

## GROUND FISH MANAGEMENT TEAM REPORT ON THE 2017-2018 NEW AND EMERGING MANAGEMENT MEASURES

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### 17. Big skate classification from ecosystem component to “in the fishery”

The GMT extensively analyzed the movement of big skate from an ecosystem component (EC) species to “in the fishery” based on new information that it is being targeted ([Agenda Item I.9.a](#), Supplemental GMT Report, November 2015). Therefore, the **GMT supports the Council recommendation to move forward for 2017/2018 and manage big skate “in the fishery” with species-specific harvest specifications, a sorting requirement for all sectors, and trip limits for the shorebased IFQ sector only.**

### 18. Management of starry flounder

Starry flounder was proposed for inclusion in the Other Flatfish Complex. The most recent assessment of starry flounder does not contain an overfishing level (OFL) or acceptable biological catch (ABC) projection beyond 2016. At the 2015 mop-up Stock Assessment Review (STAR) Panel, it was recommended that 2016 harvest specifications roll forward for 2017 and 2018, and starry flounder be changed from a Category 2 to a Category 3 stock. The STAR panel questioned whether starry flounder should continue to be managed as a stand-alone stock or

would be better included in the Other Flatfish Complex. Annual catches of starry flounder in 2012-2014 were 1-2 percent of the annual catch limit (ACL), therefore it did not appear to have any conservation concerns (also why it does not rank high on the stock assessment priority list). At the time, it seemed like a simple proposal to move starry flounder into the Other Flatfish complex.

The proposal turns out to be more complicated than anticipated, due to a mismatch between the Amendment 21 allocations of starry flounder and the Other Flatfish Complex. The Other Flatfish Complex is allocated 90 percent to trawl and 10 percent to non-trawl, while starry flounder is allocated 50 percent to trawl and non-trawl. The complexity and amount of work required to analyze this proposal would be high, and the GMT has not identified a management need nor any management implications for either the status quo or alternative 1.

Given that there are no conservation or management concerns for this proposal, combined with the high potential workload and the potential perceived equity issues, the **GMT recommends the status quo, continuing to manage starry flounder as a stand-alone species**, rather than including it in the Other Flatfish Complex.

During discussions, California Department of Fish and Wildlife (CDFW) members mentioned that some anglers would like to the opportunity to retain starry flounder year-round current regulations do not provide for such an allowance. Currently, starry flounder is restricted to the same months and depths as the groundfish season (i.e. 2016 season structure, though fishing from shore is permitted year round); however, species in the Other Flatfish Complex are allowed to be targeted and retained year round. If starry flounder were included in the Other Flatfish Complex, they would then be allowed to be targeted and retained year round in the California recreational fishery. In order to facilitate year round starry flounder fishing, **the GMT recommends adding starry flounder to the new management measure allowing petrale sole year round and all depths in the California recreational fishery (Action Item Checklist #21)**. Based on the analysis conducted for petrale sole, the GMT believes that it should be fairly simple to add starry flounder to that proposed new management measure.

## **19. Allow transfer of shorebased individual fishing quota pounds for canary, darkblotched, POP, and widow rockfishes to the mothership sector**

In November 2015, mothership harvesters submitted a-proposal that would allow transfer of quota pounds (QP) of selected species from the shorebased IFQ sector to the mothership (MS) sector, with the objective of increasing harvest of Pacific whiting among motherships without significantly diminishing harvest in the shorebased sector.

Bycatch concerns for the selected species likely increase costs for both the MS and the shoreside sector. As discussed in [Agenda Item F.6, Attachment 3](#), the MS sector incurs operational costs through persistent fleet movement in response to bycatch triggers. Additionally, there are opportunity costs in the form of forgone landings of whiting allocations. Similar to the MS sector, the shoreside sector likely incurs costs in the form of reduced landings of target species and bycatch avoidance behavior. Costs to the shoreside sector are less well-understood, but the

GMT believes that they are likely, especially given the current inefficiency in the quota market, which is discussed in recent research by Holland and Norman (2015). Markets that are inefficient are characterized by relatively few linkages between buyers and sellers, relatively high transaction or search costs, and relatively inconsistent quota prices.

The proposal has the potential to increase overall profits and efficiency of the MS sector specifically and the overall LE trawl fishery, inclusive of the shoreside sector, which is an objective of the trawl rationalization program as discussed in the Amendment 20 Final Environmental Impact Statement. Because there is some probability that the MS sector will incur constraints to harvesting their Pacific whiting allocation, and the persistence of costs to avoid the selected species, the GMT believes that increased profits in the MS sector are likely. However, it is uncertain whether the proposal will increase efficiency and profitability in the whole LE trawl fishery, particularly because of its unknown effects on the shoreside sector.

It is uncertain whether profits and efficiency for the shoreside sector would be adversely affected by the proposal. The proposal might result in reduced attainment of numerous species by the shoreside sector, due to increased bycatch avoidance. Lower attainment would have negative effects on both shoreside vessels and processors. However, quota owners in the shoreside sector could benefit. Increased prices for QP in the shoreside sector do not necessarily result in reduced profitability of the sector. Higher prices will benefit those shoreside participants who are selling or leasing quota. For shoreside participants who do not have sufficient QP of the specified species, higher prices will likely result in reduced profits and potentially reduce fishing opportunities especially because of the inefficiency in the quota market.

Increased profitability and efficiency in the overall LE trawl fishery would be more likely if trades could be made both ways and the catcher/processor (C/P) sector was allowed to purchase. The proposal only allows trades for the specified species to be made one way, from the shoreside sector to motherships, and the C/P sector is not allowed to purchase QP from the shoreside sector.

Efficiency and profitability concerns are important, but there are additional objectives in Amendment 20. Minimizing adverse effects to communities, to the extent practical, is an additional objective. The effect on communities is another area of uncertainty in the proposal. The GMT believes that communities that contain MS and MS catcher vessels are more likely to benefit than those that do not. Additionally, because of potential increases in quota prices, communities with shorebased sector vessels with relatively large holdings of QS for the specified species will likely benefit more than those without. Outside of these observations, the effects are largely uncertain.

In the NMFS report, this management measure was recommended to not be put into the 2017-2018 management measure range due to the complexities and workload associated with the analysis. Further, NMFS noted that this measure may be informed by the 5 year review and should be postponed until the review is completed. **While the GMT sees merit in the proposal, we agree with NMFS that this measure would be informed by the five-year review process, and at that time, the allowance of trades between all sectors should be considered.**

## 20. New inseason process outside of a Council meeting for California

Currently, the California state process for inseason adjustments is complicated and is limited in scope. Unfortunately, this can cause issues for their fisheries management if a potential overage is projected between Council meetings. Specifically, as a majority of the catch in the recreational sector occurs during the summer months (i.e. in between the June and September Council meetings), it may be beneficial to have an “inseason” process (similar to Pacific halibut) that occurs outside of a Council meeting. This management measure would allow NMFS the authority to take action outside a Council meeting to implement restrictions using routine management measures in the recreational and commercial fisheries in California for certain species. The GMT understands that the intent is to allow for only reductions to occur (not liberalizations) based upon attainment or projected attainment of a federal harvest limit (i.e. ACL, ACT, HG) for select ‘trigger’ species, specifically black, canary and yelloweye rockfishes.

NMFS raises concerns in their supplemental report ([Agenda Item F.6.a](#), Supplemental NMFS Report, April 2016) that further work on this management measure is needed and questions whether this management measure would be sufficiently developed and analyzed for implementation on January 1. However, discussions with NMFS staff lead the GMT to believe that with additional work, this could be implemented on time.

The GMT discussed this management measure and thought more discussion on the details of the proposal are needed including what kinds of decisions could be made, who would be included, and how it would occur. **Therefore, the GMT recommends continued development of this management measure.**

## 21. Allow petrale sole and starry flounder to be retained along with species in the Other Flatfish complex, at any depth during the seasonal depth closures in the CA recreational fishery

This management measure originally only pertained to adding petrale to the list of species that are allowed to be retained year-round retention without depth restrictions in the California recreational fishery. CDFW received requests to also exempt petrale sole from the groundfish season structure because it was being encountered while anglers were targeting other species, resulting in regulatory discards. This management measure will reduce regulatory discards and provide some increased opportunity.

Also, as described in Action Item #18, starry flounder is being recommended by the GMT for inclusion in this management measure. Should the Council wish to include starry flounder, the GMT believes this can be easily incorporated into the analysis in time for consideration. Because adding starry flounder to this measure was proposed after NMFS submitted their Supplemental report this issue is not addressed in the report. However, the GMT believes starry flounder can be included with minimal additional workload. **The GMT recommends retention of petrale sole and starry flounder be allowed year round without depth constraint in the California recreational fishery move forward.**

## **22. Nine new overfished species hot spot closures in the CA recreational fishery**

CDFW is proposing nine new Overfished Species (OFS) Hot Spot closures designed to reduce impacts to yelloweye rockfish and cowcod. All of the proposed OFS hot spot closures are located north of Point Conception, because south of Point Conception, Cowcod Conservation Areas (CCAs) close 4,300 square miles specifically designed to protect cowcod. The majority of the proposed OFS Hot Spot closures are located in depths that are proposed to be opened under routine management measures that are being considered through the 2017-2018 biennial management measure process. It is the GMT's understanding that CDFW would like these closures implemented with 2017-2018 harvest specifications and management measures rulemaking and not simply defined in regulations for later use through an inseason action. The goal of implementing these closures at the start of the year is to mitigate additional mortality from occurring as a result of the more liberal depth constraints proposed in the recreational fishery ([Agenda Item F.6](#), Supplemental CDFW Report, April 2016). NMFS has stated that this management measure can move forward. The GMT sees value in this management measure as it will likely serve to reduce yelloweye rockfish and cowcod impacts which may result from the proposed liberalized depths. **The GMT recommends this management measure move forward.**

## **23. Allow flatfish retention at any depth during the seasonal depth closure in the OR recreational fishery**

This management measure would allow targeting and retention of flatfish species, other than Pacific halibut, during the seasonal (April through September) depth restriction at any depth in the Oregon recreational groundfish fishery (similar to California in action item 21). It is the GMT's understanding that this management measure will be used to provide alternative fishing opportunities if additional restrictions become necessary in the traditional recreational groundfish fishery. Appendix B indicates that there is nominal chance for increased impacts to overfished species (yelloweye rockfish) from this proposed management action. Therefore, **the GMT recommends that flatfish retention at any depth during the seasonal depth closure in the Oregon recreational groundfish fishery move forward.**

## **Newly Developing Management Measures**

### **24. Set-asides for At-Sea Sectors (WDFW Report)**

WDFW submitted a proposal under Agenda Item F.3 ([Agenda Item F.3., Supplemental WDFW Report](#)) and Agenda Item F.6 ([Agenda Item F.6., Supplemental WDFW Report](#)) that described a new approach for at-sea set-asides for canary, widow, and darkblotched rockfish and Pacific ocean perch. Under the proposal, these four species would become at-sea set-asides "off the top" of trawl allocation.

Table 1 below shows the proposed values for both 2017 and 2018. Darkblotched and canary rockfish and POP set-asides were set at levels to accommodate bycatch in each of the sectors

(based on historical catch and the GMT bootstrap analysis); widow rockfish would initially have a set-aside amount based on Amendment 21 allocations.

**Table 1. WDFW proposed set-asides for darkblotched, canary, and widow rockfish and POP for the catcher processor and mothership sectors.**

Species	Catcher/Processor	Mothership
Darkblotched Rockfish	25	20
Canary Rockfish	16	30
Widow Rockfish a/	411.5	290.5
POP	20	15

a/ 2017, same as Amendment 21 values; for 2018, 385.1 for C/P and 271.8 for MS

The GMT and Council may receive additional guidance from NMFS and Council staff regarding the possibility of the WDFW proposal for canary, darkblotched, widow rockfish, and POP. Currently, darkblotched and widow rockfish and POP are formally allocated species under Amendment 21. Since the FPAs for 2017-2018 biennium must be set in June (or delay implementation) and the change from Amendment 21 would require three meetings, there are potentially issues with changing values that would already be in regulation on January 1, 2017.

While there is still much uncertainty on how the WDFW proposal would function operationally, the GMT offers the following observations on this proposal and contrast it with the MS quota trading proposal discussed under action item #19. These observations are speculative, and the proposal should have further analysis as additional details on the proposal emerge. It is important to reiterate that some of these observations are relative to action item #19 and not to the status quo.

For reasons analogous to those discussed above under action item #19, increasing the amount of fish available for the specified species will likely improve profitability for the at-sea sector, but the effects on profitability of the whole LE trawl sector are unknown. The GMT believes that bycatch concerns for the selected species likely increase costs for both the MS and C/P sectors. Like the MS sector, C/P vessels likely incur costs through persistent fleet movements in response to bycatch concerns, and opportunity costs in the form of forgone landings of their Pacific whiting allocations. However, the effects of making more fish available for the at-sea sectors and reducing the allocation to the shoreside IFQ sector are largely uncertain.

### **Shoreside Compensation**

The set-aside approach likely reduces the benefit to shoreside participants that currently hold QS of these species. If allowing motherships to purchase shoreside QP drives up the price of QP for the selected species, the current shoreside QS holders will benefit if they choose to sell. In the set-aside approach, current quota-shareholders will essentially not be compensated for the QP reduction resulting from the set-aside.

### **Catcher Processor Benefit**

The set-aside approach increases the bycatch amounts that both the MS and C/P sectors can utilize. In the MS sector transfer proposal, only the MSs are permitted to increase take of the

specified species. Hence, the set-aside proposal is arguably more equitable, at least for the at-sea sector.

### **Operational flexibility**

The increased set-aside may decrease operational flexibility relative to the trading approach, which is objective 4 in Amendment 20. If the set-aside is increased and the at-sea sector doesn't use it, the shoreside sector will likely be unable to use it, since the at-sea sector typically continues to fish until late in the year. With the trading approach, MSs would buy what they estimate they will need, and if they buy more than they need, the shoreside sector would be compensated.

**Overall, the GMT discussed the WDFW proposal and believes changing the at-sea “hard cap” allocations to “soft cap” set-asides via an amendment to the FMP is worth investigating.** This change could increase the ability of the at-sea sectors to fully attain their Pacific whiting allocations by changing the formally allocated set asides from Amendment 21 for darkblotched and widow rockfish and POP, which have been constraining to the fishery and caused emergency closures in the past, as well as provide flexibility to both sectors.

Action Item Checklist Number	Recommendation(s)
17	<ul style="list-style-type: none"> <li>• <b>The GMT supports the Council recommendation to move forward for 2017/2018 and manage big skate “in the fishery” with species-specific harvest specifications, a sorting requirement for all sectors, and trip limits for the shorebased IFQ sector only.</b></li> </ul>
18	<ul style="list-style-type: none"> <li>• <b>The GMT recommends the status quo, continuing to manage starry flounder as a stand-alone species</b></li> <li>• <b>The GMT recommends adding starry flounder to the new management measure allowing petrale sole year round and all depths in the California recreational fishery (Action Item Checklist #21)</b></li> </ul>
19	<ul style="list-style-type: none"> <li>• <b>While the GMT sees merit in the proposal, we agree with NMFS that this measure would be informed by the five-year review process, and at that time, the allowance of trades between all sectors should be considered.</b></li> </ul>
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