

TRAWL RATIONALIZATION TRAILING ACTIONS

Under this agenda item, the Council is scheduled to:

1. Check-in on the process for considering electronic monitoring (EM), including consideration of the appointment of an ad hoc workgroup;
2. Discuss plans for the September scoping process on trailing actions other than EM; and
3. Provide advice to NMFS on the implementation of the second program improvements and enhancement rule (PIE 2), including reconsideration of the Council recommendation on the end-of-year quota pounds (QP) trading suspension.

1. EM Regulatory Process

The Council decided at the April, 2013 Council meeting to move forward with consideration of the possible use of EM for the trawl catch share program (trawl rationalization). At that time, the Council decided that the primary focus of integrating EM into the trawl catch share program would be to achieve the compliance monitoring required for individual accountability of catch and bycatch, as opposed to using EM to meet needs or enhancements for biological data or other scientific information monitoring). A set of regulatory objectives and calendar for moving ahead were adopted (Agenda Item F.6.a, Attachment 1). In adopting the calendar, Council members noted that the calendar should not be construed as preventing the process from moving ahead sooner than indicated on the calendar, if circumstances allow. As part of the calendar, Council staff was directed to work with agency staff to develop a whitepaper on performance standards and other requirements that EM proposals might need to meet. A preliminary draft of that paper is provided as Agenda Item F.6.a, Attachment 2, and the Washington Department of Fish and Wildlife (WDFW) has submitted a report providing further guidance for the development of that paper (Agenda Item F.6.b, WDFW Report).

Also, at the April meeting:

- a set of recommendations on the 2013 EM field study was approved for forwarding to Pacific States Marine Fisheries Commission (PSMFC);
- Council staff was asked to explore the budget implication and other costs/benefits relative to three different possible ad hoc workgroup compositions (Agenda Item F.6.a, Attachment 1); and
- NMFS Northwest Region was asked to evaluate all aspects and repercussions associated with utilizing an out-of-cycle exempting fishing permit (EFP) for further testing the use of EM without the presence of observers on the vessel; this is expected to include the effect on NMFS internal workload and completion schedules for other priority endeavors, effects on the Council EM regulatory process, implications to the Council's EFP process, and specifics on new information expected to be gathered beyond data previously collected.

After the April Council meeting, Council staff submitted and NMFS approved a supplemental funding package to allow the Council to fully engage in timely consideration of EM. A staff officer dedicated to this task is in the process of being hired and the funds are available for the

necessary ad hoc workgroup meetings. Additionally, PSMFC has submitted a final report on the 2012 field work testing electronic monitoring (Agenda Item F.6.b, PSMFC Report). Under this agenda item, the Council should discuss the seats for the ad hoc workgroup and potentially a technical advisory group on EM. Actual appointments should be considered under Agenda Item C.6.

2. September Scoping of Annual TR Trailing Actions

At its September 2010 meeting, the Council began a series of trailing actions for the trawl rationalization program and intersector allocation which have continued up through the present. These trailing actions address issues of concern which were outstanding as of the completion of the Council's initial work on the program (e.g. rules for the distribution of the quota set aside for the Adaptive Management Program and safe harbors from control rules for risk pools). The actions also address provisions needed to complete or clarify the final program and new concerns identified during and after program implementation. A process for developing these trailing actions has been developed under which scoping is conducted in September of each year, alternatives for analysis selected in November, analysis completed over the winter and preliminary and final action taken at the March and April Council meetings, so that implementation can be completed by the following calendar year. Trailing actions for a particular cycle are generally implemented together in omnibus rule packages (PIE rules). The current status of trailing actions is provided on the Council website: <http://www.pcouncil.org/groundfish/fishery-management-plan/trailing-actions/>, including those on which Council deliberation is in progress, delayed, or completed and those for which NMFS implementation is in progress, delayed, or completed. At its April meeting, the Council decided to have a discussion of its trailing action process for PIE Rule 3 at this meeting.

3. PIE 2 Clarifications

This agenda item provides an opportunity for NMFS to seek clarification on any issues which arise during its development of the PIE 2 proposed rule package. As of the time of briefing book publication, there are no PIE 2 issues on which NMFS is seeking clarification from the Council; however issues may still arise prior to the Council meeting. However, included in PIE 2 is a proposal to eliminate the end-of-year (December 15-31) QP trading prohibition on QP transfers between vessel accounts (§660.140(e)(3)(iii)(B)). In April it was proposed that the Council's previous recommendation be modified to not only eliminate the end-of-year QP trading prohibition but to also allow the trading of QP issued for a previous year to occur in the current year up until the last landings data for the previous year is in the catch and QP accounting system, with particular reference to carryover issuance implications.

Allowing trading of previous year QP during the current year requires a change to different regulations and has different impacts than elimination of the end of year trading prohibition. The end-of-year trading prohibition is explicitly stated in a single sentence in §660.140(e)(3)(iii)(B) while the prohibition on trading after the end of the year is based on 660.140(e)(5)(i), which provides: "Any amount of QP or IBQ pounds in a vessel account and in excess of the carryover amount will expire on December 31 each year and will not be available for future use."

No "future use" of any QP in the account is allowed, including use for trading, until a determination of the amount in excess of the carryover is made; however, at the same time, such QP are available to cover previous year catch, as catch data is finalized for prior year harvest. The nature of the impacts would also be different in that allowing surplus QP to be traded from one vessel account to cover a previous year deficit in another vessel account would allow the

fleet to collectively rebalance the distribution of QP among accounts, changing the overall amounts of QP potentially available for carry over. Additionally, allowing trading of prior year QP would reduce certainty of the information available to the Council when it makes its recommendation on carryover and require a large amount of computer programming for transfer transactions related to vessel accounts. On the basis of considerations which include these factors, NMFS has indicated that this proposal would not be considered an adjustment to the Council's previous recommendation but instead needs to be considered as a new action and a new analysis provided.

Council Action:

- 1. Receive updates on EM processes and provide guidance, as necessary.**
- 2. Provide guidance on September trailing action scoping process for PIE 3, as needed.**
- 3. Provide guidance on PIE 2, as needed, including possible revisions to previous Council recommendation eliminating end-of-year QP trading.**

Reference Materials:

1. Agenda Item F.6.a, Attachment 1: Electronic Monitoring – Objectives, Calendar, and Advisory Body Budget.
2. Agenda Item F.6.a, Attachment 2: Initial Draft Whitepaper: Electronic Monitoring and Performance Standards.
3. Agenda Item F.6.b, WDFW Report: Washington Department of Fish and Wildlife Report on Trawl Rationalization Trailing Actions.
4. Agenda Item F.6.b, PSMFC Report: Final Report, Electronic Monitoring Program: Review of the 2012 Season.

Agenda Order:

- a. Agenda Item Overview
 - b. Reports and Comments of Advisory Bodies and Management Entities
 - c. Public Comment
 - d. **Council Action:** Receive updates on electronic monitoring processes and provide guidance as necessary; Provide Guidance on Process Improvement and Enhancements 3 Process and; Consider Other Trailing Action Issues as Needed, Including End-of-Year Quota Pounds Trading
- Jim Seger