

GROUND FISH ADVISORY SUBPANEL REPORT ON FISHERY MANAGEMENT PLAN
AMENDMENT 20-TRAWL RATIONALIZATION-FINAL ACTION ON ACCUMULATION
LIMITS AND DIVESTITURE

Accumulation limits for overfished species

The Groundfish Advisory Subpanel (GAP) recommends adopting the unused quota pound approach for overfished species. The GAP further recommends setting the vessel cap equal to the control cap in order to minimize hoarding and keep as much quota available to the market as possible. The unused quota pound approach will provide additional flexibility in the event of unexpected catches of overfished species. The GAP also believes that the expense of covering this fish in the market will prevent people fishing through several limits of overfished species. The GAP notes that this decision reflects our intent from earlier meetings.

Accumulation limits for halibut

The GAP supports the general concept of individual bycatch quota (IBQ) for halibut, but raised many concerns about the overall amount of halibut to be allocated to trawl, the projected bycatch rate that would need to be met in order to harvest the entire arrowtooth and petrale optimum yields (OYs), and the initial allocation which does not adequately reflect current fishing practices.

Several members highlighted that the amount of halibut available to trawl may shut down the entire fishery in Oregon and Washington. It was also noted that while reductions in the halibut bycatch rate may be possible, it will be impossible to meet such a low rate on day one of the IFQ program.

It was noted that the benefits of the trawl individual fishing quota (IFQ) program are predicated on landing larger quantities of current OYs. The drastic reduction in the halibut available to the trawl sector is likely to reduce or prevent attainment of those benefits, at least in the north.

The GAP discussed the potential for a sector cap and a trailing action to develop the IBQ program. Several members felt that this idea might create a race for fish on halibut and it was ultimately rejected.

The GAP believes that individual accountability for halibut is important and further believes that halibut mortality should be estimated on an individual vessel basis.

As with overfished species, the GAP recommends using the unused quota pounds approach. Provided this approach is used, the GAP further recommends setting the accumulation limit for halibut at 3.5 percent. That level is low enough to prevent hoarding and keep quota available in the market. The unused quota pound approach will allow those that need it to acquire additional halibut. The requirement to obtain this fish in the market will be a powerful disincentive to fishing in high halibut bycatch areas.

Divestiture

After a lengthy debate on the subject of divestiture, a large majority (13-3) of the GAP voted in favor of allowing a 2 year divestiture period from the date of implementation. Use of the quota pounds in excess of accumulation caps would be prohibited, however transfers of the excess quota shares would be allowed. The motion also set a new control date as of November 2008 (the date of final Council action closing the door on the issue of a grandfather clause).

A minority of the GAP from the processing sector (2) opposed the motion because it did not allow for the use of quota pounds during the divestiture period, and one other GAP member opposed the motion because it was felt that setting a new control date was bad precedent.

The issues and concerns discussed by the GAP prior to this motion are summarized below.

There was significant discussion on the issue of the control date. Some felt that permits acquired after the control date were at risk because the date and the trawl individual quota (TIQ) and Council discussions of the program gave adequate notice, while others felt that the initial date was vague and seemed to refer only to fishing activity, not permit acquisitions.

Some also felt that there was adequate time for people in excess of the caps to sell permits prior to the date of implementation, while others felt that selling permits is an imperfect remedy because it is difficult to know exactly what the quota allocation for each permit is, and it may take more time than expected to line up buyers.

It was noted that it seemed like a lot of time and effort was being expended for the benefit of two entities.

From a procedural standpoint it was noted that if divestiture is allowed, it makes little sense to prohibit sale of the excess quota share during the first two years because that merely creates a delay in achieving the desired result.

Finally, several members expressed that not allowing divestiture allows the earned history of the asset to benefit those who didn't invest in or earn the asset.

Control limits in relation to voluntary risk pools

The GAP recommends that the Council make clear that they do not intend for control limits to apply to voluntary risk pools. Voluntary risk pools may be a valuable tool for fishermen to deal with low levels of overfished species and at present it is unclear whether this type of pooling would be subject to control caps.

PFMC
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