

THE GROUNDFISH MANAGEMENT TEAM REPORT ON WIDOW ROCKFISH REALLOCATION AND DIVESTITURE ISSUES

The Groundfish Management Team (GMT) received presentations from Mr. Jim Seger and Mr. Colby Brady on widow rockfish reallocation and divestiture, as well as individual and aggregate non-whiting control limit considerations. Mr. Ed Waters provided data and additional figures for inclusion in this statement. In addition, the GMT reviewed Agenda Item J.2.b Supplemental National Marine Fisheries Service (NMFS) Report to provide background and additional context to the presentations. The GMT appreciates the thoroughness of their presentations and the overview of these issues under consideration by the Council.

Appendix F to the Groundfish FMP, reflecting actions under Amendment 20, states that “when a stock becomes rebuilt, the reallocation will be to facilitate the re-establishment of historic target fishing opportunities.” The Council may wish to consider incorporating this into the purpose and need as stated in the scoping document (Agenda Item J.2.a, Attachment 2) as widow rockfish was recently rebuilt. Prior to 2002 and prior to widow rockfish being declared overfished, there was a directed widow rockfish midwater trawl fishery. Reinstating this historic midwater fishery could allow vessels to further diversify their economic portfolios, and allow fishing operations to further take advantage of the individual accountability and flexibility envisioned in the inception of the Individual Fishing Quota (IFQ) program. The Magnuson Stevens Fishery Conservation and Management Act (MSA) § 303(b)(6) provides guidance to the Council on reallocation considerations within limited access privilege programs, such as the trawl rationalization program. However, this GMT report will focus mostly on the need to consider recent participation and historical practices in the fishery, as other issues such as economics, capability to engage in other fisheries, cultural and social framework, fairness and equity, employment in the harvesting and processing sectors, and other considerations further outlined in National Standard 2, 4, and 8 that have already been considered in the Amendment 20 Environmental Impact Statement (EIS). The Council’s Groundfish Fishery Management Plan (FMP) also covers these goals and objectives in detail as recommended by the MSA.

The scope of this GMT supplemental report includes the following: (1) considerations for widow rockfish reallocation; (2) the history of the directed widow rockfish fishery; (3) the effect of choosing various widow rockfish target and bycatch periods, and potential allocation consequences to permit holders for the five alternatives mentioned in the Council scoping document ([Agenda Item J.2.a, Attachment 2](#)), as well as a new potential alternative proposed in supplemental public comment ([Agenda Item J.2.c, Supplemental Public Comment 2](#)); (4) aggregate limits and divestiture; and (5) other considerations for the Council. The GMT notes that this document focuses on widow rockfish reallocation, and only touches on the topics of divestiture and aggregate accumulation limits. Our emphasis on reallocation is to provide visual comparisons and contrasts among alternatives provided in the draft scoping document ([J.2.a Attachment 2 November 2014](#)) as well as comparisons with additional alternatives provided by the GMT. The GMT does not provide recommendations regarding most or least suitable alternatives. Those decisions are dependent on the purpose and need of the proposed action (described above) and the goals of the Council.

I. Widow Rockfish Reallocation

Overfished or Non-Overfished Formulas

Background on the different formulas utilized to determine quota shares and potential alternatives for reallocation for widow rockfish has been provided in the Situation Summary, three associated attachments, and two NMFS reports under this agenda item and will not be repeated here. In general, the approaches may be characterized as utilizing either a “Group 2” overfished formula (§660.140 (d)(8)(iv)(B)(2)), which puts more weight on discarded bycatch or a “Group 1” non-overfished formula (§660.140 (d)(8)(iv)(B)(1)), which puts more weight on targeted landings. The GMT notes that the Council can utilize either formula, or combination of formulas, for whichever alternative they find most appropriate to meet the goals and objectives.

II. Dynamics of the Non-Whiting Widow Rockfish Fishery (1994 – 2010)

Groundfish regulations affecting widow rockfish landings and fishery decisions resulted in three periods that may be generalized as: targeting (1994-2001), transition (2002), and bycatch (2003-2010). Although regulations that affected access and retention of widow rockfish gradually became more restrictive as the 1990’s progressed, 2003 represents the beginning of the most restrictive period whereas 2002 was somewhat intermediate between targeting and avoidance periods (Table 1). The increasingly restrictive regulations were brought about by the declining stock status of widow rockfish, which was deemed overfished by the 2000 stock assessment ([Status of the Widow Rockfish Resource in Y2K](#)). Although not provided in Table 1, we note that Rockfish Conservation Area (RCA) management was initiated in 2002, resulting in less access to widow rockfish on the shelf by bottom trawl.

Impacts of regulations to the widow rockfish fishery are shown in Figure 1. Widow rockfish landings during the targeting period (1994-2001) ranged from 3.8 to 13.8 million pounds, whereas landings during the period of avoidance (2003-2010) was less than 0.02 million pounds annually. Landings during 2002 were somewhat intermediate relative to the other two periods (i.e., 0.5 million pounds).

Although widow rockfish can be caught with bottom trawl gear, targeting with midwater trawl is most effective and used when large landings are allowed (e.g., during the targeting period). Figure 2 illustrates the number of permits that landed at least 1,000 pounds of widow rockfish (annually) using midwater trawl gear or bottom trawl gear. Trawl permits showing annual landings greater than 1,000 pounds declined dramatically beginning 2003; indeed, all widow rockfish landings for the years 2003-2010 were made by bottom trawl (none by midwater trawl; PacFIN query). The change in trip limits beginning 2003 effectively eliminated the non-whiting midwater trawl fishery for widow rockfish.

III. Effect of Target and Bycatch periods to Permit Holders

Five alternatives for widow rockfish reallocation are provided in the draft scoping document ([Agenda Item J.2.a, Attachment 2](#)). As described in that document, the no action alternative (Alternative 1) is based on widow rockfish bycatch rates applied to landings of 11 target species during the 2003 to 2006 window period. Alternatives 2 and 3 are based on annual landings of widow rockfish during different periods between 1994 and 2010. In this section, we provide graphics and discussion regarding Alternatives 1 through 3; the scoping document indicates that these alternatives satisfy the requirements outlined in the Alternatives 4 and 5 (Groundfish Advisory Subpanel, GAP, Alternatives). As such, we do not provide much additional information about Alternatives 4 and 5.

The GMT notes that any alternative based on landings of widow rockfish may represent different weighting priorities. Alternatives containing more landings during the earlier years are weighted more heavily by catches made during the targeting period, whereas those containing more recent catch histories are weighted more heavily by the avoidance/bycatch years.

Alternatives 1 and 2: Figure 3 shows the comparison of widow rockfish quota pound (QP) allocations among quota share (QS) accounts based on the current widow rockfish QS calculations (No Action in the scoping document) with the 2011/2012 and 2015/2016 shoreside trawl allocations. Figure 3 also includes a comparison with strawman Alternative 2, which is based on landings for the years 1994 to 2003. This is similar to Figure 3-3 in the scoping document ([Agenda Item J.2.a Attachment 2 November 2014](#)). The scoping document indicates that Alternative 2 mostly addressed the GAP's purpose for developing Alternatives 4 and 5: "ensure that no one would be worse off in terms of QP they receive annually, relative to their 2012 QP allocation amounts" (i.e., Alternative 4) and "all QS holders receive at least some increase in QP relative to their 2012 QP level" (i.e., Alternative 5). Figure 3 demonstrates that in most cases, QP allocations under Alternative 2 would be similar to or greater than QP allocations received in 2012 (dashed line). This figure also demonstrates that as the widow rockfish Annual Catch Limit (ACL) increases, QP allocations under status quo will also increase for all QS holders (solid line; 2011 vs 2015 ACL allocations). Figure 3 also illustrates that under the strawman Alternative 2, QP allocations will be variable relative to No Action. Some QS holders will receive significantly more QP under Alternative 2, whereas some will receive much less.

There are some obvious high QP values shown in Figure 3 relative to QP values for most permit holders. The scoping document showed that some of these high values may be attributed to the inclusion of 2003 landings in Alternative 2. That year was during the period of avoidance (see above), and the total landings of widow rockfish during 2003 was approximately 8,000 pounds. Since QS calculations are based on ratios of the means (i.e., annual proportions of landings by individual permits relative to the sum of landings for all permits), a permit that was credited with 50 percent of the catch during a single year could theoretically receive 7 percent of QS under Alternative 3, without fishing during any of the remaining nine years. Some of the spikes shown in Figure 3 are partially attributed to that explanation.

Alternative 3: Figure 4 compares strawman Alternative 3 (1994-2010) to Alternatives 1 and 2 (Figure 3). Although this alternative was described in the scoping document, there were no plots associated with it. In this case, all widow targeting years (1994-2001) and all widow avoidance years (2003-2010) were included for calculating QS allocations, along with the period of

transition (2002). Thus, Alternative 3 provides more weight to the widow avoidance years than Alternative 2. The impact of including years where fishermen avoided widow rockfish (i.e., period of avoidance) to the catch histories for QS calculations is increased variability in QS and QP allocations (Figure 4). Indeed, some permits that would receive the lowest QPs under Alternative 2 would receive some of the highest QPs under alternative 3.

GMT-Alternative 6: Figure 5 compares the three cases from Figure 3 (Alternatives 1 and 2) to the additional case of using a narrower window of years covering 1994–2001, instead of 1994–2003, to exclude years with low widow landings. This is a graphic representation of the results of including only the widow rockfish targeting period when calculating QPs for each permit. Figure 5 demonstrates that by removing the transition year (2002) and the year of avoidance (2003), variation among permit holders is reduced. Excluding these years also eliminated the single largest spike shown in Figure 3. The QP calculations for most of the other permit holders were similar between GMT-Alternative 6 and Alternative 2.

GMT-Alternative 7: Figure 6 compares the three cases from Figure 3 (Alternatives 1 and 2; 1994–2003) to the additional case of using only the avoidance/bycatch years (2003–2010) and the transition year (2002) for QP calculations. Figure 6 shows that GMT-Alternative 7 would result in the highest variability and highest peaks for QP distributions than shown in the remaining alternatives.

Other Potential Alternatives

The GMT provided GMT-Alternative 6 and Alternative 7 to display the effects of weighting QP calculations solely by the period of widow targeting (1994–2001) versus the period of widow avoidance/bycatch (2003–2010) and transition (2002) combined. It was not our intent to suggest that either alternative would be beneficial or detrimental. Our intent was only to provide the Council with contrast between the two alternatives and provide perspective on the effect of weighting by various years with different management strategies.

The GMT is aware of a new alternative that a member of the fishing industry recently distributed ([Agenda Item J.2.c., Supplemental Public Comment 2](#)). It is unfortunate that the GMT did not have the resources or data available at this meeting to provide any analysis for that alternative. However, the GMT notes that the Council may choose to include that new alternative, or other alternatives, for full analysis and consideration for the April Council meeting.

IV. Aggregate Limits and Divestiture

The GMT heard from members of industry that removing the aggregate non-whiting control limit would improve business planning and increase flexibility. We appreciate that aggregate limits affect business decisions and could potentially be considered at the same time as reallocation and divestiture. We recommend that the Council weigh input from industry (i.e. from the GAP and public comment) in deciding the scope of issues to include in this action. Likewise, we understand that there needs to be further discussion between NMFS and Council staff to determine whether changing or eliminating the aggregate control limit can be included as part of this action, if the Council wishes to do so. It is our understanding that including aggregate limit considerations might take additional analysis and a different level of workload and rulemaking than has been previously contemplated for reallocation and divestiture decisions alone.

We also heard from NMFS that they are proposing a forfeiture formula that requires proportional divestiture from the holdings of an individual or entity that is over the control limit(s) if the limits are not reached by the divestiture deadline. The GMT finds this to be a reasonable formula, should it be necessary to apply a forfeiture formula.

V. Other Considerations

Potential Overfished Status Change Considerations for Widow Rockfish and Other Groundfish Stocks in the Future

The GMT recognizes that in the future, some stocks' overfished status may change as new assessment information becomes available (from overfished to not overfished, and vice versa). The GMT is not of the opinion that reallocation of widow rockfish should necessarily set precedence for quota share reallocation of other groundfish stocks in which QS trading has already occurred, and for which overfished status may change in the future. Amendment 20 states that for overfished species, the QS reallocations *may* be reconsidered when overfished species become rebuilt.

Reallocation of widow rockfish may be an easier process for implementation than what may be required for other species in which quota share trading has already commenced. For other groundfish stocks besides widow rockfish, if numerous QS trades of a stock have occurred since initial QS issuance, NMFS could be required to backtrack all trades and reissue quota shares based upon different calculation methods than status-quo (overfished formula) methods, and reallocate to all the new quota share owners *pro-rata*. However, widow rockfish is a different situation that allows for a substantially easier recalculation of initial quota shares if a different formula (i.e., non-overfished formula) were used, due to the QS trading moratorium that has been in effect for this stock. It is a relatively easier process to reallocate widow QS among the original IFQ QS recipients.

2015 Widow Rockfish Stock Assessment Considerations

The GMT notes that although widow rockfish is currently determined to be in a healthy status, the last widow rockfish assessment had some disagreement among stock assessment review (STAR) panel experts and a minority opinion alternate view of widow rockfish productivity that was submitted to the Council ([Agenda Item E.1.a, Supplemental Attachment 11, November, 2011](#)). Therefore, the newly scheduled 2015 widow rockfish assessment *may* have a chance of yielding a fairly different depletion estimate; however, the GMT notes that a new rebuilding plan would only be required if the assessment estimated that the stock status was below B25%. If the Council proceeds with reallocating widow rockfish quota shares using the non-overfished formula, and per chance the 2015 assessment determines that the widow rockfish stock status is not above B40% but above B25%, then the stock could still be allocated as a target species.

Potential Impact for Future Control Dates

The GMT also wants to note the potential impact of this decision on the veracity of future control dates. Alternative 3 would provide allocation for harvest occurring after the 2003 control date and prior to the initial allocation of QS for the 2011 fishery. In the past, the Council has effectively argued that the consideration of landings from 2003 to 2010 would degrade its ability to use control dates and adversely impact future fishery management. In advancing an alternative that includes post-2003 landings, the GMT believes that the Council should address the effect on control date in the rationale supporting those alternatives, particularly if post 2003 history is included in the final preferred alternative.

Table 1. Summary of trip limits and other restrictions regarding widow in the limited entry groundfish trawl fishery. MDT= midwater trawl, SFT= small footrope trawl, LFT= large footrope trawl. Open access regulations are not shown. Only regulations north of 40° 10' N. latitude are provided between 1998-2010. Prior to 1998, regulations were for all landings coastwide. The years 2003-2010 are summarized together as the regulations were used to restrict widow bycatch and prevent targeting of the species and are therefore very similar across all years. For more specific changes, please see http://www.pcouncil.org/wp-content/uploads/Widow_2011_Assessment.pdf.

Classification	Year	Regulations Implemented
Target	1994	<ul style="list-style-type: none"> Start:30,000 lb cumulative limit per calendar month End:3,000 lb trip limit with unlimited number of trips
	1995	<ul style="list-style-type: none"> Start:30,000 lb cumulative limit per calendar month End:45,000 lb cumulative limit per calendar month Mesh size restriction of 4.5" to entire net and bottom trawl fleets
	1996	<ul style="list-style-type: none"> Start:70,000 lb cumulative trip limit/ 2 mo End:25,000 lb cumulative trip limit/ 2 mo
	1997	<ul style="list-style-type: none"> Start:70,000 lb cumulative limit/ 2 mo End:60,000 lb cumulative limit/ 2 mo
	1998	Limited Entry
		<ul style="list-style-type: none"> Start: 25,000 lb cumulative limit/ 2 mo End: 19,000 lb cumulative limit/mo
	1999	<ul style="list-style-type: none"> Start: Cumulative limits- Phase 1- 70,000 lbs/period, Phase 2- 16,000 lbs/period, Phase 3- 30,000 lbs/period End: Decrease phase 2 and 3 to 11,000 lbs/period Vessels in OR and WA using 30,000 lb cumulative monthly limit must had MWT gear aboard or state cumulative limit imposed
	2000	<ul style="list-style-type: none"> 30,000lbs/2 mo for trawl 3,000 lbs/mo for FG Classified as shelf species
2001	<ul style="list-style-type: none"> MDT Start: 20,000 lbs/ 2mo for Jan-Apr and Sep-Oct, otherwise 10,000 lbs/2 mo SFT Start: 1,000 lb/mo FG Start: 3,000 lbs/mo End: All fisheries closed except MDT. MDT can land 2,000 lbs/mo in N for October, then 25,000 lb/2 mo 	
Transition	2002	<ul style="list-style-type: none"> MDT Start: Closed through Nov except small bycatch in whiting fishery. Nov 13,000 lbs/2 mo with no more than 2 trips. SFT start: 1,000 lb/mo through Sept, then closed Sept-Oct, then 500 lbs/mo Nov-Dec.
Bycatch	2003 - 2010	<ul style="list-style-type: none"> MDT: Fishery closed except for small amount of whiting bycatch (varied per year, few years fishery open in Nov-Dec) SFT/LFT: 300 lbs/ 2 mo (early years had increases for SFT in May-Oct) FG: 200 lbs/mo Selective flatfish: Various monthly closures and trip limits over timespan, including RCA restrictions Sector specific bycatch caps begin in 2009 for whiting fleet

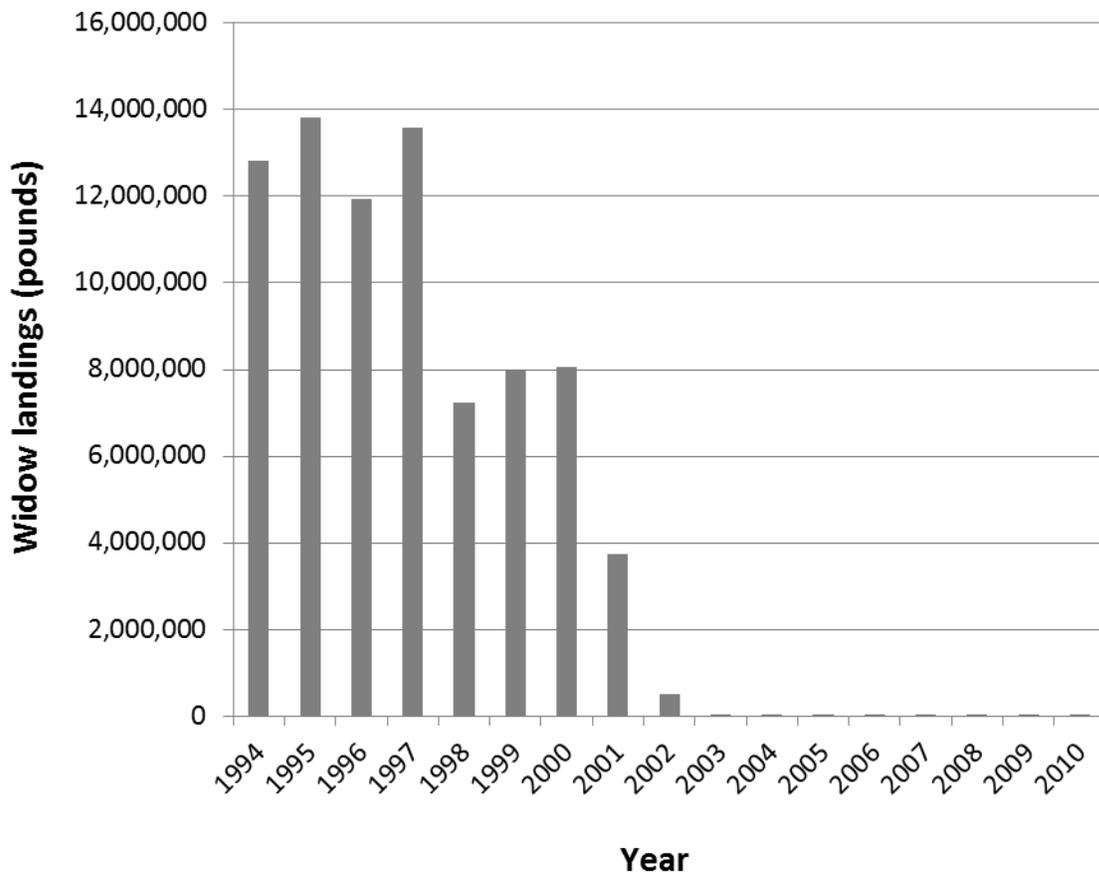


Figure 1. Widow rockfish landings (pounds) by non-whiting groundfish trawl vessels. Data were provided by Mr. Ed Waters.

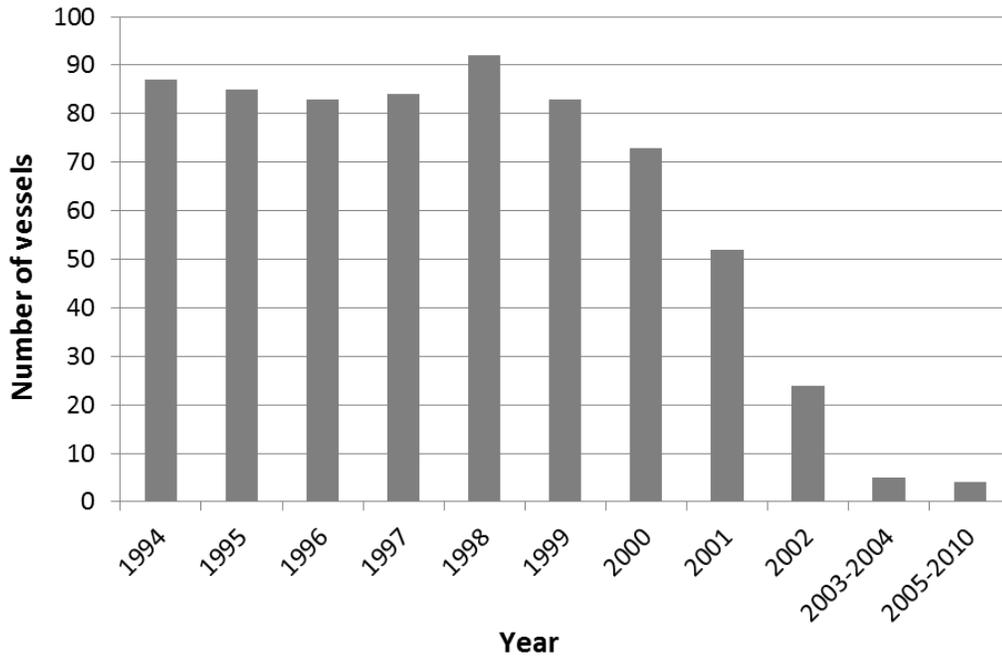


Figure 2. Number of permits with annual landings of widow rockfish > 1,000 pounds. Data were provided by Mr. Ed Waters.

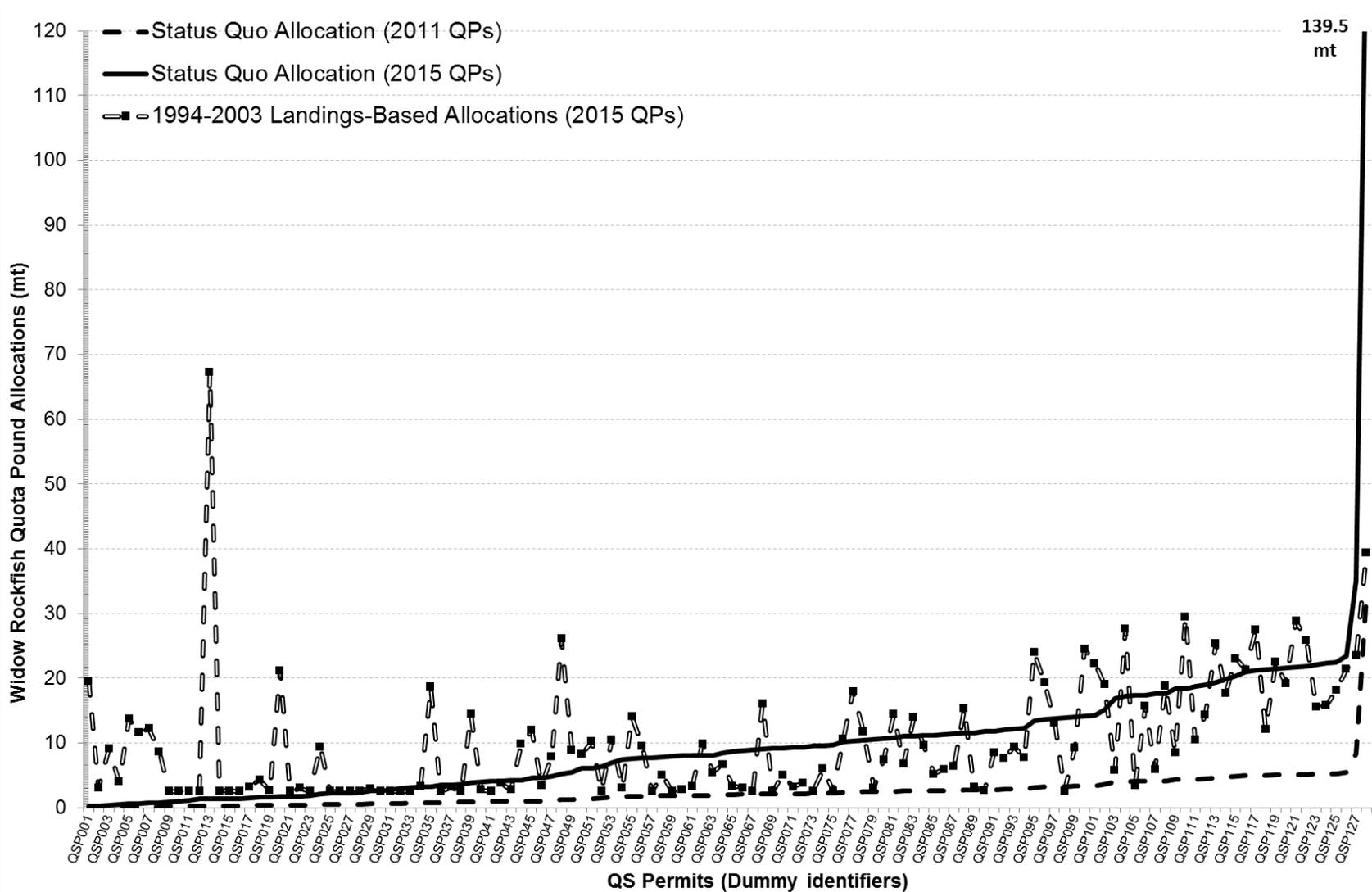


Figure 3. Comparison of widow QP allocations among QS accounts based on the current widow QS allocations (with the 2011/2012 and 2015/2016 shoreside trawl allocations) and the Alternative 2 strawman, which is based on landings for the years 1994–2003. This is similar to Figure 3-3 in [Agenda Item J.2.a Attachment 2 November 2014](#).

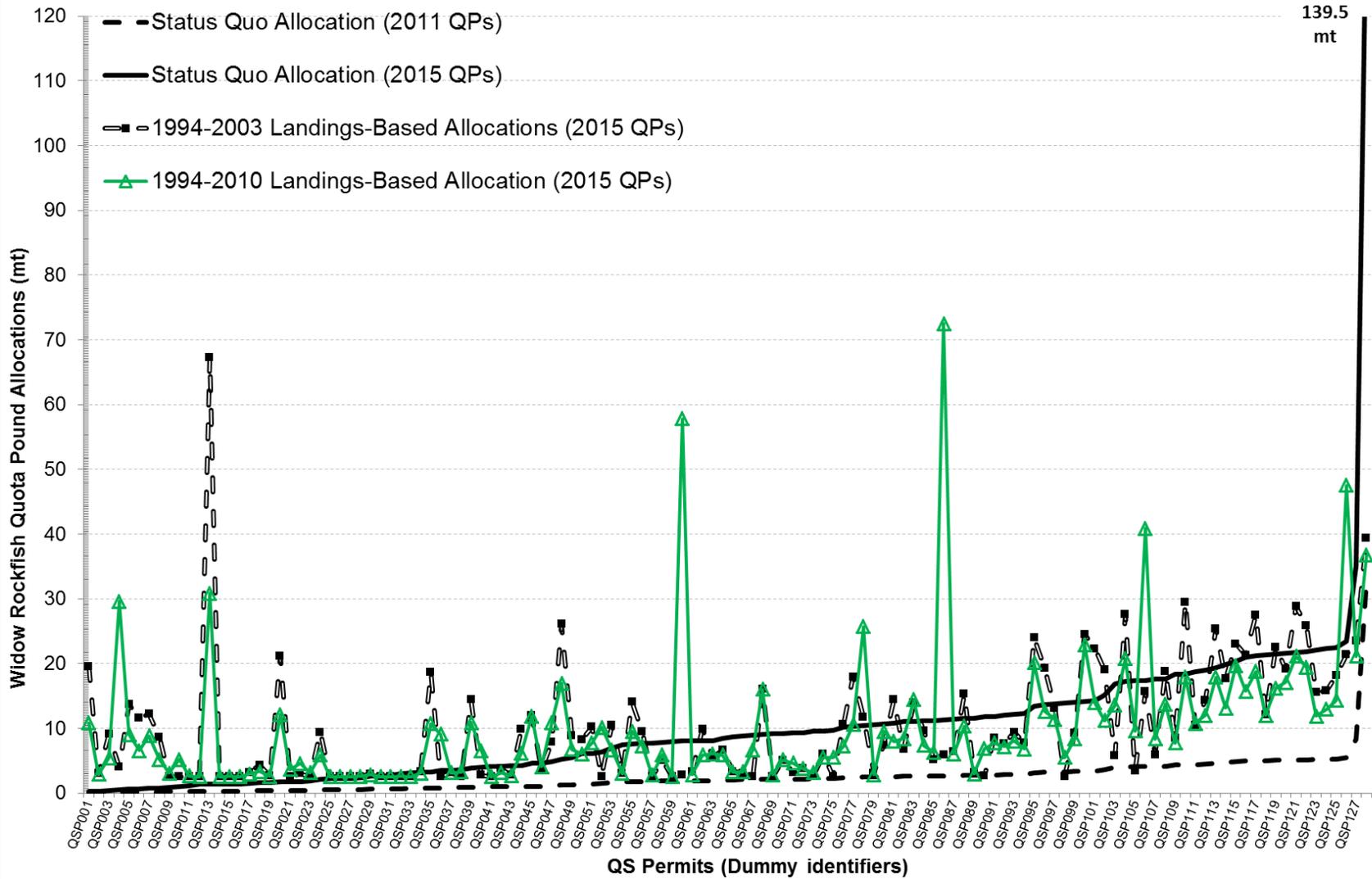


Figure 4. The three cases from Figure 3 compared to the Alternative 3 strawman which uses a wider window of years covering 1994–2010 instead of 1994–2003.

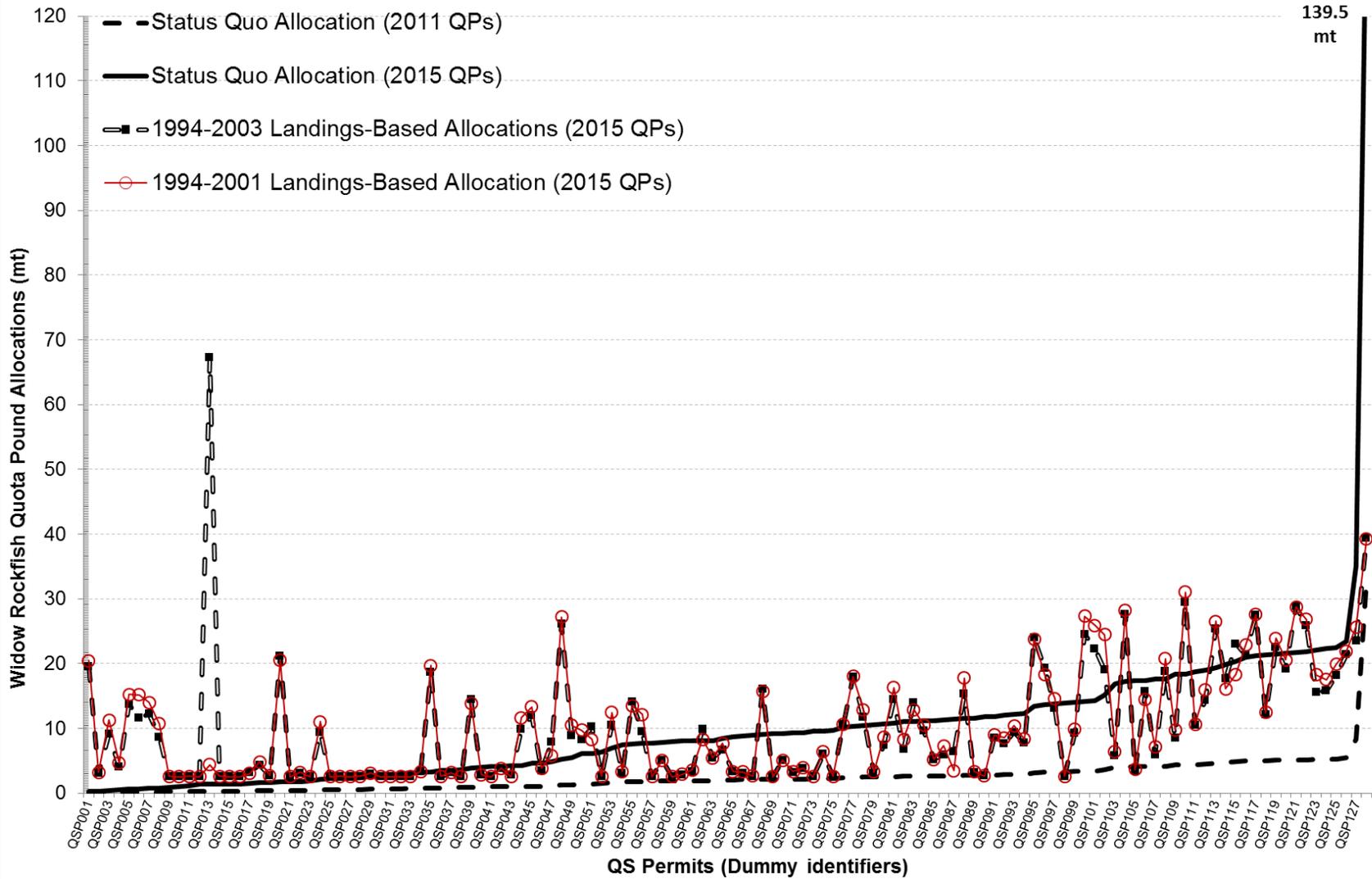


Figure 5. The three cases from Figure 3 compared to the additional case of using a narrower window of years covering 1994–2001 instead of 1994–2003 to exclude years with low widow landings.

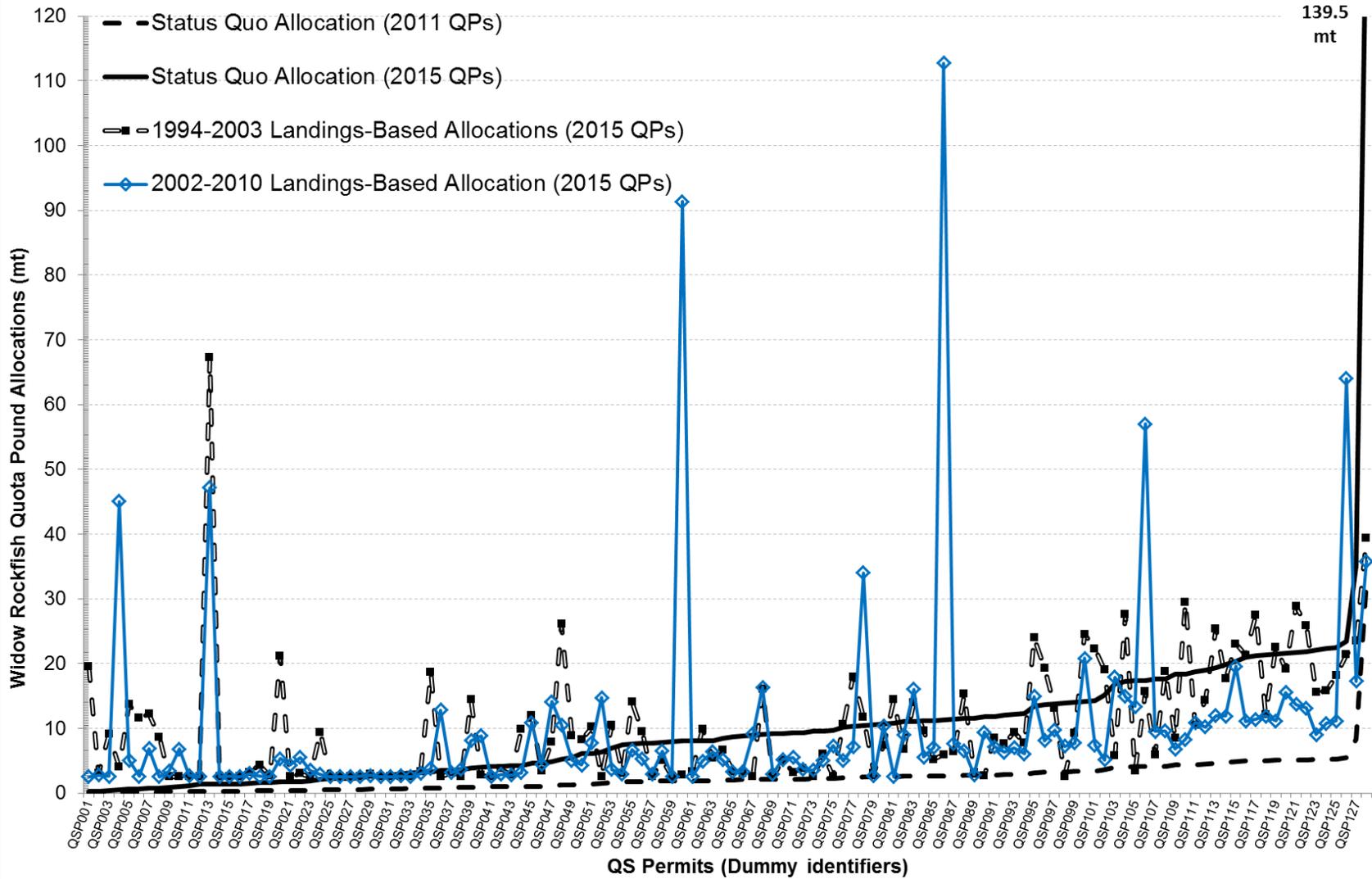


Figure 6. The three cases from Figure 3 compared to the additional case of using the bycatch year range covering 2002–2010 instead of 1994–2003.

