



**Al Carter**

**Safety and Compliance Manager**

**Agenda Item G.4. - Omnibus Project Prioritization**

Re. Agenda Item G.4.a

Omnibus Project Prioritization: GMT Report 1:Project Item N-3

Aggregate Non-whiting QS Control Limits and Individual Species Weighting

“This item was identified by the CAB as a possible priority\* follow-on-item but was not selected by the Council for inclusion in the Follow-On-Action package. This item would consider the current 3.2%\*\* aggregate non-whiting control limit and the weighting methodology used in the limit. TBD”

\*“Possible priority” is not mentioned in the CAB report. It is a recommendation. (See CAB report excerpts below)

\*\*As we understand 2.7% is the QS ownership limit for the aggregate cap. 



OceanGold



OCEAN COLD  
COLD STORAGE WAREHOUSING  
CLEAR OCEAN  
1801 YEARDOT DRIVE 262-1301

SPEED  
LIMIT  
20

Ocean Gold has the largest seafood freezing facility on the west coast with capacity to freeze over 100 Million pounds of whiting and 25,000 metric tons of sardines annually. In addition, we cook and freeze large volumes of crab. Even with the tonnage we process we do not have year around work for our employees. Many of the vessels that deliver to us have expressed interest in harvesting groundfish, both midwater and bottom trawl. In addition, Ocean Gold would like to establish year-round work in their operations in order to better retain crew that are familiar with fish processing.

Recently we purchased equipment and added employees to do rockfish. This was an investment of over a million dollars. We would like to reengineer our infrastructure in order to fillet and freeze fillets from 20 Million pounds of dover as well as develop the opportunity to process and market other under-utilized species. We believe this comports exactly with the Goal and Objectives of the ITQ Trawl Program for full utilization. This would be a multi-year project and involve plant reconfiguration and market development. Our first business analysis suggests that there are markets for these species.



It is our belief that that the aggregates cap is not a good tool to prevent excessive control or over-consolidation. It may however constrict development of underutilized species harvest. We believe the ITQ fishermen presently forgo holding underutilized species so that they can stay under the aggregate cap. This artificially drives portfolios to “money species” I.e. Petrale, and away from underutilized species. An example occurred when NMFS made it possible to “return” some underutilized species to NMFS in order to make it possible for quota holders to possess more rockfish quota.

At the least Ocean Gold believes the Council should follow NMFS guidance on catch share program reviews\* and analyze the accumulation limits, including the aggregate cap which is a structural component of the Amendment 20 program. Please take the advice of the GAP and CAB as listed below; perform the analysis on the aggregate cap as recommended by the GAP and CAB and in accordance with NMFS guidelines.

Thank you

\*See GAP Nov 2016 report F.6.c excerpts reference to NMFS guidance for CS reviews listed below.



# Appendix: Excerpts from GAP and CAB reports

## **Agenda Item F.6.c Supplemental GAP Report, November 2016**

### **3) Catch Shares Review Blueprint**

“The GAP supports the CAB additions to the blueprint. In addition, the GAP recommends the following additions and clarifications.”

“Draft Guidance For Conducting Reviews of Catch Share Programs (Informational Report 1, November 2015, pg. 9 Section VI). Specifically, the GAP recommends an analysis of: A – program objectives yet to be achieved, B – accumulation limits/caps, F – allocation (for example consideration of within trawl allocations of constraining rockfish species), and G – cost recovery”

#### **Specific blueprint additions:**

“Revise the efficiency section of the blueprint (Annotated Outline, Agenda Item F.6.a, Blueprint, November 2016, pg. 12) to include consideration of how vessel caps, individual species caps, and aggregate caps relate to efficiency.”



# Appendix: Excerpts from GAP and CAB reports

## **Agenda Item E.7.a, CAB Report September 2017**

### **3. Revising Shoreside IFQ Accumulation Limits**

The CAB concurred with the purpose and need statement as developed by Council staff.

There was a recommendation that the current limits be further assessed and analyzed using the Herfindahl-Hirschman Index and a microeconomic welfare distribution analysis.

For the aggregate nonwhiting control limits, the CAB recommends status quo and elimination of the aggregate limits be used as bookends for the range of alternatives.

- **Aggregate QS Control Limit Alternative 1:** Status Quo: 2.7 percent aggregate nonwhiting control limit.
- **Aggregate QS Control Limit Alternative 2:** No aggregate nonwhiting control limit (based on individual species limits, no one would be able to control more than 5.84 percent).





# Appendix: Excerpts from GAP and CAB reports

## **Agenda Item E.7.a, CAB Report September 2017**

The CAB noted that the current aggregate limit is calculated based on 2010 trawl allocations (the 2010 allocations are used to weight the individual species allocation to determine the aggregate amount of non-whiting QS a person controls). Over time, this weighting becomes outdated. Elimination of the aggregate limit would remove the need for such calculation, as well as the regulatory and procedural complexities of adjusting the weighting.

Individual species annual vessel QP limits should also be evaluated and further analyzed (including a review of the original analysis used to develop the limits). For incidentally caught species or species for which catch is market limited, it might not make sense to maintain the existing limits; but at the same time, it may be that target and bycatch species should be evaluated differently. Rather than permanently setting individual species QP limits, they might be adjusted depending on the degree to which allocations are being attained.

- **Daily Vessel QP Limits Alternative 1 – Status Quo:** Maintain all existing individual species vessel limits.
- **Daily Vessel QP Limits Alternative 2 – Eliminate daily limits.**



# Appendix: Excerpts from GAP and CAB reports

## **Agenda Item E.7.a Supplemental GAP Report 1 September 2017**

### **GROUND FISH ADVISORY SUBPANEL REPORT ON TRAWL CATCH SHARE REVIEW, PRELIMINARY RANGE OF FOLLOW-ON ACTIONS, AND INTERSECTOR ALLOCATION**

**3. Revising Shoreside IFQ Accumulation Limits** The GAP believes that the bookends described by the CAB (1. no action, and 2. An aggregate cap equal to the sum of the individual species limits) provide an adequate range.



Thank You

