Sablefish Catch Share Program Review – Phase I

Agenda Item F.6

Supplemental Reports

GAP

GMT

SSC

EC

Supplemental Public Comment

Agenda Item F.6.a

Supplemental STAFF

Agenda Item Overview

June 2014
Program Review - Overview

• Phase I
  • Program Review – Public Review Draft (F.6.a, Att 1)
  • Draft Environmental Assessment (F.6.a, Att 2)
    – Rules for assessing permit control (for own/control limit)
    – Federal electronic landings reports

• Phase II
  • Consideration of Other Program Changes
Program Review Document
(Agenda Item F.6.a, Att 1)

• Augmented based on April guidance

• Sections for Particular Attention
  • Preliminary Conclusions (Section 5.0)
  • Council Recommendations (Section 6.0)
Council Action

1. Provide guidance on finalization of the Phase I review document, as appropriate, including recommendations, if any.

2. Select final preferred alternatives for the rules for assessing permit control and electronic fish ticket requirements.

3. Identify Phase II issues for inclusion in the omnibus process, if any (Agenda Item F.9).
Program Review Document
Agenda Items F.6.a, Attachment 1
Distribution of Harvest

Cumulative Share of Sablefish Landings vs. Cumulative Percent of Fleet

- 2008
- 2012
- 1996
- 1997

Equal distribution line
<table>
<thead>
<tr>
<th>Size Category</th>
<th>Vessels in the Fleet</th>
<th>Base Permits Used by The Fleet</th>
</tr>
</thead>
<tbody>
<tr>
<td>&gt;60’</td>
<td>20</td>
<td>27</td>
</tr>
<tr>
<td>50’-60’</td>
<td>18</td>
<td>25</td>
</tr>
<tr>
<td>43’-50’</td>
<td>22</td>
<td>16</td>
</tr>
<tr>
<td>35’-43’</td>
<td>20</td>
<td>22</td>
</tr>
<tr>
<td>&lt;35’</td>
<td>17</td>
<td>7</td>
</tr>
</tbody>
</table>
Questions?
Council Decision Analysis Document
Agenda Items F.6.a, Attachment 2

- Rules for assessing permit control (for own/control limit) – Select FPA
- Federal Electronic Landing Reports – Select FPA
Own and Control Limit

• 3 Permit Own/Control Limit

• Counting toward the limit
  – Partial ownership of any permit
  – Partial ownership of a vessel – permits registered to that vessel (leased or “held” permits)
  – E.g. A person gets to the three permit limit by being
    • an owner-operator of
      – a vessel and
      – the associated LEFG permit,
    and
    • part owner of another vessel which leases two LEFG permits
Assessing Permit Control and Alaska Fisheries

• Limitation on West Coast fishing operations’ abilities to work with each other

• Cross participation in Alaska halibut and sablefish IFQ fisheries
  – In general, Alaska sablefish and halibut IFQ owners must either
    • be present during fishing, or
    • with a grandfather exception
      – hire a vessel to fish IFQ for them
      – 20% vessel ownership required
  – 20% vessel ownership counts for LEFG permit control
Assessing Permit Control and Alaska Fisheries

AK IFQ → Owns → WC&AK Participant w/3 LEFG Permits → Owns → Vessel

WC&AK Fishing Operation/Enterprise
Assessing Permit Control and Alaska Fisheries

**AK IFQ**

- Owns WC&AK Participant with 3 LEFG Permits

- WC&AK Fishing Operation/Enterprise

**Opportunity:**
- To Hire Vessel to Fish AK IFQ

**Yes**
- AKO Vessel

**No**
- WC&AK Vessel with LEFG Permit(s)

**Opportunity:** To Hire Out
- To Fish AK IFQ for ...

**Yes**
- AKO Participant

**No**
- WC&AK Participant with LEFG Permit(s)
Assessing Permit Control and Alaska Fisheries

Opportunity: To Hire a Vessel to Fish

Yes

AK IFQ

Owns

AKO Participant

Owns

AK IFQ

WC&AK Participant w/3 LEFG Permits

Owns

Vessel

WC&AK Fishing Operation/Enterprise

AK IFQ
Assessing Permit Control and Alaska Fisheries

- **AK IFQ** Owns **WC&AK Participant w/3 LEFG Permits** Owns **Vessel**

  *WC&AK Fishing Operation/Enterprise*

  - **Opportunity: To Hire a Vessel to Fish AK IFQ**
  - **Opportunity: To Hire a Vessel to Fish AK IFQ**
  - **AKO Participant** Owns **AK IFQ**

  Yes
Assessing Permit Control and Alaska Fisheries

AK IFQ

Owns

WC&AK Participant w/3 LEFG Permits

Owns

Vessel

WC&AK Fishing Operation/Enterprise

Opportunity: To Hire ... a Vessel to Fish AK IFQ

Yes

AKO Participant

Owns

AK IFQ

No

WC&AK Vessel with LEFG Permit(s)

Opportunity: To Hire ... a Vessel to Fish AK IFQ

No
Assessing Permit Control
Action Alternatives

• Action alternatives exempt the permits associated with up to two vessels, so long as
  — no direct permit ownership, and
  — vessel ownership not more than

• Action Alternative 2a – 20% (PPA)
  • Action Alternative 2b – 30%
Maximum Control Under Status Quo

- LE FG Permit 1
- LE FG Permit 2
- LE FG Permit 3

Owns All or Part Interest

Fisherman
Maximum Control
Under Action Alternatives

- LE FG Permit 1
- LE FG Permit 2
- LE FG Permit 3
- Fisherman
  - Owns 20% or 30% Interest
- Vessel A
  - Registered to
- Vessel B
  - Registered to
- LE FG Permit 4
- LE FG Permit 5
- LE FG Permit 6
- LE FG Permit 7
- LE FG Permit 8
- LE FG Permit 9

Owns All or Part Interest
Details to Work Out

• Collective Ownership (e.g. corporation or partnership)
  – Before it was just a matter of “some” percent
  – Need to determine the percent owned

• Coordinated Ownership –
  – Potential for control to exceed the intended 20% or 30% threshold.
Collective Ownership: Determining the Percent a Person Owns

- **Strawman Suboption 1 – Entire Interest Pass Thru**
  - fishermen owns 50% share of vessel A

- **Strawman Suboption 2 – Pro-rata Pass Thru**
  - fishermen owns 10% share of vessel A (20% x 50%)
Coordinated Ownership

• Example
  – Each separately own 20 percent of a vessel which leases a permit.

  – Action alternatives would exempt each vessel owner
Coordinated Ownership

- Example
  - Each separately own 20 percent of a vessel which leases a permit.
  - Action alternatives would exempt each vessel owner
  - Control could be coordinated through a corporation
The Coordinated Ownership Strawman Suboption would limit the exception.

Members of a collective could own no more than 40% ownership interest in a vessel.
Coordinated Ownership
Council Decision Analysis Document
Agenda Items F.6.a, Attachment 2

QUESTIONS?

AK IFQ

Owns

WC&AK Participant w/3 LEFG Permits

Owns

Vessel

Opportunity: To Hire
Vessel to Fish AK IFQ

Yes (2)

AKO Vessel

WC&AK Vessel with LEFG Permit(s)

Opportunity: To Hire Out
To Fish AK IFQ for ...

Yes

Yes

AKO Participant

Owns

AK IFQ

WC&AK Participant with LEFG Permit(s)

Owns

AK IFQ