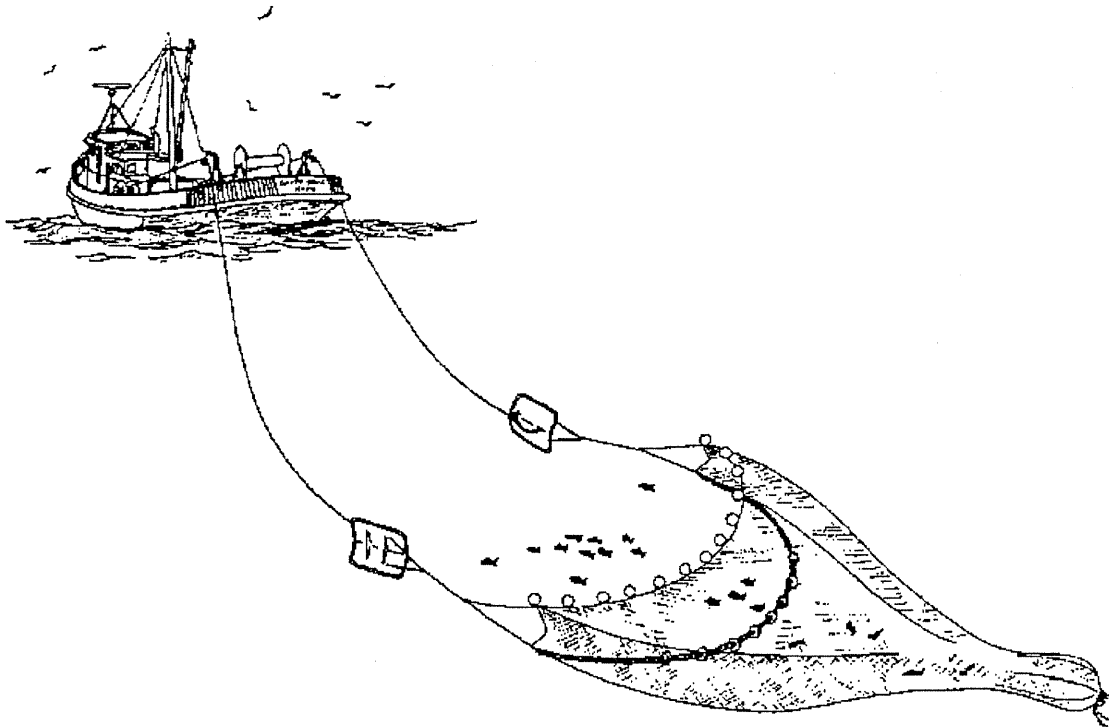


SUMMARY AND ANALYSIS
OF THE 2001
GROUNDFISH BUY-BACK QUESTIONNAIRE



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In mid-January 2001 a questionnaire was mailed to all holders of Pacific Groundfish Limited Entry permits. The purpose of the questionnaire was ascertain the level of interest by permit holders in selling their permit and vessel in a buy-back program and to produce an estimate of the cost of conducting such a program.

There were 499 questionnaires mailed. For the purpose of analyzing the response, the eight Newport Beach, California dory fleet permit holders and 10 factory trawl permit holders have been excluded from the analysis for a total of 481 permits. Additionally, since several permits are endorsed with more than one gear type a single gear was assigned to these permits. There are five permits that show both "trawl and longline" or "trawl and pot". Four of these were assigned to the trawl group, while one that had not trawled in recent years was assigned to longline. Those permits that possessed "longline and pot" were assigned to the pot group.

Each questionnaire was assigned a unique number that identified the holder of the permit. A second mailing of the questionnaire was sent in mid-February to each permit holder that had not yet returned the questionnaire. A copy of the questionnaire is attached (Figure 1).

Table 1 summarizes the returns, which ran from 73% for trawl to 48% pot. Generally, permit holders own the boat that their permit is assigned and also hold permits to participate in other fisheries. Roughly 72% of the trawl permit holder were interested in selling, while 47% of the non-trawl permit holder wanted to sell. Assuming that non-respondents would answer similarly to responding permit holders, an expanded estimate of the total number of interest sellers was 189 for trawl and 102 for non-trawl (Table 2)

The cost of the program is more difficult to estimate. Bid responses were "scored" by dividing the bid amount for each vessel by the 1998-2000 gross fishing revenue for that vessel. (These calculations were performed by NMFS and the revenue information for each vessel was held confidential.) These were then ranked from low to high score. Generally, the non-trawl bid amount was higher than trawl amounts for similar revenue. Figure 2 shows the cumulative number of boats by gear against the total dollar cost of the program. The relative higher bid of the non-trawl boats is seen as increasing numbers only at very high total dollar amounts. If this program had a total dollar amount of \$50 million available, few non-trawl permits would be purchased unless the submitted bid was much less than the response on the questionnaire.

Table 3 summarizes the number of state fishery permits that were held by individuals indicating an interest in submitting a bid in a buy-back program.

Table 4 provides an estimate of the cost of the program to the remaining groundfish and state fishery participants.

Figure 1.

Questionnaire Number _____

GROUND FISH BUY-BACK QUESTIONNAIRE

1) What gear endorsement(s) does your permit have?

Trawl _____
Longline _____ → Sablefish endorsed? Yes ____ No ____
Pot _____ → Sablefish endorsed? Yes ____ No ____

2) Is your groundfish permit currently assigned to a vessel that you own?

Yes _____ No _____

3) If yes, for the vessel that your groundfish permit is assigned, are there also any State fishery permits assigned? Yes _____ No _____

If yes, which State fishery permits do you also have:

	Calif.	Oregon	Wash.
Pink shrimp	_____	_____	_____
Dungeness crab	_____	_____	_____
Pacific Salmon	_____	_____	_____
Other (1) _____	_____	_____	_____
Other (2) _____	_____	_____	_____

4) If a buy-back program were made available to you that provided an **option** of selling either your groundfish permit alone **OR** selling your groundfish permit, and all State permits along with your vessel, what would your likely do?

- a. Submit a bid to sell groundfish permit alone _____
- b. Submit a bid to sell all permits and boat _____
- c. Not submit a bid _____

If above you indicated you would likely submit a bid in either a or b, please state your estimated bid price for sale. _____

5) If in question 4a, you indicated that given the option, you would likely submit a bid to sell the groundfish permit alone, would you also be likely to submit a bid if a buy-back program were made available to you that **required** the selling of your groundfish permit, all State permits and your vessel?

Yes _____ No _____

If above, in #5, you indicated YES, you would likely submit a bid, please state your estimated bid price for sale for all permits and vessel. _____

Table 1. SUMMARY OF BUY-BACK QUESTIONNAIRE

<u>QUESTION #1</u>	<u># OF PERMITS</u>	<u>RETURNED QUESTIONNAIRES</u>	<u>PERCENT RETURNED</u>
TRAWL	263	193	73.4%
LOGLINE	187	115	61.5%
POT	31	15	48.4%
TOTAL	481	323	67.2%

<u>SABLEFISH ENDORSED ?</u>	<u># OF PERMITS</u>	<u>RETURNED QUESTIONNAIRES</u>	<u>PERCENT RETURNED</u>
LOGLINE	131	84	64.1%
POT	31	15	48.4%
TOTAL	162	99	61.1%

<u>QUESTION #2 - OWN BOAT?</u>	<u>YES</u>	<u>%</u>	<u>NO</u>	<u>%</u>
TRAWL	174	90.6	18	9.4
LOGLINE	86	79.6	22	20.4
POT	11	78.6	3	21.4

<u>QUESTION #3 - STATE PERMITS?</u>	<u>YES</u>	<u>%</u>	<u>NO</u>	<u>%</u>
TRAWL	135	77.6	39	22.4
LOGLINE	68	79.1	18	20.9
POT	11	100.0	0	0

<u>QUESTION #4 - SELL WITH CHOICE</u>	<u>4a</u>	<u>%</u>	<u>4b</u>	<u>%</u>	<u>4c</u>	<u>%</u>	<u>total</u>
TRAWL	50	26.3	100	52.6	40	21.1	190
LOGLINE	23	20.9	39	35.5	48	43.6	110
non-endorsed	12	38.7	11	35.5	8	25.8	31
endorsed	11	13.9	28	35.4	40	50.6	79
POT	2	14.2	2	14.2	10	71.4	14

<u>QUESTION #5 - NO CHOICE</u>	<u>YES</u>	<u>%</u>	<u>NO</u>	<u>%</u>
TRAWL	24	63.2	14	36.8
LOGLINE	9	45.0	11	55.0
non-endorsed	4	40.0	6	60.0
endorsed	5	50.0	5	50.0
POT	2	100.0	0	0

Note: Since some respondents did not answer all questions, totals may not sum to the total number of returns.

Table 2. ESTIMATED NUMBER OF WILLING SELLERS

	Permit	Boat & Permit	Total	Percent
TRAWL	20	169	189	71.9%
NON-TRAWL	15	87	102	46.7%
LL-endorsed	8	51	59	45.0%
LL- nonendorsed	7	27	34	61.3%
Longline total	15	78	93	49.9%
Pot	0	9	9	27.6%
TOTAL	36	255	291	60.5%

REDUCTION GOALS:

TRAWL	106 - 172
NON-TRAWL	87 - 142
TOTAL	193 - 314

Note: Data presented are an expansion of questionnaire results. The values for permit only represent those responses to question #4a that also did not own the vessel that their permit was assigned. The values for boat and permit is the sum of responses to question #4b and those that responded YES to question #5.

Figure 2.

Cumulative number of boats and dollars needed for a buy-back

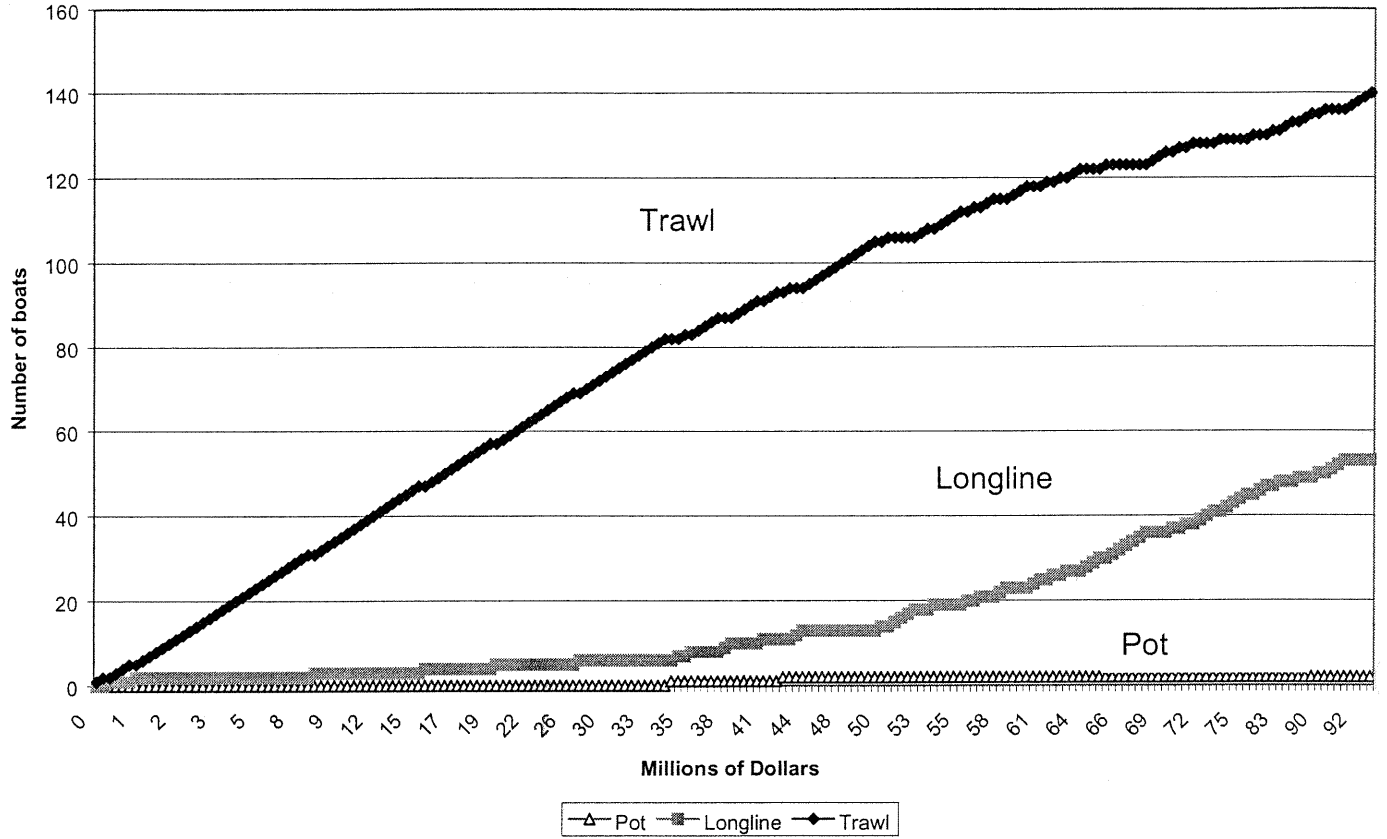


Table 3. ESTIMATED NUMBER OF STATE PERMITS BY FISHERY AND STATE THAT WOULD BE SOLD IN A GROUND FISH BUY-BACK PROGRAM

	WASHINGTON	OREGON	CALIFORNIA	TOTAL
SHRIMP				
TRAWL	19	41	47	107
LONGLINE	1	0	0	1
POT	0	0	1	1
TOTAL	20	41	48	109
CRAB				
TRAWL	1	13	36	50
LONGLINE	7	8	11	26
POT	0	0	0	0
TOTAL	8	21	47	76
SALMON				
TRAWL	2	7	14	23
LONGLINE	2	11	16	29
POT	0	1	1	2
TOTAL	4	19	31	54

Table 4. AN EXAMPLE OF ESTIMATED COST OF THE BUY-BACK PROGRAM TO THE VARIOUS FISHERIES

Assume the following average sale price and distribution of revenue

	groundfish	shrimp	crab	salmon	sale price
trawl	60%	20%	20%	0%	\$350,000
non-trawl	30%	0%	50%	20%	\$150,000

	# Permits		\$	%
	Trawl	Non-trawl		
GROUND FISH				
Trawl	125		\$26,250,000	58.0%
Non-trawl		50	\$5,250,000	11.6%
SHRIMP				
Washington	19	1	\$1,330,000	2.9%
Oregon	41	0	\$2,870,000	6.3%
California	47	1	\$3,290,000	7.3%
CRAB				
Washington	1	7	\$560,000	1.2%
Oregon	13	8	\$1,470,000	3.2%
California	36	11	\$3,290,000	7.3%
SALMON				
Washington	2	2	\$60,000	0.1%
Oregon	7	12	\$360,000	0.8%
California	14	17	\$510,000	1.1%
Total			\$45,240,000	100%