

SCIENTIFIC AND STATISTICAL COMMITTEE REPORT ON AMENDMENT 20:  
TRAWL RATIONALIZATION ALTERNATIVES  
(TRAWL INDIVIDUAL QUOTAS AND COOPERATIVES)

The Scientific and Statistical Committee (SSC) had discussions with Mr. Merrick Burden and Mr. Jim Seger regarding details of the Trawl Rationalization Alternatives. The SSC Economics Subcommittee previously met with the Trawl Individual Quota Analytical Team (TIQAT) on September 9, 2007 to review the analytical framework and proposed analysis of trawl individual quota (TIQ) alternatives. The Subcommittee's report, which has been endorsed by the full SSC, was sent to the TIQAT and the Groundfish Allocation Committee. Below are highlights from the Subcommittee report and additional points regarding the Trawl Rationalization Alternatives.

The Trawl Rationalization Alternatives are complex and potentially confusing. To facilitate review by the Council family and the public, the SSC recommends that each option and provision begin with a clear statement of what it is intended to achieve, and conclude with an evaluation of its effectiveness relative to the stated objectives.

To facilitate understanding and proper interpretation of the Trawl Rationalization Alternatives, it will be particularly important that the TIQAT document the limitations of the data and models used, identify key assumptions underlying the analysis, distinguish between short-term and long-term effects, distinguish between economic efficiency versus distributional effects, and use methods such as sensitivity analysis to reflect the uncertainty associated with TIQ effects.

Analytical Scenarios (Agenda Item D.7.b, Attachment 4)

The TIQAT developed four analytical scenarios that include elements of the Trawl Rationalization Program that are expected to have major effects on the outcome of the program. Given the numerous issues that need to be addressed to establish the Trawl Rationalization Program and the multiple options associated with each issue, the SSC agrees that an approach of this type is needed to make the analysis meaningful yet tractable. However, the SSC also notes that some potentially significant options (e.g., initial allocation of quota shares by auction or "use-it-or-lose-it" provisions) have already been excluded from consideration. Excluded options such as these should be identified and the rationale for their exclusion discussed in the Draft Environmental Impact Statement (DEIS).

Lessons Learned From Other Rationalization Programs

Experiences from other rationalization programs may yield "real world" insights into potential effects of the Trawl Rationalization Program on harvesters, processors, and communities. To facilitate the Council's evaluation of the Trawl Rationalization Alternatives, a summary of the lessons learned from other rationalization programs should be provided for Council discussion in as early a draft of the DEIS as is possible.

## Assessing Effects of Initial Allocation of Individual Fishing Quota (IFQ)

The Subcommittee recommends that the fleet consolidation analysis be accompanied by an analysis of alternative fisheries likely to be targeted by vessels displaced from the groundfish fishery. Fleet consolidation will lead to efficiency gains and reduced costs due to overcapitalization, but will also impose costs to communities through reduced economic activity and possible adverse effects on regional economies.

## Illustrating Potential for Geographic Shifts in Fishery Patterns

The TIQAT proposes to use geographic differences in bycatch rates as a basis for projecting geographic shifts in non-whiting trawl effort, and to use lengthening of the whiting season that will likely occur with trawl rationalization as a basis for projecting a northward shift in midwater trawl effort. The SSC notes that other factors such as regional differences in fishery infrastructure and harvest efficiency may also affect the geographic distribution of fishing effort.

## Illustrating the Potential to Reduce Overfished Species Catch Rates and Increase Target Species Catch and Revenue

For the non-whiting trawl sector, the TIQAT proposes to use the percent reduction in canary bycatch rates achieved under Washington's arrowtooth flounder exempted fishery permit (EFP) as the basis for projecting changes in harvest of all overfished species under IFQs. The SSC notes that, while the arrowtooth EFP provides evidence of changes in canary bycatch rates, these rates are not necessarily applicable to other fishing strategies and geographic areas.

The bycatch prediction method proposed by the TIQAT will have a major effect on the outcome of the analysis, as the predictions will inform or serve as inputs into a number of other components of the DEIS. The SSC recommends that the TIQAT emphasize the limitations of its bycatch projections and consider a range of bycatch rate reduction scenarios that reflect these uncertainties.

## Allocation of Overfished Species

The TIQAT is currently considering three methods for allocating quota shares of overfished species: allocation based on catch histories for the bycatch species, allocation based on target species catch histories, and an auction system. The SSC notes that allocating bycatch quota shares on the basis of target species catch histories will be less disruptive and involve a less costly transition to efficiency than the method based on bycatch catch histories. It is not clear that the auction method for allocating quota pounds for overfished species will make fishers better off. The analysis will need to consider lay-up costs while waiting for the next seasonal auction and the potentially reduced supply of quota share that may be available during an auction.

### Mandatory Economic Data Collection

It is important that information be collected that will allow an evaluation of the Trawl Rationalization Program. The SSC supports the mandatory economic data collection requirement.

### Accumulation Limits

The setting of accumulation limits is a very important aspect of the Trawl Rationalization Program. These limits should be analyzed in terms of the economic efficiency gains that may result from the program. Additionally, the trade-offs between these efficiency gains and the adverse impacts on regional economies and communities need to be evaluated.

PFMC

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