

## Groundfish Trawl Individual Quota Committee

Pacific Fishery Management Council  
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### Groundfish Trawl Individual Quota Committee (TIQC) Recommendations to the Council

After attending the May 13-15 Groundfish Allocation Committee (GAC) meeting, the Groundfish Trawl Individual Quota Committee (TIQC) met May 15-16, developed the following recommendations for the Pacific Fishery Management Council (Council).

#### *Species Coverage and Secondary Management Tools*

The following recommendation for the shoreside and at-sea sectors were passed on a 10-3 vote.

#### **Shoreside: The TIQC recommended that**

- **certain species rarely taken in the groundfish trawl fishery be managed without Quota Shares (QS),**
- **projected catches for those species be deducted from the annual Optimum Yield (OY),**
- **those species' catch amounts be monitored, and**
- **when a catch "trigger" amount or percent of OY is reached then a management action is implemented immediately or for future years.**

To ensure conservation objectives are met, the trigger amount might be set at a level lower than that which would create a conservation concern. The management action that occurs when the trigger amount is reached would be determined when the trigger is reached, based on conditions at the time. Possible actions could include switching those species to QS management after reaching the trigger catch amount. Current state regulations should be evaluated to ensure that they would contain the potential expansion of harvest on non-QS species that might occur if trawl vessels switched to the use of non-trawl gear to take their QS species.

Species recommended for trigger mechanism management in the shoreside fishery are listed in the table below:

SHORESIDE FISHERY NON-COVERAGE	
Longspine S 34°27'	California Scorpionfish
Minor Nearshore Rockfish N	Cabazon
Minor Nearshore Rockfish S	Kelp Greenling
Black Rockfish (WA)	Shortbelly
Black Rockfish (OR-CA)	Other Rockfish

**At-Sea: The TIQC recommended two options for Council consideration: 1) status quo or 2) a trigger mechanism for certain species.** The suggested management action at the trigger point could be a bycatch cap that is distributed to the co-ops. At-sea sector species that are recommended for either the trigger mechanism or status quo management are listed in the table below:

<u>AT-SEA FISHERY COVERAGE</u>	
<u>STATUS QUO</u> (and existing co-op alternative)	<u>PROPOSAL FOR COVERAGE</u>
WIDOW	SLOPE ROCK
DARKBLOTCHED	SHELF ROCK
CANARY	CANARY
	DARKBLOTCHED
	LINGCOD
	POP
	SABLEFISH
	WIDOW
	YELLOWTAIL

Rationale and discussion: Bycatch reduction would remain the goal of this “trigger mechanism” management, even for species with no conservation concern. Conservation goals could be addressed if the trigger mechanism is set at a point that would ensure a precautionary approach. Under this mechanism, some species in the Allowable Biological Catch (ABC)/OY table would not be managed with QS. There should be a process for placing a new species under QS management, and that process would be the same whether a species is first managed by the trigger mechanism and later placed under QS, or a species is first managed as part of a complex and later has its own ABC/OY and later place under QS.

Unused amounts would not carry over between years. No rollover provision between sectors would be available, as it would be too difficult to administer.

Two conflicting concerns were expressed about having QS for species that are rarely caught: on one hand, accumulation limits would have to be very high, but on the other hand, a few individuals should not be allowed to “corner” the QS for a species. Cabezon is an example where an individual could control most of the QS for that species and therefore control that aspect of the fishery. Cabezon has such low catch numbers in the trawl fishery that QS don’t make sense, and this species is one that should, instead, be dealt with through the trigger mechanism management provision.

Shortbelly serves as another good example of a species that could be managed with the trigger mechanism – it has no market, a very large OY, and is mostly taken by the trawl fishery. QS would work, but really are not needed and could needlessly burden the quota tracking and administration system, whereas the trigger mechanism would ensure full catch accountability without the complexity of buying, selling and trading QS.

If the Council does not include some nearshore species under the IFQ program because it anticipates that state regulations will sufficiently control groundfish trawl harvest, that reliance on state regulations should be memorialized in the Council action. Future changes in state

regulations would have to be evaluated to ensure that they continue to achieve the Council intent. If they do not, then Federal action could be necessary.

**Intersector Allocation: TIQC recommends other shelf rockfish have QS and undergo the intersector allocation process.** Should the intersector allocation process prove difficult for this species, the fall back process would be the biennial specifications process for the other shelf rockfish complex.

Rationale: The OY for shelf rockfish north and south is far greater than the amount the trawl fishery harvests, and there are no other significant catches for this complex in other fisheries. Therefore, using QS for this species complex is appropriate and would not limit other sectors.

#### *Accumulation Limits*

**The TIQC recommended the establishment of accumulation limits. The TIQC also identified a correction needed in the accumulation limit table for Option 2 for the shoreside whiting sector.<sup>1</sup> The TIQC recommended modifying the shoreside whiting sector vessel caps so that they are all 50% above the control caps (change the 7.5%, 10%, and 12% vessel caps to 15%, 22.5% and 37.55, for Options 1, 2 and 3 respectively.**

Rationale and Comments: The purpose of accumulation limits is to ensure the QS are held in a large number of hands and that no one is accumulating excessive shares.

The shoreside control cap could logically be greater than the vessel cap to accommodate people who have more than one vessel. Or perhaps you would want to force a company to run two boats, rather than putting all their QS on one vessel. However, the TIQC recommended increasing the vessel caps to levels above the control caps to facilitate consolidation.

Without accumulation limits, depending on which species is looked at, the number of boats that could accumulate the QS for a single could be as low as one or two boats. Those select vessels could end up controlling the fishery by accumulating a majority of the QS for a single species. On the flip side, there may be only a few boats that target certain species and accumulating a large portion of the QS for a species would reflect a current fishing strategy some vessels use. Accumulation limits set too low would hurt vessels using that fishing strategy.

The TIQC was concerned about allowing loopholes to occur in the accumulation limits, such that the own or control cap could be exceeded. The intent should be to not allow loopholes, discourage cheating, and apply meaningful penalties including the loss of QS.

The Table 2-4 aggregate own or control caps for whiting would span both co-operative and IFQ systems. Now that the nonwhiting and whiting shoreside sectors are being combined into a single sector, own or control accumulation limits for certain species, such as widow rockfish, may need to be re-evaluated. Additionally, the situation where one vessel is highly dependent on a single species, such as arrowtooth, should be considered and addressed.

#### *Vessel Caps*

**The TIQC recommended the vessel caps or vessel use limit issue should be a priority for the Council at the June meeting.**

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<sup>1</sup> The vessel cap was listed as 11.3% and should have been listed as 10%.

The concern with permit caps is stacking multi permits on one vessel. “Vessel caps” may be difficult to implement because vessels are not allocated QS so would not have an amount of QS at which they would be grandfathered in. However, a grandfather clause could apply to a permit, which does receive allocations. The administrative complexity increases, if we specify it as a vessel cap. One consideration could be to not have more than one permit on a vessel, and then implement a permit cap. If there is no grandfather clause for a vessel, then this issue goes away because the overage aspect would not have to be monitored.

### *Grandfather Clause*

**Shoreside: The TIQC recommended against a grandfather clause and that the shoreside sector accumulation limit be set to the highest level of consolidation that existed as of Jan 1, 2004. Under this approach, only entities acquiring additional permits after January 1, 2004 could receive QS in excess of the accumulation limits. An analysis will show what the accumulation limits will be and how they line up against goals and objectives.**

**If the Council doesn’t endorse this recommendation, the TIQC recommended that entities over the accumulation limit be given time to divest themselves of their QS. The TIQC also recommended that the Council consider allowing 2 years to divest, after the end of the first year freeze on QS trading.**

Mothership: The mothership (MS) sector representatives on the TIQC also supported this concept for their sector, but with the option of using a more recent date: January 1, 2008.

Rationale: Speculators should not be rewarded, and using the November 6, 2003 control date achieves that purpose. The TIQC has recommended that the date be moved slightly (to January 1, 2004) to coincide with the start of the fishing year. This is similar to what was done for the QS and co-op qualifying periods (which all end December 31, 2003). A control date applicable to permit accumulation is needed to prevent a race to acquire catch history. For non-overfished species, an own or control limit could be established based on levels of consolidation as of that date. In the shoreside sector, this would serve as the aggregate groundfish and the species accumulation limits.

Grandfather clauses should expire. Other fisheries with grandfather clauses allow them to expire because the administrative costs for keeping track of these are high and because they create a privileged class of fishermen. If there is an accumulation cap it should be the highest amount for each species prior to or at the time of a particular date and all participants would be able to fish up to that cap so that a privileged class is not created.

### *Permit length endorsement*

**The TIQC recommended the length endorsement be dropped.**

Rationale: After implementation of the QS program there will no longer be a need for a length endorsement on trawl permits to control the growth of capacity. Such an endorsement would still be needed for any permit that has a fixed gear endorsement.

### *Carryover provision*

**The TICQ flagged this issue for consideration, but did not recommend a change.**

The TIQC identified several solutions for situations in which an individual holds QP at the end of a year that are not associated with a vessel account and therefore would not be slated for the

10 percent carryover. That individual QS holder could contract with a vessel or lease or sell the QP to ensure that 10 percent carried over for use in the following year.

### ***Overage Violation***

**The TIQC recognizes the issue, does not have a ready solution, but recommends the Council consider some sort of an appeals process when an individual has an overage that is difficult to cover because of limited QS availability.**

Two aspects of QS overage should be addressed. One is the penalty applied for a violation in a fishery, which must be assessed and dealt with in the court system before fishing again. The second is the obligation to cover all catch with QS, which can act like a penalty depending on the time frame for obtaining and applying QS to an overage, and whether or not there is a carryover provision. On the second point, should there be forgiveness after some amount of time, if QS is never acquired or “not available”? For instance, not available could be defined as QS cannot be acquired, QS is too expensive, or no one is selling QS for that particular species. An appeal process to look at why those QS have not been acquired in a certain amount of time, and to determine whether forgiveness should occur, could be one solution to this issue.

Another aspect of the penalty for overages issue is which fisheries should vessels with overages in the trawl fishery be able to fish in? Could vessels that are tied up and unable to fish in other fisheries or fish for other QS species make enough money to buy their way out of the QS overage? And if one vessel has a disaster tow and buys up all the QS for a rare species, is the rest of the fleet suffer from the low availability of QS?

### ***Allocation of Overfished Bycatch Species***

**The TIQC supports this Groundfish Allocation Committee (GAC) recommendation of taking a look at area at a finer resolution.**

### ***California Halibut***

**California halibut trawl is legal groundfish trawl gear. The TIQC discussed whether or not a vessel that had a QS overage should be allowed to continue to fish for California halibut (discarding groundfish) but did not have a recommendation on this issue.**

### ***First Year Trading Freeze***

**The TIQC supports the concept of a one year moratorium on the trading of QS at the start of the QS Program (quota pounds would not be subject to the moratorium).**

Rationale: TIQC members noted that not having such a moratorium in the first year of the program was a major regret of those in the New Zealand fishery. QP trading in the first year would begin to provide participants a sense of the value that QS would likely represent.

### ***Pacific Halibut Individual Bycatch Quota (IBQ)***

**The TIQC recommends the Council staff gather the following information:**

- Is trawl caught halibut a conservation issue?
- Is trawl caught halibut an allocation issue?
- Ask the International Pacific Halibut Commission (IPHC) about
  - How Constant Exploitation Yield (CEY) is determined?
  - How is the catch rate currently determined?

- What are the factors that determine mortality, and do they include sublegal halibut? If so, should there be QS for sublegal halibut?
- How are these estimates generated for west coast areas, which data is being used, and what does it show?
- What did they do in Area 2B to get the mortality down?
- Is the trawl share of Pacific halibut based on abundance, mortality, or catch?
- Submit a request to Northwest Fishery Science Center (NWFSC) for the halibut catch information in the bottom trawl fishery (we have all the other sectors information currently).
- Consider whether different bycatch rates in the Vancouver and Columbia management areas would produce different IBQ allocations. Would this be an issue for those who fish near that dividing line?
- From what pool would the Halibut IBQ be allocated? In other words, we don't have an ABC/OY for this species so what would the starting amount be for IBQ shares? Should that amount be determined through the Intersector Allocation process? Or could the assumed catch amount in the trawl fishery be the starting point?
- Would recent catch history be used to reflect the establishment of Rockfish Conservation Areas (RCA), or would it be better to look at a longer range of years because the abundance of halibut varied?

Rationale: Halibut IBQ could provide a way to proactively and effectively reduce bycatch of halibut in the trawl fishery. This may be particularly important if the halibut catch equilibrium yield declines dramatically, as some expect. Options that would require trawlers to reduce halibut bycatch from current levels should at least be looked at.

### ***Mothership Co-op Catcher Vessel Catch History Allocation***

The TIQC reviewed some new data that was provided after the GAC meeting based on the GAC recommendation that a 1994-2003 allocation period be considered in addition to the 1997-2004 allocation period. It was noted that for the longer time period the option should be “drop 2 years”, while the qualification and the catch history years should match.

### ***Area Management***

**The TIQC did not make a specific recommendation pertaining to the Area Management options.**

Rationale and Discussion: It is not clear whether additional management lines would serve the purpose of distributing effort and landings along the coast or whether the purpose is to prevent localized depletion. Restrictions on removal areas should be linked to the range of the stock units, and to link QS to a more restrictive area does not allow flexibility to harvesters when and if the species move around within their range. Such a restriction could force fishermen to stay within an area where localized depletion has occurred. To require landing occur in an area doesn't acknowledge areas of high bycatch (which could change through time) and closed areas. Additional management lines cannot be draw arbitrarily. If additional lines are used for conservation purposes, consideration should be given to sub-stocks, the localized depletion issue, and delineating areas of low bycatch where more fishing could be encouraged. If additional management lines are intended to tie landings to areas of the coast and to protect communities, a better way to achieve that objective may be the Adaptive Management provision. The TIQC noted that there is already a program provision and mechanism developed in the trawl

rationalization Environmental Impact Statement for any future needed management lines. However; if that provision is going to be used, the Council should put people on notice they may be restricted in the future where they can fish their QS.

PFMC  
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