

GROUND FISH ADVISORY SUBPANEL STATEMENT ON SABLEFISH PERMIT STACKING CONCEPT

The Groundfish Advisory Subpanel (GAP) reviewed the draft analysis of permit stacking (Exhibit G.7, Attachment 1) and provides the following comments on the options proposed. In most cases, GAP comments on these options are not unanimous; majority and minority views are indicated where appropriate. The GAP comments follow the outline of provisions listed in the draft analysis.

Provision 1: Basic Stacking

A majority of the GAP believes that the Council should not proceed further with a permit stacking system if the individual transferable quota (ITQ) moratorium continues; if the moratorium expires, then stacking should be considered as outlined below. A minority of the GAP disagreed, believing the Council should proceed with a stacking option regardless of the status of the ITQ moratorium.

Provision 2: Base Permit and Gear Usage

The consensus of the GAP is that option 2b (using any gear allowed by stacked permits, length endorsement applies) is the preferred option.

Provision 3: Limits on Stacking

The majority of the GAP believes limits are desirable, but the limits should be based on poundage, not on the number of permits. They suggest ownership be limited to the equivalent of 5% of the fixed gear allowable catch, although current ownership of permits/endorsements in a greater amount should be "grandfathered". They request the Council establish a control date as soon as possible to signal the potential cut off of "grandfather" rights. A minority of the GAP believes - if permit stacking is considered a free market system - ownership should not be artificially constrained, and thus opposes limits on ownership.

Provision 4: Combination of Stacked Permits

After considerable debate in which majority/minority opinions changed several times, the majority of the GAP supported option 4a (allowing permits to be unstacked) as the preferred option, suggesting this will provide greater economic benefits and to allow new entrants an opportunity to buy into the fishery. A minority of the GAP supported option 4c as the preferred option, pointing out this option will provide capacity reduction (a goal of the Council) and still provide economic benefits through trade of endorsements. All parties suggested the Council consider breaking tier endorsements into smaller pieces in order to allow more flexibility in stacking.

Provision 5: Fishery duration

While the GAP recognizes the limitations imposed on the Council if the ITQ moratorium remains in effect, the GAP prefers the fishery be of a longer duration, and an ITQ system be developed.

Provision 6: At-Sea Processing

A majority of the GAP chose option 6a as the preferred option, with the proviso that it be modified to allow freezing at sea by any vessel that had frozen at least 2000 pounds of sablefish in any of the years 1998, 1999, or 2000. The GAP recognizes some investment in freezer capacity has already been made and this should not be precluded. A minority of the GAP supported option 6b, suggesting this is not a fisheries management issue and thus should not be regulated.

Provision 7: Owner on Board

A majority of the GAP supports option 7b (status quo) as the preferred option, suggesting the current system works well and has not led to outside corporate ownership of the fishery. A minority of the GAP supports a modification of option 7a, requiring the owner to be on board only in the case of "2nd generation" ownership; establishing an emergency exemption in the case of death, injury, or other unavoidable circumstances; and - in the case of corporations or partnerships - requiring only one member of the corporation or partnership be on board.

Provision 8: Nonsablefish cumulative limit stacking

The GAP agreed that this issue needs further discussion and analysis before judgement can be rendered.

Provision 9: Vessels without sablefish endorsements

The consensus of the GAP is that option 9b [no limitation on the daily trip limit fishery] should be the preferred option.

PFMC
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