

## SUMMARY OF SABLEFISH AREA MANAGEMENT AND GEAR SWITCHING ALTERNATIVES

This document summarizes the alternatives and elements of options for limiting gear switching.

The overall alternatives for area management and gear switching include: status quo, elimination of the trawl sablefish management line at 36° N. latitude., elimination of the line with mitigation to limit gear switching, and no modification of the line but a limit on gear switching.

### **Sablefish Management and Gear Switching Alternatives**

**Sablefish Conflicts Alternative 1: Status Quo.** Trawl allocation is divided north and south of 36° N. latitude. Vessels with a trawl permit can use any legal groundfish gear to harvest their trawl allocation.

**Sablefish Conflicts Alternative 2: Eliminate Line.** For trawl sablefish, eliminate the management line at 36° N. latitude. After determining all allocations as required under the FMP (including tribal, open access, and limited entry fixed gear) merge the trawl northern and southern sablefish allocations into a single management unit.

**Sablefish Conflicts Alternative 3: Eliminate Line and Mitigate.** Same as Alternative 2, but as a mitigation measure, designate certain ~~QS~~ and related ~~QP~~ quota as eligible for gear switching and certain ~~QS/QP~~ quota as only eligible for use with trawl gear.

**Sablefish Conflicts Alternative 4: Restrict gear switching (leave the 36° N. latitude line in place).** A limit on gear switching itself might potentially address the purpose and need for action (rather than a gear switching limitation as a mitigation measure for elimination of the line).

Within these alternatives, the Council and its advisors (the CAB [Community Advisory Board] and GAP [Groundfish Advisory Panel]) have been developing options for the provisions that would limit gear switching. The gear switching provisions would be used either as part of eliminating the line and mitigating by restricting gear switching (Alternative 3) or restricting gear switching without eliminating the line (Alternative 4), except that CAB proposal F would eliminate the line and so could be part of Alternative 3 but not Alternative 4. CAB proposals C and E present a hybrid between Alternatives 3 and 4 in that they do not eliminate the 36° N. latitude line but they allow southern quota to be fished north of the line, as long as it is with trawl gear. South of the line, the quota could continue to be fished with any gear.

A summary of the central elements of CAB, Council, and GAP identified gear switching options is provided in Table 1. See the appendix to the [Agenda Item F.2.a Supplemental CAB Report 1](#) for a complete description of the CAB proposal and the September 2017 [Agenda Item E.7.a GAP Report 1](#) for a complete description of GAP options.

Table 1. Central elements of the options for limiting gear switching.

	Limit Number of Gear Switchers		Cap Amount of Gear Switching by an Entity (Cap Not Associated with a Quota Designation)	Quota Designation (Cap Fleet Gear Switching by Designating Quota as Trawl Only or Any Gear)	Control Date <sup>a</sup> and Other Elements
	Grandfather Existing Gear Switchers (Permit, Vessel, or Ownership Based).	Active Trawler Designation (Applies to Vessels)			
<b>CAB Alternatives (October 2017)</b>					
<b>CAB - Proposal A</b>	Qualify trawl limited entry permit (LEP) for a gear switching endorsement (GSE)	No	Annual vessel QP limit for vessels with a GSE LEP <sup>b</sup> No gear switching for non-qualified entities	No	Control Date
<b>CAB - Proposal B</b>	Qualify LEP for GSE	No	Limit each GSE LEP to its maximum historic catch, transferable with the permit (poundage or QS percent) <sup>c</sup> No gear switching for non-qualified entities.	No	Control Date
<b>CAB - Proposal C</b>	Qualify LEP for GSE	No	70 % of the annual vessel QP limit for vessels with a GSE LEP. No gear switching for non-qualified entities.	Allow southern sablefish quota to be fished north of 36° N. Lat. but only with trawl gear.	Control Date
<b>CAB - Proposal D</b>	Vessels meeting a qualifying requirement would receive an "Active Trawler Exemption" that continues until 50% of the vessel's ownership changes.	Each year, designate active trawlers based on previous year.	Annual vessel QP limit for active trawlers and exempted vessels (grandfathered existing gear switchers). No gear switching for other entities	Each year, every QS holder would receive 80% of their QP as trawl only and 20% as trawl or fixed gear. <sup>d</sup>	Control Date
<b>CAB - Proposal D (modification)</b>	Same as Prop D  (Note that under this modification the vessel receives the "Active Trawl Exemption" but the QS owners with a link to a vessel would qualify for receiving 50% of their QS as eligible for any gear, as specified two columns to the left)	Same as Prop D	Same as Prop D	Each year, every QS holder would receive 85% of their QP as trawl only and 15% as trawl or fixed gear, except QS owners with vessels that caught at least half their QS with fixed gear (2011-2016) would receive 50% of their QP as trawl or fixed gear. <sup>e</sup>	Control Date
<b>CAB - Proposal E</b>	Exemption for gear switching vessels.	No	For exempted vessels: Annual vessel QP limit. For entities owning at least 0.15% sablefish QS prior to the control date and with common ownership between the QS account and the vessel: a gear switching cap of twice the amount of sablefish QS owned. For all others: a 0.3% cap for sablefish north.	Allow southern sablefish quota to be fished north of 36° N. Lat. but only with trawl gear.	Control Date
<b>CAB - Proposal F</b>	Vessels in the trawl sector (including gear switching vessels) receive a gear switching designation. Vessels newly entering the fishery would not be able to gear switch.	No	Not specified (implies at least the annual vessel QP limit)	Reserve quota for trawl permits.	Control Date  Eliminate the 36° N. lat. line for trawl.
<b>Council Options (Sept 2017)</b>					
Council – Interpretation 1 <sup>f</sup>				QP Designation ("any gear" and "trawl-only"; no QS designation). Each year allocate QP with these designations to QS holders (similar to CAB Proposal D)	
Council – Interpretation 2				QS Designation ("any gear" and "trawl-only"). Method of allocating QS to be determined.	
<b>GAP Options September 2017</b>					

	Limit Number of Gear Switchers		Cap Amount of Gear Switching by an Entity (Cap Not Associated with a Quota Designation)	Quota Designation (Cap Fleet Gear Switching by Designating Quota as Trawl Only or Any Gear)	Control Date <sup>a</sup> and Other Elements
	Grandfather Existing Gear Switchers (Permit, Vessel, or Ownership Based).	Active Trawler Designation (Applies to Vessels)			
GAP 1 (no action)					
GAP 2: Control Date Only					Control date only
GAP 3: Gear Switching Endorsements.	See CAB proposals A and B.				Control Date
GAP 4: Nonrawl gear use QP limit = 50% of vessel QP use limit.	See CAB proposal C (except GAP recommended 50%).				Control Date
GAP 5: Gear designated QP allocated each year to all sablefish QS holders	See CAB Proposal D				Control Date
GAP 6; Soft Cap <sup>g</sup>	Establish a qualifying requirement for participants eligible to gear switch.		Establish a target for the desired amount of gear switching then set a gear-switching annual vessel QP limit for qualified vessels, such that modelling shows the target would be achieved.		Control Date
GAP 7(a) <sup>h</sup> Phase-out all gear switching				(Method for limiting gear switching not yet specified)	
GAP 7(b): Phase-out gear switching, except for designated active trawlers		Required to gear switch		(Method for limiting gear switching not yet specified)	

<sup>a</sup> Use of a control date is specified in the alternative or highly likely.

<sup>b</sup> For sablefish north of 36° N. latitude the current annual vessel QP limit is 4.5%. A determination needs to be made as to the status of other species under the gear switching limit, e.g. lingcod.

<sup>c</sup> The written version of the proposal references caps based on QP but the proponent has indicated that this might be interpreted as a percentage based cap.

<sup>d</sup> The percentage allocated as fixed gear QP could also be tapered off, for example, starting at 28% and reduce by 2% a year until 16% is reached.

<sup>e</sup> The opportunity for a QS owner to receive 50% as trawl or fixed gear QP would apply only to those QS that were owned as of the control date.

<sup>f</sup> The motion was “Gear switching: no action; cap on amount of sablefish quota used with fixed gear (percentage based); reserve a portion of sablefish quota for use only with trawl gear (percentage based). . . .” While the term “percentage based” was used, it was not clear whether the intent was to reference a percentage of the QP issued each year or the amount of QS that would be designated as eligible for use with fixed gear or trawl only. Therefore, two interpretations are offered here.

<sup>g</sup> The active trawler exemption and taper requirements could be used with this option (see GAP 5).

<sup>h</sup> Possibly explore in conjunction with increasing the stacking limits in the fixed gear stacking program.

## **Questions to Consider in Further Development of Options**

Full development of these options will require considering and addressing to at least some degree for the eight design factors listed in Agenda Item F.7, Attachment 7 and discussed here in greater detail in relation to six questions. These questions do not need to be resolved at the November 2017 Council meeting.

### **What is the Method of Limiting Access?**

Several means of further limiting access have been identified:

- A gear switching endorsement attached to a qualified permit
- An annual determination of a vessel's ability to gear switch based on previous year trawl activities and a vessel-based exemption from limits on gear switching
- Restricting the amount of gear switching by particular entities
- Designation of some quota (quota share [QS] or quota pounds [QP]) as trawl only (with the remainder being designated as eligible for catch with any gear)

### **What would be the Scope and Geographic Extent of Gear Switching Restrictions/Privileges?**

For each method for limiting access, to what degree would gear switching be limited/allowed (what amount of gear switching would be allowed)?

What species are covered by the gear switching restrictions and privileges? Sablefish has been the main focus of discussion. For each option considered, is the intent to limit/allow gear switching for all species (including, for example, lingcod) or just sablefish? Similarly, what is the geographic scope of any proposed limitation or allowance? Sablefish is the only individual fishing quota species that is split north and south of 36° N. latitude. Would this line also be used to delimit an area in which gear switching is allowed from an area from which it is not? Even though sablefish is the main focus, gear switching could be limited north of some other line and allowed south of the line, or *vice versa* (for example 40° 10' N. latitude). Such a change could be implemented without changing any of the designations on QS or QP or the 36° N. latitude line.

For proposals that would change the designation of sablefish north quota, to allow some quota to be reserved for use only with trawl gear and other to be used with any gear (gear switched), would there be any reason to also limit gear switching for other types of quota?

### **What Entity Qualifies for the Designation?**

Closely related to the method of limiting access, which includes identification of the entity whose access would be limited, is identification of the entity that would be evaluated to determine qualification. For example, limited entry permit history might be evaluated to determine whether the limited entry permit qualifies for a sablefish endorsement. However, it would also be possible to evaluate the history of a vessel or the vessel owner and provide an endorsement for a limited entry permit currently associated with that vessel or vessel owner.

The choice of the entity that meets qualification criteria (together with the criteria) has implications for such things as the consideration of recent and historic participation, fairness and equity, and administrative burden. For example, if criteria are based on the activity of owners, then after a control date there may be only limited opportunity for new entry into the activity, until the new limitation policy is completed and implemented. This is because it would be difficult for a newly entering owner to meet qualification criteria. Thus, their new investments might be placed at risk. On the other hand, if the activity of a vessel or permit is evaluated to determine qualification, then during policy development new fishermen may enter the fishery as owners by acquiring a vessel or permit (this also would allow for exit by, for example, those wanting to retire).

Limitations of the data system may limit the ability to allocate based on certain entities. For example, a reallocation of QS among QS owners based on the use of related QP would be difficult, since QP are transferred to and between vessel accounts and there is not a direct link between the QP and the QS account that originated the QP. However, it might be possible to establish a qualification criteria based on a link between ownership of a QS account and the ownership of a vessel or vessel account, where such links exist.

### **What are the Qualifying Criteria?**

Once the entity that must qualify is identified, then the criteria that they must meet in order to qualify need to be determined. A September 15, 2017 control date is in place to support development of the qualifying criteria.

One issue to be addressed is the link between the qualifying criteria and the scope of the restriction. For example, some of the preliminary ideas and data have focused on qualifying criteria based on sablefish north of 36° N. latitude. If that focus is maintained but the scope of the restriction is gear switching for all species or sablefish in all areas, a rationale would need to be provided justifying the link between the northern sablefish focused criteria and the more extensive restrictions.

### **What are the Transferability and Aggregation Rules?**

What are the transferability rules? Can a harvest privilege be transferred to a new owner or vessel, or to a different permit? Can a privilege be accumulated to allow an entity to engage in increasing amounts of gear switching?

### **What is the Duration of the Restriction/Privilege?**

A few possibilities include no expiration (indefinite), a sunset date, a phase down or out, and expiration with transfer of ownership.

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