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SaMTAAC Meeting Proposals

S-1: Gear Specific QP and LE Permit Owner Opt-out Options (WDFW)

1. At the start of the year, QP would be issued to vessel accounts as “trawl-only” and/or “any gear” (the Council will determine the percent of each as part of its final recommendation).
2. On September 1 of each year all of the remaining sablefish QP becomes “any gear” QP.

SubOption 1: No Opt-out.

SubOption 2: Opt-out option for everyone. All permit holders have a one-time opt-out designation. By opting out 100% of the QP issued to that permit would remain “any gear.”

SubOption 3: Opt-out option for qualified fixed gear participants. All permits that had primarily used fixed gear have a one-time opt-out designation.

Qualifying criteria for the permit:

- a. XX% of landings with permit had been with fixed gear
- b. 100% of landings with permit had been with fixed gear

Question: Does the opt-out go with the permit when it is transferred? Yes. For option 2, if a person was gear switching but bought a new vessel and permit, would that person be the one to receive the opportunity to opt-out. If so, what if there was a partnership, where the partners each got their own permit and vessel? For the qualifying criteria, would the control date be used?

S-2: Move the 36° N Line Used for the Trawl Sector to 42° N. (GMT as proposed by NMFS)

Sablefish QS would be reallocated among QS owners in accordance with rules pre-established for such changes.

S-3: Move a Portion of the Trawl Allocation from South to North (GMT as proposed by NMFS)

Currently, there is a coastwide ACL which is then divided north and south of 36° N. lat. after which is it allocated among sectors. Under this proposal, after the northern and southern intersector allocations are established a portion of the southern trawl allocation would be reallocated to the north. The portion moved north would be decided biennially based on the amount projected to be left unharvested in the south.

S-4: Allow Southern QP to be Harvested as Far North as 42° N. (GMT as proposed by NMFS)

The southern QS distinction would be maintained but southern sablefish QP could be used in the north.

No gear limitations.

S-5: Trawl Link and Vessel Gear Switching Limits for Sablefish (Lackey)

1. A *base* annual gear-switching limit is established for vessels in the catch share fishery, initially 1.5%.
2. Each vessel's annual gear-switching limit is the greater of
 - a. the *rawl link* amount: the poundage of sablefish the caught with trawl gear the previous year, up to the base limit.
 - b. the *fixed gear participation history exemption* amount: the base limit for years¹ 1-3; 2/3 of the base limit² for years 4-6, and none for years 7 on;
 - c. the *fixed gear participation history and QS ownership history exemption* amount: the QP issued for the sablefish QS owned by the vessel owner, up to a maximum of 2.6%³ (this applies only for that QS which qualifies for the owner(s) for the exemption, as defined below)
3. Exemption qualifications
 - a. *Fixed gear participation history exemption*: **three pre-control date years**⁴ of sablefish gear switching history by a vessel whose owners **do not own their own sablefish QS** (i.e. the vessel owners do not qualify for the exemption that requires QS ownership history)
 - b. *Fixed gear participation history and QS ownership history exemption*: **three pre-control date years** of sablefish gear switching history by a vessel the majority of whose current owners also have **majority ownership of sablefish QS** as of the control date and have owned that vessel and QS continuously since then⁵ (applies only for that amount of QS owned and continuously maintained by a majority of owners from the control date through to the current year).
 - c. *Note*: An ownership might qualify under both of these exemptions and under such circumstances could take advantage of the most liberal gear-switching limit.
4. An aggregate sablefish gear switching limit for the fleet is established. It will start at 25% for years 1-3, 20% for years 4-6, and 15% thereafter. Based on projections for the following year, the base vessel gear-switching limit will be adjusted with the intent of holding the fleet to the aggregate gear switching limit.

¹ Years start with the first year in which this policy is implemented.

² The Council may set a lesser amount as part of its final recommendation.

³ Roughly the limit of sablefish a fixed gear vessel can catch in the fixed gear tier permit fishery

⁴ Sablefish gear switching in three separate calendar years from 2011 through September 15, 2017 (the control date).

⁵ The majority owner(s) of the vessel and the majority owner(s) of sablefish quota share are the same and the majority has not changed since the control date.

Note: Different rules could be further developed for area south of 36 line given that conditions are different than the area north of 36° N. lat.

Questions: Does the fixed gear participation exemption transfer with the vessel? Does it stay with the owner if the vessel is sold (i.e. vessel replacement is allowed)? If at the time of initial qualification, the owner has changed vessels, is it the owner of the vessel at the time of the landings or the current owner of the vessel that receives the exemption? If the exemption stays with the vessel owner, what happens if there are multiple owners and they go separate ways, each buying a different vessel?

S-6: Ownership Requirements and Vessel Gear Switching Limits for Sablefish (Pacific Seafood⁶)

1. In order to gear switch a person must:
 - a. own their trawl LE permit and trawl QS, and
 - b. have owned and used that permit and that QS for gear switching, prior to the control date (September 15, 2017)
2. There is a vessel gear switching limit of X% (or X pounds).

Under this proposal no changes will be made to sablefish area management.

Question: To evaluate whether a person's QS was used for gear switching, is the intent that it be determined whether the QP issued to that QS account was transferred directly to a vessel operating under a permit owned by the same person?

S-7: Allow Tiered Northern Harvest of Southern Sablefish Quota (Bob Alverson/Tyler Besecker)

Five to seven year experiment

When QP are issued each year add area of catch designators to the QP issued for the area south of 36° N. lat.

- 1/3 southern only (restricted to south of 36° N. lat.)
- 1/3 central/southern CA (restricted to south of 40° 10' N. lat)
- 1/3 coastwide (no restrictions)

Pot gear limitation south of 40° 10' N. lat

CAB Proposals

⁶ SaMTAAC voted to eliminate the reciprocity provision from this proposal (see Appendix). That provision would have allowed trawl vessels to fish in the sablefish tier stacking program.

CAB - Proposal A: Gear Switching Permit Endorsement – Landings Capped at Annual Vessel QP Limit (No Change)

1. Gear switching requires an endorsement on a vessel's trawl limited entry permit.
2. Qualification: To qualify for an endorsement, a trawl permit must have been used with a gear switching vessel prior to September 15, 2017.⁷
3. Each endorsed gear switching permit will have an annual vessel QP limit for sablefish caught by gear switching **equivalent to the annual vessel QP limit for sablefish** (4.5% for sablefish north and 15% for sablefish south, i.e. no special limit for gear switched vessels).
4. Gear switching endorsements transfer with the limited entry permit.

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

1. Gear switching requires an endorsement on a vessel's trawl limited entry permit.
2. Qualification: To qualify for an endorsement, a trawl permit must have been used with a gear switching vessel that caught at least {amount to be determined, should be reflective of significant *investment*}.
3. Each endorsed gear switching permit will have a vessel QP limit for sablefish **equivalent to its maximum historic annual landings** (as a percent of quota issued).
4. Gear switching endorsements transfer with the limited entry permit. [assumed to be the same as previous alternative]
5. Permits could be stacked up to the annual vessel QP cap for sablefish (4.5% in the north, 15% in the south)
6. Gear switching endorsements along with the original cap on amounts that can be gear switched, transfer with the permit {Note: an alternative interpretation of the alternatives would be that the endorsement transfers with the lease of the permit but not the sale}.

CAB - Proposal C: Gear Switching Permit Endorsement – Individual Vessel Landings Capped at 70 Percent of the Annual Vessel QP Limit, Southern Quota Fished North

1. Gear switching requires an endorsement on a vessel's trawl limited entry permit.
2. Qualification: To qualify for an endorsement, a trawl permit must have been used with a gear switching vessel that caught at least {amount to be determined, should be reflective of significant *participation*}, prior to September 15, 2017.
3. Each endorsed gear switching permit will have a vessel QP limit for sablefish caught by gear switching **equivalent to 70%** the annual vessel QP limit for sablefish.
4. Gear switching endorsements transfer with the limited entry permit. [assumed to be the same as previous alternative]
5. **Southern Sablefish Quota:** Allow southern sablefish quota to be used in the north but only by trawl gear

⁷ The permit must have been associated with the vessel at the time the gear switching occurred.

CAB - Proposal D: Gear Specific QP with Active Trawler Designation and Exemption

1. At the start of the year, QP would be issued to vessel accounts as “trawl-only” (e.g. 80%) and/or “any gear” (e.g. 20%) {the Council will determine the percent of each as part of its final recommendation}.
 - a. Taper: The amount of “any gear” QP could be tapered down each year (starting at a higher level and ending at a lower level).⁸
2. Gear switching requires that a vessel have an active trawl designation or an exemption.
3. Active trawl vessel qualification: previous year bottom trawl declared catch of at least x pounds of certain trawl IFQ species {species and amount to be determined at time of final Council action}
4. Exemption qualification for vessels: at least one instance of gear switching prior to the control date and continuous ownership by a majority of that vessel’s owners (exemption expires when majority ownership changes).
5. Each vessel with an active trawl designation or exemption will have an annual vessel QP limit for sablefish caught by gear switching **equivalent to the annual vessel QP limit for sablefish.**

Variation: quota share owners that also own a vessel and used that vessel to harvest more than half their QP by gear switching receive a larger portion of their annual sablefish QP as “any gear” QP (e.g. 50%) but only for that QS which they owned as of the control date and only so long as there is continuous ownership by a majority of that vessel’s owners.

Note: S-5 is a variation on this proposal, developed more recently. Refer to S-5 for information about implementation.

CAB - Proposal E (Replacement): Restrict Gear Switching and Trawl Only Harvest of Southern Sablefish Quota in the North (Leave 36° N. lat. Line).

1. Each vessel’s annual gear-switching limit for sablefish north of 36° N. lat. is either
 - a. the annual vessel QP limit for northern sablefish (for vessels with an exemption); or
 - b. an amount equivalent to the QP issued for QS owned by the vessel owner⁹ plus an additional XX% {to be determined by the Council at time of final action} of that amount but not greater than the 4.5% annual vessel QP limit
2. Qualification for vessel gear switch exemption: Establish a qualifying criteria for the vessel (or person?¹⁰) using the control date, existing data, and allowing ongoing participation by operations that have made capital investments.
3. Allow Sablefish South QP to be harvested north of the 36 line but with trawl gear only.

⁸ Start at a 28% “any gear” QP and taper down 2 percent a year to 16 percent.

⁹ Would QP and QS accounts just need to share a common majority interest ownership, as in Proposal S-5, or identical ownership? Ownership linkages would be determined through a permit renewal processes, through self-identification by applicants.

¹⁰ If “person” then type of permit and transferability provisions need to be specified.

- a. Catch accounting: for sablefish caught with trawl gear in the north, if a vessel has both north and south QP use northern QP first, then southern QP.

LE permits are not specifically addressed in Alternative E, however as mentioned in other alternatives, a limitation on the transfer of non-owned [leased?] LE permits to vessels that are participating in the trawl fishery using non-trawl gear may need to be explored.

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

1. Create a limited duration moratorium on gear switching by vessels that have not done so previously.
2. Qualification: gear switched landings between 2011 and the control date.
3. Eliminate the 36 line for trawl sablefish.
4. Reserve quota for trawl operations. [need an interpretation of this language, is this a reference to the south of 36 quota?]

GAP Proposals

GAP - Proposal 1: No Action

No action

GAP - Proposal 2: Control Date Only

Set a control date, with the intent to give notice to the public that any future landings may not be counted toward participation in gear switching {Council adopted September 15, 2017}

GAP - Proposal 3: Gear-Switching Endorsement

This proposal is basically the same as CAB Proposal A

1. Gear switching requires an endorsement on a vessel's trawl limited entry permit.
2. Qualification: To qualify for an endorsement, a trawl permit must have a significant poundage of landings from 2011-2017 {exact amount to be determined with final Council action}

GAP - Proposal 4: Gear Specific QP with Active Trawler Designation and Exemption

See CAB Proposal C (except GAP recommended 50%). [The proposal was vague about whether it was the permit or vessel that would qualify for an endorsement/exemption. Here it is assumed that the intent was the permit.]

GAP - Proposal 5: Fixed Gear Quota Pound Cap

See CAB Proposal D.

GAP - Proposal 6: Aggregate Soft Cap

1. Set a fleet gear-switching cap (e.g. 12 percent)
2. Set annual vessel gear-switching limits such that it is expected that the fleet cap would not be exceeded (do not adjust inseason).

The active trawler definition, active trawler exemption, and taper of aggregate percentage could also be used as part of this option.

GAP - Proposal 7: Sunset Gear Switching

Reduce gear switching over 7 years. This might be done by gradually reducing individual vessel gear switching limits, for all vessels or groups of vessels (e.g. vessels that are not active trawlers). It also, might occur through reducing the amount of any gear QP issued each year.

Council Proposals

Council-1: Gear Specific QP Designations

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-2: Gear Specific QS Designations

QS Designation (“any gear” and “trawl-only”). Method of allocating QS to be determined.

Scoring and Notes Worksheet

Proposal (links to appendix description)	Notes	Rating
S-1. Gear Specific QP and Vessel Account Owner Opt-out Options (WDFW)		
S-2. Move the 36° N Line Used for the Trawl Sector to 42° N (GMT as proposed by NMFS)		
S-3. Move a Portion of the Trawl Allocation from South to North (GMT as proposed by NMFS)		
S-4. Allow Southern QP to be Harvested as Far North as 42° N. (GMT as proposed by NMFS)		
S-5. Trawl Link and Vessel Gear Switching Limits for Sablefish (Lackey)		
S-6. Ownership Requirements and Vessel Gear Switching Limits for Sablefish (Pacific Seafood)		
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CAB - Proposal A: Gear Switching Permit Endorsement – Landings Capped at Annual Vessel QP Limit		
CAB - Proposal B: Gear Switching Permit Endorsement – Landings Capped Based on Permit History		
CAB - Proposal C: Gear Switching Permit Endorsement – Individual Vessel Landings Capped at 70 Percent of the Annual Vessel QP Limit		
CAB - Proposal D: Fixed Gear QP Cap with Active Trawler Designation and Exemption		
CAB - Proposal E (Replacement): Increase Trawl Access to Sablefish and Restrict Gear Switching (Leave 36° N. lat. Line).		
CAB - Proposal F: Eliminate 36° N Line for Trawl, Reserve Quota for Trawl, Moratorium on New Gear Switching Vessels		
GAP - Proposal 1: No Action		
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GAP - Proposal 4: Gear Specific QP with Active Trawler Designation and Exemption		
GAP - Proposal 5: Fixed Gear Quota Pound Cap		
GAP - Proposal 6: Aggregate Soft Cap		
GAP - Proposal 7: Sunset Gear Switching		
Council-1		
Council-2		

Appendix – Details of Proposals

S-1: Gear Specific QP and LE Permit Owner Opt-out Options (WDFW)

Background

Initially, trawl permit holders received an annual allocation of quota share (QS) for each non-whiting species. Since that initial allocation, QS has been transferred both among trawl permit owners as well as to others, such as vessel operators, processors, and communities. Each year QS is translated into quota pounds (QP), depending on the amount of the annual catch limit (in mt) that is allocated to the trawl sector. QP can be harvested by any legal gear (i.e., trawl or fixed gear).

Problem Statement

There is a concern that there could potentially be insufficient sablefish QP available for trawlers to use to access other under-attained stocks, such as Dover sole. Reasons cited for this include:

1. Fixed gear IFQ participants may pay a higher price for sablefish QP because they anticipate a higher return for their sablefish, and/or
2. Some fixed gear IFQ participants have QP for other species that they want to trade for sablefish QP (and there are individuals who need that QP for other species), and/or
3. Some IFQ participants hold on to their QP until later in the year “just in case” they need it or need to trade it for something else, thereby reducing the amount of sablefish QP available for trading earlier in the year.
4. Some processors buy up the sablefish QP, making it available for their own vessels or vessels that deliver to them.

Proposals/Alternatives

The CAB and the GAP have identified several alternatives to address this problem. However, most of them have focused on limiting the amount of gear switching that could occur by placing a moratorium on gear switching, creating a gear switching endorsement, allowing only “active trawlers” to gear switch, or limiting acquisition of future trawl permits that could be used for gear switching.

General concerns with these alternatives include: creating a new permit “class” (i.e., a special permit or endorsement that would have a higher value), selecting a limit arbitrarily, potentially limiting the value of the IFQ fishery as a whole, and having differential impacts on communities. Specific to the items described in the “Problem Statement” above, if sablefish QP is traded at a higher price to fixed gear IFQ participants (i.e., item 1), then placing a limit on the amount of sablefish QP that could be traded to or caught with fixed gear could raise the price for sablefish QP even higher.

With regard to Item 2, limiting sablefish QP that could be sold to or used by fixed gear IFQ participants would limit flexibility on trades, which may make it more difficult for IFQ participants (both trawl and fixed gear) to cover their deficits.

WDFW Proposal

- A. All trawl permits would have a portion of their annual quota pounds (QP) designated as “trawl only.”
- B. There would be two different types of sablefish QP—“any gear” QP (currently 100% of sablefish QP) and “trawl only” QP (would need to set percentage—e.g., 30 or 40%).
- C. Vessel accounts would have two types of sablefish QP—one for “any gear” and another for “trawl only.”
 - a. New IFQ category code would need to be created (e-tix and vessel account systems)
- D. If a permit holder using trawl gear has both types of QP in the vessel account at the time of landing, then would need to tell the buyer how to distribute catch between the two types of QP. A permit holder using fixed gear could only use “any gear” QP.
- E. On September 1 each year, all of the remaining sablefish QP becomes “any gear” QP. All “trawl only” QP would be re-designated as “any gear” QP, eliminating “trawl only” QP for the remainder of the year.
- F. Vessels that go into deficit using trawl gear could cover their deficit with “trawl only” QP or, after September 1, “any gear” QP.

Additional Options (add-ons)

2. All permit holders have a one-time opt-out designation. By opting out of the “trawl only” sablefish QP, 100% of the QP issued to that permit would remain “any gear.”
3. All permits that had primarily used fixed gear have a one-time opt-out designation.
 - a. XX% of landings with permit had been with fixed gear
 - b. 100% of landings with permit had been with fixed gear

Trade-Offs

In general, all proposals create a workload for NMFS permit and vessel account staff; however, there is likely less workload with this proposal than others (e.g., fixed gear endorsement).

Pros:

WDFW Proposal

- Trawlers would be guaranteed there would be some portion of sablefish QP that would be “trawl only,” thereby limiting the amount the sablefish QP that fixed gear could access during the majority of the year and keeping the price for

sablefish QP down, which would address Item 1 without creating a new permit “class.”

- Having all of the QP become “any gear” QP on September 1 also addresses Items 2 and 3, as flexibility would be maintained for trading near the end of the year, and even if some hold on to their QP, there would likely be “trawl only” QP available on the market prior to September 1.

“Opt-Out” Option

- With the “opt-out” provision, those permit owners who acquired the trawl permit for the expressed purpose of fishing with fixed gear would not lose on their investment.
- Without the “opt-out” provision, all trawl permits are treated equally and are subject to the same requirements.

Cons:

WDFW Proposal

- Vessel account owners would need to track two types of sablefish QP and, at the time of landing, permit holders would need to tell the buyer how to distribute catch between the two types of QP within the vessel account.

“Opt-Out” Option

- Without the “opt-out” provision, permit owners that had acquired a trawl permit for the purposes of fishing with fixed gear would temporarily lose a portion of their QP as “trawl only;” however, this would only be until September 1 each year.
- With the “opt-out” provision, a separate class of permits would be created (i.e., those that opted-out would have 100% of “any gear” sablefish QP, which could have a higher value). Using option 2 would reduce the number of permits in this new category (and sub-option 2b would be more limiting than sub-option 2a).
- Additionally, if “opt-out” option 1 is adopted, then this proposal may not work if a sufficient number of trawl permit holders do not opt-in to the “trawl only” portion of the program.

S-2: Move the 36^o N Line Used for the Trawl Sector to 42^o N (GMT as proposed by NMFS)

Sablefish QS would be reallocated among QS owners in accordance with rules pre-established for such changes.

S-3: Move a Portion of the Trawl Allocation from South to North (GMT as proposed by NMFS)

Currently, there is a coastwide ACL which is then divided north and south of 36° N. lat. after which it is allocated among sectors. Under this proposal, after the northern and southern intersector allocations are established a portion of the southern trawl allocation would be reallocated to the north. The portion moved north would be decided biennially based on the amount projected to be left unharvested in the south. (Note: predicting this could be a challenge, given that it's likely related to availability and markets.)

S-4: Allow Southern QP to be Harvested as Far North as 42° N. (GMT as proposed by NMFS)

The southern QS distinction would be maintained but southern sablefish QP could be used in the north.

S-5: Trawl Link and Vessel Gear Switching Limits for Sablefish (Lackey)

This alternative links the fixed gear allowable catch to previous year trawl catch. There are two exemptions for vessels that used fixed gear prior to the control date. There are limits at the individual vessel level and the aggregate level to provide backstops to fixed gear attainment levels. Numbers are for example only; The mechanisms are the main focus

- 1) Vessel Limit: A fixed gear vessel limit is established; for example, 1.5%. This limit is subject to an ownership exemption explained later, and can be modified to meet an aggregate limit also explained later.
- 2) Trawl Link: A vessel can catch the amount of sable with fixed gear in a year no greater than the poundage of sable it caught with trawl gear the previous year. Each vessel would know its individual fixed gear vessel limit on January 1st.
 - a. Participation exemption: If a vessel fished fixed gear sable in the trawl program any three years, then that vessel is exempted from the trawl catch requirement and can fish fixed gear up to the 1.5% vessel limit without a trawl catch requirement for years 1-3; and up to 0.1% for years 4-6, and the exemption permanently expires in year 7.
 - b. Ownership & participation exemption: If a vessel fished fixed gear sable in the trawl program any three years, and the majority owner(s) of the vessel and the majority owner(s) of sable quota share are the same, then that vessel is exempted from the trawl catch requirement and can fish fixed gear up to their sable quota share amount owned by the vessel owner as of the control date. This exemption expires when the majority owner(s) (at the person level, not the corporate level) is no longer the majority owner(s) of both the vessel and the quota share. If the owner(s) owns more quota share than the fixed gear vessel limit, then that vessel is exempt from the

individual vessel limit, but only up to 2.6% (roughly the limit of sable a fixed gear vessel can catch in the fixed gear tier permit fishery).

Note: A vessel under the ownership & participation exemption can use the participation only vessel limit for years 1-6 if it is higher.

- 3) Aggregate Limit: An aggregate limit is set as a backstop that may not get used. For example, it could start at 25% for years 1-3, 20% for years 4-6, and 15% thereafter. It could be administered by adjusting the fixed gear vessel limit downward one year if the aggregate limit was reached / exceeded in the previous year.

Note: Different rules could be further developed for area south of 36 line given that conditions are different than the area north of 36.

Rationale for “Trawl Link” proposal: The rationale for reducing fixed gear attainment of trawl sable quota and linking fixed gear catch to previous year trawl catch is that it will affect the capacity of the trawl catch shares program to positively impact:

- 1) Program economic goal and objectives
- 2) Mandate of NS-1 to achieve Optimum Yield
- 3) First of three NOAA Fisheries 2018 strategic goals to “maximize fishing opportunities while ensuring the sustainability of fisheries and fishing communities”

The effect of gear switching provision as currently structured negatively impacts the capacity of the trawl catch shares program to reach its full potential on the three previous points.

The rationale for including non-permanent exemptions is to:

- 1) Provide some limited allowance for those that did not own any sable quota share, but made a year to year decision to lease QP and fish fixed gear.
- 2) Provide allowance for those fished fixed gear and owned their Quota Share prior to the control date the opportunity to continue fishing their own quota up to a limit for some extended amount of time (either 10 years or as long as they own their vessel and quota).

The rationale for linking fixed gear catch to trawl catch of sable is:

- 1) It is a simple, automatic way to set limits.
- 2) It ensures that the fixed gear provision in the long term is used by trawl vessels for greater operational flexibility instead of a de-facto reallocation to fixed gear vessels that limits operational flexibility.
- 3) A limitless fixed gear provision has had a large negative impact on the capacity of the program to meet program goal and objectives, so mechanisms are required to reverse the negative impacts in order for the fishery managers to fulfill their obligation in managing the fishery to the FMP (including program goals and objectives) and MSA (including NS-1) for the benefit of market stabilization, utilization, employment, coastal communities, and seafood to the consumer.
- 4) It addresses four inequities inherent in the structure of the current gear switching provision that places the trawl vessels in a competitive disadvantage with fixed gear vessels within the trawl fishery:
 - a. Required stability of markets – Groundfish markets require long term investment, processing infrastructure, development of trained filet personnel, development of

- supply chain and consumer markets over time. Fixed gear sable markets require a dock and a truck, and can be expand and contract as the overseas markets dictate.
- b. Imbalance of competition from fish buyers – inflates price differential, artificially drives trawl sable price down and fixed gear sable price up; trawl vessels are much more limited to their markets and much more anchored to their markets, and therefore not in a position to demand a higher price than what is offered. Fixed gear vessels have many more market options and therefore are in a position to leverage that flexibility into the highest price possible as varied processors bid for their fish.
 - c. One way movement – trawl vessels are not allowed in fixed gear fishery, but fixed gear vessels are allowed in the trawl fishery with much less individual constraints than in the fixed gear fishery and no constraints on overall fixed gear attainment.
 - d. Imbalance of costs – fixed gear vessels extending into the trawl fishery spread their fixed costs across more activity with almost no additional investment, whereas the high fixed cost trawl fishery are put at a competitive disadvantage with reduced fishing efficiencies & opportunities for which to minimize the impact of those fixed costs

S-6: Ownership Requirements and Vessel Gear Switching Limits for Sablefish (Pacific Seafood)

SamTAAC voted to eliminate the reciprocity provision from this proposal.

Sablefish Management and Trawl Allocation Attainment New Alternative Measures for Analysis			
#	Category	Sector	Measure
1	Gear Switching Mitigation Provision	Trawl	Eliminate any Future Gear Switching by Persons Who Did Not Own Trawl Permits or Trawl QS Prior to the September 15, 2017 Control Date. Limit gear switching only to persons who own a trawl permit or trawl QS, and used that permit or QS for gear switching, prior to the control date.
2	Investment Consideration Provision	Trawl/ Fixed Gear	Prohibit the Use of Any Leased Trawl Permits or Leasing of QP for Gear Switching. Consideration that the practice of leasing QP, vessels, or trawl permits is different from making capital investment in these assets, and consideration that leasing constitutes a cost of doing business, not a long-term investment.
3	Fixed Gear Limitation Provision	Fixed Gear	Cap the Amount of Trawl Sablefish that can be used for Fixed Gear. Establish poundage or percentage cap on the QP associated with QS that can be fished with fixed gear limited only to persons who own a trawl permit or trawl QS, and used that permit or QS for gear switching, prior to the control date. Fixed gear entrants who fished only after the control date would <i>not</i> be allowed to participate in the trawl fishery unless they use trawl gear for all harvest.

*	Reciprocity Provision	LE Tier	Allow Sablefish Quota Sales to go Both Ways. Allow the trawl fishery to buy or lease (lease only to be used if leasing trawl QP is not prohibited for fixed gear) from the fixed gear tier fishery and allowing the pounds associated with those permits be fished with trawl gear in part or in whole.
4	Sablefish Area Management	All	Leave the 36° N. Lat. Management Line in Place – For Now. Coastwide management of trawl sablefish should be considered <i>only</i> after a successful gear-switching resolution is reached that will foster achievement of the trawl rationalization program goals and objectives.

S-7: Allow Tiered Northern Harvest of Southern Sablefish QP (Bob Alverson/Tyler Besecker)

Five to seven year experiment

Divide the allocation south of 36° N. lat. into thirds

- 1/3 restricted to south of 36° N. lat.
- 1/3 restricted to south of 40° 10' N. lat
- 1/3 no restrictions – use coastwide

Pot gear limitation south of 40° 10' N. lat

CAB Proposals

CAB - 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.

CAB - 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. [It was later clarified that these poundages should be expressed as a percent.] 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. [It was later clarified that these poundages should be expressed as a percent.]
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 [percent] 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.

CAB - 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 above was based on what was originally a GAP proposal. 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.

CAB - Proposal D: Fixed Gear QP Cap with Active Trawler Designation and Exemption

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.

CAB - Proposal E (Replacement): Increase Trawl Access to Sablefish and Restrict Gear Switching (Leave 36^o N. lat. Line).

Background:

This alternative was initially presented at the CAB meeting in October 2017 and listed as Alternative E in Council Documents and the SaMTAAC Review of Alternatives for June 2018.

This was initially created in an attempt to address the needs of all stakeholders including trawlers, existing gear switch operations and new entrants while maintaining each trawler's opportunity to harvest some Sablefish N. with non-trawl gear, even if they had not previously taken advantage of gear switching provisions.

At October 2017 meeting the CAB also provided some general principles for guiding development and consideration of alternatives, which have been incorporated into the charge for SaMTAAC.

- We want to get more sablefish to the trawl fleet.
- We want to consider existing operations/investments.
- We believe that unlimited catch of sablefish through gear switching is

not desirable. This document is intended to be an update of Alternative E

Basic Concept:

- Allow Sablefish South QP to be harvested North of the 36 line with trawl gear ONLY
- Determine a qualification criterion using the control date to allow qualified fishing operations to be exempt from new restrictions that would reduce their historical harvest
- Restrict the amount of leased Sablefish N QP used for harvest with non-trawl gear based on the amount of Sablefish N QS owned by using the vessel cap system.

Basic Mechanics:

Considering current information tracked in the E-Tix system and methods used to debit vessel accounts it should be possible to implement this Alternative without major reconstruction to the systems or procedures that are already in place. This Alternative:

- Addresses issues associated with Sablefish NORTH only
- Requires that the 36^o management line stays in place
- Maintains 2-line items for Sablefish managed in the IFQ system (North and South)
- Suggests NO changes to how fishing operations, gear switching, or leasing is managed for Sablefish South QP harvested SOUTH of the 36 line.

Following is a breakdown for this alternative and how it addresses each of the CAB Principles. This has been updated as of July 2018, based on discussions and alternatives presented since October 2017.

A) We want to get more sablefish to the trawl fleet

Allow Sablefish South QP to be harvested North of the 36^o N Lat Line using trawl gear only

- Maintain the 36^o management line
- Allow Sablefish South QP to be harvested North of 36^o Latitude with trawl gear ONLY
- No changes to allocations for Sablefish South or Sablefish North- No Coastwide QP
- No change to harvest or management of QP for Sablefish South that is

- harvested South of the 36^o management line
- This could be done independent of other measures

Rationale:

This action will immediately increase availability of Sablefish North for the trawl fleet in order to help improve attainment of other species, and will not create unintended consequences for California communities, or existing gear-switch operations. This will also increase value and market opportunity for QS owners of Sablefish South.

Mechanism:

This should be able to be accomplished relatively easily in the current Vessel Account system. All landings are already recorded by gear type and by IFQ management area. When a vessel lands Sablefish QP using trawl gear in Northern IFQ Management areas, the vessel account system will debit from Sablefish North QP first, then when/if Sablefish North QP in the vessel account is at zero Sablefish South QP will be debited from the account. There will be no changes to debiting of Sablefish South harvested in Southern IFQ management areas with any gear type.

B) We want to consider existing operations/investments

Limit number of vessels that can harvest Sablefish North with non-trawl gear based on qualifying criteria

- Some qualification to protect existing businesses is required, this is referred to in Alternative E as “Gear Switch Exemption Criteria” (*see notes*)
- Only a limited number of qualified operations will be allowed to harvest a full vessel cap of Sablefish North using non-trawl gear
- All non-qualified operations will have a lower vessel cap for Sablefish North that can be harvested with non-trawl gear based on QS ownership (*see C below*)

Below, the rationale and mechanism for B and C are considered together.

C) We believe that unlimited catch of sablefish through gear switching is not desirable

Limit Harvest of Sablefish North using Fixed Gear based on ownership of QS

- Vessels that do not meet “Gear Switch Exemption Criteria” can harvest Sablefish North using non-trawl gear, but only up to a reduced vessel cap that would be set annually based on the QS OWNED. (*see mechanism below*)

Example:

- QP associated with QS owned =20,000 lbs.
- Limit for QP transferred into this VA that is not associated with owned QS is XX% of the amount owned. If XX = 100% the limit to transfer in =20,000 lbs
- In this example the Vessel can harvest 20,000 lbs they own and 20,000 lbs they leased for a total maximum harvest using non-trawl gear of 40,000 lbs.
- New non-trawl operations that do not qualify under the “Gear Switching Exemption Criteria” and that do not own QS will not be allowed to fish for Sablefish North using non-trawl gear under a gear switching provision.

Rationale:

The rationale and mechanism for B and C are considered together. Alternative E was created with the understanding that any consideration of existing operations/investments must also address the need to limit harvest of Sablefish North using gear switching and vice versa.

By using a “Gear Switch Exemption Criteria”, operations that have legitimately depended on the gear switching provision and harvested a significant amount of Sablefish North using fixed gear prior to the control date will not be disadvantaged by having their historical harvest opportunities reduced.

Vessels that participate in the trawl fishery using trawl gear and that did not gear switch prior to the control date and wish to use the gear switching provision in the future would will not be prohibited from doing so. They will be limited in the amount of Sablefish North that can be harvested with non-trawl gear based on their ownership of QS.

Linking the amount of Sablefish North available to harvest with non-trawl gear to the amount of Sablefish N. QS owned could maintain a path for new entrants provided they became owners of QS. This could potentially incentivize capital investments into the fishery.

Mechanism:

Vessel Accounts and QS Accounts will need to be linked based on ownership. Linking of vessel accounts and QS accounts can be accomplished when each Vessel Account and QS Account are renewed **annually** by the owner (a process that already takes place).

During the Vessel Account Renewal Process annually the following could be asked:

Question 1: Is this Vessel Account linked to a QS account with the same owner?

IF YES: Owner will link to QS Account with the same owner (drop down menu etc.)

- Option could be added to assign a % of Sablefish N QP associated with QS owned to a particular Vessel Account. This would allow a QS owner to assign QP to more than one vessel they own...but the designation would happen once annually.

IF NO: Vessel cannot participate in Gear Switching unless they meet the Gear Switching Exemption

Vessel Accounts that do not intend to harvest Sablefish North with non-trawl gear or that meet the “gear switch exemption” will have no changes made to their Vessel Account in the system.

Question 2 at VA Renewal: Does this Vessel intend to harvest Sablefish North with Non-Trawl Gear? (for the year being renewed)

IF YES: Answer Question 3

IF NO: No Change to Vessel Account and Skip Question 3- VA renewal is completed with no change.

Question 3 at VA Renewal: Does this Vessel meet the “gear switching exemption”?

IF YES: Depending on what is used to qualify the “gear switch exemption” this may be automatic. The theory is that if the answer is yes, then there is no change to the Vessel Account system for this Vessel Account.

IF NO: This vessel account will have a **NEW limit** for the amount of Sablefish North that can be transferred in above and beyond the QP associated with QS owned. This new limit will be set based on a formula calculating QP associated with QS owned times XXX %. (see example above)

Note: The only change to the VA system is for vessels that DO intend to harvest Sablefish N. with non-trawl gear and that DO NOT meet the “gear switch exemption”

NOTES:

There needs to be some sort of “qualifying criteria” that considers the control date and allows fishing operations that have made capital investments and that have been harvesting sablefish using fixed gear since 2011 to be exempt from any future changes that will reduce their historical harvest.

What is used for qualifying criteria is open for discussion. It may be necessary for the SaMTAAC to look at the issue of qualifying criteria independent of the various

alternatives for action as a starting place.

Alternative E presents using a significant number of pounds landed prior to the control date only as a suggestion. Another agreed upon qualifying criteria such as number of years participating, number of pounds harvested per year, permit or QS ownership prior to the control date could also be used with this alternative. Alternatives that highlight the fact that this is a TRAWL fishery and that priority should be given to operations that participate in the trawl fishery using trawl gear could also be incorporated.

Whatever criteria is ultimately determined should consider the control date and should be simple enough to be “qualified” through existing data.

The clarification between qualifying a person or a permit or a vessel will be needed. LE permits move around, therefore the number of permits that may appear to “qualify” under certain scenarios may be greater than the number of operations that actually have harvested Sablefish North with non-trawl gear prior to the control date.

This alternative is based on operations/persons and assumes a requirement that Vessel Accounts must be linked to QS accounts that are owned by the same person.

LE permits are not specifically addressed in Alternative E, however as mentioned in other alternatives, a limitation on the transfer of non-owned LE permits to vessels that are participating in the trawl fishery using non-trawl gear may need to be explored.

Alternative E was created in an attempt to maintain opportunities both for existing trawlers that wish to take advantage of gear switching provisions in the future AND new non-trawl gear only operations that invested in QS. Both options are not necessarily a requirement of this Alternative.

Alternatives that highlight the fact that this is a TRAWL fishery and that priority should be given to operations that participate in the trawl fishery using trawl gear could also be incorporated into this alternative. The rationale and mechanisms for this alternative are not dependent on gear type only and can be combined with other alternatives that prioritize trawl activity and history.

CAB - 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.

GAP Proposals

GAP - Proposal 1: No Action

No action

Rationale - The program is working as designed. Net revenues to trawl vessels in the review period have increased compared to pre-catch shares, discards have declined, consolidation in the number of trawl vessels fishing has occurred as intended, and gear switching has been implemented. Sablefish has been available to the entire fleet as evidenced by the fact in each year of the program, hundreds of thousands of pounds of sablefish have not been caught.

Trawl permitted vessel owners, whether with fixed gear or nets, have made business decisions in the last 7 years suited to their operations; whether it has been by fishing their quota, leasing it or selling it, and continue to do so. Limiting gear switching in any way would interfere in the marketplace and would serve to re-allocate fish to trawl net fishermen without justification.

GAP - Proposal 2: Control Date Only

Set a control date of July 28th, 2017, as recommended by the CAB, or some later date in 2017 to accommodate current participation, with the intent to give notice to the public that any future landings may not be counted toward participation in gear switching

Rationale - In the event the Council wishes to slow down or limit an increase in gear switching, this is the least disruptive option to current participants.

GAP - Proposal 3: Gear-Switching Endorsement

Set a control date and create a gear endorsement for FG on the trawl permit, with a window period ranging from 2011-2017, or some shorter period to qualify, and a significant poundage landed

Rationale - This option is similar to the creation of a limited entry program and would limit participation to those who have made a significant investment and participation in the fishery.

It should be noted that in Agenda Item E.7.a, NMFS Supplemental Report, NMFS advises that changes to permit classification would be relatively straightforward, and present fewer challenges and costs to implement, than changes to classification and use of quota pounds.

GAP - Proposal 4: Gear Specific QP with Active Trawler Designation and Exemption

Set a control date of July 28th, 2017, as recommended by the CAB, or some later date in 2017 to accommodate current participation, along with a minimum catch requirement during a window to demonstrate significant participation in the fishery. Only allow 50% of a vessel cap to be harvested with fixed gear. Any remainder needs of a vessel cap needs to be harvested with trawl gear.

Rationale – This accommodates fixed gear participation while providing additional sablefish to the trawl sector.

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.

Alternatives 5 through 7 all include some type of aggregate cap and do not create a race for fish.

GAP - Proposal 5: Fixed Gear Quota Pound Cap

- a) 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. Only vessels designated as active trawlers in IFQ catch shares are allowed to participate in gear switching.
- b) Active trawler definition: 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.

- c) 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.
- d) 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.

Rationale: See rationale for alternative 2 under “Remove the line but cap fixed gear attainment of quota.” Catch Shares is a trawl fishery, and this option takes the program back in that direction. This option provides an aggregate cap that will allow sablefish accessibility and stability so the bottom trawl groundfish fishery can rebuild, catch millions of more pounds of associated catch per year, and add back the dozens of processor jobs that have been lost. The industry letter signed by 27 fishing vessels and five processors detailed the reasons that shortages of sablefish inhibit the fishery well beyond just the dollar value of the sablefish, and access to sablefish leverages benefits far beyond the dollar value of the sablefish. The vast majority of sablefish left uncaught at the end of the year has been purposefully left uncaught so that it could be carried over to the next year.

GAP - Proposal 6: Aggregate Soft Cap

First, an aggregate cap is defined; for example 12 percent. Then that aggregate cap is used at the beginning of each year to define a fixed gear attainment vessel limit by first assuming participation will be the same as the previous year. Next, calculate fixed gear attainment vessel limit to target the aggregate cap. This would not result in a race for fish. The active trawler definition, active trawler exemption, and taper of aggregate percentage could be used in this option.

Rationale: Same as previous alternative, but provides a very different mechanism to achieve the goals.

GAP - Proposal 7: Sunset Gear Switching

The sunset could be done for all vessels, or done for just the vessels that are not active trawlers. Sunset period could step down over 7 years. For the vessels that are not active trawlers, some of them participate in the sablefish tier permit fishery and have far more restrictive vessel limits than in the trawl fishery. One option that could be explored in conjunction with reducing fixed gear only vessels’ participation levels in the trawl fishery could be a review of vessel limits in the tier permit fishery. (This recommendation did not come from fixed gear tier permit representatives on the GAP). If the Council sees as appropriate a fixed gear vessel harvesting far more than its current tier permit limit, then maybe the Council could review those tier permit vessel limits to see if they could be raised to allow the extra catch to occur in the fixed gear fishery instead of the trawl fishery.

Rationale: This option returns most to all of the sablefish harvest to trawl vessels that was lost to fixed gear attainment with the inception of catch shares. Trawlers and processors would be able to utilize their investments in the fishery as they had expected to prior to the loss in bottom trawl harvest that was a result of catch shares. This option, more than other options, maximizes the benefits to coastal communities in added utilization, net benefits and revenue, and seafood to the consumer.

Council Proposals

Council-1: Gear Specific QP Designations

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-2: Gear Specific QS Designations

QS Designation (“any gear” and “trawl-only”). Method of allocating QS to be determined.