

SCIENTIFIC AND STATISTICAL COMMITTEE REPORT ON FISHERY MANAGEMENT
PLAN AMENDMENT 20 – TRAWL RATIONALIZATION – FINAL ACTION ON
ACCUMULATION LIMITS AND DIVESTITURE

Mr. Jim Seger and Mr. Merrick Burden briefed the Scientific and Statistical Committee (SSC) on the proposed final actions being considered for accumulation limits and divestiture. The SSC reviewed the Issue Summary (E.11.a, Attachment 1) and the GMT Report (E.11.b). Many of the issues involved in setting accumulation limits are quite complex, and the SSC commends Council Staff and the Groundfish Management Team (GMT) for carefully laying out, discussing, and analyzing a great number of these issues.

The SSC views accumulation limits and divestiture primarily as policy decisions to be made by the Council. Accumulation limits affect the trade-offs between economic efficiency and wider distribution of fishing opportunities. Higher limits will tend to encourage more fleet consolidation and economic efficiency. However, if the limits are too high, a large degree of the harvest and quota market could be controlled by a small number of entities. Lower limits will tend to spread fishing opportunities over more entities, but can limit the efficient prosecution of the fishery. In addition, accumulation limits for overfished, non-target species will affect the ability and cost required of harvesters to fully utilize target species quota, and thus impact the overall functioning of the quota market and the rationalized fishery.

Due the large amount of uncertainty associated with bycatch of overfished species, it would be prudent to design a system that is flexible and adaptable as actual conditions on the ground play out. These uncertainties include the degree of randomness of bycatch harvest, the potential for unusually large bycatch tows, the ability of harvesters to avoid bycatch, how the quota market for bycatch species may function through the fishing season, the degree to which risk pooling agreements and information sharing will be effective, and the lack of concrete data and models. Given the operational and market disruptions that could result from changing accumulation limits after rationalization occurs, fewer disruptions and more flexibility may be attained by initially setting the accumulation limits at the lower end of the range rather than upper end.

Section C of the GMT Report addresses the relationship between control limits, vessel limits and risk pools. The report posits that higher limits may discourage the formation of risk pools. The SSC does not regard this as a certain outcome, and expects that the formation of risk pools would depend on many factors. There is insufficient information to analytically select a level of control limits or vessel limits that would encourage the formation of risk pools, even though such information may be of interest to the Council.