

GROUND FISH ADVISORY SUBPANEL REPORT ON TRAWL RATIONALIZATION TRAILING ACTIONS

The Groundfish Advisory Subpanel (GAP) received a report from Mr. Jim Seger on trawl rationalization trailing actions, and offers the following recommendations and comments on prioritization.

The GAP notes that all of the items listed in Agenda Item E.7.a Attachment 1 are important for the fleet and it was difficult to prioritize among them. We attempted to identify issues where urgent action is needed, as well as issues that have important implications for a large segment of the fleet.

Priority items for implementation in 2012

Whiting chafing gear - Before discussing priority items for implementation in 2013, the GAP wishes to highlight that chafing gear definitions for the whiting fishery need to be fixed in time for the 2012 whiting season. Currently, due to an inadvertent regulation change that is unsupported in the record, many whiting codends have illegal chafing gear. The GAP statement and the Council discussion at the September 2011 meeting clarified that the current chafing gear definition was never intended to apply to the mid-water whiting fishery. It is imperative that this regulation be corrected in a timely manner with the greatest of efficacy. As such, we recommend it not be tied to the biennial specifications process.

Priority items for implementation in 2013

Recognizing that Council staff time is limited, and that time constraints may potentially limit analysis of some of the actions listed here, the GAP presents the following list in priority order. The numbering comes from Agenda Item E.7.a Attachment 1.

10) Reducing observer costs – This is the highest priority for the GAP. Observer costs, coupled with all of the other costs impacting the fleet (e.g., buyback loan, high diesel prices, cost recovery), along with the transition to a new management regime have the potential to increase consolidation and limit profitability.

One promising way to reduce observer costs is with new technology, particularly electronic monitoring. Electronic monitoring is likely to not only reduce monitoring costs, but also increase flexibility in timing of fishing trips, reduce insurance requirements, free up deck and bunk space, and provide a safer fishing experience. The GAP discussed the electronic monitoring proposal put forward by the Central Coast Sustainable Groundfish Association which recommends authorizing electronic monitoring for any vessel fishing outside the Rockfish Conservation Area (RCA) that retains all individual fishing quota (IFQ) catch. Cameras would be utilized to ensure no discard occurred at the rail. The GAP believes that the proposal shows promise and recommends forwarding it for analysis. Likewise, it may also be feasible to monitor mothership (MS) catcher vessels (CVs) with cameras rather than observers.

6) Opt-out requirement for QP deficits – Modifying the opt-out requirement is a major priority for the GAP, and we discussed it at length. In general, the GAP continues to believe that a penalty for those who do not cure deficits within 30 days is draconian, as the requirement to quit fishing until the deficit is cleared is already a significant penalty. The GAP further notes that curing deficits on some species within 30 days may be impossible early in the year.

The GAP recommends forwarding three options for analysis.

1: Vessels that have a known deficit for more than 30 days may avoid a violation by opting out of the fishery, provided the deficit is within the carryover allowance. Such vessels may opt back in once the deficit is cured. This provides some flexibility to the fleet without any conservation implications.

2: Vessels that have a known deficit for more than 90 days should be able to opt out of the fishery without violation, provided the deficit is within the carryover allowance. Such vessels may opt back in once the deficit is cured. This provides greater flexibility than that described in option 1.

3: Vessels can opt out and opt back in without penalty at any time during the year after the deficit is cleared. This option provides the fleet with the greatest flexibility and doesn't appear to raise any conservation concerns.

For all three options, the deficit must be within the carryover allowance.

3) Lender issues –The GAP dealt with this issue by addressing the scope of the exemption first and recommends alternative 2 with sub-option 2a. The primary focus of the lender safe harbor should be to protect a lender's collateral, and alternative 2 with sub-option 2a provides for that without unduly broadening the exemption.

Regarding which entities qualify for the exemption, the GAP recommends alternative 3. Alternative 3 provides an exemption for entities regularly or primarily engaged in the business of lending and not engaged in or controlled by entities whose business includes the harvest, processing, or distribution of fish or fish products. Coupled with the narrow scope language chosen above, the GAP believes this exemption will appropriately restrict the safe harbor to legitimate lenders who only seek to use quota for collateral purposes.

The GAP also recommends that legitimate lenders who meet the exemption above, but that are not state or federally chartered banks or other financial institutions, be required to disclose ownership interest, subject to the 2 percent *de minimis* exception already included in the trawl program. That is, owners with an interest less than 2 percent would not be required to disclose ownership information.

Consistent with our September 2011 comment, the GAP supports a centralized lien registry for the IFQ program. Because a lien registry is not likely to be developed, the GAP suggests providing for a lender field in the quota share ownership records. This would require notification of and authorization from a lender who is listed before quota share could be transferred. It would

have no effect on quota pound transfers or disposition. This protects the lender from a borrower using the same quota to collateralize a number of different loans. This also does away with the need for unique identifiers.

4) Certification of new observer providers – The GAP believes this is an important issue, and that National Marine Fisheries Service (NMFS) should develop regulations to allow entities to qualify as West Coast observer providers without also having to qualify as North Pacific observer providers. Having an adequate number of observer providers should help ensure that there are enough observers in ports and also maintain competition for the provision of monitoring services.

29) Trawl gear modifications that increase efficiency and selectivity – The GAP strongly supports Trawl Rationalization Regulatory Evaluation Committee (TRREC) recommendation #6 found in Agenda Item E.7.b Supplemental TRREC Report. Current trawl gear regulations may impair innovations that would allow the fleet to better avoid overfished and constraining stocks. For example, emerging data suggests that a four-seam net provides much better water flow enhancing rigidity and thereby selectivity of excluder devices. The GAP notes that currently these regulations are dealt with in the biennial specifications process. The GAP recommends moving them to the trailing action process.

12) Revising the widow rockfish QS allocation – Widow rockfish reallocation is a major GAP priority. The GAP recommends forwarding all three options for analysis.

9) Whiting season start date – The GAP supports the TRREC recommendation for a single May 15 start date for the entire fishery. Under a rationalized fishery, it does not make sense to have varying start dates in different areas. The GAP notes that final action is probably not needed on this item until June 2012, as implementation is not needed until the spring of 2013. The GAP also supports reviewing the overall whiting fishery management regime, including consideration of moving towards a year round fishery. If this adds significant workload, it should remain a priority for the TRREC to address for implementation in the Program Improvements and Enhancements (PIE) 3 rule or beyond.

5) Allow fixed gear and trawl permits to be registered to the same vessel at the same time – The GAP understands that this would not require significant time investment and would clear up an inefficiency in the system.

Other items including TRREC recommendations not listed above

The following items, while they may be important, did not rise to the priority level of those listed above, which the GAP believes need to be addressed as soon as possible.

MS processing history – The GAP supports the following modification. No single MS permit may process more than 45 percent of the MS sector allocation, except if a MS permit and a MS CV permit to which it is obligated, reach mutual agreement. Then the MS CV permit may be obligated to any other MS permit, including a MS permit that is otherwise capped at 45 percent.

Double filing of co-op reports – The GAP supports changing the co-op annual reporting requirement which is unnecessarily duplicative and redundant. The GAP recommends the alternative described in E.7.a Attachment 1 for a final annual report to be provided to the Council and NMFS in March of each year.

Multiple gears on board – The GAP supports this recommendation. It will provide more flexibility for fishermen and poses no threat to the resource, since all trips will be observed and quota is required to cover all catch.

Fishing in multiple management areas in a single trip - Providing a means to fish in two or more management areas will be important for the long-term success of the program, especially now that multiple area stock management seems to be proliferating. For example, fishermen whose grounds include those near the newly-enacted separate quota areas for lingcod may now have to change trips or even tows.

RCAs – It is a major GAP priority to begin to reconfigure RCAs. RCAs were established to limit the fleet's likelihood of exceeding overfished species OFLs under a very different management regime. Under the new system, the incentives are such that individual fishermen are extraordinarily risk averse. At the same time, the RCA may contain areas where some species could be sought with less bycatch of sensitive stocks than currently occurs in lawful fishing areas.

Length endorsement – The GAP believes this may be a contentious issue, and at present it is not a major constraint on the program. As such, it is a low priority for the GAP.

Adaptive management program – The GAP continues to believe this is not a priority at this time. We recommend rolling over the Adaptive Management Plan indefinitely subject to a need being shown.

Finally, the GAP requests that the council direct the TRREC to continue to meet to recommend additional modifications and priorities to help the trawl rationalization program function more smoothly.

PFMC
11/5/11