

## COMMUNITY ADVISORY BOARD REPORT ON TRAWL CATCH SHARES REVIEW DRAFT REPORT AND INTERSECTOR ALLOCATION REPORT

The Community Advisory Board (CAB) met May 30 -31, 2017 in Portland, Oregon, received a presentation on the five-year review catch share analysis, discussed the five-year review of the intersector allocations, and identified priorities for follow-on action.

### **Catch Share Review Analysis**

With respect to the analysis, the CAB appreciates all of the work that went into the document and overall feels that it helps to answer important questions about the performance of the program in its first five years. In order to deepen the analysis and provide the most complete and accurate picture of the program, the CAB recommends the following additions to the review document.

1. Sablefish Related
  - a. Provide a by-sector (including processors) assessment of the amounts of capital investment (fixed costs) in the fishery that have occurred over the course of the program and in the years just prior to the start of the program (2009 and 2010, the only pre-catch share years for which such information may be available). The purpose of this summary would be to address discussions about gear switching and amounts of fixed investments that have been made by various categories of participants.
  - b. Assess the impacts of each gear type on sablefish stock productivity.
  - c. Identify the amount of quota that would be made available above the sablefish 36 degree line if the line was removed for the trawl sector.
  - d. Identify species, other than sablefish, that constrain the harvest of trawl complexes.
  - e. A report by Holland and Steiner indicates that trawl caught sablefish is worth 40% more than fixed gear sablefish due to the co-occurring species in the trawl catch. Despite this, fixed gear vessels are buying sablefish quota. Given the discrepancy between results of the study and the amounts of quota purchased by fixed gear vessels, the results of the study should be further investigated.
  - f. Provide an assessment of the impacts of further expansion of gear switching.
    - i. Hypothesize scenarios in which more boats (5, 10, 20) enter the trawl sector as fixed gear vessels and evaluate the consequences.
    - ii. Analyze a range of amounts of sablefish caught with fixed gear (10 percent, 20 percent, 30 percent, 40 percent, etc.) and look at the full suite of impacts (e.g. impacts on trawl attainment, impacts to processors, employment, etc.)
2. Provide some indicators of normal/adequate profit levels from other successful Individual Transferable (or Tradeable) Quota (ITQ) fisheries against which profitability in the catch share program might be compared.

3. Explore the implications of a continuing increase in the ratio of leasing to owner-on-board use of Quota Share/Quota Pounds (QS/QP).
4. Provide a more thorough analysis of the accumulation limits.
5. Include a list of directed groundfish ports and those ports which are in “permit vacuums” (areas in which there are no groundfish limited entry permits; provide data for 1994 to the present).

### **Priority Follow-on Actions**

With respect to actions that would follow-on the catch share review, the CAB believes it is critical to expedite completion of actions currently underway in the Council forum or awaiting implementation by the National Marine Fisheries Service (NMFS). These actions include:

- Essential Fish Habitat/Rockfish Conservation Area (EFH/RCA) Revisions
- The Gear Rule
- Exempted Fishing Permits (EFPs) to develop the year-round coast-wide nonwhiting midwater trawl fishery (including within RCAs)

Those actions are farther along in the process and could therefore yield positive benefits to the industry more quickly than actions yet to be started, and they are also likely to significantly improve flexibility, efficiency, and attainment.

Relatedly, the CAB notes that while overall net benefits appear to be improved relative to the pre-catch share period, it's clear that many of the program's economic objectives (e.g. improved trawl sector attainment) have not been achieved. Moreover, some sectors (e.g., shoreside processors and mothership processors) appear to be faring worse relative to the pre-catch share period, and all sectors are facing much higher costs of operation. In fact, the average program participation costs was 12 percent for shoreside trawlers in 2015 before taking into account normal fixed and variable costs (West Coast Groundfish Trawl Catch Share Program Five-Year Review Draft, Table 3-29).

Given that context, the various sectors within the CAB identified priority follow-on actions for the review designed to yield the greatest improvements (an attachment identifies the items considered and from which these priorities were drawn). Within each sector category, the follow-on actions are listed in priority order.

### **At-Sea Co-op Priorities (Mothership and Catcher Processor Sectors)**

1. **Meeting the At-Sea Whiting Fishery Bycatch Needs.** The priority item for the at-sea whiting sectors is finding a long-term solution that provides access to sufficient rockfish amounts to allow for the effective and full harvest of whiting in the at-sea fisheries. To meet that objective, the CAB recommends consideration of mechanisms that provide access to constraining species for the at-sea sectors such as between sector quota trading and changes to within trawl sector allocations (Items 36 and 50 from the attached list, respectively). In addition, the CAB recommends consideration of a permanent change from allocations/hard caps to set-asides. The Council's 2016 recommendation for such a change was specified as a temporary measure. The CAB also recommends consideration

of growing the pie by looking at how annual catch limits (ACLs) are set. Finally, the CAB recommends considering using a carryover provision for the unused at-sea set-asides, carrying it to the following year. For that following year, this would then reduce the amount of additional set-aside required for the at-sea fishery and consequently leave more for the shoreside sectors.

### **Shoreside Individual Fishing Quota (IFQ) Priorities**

It is the CAB's understanding that the current adaptive management plan/quota pounds (AMP/QP) pass-thru provision will expire with implementation of the first catch share review follow-on action and that such an expiration would sideline the AMP-QP such that no one would receive the QP (i.e. the trawl allocations would be effectively reduced by 10 percent). For this reason, shoreside representatives note as an overall priority the need to continue the AMP-QP pass through until such time as the AMP quota set-aside is otherwise resolved.

### **Shoreside Harvesters Trawl Representatives**

As described above, these items are in priority order. However, they are all important, and many work together synergistically. The CAB believes all are necessary to enable the program to achieve its goals and objectives.

1. **Gear Switching.** Consider establishing a control date, or in the absence of a control date, then a moratorium on new entry (new gear switching). Provide further analysis of what is happening under gear switching. Many shoreside trawl harvesters are concerned that sablefish is acting as a constraining species preventing greater attainment of the trawl allocations of species with which sablefish co-occurs. Greater attainment is important not only for harvesters but also for processors and the economy of local fishing communities. This is placed as a top priority because of the importance of setting a control date once the idea of limiting new gear switching is broached. Prior to the identification of the importance of the control date, the CAB's top concerns were management of overfished species and cost of participation.
2. **36° North Sablefish Management Line.** Consider removing the sablefish 36° N line, for the limited entry trawl sector only. Removing the line would make more quota available in northern areas, alleviate the sablefish constraint, and facilitate greater attainment of non-sablefish allocations. This might also reduce the gear conflict between hook-and-line fleets in the southern area and gear-switched pot vessels that travel south to harvest southern trawl sablefish. The southern trawl sablefish allocation has been consistently underharvested. Removal of the line for the trawl sector might be addressed simply by establishing a coastwide acceptable biological catch/annual catch limit (ABC/ACL) as part of setting the biennial specifications, while preserving the existing allocation structures for all other sectors. A thorough analysis of the pros and cons should occur prior to the elimination of the management line.
3. **Overfished Species Management Tools.** Find an alternative way to manage overfished species to improve attainment of target quota. The following options should be considered.
  - a. **Carryover Allowance for Overfished Species.** Allow 100 percent carryover of unused quota for low ABC species. This would allow harvesters to build up credit (a QP reserve), reducing the consequences of a lightning strike event while

- still protecting the resource). Included in this policy might be a downward adjustment in the actual QP carried over to take into account natural mortality.
- b. **Increase Overfished Species Vessel Caps.** Consider increasing the overfished species vessel caps to reduce the consequences of high bycatch tows (“lightning strikes”).
  - c. **Set Asides.** Instead of IFQ, use set asides, as is being done for the at-sea fishery.
  - d. **“Penalty box” situation.** Consider mitigating the “penalty box” situation for vessels that go over a vessel limit (especially situations that might force a vessel to sit out more than the just the remainder of the year). The current requirement that vessels stop fishing once they have a deficit, combined with vessel caps that prevent them from covering that deficit, threatens vessels with the possibility of being sidelined for multiple years as a result of a lightning strike tow. The resulting risk aversion contributes to under-attainment of the trawl allocations for many stocks. One step might be to allow post-season trading of QP and allow vessels to use such QP (or QP from a subsequent year) to cover their deficit, regardless of whether the amounts are in excess of vessel limits.
4. **Participation Costs.** Consider ways to reduce the costs of participating in the program.
    - a. **Catch Monitors.** Review and consider loosening catch monitor educational and training requirements. This is particularly relevant for situations in which vessels are using electronic monitoring such that an observer is not readily available to conduct shoreside monitoring tasks.
    - b. **Cost Recovery Credit for Observer Payment.** For vessels not using electronically monitoring (EM) and hiring their own observers, provide a cost recovery credit for the observer costs that NMFS would otherwise be paying. This credit would be counted against the three percent cost recovery fee. The credit should be based on levels of observer coverage in place for the trawl sector prior to catch shares. The observer coverage that NMFS is providing for EM vessels, at no charge, makes it clear that there is a governmental cost savings for observer coverage as a result of the observer payments that non-EM vessels are making to comply with the 100 percent at-sea monitoring requirement.
    - c. **Cost Recovery Credit for Risk Pools and Collectives.** Provide cost recovery credit for vessels that pay management costs to participate in risk pools or other collectives. The activities of these entities decrease agency workload, resulting in cost savings.
    - d. **EM Data Storage Costs.** Reduce the length of time video data must be held, or reduce industry responsibility for costs of video storage for enforcement purposes. Reduce the amount of data held by retaining only video of actual haul times.
  5. **Vessel QP Limits.** Vessel QP limits may need to be raised to facilitate higher attainment. For example, the number of vessels operating in an area may be such that, for a particular species, even if every vessel fully harvested its limit the allocation of the species would not be fully attained. Additionally, the analysis indicates that some vessels are close to caps to certain species (e.g. lingcod), but that overall sector attainment is very low. It might make sense to raise the individual caps to allow greater attainment by fishermen able to fish those stocks cleanly. As another example, the aggregate nonwhiting limit may inhibit vessels from targeting lower value species. The sum of the individual species limits is greater than the aggregate nonwhiting limits. As a result, for vessels harvesting near that aggregate limit, any lower value species harvested displaces higher value species.

6. **AMP Resolution.** The following reflects a number of different views on how the AMP might be resolved. There was not a consensus on any one of these approaches.
  - a. Vessel Operators. If there is anything other than a continuation of the pass-thru, include vessel operators, among others involved with the harvest operation (e.g. owners), as potential beneficiaries of the allocation of the 10 percent.
  - b. To end the program, make a one-time pass-thru of the adaptive management plan/quota share (AMP-QS) to current QS holders, (i.e. distribute AMP QS pro rata to current QS holdings in proportion to their QS holdings),
  - c. For any distribution of AMP-QP, ensure that the AMP-QP is distributed as close to harvesters as possible.
  - d. Provide to processors the 10 percent of quota set aside for AMP but include sideboards, such as “they can’t charge for it.” As part of this consideration, look at an option such that new processors would share in any AMP quota distributed to processors.
7. **Nonwhiting Carryover.** Fully implement the nonwhiting carryover provision so that the industry can count on a full carryover each year. This would reduce uncertainty and increase attainment.

### **Shoreside Harvester Fixed Gear Representatives**

As described above, these items are in priority order. However, they are all important, and many work together synergistically. The fixed gear representatives on the CAB believe all are necessary to enable the program to achieve its goals and objectives.

1. **36° North Sablefish Management Line.** Consider removing the sablefish 36° N line, for trawl limited entry sector only. (See Item 2 in the trawl shoreside harvester list for additional details).
2. **Participation Costs.** Consider reducing the costs of participating in the program. (See Item 6 in the trawl shoreside harvester list for additional details).
3. **AMP Resolution.** To end the program, make a one-time pass-thru of the AMP-QS to current QS holders, (i.e. distribute AMP QS pro rata to current QS holdings in proportion to their QS holdings).

The placement of a cap on gear switching was one of the most contentious issues that the CAB dealt with. A cap on gear switching is not included in the fixed gear representative list for reasons that include their perspective that that fixed gear use of sablefish is not substantially constraining the trawl fishery. As noted in the report, even if the all of the sablefish quota were caught with trawl gear, dover sole attainment would still not exceed 25 percent of the available quota. Furthermore, a cap would threaten the investment fixed gear fishermen have made in the fishery. A cap would also likely lead to a race for fish. Those on the other side of this issue pointed to their own investments, constrained dover and thornyhead attainment, and concern over potential trawl harvester, processor and community impacts if additional amounts of sablefish are caught with fixed gear.

### **Shoreside Processor Representatives**

As described above, these items are in priority order. However, processor representatives view all of those listed here as important, and many work together synergistically. The processor

representatives believe all are necessary to enable the program to achieve its goals and objectives.

1. **AMP Resolution.** Consider providing to processors the 10 percent of quota set aside for AMP but include sideboards, such as “they can’t charge for it.” As part of this consideration, look at an option such that new processors would share in any AMP quota distributed to processors. The AMP QP was considered a compromise to the issuance of QS to processors and so should be used to directly benefit processors and help anchor quota in communities. It is also clear that shoreside processors as a sector are performing worse under catch shares relative to the pre-catch share period. Unanticipated impacts include reduced processing capacity, reduced consistency, lost filet expertise due to low attainment, and related community impacts, among others.
2. **Carryover Flexibility.** Consider substantially increasing the current 10 percent limit that can be carried from one year to the next in any biennial cycle, or allow QP to be harvested over the two year period of the biennial cycle. This would improve harvest opportunities while adhering to scientifically derived ACLs.
3. **Gear Switching.** Consider establishing control dates, or in the absence of a control date, a moratorium on new entry (new gear switching). Provide further analysis of what is happening under gear switching. Consider limiting new operations coming into gear switching. (See Item 1 in the trawl shoreside harvester list for additional details).
4. **Accumulation Limits.** Conduct quantitative analysis to determine if changes to all accumulation limits including vessel caps and aggregate nonwhiting caps are needed. (See Item 5 in the trawl shoreside harvester list for examples).
5. **Observers/Catch Monitors.** Consider reducing observer coverage/monitoring requirements and costs, and standardizing the requirements for observer coverage among gear sectors. Currently there is double coverage for all trawl landings. Coverage requirements and cost burdens should be reduced since the promised economic benefits have not materialized. The government should cover enough of the observer costs to equalize costs between regions such that the West Coast fishery is not at a competitive disadvantage over other sectors or geographic regions.

### **Community Representatives**

Community representatives concurred with the shoreside trawl priorities. These recommendations will help communities by improving economic opportunities and performance.

PFMC  
06/14/17  
11:50 AM

PRELIMINARY LIST OF POSSIBLE FOLLOW-ON ACTIONS  
REVIEWED BY CAB MAY 30-31, 2017

This document contains a preliminary list of possible follow-on actions derived from previous CAB meetings, current trawl trailing actions, and the groundfish omnibus priorities list. At its May meeting, the CAB may add to this list but should also seek to narrow and prioritize.

Contents

- Possible Follow-On Actions from October 2016 and February 2017 CAB Meetings ..... 8
  - Utilization and Constraining Species Relief ..... 8
    - General ..... 8
    - Individual Species ..... 9
  - Revenue ..... 9
  - Costs ..... 9
    - Observer/Monitoring Costs ..... 9
    - Cost Recovery Program ..... 10
    - Other Cost Reductions ..... 11
    - Efficiencies - Unnecessary Constraints ..... 11
  - Distribution and Equity ..... 11
  - Miscellaneous Catch Share Program ..... 11
  - Follow-ons that Require No Regulatory Action (CAB 11/2017 Report to the Council)..... 12
    - Observer Data ..... 12
    - Quota Accounting ..... 12
    - Logbooks ..... 12
- Remaining Trawl Trailing Actions ..... 13
  - On Current Council Calendar ..... 13
  - For Future Scoping (not included in current CAB list) ..... 14
  - Final Council Action Taken – Implementation on Hold Pending Catch Share Review ..... 15
- Omnibus List Items (Not Covered Above) ..... 15
- Other Potential Follow-on Issues for Amendment 20 Review ..... 15
  - Required Policy Considerations ..... 15
  - Staff Notes on Potentially Outdated Provisions ..... 15
- Follow-on Actions Related to Intersector Allocation ..... 16

## Possible Follow-On Actions from October 2016 and February 2017 CAB Meetings

### Utilization and Constraining Species Relief

#### General

1. **Change Annual Season Start Date:** Consider changing the annual season end/start date to the late winter in order to allow shoreside whiting vessels to complete their fishery at the end of December and release quota they are holding for bycatch species. This would allow that quota to be made available to nonwhiting vessels. Thus, the whiting season and bottom trawl start/stop dates would be staggered.

*Possible Alternative Phrasing: Start the trawl management cycle for all species in the spring but end the whiting fishery on December 31. After the whiting fishery closed, whiting vessels holding nonwhiting species to cover bycatch could release that catch and there would still be enough time for the quota to be taken on nonwhiting trips. For example, the trawl allocations might be managed on a May 1 to April 30 cycle.*

*Staff Note: for this to work, the management year would likely have to be changed for all fisheries in order to apply end evaluate performance of management measures that meet the ABCs/ACLs for the entire fishery.*

2. **Allow Risk Pools to Access the RCAs:** The council should look at risk pools and allow them to do work in the RCAs or other areas where access might not otherwise be granted.
3. **Make Sure Non-Sablefish QS Owned by Operations that Gear Switch is Available for Others:** Explore ways to make sure that operations that are gear switching into fixed gear and own QS make their nonsablefish species available to trawl vessels

*Staff Note: One of the challenges for this provision would be establishing the link between the QS accounts and the vessel in a manner that can be specified in regulation.*

4. **Increase Amounts of QP that Can Be Carried Over:** Given the new National Standard 1 policy guidelines, regulations should be changed to allow a larger portion of the QP to be carried over from one year to the next. This would take better account of between year variations in ocean conditions that affect bycatch rates. For overfished species in particular, the rebuilding plans assume that the trawl fishery has caught all that it would allocated, therefore this would have minimal conservation impacts relative to those originally planned. With 100 percent at-sea monitoring there is little risk in exceeding the multiyear averages.

*Staff Note: This issue is on the Council agenda for the upcoming September Council meeting.*



5. **Allow Post-Season QP Trading:** Allow trading of previous year quota until after the last observer data is reconciled and posted to vessel accounts. This would reduce the double counting that occurs under the current program when catch is counted in the catch year and then quota from the subsequent year has to be used to cover that catch.
6. **Modify Vessel QP Usage Limits:** What impact do annual vessel caps have on utilization and profitability? Can they be optimized based on current information?

### **Individual Species**

7. **Control Limits:** Consider whether individual species control caps are overly constraining.

*Staff note: Probably what is meant here is vessel limits. Control limits limit what a single person can own but do not constrain harvest by a vessel. Vessel limits are larger than control limits and constrain harvest by vessels. Also, note that the five-year review analysis does not indicate vessel limits have been significantly constraining catch.*

8. **Yelloweye:** Consider whether yelloweye rockfish should remain an IFQ species.
9. **Cap Sablefish Used For Gear Switching:** Look at options for a hard cap fixed gear usage of trawl sablefish quota that does not leave open any loopholes. This would be intended to allow the west coast groundfish trawl fishery to recover, increase utilization, maintain financial viability, increase fishing, increase direct and indirect employment, benefit coastal communities, and benefit American seafood consumers.
10. **Remove the 36° N. Sablefish Management Line:** There is sablefish being stranded in the south and there are a lot of issues related to that line.

### **Revenue**

11. **Develop Markets:** Look at ways to further develop markets, possibly through the organization of fish auctions. This might provide harvesters with greater marketing flexibility and the opportunity to develop new marketing strategies and might better provide for the needs of local niche markets.

### **Costs**

#### **Observer/Monitoring Costs**

12. **Observer costs:** Reduce participation costs by allowing less than 100 percent observer coverage.
13. **Shoreside monitoring costs:** Reduce participation costs by eliminating shoreside monitoring.

14. **Shoreside Monitors for Small Communities:** Expand the opportunity for communities to train and hire dockside monitors who live in small communities. We have to find ways to make dockside monitors more accessible to small communities.
15. **Shoreside Monitoring with EM:** Explore electronic monitoring for the plants.
16. **Government Reimbursement.** Provide reimbursements for the difference between the costs of East Coast and West Coast observers.

### **Cost Recovery Program**

17. **Increase Transparency and Full Implementation:** There should be greater transparency in the cost recovery program, possibly including an audit. The cost recovery measures should be applied as per the regulations and [Council's original recommendations](#), including analysis of efficiencies that have been gained since implementation of the program. Cost recovery has implications for profitability and impacts on communities.

**Credit for Efficiencies:** 100 percent monitoring paid for by vessels is replacing the 25 percent scientific monitoring that the agency previously covered and continue to cover for other sectors. For example, vessels carrying a scientific observer under the EM Program do not have to pay for their observer

*Possible Phrasing (combines the above to items):*

- 17.a. *Increase transparency of cost recovery, possibly by conducting audits.*
  - 17.b. *Document and take into account efficiencies that have been gained since the start of the program. For example, 100% monitoring paid for by vessels is replacing the 25% scientific monitoring that the agency previously covered and continue to cover for other sectors. This is evidenced by the fact that vessels carrying a scientific observer under the EM Program do not have to pay for that observer.*
  - 17.c. *Follow other aspects of the [Council's original recommendations](#) (consider building this out a bit more).*
18. **Give Cost Recovery Payment Credit for Payments to Risk Pools and Co-ops:** Fees paid for risk pools and co-ops should be taken into account as an offset to cost recovery, since some of these expenses represent the relief of agency workload.
  19. **Phase Cost Recovery Down or Out.**
  20. **Efficiency Improvements Group:** On a short term basis use cost recovery funds for a small group to analyze efficiency improvements on Council/NMFS processes, drawing on most efficient practices of other regions (ex: streamlined specs process)

### Other Cost Reductions

21. **Reduce or Eliminate Buyback Repayment**
22. **Reduce Electronic Monitoring Data Storage Costs:** Reduce the length of time data must be held or reduce industry responsibility for costs of storage for enforcement purposes. Reduce the amount of data held by retaining only video of actual haul times.

### Efficiencies - Unnecessary Constraints

23. **Daily Vessel Caps:** Need to be removed.
24. **Length Endorsements:** Consider providing more flexibility in the application of the permit length endorsements (e.g. allow a permit to be used for vessels 20 percent or more greater in length than specified on the endorsement).
25. **Change 2-Month Rule on Permit Transfers:** The old rule of limiting permit transfers to the old two month trip limit cycle may no longer serve a purpose and on that basis could be eliminated.

### Distribution and Equity

26. **Lightning Strikes:** Consider whether there is an alternative way to address the lightning strike situation.

*Staff Note: While the current system provides individual accountability it is also designed such that the burden of random events falls on a few vessels.*

### Miscellaneous Catch Share Program

27. **Adaptive Management Program (AMP):**
  - a. Consider removing the program.
  - b. Develop criteria for its use.

*Staff Note: Amendment 20 states that AMP provisions “will be reviewed as part of the year five comprehensive review and a range of sunset dates will be considered, including 10, 15, 20 year and no sunset date options.” (Section A-3 of Amendment 20)*

28. **New Entrants:** Any consideration of policies to support new entry should also take into account new entry by the sons and daughters of fishermen and that new policies to encourage new entrants could displace the plans of fishing families *as well as displace crew, skippers, and others currently engaged in the fishery.* (Expand this statement to also include crew skippers and others currently engaged.)

*Staff Note: In response to the parenthetical to “Expand this statement to also include crew skippers and others currently engaged” the phrase in italics was added. Does that phrase capture the intent?*

29. **Community Fishing Associations (CFAs):** The CAB does not feel that the issue of CFAs warrants further Council consideration.

### **Follow-ons that Require No Regulatory Action (CAB 11/2017 Report to the Council)**

The CAB began working on a preliminary list of follow-on actions to report to the Council at its June 2017 meeting, however there are some actions that might be taken by NMFS that do not require further rulemakings. Recommendations on these actions are provided here for Council and NMFS consideration.

#### **Observer Data**

30. **Prioritize Finalization of Discard Data:** There should be a policy that the first priority for any observer be finalization of the West Coast discard data before moving on to any other duties.
31. **Put a Time Limit on Observer Data Updates:** Consider some kind of a time limit by which observer data must be finalized.
32. **Industry Seminar:** There should be an industry seminar on the steps by which observer data is revised and finalized. It is not clear why this data cannot be transmitted immediately upon completion of a trip.

#### **Quota Accounting**

33. **Account Alerts:** Send alerts to a Vessel Account owner/manager when new data is posted to the Vessel Account.
34. **Final Data Flag:** Provide a check box that would indicate when the data is final.

#### **Logbooks**

35. **New Logbook Form:** Create a new logbook form in which the categories displayed better match the current data reporting requirements.

## Remaining Trawl Trailing Actions

36. **Allow Between Sector Trading of Quota:** The Council will be considering measures that would allow between trawl sector transfers of quota allocated under the catch share program. The initially identified purpose is increase the attainment of target species by allowing the transfer of quota across trawl sectors in order to better achieve optimum yield. The need for this action shifted at the September 2016 meeting when Pacific Ocean perch and darkblotched rockfish were changed from quota to set-aside species in the at-sea fishery. Also affecting the need for quota share trading are the multi-year average catch policy revisions currently under consideration.

At the September 2016 Council meeting, there were a number of briefing book documents relevant to this agenda item, including a staff report ([Agenda Item F.4, Attachment 1](#)), a [GMT report](#), and a [GAP report](#). At that time, the Council slated this issue for its own agenda item at the June 2017 Council meeting. At a later meeting, that agenda item was removed with the expectation that alternatives would be further developed as part of deliberation related to the five-year review of the catch share program. These alternatives would be based in part of results from the intersector allocation review expected to be completed at the June 2017 Council meeting.

## On Current Council Calendar

37. **Area Modifications:** The Council is considering trawl RCA modifications concurrently with the essential fish habitat amendment (EFH) process. This package includes consideration of whether or not to reduce or eliminate the areas closed to trawl gears by the trawl RCA. Early in the process, the Council considered but rejected the option of allowing the use of large footrope gear in nearshore areas, shoreward of the current RCAs. The Council selected a range of alternatives at its September 2015 meeting and narrowed the range of alternatives at its April 2016 meeting. [A preliminary preferred alternative was selected](#) at the November 2016 Council meeting, and final Council action is scheduled for September 2017.
38. **Discard Survival Credits and Conversion Rates:** The annual estimates of groundfish mortality, prepared by the West Coast Groundfish Observer Program, include discard survival credits for sablefish and lingcod. However, within the shorebased IFQ program, total catch, regardless of survival, is debited from vessel QP accounts and tracked inseason against the trawl allocation and ACLs, and there is no postseason QP adjustment. The Council will consider a schedule for developing a recommendation on an IFQ survival credit for discarded lingcod and sablefish at its June 2017 meeting ([Agenda Item F.3](#)).
39. **Surplus QP Carryover for Nonwhiting:** The trawl IFQ program allows up to 10 percent of a vessel's QP to be carried from one year to the next, either as a deficit covered with following year QP or an unused surplus which can be fished in the following year. Concern that the surplus carryover provision might be interpreted as violating allowable catch limits has led NMFS to not issue surplus carryover for some species in some years. The Council will consider solutions to this problem as part of

deliberations on a multi-year catch policy at the June 2017 Council meeting ([Agenda Item F.5](#)).

40. **Year Round Non-Whiting Fishery for Midwater Target Species:** Currently, the only way a midwater trawler can target pelagic rockfish north of 40° 10' N. latitude (inside and outside the RCAs) is during the whiting season, and midwater trawler fishing within or shoreward the RCAs is never allowed south of 40° 10' N. latitude. NMFS has suggested that the best route for consideration of this issue would be first as an EFP (see item #12 in [Agenda Item D.1.a, NMFS Report 3, June 2015](#)). The EFP would be used to collect information that could then be used to support an analysis of a possible regulatory change. At its June ([Agenda Item F.8](#)) and September 2017 meetings, the Council will consider out of cycle EFPs to allow the targeting of midwater rockfish year round both north and south of 40° 10' N. latitude. The eventual regulatory objective is to dissociate the season and areas restrictions for this fishery from those for the midwater whiting fishery.

### **For Future Scoping (not included in current CAB list)**

Omnibus list item numbers listed in parentheses.

- 41.(61)**Trawl IFQ Carryover When Management Units Change.** Consider adding provisions to cover how carryover should be handled when there is a reallocation as a result of changes in management areas (area subdivision, combination, or line movement) or subdivision of a species group. This issue was identified with the recent geographic subdivision of lingcod and relates to [50 CFR 660.140\(c\)\(3\)\(vii\)](#).
42. (65)**Elimination of the Prohibition on Whiting At-sea Processing South of 42° N. Lat.:** This issue arose in the context of the need to avoid rockfish species bycatch. The issue might be explored through an EFP or through regulatory action.
- 43.(41)~~**Surplus QP Carryover for Whiting.** Resolve long-term surplus QP carryover provision for whiting to ensure surplus carryover can occur each year — whiting carryover is scheduled to be addressed after the trawl catch share program review. (There is no further action required on this issue as it has been addressed under the Pacific Whiting Treaty).~~
44. (57)**Whiting Season Modifications.** The November 2011 TRREC Report recommended as a first priority the movement of all shorebased whiting season start dates to May 15 and elimination of the 5 percent cap on the early season California fishery. Council action to move the shoreside season openings for the area north of 40° 30' N. latitude (see Item 15) has been completed but the April 15 start date for the area south of that line remains, along with the 5 percent cap have not been implemented (due to the need for a FMP amendment to modify these provisions). At the June 2016 Council meeting, the GAP stated that the whiting fleet is not interested in a year-round whiting season ([Agenda Item F.6.a, GAP Report](#)).

## **Final Council Action Taken – Implementation on Hold Pending Catch Share Review**

- 45.(40)**QS/QP Control Rules – Safe Harbors for Risk Pools:** At its September 2011 meeting, the Council recommended providing risk pools a safe harbor from the QS control rules. Risk pools can generally be described as groups of QS owners that band together to pool their QS of overfished species. At its September 2013 meeting, the Council agreed that implementation of this recommendation could wait until after the five year program review.

### **Ominbus List Items (Not Covered Above)**

- 46.(64) Require Posting of First Receiver Site Licenses as described in September 2013 (Agenda Item G.9.a, Attachment 1), add a requirement that first receivers possess and display a valid first receiver site license at each processing site. This would be similar to existing requirements at 660.12(d)(1) and 660.25(b)(1)(iii) that require vessels registered to limited entry permits to carry valid permit onboard the vessel.

### **Other Potential Follow-on Issues for Amendment 20 Review**

#### **Required Policy Considerations**

47. **Auction:** “During the first program review, the Council shall consider the use of an auction or other nonhistory based methods when distributing quota share that may become available after initial allocation. This may include quota created when a stock transitions from overfished to nonoverfished status, quota not used by the adaptive management program, quota forfeited to “use it or lose it” provisions, and any quota that becomes available as a result of the initial or subsequent reviews of the program.” A-2.3.4

#### **Staff Notes on Potentially Outdated Provisions**

48. **Period between catch share program reviews (currently specified as four years):** Review of this is not required but this may be something the Council wants to consider. The MSA allows a maximum of seven years between reviews (after the first review).
49. **Other Fish:** The provision for the allocation of “other fish” may be outdated due to the transfers of limited entry permits: “For the ‘Other Fish,’ category of groundfish, if at some time in the future the Council adds it to the IFQ system, the initial allocation would be determined using the same history criteria as was used for other IFQ species (i.e., 1994-2003 history), unless otherwise specified by a future Council action.” (Section A-2.1.6).

## Follow-on Actions Related to Intersector Allocation

At its November 2016 meeting, the Council expanded the CAB scope to cover within trawl intersector allocations:

Any revisions to the allocations would follow the review and be developed through the Council's Groundfish Allocation Committee, although the catch share review Community Advisory Board may address within trawl allocation and comment on trawl/nontrawl allocations as they relate to performance of the catch share program.

This expansion was in response to a CAB request that cited a number of intersector allocation issues that might be relevant to the work of the CAB ([Agenda Item F.6.c, Supplemental CAB Report, November 2016](#)).

. . . the CAB charge covers only providing advice on the blueprint for the five-year review of the catch share program. The CAB requests that Council clarify that the CAB's charge includes the five-year intersector allocation review. Intersector allocations are a key part of catch share program performance. While the composition of the CAB is not fully appropriate for addressing trawl/nontrawl allocation issues, in that there are no representatives of any non-trawl groundfish sectors on the committee, there are within trawl allocation issues that it could address, and the CAB would like to provide its perspective to help inform the trawl/nontrawl intersector allocation review discussions.

The CAB thinks consideration of intersector allocations is necessary to address several areas of concern. The Council has heard from all three whiting sectors that the current allocations of constraining rockfish species are a significant problem and addressing this issue will require consideration of Amendment 21 allocations. There are also trawl/nontrawl issues on which the CAB could help inform the Council process. For example, one area of concern is that Pacific halibut may increasingly become a limiting factor in the trawl fishery as other strategies start to develop with changes in the gear rules and with the rebuilding of canary. Additionally, the CAB would like to express its views on policies and analyses related to a possible re-evaluation of the minimum five percent allocation to non-trawl sectors and accommodation of the needs of the non-trawl sectors through set-aside mechanisms, as described in Agenda Item F.6, Attachment 2. Finally, the CAB would like to see an evaluation of the shift of allocations between sectors that has occurred as species have rebuilt and come out of overfished status.

On initial review, most of the example issue from this paragraph appears to pertain to trawl/non-trawl allocation issues that are outside the scope of the CAB charge. The following appears to be within the scope of that charge.

50. **Within Trawl Intersector Rockfish Allocation:** Allocations of constraining rockfish species are a significant problem for all three whiting sectors.

*Staff note: This item may relate closely to item 37.*



Additionally, the following item from the CAB's previous list appears to be an intersector allocation issue that might go beyond the scope of the CABs charge.

51. **Credit Trawl Sector for Reductions in Stock Assessment Uncertainty:** If management buffers have been reduced, those come before the ACL is determined and therefore benefit all sectors. More of the rewards for these reduction in uncertainty should come back to the trawl sector.

*Staff Note: The catch share review analysis indicates that there has not been enough time for impacts of trawl catch shares to show up in stock assessment results. A reduction in management (uncertainty) buffers would occur if a stock moves from a lower category to higher category assessment. Category 3 (data poor) assessments have larger buffers than Category 2 (data moderate) assessment—the latter of which have larger buffers than Category 1 (data rich) assessments.*

PFMC  
06/14/17