The Groundfish Management Team (GMT) received a report from Mr. Jim Seger regarding the miscellaneous remaining issues under Amendment 20 and 21 and offers the following comments on the carryover provision, the exclusion of spiny dogfish from the individual fishing quota (IFQ) program, and establishing a holdback to allow for management flexibility.

**Carryover**

Currently, the carryover provision in the trawl individual quota (TIQ) program would allow for an overage in one year to be covered by up to 10 percent of the following year’s quota pounds (QP); this provision also would allow up to 10 percent of unused QP to be carried over into the following year for both overfished and non-overfished species.

The GMT discussed possible issues with the carryover provisions mainly focusing on the interaction with optimum yield (OY) and annual catch limits (ACL). In relation to staying within OYS, the GMT has previously recommended that if an OY for a species decreases significantly from one year to the next, the carryover amount for all TIQ participants should be reduced in proportion to the OY reduction of that species to keep the sum total of the fleets’ QP within the OY for a given year. This may be something the Council wants to consider specifying under this agenda item. Second, in relation to ACLs, the GMT acknowledged that the carryover provision will need to be addressed and further developed during the Amendment 23 process. However, it is the GMT’s understanding that regardless of the management tool, carryovers would not be allowed to result in exceeding a specified OY, ACL, or other management threshold.

**Exclusion for Spiny Dogfish from the IFQ Program**

The GMT discussed the dogfish and Other Fish situation described in detail in Agenda Item E.10.a, Attachment 4. Because of the lack of a biological basis for separating spiny dogfish from the Other Fish complex, the GMT recommends that the Council choose option 2 (p. 7).

At the same time, there are species in the complex with vulnerable life history characteristics. We therefore recommend taking a close look at the Other Fish complex during the ACL amendment and 2011-2012 harvest specification process. We envision analyzing trip limits for the complex as a whole, and evaluating the appropriateness of managing the stock complex as a complex given the new National Standard 1 guidelines. This could result in a framework for species-specific catch limits for a subset of species within the Other Fish complex (e.g., spiny dogfish).
Lastly, in anticipation that spiny dogfish and the other species in the Other Fish complex might be managed with IFQs in the future, the GMT recommends that the Council put the public on notice that the allocation of quota for this species will not be based on future catch history. Allocating based on future catch history might cause vessels to speculatively target Other Fish during the early years of the program. Given the improved total catch monitoring under the TIQ program, we should have sufficient information to allocate Other Fish using alternative methods.

**Management Flexibility**

At the May 2009 meeting of the Groundfish Allocation Committee (GAC), discussions were made regarding the uncertainties associated with fishing activities and the translation of those uncertainties into the possibility that one harvester in a trawl sector could pre-empt the opportunities for other harvesters in that sector. In addition, GAC discussions involved the possibility of one sector catching more than their allocation, thereby negatively impacting the opportunities for another sector. In either case, the possibility of one harvester, or one sector, impacting the opportunities of another creates conditions necessary for a race for fish. It is the elimination of race for fish incentives which create many of the positive outcomes associated with rationalization programs. In an attempt at hedging against the possibility that such conditions could be created, the GAC provided direction to the GMT to consider tools that could be used to reduce the possibility of such occurrences. The GMT discussed this issue and offers the following comments and recommendations.

The GMT recommends that the Council retain the option of implementing a “holdback” for any groundfish species as necessary. The GMT recommends that this holdback be reserved prior to any sector allocations, to be used for any sector, not just the trawl sector. The existing management structure requires a substantial degree of flexibility in offering fishing opportunities while staying within OYs. Several examples are readily available including the need to respond to higher than expected catches of overfished species in the National Marine Fisheries Service trawl survey and year to year variations in bycatch rates across sectors that necessitate trading overfished species from one sector to another. While the trawl rationalization program is likely to greatly improve the management performance of the trawl fishery there may still be cases where the ability to move some additional amount of a particular species to the trawl fishery may provide flexibility in attainment of target species OYs. Furthermore, other sectors will be managed with existing management and monitoring tools and the catch uncertainty associated with these sectors can be managed with a holdback that responds to unforeseen catch events as necessary. Being able to respond to such unforeseen catch rates may make a large difference in determining whether a fishery should be closed prematurely, or whether that fishery can continue.

The GMT acknowledges that a “holdback” could be developed through a variety of mechanisms, including Amendment 20, Amendment 23, or through the biennial specifications process. If the Council should elect to retain the option of implementing a “holdback” for management flexibility, the GMT recommends that the Council indicate its intent to reserve the option of doing so under the E.10 agenda item. The appropriate holdback size and the species to which it would be applied would then be developed through the biennial specifications process.
GMT Recommendations:

1. Consider specifying that carryover pounds may be reduced in proportion to a reduction in an OY.
2. Adopt option 2 on page 7 of Agenda item E.10.a Attachment 4 in regards to removing the Other Fish complex from the TIQ program.
3. Manage spiny dogfish within the Other Fish complex and suggest that species-specific management measures (e.g., catch limits) for species within the Other Fish complex be evaluated in the analysis for the 2011-2012 Biennial Specifications and Management Measures.
4. Consider putting the public on notice that the allocation of quota for spiny dogfish and or Other Fish will not be based on future catch history.
5. Retain the ability to holdback a portion of groundfish species OYs to be used for management flexibility.

PFMC
6/16/09