

GROUND FISH ADVISORY SUBPANEL REPORT ON
FIXED GEAR SABLEFISH CATCH SHARE PROGRAM REVIEW, INCLUDING
FEDERAL ELECTRONIC FISH TICKETS OR OPEN ACCESS SABLEFISH DELIVERIES

The Groundfish Advisory Subpanel (GAP) received a review document of the sablefish limited entry fixed gear (LEFG) program and an Environmental Assessment Regulatory Impact Review (EARIR) for amendments to the program from Mr. Jim Seger and Ms. Ariel Jacobs. The GAP reviewed Table 5-1, which contained the preliminary conclusions of the work group on the success of the Council's LEFG sablefish permit stacking program. The 10 original objectives and the resulting findings of the program suggest it has significantly achieved what the Council had hoped to accomplish with a quota share alternative.

The authors of the review left four questions for constituent comment under section 5.2. The questions were reviewed by the members of the GAP. The four questions are as follows with GAP comments.

1. The number of the Tier 3 permits stacked with two other permits increased consistently from the initiation of the program through 2008, but declined thereafter. What may have caused the significant decrease that occurred from 2008 to 2012? During that time the occurrence of Tier 3 permits that were triple stacked dropped from 43 down to 22, almost as low as in the first full year of the program (Table 3-4)

The GAP members could not account for this other than there may have been some operations that were retiring at this time that could account for some of the shift.

2. What may have caused the apparently significant drop in fixed gear sablefish landings and dependence for Puget Sound ports since 2008. (Figure 3-14)

As the program has matured so have the markets. There are a number of fish buyers that make arrangements with other buyers or shoreside processing plants in other ports to offload product in order to accommodate vessels whose fish they historically have purchased from. The plant where product is delivered may not be the plant taking ultimate receipt of the product, but is likely receiving an off load fee and processing fee. Hence, other options have become available to the fleets.

3. Is other fishery or processor information available concerning improvement in product quality or size of fish under the stacking program (e.g., targeting by location or depth, different product forms, etc.)

Since the program was implemented the directed sablefish fleet has moved off some of their shallower fishing grounds in order to avoid different rock fish species that have become over fished. The avoidance of yelloweye rockfish is one example. With regards to marketing, the resource is still very dependent on Asian markets. However, sablefish is more aggressively marketed in the United States as a high end product.

4. What might be the cause of the rapid increase in longline-to-trawl price differential for sablefish since 2010 that is not shared by the pot gear landings (Figure 3-22)

The GAP could not account for this, but notes that in British Columbia, almost all its sablefish is harvested by pots and they receive similar prices as Alaska and Pacific Council sablefish when exported. Additionally, pot sablefish in S.E. Alaska and in the Bering Sea and Aleutians receive the same price for iced J-cut fish as the longline fleet from the shorebased processors.

The GAP unanimously endorsed the following changes under Phase 1 of the LEFG program.

The GAP supports the NMFS proposed alternative found in Agenda Item F.6.b, NMFS Report 2, which reads: “Under this alternative, eligible owner(s) of vessel(s) registered to a sablefish-endorsed limited entry permit could apply to the National Marine Fisheries Service (NMFS) for a limited exemption from the control rules.”

The exemption, if granted, would allow the same outcome as the Council’s PPA.

This option was described by staff as also requiring the vessel owner to apply to NMFS in order to receive the exemption. This option would eliminate requirements from the entire LEFG fleet submitting proof of ownership papers and limiting the paper work to only those who were in need of the exemption. The analysis identifies 13 operations in the Pacific Council area of authority that also have sablefish individual fishing quota (IFQ) rights in Alaska. It is believed several of these annually request an exemption.

The analysis identified two strawman suboptions for determining how the ownership interest held by an entity such as a corporation or partnership accrues to the individual owners of that entity. The GAP recommends Strawman Suboption (2), which is as follows.

Pro-Rata Ownership Interest Passes Through – If an entity owns a vessel, any individuals with a share in the ownership of that entity are counted as having a share in ownership of the vessel proportional to their actual share in ownership of the entity (e.g., if a corporation owns 50 percent of a vessel, and two individuals each own 50 percent of the corporation then for purpose of evaluating the three permit control limit those two individuals are each counted as having 25 percent ownership in that vessel)

This approach is the same as that used in the Trawl Rationalization Program. It is for this reason and for a clear understanding of ownership assignments that the GAP favors this option.

The GAP was originally willing to support a strawman suboption on coordinated ownership, however it was concluded by staff that this option may not achieve any additional benefits than existing status quo restrictions currently provide. For this reason the GAP chose to not endorse this option.

Electronic Fish Ticket Alternatives

The GAP supports Alternative 4, Federal requirement that all sablefish deliveries (primary/tier, daily-trip-limit [DTL], and open access [OA]) be recorded on an electronic fish ticket that documents the associated Federal groundfish permit number.

GAP recommendations for Phase 2 of the review are as follows.

1. Develop a program that combines the DTL and tier limit fisheries. This option would be much more cost effective for a vessel operator that is currently expending fuel for many single trips.
2. Allow the existing tier permits to be fished either with longline gear or pot gear and examine allowing pot gear to fish shallower than the existing fixed gear Rockfish Conservation Area (RCA) depths limitations.

With the discussion this week on possibly moving yelloweye rockfish from the non-nearshore sector to the nearshore sector and the recent issue with shortraker and roughey rockfish this option would allow for fixed gear to minimize its interaction with rockfish and the associated protective restrictions.

PFMC
06/22/14