

PROPOSED REPLACEMENT FOR SECTION 4.0
OF THE
WEST COAST GROUND FISH TRAWL CATCH SHARE PROGRAM FIVE-YEAR REVIEW

4.0 RESEARCH AND DATA NEEDS

4.1 Data

4.1.1 Assessment of Quota Costs, Earnings, and Share Owner Participation

Problem: For the Council to fully evaluate the impacts of the catch share program on fishing industries, the Council requires information sufficient for understanding issues related to the effect of quota leasing on the financial performance of active vessels in the fleet, the extent to which quota owners are ceasing participation in the fishery (i.e. “absentee owners”), and the ability to make accurate economic impact estimates for different port areas or states. This requires information not only about revenues from fish landings and processing, but also from quota sales and leases. The current EDC program was not authorized to collect information from entities that do not own a vessel active in the fishery, so complete data collection from quota share owners is not possible. In many cases, the quota share holder is a different entity than the vessel. This means that data collected by the EDC are not a complete representation of revenues earned from the leasing of quota by quota owners. In addition, the EDC collects data by fiscal year, and quota costs cannot be reallocated to the calendar year using accepted cost disaggregation methods, as other costs can be. This means that existing data is not sufficient a complete analysis of several important issues. These issues are expected to become more important if the proportion of quota controlled by entities that do not own an actively fishing vessel increases in the future.

Potential solution: The EDC mandatory data collection program could be expanded with a Quota Share Owner Survey to collect information regarding the revenues earned from quota leasing and the quota owners’ connections to actively participating vessels from quota share owners. The mandatory survey could be very short and would need to be administered to all quota owners. Implementation of such a mandatory survey could result in the elimination of the quota-related questions from the PCGFSS and the EDC. Implementation would require Council action and NMFS rulemaking.

4.1.2 NMFS does not collect ownership information for catcher-processor permits, which would prevent enforcing accumulation limits at the owning entity level equivalent to those enforced in the mothership and shorebased IFQ sectors.

Problem: With existing data, there is not sufficient information to monitor ownership of catcher-processor permits at the individual-entity level. The Council may wish to initiate a collection of this information to support the development and enforcement of accumulation and processing standard limits in the catcher-processor sector. Without this data, there is also reduced ability to consider holistic ownership across sectors in the trawl rationalization program.

Potential solution: Add ownership information data collection to the catcher-processor permit annual renewal application (requires Council action and rulemaking), equivalent to that currently collected for shoreside participants.

4.1.3 Data and Studies on Administrative Costs

Problem: Determining the benefits generated by the program is dependent on knowing the full cost of administering the program. To date, while NMFS has quantified the incremental costs of implementing the program, full cost-accounting (including costs incurred by the Council and states) has not yet been implemented. This information would need to be developed to fully understand the relationship between costs of the program and the economic benefits to the nation that are generated.

Potential solution: NMFS will assess the feasibility of providing additional program administration cost information in future annual reports.

4.1.4 QA/QC of the Quota Transactions Database administered by the WRO

Problem: The Quota Transactions Database records the transfer of quota between accounts and also collects certain key information such as the amounts paid or other compensations associated with the transactions. Currently, the database is of questionable quality for some research uses because there is no QA/QC of the data, no feedback is provided to data providers, and because data providers cannot revise previous submissions. Research users have noted outliers and obviously incorrect recorded values. There is no mechanism for quota purchasers to revise values (often prices are not set until the fish is delivered).

Potential solution: Develop staff and resources to QA/QC and maintain the database. This would include redesigning the interface to allow users to more accurately classify their transactions and revise entries once a price has been decided; contact participants to help them correct inaccurate information; and determine which uses of the data are appropriate.

4.2 Research

4.2.1 Research on attainment rates, aggregation limits, economies of scale/optimal size, and market manipulation by monopolies and oligopolies

Problem: It has been hypothesized that aggregate limits are causing under-attainment of the trawl allocation, but we don't know how participants would behave if these limits were not in place, nor the potential market effects of changing the aggregate limits.

Potential Research: There is a need to identify the information and analysis that would further an understanding of the effects of aggregate limits. One potential option would be to update Lian, Singh and Wenniger 2009. Similarly, to help develop future research and data needs lists, it may be useful to develop an analysis of possible reasons for underutilization and identify the data necessary evaluate those causes.

4.2.2 Research on identifying the drivers of changes observed in the report

Problem: Changes in the fishery have been observed since the implementation of the catch share fishery. However, the source of these changes continues to be unclear. For instance, the catch share program or other factors may induce participants with certain characteristics to leave the fishery. This bias in exiting participants will alter the composite characteristics of the fishery, even if the behavior of the remaining vessels hasn't changed. Alternatively, the observed changes may be due to the participants as a whole changing their behavior. In addition, some departure from the fishery may be due to pre-existing trends. Determining the source of these changes will support more effective management decisions.

Potential research: Additional research to try to separate observed changes into those due to changes in individual behavior from those due to a change in the makeup of the population of participants.

4.2.3 100% at-sea (observer/electronic monitoring) coverage, and shoreside monitoring

Problem: The current level of monitoring was required by the Council to maintain individual accountability, a central tenet of the program. However, it is costly to vessels and processors. It amounts to about half of a percent of revenue for motherships, catcher-processors, and shoreside first receivers, and up to 4.5% of revenue for non-whiting trawl vessels (in 2015).

Potential research: An assessment of whether the goal of individual accountability can be maintained with less than 100 percent at-sea and shoreside monitoring could be conducted.

4.2.4 Changes in sablefish fisheries south of 36 Latitude

Problem: This report begins to address conflicts between the IFQ and non-IFQ fisheries for sablefish south of 36°. However, the issues and interactions are complex and more than can be covered in a general program review. Topics to be explored include issues such as temporary localized impacts on CPUE, more general localized depletion and stock productivity impacts, on the grounds gear conflicts, market conflicts, and others.

Potential Research: Available data should be further explored to evaluate these issues, including, in particular, the increased harvest of trawl allocation by fixed gear in the area south of 36° and the geo-specific nature of those impacts including their consequences for fishing opportunities and the health of the stocks.