

SCIENTIFIC AND STATISTIC COMMITTEE REPORT ON TRAWL INDIVIDUAL
QUOTAS: STAGE I ALTERNATIVES AND PROGRESS REPORT ON STAGE II

Trawl Individual Quotas-Stage I Alternatives and Progress Report Stage II.

Jim Seger (Pacific Fishery Management Council [PFMC]) and Marcus Hartley (Northern Economics Inc.) briefed the Scientific and Statistical Committee (SSC) on the status of Stage I of the Trawl Individual Quota (TIQ) Program Analysis and provided an update of the plan of work for Stage II.

The SSC provided some specific comments on the Stage I document during the June 2006 PFMC meeting (see attached SSC Statement). These comments remain germane as the analysis moves toward Stage II. The SSC has several additional comments on the Stage I document and the presentation by Seger and Hartley.

- Some simplification of the alternatives has been accomplished. However, the links between the performance measures, the management regime alternatives, and the program goals are not clear.
- Although the implementation of a TIQ or a permit stacking program is not anticipated to have a marked impact on the likely status and trends of groundfish stocks, changes to the spatial distribution of catch may have biological implications. The SSC notes that existing analytical tools (e.g., stock assessments and rebuilding analyses) could be used to assess the effects of the different programs.
- The Stage II analysis will assume constant 2005 prices of affected species. Other TIQ programs (e.g., in Alaska) have resulted in changes to ex-vessel as well as market prices. Therefore, some sensitivity analysis of possible price changes should be undertaken. If such analyses are not possible, the document should at least include a discussion of price changes experienced in other programs that may be relevant, and whether similar changes might be expected.
- Accumulation leading to concentration of quota shares and/or market power is a real risk of any TIQ program. Information on ownership of vessels and processing plants is available through public and NMFS sources. The amount of present and potential concentration should be included in the analysis.
- The impact of TIQ programs on catches of overfished species is proposed to be analyzed by assuming that between 25% and 50% of the tows with the highest bycatch rates are eliminated. The justification for this range is not provided and use of an unduly high percentage may lead to overly optimistic expectations. Lower values for the reduction in bycatch of overfished species should be included in the analysis unless evidence in support of the lower end of the current range can be provided, for example from other TIQ programs.

Finally, the SSC wishes to restate that the complexity of the efficiency and equity trade-offs which are likely to occur in any ITQ program may lead to unforeseen consequences. A range of estimates for the potential efficiency gains (i.e. benefits) and costs of implementing should be available to inform the Council after the analysis proposed in the Stage I Draft document is complete.

PFMC
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