

SCIENTIFIC AND STATISTICAL COMMITTEE COMMENTS ON
SABLEFISH PERMIT STACKING

Mr. Jim Seger briefed the Scientific and Statistical Committee (SSC) on the completed Draft Analysis of Permit Stacking for the Limited Entry Fixed Gear Sablefish Fishery. The revised analysis includes 1) a description of relevant policies and recommendations from the Groundfish Strategic Plan, 2) a description of the fishery, 3) a qualitative analysis of each option, and 4) social and economic impacts.

The results of the analysis are not substantially different from the September draft report. The general conclusion is that, unless the individual quota (IQ) moratorium is lifted, voluntary permit stacking is not likely to increase the duration of the fixed gear sablefish season, alleviate safety concerns and complex management decisions associated with short seasons, or result in significant capacity reduction. In order to achieve capacity reduction, voluntary stacking will need to be followed by a properly designed IQ system (an uncertain prospect at this time, given the moratorium) or some other stringent capacity reduction mechanism.

The SSC has the following recommendations:

- The analysis contains ten key objectives and relates each objective to the appropriate Strategic Plan recommendations, National Standards or Groundfish Fishery Management Plan (FMP) objectives. The permit stacking objectives are sometimes contradictory. For instance, while the objective of capacity reduction is consistent with selecting options that encourage permit stacking, other objectives are consistent with options that would discourage stacking. The analysis could be simplified by focusing on a small number of priority objectives. As a related issue, the SSC also notes that some of the goals and objectives of the Groundfish FMP may not be consistent with the Strategic Plan. The SSC recommends that the FMP be revised to incorporate Strategic Plan objectives and that FMP objectives be prioritized; this would be useful not just for evaluating permit stacking options but for evaluating options contained in future FMP amendments.
- Transitioning to an IQ program is a recommendation of the Groundfish Strategic Plan. The SSC recommends that the Council evaluate the permit stacking options in terms of whether they would accommodate a smooth transition to an IQ program. In other words, in considering options pertaining to restrictions on concentration of permits, restrictions on permit ownership, and permit-on-board and U.S. citizenship requirements, it would be helpful to consider whether such provisions are also what the Council would like to see in an IQ program.
- Given existing uncertainties regarding whether the various sets of options will encourage permit stacking, the SSC recommends that the Council evaluate the program after one year to determine its effectiveness and consider revising options if the program is not meeting key objectives. As part of this evaluation, we recommend that transaction prices as well as permit ownership be tracked over time. Because prices reflect the expectations of permit holders regarding current and future earnings in the fishery, they would be a key indicator of the success of the stacking program.
- Many of the objectives and options in the analysis focus on social, economic and community effects. This emphasis reinforces the need for additional social science expertise within the Council family to evaluate such effects.