

GROUND FISH MANAGEMENT TEAM REPORT ON  
FMP AMENDMENT 20- TRAWL RATIONALIZATION-ANALYSIS PARAMETERS FOR  
ADAPTIVE MANAGEMENT PROGRAM (AMP)

The Groundfish Management Team (GMT) reviewed the Council staff's white paper on Adaptive Management Program (AMP) Options (Agenda Item F.5.a) and their supplemental report (Agenda Item F.5a Supplemental Staff Report) and provides the following considerations.

**Overview**

The Council's first task under this agenda item is to determine the goals and objectives of the program, or in other words, the desired outcomes of the program. Once an outcome is defined, staff can then begin to analyze how the program could be designed to best achieve that outcome. With multiple objectives in play, the question becomes how to design the program in a way that achieves some balance of those outcomes. When it is unlikely that a program could be designed to achieve all desired outcomes equally well, objectives should be prioritized.

There have been a number of potential objectives discussed in the context of the AMP, including by the Council during its deliberations on final action in November. Therefore another Council task at this meeting is to provide some indication about how they want to prioritize the finite budget of adaptive management quota.

The GMT identified two considerations for the Council to consider in its discussion of goals and objectives: (1) available resources and complexity of program administration that achieves those outcomes; and (2) whether other tools exist for achieving those goals (e.g., exempted fishing permits [EFP], research, essential fish habitat review, etc.). With respect to the first, the National Marine Fisheries Service has expressed their concern to the Groundfish Allocation Committee in January, and to the GMT at this meeting, about their ability to have a complex AMP in place at the beginning of the program. As to the second, the Council should consider whether an outcome could be accomplished either through inherent aspects of the trawl individual quota (TIQ) program (e.g., individual accountability) or through other mechanisms (e.g. exempted fishing permits, research, essential fish habitat review, etc.).

GMT review of the issues also identified at least three major questions about the program's design that would be helpful for the Council to address at this meeting:

1. Should the program be proposal based or formula based?
2. Should the program be designed to prevent harm (proactive) or to respond to harm (reactive)?
3. Does the program need to be in place on "Day 1" of the program or could it be developed later?

## Goals and Objectives

The Amendment 20 Draft Environmental Impact Statement (DEIS) states the following purposes for the AMP:

“. . . to create incentives for developing gear efficiencies, for community development, or to compensate for unforeseen outcomes from implementation the IFQ program.”

Agency reports submitted in November 2008 indicated several potential goals and models for the program. The Washington Department of Fish and Wildlife (WDFW) considered community stability paramount in initial implementation of the adaptive management program, however other considerations could be considered later (Agenda Item F.3.f, WDFW Report, November 2008). The California Department of Fish and Game (CDFG) recommended that AMP quota pounds (QP) aide in community and regional development, provide incentives gear switching, mitigate unforeseen circumstances of rationalization, promote attainment of a stable market to encourage sustainable fishing practices, facilitate new entrants, and increase profits to individuals or communities in order to allow them to purchase their own individual fishing quota (Agenda Item F.3.f, CDFG Report, November 2008). The GAC has discussed crafting adaptive management provisions in a manner that has a regional distribution and that the distribution should take a fair and reasonable approach to dividing the AMP QP among the states. In implementing adaptive management, the program may wish to recognize formal regional or community fishing associations. The GMT also reviewed the results of the workshops held by Environmental Defense Fund on the AMP, which were held to capture the opinions of several different interested parties.

Given what has been presented to date in the Draft Environmental Impact Statement, state agency reports, and public comment, the GMT suggests the following have emerged as primary goals and objectives. These appear to be:

- Community stability,
- Processor protection,
- Conservation,
- Assisting new entrants, and
- Unforeseen/unintended consequences.

### *Community Protection*

One goal of the TIQ program as a whole that has been identified for AMP is minimizing adverse impacts to communities. In accomplishing this goal, the Council could establish either a proactive program or a reactive program. One way of being proactive is to develop an approach which directs AMP quota to communities of concern by developing a list of communities that are eligible to receive AMP quota at the start of the program. In other words the Council could identify communities that appear to be at risk from adverse impacts of the TIQ program and delineate a process for providing AMP quota in such a way that minimizes those risks. Definitions of vulnerable or at-risk communities might include those whose residents receive little or no initial allocation of quota share, are dependent on groundfish trawling, will likely see shifts in trawl landings, are adjacent to high bycatch areas for a particular species, and/or have limited port infrastructure. Alternatively, the Council could choose a reactive approach that

addresses unforeseen adverse impacts on potentially any community by directing AMP quota to those that have been determined to be adversely impacted after the program has started.

The GMT notes that there currently appear to be no mechanisms in the TIQ program (or other management tools) for minimizing the adverse effects on a community.

#### *Non-whiting Processor/Buyer Protection*

A similar, yet slightly different concern, is the impact of the TIQ program on shorebased processing plants and receivers. If shifts in delivery activity occur, one could expect that processing businesses in particular regions could be adversely impacted due to a loss of deliveries. As with communities, the AMP could be proactive and seek to identify businesses that appear to be at risk, and provide quota to keep them in business. However, a reactive approach could also be used to mitigate against loss of processing or receiving capacity in an area through an award of AMP quota after the trawl rationalization program has been implemented.

The GMT notes that there appear to be no direct mechanisms within the TIQ program (or other management tools) to minimize the adverse effects of rationalization on non-whiting processors.

#### *Conservation*

Another potential goal of the adaptive management program is to address conservation concerns. These would include such things as bycatch reduction, minimization of habitat impacts, or selective gear development. The GMT notes that this is a fairly broad category that ultimately seeks conservation of a number of different things. There was also recognition by the GMT that a number of the proposed conservation objectives are being addressed through other management initiatives or are internal to the design of the TIQ program. For example habitat protection was identified as a potential goal of the AMP. However, the Council has undertaken habitat protection measures through the Essential Fish Habitat process, and that process undergoes periodic evaluation that provides opportunity for developing new measures. Similarly bycatch reduction is expected to be one of the principal outcomes of the rationalization program as it currently stands given market incentives to avoid constraining species. Finally, new gear development was identified as yet another means of achieving conservation outcomes through the AMP. However, the GMT notes that the EFP process provides a mechanism to test innovative gears.

#### *New Entrants*

Providing a mechanism to allow new entrants into both the harvesting and processing sectors has been discussed as a possible AMP goal. This objective would lend itself more to a proposal driven process than a formulaic approach. Essentially applicants would have to provide details that outline how an infusion of AMP quota would provide a catalyst for their entry into the rationalized trawl fishery. These could then be vetted on a competitive basis and awarded to the applicant that best fit the Council's stated criteria. Ultimately the GMT recognizes that it is not critical to the success of the TIQ program to achieve this goal concurrent with the onset of the program, and it would likely be better analyzed during program review.

### *Unforeseen / Undesired Consequences*

Providing a mechanism to deal with unforeseen or undesired consequences of the rationalization program is another potential goal that has been stated for an AMP. As with conservation, this could encompass a wide variety of issues that are difficult to assess. By definition unforeseen consequences would require a reactive program response while undesired consequences may be foreseen ahead of time and potentially prevented. Ultimately it appears that many of the undesired consequences are discussed elsewhere in this report while unforeseen consequences may be more appropriately addressed through program review in five years.

### **State-Based Goals & Objectives**

The Council's motion in November stated that "QS will be divided among the 3 states. QS/QP will be provided through separate, but parallel, processes in each of the three states." There seem to be at least two goals underlying a state-based process: (1) each state may have different priorities for use of the AMP; and (2) at least in the context of community stability, perhaps that states are best suited to identify the communities that would benefit most from the program. The flexibility of a proposal-based system seems better suited to accommodate these goals.

We also discussed how a formula-based program might work for a state-focused program. To achieve different objectives, the states would presumably need to develop separate formulas. With the community stability objectives, the states could provide a list of communities or entities that would be eligible to receive quota to which the formula would be applied. Based on a set of common criteria, each state could evaluate which of its communities were at risk and had the most potential to benefit from assistance from the AMP.

### **GMT Recommendations**

1. Set and prioritize goals of the program that will meet the broader objectives of TIQ.
2. Balance complexity and flexibility with cost and ability to administer the program.
3. Consider analyzing a state-by-state process for administering program.

PFMC  
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