

From Jeff Lackey  
Newport, Oregon

Mr. Phil Anderson, Chairman,  
Pacific Fishery Management Council  
7700 NE Ambassador Place, Suite 101  
Portland, OR 97220

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Dear Chairman Anderson and Council Members:

Fixed gear interests have made different claims concerning gear switching during the five year review process. Below is an attempt to state their arguments as summary statements for the purpose of analysis & response. First the claims and then the response.

**Fixed Gear Claims:**

- 1) Dover markets: The processors don't want dover and there are not markets for more dover, now or in the future.
- 2) Sable impact on bottom trawl attainment: There is no connection between trawl sable quota availability (& price), and the attainment of dover, shortspine thornyheads, longspine thornyheads, and other species typically landed on bottom trawl trips.
- 3) Stranded Quota: Hundreds of thousands of pounds of sable goes unharvested every year.
- 4) 2017 unharvested quota: Over a million pounds of northern sable quota has not been harvested as of early November, so this is proof that there is sable available.
- 5) Investment: Fixed gear participants have invested in the fishery, so they should not be limited in any way to continue harvesting with fixed gear and even increase their attainment.
- 6) 36 Line Removal: Removing the 36 line will make enough fish available for the trawl fleet.
- 7) Gear switching as a part of the program: Gear switching is an intended part of the catch shares program, so it should continue without much alteration to its current form.
- 8) Race for fish: Putting some type of cap on fixed gear attainment in the trawl fishery will create a race for fish.
- 9) California dilemma: The further south in California you go, the opportunity and infrastructure for a groundfish fishery lessens and eventually disappears, so any actions on line removal and gear switching should take California's situation into consideration, and hopefully allow some opportunity until a groundfish fishery can be rebuilt.

**Response To Fixed Gear Claims:**

- 1) Dover markets: The processors do want dover, as well as other groundfish species, and the processors believe the markets can be rebuilt. There are important points that fully support this:
  - a. Processors signed onto an industry letter stating a 100% - 15 million pound increase per year in dover attainment was an attainable goal. They believe markets can be rebuilt, but it is not done overnight.

- b. There have been larger markets for dover and other groundfish species in the past. The bottom trawl fishery lost 12-17 million pounds per year in catch in certain bottom trawl dominant species (I-5 species: all ifq species minus hake, yellowtail, widow, sable, & petrale) with the introduction of catch shares, so rebuilding markets to at least pre-catch shares level is a reasonable and logical goal.
  - c. I-5 species catch isolates & quantifies the health of the bottom trawl fishery and the impact of sable
    - i. 2009 I-5 catch: 44 million lbs
    - ii. 2016 I-5 catch: 27 million lbs
- 2) Sable impact on bottom trawl attainment: Availability and price of sable quota absolutely impacts attainment of bottom trawl dominant species. Below are some important points:
- a. Sable quota availability at a reasonable price affects bottom trawl attainment because sable allows:
    - i. Groundfish catch with sable as an incidental catch species
    - ii. Efficiency of targeting strategies that affects profitability
    - iii. An increased value of a groundfish trip to make bottom trawling financially feasible and worthwhile for both the trawl vessel and the processor
  - b. It is just logical that more sable to trawlers equals more of all other species. Just stand at the dock and watch a fixed gear vessel offload and then a bottom trawl vessel offload.
  - c. The five year review document states “The utilization of sablefish by the fixed gear fishery has contributed to the decrease in attainment of Dover sole and thornyheads by vessels fishing with trawl gear.” A range of 3 to 9.5 million pounds per year in lost dover catch is estimated by the five year review document; however, the 9.5 million is more likely since the current bottom trawl ratio of 5:1 for dover: sable is used for that high end estimate.
- 3) Stranded Quota: Much has been made of the 388,075 sable-north QP unharvested in 2016, but a full analysis of the numbers and an understanding of the individual incentives inherit in the program lead to a different conclusion that one might otherwise have.
- a. 310,893 QP of the 388,075 were carried over into 2017. Because sable is in demand, individuals keep a certain amount of it on hand if possible, and then what they don't use, they intentionally carry it over to the next year. The 77,182 QP from 2016 that were stranded represent 1.5% of the 5,315,874 sable-north allocation. The 1.5% stranded quota does not show that there is sufficient quota for trawlers; all it does show is that some people could plan ahead differently in the future to prevent stranding their quota, and I suspect as this program continues along, they will do so. The stranded sable-north quota in 2015 was 1.0%.
  - b. To understand the math, think of things this way: If a species has an annual allocation of 5,000,000 lbs, and 500,000 lbs is carried over annually, and 5,000,000 lbs are caught annually, then there is no stranded quota and no reduction in catch. It would only be in the first year of carryover that there would be lost catch. The remaining years would just represent individuals executing their fisheries as they see fit in using the carryover rule.
- 4) 2017 unharvested quota: Much has been made of the more than one million pounds of sable north quota not yet harvested as of mid October to early November, but a full analysis of the numbers and an understanding of the context leads to a different conclusion that one might otherwise have.

- a. 2017 actually is running about 350,000-450,000 lbs of less available sablefish quota compared to the same time in 2016. Since 2016 saw only 1.5% of sable-north quota stranded, and had 350,000-450,000 more lbs available, then one would expect less than 1.5% stranded quota for 2017.
  - b. Vessels holding onto sable quota until late in the year is common; There is strong sablefish fishing effort at the end of the year for a few reasons:
    - i. Some bottom trawl vessels participate in the shrimp or hake fisheries before switching over to bottom trawl the last couple months of the year.
    - ii. Hake vessels hold onto sable quota for incidental catch until the hake season is done, usually in early November, and then the quota is utilized at the end of the year. There was over 200,000 lbs of sable catch in the shoreside whiting fishery in 2017, so hake vessels keep sablefish quota.
    - iii. Some fixed gear vessels fish later in the year. One fixed gear boat had over 100,000 unused QP of sable-north in its vessel account at the end of October this year.
  - c. As stated previously, some individuals hold onto sable QP for carryover into the next year as an intentional business / fishing strategy.
- 5) Investment: Fixed gear vessels have made investments, but trawl vessels and processors have also made investments with the full intention of getting the most from the trawl fishery, particularly with the expectation that was given trawlers and processors that target species attainment would increase with catch shares; yet bottom trawl target species attainment has significantly declined.
- 6) 36 Line Removal: Some important point can be made about potential line removal:
- a. Removing the line without a significant cap on fixed gear attainment would increase fixed gear attainment, exacerbate the problem, and further decrease the future capacity of the bottom trawl fishery.
  - b. The average annual sable trawl harvest in the four years prior to catch shares was 2,745 mt/year. In the four years after catch shares it was 1,470 mt/year. Even if the north-south sable line were removed and 15-25% more sable was added to the trawl harvest, it would not get the trawl sector close to pre catch shares levels.
  - c. It has been suggested that the 36 line removal could provide enough fish to solve any perceived problems; however, all of the coast-wide 7+ million pounds of trawl sable allocation could be used by the trawl fishery to allow for catch of other groundfish species. A 15 million pound increase a year in dover catch at the current 5:1 ratio would require 3 million pounds extra sable; throw in an increase in longspine thornyhead targeting and accounting for high sable catch years in the hake fishery (like 2017), and all of the 7+ million pounds of trawl sable allocation is accounted for. Therefore, every pound of trawl sable ifq moved to fixed gear sector represents forgone future capacity and compromising the program's ability to provide for the fullest utilization possible.
- 7) Gear switching as a part of the program: It has been pointed out that gear switching is a part of the catch shares program; this is true, but so is the five year review. As stated in the program EIS, the directive was to "design a responsive mechanism for program review, evaluation, and modification." If that is the case, then modification is certainly needed for the bottom trawl sector when looking at program goals and objectives like "provides for full utilization of the trawl sector allocation" and "promote measurable economic and

employment benefits through the seafood catching, processing, distribution elements, and support sectors of the industry.”

- 8) Race for fish: It has been claimed on many occasions that a cap on fixed gear attainment will create a race for fish. While it is possible to make a cap in such a way to create a race for fish, no alternatives have been suggested that would do so. The alternatives that have thus far been put forward, such as alternatives 5-7 in the September GAP statement, absolutely do not create a race for fish. There is already a race for quota in the trawl sector as vessels line up lease deals a year in advance to beat others to the punch. A race for quota is not a race for fish, and cannot be accurately characterized as such.
- 9) California dilemma: People acknowledge that conditions in California, particularly the further south you go, are very different and challenging. A couple points about this:
  - a. While the gear switching and 36 line issue moves forward, it would seem appropriate to take California’s different challenges into consideration, but still keeping a long term goal in mind to allow for rebuilding of California groundfish fishery and infrastructure. What this means for possible solutions, it is difficult to say; there does not seem to be any immediately apparent easy answers.
  - b. California’s loss of infrastructure and degradation of its groundfish fishery should serve as a cautionary tale for Oregon and Washington. We should be alarmed at the immediate loss in bottom trawl attainment with the implementation of the catch shares program and the loss in employment that this year round fishery facilitates.