

Appendix – Draft Alternatives for Sablefish Area Management and Gear Switching

The alternatives provided in this appendix were developed by individual members of the CAB, often after extensive consultation with other members, but have not yet been discussed in detail by the CAB. They are not presented in any particular order of priority.

Proposal A – Gear Switching Permit Endorsement – Landings Capped at Annual Vessel QP Limit

CONCEPT: Establish a gear switching endorsement that would be attached to a trawl permit and required for gear switching in the shorebased IFQ fishery. The endorsement would transfer with the trawl permit.

Qualification: The endorsement would be issued for any trawl permit with which non-trawl gear was used to harvest shoreside IFQ prior to September 15, 2017.

Qualified Permit Privileges/Restrictions: Status quo. The amount of groundfish a gear-switching endorsed vessel could catch with nontrawl gears would be limited only by existing annual vessel QP limits.

Non-qualified Permits Restrictions: Vessels with trawl permits that do not have a gear switching endorsement would not have the option to gear switch.

Proposal B – Gear Switching Permit Endorsement – Landings Capped Based on Permit History

CONCEPT: Establish a gear endorsement for fixed gear [gear-switching] on the trawl permit. There's precedent for this—for example, limited entry trawl permits are already endorsed for trawl gear, and adding fixed gear to the permit can be done relatively easily and inexpensively. NMFS has indicated that an endorsement on a permit is easier to do and is far less expensive and/or complicated than trying to assign a percentage of quota share that could be caught with fixed gear or limited to trawl.

Qualification: Establish a threshold of participation for a permit to qualify for a gear endorsement i.e. 70,000 pounds in any one, two, or three years during 2011-2017 or a total of 250,000 pounds from 2011-2017. The intent is to include those fishermen with significant investment and participation in the fishery. (The poundage in this example is for illustration only; it would be based on a percent of the total quota).

Qualified Permit Privileges/Restrictions:

1. A trawl permit that qualifies for a fixed gear (FG) endorsement would continue to be able to land up to the maximum of any one year's landings. In other words, if the maximum pounds of sablefish you've landed is 100,000 pounds in any one year during 2011-2017, that would be the poundage limitation on your FG endorsed permit. Stacking of permits would also be allowed, up to a vessel cap.

2. A trawl permit endorsed for FG can continue to lease sablefish from trawl fishermen, up to their maximum catch of any previous year. For example: If you own 20,000 pounds of sablefish quota but have leased 90,000 additional pounds, and that is the most you have ever landed in one year of the program, you can continue to lease up to the maximum of any one year's landings.
3. A trawl permit endorsed with FG can be leased to a trawler who wishes to newly start fishing with FG, but a limit on the total pounds allowed to be fished with FG would still be the maximum poundage in any one year that qualified the original permit for the FG endorsement.

Proposal C – Gear Switching Permit Endorsement – Individual Vessel Landings Capped at 70 Percent of the Annual Vessel QP Limit

CONCEPT: Use the control date (September 15, 2017) to accommodate current participation, along with a minimum catch requirement during a window to demonstrate significant participation in the fishery.

Southern Sablefish Quota: Allow southern sablefish quota to be used in the north but only by trawl gear. This will add a significant amount of sablefish to the trawl sector.

Qualification (Same as Proposal B): Establish a threshold of participation for a permit to qualify for a gear endorsement i.e. 70,000 pounds in any one, two, or three years during 2011-2017 or a total of 250,000 pounds from 2011-2017.

Qualified Permit Privileges/Restrictions: Only allow 70% of a vessel cap to be harvested with fixed gear. Any remainder of the vessel cap needs to be harvested with trawl gear. Rationale – This accommodates fixed gear participation while providing additional sablefish to the trawl sector.

Non-Qualified Permit Privileges/Restrictions: Gear switching would not be allowed for vessels that do not qualify for an endorsement.

The trawl permitted fishermen on the GAP using fixed gear offer the following general comments to the trawl alternatives under gear switching. Trawl permitted fishermen using nets for the last 7 years have sold and leased their quota shares, including sablefish, to many entities. Their alternatives that now include "caps" are designed to diminish those same fishing use privileges, in order to limit and exclude trawl permitted fishermen using fixed gear. Any "cap" on landings of trawl IQ fish by fixed gear will create a race for fish, and also decrease the value of the trawl permits and quota share fished by trawl-permitted fishermen using fixed gear.

Proposal D – Fixed Gear QP Cap with Active Trawler Designation and Exemption
(alternative #5 from September 2017 GAP Statement)

CONCEPT: Each year, designate a proportion of the annually issued QP as trawl only and a portion as trawl or fixed gear eligible. Only vessels designated as active trawlers in IFQ catch shares are allowed to participate in gear switching (and those eligible for an exemption to this requirement).

Fixed Gear QP Cap -- Plan Framework: First, set a fixed gear attainment aggregate cap percentage; for example, 20 percent. 80 percent of quota pounds will be designated as trawl only. The other 20 percent fixed gear eligible, but can be harvested with trawl gear. Next, every year, all QS owners receive 20 percent of their sablefish QP as fixed gear eligible and 80 percent trawl only. For those who want to harvest more than 20 percent of their quota with fixed gear, they can trade with others and acquire up to the vessel limit.

Taper: A seven year taper could also be used with this alternative. Start at a 28% cap and taper down 2 percent a year to 16 percent.

Qualification - Active Trawler: To be designated an active trawler in a given year, a vessel will have a bottom trawl declared catch of total IFQ groundfish species exceeding a certain amount; for example, 100,000 lbs. There could be species not counted towards that 100,000 lbs, such as primarily mid-water caught species and sablefish itself.

Qualification - Active Trawler Exemption: Vessels that have participated in IFQ gear switching to this point would receive an exemption from the active trawler requirement. The exemption remains until a majority of vessel ownership permanently leaves the fishery.

Qualified Vessel Privileges/Restrictions: Eligible to gear switch using pounds designated for trawl or fixed gear. Qualified vessels could fish up to the annual vessel QP limit.

A modification that could be added on to this method would be adding a benefit to entities that own quota and have fished fixed gear:

- . 1) Start with the base idea of every year that every quota share holder gets the same percentage (15%) of their sable quota as fixed gear eligible quota pounds and the remainder as trawl only pounds. Then people can trade and lease the two types of quota as they see fit.
- . 2) Use the previously set control date for purposes of sable quota ownership and fixed gear participation for the following:
 - . a) For quota share owners whose vessel averaged catching at least half of their owned quota share amount (as of control date ownership) with fixed gear (2011-2016), they get 50% of their sablefish quota pounds each year in fixed gear eligible quota pounds and the rest in trawl only quota pounds.
 - . b) This is only for the quota share they owned on the control date. This does not apply to quota share purchased after the control date.

- c) This benefit is not transferable. Once a majority of the vessel ownership leaves the fishery, the benefit goes away, and the amount of yearly sablefish fixed gear eligible percentage quota pounds then becomes the same amount as everybody else (15%).
- 3) This option does the three things that different groups have wanted:
 - a) Limits fixed gear catch
 - b) Keeps the gear switching option for all trawlers
 - c) Gives a benefit to those that have owned quota share and fished fixed gear, for as long as they stay in the fishery.

Proposal E –Trawl Only Harvest of Southern Sablefish Quota in the North and Vessel Based Allowances/Restrictions for Gear Switching

CONCEPT: increase trawl access to sablefish and limit QP for harvest with non-trawl gear (leave 36 line North Latitude)

Increase access to sablefish n QP for harvest with trawl gear: Allow Sablefish South to QP to be harvested with TRAWL GEAR ONLY North of 36 N.

Limit QP available for harvest with non-trawl gear (gear switching): Except for qualified vessels, establish new non-trawl only vessel limits for Sablefish North QP that is linked to ownership of QS.

Qualification:

To qualify, the vessel must have landed a minimum amount of Sablefish North QP using non-trawl gear prior to 09/15/17 (control date). ie: Vessels that have landed 100,000 lbs or more of Sablefish North QP in the IFQ program using non-trawl gear prior to 09/15/17 (control date) are qualified to continue to harvest up to a standard vessel cap using non-trawl gear. (See Example 1)

Qualified Vessel Privileges/Restrictions: Status quo. Continue to harvest up to a standard vessel cap using non-trawl gear (the existing vessel limit of Sablefish North QP of 4.5%--equivalent of 239,726 pounds under the 2017 shorebased trawl allocation.

Non-Qualified Vessel Restrictions (Sablefish North Opportunities):

Vessels Owners that Own QS Prior to September 15, 2017

New Vessel Limit/Cap of QP Available for harvest with Non-Trawl Gear only tied to QS Ownership: Establish a new non-trawl gear only vessel limit of 200% of QS owned for vessel owners who owned Sablefish North quota shares (of at least 0.15%) as of 9/15/17 (control date) and can prove common ownership between the vessel and QS. Vessel will be limited to this new cap for harvest with non-trawl gear, but can harvest additional

pounds up to an existing vessel cap of 4.5% of Sablefish N using trawl gear and can harvest Sablefish S. North of 36 line. (See Example 2)

Vessel Owners that Do Not Own Sablefish North QS Prior to September 15, 2017

New Vessel Limit for QP Available for harvest with Non-Trawl Gear for New- Entrants: Establish a new non-trawl gear-only vessel limit for Sablefish North QP of 0.3% (equivalent of 15,000 pounds under the 2017 shorebased trawl allocation) for vessels that do not meet qualifications and do not own QS.. (See Example 3)

NOTES ON THIS CONCEPT:

- The three areas of this concept (Qualification, restriction and increased availability to trawl QP) need to remain coupled.
- Specific numbers used in this concept for qualification criteria and vessel cap limits (100,000 lb landed, .15% Ownership criteria, 200% of QS owned and .03% for new entrant vessel caps) are starting points for discussion. These numbers may require further discussion at the CAB and may be refined or have additional options added for analysis.
- Vessel Accounts and QS Accounts need to be linked to allow for data collection. While this link will not provide a full picture of QP leasing, it will provide some visibility to help begin to understand how much QP is being harvested by QS owners and how much is not. Suggest that this is done as soon as possible regardless of if this ultimately becomes mechanism for Gear Switch restrictions.
- This concept uses the term “vessel” and not LE Permit. LE Permits can move from vessel to vessel. When analyzing data for qualification criteria it might be necessary to look not only at permits but also at vessels and possibly fishermen to accurately reflect operations that have been active on the water using non-trawl gear.
- This concept suggests additional questions be added to the Vessel Account Renewal process, which currently must be completed annually between 10/1 and 11/30 for every Vessel Account:
 - **New Question 1-** Is this Vessel linked to a QS account with the same owner?
 - If Yes, Vessel will be asked to link to QS Account (drop down menu)
 - If Yes, Vessel will be asked what % of the QS owned is assigned to this vessel (in the case of one QS owner also owning more than 1 vessel)
 - If NO- No change and renewal continues.
 - **New Question 2-** Is this Vessel going to harvest Sablefish North QP with Non-Trawl Gear?
 - If Yes, Move to New Question 3
 - If No, no change and renewal continues
 - **New Question 3-** Does this vessel meet the criteria for a Gear Switch Qualification?
 - If Yes, answer will be verified and no change
 - If NO- New Vessel Cap of 200% of owned QP or New Entrant 0.3% whichever is greater is established for this vessel.
- This concept suggests 3 different vessel caps for one species and one gear type only-Sablefish North QP harvested with nontrawl gear, all other vessel caps to remain the same.
 - Regular Vessel Cap 4.5% of TAC for qualified gear switch vessels
 - 200% of QP associated with Owned QS for non-qualified owners
 - 0.3% of TAC for “new entrants”
- No Restrictions on Trawl Existing Sablefish North Vessel Cap of 4.5% can be harvested by vessels using trawl gear and QP harvested can be Sablefish North QP OR Sablefish South QP...any vessel regardless of Gear Switch qualification can harvest Sablefish with trawl gear.

Examples using 2017 Quota Calculations:

Example 1: Qualified Gear Switch Vessels: (Current Gear Switch Participants that meet Gear Switch qualification criteria)

New Question 1:		Is this Vessel linked to a QS account with the same owner?					
YES		Link to QS ACCCOUNT (drop down menu)		YES or NO			
IF YES		What % of the QS owned is assigned to this vessel?		xx%			
NO		No change					
New Question 2:		Is this Vessel going to harvest Sablefish North with Non-Trawl Gear?				YES	
YES		Move to Question 3					
NO		No Change- Skip Question 3					
New Question 3:		Does this vessel qualify for Gear Switching ?				YES	
YES		System verifies and then no change					
NO		Limit of non-owned QP to be harvested with non-trawl gear is 2X ownership					
Vessel Cap	Vessel Cap QP 2017	Ownership Amount	Ownership QP 2017	QP Transferred in from Linked QS Account/QP Owned (aa)	Limit of non-owned QP Transferred in for harvest with non-trawl gear (same as amount owned) (bb)	Non-Trawl QP limit: standard vessel cap (cc=aa+bb)	Trawl Gear QP Available: (Can be North or South QP) (=Vessel Cap-cc)
4.50%	239726	1.50%	79909	79909	159817	239726	0

- This example is for Non-Trawl gear only: Gear Switch Qualified vessels can also choose to fish using trawl gear.

Example 2: Quota Share Owner that does NOT meet Gear Switch Qualification criteria: (Current Trawl Participants that own QS and want to gear switch)

<p>New Question 1: Is this Vessel linked to a QS account with the same owner? YES Link to QS ACCOUNT (drop down menu) YES IF YES What % of the QS owned is assigned to this vessel? 100% NO No change</p>							
<p>New Question 2: Is this Vessel going to harvest Sabelfish North with Non-Trawl Gear? YES YES Move to Question 3 NO No Change- Skip Question 3</p>							
<p>New Question 3: Does this vessel qualify for Gear Switching ? NO YES System verifies and then no change NO Limit of non-owned QP to be harvested with fixed gear is 2X ownership</p>							
Vessel Cap	Vessel Cap QP	Ownership Amount	Ownership QP 2017	QP Transferred in from Linked QS Account/QP Owned (aa)	Limit of non-owned QP Transferred in for harvest with non-trawl gear (same as amount owned) (bb)	Non-Trawl Gear QP limit: 200% of ownership (cc=aa+bb)	Trawl Gear QP Available: (Can be North or South QP) (=Vessel Cap-cc)
4.50%	239726	1.50%	79909	79909	79909	159818	79908

Example 3: Non Quota Share Owner that does NOT meet Gear Switch Qualification criteria: (New Entrant that does not own QS and wants to gear switch)

New Question 1:		Is this Vessel linked to a QS account with the same owner?					
		YES	Link to QS ACCCOUNT (drop down menu)			NO	
		IF YES	What % of the QS owned is assigned to this vessel?			n/a	
		NO	No change				
New Question 2:		Is this Vessel going to harvest Sabelfish North with Non-Trawl Gear?				YES	
		YES	Move to Question 3				
		NO	No Change- Skip Question 3				
New Question 3:		Does this vessel qualify for Gear Switching ?				NO	
		YES	System verifies and then no change				
		NO	Limit of non-owned QP to be harvested with fixed gear is 2X ownership				
Vessel Cap	Vessel Cap QP	Ownership Amount	Ownership QP 2017	QP Transferred in from Linked QS Account/QP Owned (aa)	Limit of non-owned QP Transferred in for harvest with non-trawl gear (same as amount owned) (bb)	Non-Trawl Gear QP limit: .30% of TAC (cc=aa+bb)	Trawl Gear QP Available: (Can be North or South QP) (=Vessel Cap-cc)
4.50%	239726	0.00%	0	0	0	15712	224,014

Proposal F – Eliminate 36° N Line for Trawl, Reserve Quota for Trawl, Moratorium on New Gear Switching Vessels

Eliminate and mitigate.

1. Eliminate the 36 line for trawl sablefish.
 - Economic benefits resulting from more access to sablefish through a coast-wide allocation.
 - Agency workload reduced and program efficiencies gained.
2. Reserve quota for trawl operations.
 - Reserving quota for trawl operations will increase the opportunity to reach higher attainment of abundant yet under utilized species.
 - Increase net economic benefit to fishermen, processors and community.
3. Create a time-bound moratorium to limit new vessels from gear switching (moratorium from control date to xxxx, or, xxxx years).
 - Fixed gear operations are limited to vessels linked to a vessel account with trawl or fixed gear landings between 2011 and the control date.
 - Moratorium affects vessels - there are far fewer vessels to manage than there are permits.
 - Addresses the concern of new boats coming down from Alaska or new local boats pouring in if more sablefish is made available through a coast-wide allocation.
 - Preserves the opportunity of existing operations currently participating in the IFQ. This is critical to California where access to fishery resources is very limited. Fishermen, processors, and communities in small California ports will continue receiving economic benefit, opportunity and future opportunity post-moratorium.
 - There is not enough current analysis to understand the effects of gear switching, and therefore, any changes should be made purposefully; achieving parity throughout the industry.