

FIVE-YEAR REVIEW – DOCUMENT OUTLINE

This review will evaluate progress made in meeting the goals of the Amendment 20 trawl catch share program (CS program). The mandate for the review does not require a comprehensive evaluation of management of the trawl sector of the groundfish fishery or the entire groundfish fishery. However, the review could potentially encompass an extensive amount of detail on a wide range of topics. A specific and detailed policy scope directive from the Council will accelerate the review timeline.

As part of the CS program review, the Council will request information it deems necessary to evaluate the objectives of the program (as stated during program implementation and under the requirements of a LAPP as stated in the MSA). National Marine Fisheries Service (NMFS) Headquarters has issued a draft national guidance document to aid Councils in the development of their reviews. The Council has the opportunity to direct focus on particular issues, but discussion for the majority of topics will likely be broad in this comprehensive review.

As with all council processes, public comment will serve as an important resource for determining the policy scope of issues highlighted in the 5-year review. To the extent practicable, stakeholders should frame requests for additional topics for discussion within the goals and objectives of the groundfish rationalization programs, and the requirements of a LAPP through the MSA.

The following are the Amendment 20 goal, objectives, and constraints and guiding principles to be evaluated in this review.

Goal: *Create and implement a capacity rationalization plan that increases net economic benefits, creates individual economic stability, provides for full utilization of the trawl sector allocation, considers environmental impacts, and achieves individual accountability of catch and bycatch.*

Objectives: The above goal is supported by the following objectives:

1. Provide a mechanism for total catch accounting.
2. Provide for a viable, profitable, and efficient groundfish fishery.
3. Promote practices that reduce bycatch and discard mortality and minimize ecological impacts.
4. Increase operational flexibility.
5. Minimize adverse effects from an IFQ [individual fishing quota] program on fishing communities and other fisheries to the extent practical.
6. Promote measurable economic and employment benefits through the seafood catching, processing, distribution elements, and support sectors of the industry.
7. Provide quality product for the consumer.
8. Increase safety in the fishery.

Constraints and Guiding Principles: The above goal and objectives should be achieved while the following occurs:

1. Take into account the biological structure of the stocks including, but not limited to, populations and genetics.
2. Take into account the need to ensure that the total OYs and allowable biological catch (ABC) are not exceeded.
3. Minimize negative impacts resulting from localized concentrations of fishing effort.
4. Account for total groundfish mortality.
5. Avoid provisions where the primary intent is a change in marketing power balance between harvesting and processing sectors.
6. Avoid excessive quota concentration.
7. Provide efficient and effective monitoring and enforcement.
8. Design a responsive mechanism for program review, evaluation, and modification.
9. Take into account the management and administrative costs of implementing and oversee the IFQ or co-op program and complementary catch monitoring programs, as well as the limited state and Federal resources available.

Executive Summary

The project team will incorporate key findings and conclusions from the groundfish program 5-year review into a stand-alone executive summary.

I. Introduction

The introduction will describe objectives of the review. This includes the mandate for program review, and an outline of the goals and objectives of the program as laid out in Amendments 20, as well as MSA National Standards and specific LAPP requirements, and NOAA Headquarters' guidance.

II. History of the Program

This section will include a general history of the stock status and management of the groundfish fishery, including the development, design, structure, and evolution of the current trawl rationalization program.

III. Socio-economic Performance

Many of the PFMC's goals and objectives for the West Coast groundfish trawl catch share program are economic in nature. In addition, the economic benefits of the fishery and the distribution of these benefits are expected to change given the changing incentives and constraints provided by the shift to catch shares management. This section will monitor the progress toward the goals and objectives of the program related to socio-economic performance.

Increase Net Economic Benefits

This section will largely draw upon annual reports and indicators developed by economists at the NWFSC, relying largely on Economic Data Collection program and fish ticket data to assess changes in net economic benefits.

NMFS HQ Standardized Economic Indicators¹

- Number of:
- Entities holding shares
- Active vessels
- Trips
- Days at sea
- Labor days
- Aggregate revenue from catch share species
- Aggregate revenue from non-catch share species
- Non-CS Species Revenue
- Gini Coefficient (measure of industry concentration)
- Average ex-vessel prices
- Total revenue
- Revenue per active vessel
- Revenue per trip
- Revenue per day at sea
- Gross revenue-operating costs
- Quota lease prices
- Net revenue per vessel
- Net revenue per permit holder
- Malmquist Index (index of productivity)
- Crew earnings
- Aggregate landings

Other Indicators

- Number of other fisheries participated in
- Proportion of revenue from catch share fishery
- Average days at sea in catch share fishery
- Date when 50% of the total catch was landed (measure of seasonality)
- Variable cost net revenue
- Total cost net revenue
- Variable cost net revenue per day
- Revenue per pound
- Variable cost net revenue per pound

¹ <http://www.st.nmfs.noaa.gov/economics/fisheries/commercial/catch-share-program/indicators-definition/index>

Related Goals, objectives, guidance and constraints to consider:

- Create and implement a capacity rationalization plan that increases net economic benefits (Am. 20)
- Promote Social and Economic Benefits (MSA LAPP)
- Provide for a viable, profitable, and efficient groundfish fishery (Am. 20)
- Consider efficiency in utilization of resources, without economic allocation as sole purpose (MSA NS-5)
- Promote measurable economic and employment benefits through the seafood catching, processing, distribution elements, and support sectors of the industry (Am. 20)
- Create individual economic stability (Am. 20)
- Increase operational flexibility (Am. 20)

Capacity, Consolidation and Concentration of Quota

HQ Standardized Indicators

- Share cap in place (Y/N)

Related Goals, objectives, guidance and constraints to consider:

- Contribute to reducing capacity (if overcapitalized) (MSA LAPP)
- Avoid excessive quota concentration (Am. 20)
- No excessive shares (MSA NS-4)

Other Economic Goals and Objectives

Other economic issues addressed in the goal and objectives of the program include consolidation of quota, reduction of overcapitalized fleets, and a preservation of marketing power between harvesters and processors.

Related Goals, objectives, guidance and constraints to consider:

- Provide quality product for the consumer (Am. 20)
- Avoid provisions where the primary intent is a change in marketing power balance between harvesting and processing sectors (Am. 20)

Safety

Amendment 20, MSA National Standard 10, and the MSA LAPP goals all highlight the importance of increasing and promoting safety. This section will draw on recent research published by the NWFSC on vessel safety, and could potentially include, and benefit from, qualitative contributions from OLE and the U.S. Coast Guard.

HQ Standardized Indicators

- Number of Search and Rescue Events
- Vessel Accident Rates
- Personal Injury/Fatality Rates

Related Goals, objectives, guidance and constraints to consider:

- Increase safety in the fishery (Am. 20)
- Promote safety at sea (MSA NS-10)
- Promote fishing safety (MSA LAPP)

Communities, New Entrants, and Adaptive Management

This section will assess impacts of the catch share program on coastal communities, and the prospects for new entrants to the fishery.

Related Goals, objectives, guidance and constraints to consider:

- Minimize adverse effects from an IFQ program on fishing communities and other fisheries to the extent practical (Am. 20)
- Sustain fishing communities and minimize adverse economic impacts (MSA NS-8)
- Consider participation by fishing communities and regional fishery associations (MSA LAPP)
- Include measures to assist, when necessary and appropriate, entry-level and small vessel owner-operators, captains, crew, and fishing communities through set-asides of harvesting allocations, including providing privileges, which may include set-asides or allocations of harvesting privileges, or economic assistance in the purchase of limited access privileges. (MSA LAPP)
- Consider limited access privilege assisted purchase program with portion of fees collected (MSA LAPP)

IV. Environmental Performance

One of the primary intentions of Amendment 20 was to reduce the incidental catch of overfished groundfish species to assist in rebuilding plans. Rebuilt stocks also translate to increased allocations and resumed target fisheries. The trawl rationalization program provides individual fishery participants more flexibility and more individual accountability for their impact on overfished species and other groundfish species. This section will assess the progress of the program toward Amendment 20 MSA goals concerning environmental performance.

HQ Standardized Indicators

- ACL exceeded (Y/N)

Related Goals, objectives, guidance and constraints to consider:

- Consider environmental impacts (Am. 20)
- Promote conservation (MSA NS 1 & 4)
- Promote Fishery Conservation and Management (MSA LAPP)

- Promote practices that reduce bycatch and discard mortality and minimize ecological impacts (Am. 20)
- Minimize bycatch and bycatch mortality (MSA NS 9)
- Account for total groundfish mortality (Am. 20)
- Take into account the need to ensure that the total OYs and allowable biological catch (ABC) are not exceeded (Am. 20)
- Prevent overfishing, achieve OY (MSA NS)
- Assist in rebuilding overfished species (MSA LAPP)
- Minimize negative impacts resulting from localized concentrations of fishing effort (Am. 20)

V. Program Management Performance

The MSA LAPP provisions, as well as Amendment 20, emphasize the importance of efficient and effective enforcement, monitoring, and management of the catch share program. This chapter will present indicators of management performance in addition to some qualitative assessments.

Accountability

Individual accountability was built into the catch share program through full monitoring of discards and landings. This section will evaluate the program's monitoring provisions as a mechanism for total catch accounting

Goals, objectives, guidance and constraints to consider:

- Achieves individual accountability of catch and bycatch (Am. 20)
- Provide a mechanism for total catch accounting (Am. 20)

Enforcement and Monitoring

Description and qualitative assessment of enforcement and monitoring under the catch share program.

Related Goals, objectives, guidance and constraints to consider:

- Provide effective enforcement, monitoring, and management (MSA LAPP)
- Provide efficient and effective monitoring and enforcement (Am. 20)
- Provide an information collection and review process to provide any additional information needed to determine whether any illegal acts of anti-competition, anti-trust, price collusion, or price fixing (MSA LAPP)
- Monitor transfers of privileges (including sales and leases) (MSA LAPP)
- Require fish harvested under LAPP to be processed on U.S vessels or on U.S. soil (MSA LAPP)

Program Review

Brief summary of and references to existing annual review documents, as well as a qualitative description of the five year review process and any other review and evaluation mechanisms currently in place.

Related Goals, objectives, guidance and constraints to consider:

- Design a responsive mechanism for program review, evaluation, and modification (Am. 20)
- Require regular monitoring and review of program (MSA LAPP)

Cost Recovery

Summary of annual cost recovery reports and information about incremental costs in the first five years of the program, as well as fees recovered for those costs.

HQ Standardized Indicators

- Cost recovery fee

Related Goals, objectives, guidance and constraints to consider:

- Recover costs (MSA LAPP)
- Take into account the management and administrative costs of implementing and overseeing the IFQ or co-op program and complementary catch monitoring programs, as well as the limited state and Federal resources available (Am. 20)
- Minimize costs and avoid unnecessary duplication (MSA NS-7)

Scientific based management

This section will include a qualitative description and assessment of management use of best scientific information available to inform decisions.

Related Goals, objectives, guidance and constraints to consider:

- Use best scientific information available (MSA NS-2)
- Take into account variations in fisheries, catches (MSA NS-6)
- Manage a stock as a unit (MSA NS-3)
- Take into account the biological structure of the stocks including, but not limited to, populations and genetics (Am. 20)

VI. Allocation

HQ Standardized Indicators

- Quota allocated to catch share program
- % Utilization

Related Goals, objectives, guidance and constraints to consider:

- Provides for full utilization of the trawl sector allocation (Am. 20)
- All intersector allocations will be formally reviewed along with the formal review of the trawl rationalization program five years after implementation of Amendments 20 and 21 (Amendment 21)
- Allocate fair & equitably (MSA NS-4)
- No creation of right, title, or interest (MSA LAPP)
- Prohibit other than U.S citizens from acquiring privilege (MSA LAPP)
- Provide appeals process for initial allocations (MSA LAPP)

VII. Adaptive Management

This section will assess the current use of the adaptive management program (AMP) quota in meeting identified objectives (currently all AMP quota pounds are "passed through" to quota share owners in proportion to their quota share holdings). Ideas for modifications to the AMP may be included discussed in the "Looking Ahead" chapter.

Related Goals, objectives, guidance and constraints to consider:

- Amendment 20 A-3 Adaptive Management: "The set aside of QP for the identified objectives will be reviewed as part of the year five comprehensive review and a range of sunset dates will be considered, including 10, 15, 20 year and no sunset date options".

VIII. Research and Data Needs

If, through the review process, any environmental/biological, socio-economic, or enforcement data needs emerge, those will be identified in this chapter. The review team will similarly note any gaps in existing research that impact a sufficient review of the performance of the program.

IX. Key Findings and Conclusions

This section of the review will summarize the findings of the review. This will include a summary assessment of performance according to program goals and objectives, as well as according to the requirements of LAPPs under the MSA and MSA National Standards

X. Looking Ahead

The report will not include final recommendations on identified concerns but such recommendations would be developed later during the regular Council process. This section will include a brief, qualitative overview of potential modifications to the program identified through the Council process that might better meet the intended goals, as informed by the review analysis and public input.

Appendix A: References/Information Used for Program Review

This appendix will contain a description of data and methods used in the review, as well as a bibliographic list of journal articles, technical memos, reports, and other sources referenced in the report.

Appendix B: Previous Reports/Compendium of other available information

This appendix section will reference all other available reports and information, including among others the IFQ Annual Report, the MS & CP industry reports, EDC reports, Headquarters' Indicators, Quota Workshop report, and Cost Recovery Annual report.