estimation methods

- NMFS manages crab PSC by number, not weight
- Extrapolation of observed catch records onto unobserved effort is required for total catch accounting
- Observer data are used to create crab bycatch rates, a ratio of the estimated number of crab to the estimated total catch in sampled hauls
- Bycatch rates are applied to industry supplied landings of retained catch for unobserved vessels.
- Expanding on the observer data that are available, the extrapolation from observed vessels to unobserved vessels is based on varying levels of aggregated data (post-stratification)
  - Within each sampling strata defined in the ADP, data are matched based on processing sector (e.g., catcher/processor or catcher vessel), week, target fishery, gear, and Federal reporting area. Note that this does not include separation of vessels under 60ft from those over 60ft; bycatch rates for CVs include data from the full range of vessel sizes.
- No mortality rates are applied to crab PSC

Electronic Monitoring

Unidentified Crab

- Cannot identify crab to species during video review
  - Sometimes can identify to genus group (king crab unidentified, tanner crab unidentified)
- Unidentified crab are not included in estimates of crab PSC
- Crew catch handling-must clear each pot and process catch prior to the next pot coming onboard, handle organisms to allow a view and/or count by the video reviewer
  - Holding each individual close to camera could improve species identification, but inefficient, rough weather, water spots, lighting issues, camera setup and species id guides are challenging
- Other extrapolation options, such as those used with at sea observer data, or using depth/area parameters may be possible but have not been fully investigated

Electronic Monitoring

Timeliness of data

- Coverage rate is a trip selection rate-If a trip is selected for EM coverage the EM systems must be turned on and at the end of the trip, the hard drive with EM video is sent in for EM review
- During EM review, species identification and counts of catch are recorded for a subset of hauls (every third pot)
- Average review time for pot gear is similar to the actual time it takes to retrieve gear and sort catch (1:1)
- EM data turnaround time is significantly slower compared to data from at sea observers
- Observers transmit data to NMFS electronically through ATLAS software- daily on CPs and at completion of trip on CVs (later if using tenders)

Monitoring

Coverage Level

- If a PSC limit that functions as a hard cap is established in a catch share fishery, 100% observer coverage is required in that fishery.
- From a legal perspective when PSC is allocated to a cooperative, calculated bycatch rates based on other vessel fishing activities cannot be used as a basis for enforcing a prohibition against exceeding a PSC allocation.
- If there are no PSC limits established with the LAPP or the limits do not function as a hard cap, full monitoring coverage may not be required.
- Reducing bycatch is often a management goal of LAPPs and less than full observer coverage in the pot sectors poses a significant management challenge in the context of crab bycatch.
- Patchy distribution/aggregation of crabs often leads to a high frequency of low values and, on occasion, a large estimated value.
- When there are large differences in the amount of crab PSC between trips and there are very few monitored trips, then the total crab PSC estimate will be highly variable

Monitoring Costs

- Full coverage= industry funded, pay-as-you-go
- Partial coverage=1.65% landing fee
- Assuming move ≥60CVs into full coverage
  - No longer in partial coverage- removes portion of partial coverage fees in BSAI (~$224k in 2023)
  - Procure and pay for full cost of observer coverage (~$404-$600 per day, 229 days in 2024 or 943 days in 2017)
  - Timing and pace of fishery could affect costs

Electronic Monitoring Costs

- Ongoing costs: EM Service Provider Fees and Overhead; Equipment Maintenance and Upkeep; Data Transmission; Data Review and Storage
- One-time costs: Equipment Purchases and Installation
- For partial coverage vessels these costs are covered by the partial coverage fee
- Moving into full coverage--if structured similar to other full coverage EM programs (trawl EM)
  - Vessel would contract with a permitted EM hardware service provider, to procure, install, and maintain EM equipment on their vessel
  - Video review could be covered by an EM review fee assessed to each vessel to cover the annual cost of EM review, data storage, and transmission
    - The actual cost of video review services would be divided equitably among participating vessels based on actual cod harvest amount.

PSC Encounter

- 2024 discussion paper showed that bycatch in the BSAI Pacific cod pot fisheries occur in relatively small amounts with high variability from year-to-year
- This section focuses on PSC crab bycatch at the species level--Crab species represent the most prevalent amounts of PSC usage and are likely of greatest concern in the pot cod fisheries.

Table 5-1 Crab PSC (number of animals) and bycatch rate (number per ton of groundfish) for the pot CP sector

	C. bairdi		Golden King		Red King		C. opilio		Blue King	
	PSC	Rate	PSC	Rate	PSC	Rate	PSC	Rate	PSC	Rate
2015	229,286	31.101	7	0.001	95,261	12.921	40,422	5.483	975	0.132
2016	113,374	15.498	0	0.000	21,539	2.944	15,988	2.186	3,486	0.477
2017	18,700	3.591	1,276	0.245	3,968	0.762	41,936	8.053	16,197	3.110
2018	23,135	5.518	4	0.001	12,883	3.073	36,460	8.696	3,810	0.909
2019	3,723	0.918	45	0.011	1,814	0.447	57,864	14.265	2,967	0.731
2020	5,043	1.672	14	0.005	282	0.094	52,940	17.556	0	0.000
2021	12,187	5.707	0	0.000	108	0.051	17,067	7.993	0	0.000
2022	14,927	6.037	3	0.001	47	0.019	26,917	10.886	0	0.000
2023	16,473	7.015	0	0.000	10	0.004	9,311	3.965	0	0.000
avg	48,539	11.461	150	0.035	15,101	3.566	33,212	7.842	3,048	0.720

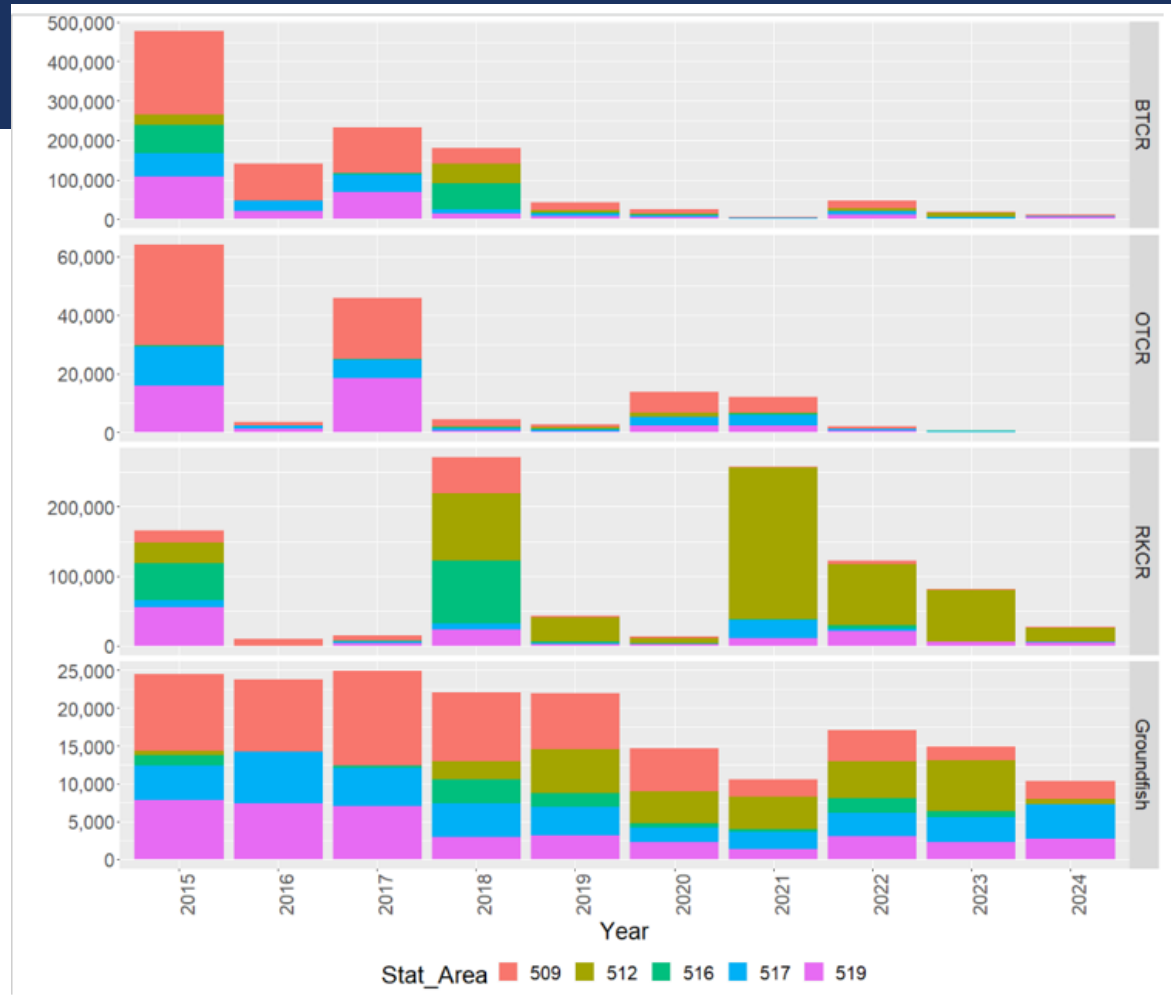
Source: NMFS Alaska Region Catch Accounting System, data compiled by AKFIN in Comprehensive_PSC

Table 5-2 Crab PSC (number of animals) and bycatch rate (number per ton of groundfish) for the pot CV ≥ 60 ft sector

	C. bairdi		Golden King		Red King		C. opilio		Blue King	
Year	PSC	Rate	PSC	Rate	PSC	Rate	PSC	Rate	PSC	Rate
2015	148,698	15.067	2	0.000	19,882	2.015	35,718	3.619	139	0.014
2016	48,697	4.347	0	0.000	308	0.028	1,334	0.119	0	0.000
2017	133,234	9.822	531	0.039	8,715	0.642	29,223	2.154	479	0.035
2018	153,437	9.850	0	0.000	240,132	15.415	2,755	0.177	799	0.051
2019	26,752	1.945	33	0.002	35,019	2.546	1,373	0.100	4	0.000
2020	16,556	1.465	85	0.008	11,327	1.002	8,662	0.766	0	0.000
2021	2,801	0.385	0	0.000	205,383	28.243	5,983	0.823	0	0.000
2022	25,205	2.092	9	0.001	90,720	7.530	986	0.082	0	0.000
2023	12,749	1.301	0	0.000	65,444	6.679	188	0.019	0	0.000
2024	5,898	1.243	0	0.000	20,822	4.388	44	0.009	0	0.000
avg	57,403	4.752	66	0.005	69,775	6.849	8,627	0.787	142	0.010

Source: NMFS Alaska Region Catch Accounting System, data compiled by AKFIN in Comprehensive_PSC

PSC Encounter



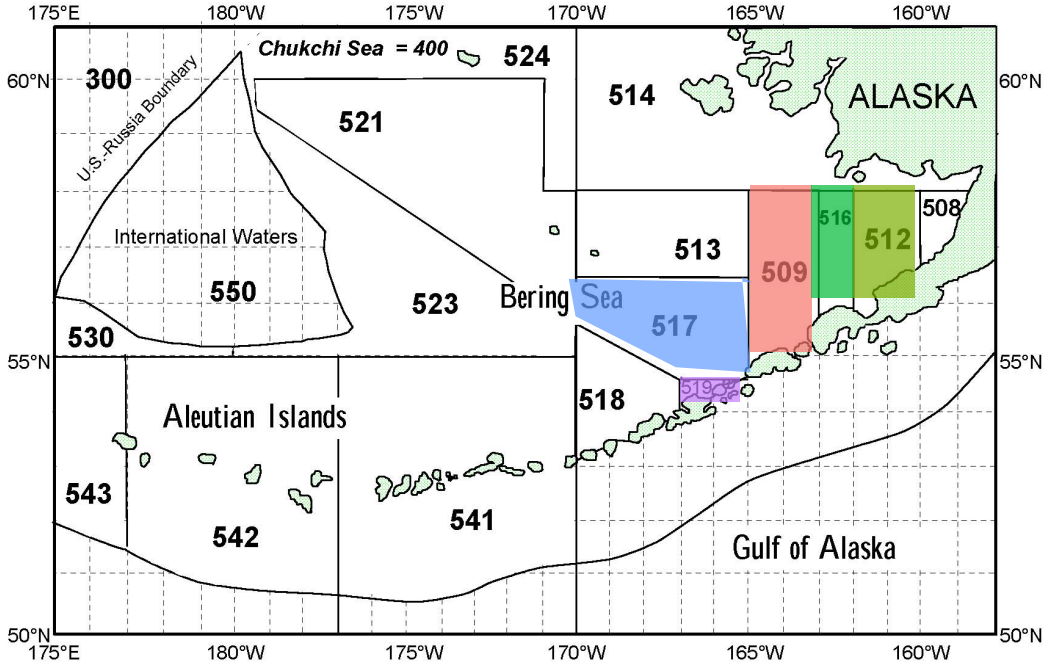


Figure 5-2 Crab PSC (number) and Groundfish catch (in tons) in the pot CP and pot ≥60 CV sectors combined, by NMFS Statistical Areas for 2015-2024 (BTCR=Bairdi Tanner crab or C. bairdi, OTCR=Opilio Tanner crab or C. opilio, and RKCR=Red king crab). Note Area 512 is not shown in 2016 and 2017 due to confidentiality restrictions. Source: NMFS Alaska Region Catch Accounting System, data compiled by AKFIN in Comprehensive_PSC

PSC Encounter

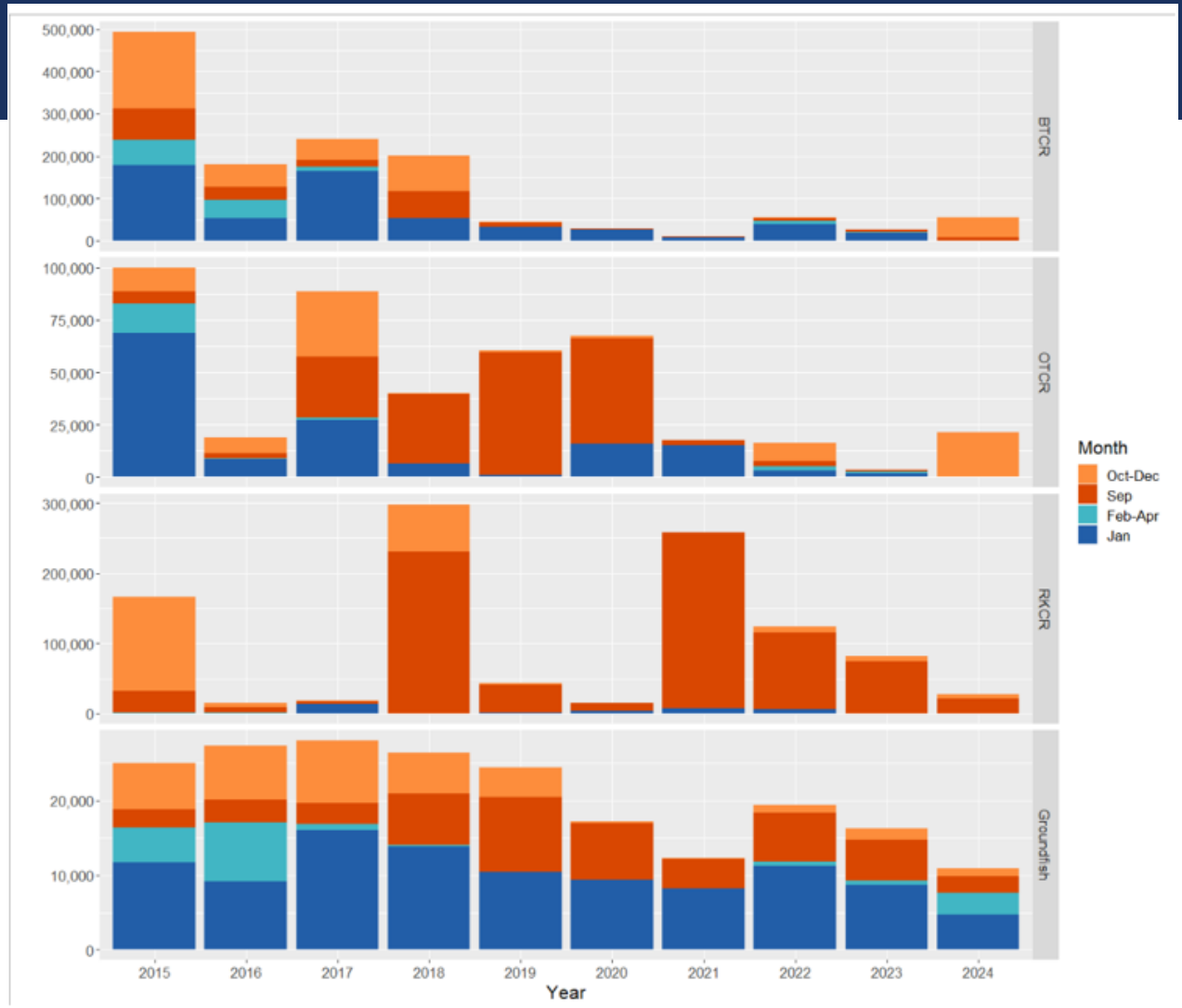


Figure 5-3 Crab PSC (number) and Groundfish catch (in tons) for the pot CP and pot ≥60 CV sectors combined, by month 2015-2024 (Blue shades=A season, Red shades=B season, BTCR=Bairdi Tanner crab or C. bairdi, OTCR=Opilio Tanner crab or C. opilio, and RKCR=Red king crab).

Table 5-3 Season opening and closing dates, by sector (2015-2024)

	A season	Pot CP	Pot CV ≥ 60	B Season	Pot CP	Pot CV ≥ 60
Year	open	close	close	open	close	Close
2015	1-Jan	4-Feb	10-Jun	1-Sep	31-Dec	31-Dec
2016	1-Jan	29-Jan	10-Jun	1-Sep	18-Oct	31-Dec
				15-Nov	31-Dec	
2017	1-Jan	25-Jan	25-Jan	1-Sep	31-Dec	31-Dec
2018	1-Jan	20-Jan	19-Jan	1-Sep	20-Sep	30-Oct
2019	1-Jan	15-Jan	15-Jan	1-Sep	15-Sep	21-Sep
2020	1-Jan	12-Jan	15-Jan	1-Sep	12-Sep	16-Sep
2021	1-Jan	16-Jan	21-Jan	1-Sep	31-Dec	31-Dec
2022	1-Jan	15-Mar	23-Jan	1-Sep	31-Dec	31-Dec
2023	1-Jan	22-Mar	12-Jan	1-Sep	31-Dec	31-Dec
2024	1-Jan	10-Jun	10-Jun	1-Sep	31-Dec	31-Dec

Establishing a PSC Limit

- Should the Council wish to recommend crab PSC limits as part of the proposed pot LAPP, they would need to be established in regulation (BSAI crab PSC hard caps are currently only established for the trawl sectors (50 CFR 679.21(e)).
- Annual and monthly variability of crab PSC catch in these fisheries could make it difficult to establish meaningful limits that are not overly constraining
- Could create more discrete limits based on area, timing or abundance to protect crab when/where more vulnerable
- Mortality rates or total catch (currently no crab DMRs for crab PSC in catch accounting)

Allocating a PSC Limit

- In other Council developed catch share programs, PSC limits along with target species are apportioned at the cooperative level
- Apportionment based on historical PSC usage
  - May be problematic given high variability in PSC history, varying levels of observer coverage, and the potential to reward a sector with higher PSC rates
- Apportionment based on the proportion of Pacific cod allocated
- Inter-cooperative transfers could improve flexibility to harvest cod allocations

Managing a PSC Limit

- Managing a hard cap PSC limit in-season would require full observer coverage and timely data transmission
  - Full observer coverage and at-sea data transmission would be new requirements for pot CV ≥ 60 ft sector
- The result of reaching a PSC limit depends on the structure of the PSC limit
  - If the PSC limit is a hard cap, vessels will be prohibited from fishing once the PSC limit is met.
  - If the PSC limit was area/location based, reaching the PSC limit would result in vessels moving out of the designated area and fishing elsewhere.
- Council should consider how to address situations when a vessel has met a PSC limit but still has pots set.
- Retention of PSC prohibited- cases where operator has crab IFQ/CDQ and directed fishery is open?

Current State of the Processing Sector

- Processors of BSAI Pacific cod harvested with pot gear have faced operational challenges in recent years due to the poor economic conditions in many Alaska fisheries.
- Alaska's fishing industry has faced rising costs due to inflation, a strong dollar, changes in the US and world markets, and low first wholesale prices.
- Changing ocean conditions have impacted fish stocks differently.
- Small TACs for some historically valuable fisheries (e.g., snow crab and red king crab stocks) have decreased revenue.
- Processors face competition from producers outside the United States that have realized increased catches of crab (e.g., snow crab) and groundfish and may operate under less stringent regulations.

Current State of the Processing Sector

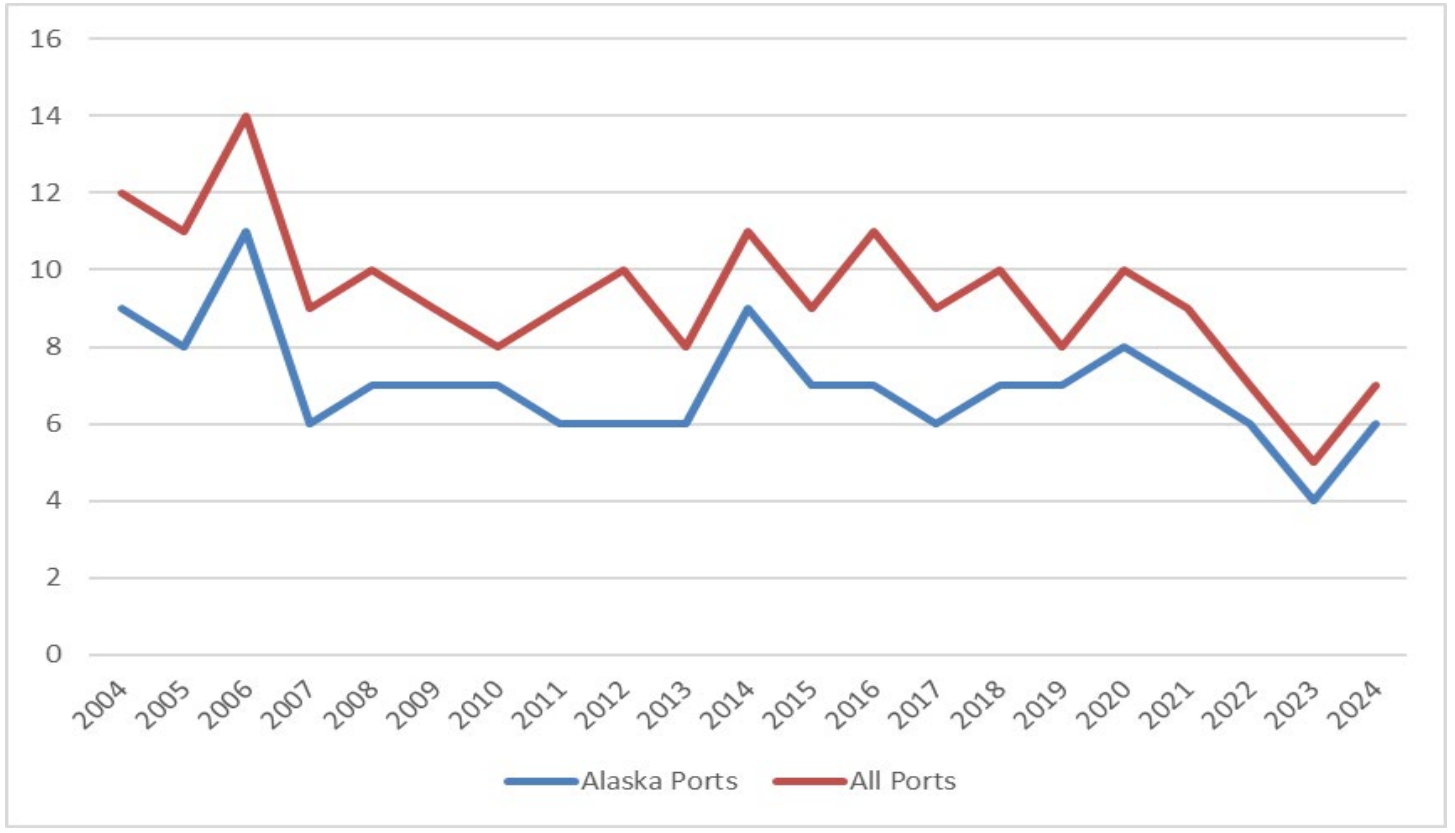
Community/Plant	2014	2022	2024
Anchorage*			
Bering Fisheries	Active	closed	closed
Akutan/Dutch Harbor			
Trident Seafood Corp & Subs	Active	Active	Active
Alyeska Seafoods Inc	Active	Active	Active
Sealaska Seafoods LLC	Active	Inactive	Inactive
Unisea Inc	Active	Active	Active
Western/Westward	Active	Active	Active
King Cove			
Peter Pan Seafoods Inc	Active	Active	closed
Kodiak			
Obi Seafoods-Kodiak	Active	Inactive	Active (sold)
North Pacific Seafoods Inc & Subs	Inactive	Inactive	Active
Port Moller			
Peter Pan Seafoods LLC	Inactive	Active	Closed
Seattle (floating processors)			
Icicle Seafoods Inc	Active	Sold	Sold
Trident Seafood Corp & Subs	Active	Active	Active
Total Active (including floaters)	10	7	7

Processing Sector: 10-year Average

- The Council requested that the number of active shorebased processors be compared to the past 10-year average. The calculation used pot-caught Pacific cod from the BSAI open access fishery.
- The number of shorebased processors, as represented by a count of Intent to Operate numbers with an Alaska port code and an aggregation of all non-blank Intent to Operate codes that processed pot caught BSAI Pacific cod in the open access fishery
- Comparing the average of the last 10-years (2015 through 2024) shows that:
  - Alaska ports - 6 processors in 2024, including two Kodiak processors, lower than the 10-year average of 6.5.
  - In all ports there were 7 processors in 2024, lower than the 10-year average of 8.5 processors.

Processing Sector 2004 - 2024

Figure 6.1 in the paper shows data from 2004-2024 shows the number of Intent to Operate codes associated with all ports (cities outside of Alaska: Poulsbo, Seahurst, Seattle, and Tacoma were home to buyers or floating processors)



Processing Sector: Mothershipping

- There are currently no prohibitions that prevent a vessel with the necessary mothership permits from participating as a mothership in the BSAI Pacific cod pot fishery.
- The only fisheries with limitations applied to motherships are the AFA pollock fishery and the BSAI Pacific cod trawl fishery.
- There are limitations on the vessels that may deliver to a mothership in BSAI TLAS yellowfin sole fishery, but not the motherships that may accept deliveries for processing.
- Mothershipping for pot vessels is different from trawl vessels.
  - When pot gear is used the catch is brought onboard the vessel and sorted. Trawl vessels transfer unsorted codends from the harvesting vessel to the mothership without bringing the net onboard the harvesting vessel.
  - Because catch is sorted on the CV there are different monitoring requirements for the CV using the two gear types. For example, CVs that deliver unsorted codends to a mothership are not required to have an observer onboard, because there is no catch brought on board the vessel to observe.

Processing Sector: Tendering

- Tenders have been widely utilized in the BSAI pot Pacific cod fishery.
- From 2019 through 2023 between 4,533 mt and 8,551 mt of Pacific cod harvested by pot CVs ≥ 60 ft. LOA were delivered annually by tender vessels.
- The use of tender vessels could increase CPUE because fishing is often better at locations farther from the plants' locations.
- Tender vessels are often more efficient at transporting Pacific cod to the processor.
- The use of tender vessels could result in improved raw fish quality.
  - Tenders allow the fish to be delivered to the plant sooner .The delivery time can be reduced by up to two days.
  - Product quality could also increase if slurry equipment is available on the tenders and the CVs did not have that equipment to keep fish colder.

Processing Sector: Tendering

- Catch accounting for deliveries to tender vessels could limit who may deliver to a tender vessel on a trip.
- Fishing under a LAPP requires that the catch be deducted from the correct quota account.
- Tenders may not sort catch or weigh species separately. Tenders may weigh all catch together, and a total of all fish from all vessels is reported on the Fishticket generated by the tender operator.
- This is more of an issue under an IFQ-style LAPP than a cooperative based LAPP. If all vessels delivering to a tender are in the same cooperative, the catch can be deducted from that cooperative's allocation.
- Monitoring PSC could be problematic if the program required full retention of crab to account for at-sea discards. Currently, vessels must discard crab taken as bycatch. If crab is discarded, and observers do not transmit data until they return to port, then crab discard data would be further delayed if a vessel continuously delivers to a tender instead of returning to a port to offload.

Protections for Processors

- In Alaska, the BSAI Crab Rationalization program is the only LAPP that allocates processing shares, and it was implemented under congressional authority. That program has been debated over how well those allocations and the associated regulations for matching harvesting and processing quotas have worked.
- Shorebased processors are required to meet established permitting requirements, but there is no regulatory limit on the number of shorebased processors that may participate.
- The Council has implemented limits on mothership and CP vessels processing CV deliveries as community protection measures.
- Under the Pacific Cod Trawl Cooperative (PCTC) program, the Council recommended allocating 22.5% of the harvest shares to processors with a qualifying processing history.
- West Coast Trawl Catch Share Program. That program allocated 20% of the IFQ species harvest shares to the qualifying processors.

Protections for Processors

- Other options that have been used in fisheries to protect processors and communities are:
  - Regionalization of harvest shares.
  - Processing limits to prevent excessive consolidation of processing.
- Establishing limits that provide economic efficiency for processors while preventing excessive consolidation is challenging, especially as economic conditions in the fisheries change.

Active and Inactive LLP Licenses Used on CVs

- All but two LLP licenses with a BSAI Pacific cod pot endorsement were active in that fishery at some level from 2008 through 2023 (2023 was used because it represents the Council's control date).

Area Grouping	LLP Licenses	Catch CV and CP Total	
		Metric Tons	%
Anchorage and Dillingham AK	11	33,745	15%
Homer, Kenai, and Kodiak, AK	7	29,269	13%
Oregon and California	11	35,241	15%
Washington	27	131,541	57%
Total	56	229,796	100%

Table 7-3 shows the years each LLP license used on a CV was active from 2004 through April 2025

Active and Inactive LLP licenses

- Of the 56 LLP licenses with CV catch 21 harvested less than 1% of the CV total catch from 2008 through 2023. The CVs using a CP LLP license all were in this grouping. That grouping of LLP licenses harvested 9% of the cod.
- 17 LLP licenses were used to harvest 25% of the BSAI Pacific cod with pot gear by vessels ≥ 60 ft LOA.
- 18 LLP licenses were used to harvest 65% of the CV Pacific cod.

Values	Less than 1%	1% to 2%	greater than 2%	Total
LLP Licenses	21	17	18	56
CP	100%	0%	0%	100%
CV	9%	25%	65%	100%

Active and Inactive LLP licenses

- Three CV LLP licenses are currently not assigned to a vessel.
- Two of the three LLP licenses are held by a subsidiary of a CDQ group:
  - Neither of the two licenses was associated with any directed Pacific cod catch using pot gear in the open-access BSAI Pacific cod fishery after 2004.
  - One was associated with a small amount of catch in 2004.
  - A third LLP license associated with the same mailing address had reported catch history in the fishery from 2004 through 2008. If 2008 was included in the qualifying catch history years, that license would be allocated a small amount of quota.
- The third LLP license that was not assigned to a vessel was reported to be owned by a company with a Washington address.

Active and Inactive LLP licenses

- Two CV LLP licenses with a BS pot cod endorsement have not been used in the pot cod fishery from 2008 through 2023.
- One was derived from the catch history of a vessel purchased by the Cascade Mariner and is held by Coastal Alaska Premier Seafoods LLC, a subsidiary of the Coastal Villages Regional Fund (CVRF). As stated in its 2011 – 2020 decennial report, Pacific cod is CVRF's third most valuable fishery, after pollock and crab. CVRF owns and operates freezer/longliner vessels for the cod fishery.
- The second LLP license without any directed BSAI Pacific cod pot catch history from 2008 through 2023 is held by Bering Sea Cod LLC in Washington State and was derived from the history of the F/V Bering Rose.
- The two LLP licenses without recent BSAI pot cod history are not currently assigned to a vessel (January 21, 2025, LLP file), but the LLP licenses are transferable.

Active and Inactive LLP licenses

- Six of the seven CP LLP licenses were used to harvest BSAI Pacific cod in the directed open access Pacific cod fishery with pot gear on a CP during the 2003 through 2023 period.
- Three of the LLP licenses harvested more than 91 percent of the catch.
- All three LLP license owners were listed as being in Washington state.

New Entry Opportunities

- Table 8-1 is a summary table that Council staff presented at the June 2019 Council meeting focused on elements included in catch share fisheries in other regions or outside the US that provide opportunities for new entrants.
- Program elements designed to facilitate new entry generally fall into general categories such as:
  - creating a subset of quota that can only be accessed by persons meeting a defined criteria,
  - limiting how much quota a person may own/control,
  - limiting the leasing of quota,
  - owner onboard provisions,
  - low interest loans to encourage entry into the fishery, and
  - providing educational/training opportunities for people wanting to enter the fishery.

NMFS Management Considerations (2017 Catch Share Policy)

- Fishery characteristics that indicate where catch shares could be particularly beneficial:
  - Fishery is overcapitalized
  - Stakeholders are receptive
  - Stocks are overfished
  - Regional/Institutional infrastructure exists
  - Bycatch is significant
- Royalty Program
  - If the Council wants to consider collecting royalties or other strategy(s) towards facilitating new entrants into the fishery as the program matures, NMFS recommends this program element be identified early in the LAPP

- Cost Recovery
  - Aims to recover a variety of government costs attributable to the private sector use of a public resource
  - Actual costs can exceed the 3% MSA cap, particularly in the early years of a catch share program.
  - Design costs are not subject to cost recovery
  - NMFS and Councils will need to design the most efficient catch share programs possible to meet their needs and minimize costs to the participants and the public.

Table 9-1 groundfish landings (tons) and ex vessel value (nominal dollars) and 3% of value (representing maximum cost recovery fee) for Pacific cod pot CP and pot CV ≥ 60 ft sectors 2020-2024

Year	Landings		Value		3% max
2020	13,535	$	13,163,422	$	394,903
2021	8,720	$	7,181,934	$	215,458
2022	14,061	$	13,712,259	$	411,368
2023	11,444	$	9,040,685	$	271,221
2024	5,539				

Source: NMFS Alaska Region Catch Accounting System, data compiled by AKFIN in Comprehensive_Blend_CA

Conclusions/Next Steps

- Move forward developing a LAPP
  - Develop purpose and need statement
  - Start crafting required and discretionary MSA provisions as components and options.
  - Provisions described in the 2024 discussion paper include the LAPP's cooperative structure, allocation decisions, processors and community considerations, ownership and use caps, sideboard limits, vessel crew considerations, bycatch/PSC management, and monitoring requirements.
- Request for information to be brought back at a future meeting
- Take no further action on this issue

Persons Consulted

Mike Fey	AKFIN
Phil Ganz	NMFS AKRO SF
Jason Gasper	NMFS AKRO SF
Josh Keaton	NMFS AKRO SF
Krista Milani	NMFS AKRO SF
Alicia M. Miller	NMFS AKRO SF
Alex Perry	NMFS OLE
Jason Jannot	NMFS AKFSC FMA
Lisa Thompson	NMFS AKFSC FMA
Henry Tashjian	NMFS GC
Jennifer Cahalan	PSMFC
Abby Turner-Franke	North Pacific Fisheries Association
Hannah Heimbuch	Under 60 Cod Harvesters
Zachary Jones	Saltwater Inc
Alicia Cozza	Independent consultant (formerly Saltwater Inc)