

# Proposed Open Access Fishery Permit Program: Groundfish Plan Amendment 22



**Analysis of Alternatives Recommended  
at  
March 2008 Council Meeting and July 2008 Groundfish Advisory Committee Meeting**

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September 2008**

# Factors to Consider in Adopting a Final or Preferred OA Fishery Alternative, by Issue

## 1) Qualification framework *(need to narrow range, if at all possible)*

The five frameworks are:	Concern	Yes/No/Maybe
QF-1, total lbs, 2004-2006	No credit for 1998-2003 trips, impacts similar to QF-5	.....
QF-2, total lbs, 1998-2006	Would permit many inactive vessels	.....
QF-3, total lbs, 1998-2006, w/ 2004-2006 trip	Would permit some vessels w/ low 2004-2006 landings	.....
QF-4, 1 landing, 2 of 3 years, 2004-2006	Would permit some vessels w/ very low 2004-2006 landings	.....
QF-5, max lbs, any year, 2004-2006	No credit for 1998-2003 trips, impacts similar to QF-1	.....



**2) Qualification criteria** (need to narrow range, if at all possible; *keep in mind that the fishery primarily targets sablefish and C permits will allow for incidental B species landings*) 1/ (Corrected September 8, 2008}

Alternative	Criterion	Fleet size 3/	Better match between fleet and fish? (<680 vsls)	Regulation and effort shift relief (+) 2/	Personal income economic impact (- Improved monitoring program?) 4/	Yes/No/Maybe
1	n/a	<713	1/	0%	0%	
2	n/a	<713		0%	0%	Y
3 (a)	680v-1	680	Y	2%	2%	Y
	680v-2	468	Y	9%	8%	Y
	680v-3	680	Y	3%	3%	Y
3 (b)	713v-1	713		1%	1%	Y
	713v-2	486	Y	8%	8%	Y
	713v-3	713		2%	2%	Y
	47.9K-3	65	Y	64%	no est.	Y
	36.1K-3	95	Y	52%	no est.	Y
	21.8K-3	139	Y	41%	no est.	Y
	14.4K-3	209	Y	29%	no est.	Y
	6.1K-3	341	Y	15%	no est.	Y
	3.5K-3	474	Y	8%	8%	Y
	1.6K-3	629	Y	4%	4%	Y
	1lb-1	1,103		0%	no est.	Y
4	1 trip-1	1,103		0%	no est.	Y
	2 in 3 yrs-4	595	Y	12%	12%	Y
	100 max-5	939		0%	no est.	Y
	500 max-5	655	Y	2%	2%	Y
	1000 max-5	499	Y	6%	no est.	Y
	2000 max-5	343	Y	13%	no est.	Y
	100 lbs-1	950		0%	no est.	Y
	500 lbs-1	701		2%	1%	Y
	1000 lbs-1	577	Y	3%	3%	Y
	2000 lbs-1	420	Y	8%	8%	Y
	100 lbs-3	1,003		0%	no est.	Y
	500 lbs-3	827		1%	no est.	Y
	1000 lbs-3	727		2%	2%	Y
2000 lbs-3	581	Y	5%	5%	Y	
5	390v-1	390	Y	9%	9%	Y
	390v-2	286	Y	20%	19%	Y
	390v-3	390	Y	13%	12%	Y

## Footnotes to Previous Slide

1/ The sablefish fleet size during 2004-2006 averaged 276 vessels (447 individual vessels) while the average fleet size for all vessels was 680 (1,103 individual vessels). Thus, on average 59% of the B species vessels were non-sablefish vessels. The sablefish fishery accounted for 81% (\$12.5 million) of the personal income (community) impact of the B species directed fishery (\$15.5 million) during 2004-2006 (Table E-16). Issuance of B permits to non-sablefish vessels has the potential to negatively impact the sablefish fishery, depending on permit transfer conditions and the need for non-sablefish vessels to retain their permits (see Section 4 analyses).

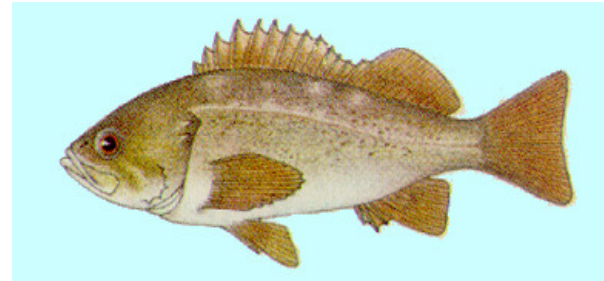
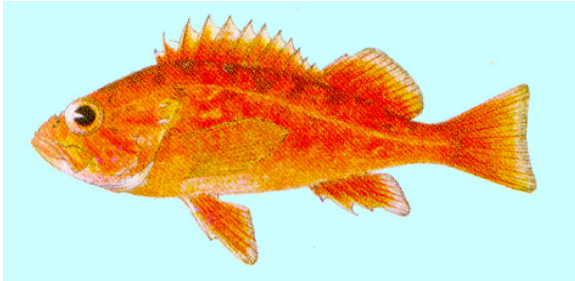
2/ Blank means no

3/ Values shown are proportions of B species revenues received during 2004-2006 by non-qualifying vessels (Table E-4b). This is the ex-vessel value of fish that potentially would have been available to qualifying vessels (through in-season regulation adjustment) if the non-qualifying vessels did not land any B species groundfish during 2004-2006. In reality, non-qualifying vessels would have been allowed to land "incidental" amounts of B species groundfish under a C permit or a nearshore permit, thus the values shown reflect a "best-case" scenario for the qualifying vessels.

4/ These values are near-term fleet size expectations or number of potentially qualifying vessels.

5/ This is the same analysis described in footnote 3/ but adjusted using the economic impact factors shown in the methods section. The economic analysis was limited to criteria that qualified between 390 and 713 vessels (see Tables E-20 and E-22). However, the missing values in column 6 can be reasonably inferred based on revenue impacts shown in column 5. These values represent worst-case scenarios in terms of negative economic impacts of the criteria.

6/ 2004-2006 B species directed fishery average fleet size.



**3) Long-term fleet size**

**Yes/No/Maybe**

Adopt long-term fleet size goal of 170 vessels (A-5 provision)

.....

Adopt long-term fleet size goal of : (specify)

.....

Do not adopt long-term fleet size goal

.....

**4) Permit transferability**

Allow for tranferability from first year on

.....

Don't allow for permit transfers until: (specify year or conditions)

.....

Don't allow for permit transfer without Plan amendment

.....

**5) Use of A and B permits**

Allow for use of A and B permit on the same vessel but not in same landing period

.....

Do not allow for use of A and B permits on same vessel in same year

.....

Allow for use of A and B permits on same vessel as follows: (specify conditions)

.....

**6) State landing endorsement**

Recommend state landing endorsement based on where most landings were made to qualify for permit

.....

Do not adopt state landing endorsement provision

.....

**7) Previous year landing requirement**

Require previous year B species landing requirement which must be completed by November 30 of each year

.....

Do not require previous year B species landing requirement

.....

**8) Other issues** to consider or reconsider

i) Apply vessel length endorsement based on vessel that qualified for permit (consistent with A permit program)

.....

ii) Restrict B permit issuance to owners of qualifying fishing vessels that are currently registered

.....

iii) Limit the issuance of C permits to: (specify)

# NMFS Timeline Assuming March 2009 Final Action

STEPS	DATES
Council adopts final action	March 2009
NMFS and states develop C permit issuance requirements	April – May 31, 2009
SFD drafts OA Proposed Regulations/FPO prepares PRA Package	April – July 31, 2009
SFD Publishes Proposed Rule	September 1, 2009
30 Day Comment Period on PR Ends	September 30, 2009
Final rule/compliance guide published	November 30, 2009
Application Period/Public Outreach	January - June 30, 2010
Deadline for B permit applications	June 30, <b>2010</b>
States Issue C Permits as part of annual state permit renewals	Variable dates in 2010/2011
B and C Permits Required	January 1, 2011

**Note:** The current plan is that NMFS would provide applicants 45 days to make an appeal after a NMFS decision to disapprove a B permit application. NMFS would have 90 days to review an appeal and issue the final agency decision. NMFS anticipates that initial decisions on B permit applications will be issued both during the application period and after the application period (if applications are received near or on the application deadline date).

**Table 1. Summary of Council's license registration and B permit management alternatives**

Issue to be addressed	Alternative				
	A-1 (no action)	A-2 (license registration)	A-3	A-4	A-5
1) Initial fleet size	n/a	n/a	a) 2004-06 avg (680 vessels) or b) 2006 fleet size (713)	based on permit qualification criteria (see Table 2)	1994-99 fleet size (390 vessels)
2) Fleet size goal	n/a	n/a	same as initial fleet size	same as initial fleet size	80% reduction from 2000 fleet size (to 170)
3) Permit transferability	n/a	n/a	yes, once per year	yes, once per year	no 1/
4) Previous year landing requirement	n/a	n/a	no	no	yes
5) State landing endorsement	n/a	n/a	yes	no	no
6) A & B permit usage on same vessel	n/a	n/a	yes, alternately in same yr 2/	yes, alternately in same yr 2/	not in same yr
7) Permit qualification criteria	n/a	n/a	see Table 2.	see Table 2.	see Table 2.

1/ There may be hardship conditions under which transfer might be allowed.

2/ A pre-fishing declaration would be used to notify NMFS of permit type changes.

**Table 2: B permit qualification criteria contained in alternatives 1-5**

Alternative	Standard	Framework(s) used for analyses	Abbrev	
1 & 2	n/a	n/a	n/a	
3 (a)	top 680 vessels	cum lbs, 2004-2006 (QF-1)	680v-1	
	top 680 vessels	cum lbs, 1998-2006 (QF-2)	680v-2	
	top 680 vessels	cum lbs, 1998-2006, w/ 2004-2006 trip (QF-3)	680v-3	
3 (b)	top 713 vessels	QF-1, QF-2 and QF-3	713v-1, 2, 3	
	≥ 47,900 lbs	QF-3	47.9K-3	
	≥ 36,100 lbs	QF-3	36.1K-3	
	≥ 21,800 lbs	QF-3	21.8K-3	
	≥ 14,400 lbs <b>GROUP 1</b>	QF-3	14.4K-3	
	≥ 6,100 lbs	QF-3	6.1K-3	
	≥ 3,500 lbs	QF-3	3.5K-3	
	≥ 1,600 lbs	QF-3	1.6K-3	
	≥ 1 lb	QF-1 or QF-3	1lb-1	
	4	≥ 1 trip 1/	QF-1 or QF-3	1trip-1
≥1 trip in two yrs		trips per year, 2004-2006 (QF-4)	2 in 3 yrs-4	
≥ 100 lbs		max lbs, any yr, 2004-2006 (QF-5)	100 max-5	
≥ 500 lbs <b>GROUP 2</b>		QF-5	500 max-5	
≥ 1000 lbs		QF-5	1000 max-5	
≥ 2000 lbs		QF-5	2000 max-5	
≥ 100 lbs		QF-1 and QF-3	100 lbs-1, 3	
≥ 500 lbs <b>GROUP 3</b>		QF-1 and QF-3	500 lbs-1, 3	
≥ 1000 lbs		QF-1 and QF-3	1000 lbs-1, 3	
≥ 2000 lbs		QF-1 and QF-3	2000 lbs-1, 3	
5		top 390 vessels	QF-1, QF-2 and QF-3	390v-1, 2, 3

1/ Standards are variables that have been fixed as part of each qualification criterion, but could be varied to achieve a particular outcome

2/ Frameworks consist of fixed variables, including a base period and unit of measure (metric) that are used to determine which vessels meet the standard specified under each criterion.

3/ n/a means not applicable because no limited entry permit is proposed under A-1 or A-2



# Qualification Criteria Analysis

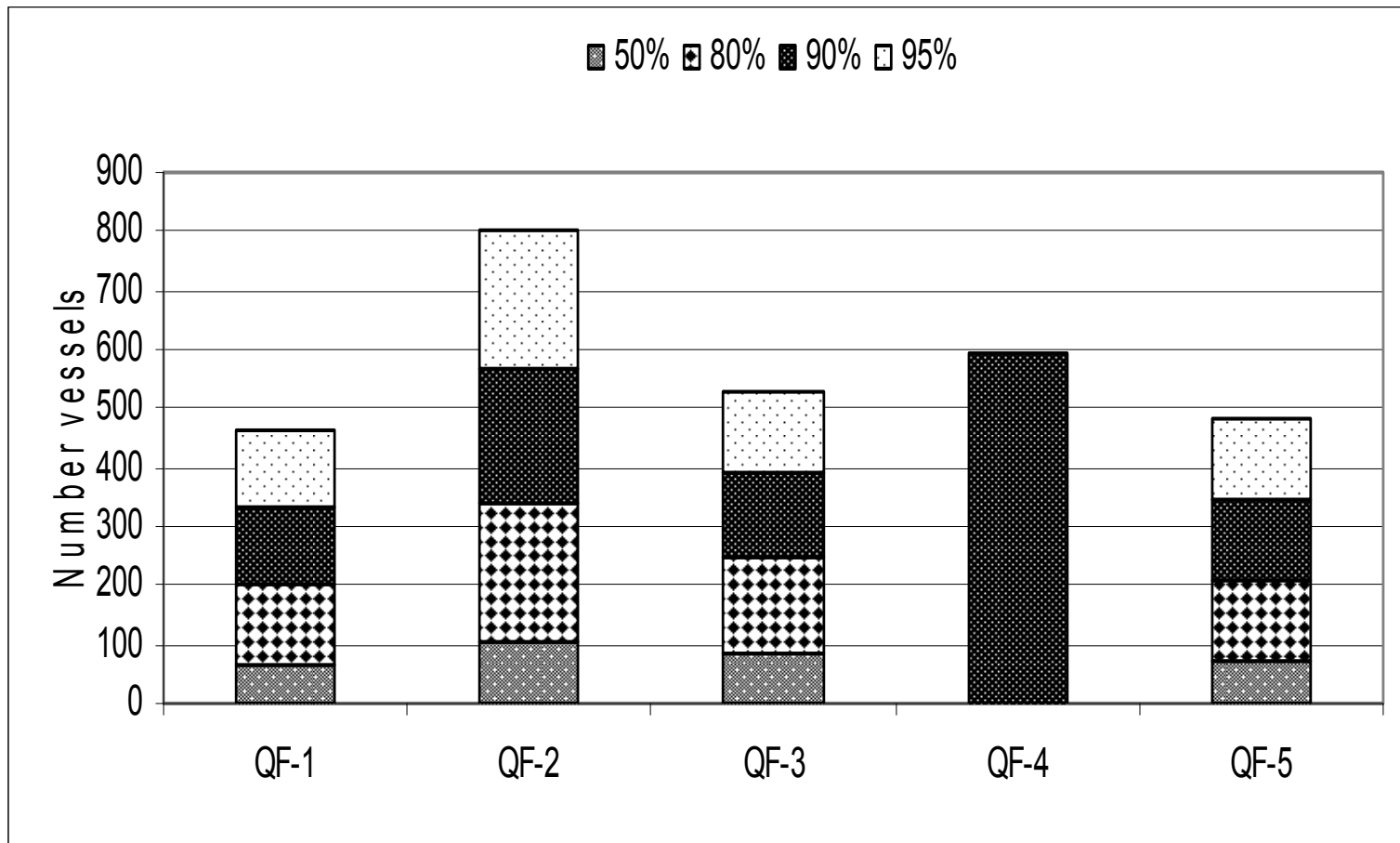
Hindcast analysis was used to analyze each qualification criterion. This was done based on fishery landings during 2004-2006 by vessels that would qualify and not-qualify for B permits.

*Why:* Data prior to 2004 were not used because of regulation differences in earlier years compared to 2004-2006 and those that can be expected in the near term. Also, 2004-2006 were the years used to compute the recent years' fleet size goal in A-3 (**Table 2-3**) and represent the most recent years of increased B permit species vessel activity in the WOC area (**Figure 2-1**).

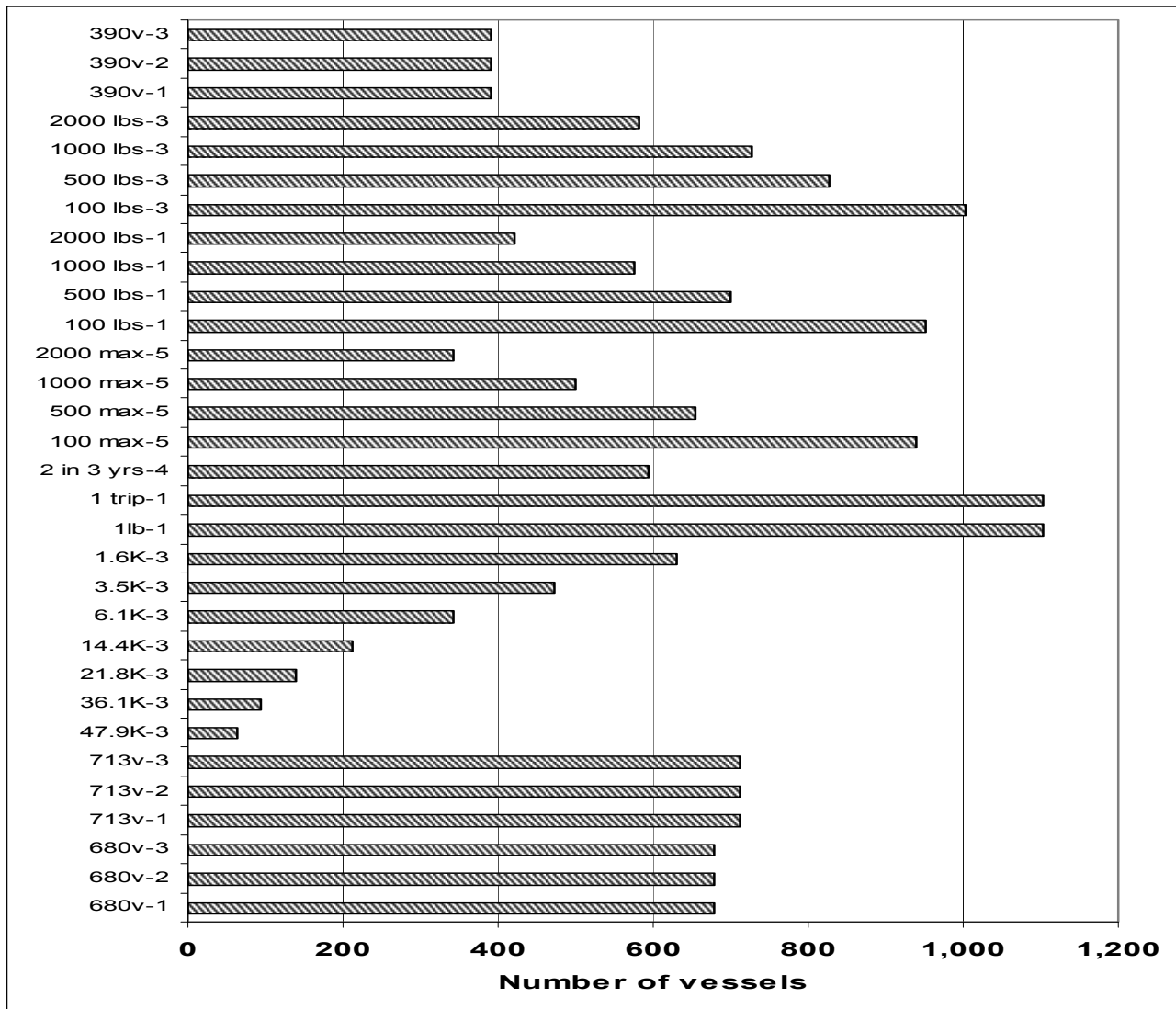
## *Regulation Differences:*

1. Implementation of nearshore groundfish management programs off Oregon and California starting in 2003 (**Appendix D**);
2. creation of large area groundfish closures to protect overfished or sensitive fish species off of all three states starting in 2002 (**Appendix G**); and
3. adoption of more restrictive trip limits for shelf rockfish since 2000 (**Table 1-2**).





**Figure E-1. Number of vessels that landed specified proportions of B species groundfish in the WOC area during 2004-2006 that would qualify for B permits under qualification frameworks 1, 2, 3, 4, and 5 (0406 lbs, 9806 lbs, 9806/0406 lbs, 2 in 3 yrs, 0406 max lbs. respectively)**



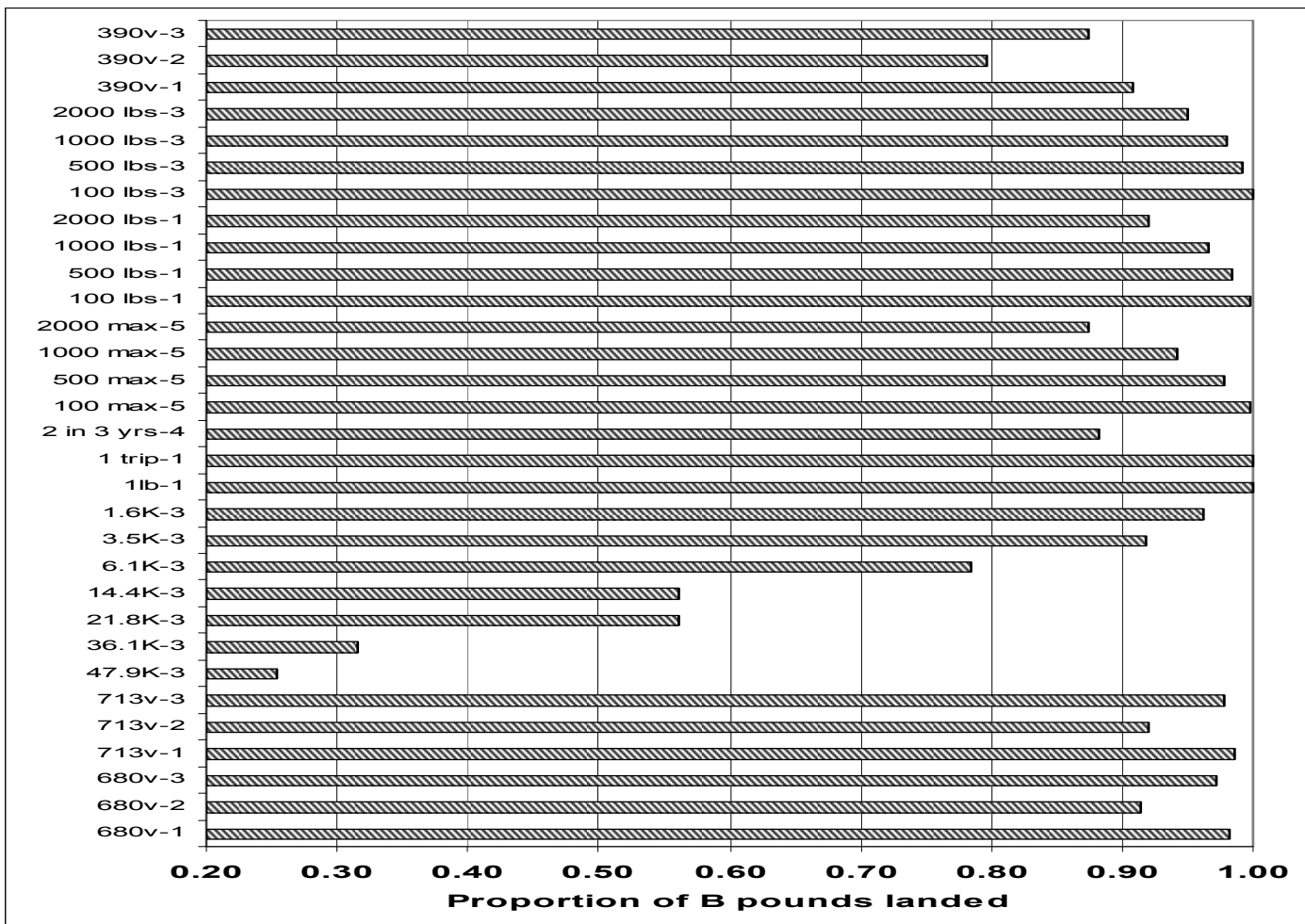
**Figure E-2. Number of vessels that would qualify for B permits under qualification standards contained in alternatives 3-5 (See Table E4a of EA). Median=629 vessels.**

## Note: Estimates in the Next Slides Represent Worst-case Scenarios

### Why?

- Fish caught by non-qualifying vessels are assumed “lost” to the fishery.
- In reality, the non-qualifying vessels would have been allowed to harvest some of the “lost” fish under C or state-issued nearshore permits. Also, the qualifying vessels could have been allowed access to these fish with increased landing limits.
- Because of this, it is difficult to estimate the level of fishery harvest reduction, if any, that would result in a surplus harvest situation (“lost” fish).





**Figure E-3. Proportion of total B species groundfish revenues that were received by vessels during 2004-2006 that would qualify for B permits by qualification criterion (Table E-4a). Median=0.96.**

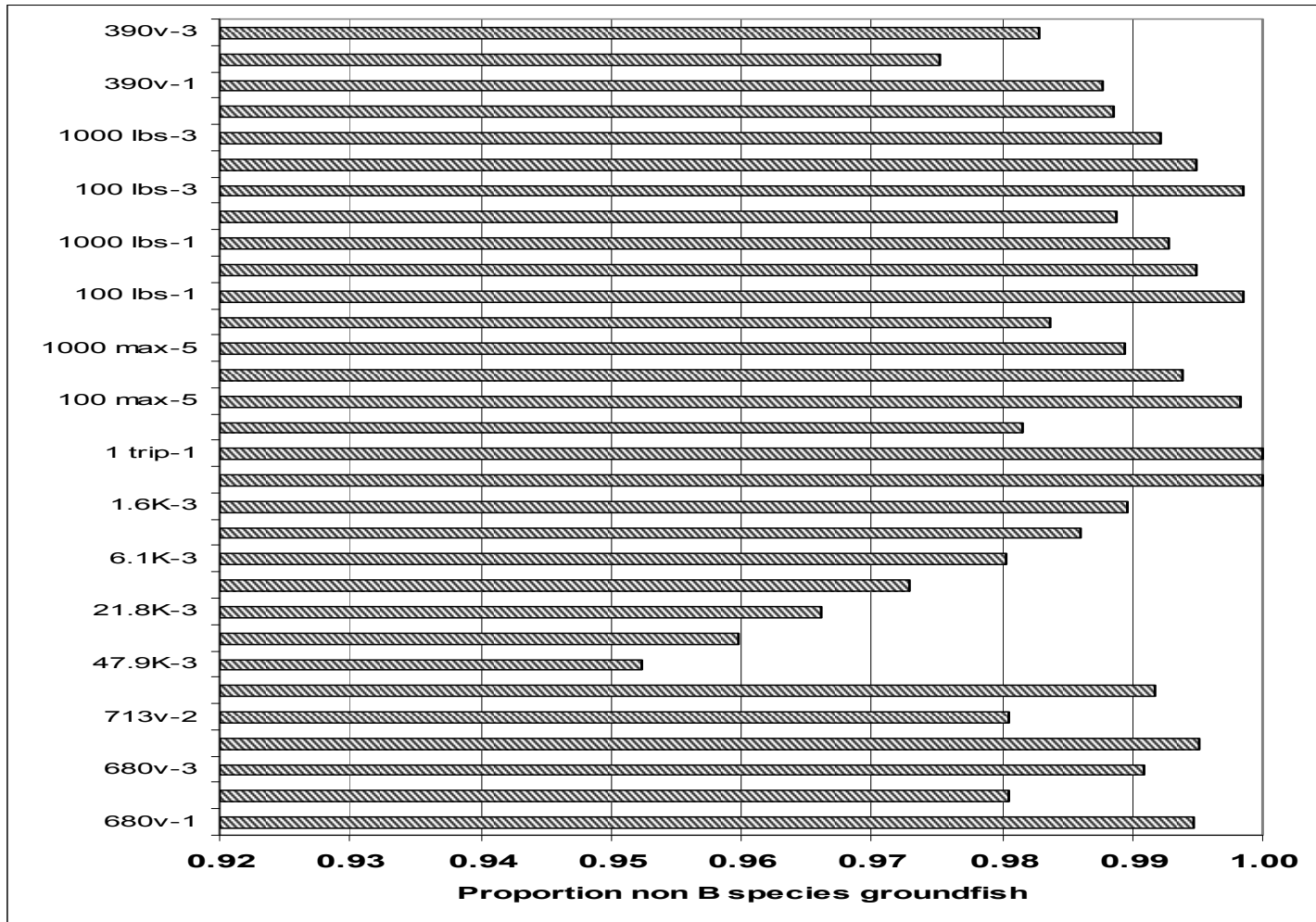


Figure E-7. Non-groundfish and nearshore (non-B species) revenues received during 2004-2006 by vessels that would not qualify for B permits expressed as a proportion of their total fishery revenues by qualification criterion (Table E-4b). Median=0.99

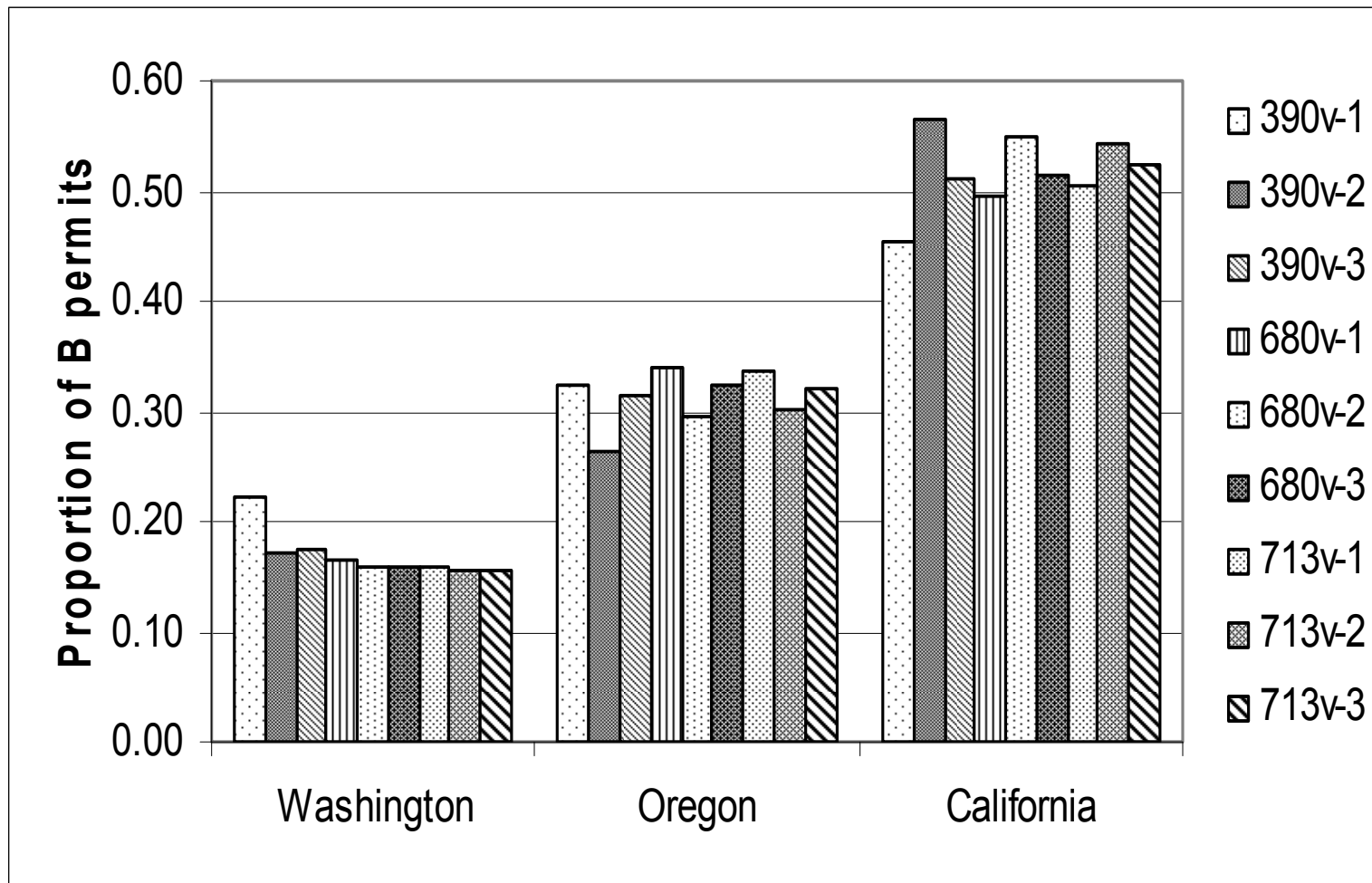
# Distribution of Permits between Port Groups and States

There are many tables and graphs in the draft EA (starting on **page 182**) that display the distribution of permits under the criteria contained in A-3, A-4 and A-5. These distributions are based on 2004-2006 window period data.

These differences can be explained as the result of:

- 1) Qualification framework (QF) used for vessel qualification. QF-2, QF-3 (longer time frames) and QF-4 (annual landing frequency) favor California vessels; QF-1 and QF-5 (shorter time frames) favor Washington and Oregon vessels.
- 2) Regulation differences that allowed for nearshore fishing off California and Oregon but not Washington: Vessels that targeted sablefish in all three states have strong catch histories while California and Oregon vessels that targeted shelf rockfish and lingcod (in association with nearshore fisheries) have relatively weak catch histories.
- 3) B species target strategy by individual vessels: affected by regulation but also by choice.





**Figure E-8: Distribution of B permits between based on 2004-2006 landings data under the qualification criteria contained in A-3 and A-5.**



**Table E-12a. Proportion of total pounds landed during 2004-2006 for port groups and states for vessels that would qualify under qualification criteria in A-3 and A-5**

State/Port	Total lbs	A-3						A-5		
	n/a	680v-1	680v-2	680v-3	713v-1	713v-2	713v-3	390v-1	390v-2	390v-3
SPS	100%	100%	100%	100%	100%	100%	100%	100%	90%	90%
NPS	100%	100%	99%	100%	100%	99%	100%	99%	96%	97%
CWA	100%	100%	91%	99%	100%	91%	100%	93%	79%	83%
CLW	100%	100%	96%	99%	100%	97%	100%	97%	85%	93%
WA	100%	100%	96%	100%	100%	96%	100%	97%	87%	92%
CLO	100%	99%	87%	98%	99%	90%	98%	86%	68%	77%
TLA	100%	92%	61%	84%	95%	66%	87%	61%	27%	52%
NPA	100%	96%	75%	88%	97%	75%	89%	73%	41%	64%
CBA	100%	98%	89%	98%	99%	91%	98%	93%	72%	85%
BRA	100%	99%	96%	99%	99%	96%	99%	94%	86%	93%
OR	100%	98%	90%	97%	99%	91%	97%	90%	74%	85%
CCA	100%	94%	79%	93%	96%	79%	94%	73%	53%	73%
ERA	100%	100%	94%	98%	100%	94%	99%	92%	85%	93%
BGA	100%	100%	99%	99%	100%	99%	100%	98%	96%	98%
BDA	100%	84%	73%	88%	87%	73%	89%	46%	47%	56%
SFA	100%	96%	86%	95%	96%	86%	96%	84%	68%	80%
MNA	100%	99%	95%	99%	99%	96%	99%	95%	92%	94%
MRA	100%	94%	76%	94%	95%	79%	94%	77%	56%	68%
SBA	100%	90%	71%	87%	92%	71%	88%	66%	45%	62%
LAA	100%	93%	79%	86%	94%	79%	89%	72%	69%	76%
SDA	100%	99%	97%	98%	99%	97%	98%	94%	83%	93%
CA	100%	98%	93%	98%	99%	94%	98%	92%	86%	91%
Total	100%	99%	93%	98%	99%	94%	98%	93%	83%	90%

## NEW SECTION

### 3.3.4

#### *TARGET SPECIES VESSEL*

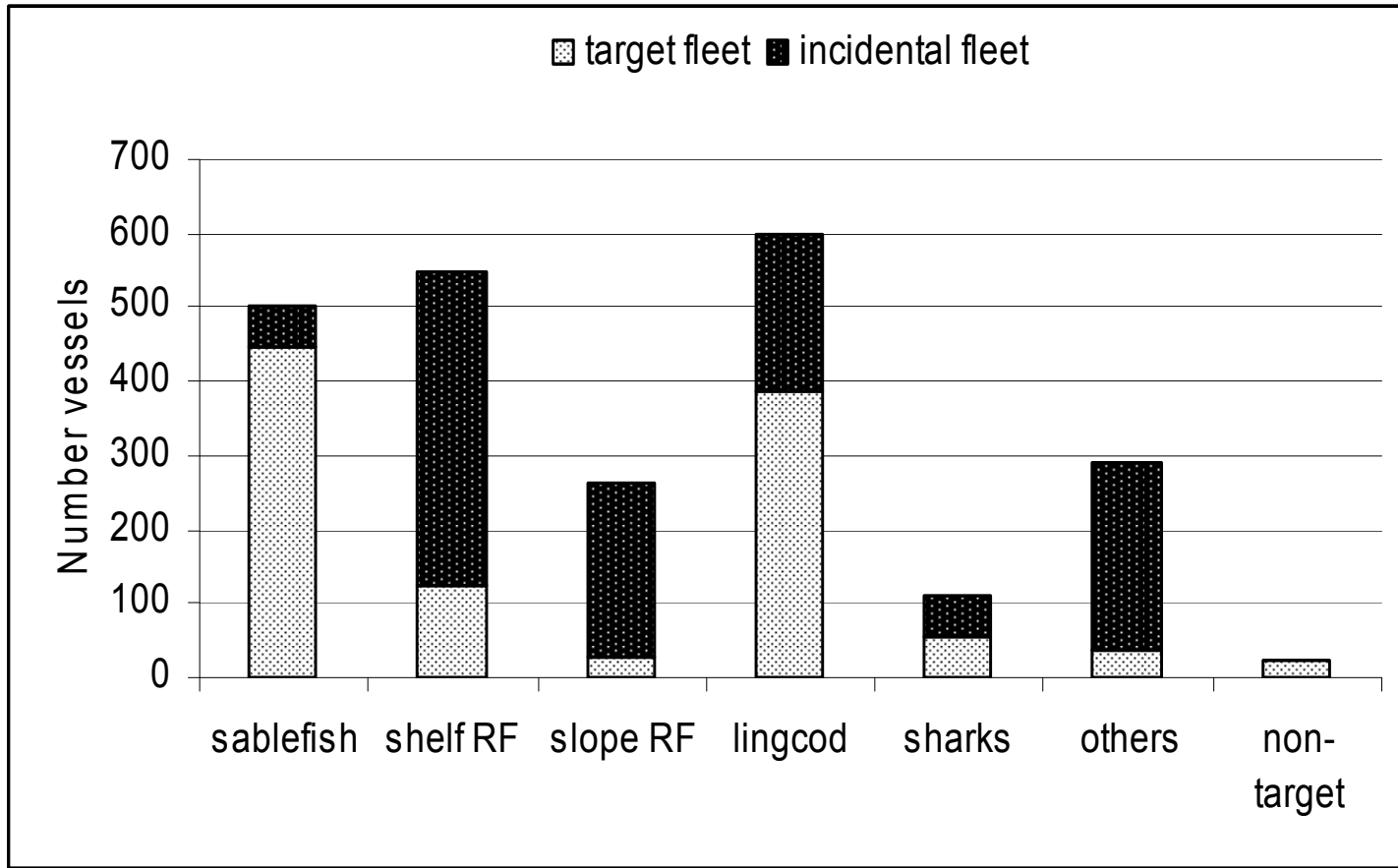
>50% of B species revenues were received from one of the following species groups during 2004-2006:

Lingcod, Sablefish, Shelf rockfish, Slope rockfish, sharks (dogfish, leopard, soupfin) and rays (Sharks), Other groundfish species

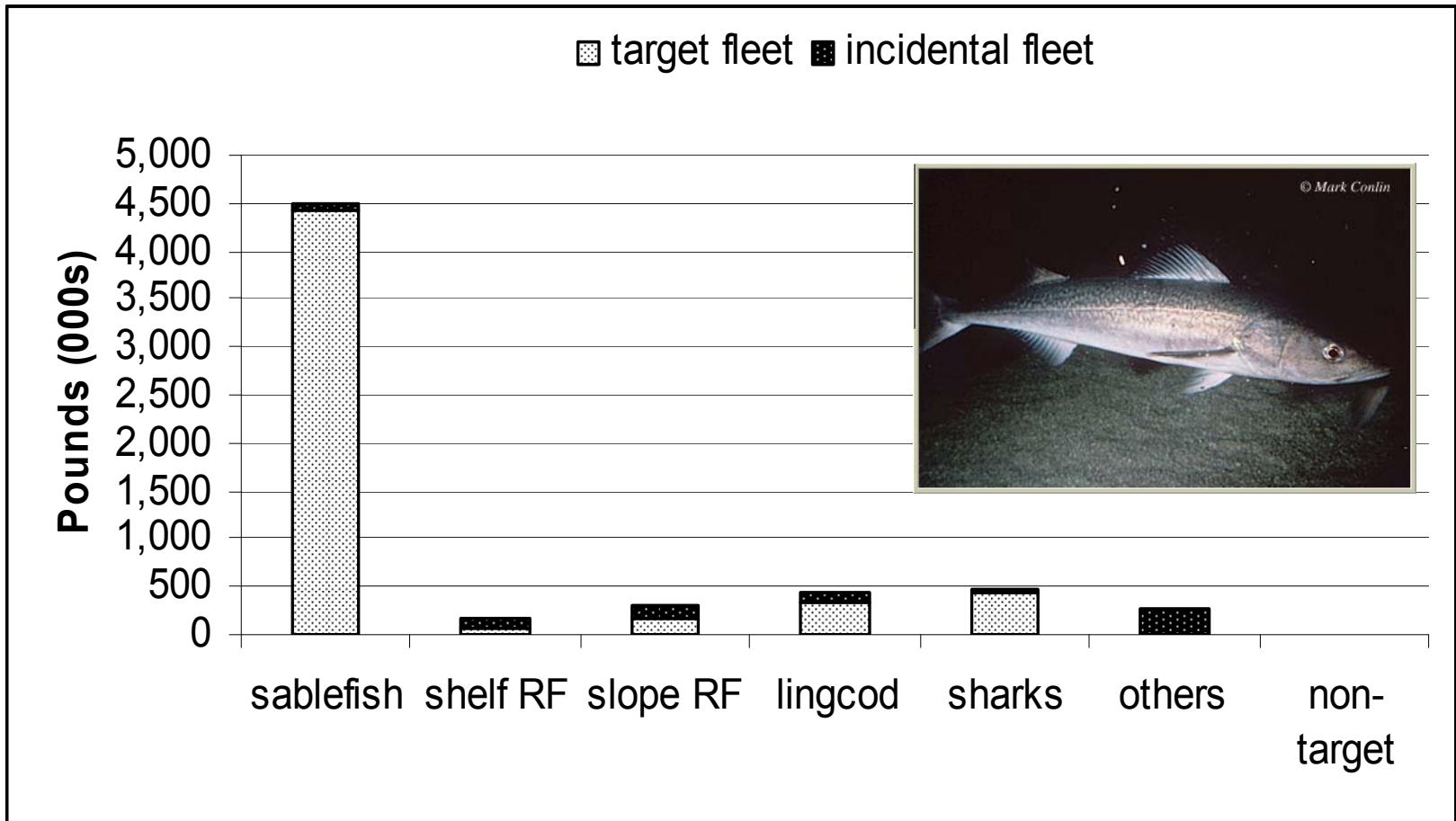
#### *NON-TARGET SPECIES VESSEL*

All other vessels

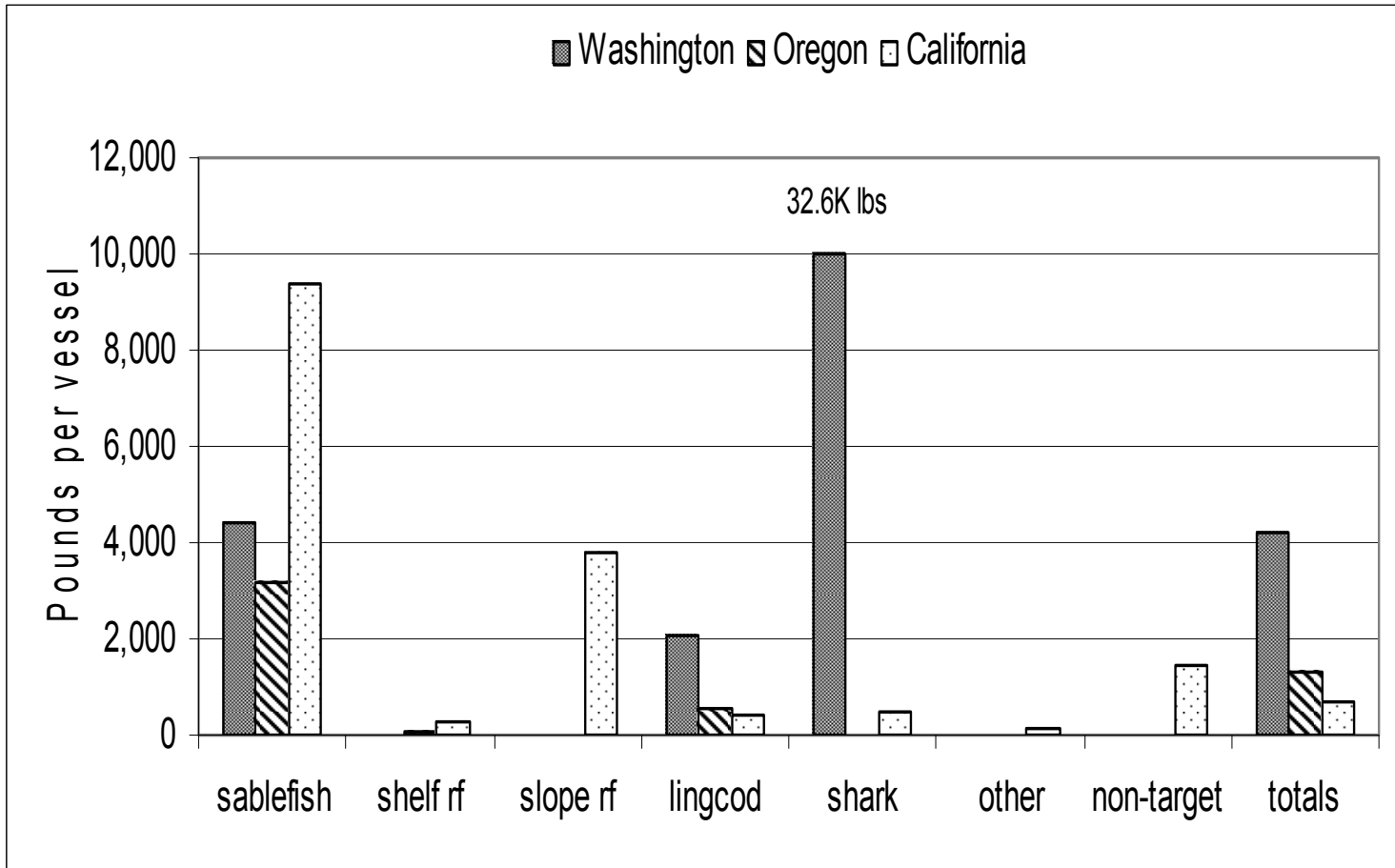




**Figure 3-8: Number of vessels that derived their primary (>50%) B species fishery revenues from specified species groups (target fleet) and those that derived secondary ( $\leq 50\%$ ) revenues from those same groups (incidental fleet) during 2004-2006. The non-target fleet was comprised of vessels that did not have a target species group (Table 3-13-1).**



**Figure 3-9. Pounds of B species groundfish landed by vessels that derived their primary (>50%) B species fishery revenues from specified species groups (target fleet) and those that derived secondary ( $\leq 50\%$ ) revenues from those same groups (incidental fleet) during 2004-2006. The non-target fleet was comprised of vessels that did not have a target species group (Table 3-13-1, page 80).**

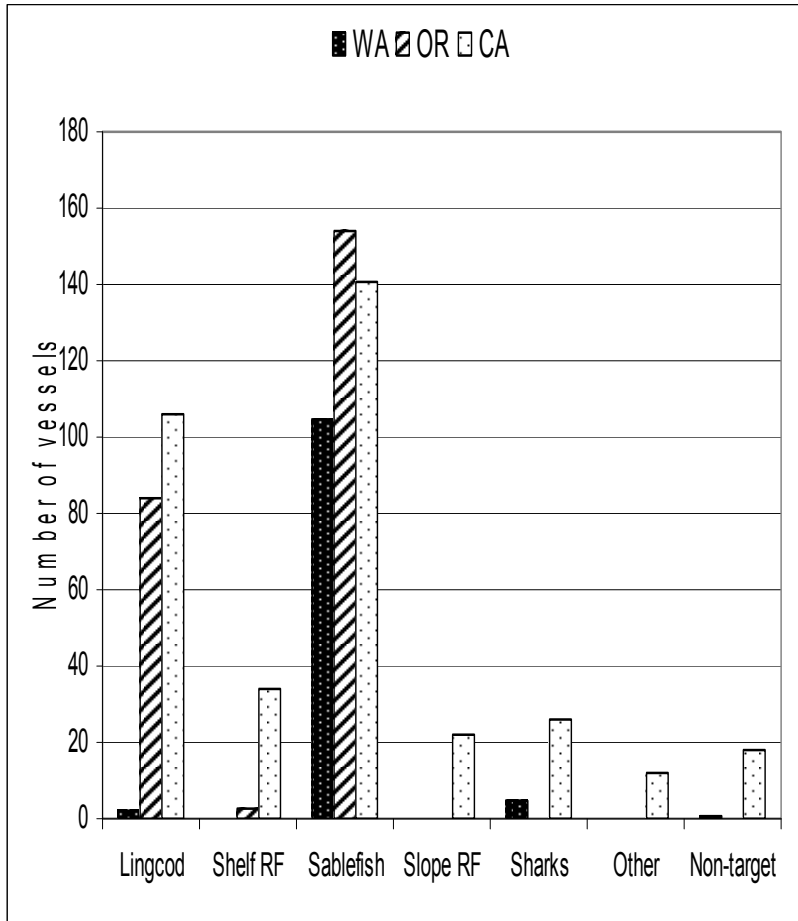


**Figure E-17. Median pounds of B species groundfish per vessel during 2004-2006 by target-species vessel group and state (Table 3-13-2, page 82)**

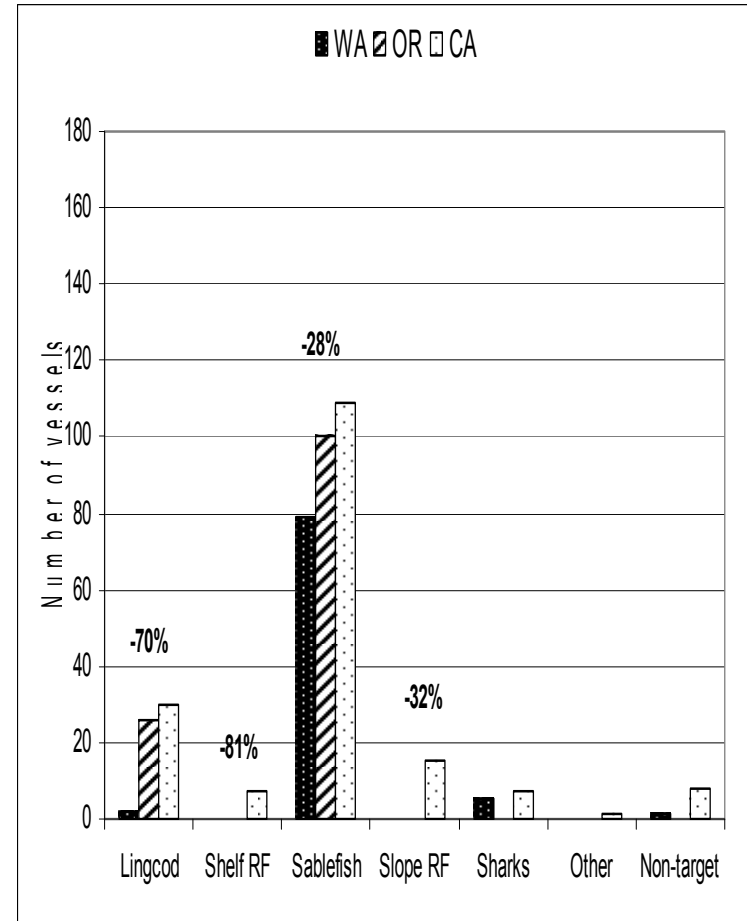
Table 3-13-3: Median B species directed fishery landings during 2004-2006 window period for state-specific target-species vessel groups 1/

State and target-species vessel group	Median lbs	# vsls
WA non-target	34,379	1
WA shark	32,595	5
CA sablefish	9,380	155
WA sablefish	4,438	114
CA slope rockfish	3,780	27
OR sablefish	3,140	178
WA lingcod	2,074	4
CA non-target	1,421	24
OR lingcod	571	158
CA shark	488	52
CA lingcod	430	224
CA shelf rockfish	277	114
CA other species	131	36
WA slope rockfish	104	2
OR shelf rockfish	37	9
<b>Total</b>	<b>-</b>	<b>1,103</b>

1/ Derived from Appendix Table E-15. Vessels were assigned to target-species groups based on >50% of revenues from a particular group.

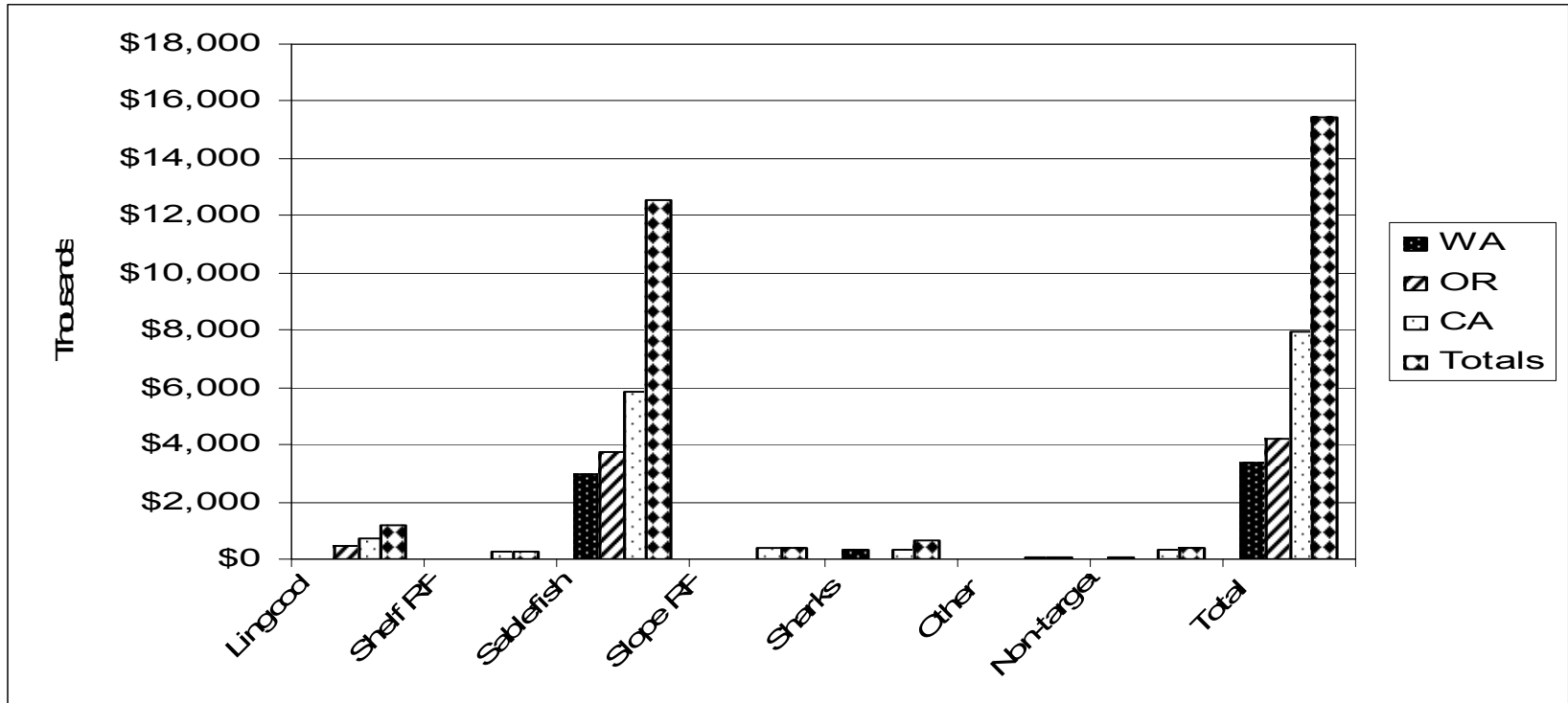


**Figure E-12. Distribution of vessels by state and target-species vessel group during 2004-2006 that would qualify for permits under 713 v-1 page 194**



**Figure E-14. Distribution of vessels by state and target-species vessel group during 2004-2006 that would qualify for permits under 390-1 page 194**

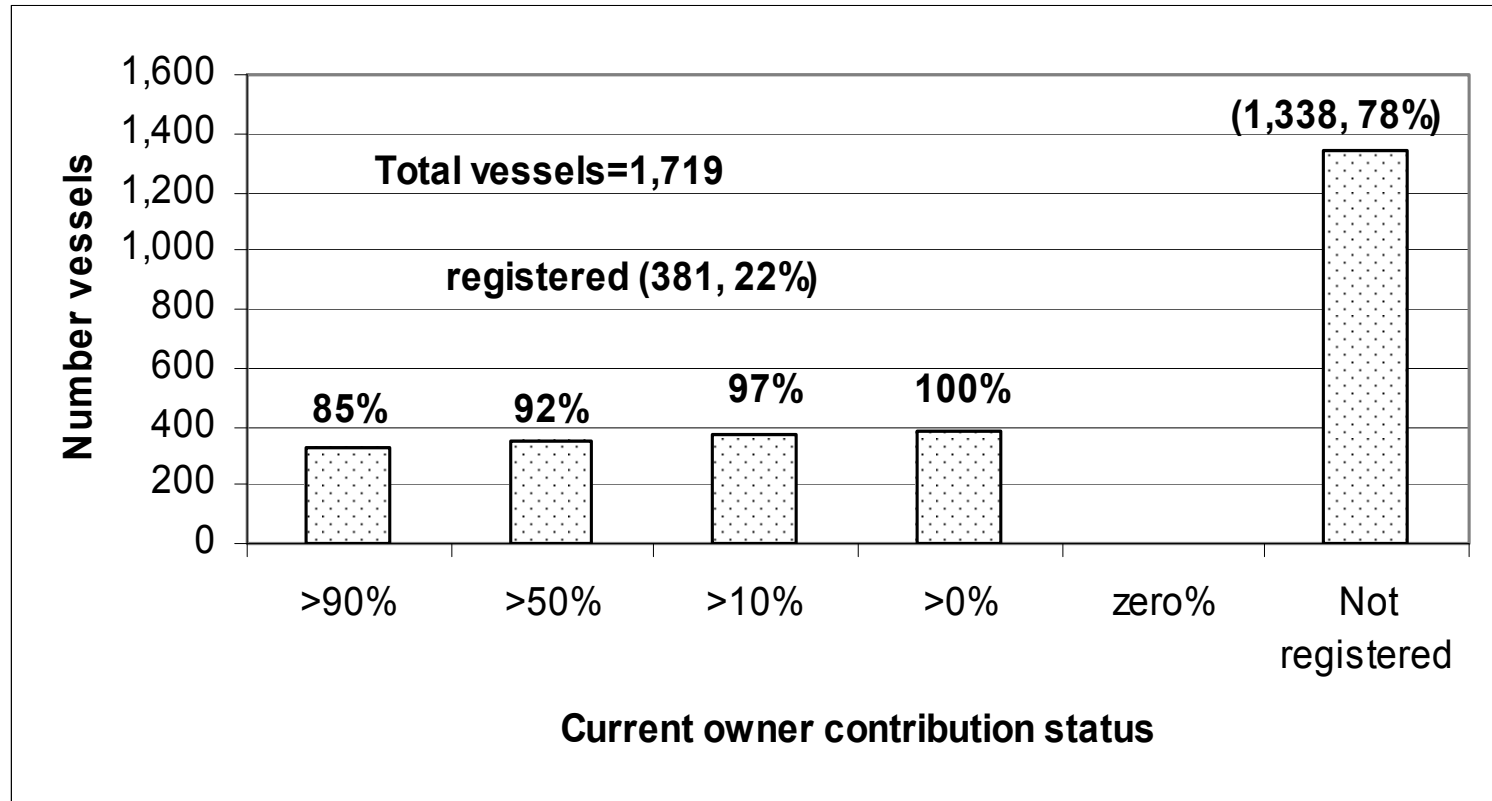
# NEW ANALYSIS: PERSONAL INCOME IMPACT ESTIMATES APPENDIX E



**Figure E-New-1. Personal income impact of B species directed fishery landings by state, target species group and in total during 2004-2006 window period years. The word “impact” is used in terms of personal income impact on the economy, which goes beyond fishermen’s income.**



# California Vessel Owner Contribution Data



**Figure 3-X. Contribution of currently registered vessel owners to their vessel's B species directed fishery catch history for all vessels that made a B species directed fishery landing during 1998-2006 window period years. Proportions above bars without parentheses are for currently registered owners by catch history contribution category. Vessels counts and proportions in parentheses are for registered and non-registered vessels, as indicated by text. CALIFORNIA ONLY**

# QUESTIONS?

