

PRELIMINARY PLANS FOR REVIEW OF THE WEST COAST TRAWL CATCH SHARE PROGRAM AND INTERSECTOR ALLOCATIONS INCLUDING COMMENTS ON DRAFT GUIDANCE FOR CATCH SHARE PROGRAM REVIEWS

Amendment 20 to the groundfish fishery management plan (FMP) established the trawl catch share program (trawl rationalization), with allocations to the shoreside and at-sea trawl sectors assigned to individual entities for self-management. Most of these allocations were established on a long-term basis through Amendment 21, which was implemented concurrently with Amendment 20.

The Magnuson-Stevens Act (MSA) and Amendment 20 to the groundfish FMP require periodic reviews of the catch share program. The MSA mandates that all limited access privilege programs (LAPPs) “include provisions for the regular monitoring and review by the Council and the Secretary” and requires “a formal and detailed review 5 years after the implementation of the program.” Amendment 20 similarly requires that the Council “conduct a formal review of program performance no later than five years after implementation and every four years thereafter.” Amendment 21 additionally specifies that “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.”

During its September and November 2014 omnibus workload planning process, the Council planned to delay onset of the five-year review until November 2016 in order to allow work on other priorities. At a later meeting, the review was added to the agenda for this meeting to facilitate preliminary planning. Over the winter, the Council, West Coast Region, and Northwest Fishery Science Center (NWFSC) submitted a joint catch-share-program-review funding proposal to National Marine Fisheries Service (NMFS) headquarters; and at the April 2016 Council meeting, NMFS Deputy Assistant Administrator for Regulatory Programs, Mr. Sam Rauch, announced to the Council that the requested funds had been approved. Funding has not yet been identified for a review of the intersector allocations.

One of the Council’s main tasks for this meeting is to approve a plan for conducting the catch share program review. A draft plan is provided as Agenda Item G.5, Attachment 1. This plan includes proposals for a calendar, public hearings, alternative structures for organizing the analytical effort, scientific review, and a possible charge and seats for a Community Advisory Board. Also included is a list of personnel identified as tentatively available to contribute to the analysis.

In order to begin to meet its obligations for a review of Amendment 21, Council staff proposes that intersector allocation issues be scoped during the catch share program hearings proposed for this fall and at the November 2016 Council meeting. These tasks can be achieved jointly with scoping for the catch share program at little additional cost. At its November meeting, the Council would decide how to proceed on a review of intersector allocations (pending the identification of needed resources).

A proposed outline for the review document is provided as Agenda Item G.5, Attachment 2. This document also contains a list of analyses already developed that have a bearing on catch share program performance and which may be drawn on for the review (Appendix B). The MSA does not specify what information should be included in the review, except that the review should assess “progress in meeting the goals of the program and this Act [the MSA], and any necessary modification of the program to meet those goals.” Amendment 20 goals and objectives are provided in Attachment 2. NMFS is in the process of developing additional guidance for the review which will need to be taken into account when the guidance is finalized. In general, the proposed outline calls for a broad level analysis of program performance against goals and objectives. This broad level analysis will facilitate timely completion of the review. The review document organizes goals and objectives as well as MSA national standards by policy area for the purposes of assessing them:

1. Socio-economic performance
 - a. Net Economic Benefits
 - b. Capacity Consolidation and Concentration of Quota
 - c. Other Economic Goals and Objectives
 - d. Safety
 - e. Communities, New Entrants, and Adaptive Management
2. Environmental Performance
3. Program Management Performance
 - a. Accountability
 - b. Enforcement and Monitoring
 - c. Program Review
 - d. Cost Recovery
 - e. Science-Based Management
4. Allocation

The Council may wish to identify questions or particular provisions for focus during the analysis that relate to the program goals and objectives. At the same time, the number of these focus issues and degree of detail requested could potentially impact the analytical team’s ability to complete the review in a timely fashion. The Council’s recent limited entry fixed gear sablefish review provides a model in that regard—the review was completed quickly and on time by focusing on selected indicators assessing the degree to which the program met its original policy objectives. Under the proposed schedule, preliminary guidance that the Council provides at this meeting and in September would be finalized at the November 2016 Council meeting, after coastal hearings and the first meeting of a Community Advisory Board.

In February 2016, the Environmental Defense Fund, NMFS and a number of fishing industry organizations sponsored a workshop to provide fishing industry members and stakeholders with an opportunity to discuss the experience with the catch share program. The workshop discussions have been summarized by the Fisheries Leadership and Sustainability Forum with assistance from the Workshop Steering Committee and are provided here as Agenda Item G.5.a, Supplemental Workshop Report. A summary will be presented to the Council under this agenda item.

During this agenda item, the NWFSC’s Economic Data Collection Program will report on performance metrics that it has developed to date (Agenda Item G.5.b, NMFS Report 1). Many

of these will be incorporated into the program review document. Also included in the briefing materials is a paper on the methods that will be used to assign fixed costs to different fisheries for first receivers and processing entities that participate in more than one fishery (Agenda Item, G.5.b, NMFS Report 2). This report is primarily for review by the SSC but may also be of interest to Council members. NMFS Reports 3 through 6 provide summaries of the results from the Economic Data Collection Program studies that have been provided to the Council previously, updated to include 2014 data. Also provided as part of the Council briefing materials is information on recent updates to the groundfish individual quota system (Agenda Item G.5.b, NMFS Report 7).

As mentioned, part of the context for this review includes national guidance on catch share program reviews that is currently under development. NMFS released the first draft of this guidance last fall. While the Council did not have a place on its November agenda for full consideration of that draft, it authorized a letter containing initial comments. NMFS has provided a revised draft of the guidance, taking into account the comments of this and other Councils (Agenda Item G.5.a, NMFS Report 8). Under this agenda item, the Council is scheduled to review that draft and provide comments. The comment deadline is July 29.

Council Actions:

- 1. Approve a process for the review including:**
 - a. calendar**
 - b. locations, dates, and hearing officers for first round of hearings**
 - c. identification of seats and charge for a Community Advisory Board; and**
 - d. organization of analytical effort.**
- 2. Provide preliminary guidance on content for the review.**
- 3. Review “Draft Guidance for Conducting Reviews of Catch Share Programs” and provide comments and guidance to staff, as necessary.**

Reference Materials:

1. Agenda Item G.5, Attachment 1: Trawl Rationalization and Intersector Allocation – Plans for the Five-Year Review Process.
2. Agenda Item G.5, Attachment 2: Five-Year Review – Document Outline.
3. Agenda Item G.5.a, Supplemental Workshop Report: Pacific Groundfish Quota Program Workshop, February 16-18, 2016, Portland Oregon, Workshop Report and Summary of Themes.
4. Agenda Item G.5.b, NMFS Report 1: Economic Performance Metrics for the West Coast Groundfish Trawl Catch Share Program.
5. Agenda Item G.5.b, NMFS Report 2: Economic Data Collection Program: First Receiver and Shorebased Processor Cost Disaggregation.
6. Agenda Item G.5.b, NMFS Report 3: Economic Data Collection Program Catcher Processor Report, 2009-2014: Pages 1-19. (*full version electronic only*)
7. Agenda Item G.5.b, NMFS Report 4: Economic Data Collection Program Mothership Report, 2009-2014: Pages 1-19. (*full version electronic only*)
8. Agenda Item G.5.b, NMFS Report 5: Economic Data Collection Program Catcher Vessel Report, 2009-2014: Pages 1-43. (*full version electronic only*)

9. Agenda Item G.5.b, NMFS Report 6: Economic Data Collection Program First Receiver and Shorebased Processor Report, 2009-2014: Pages 1-28. (*full version electronic only*)
10. Agenda Item G.5.b, NMFS Report 7: Groundfish IFQ Accounting System: 3 Updates.
11. Agenda Item G.5.b, NMFS Report 8: Draft Guidance for Conducting Reviews of Catch Share Programs.

Agenda Order:

- G.5 Preliminary Plans for Review of the West Coast Trawl Catch Share Program and Intersector Allocations Including Comments on Draft Guidance for Catch Share Program Reviews
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| a. Report on the Pacific Groundfish Quota Program Workshop | Jim Seger |
| b. Reports and Comments of Advisory Bodies and Management Entities | Shems Jud |
| c. Public Comment | |
| d. Council Action: Provide Guidance on the Development of the West Coast Trawl Catch Share Program and Intersector Allocation Reviews and Comment on Draft Catch Share Review Guidance | |

PFMC
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