

## GROUND FISH MANAGEMENT TEAM REPORT ON TRAWL CATCH SHARE REVIEW- FINAL REPORT ADOPTION AND PRELIMINARY RANGE OF ALTERNATIVES FOR FOLLOW-ON ACTIONS

In September, members of the Groundfish Management Team (GMT) participated in the Community Advisory Board (CAB). After considering the discussions at that meeting, and reviewing the materials in the briefing book under this agenda item, the GMT offers the following comments and recommendations.

### **Trawl Catch Share Review Document**

**The GMT recommends that the Pacific Fishery Management Council (Council) adopt the West Coast Groundfish Trawl Catch Share Program Five-Year Review, with the modifications to Chapter 4.0 as shown in [Agenda Item F.2, Attachment 5, November 2017](#).**

### **Chapter 4.0 Research and Data Needs**

Chapter 4.0 lists four data needs and four research items that the Council may wish to prioritize for upcoming actions. Some of the items would require coordination between the Council and National Marine Fisheries Service (NMFS), and could potentially result in new rulemakings, and therefore should be examined within the broader context of the groundfish workload and item prioritization. Previously, the GMT recommended these be considered within the omnibus prioritization, which is currently slated for September 2018. However, if the Council would like to move forward on any of these issues earlier, they could be included in the preliminary range of alternatives (ROA) at this meeting, or under new management measures for the 2019-2020 biennium (Agenda Item F.9). If these are included as a new management measures, they should be considered within the overall suite of items being considered and the likelihood that they could delay implementation beyond January 1, 2019.

**The GMT recommends the Council continue consideration of data collection of catcher processor (CP) ownership information as recommended in Chapter 4.** Without this information, it is impossible to monitor consolidation in the CP sector at the individual owner level. Future reviews may also consider individual entity ownership of limited access privileges not just at the sector level, but across sectors at the trawl program level, which will not be possible without this new data collection.

Additionally, the GMT recognizes the hole in economic analyses resulting from the lack of data on quota share (QS) owner costs and revenues. **To address this, the GMT recommends including the Chapter 4 statement identifying the need for this data in the final report**, with the understanding that the Council would weigh implementing this and any other potential future outcomes during workload prioritization and the omnibus process.

The GMT asks that NMFS provide additional information about the workload complexity, and the feasibility of new data collections to help inform the Council's decision about moving forward with the data collections.

## **Chapter 5.0 Recommendations**

**The GMT reiterates our recommendation to change the frequency of reviews to every seven years. Furthermore, the GMT recommends including the complete list of potential actions in Attachment 6 as Council recommendations on issues to be addressed.**

### **Follow-On Action Guidance**

At this meeting, the Council is tasked with developing a preliminary ROA to be analyzed over the winter in order to better inform the final ROA currently scheduled for March 2018. With limited resources for analyses and analysts' time, especially given the 2019-2020 Harvest Specifications workload in the upcoming year, the GMT offers these recommendations on follow-on actions:

### **At-Sea Bycatch Needs**

#### **Set-aside management for all species**

The GMT supports the preliminary ROA for widow and canary rockfish as described in [Attachment 6](#) and **recommends moving this item forward for over winter analysis.**

#### **Changing within-trawl and trawl/non-trawl allocations**

If the Council chooses to move forward with Action Item 27 (removing the Amendment 21 formula for darkblotched rockfish and Pacific ocean perch; [POP]) under [Agenda Item F.9, Attachment 1](#), there would be no need to consider darkblotched rockfish and POP under this follow-on action. **Depending on the F.9 action, the GMT recommends scoping possible changes within-trawl allocations for widow rockfish (and the POP and darkblotched rockfish set aside formula, if applicable) within the follow-on actions schedule. Additionally, the GMT recommends delaying the consideration of the trawl/non-trawl allocation for darkblotched rockfish, widow rockfish, and POP until the omnibus prioritization.** At this time, with the resources available, the GMT does not see an immediate need to assess and change the trawl/non-trawl allocations, especially given the likely minimal benefits.

### **Trawl Sablefish Area Management and Gear Switching**

In September 2017, the Council chose to combine the issues of gear switching and “trawl sablefish area management at 36° N. latitude” for analysis purposes, within the follow-on actions timeline, noting the relationship between the issues and the potential solutions. **The GMT discussed this item at length and recommends that if the gear switching item is moved forward, regardless of the pathway chosen for either issue, that the Council convene the Groundfish Allocation Committee (GAC) and a specially tasked ad hoc workgroup representing the wide range of interested groups (perhaps a modified CAB) to have focused discussions on the purpose, need, and potential alternatives surrounding gear switching.** The GMT believes that it will be optimal to have both groups, together with Council advisory bodies, work in an iterative process to deal with the opposing interests and considerations presented in [Agenda Item F.2.a, Supplemental Attachment 7, November 2017](#). For example, while sablefish is managed north and south of 36° N. latitude, other species harvested by fixed gear should also be considered in the broader context of gear switching.

## Considerations

The GMT discussed the purpose, need, and analysis to date surrounding these two issues. Evidence indicates that sablefish is a constraining species for some vessels in the northern management area. Additionally, individual fishing quota (IFQ) sablefish pounds are increasingly stranded in the southern management area, as shown in Table 1 below.

**Table 1. Uncaught sablefish south quota pounds (QP).**

Year	Uncaught sablefish south QP	% of sector sablefish south QP
2017* to date	1,607,281	93%
2016	1,442,607	83%
2015	1,349,600	85%
2014	1,113,001	77%
2013	1,225,667	92%
2012	629,841	56%
2011	161,104	14%

\*Pounds from the [IFQ Program Balances](#) as of 11/15/2017

Furthermore, the line at 36° N. latitude is not a biogeographic break for sablefish; rather, it is the result of the historical extent of trawl surveys.

After considering the issues, the GMT proposes two options for Council consideration: (1) remove the 36° N latitude line as part of the 2019-2020 management measures, while keeping gear switching on the follow-on actions timeline or (2) include both as follow-on actions. The GMT recognizes that Option 1 would be a departure from the Council's motion in September, but feel there is merit in bringing the concept back for consideration in the broader discussion around new management measures for 2019-2020.

### ***Option 1: Removing the line in new management measures; gear switching in follow-on***

If included as a new management measure for 2019-2020, removing the line at 36° N. latitude could provide additional opportunity to those currently limited in accessing co-occurring stocks and increase attainment of the coastwide stock as early as 2019. However, it may not provide a solution to all of the problems, or concerns, that have been identified in the catch share review and potential impacts, at this time, have not been analyzed.

The GMT does recognize that the analysis needed to consider removing the 36° N. latitude line as a part of the 2019-2020 management measures analysis would require significant time and resources. If the Council moves forward with Option 1, the GMT can discuss the trade-offs of this item in the broader list of management measures under Agenda Item F.9. The GMT provides some preliminary analysis below, to supplement those within the briefing book.

Benefits associated with removing the 36° N latitude line could be considerable. The projected value associated with harvesting the underutilized 2016 southern sablefish quota (1.4 million lbs.) is approximately \$6.0 million in ex-vessel revenue, \$12.1 million in income, and 162 jobs (Table 2). To put this in perspective, the total ex-vessel revenue of the non-whiting IFQ fishery in 2016

was approximately \$32 million (across all gear types). Accordingly, removal of the 36° N latitude line could boost the total ex-vessel revenue of the non-whiting fishery by as much as 19 percent, if all currently unused sablefish south quota could be landed in the north. For perspective, this preliminary analysis shows that the economic benefits are potentially greater than some of the other new management measures considered for the trawl sector (e.g., ~ \$1 million in ex-vessel revenue for allowing sablefish “survival credits” in Action Item #29 as described in [Agenda Item F.9.a, GMT Report 1, November 2017](#)).

**Table 2. Upper bound of potential pounds, ex-vessel revenue, income, and jobs that could result from every 2016 uncaught sablefish south quota pound being landed pro-rata to total 2016 sablefish north quota pound (all gear types) landings.**

		<b>Pounds (thousands)</b>	<b>Ex-vessel Revenue (millions \$)</b>	<b>Income (millions \$)</b>	<b>Jobs</b>
Sablefish	WA	0.07	0.24	0.40	7
	OR	1.18	2.86	5.21	74
	CA	0.19	0.41	0.87	10
Dover/thorny*	WA	0.02	0.01	0.02	0
	OR	4.33	2.07	4.62	61
	CA	1.16	0.55	1.37	16
<b>Total</b>		<b>6.94</b>	<b>6.14</b>	<b>12.49</b>	<b>167</b>

\*Based on the catch ratios used in [Catch Share Review Program Review](#) analysis that examined potential gains in co-occurring stocks with additional trawl sablefish quota: 4.95 dover:sablefish, 0.63 longspine:sablefish, 0.5 shortspine:sablefish

Preliminary analysis suggests that accumulation limits could be set at a “neutral level” of 4.7 percent, where no one would be required to divest beyond current limits. The corresponding “neutral” vessel limit would be 7.1 percent (Table 3 of [Agenda Item F.2., Attachment 6, November 2017](#)). However, increasing to these neutral vessel limits would allow fewer entities to harvest the entire coastwide allocation (i.e., higher vessel limits may lead to a smaller number of more efficient vessels harvesting the entirety of the quota pounds). The Council could also choose to keep the lower northern 3.0 percent accumulation limit and 4.5 percent vessel limit. Based on 2016 QP usage, both vessel limits would cover the maximum sablefish taken. As described in [Agenda Item F.2., Attachment 6, November 2017](#), there is uncertainty associated with QS control levels as only limited information is available.

In addition to looking at the economic impacts, the analysis for removing the line should look at the potential shift in gear type used in the IFQ sector coastwide and the cumulative impacts to the environment and other sectors. For example, public testimony in response to the Five Year Review report indicate that there are potential gear conflicts and localized depletion of sablefish stocks in some southern California ports.

Even if the Council were to move forward with removal of the 36° N latitude line without altering gear switching rules, the GMT notes that as long as progress is being made, the control date

established by the Council could still be used in any future gear switching focused alternatives or actions. On the current timeline, the Council is tasked with selecting a final ROA for follow-on actions in March. Any analysis done over the winter to inform the impacts of removing the 36° N. latitude line as a new management measure could be brought forward under the catch shares review final ROA. At that time, the Council could choose to keep the line in the 2019-2020 management measures analysis or include it and gear switching in the final ROA.

### ***Option 2: Keeping both in follow-on***

As was noted in the Council discussions in September, assessing both removing the 36° N. latitude line and limiting gear switching together could be beneficial, as actions could impact one another. The underlying problem could be more fully understood, and a long term solution identified, if both are considered together. The GMT recognizes that while Option 1 may provide action more expediently, it could be a short term fix to a bigger problem and take up significant time and resources without dealing with all aspects of the issue at hand.

On the current schedule, the Council would need to develop the final ROA by March and would select a preliminary preferred alternative (PPA) in September 2018. Considering the other items on the Council's agenda, the GMT is concerned about the feasibility of developing the final ROA by March for both items, identifying a PPA by September, and whether or not this would be enough to time to fully understand the interactions between both items. The Council has currently prioritized action on essential fish habitat (EFH) and rockfish conservation area (RCA), and implementation of the gear regulations package remain along with all the other rulemakings in the pipeline. In this context, any action would likely not be implemented until 2020 or 2021 at the earliest.

## **Shorebased IFQ Non-Whiting Aggregate Limit**

The GMT understands that the Northwest Fisheries Science Center (NWFSC) is working with the author to update the original analysis of the current aggregate limit and believes that this information may best inform potential changes to the limit. As such, upon weighing the extensive analytical workload associated with this and other items moving forward on this list against potential benefits from each action, **the GMT recommends delaying consideration of this item until the omnibus prioritization process.** As the weightings are a part of the non-whiting aggregate limit, the GMT will comment on this item when the data has been analyzed further.

## **Shorebased IFQ Sector Harvest Needs**

The two subheadings under this topic (as described in [Agenda Item F.2, Attachment 6, November 2017](#)) are closely related, as evidenced in the similarity of the alternatives considered under each. **The GMT therefore recommends collapsing the overlapping alternatives under this heading and adopting the preliminary ROA as follows:**

Alt 1: Status quo.

Alt 2: Allow post-season trading for accounts in deficit (include an annual end date).

Suboption A: Relief from quota pound (QP) limits during post-season trading.

Suboption B: NMFS converts unused annual catch limit (ACL) to QP and sells to vessels with deficits.

Alt 3: Eliminate September 1st QP expiration (applies to QP not transferred to vessel accounts).

Of note, this ROA removes the alternative for raising annual QP limits, which the Council considered for inclusion in the 2019-2020 new management measures in September.

The GMT discussed [Agenda Item F.2.a, Supplemental NMFS Report 1, November 2017](#) and does not think that post-season trading should be made available to all vessel accounts. The GMT believes the initial intent behind allowing post-season trading was to create a mechanism for non-utilized quota to be purchased by vessels in deficit within their QP account in order to cover overages. However, this program as proposed would enable fishermen to acquire QPs in excess of the vessel limit, in order to both cover their overages and keep them from being further penalized in the following year (i.e. using next year's QPs to cover last year's overage).

## **CP Accumulation Limits**

**The GMT recommends that the item move forward for preliminary analysis.** After review, the GMT believes that the preliminary ROA described in [Agenda Item F.2.a., Supplemental CAB Report, November 2017](#) provides an adequate range for analysis. However, the Council may want to consider including the lower limits adopted in June, of four permits and a 45 percent processing limit in the range.

## **Recommendations**

**The GMT recommends:**

- 1. the Council adopt the West Coast Groundfish Trawl Catch Share Program Five-Year Review, with the modifications to Chapter 4.0 as shown in [Agenda Item F.2, Attachment 5, November 2017](#)**
- 2. the Council continue consideration of data collection of CP ownership information as recommended in Chapter 4.**
- 3. including the Chapter 4 statement identifying the need for this quota share owner cost and revenue data in the final report.**
- 4. changing the frequency of reviews to every seven years.**
- 5. including the complete list of potential actions in Attachment 6 as Council recommendations on issues to be addressed.**
- 6. At-sea Bycatch Needs**
  - a. moving set aside management for canary and widow rockfish forward for over winter analysis.**
  - b. depending on the F.9 action, scoping possible changes to the within-trawl allocations for widow rockfish (and the POP and darkblotched rockfish set aside formula, if applicable) within the follow-on actions schedule.**
  - c. delaying the consideration of the trawl/non-trawl consideration for darkblotched, widow rockfish, and POP until the omnibus prioritization.**
- 7. Trawl Sablefish Area Management and Gear Switching**
  - a. regardless of the option chosen, the Council convene the Groundfish Allocation Committee and a specially tasked ad hoc workgroup representing the wide range of interested groups (perhaps a modified CAB) to have focused**

**discussions on the purpose, need, and potential alternatives surrounding gear switching.**

- 8. Shorebased Non-Whiting IFQ Aggregate Limit**
  - a. delaying consideration of this item until the omnibus prioritization process.**
- 9. Shorebased IFQ Sector Harvest Needs**
  - a. collapsing the overlapping alternatives under this heading and adopting the preliminary ROA as described above.**
- 10. CP Accumulation Limits**
  - a. this item move forward for preliminary analysis.**

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