

## **Proposed Purpose and Need and Strawman Range of Alternatives for Revised Amendment 21 At-Sea Allocations**

At the April meeting, the Council unanimously passed the following management measure as a preliminary preferred alternative (PPA) for further analysis at this meeting:

For darkblotched rockfish and Pacific ocean perch (POP), the following amounts (as a main priority) to be specified as annual set-asides (which is preferred, if possible) or allocations for each of the at-sea sectors for 2017 and 2018:

	Darkblotched	POP
Catcher Processor	25 mt	20 mt
Mothership	20 mt	15 mt

and, strongly urge the National Marine Fisheries Service to explore any and every possible mechanism to make the adjustments proposed above to the maximum extent possible.<sup>1</sup>

Council and National Marine Fisheries Service (NMFS) staff determined that this action should be considered separately from the 2017-2018 management measures in its own agenda item. Since approval of the recommendation would require amending the groundfish Fishery Management Plan (FMP) and an allocation change, the Council must consider this measure using a three meeting process. At this second meeting in that process, the Council is to: 1) identify the purpose and need of the action; 2) set the range of alternatives (ROA) for analysis; and, 3) confirm or modify the PPA if desired.

Washington Department of Fish and Wildlife (WDFW) staff authored this report to alleviate some workload for Council and NMFS staff focused on completing analysis for the core 2017-2018 biennial harvest specifications and management measures. To aid in the Council's consideration, the report proposes a purpose and need statement and ROA. Preliminary analysis of the ROA will be presented in a separate, supplemental report.

### **Proposed Purpose and Need**

This proposed action is intended to substantially reduce the risk of the at-sea sectors (mothership [MS] and catcher processor [CP]) not attaining their respective whiting allocations based on the incidental catch of darkblotched rockfish or POP. Timeliness and administrative feasibility are important pieces of the purpose and the ROA presented in the Council's motion. The proposed action is intended to be an interim solution to address the immediate needs of the at-sea sectors.

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<sup>1</sup> [http://www.pcouncil.org/wp-content/uploads/2016/04/F6\\_CouncilAction\\_APR2016.pdf](http://www.pcouncil.org/wp-content/uploads/2016/04/F6_CouncilAction_APR2016.pdf)

Section 303(a)(14) of the Magnuson-Stevens Act requires the Council to take the economic impact of rebuilding harvest restrictions and recovery benefits into consideration and to allocate both fairly and equitably among fishery sectors. Darkblotched rockfish and POP are caught almost exclusively by vessels in the shorebased Individual Fishing Quota (IFQ) and at-sea sectors and this proposed action focuses specifically on how rebuilding allocations are currently allocated between them. Specifically, the proposed action would shift more darkblotched rockfish and POP within the trawl allocation to each of the at-sea sectors from the IFQ fishery. Overall, the intent of this action is to provide a revised fair and equitable allocation among the trawl sectors, while leaving the rebuilding plans for both stocks unaffected.

In recent years, both sectors have exceeded their initial allocation of darkblotched rockfish (CP in 2011, MS in 2014) with the latter resulting in an emergency Council meeting in order to re-open the fishery. The risk of an inseason closure remains high. Other solutions to address this problem, such as allowing transfer of quota between sectors, have been discussed, but they have been deemed too complex to be analyzed and implemented in time for the 2017 fishing season. During the upcoming five year review of the trawl rationalization program, it is the intention to review these allocations (among the other IFQ species) and determine what more appropriate (i.e., fair and equitable) allocations are for each of the sectors as well as consider other long-term solutions.

## **Background**

When the Council last considered this issue during Amendment (AM) 21, the analysis only incorporated data on catch through 2005. Ten years of additional data on bycatch in the at-sea sectors are now available and five full years of the IFQ program and co-op fisheries have since been completed. This new information together with the changed circumstances in the fisheries suggests that rebuilding restrictions may be adversely impacting the at-sea sectors to a greater degree than was anticipated.

A major factor in the Council's AM 21 allocation decision was the idea that the at-sea sectors could avoid early closures by moving to areas of lower encounter rates when approaching a bycatch allocation. Experience has shown that this assumption was likely too optimistic. Despite the mitigating measures enacted by the co-ops, darkblotched rockfish bycatch remains particularly variable with the potential for rapid accumulation. The 2014 closure of the MS sector provides an illustration. That closure occurred after six hauls caught 4.5 mt of darkblotched rockfish, nearly 75 percent of their 2014 allocation, with the bulk coming from three of the hauls. Some of the largest hauls were delivered to motherships so closely in time that feedback on the size of the catches from observers came too late for the co-op to effectively respond. Prior to this "lightning strike" event, the sector had made 969 hauls and caught only 2.5 mt of darkblotched rockfish. After the sector was re-opened by an emergency meeting of the Council, the sector made 330 additional hauls that brought in over 14,500 mt of whiting and only 0.1 mt of additional darkblotched rockfish. The CP co-op has experienced even more dramatic accumulations of darkblotched rockfish bycatch, and would have been closed late in the 2011 season if unused allocation had not been available from the MS sector, which had already completed fishing.

Lower catches relative to the darkblotched rockfish annual catch limit (ACL) marks another major change in conditions in the fisheries. During consideration of the AM 21 allocations, darkblotched rockfish discards were particularly problematic for the Groundfish Management Team and the

Council, as multiple overages of the ACL (previously termed the OY or optimum yield) occurred. With the start of the IFQ program in 2011, the situation has reversed. While individual accountability continues to put individual operations at risk of quota overages, the risk of exceeding the IFQ sector's allocation appears to have been greatly reduced. Over the first five years of the IFQ program, the sector has used an average of 39 percent of the darkblotched rockfish allocation each year and never more than 45 percent. With the majority of darkblotched rockfish allocated to the IFQ sector, total harvest has remained well below the ACL.

In addition to re-opening the mothership sector in 2014, the Council also recommended increasing the at-sea darkblotched rockfish allocations through inseason action at the September 2015 meeting. Furthermore, projections for the 2016 season show a higher risk of closing the at-sea sectors early due to their darkblotched rockfish allocations, in large part because of increases in the whiting allocations. However, the Council's ability to address the risk inseason is limited and does not include the ability to transfer amounts from the IFQ sector.

The circumstances for POP are similar to darkblotched rockfish but with some key differences. The IFQ sector has only used 42 percent of its allocation on average over 2011 to 2015 and never more than 46 percent. At the same time, POP does not appear to present the same level of unpredictability to the at-sea sectors as darkblotched rockfish. While data does show the potential for POP to accumulate rapidly, the co-ops' area restrictions have apparently been effective in reducing the risk. By increasing the at-sea allocations of POP, it would allow more flexibility for at-sea vessels to operate in areas of higher POP bycatch. Furthermore, these areas may provide lower encounter rates for darkblotched rockfish as well other important bycatch species (e.g., spiny dogfish, roughey rockfish, and Chinook salmon) or might offer important fishing grounds for whiting in some years. As with individual accountability in the IFQ fishery, the bycatch mitigation measures taken by the co-ops have imposed costs in terms of operational efficiency. While these costs have not been formally studied, the proposed increases would presumably result in lower costs.

### **Proposed Range of Alternatives**

The Council's task is to establish the ROA to be analyzed for final action in September. The proposed ROA has one action alternative with two options which present two key issues for Council consideration: (1) the amounts to be allocated and (2) the choice of whether to designate the amounts as allocations or set-asides.

On the allocation amounts, the April motion identified the amounts in Alternative 1 as a PPA and the priority for consideration. If the Council adopts this ROA, it would provide the typical flexibility to make final recommendations that fall within the range. For example, the Council could select Alternative 1 for only one of the two species and/or may select an intermediate allocation value if preferred. If the Council wished to consider higher amounts, then the range would need to be widened at this meeting. However, adding alternatives would increase the analytical workload. It is important to note that the amounts approved by the Council in Alternative 1 were (1) not intended to capture the "worst case" scenario for either sector and (2) intended to strike a balance between reducing the risk to the at-sea sectors and minimizing the impact on the shorebased IFQ fishery.

**No Action:** Continue to allocate darkblotched rockfish and POP to the at-sea sectors as allocations (i.e., hard caps) according to AM 21 regulations (see Table 1; 2017/2018 allocations in Table 2 with 2016 allocations provided for reference)

**Table 1: AM 21 Whiting Rule**

Species	Whiting Rule	2017/2018 Rule Used
Darkblotched Rockfish	9% or 25 mt	Percentage
POP	17% or 30 mt	Tonnage

**Table 2: 2017-2018 No Action Amendment 21 Allocations (mt) with 2016 Allocations for Reference**

Species	Year	Trawl Allocation	Shorebased IFQ	Catcher Processor	Mothership
Darkblotched rockfish	2016	308.9	292.8	9.4	6.7
	2017/2018	439.6	416.7	13.5	9.5
POP	2016	141.6	124.2	10.2	7.2
	2017	139.3	121.9	10.2	7.2
	2018	144.0	126.6	10.2	7.2

**Alternative 1:** Change darkblotched rockfish and POP amounts within AM 21 regulations to the amounts listed in Table 3 and manage as:

Option A: allocations (status quo)

Option B: sector-specific set-asides

**Table 3: Alternative 1 Proposed Amounts (mt) to be Managed as Allocations (Option A) or Set-Asides (Option B)**

Species	Year	Trawl Allocation	Shorebased IFQ	Catcher Processor	Mothership
Darkblotched Rockfish	2017/2018	439.6	394.6	25	20
POP	2017	139.3	104.3	20	15
	2018	144.0	109.0	20	15

On the issue of the option of allocations (Option A) versus set-asides (Option B), the Council's motion stated a preference for the latter but expressed the intent to keep the amounts as allocations if the change to set-asides would compromise implementation of the change in time for the 2017 fishing season. The key difference between a set-aside and allocation is that the allocation serves as a hard cap whereas set-asides do not necessarily require NMFS to close a fishery if an overage occurs.

Currently, set-asides are established for the entire at-sea fishery, not sector-specific; however, set-asides may be set at the sector level. With the sector-specific allocation amounts in the April motion, the intent with Option B is that it would apply set-asides to each sector (i.e., to MS and CP separately). Sector-specific set-asides would provide additional accountability at the sector level. They would provide a target for each sector to manage to, which promotes sector self-regulation, and allows the NMFS to apply conservation measures to one sector without affecting the other. Additional analyses relative to the implications of allocations (Option A) versus set-asides (Option B), and the impacts of the alternatives to the trawl sectors and individual participants in the IFQ fishery, will be provided in a supplemental report.