

GROUND FISH ADVISORY SUBPANEL REPORT ON FIVE-YEAR CATCH SHARE
FOLLOW-ON ACTION FMP AND REGULATORY AMENDMENTS – FINAL ACTION

Dr. Jim Seger provided the Groundfish Advisory Subpanel (GAP) with an overview of this agenda item and proposed Council action. The GAP offers the following comments and recommendations.

Set aside management for whiting bycatch final preferred alternative

As we have at previous meetings, the GAP discussed this issue at length. Establishment of set-asides for canary rockfish, darkblotched rockfish, Pacific ocean perch and widow rockfish will provide greater operational flexibility and certainty for the at-sea fishery, and the GAP therefore strongly supports set aside management for all four species. The discussion in the GAP focused on whether the best approach is alternative 3 or alternative 4. Alternative 3 has the benefit of greater certainty in set aside levels year to year, as well as reduced workload requirements. Most importantly it would avoid contentious discussions about the appropriate level at which to establish set asides every two years.

In contrast, alternative 4 could be more responsive to variability in abundance and needs and would not unnecessarily strand fish as alternative 3 conceivably could. Ultimately, the GAP supports the Council's preferred alternative (Alternative 4), but notes that for the sake of stability, the set aside formulas should be used as the starting point for set asides and should be maintained as is when possible to provide certainty and stability.

Shorebased individual fishing quota sector harvest complex needs (post season trading, post season relief from annual vessel quota pound (QP) limits, and September 1st QP transfer deadline) final preferred alternatives

The GAP believes that post season trading could provide significant benefit to the fleet. As we noted in our September 2018 statement, current rules require covering overages in excess of vessel use caps with quota from the following year. This reduces available quota for the remainder of the fleet ultimately driving down landings and revenue. There are also circumstances in which a vessel in deficit, but not over the vessel cap may not be able to find quota to cover that deficit during a fishing year. Likewise, in those instances, post-season trading preserves quota for the following year, maximizing the potential value of the fishery. As the analytical document concluded, "Overall, post-season trading is expected to increase the current year QP utilization and decrease the advance commitment of subsequent year QP. This would be expected to provide economic benefits to vessels, processors, and the communities and consumers that rely on them." ([Follow-on actions – Alternatives and Impacts Analysis, Agenda Item G.3 Attachment 1, November 2018](#)). Relatedly, the GAP believes that the September 1 QP expiration serves no important purpose but does strand quota every year.

As we had at previous meetings, the GAP discussed how to prevent "gaming of the system" (i.e. abuse of the post-season trading rules or vessel cap exemption to the detriment of the resource or other fishermen participating in the program). Ultimately, the GAP decided not to recommend a threshold above which exemptions from the vessel cap should be prohibited. Instead the GAP recommends that the Council address any concerns that arise through the biennial specifications process.

Therefore, the GAP recommends adopting alternative 2 (allow postseason trading for accounts in deficit), as well as the suboption exempting vessels from QP use limits during postseason trading. The GAP also recommends adopting alternative 3 (striking the September 1 QP expiration).

Catcher-processor accumulation limits final preferred alternative

The GAP has previously discussed this issue at length and continues to believe that establishing accumulation limits, ownership limits and processing limits for the catcher processor sector is not the best use of precious staff time and resources. As noted in our September 2018 statement, there are other priority actions in this agenda item that are likely to improve flexibility, efficiency or business certainty and thereby improve economic outcomes in the fishery. In contrast, this item is not supported by industry, was not recommended by the CAB or GAP, and won't lead to any appreciable benefits. Therefore, with regard to accumulation limits the GAP recommends no action (alternative 1) plus vacating the control date (alternative 2). With regard to ownership limits the GAP recommends no action (alternative 1). The GAP appreciates and supports the Council's preliminary preferred alternative that recommended no action for processing limits.

Catcher-processor ownership data final preferred alternative

To provide parity and consistency with the other sectors, the GAP supports the new reporting requirements, but requests that CP information be held to the same confidentiality requirements in use for the other sectors.

Quota share owner economic data final preferred alternative

While the GAP understands the desire to collect economic information on quota share owners to develop a greater understanding of the full impacts of the program, the GAP ultimately believes that such data will be expensive to collect, of suspect accuracy, and an additional reporting burden that could be linked to loss of a permit if not completed by the deadline. The cost to implement this new collection would be borne by industry through cost recovery. Therefore, the GAP continues to recommend alternative 1 (no action). Several members of the GAP believe this information is vital to assess the performance of the program and should therefore be collected.

PFMC
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