

Limited Entry in the Open Access Fishery Meeting Notes April 25, 2001 - Gladstone, OR

Attendees - All three coastal states and NMFS were represented at this non-Council-sponsored meeting. Attendees were Jim Hastie, NMFS; LB Boydston and Dave Thomas, CDFG; Jim Golden, ODFW; and Brian Culver and Michele Robinson, WDFW.

Agenda

1. Why are we here? (Expected outcome)
2. Background
 - a. Strategic Plan
 - b. Conference call (January 18)
 - c. April PFMC meeting
 - d. Problem Statement
3. Fishery Review
 - a. Review of state management directions
4. Next Steps

Discussion

At the start of the meeting, we reviewed our assignment from the April 2001 Council meeting and agreed our main objective was to provide a recommendation regarding the OA permitting issue for the SPOC's May 14, 2001 teleconference. Our recommendations appear below in italics and are listed at the end of the report.

We reconfirmed early in the meeting that a *"C" permit for vessels that incidentally catch groundfish should be a very low priority* as part of this assignment (i.e., it appears to have a very low or negative cost/benefit).

Further discussions should focus on that segment of the fishery that actually targets groundfish, which would be covered under a "B" permit as described in the Strategic Plan. *The need for permitting commercial passenger fishing vessels was discussed briefly, but was considered outside the purview of our assignment.* The control date for limiting future participation in the OA fisheries was confirmed to be November of 1999.

Council Groundfish Strategic Plan Priorities

The workload priority for the overall OA initiative (which has several parts) would appear to be next in line for Council development, following capacity reduction in the limited entry fisheries (i.e., buy-back or trawl permit stacking). This is because the other higher ranking proposals (observers, improved management process, and sablefish stacking) appear to be nearing fruition or do not require a significant investment in Council staff time. However, we recognize that staff resources are extremely limited and that it will be very difficult start any new groundfish initiative at this time. An additional staff groundfish position may be needed before we can move forward with this particular item.

Problem Statement

The group spent considerable time listing the elements for a draft problem statement addressing the need for permitting in the OA fishery. A proposed draft is attached.

Permitting Analysis

Jim Hastie reviewed his recent work analyzing the impact of various permitting criteria on fishery composition (attached). He used the PacFIN data base and included only the years 1994-99 (as specified in the Strategic Plan). The analysis, which was vessel-based, excluded 1) landings made by vessels with limited entry permits, 2) landings made by exempted trawlers, and 3) landings in which groundfish were of lower value than the combined landings of non-groundfish species on the same ticket.

(For example, if a fisherman landed \$5 worth of rockfish and \$20 worth of salmon, the ticket was not counted, but if a fisherman landed \$30 worth of rockfish and \$20 worth of salmon, the landing was included.) The analysis did not differentiate between species or categories of fish (e.g., rockfish, lingcod, sablefish). Following is a summary of the results:

- A very high percentage of the catch (e.g., 80%) was made by a relatively few vessels (14-22 percent)

either in terms of pounds or value. Although the weight of the catch over the period declined by over 65%, the value of the catch declined only about 32% (Tables 1 and 2). (This likely reflects a shift in effort from high volume species (e.g., shelf rockfish) to high value ones (e.g., live market nearshore species and sablefish) due to regulatory constraints on the former species).

- Most of the open access targeting occurred off California (75-80%), followed by Oregon (8-22%) and Washington (5-11%). The relative catch off Oregon was increasing over the period while that off the other two states was decreasing. The per pound value (ex-vessel) of the fish was generally increasing in all three states. Prior to 1999, price was generally highest off California (\$0.80-1.16) followed by Washington (\$0.42-0.92). In 1999 a major jump in price occurred off California (from \$1.16 to \$1.87) and also off Oregon (from \$0.75 to \$1.12) (extrapolated from Tables 1-2). (A regulation change in Washington in 1999 virtually eliminated the commercial fishery for nearshore species in that state).
- A total of 3506 individual vessels targeted groundfish at some time during the period, but only 4% (155) participated every year. Annual participation by the remaining vessels was highly variable (Table 3a).
- The application of even “modest” qualification criteria would result in many vessels being excluded from the fishery. For example, requiring vessels to have participated during at least three years of the qualifying period and landed any amount of groundfish during a recent year (e.g., 1998 or 1999) would result in a fleet of 426 vessels. However, increasing the recent years’ landing standard to 0.5 metric tons (1100 pounds) results in a fleet of only 122 vessels (Table 3a). (It was apparent from the data that most of the fishery participants are not dependent upon the fishery for a livelihood.)
- Another approach to developing qualification criteria for the fishery would be to select a particular harvest level goal for the fishery based on a previous landing period. Four different sets of qualification criteria are described and analyzed in Tables 11-13. In Table 11, each of these options meets about a 50% target tonnage during 1994-99. The number of eligible vessels ranged from 137 (4%) under Q1 to 221 (6%) under Q2. This approach was also used to analyze the impact in terms of value of the catch (Table 12 a and b).

Dr. Hastie’s analysis affirms the need for the Council to focus on the expected or desired outcome from limiting future participation in the OA target fishery. As shown, any number of ways can be devised for affecting the future make-up or composition of the fishery (i.e., who will qualify). *It will be far more efficient for all parties to agree upon the goals and objectives for the program--in addition to a relatively narrow range of eligibility criteria--than it will be to perform additional analyses of historic fishery data (which is interesting but marginally productive).*

The need for a separate rockfish and/or sablefish endorsement was discussed but not analyzed. This is one of the issues that could be included in any additional data analysis.

The advisory panels’ comments at the April 2001 Council meeting were silent with regard to the OA permitting initiative except the GAP recommended that current state efforts to limit participation should be completed before the Council proceeds in this area. In that regard, California reported it is in the process of limiting participation in its nearshore fishery and Oregon may be considering limiting participation under provisions of their Commission’s Developing Fisheries authority. The California process is considering issuing permits to fishermen rather than vessels and qualifying fishermen based on landings attributable to their state-issued permits during 1994-99. Washington reported it took action in 1999 to 1) prohibit sale of live fish and 2) prohibit commercial fishing in all coastal state waters (0-3 miles). Thus, the their OA target fishery has already been greatly curtailed. We do not agree it is wise to wait until the states’ complete their processes; *the Council should consider OA permitting on its own merits and not what the states are proposing to do (which may or may not happen). That is not to say, we should ignore those processes. To the contrary, the Council should involve itself in those deliberations, through its state representatives and regional NMFS offices, to ensure consistency with the federal groundfish plan and/or to recommend plan amendments to transfer authority over groundfish to the states, as appropriate.*

The group listed some questions that it felt would be productive for the Council to consider before embarking on a B permit system for the OA fishery. The list is not exhaustive but should provide fuel for further discussion.

- Q1. Could the fishery, local communities and the resources stand to benefit from restricting future access to the OA target fisheries? And if so, how and to what degree?
- Q2. Will capping the OA target fisheries at current participation levels be meaningful in an economic or biological context, and if not, what kind of cuts will be needed?
- Q3. Should a fishery goal be established based on a) maximizing fishing opportunity for vessels that primarily depend on the fishery for income or b) as many vessels as possible without regard to who benefits (i.e, status quo)? Is there a middle ground, and how do we define (explain) it?
- Q4. Are the parties willing to undergo the strife, political pressure, and cost associated with limiting future participation in the fishery?
- Q5. Are the OA issues the same in all areas or should some areas or gear types be given differential treatment?
- Q6. Should permits be issued to the fisherman or vessels or a combination of the two, and why?

We urge consideration and resolution of these questions before proceeding with the plan amendment process. *Regarding where we go from here, the committee recommends that we continue to work on background and other peripheral plan amendment sections, but not proceed with the formal amendment process until next year at the earliest.* Several members have committed to documenting the history of the OA fishery, which would be an important document in itself. The group agrees that state and Council resources do not allow for an additional groundfish assignment at this time. However, *it would be appropriate to ask for Council input on our work and thoughts to date.*

Next Steps

SPOC conference call on May 14, 2001 at 9:00 a.m.
Meeting subsequent to the June Council meeting to continue work on “peripheral” issues

Summary of OA Committee Recommendations

- 1) There does not appear to be a compelling reason to go forward with a “C” permit.
- 2) The OA “B” permit proposal appears to be next in line for development and implementation, following the trawl permit stacking initiative.
- 3) Limitations on Council resources likely precludes formal development of the OA initiative until next year.
- 4) If and when we agree to proceed with the OA initiative, we need to initially agree upon 1) the program goals and objectives and 2) a relatively narrow range of qualification criteria. We have listed a series of questions (see text) that could be helpful in that regard.
- 5) The Council should not wait for the states to take action to limit entry into the OA fishery; however, we need to closely coordinate our respective efforts.
- 6) The committee proposes to continue work on issues peripheral to the formal plan amendment process. For example, Dr. Hastie has developed a first cut at the history of the OA fishery; we could continue to work on that document.
- 7) We would like to have SPOC and Council input on our work and thoughts to date. Council family

discussion at the June meeting regarding our seven questions could help in deciding how to proceed.

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