

To: Mr. Shems Jud, CAB Chair & Mr. Jim Seger, PFMC Staff Officer

Re: Comments on-West Coast IFQ Program 5- Year review, SSC groundfish and economic subcommittee meeting May 24th, 25th.

Dear Chairman Jud, Mr. Seger, CAB members.

After reviewing the West Coast catch share 5-year review document and attending the SSC economic subcommittee meeting on May 24th, many issues concerning the gear switching analysis need further clarification and analysis, I believe.

In the Erin Steiner & Dan Holland report from January 2016 it is asserted that harvesting sablefish using trawl gear is more profitable overall than harvesting with fixed gear by a large margin. The report states that "Dover sole prices would have to decrease by nearly 50% from the observed prices, and sablefish or fuel prices would have to increase more than 50% for fixed gear to be more profitable than trawl gear per pound of sablefish". This is a large margin and the report does not adequately explain why trawlers would lease their quota to fixed gear user if this was true. I had the opportunity to discuss this with Mr. Holland at the May 24th SSC meeting and he didn't have an answer for why the trawl fleet would lease their allocations of sablefish to the fixed gear fleet or gear switch themselves if they could make more money by just harvesting it with trawl gear. Without this explained it is difficult to accept the numbers in the Holland & Steiner report.

An aspect of the 5-year review that I don't believe was adequately addressed is the effect of harvesting sablefish with trawl gear as opposed to fixed gear. Sablefish harvested with trawl gear is of smaller size than fixed gear. Harvesting smaller fish can have a negative economic consequence, as it can affect the Spawning Potential Ratio or SPR. By harvesting larger fish, you allow more of the stock to spawn and thus improve the chance to increase the biomass and the ACL.

There is a lot of discussion on how sablefish is constraining in the DTS (dover, thornyhead, sablefish) fishery, but there isn't an explanation on how it's constraining. Is it constraining because it's needed to catch dover because they're mixed, or are trawlers topping off dover trips with sablefish and it's not as constraining? If it's constrained because processors demand sablefish with a dover trip to make the dover profitable because of a weak market for dover then it's artificially constrained.

In which case limiting gear switching becomes purely an allocation issue that the market should decide.

In the discussion about the lack of ability for new entrants to enter the fisheries under catch-sharing, leasing fish provides an opportunity for new entrants to enter the fishery with a smaller outlay of capital. There are many who have entered the fishery by using gear switching and leasing sablefish.

Thank you,

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