

## EXEMPTED FISHING PERMIT APPLICATION

### ANNUAL VESSEL LIMIT POOLING FOR GROUND FISH IFQ VESSELS OPERATING UNDER A COLLECTIVE ENFORCEMENT AGREEMENT IN 2019-2020

**1. Date of Application:** June 15, 2019

Revised: August 12, 2019

**2. Applicant**

California Risk Pool

Fort Bragg Groundfish Association: Michelle Norvell

Half Moon Bay Groundfish Marketing Association: Lisa

Damrosch

[www.cagroundfish.org](http://www.cagroundfish.org)

email: [lisadamrosch@gmail.com](mailto:lisadamrosch@gmail.com)

650-255-2063

**3. Project Partners**

The Nature Conservancy: Kate Kauer

**4. Summary**

This exempted fishing permit (EFP) application seeks exemption from the annual vessel limit for Cowcod (*Sebastes levis*) under the Shorebased Individual Fishing Quota (IFQ) Program (CFR 660.140 (b)(1)(iii-v)) for five vessels operating under the California Groundfish Collective (CGC) Collective Enforcement Agreement.

We propose that the exempted CGC vessels would manage and independently allocate each member's annual vessel limit worth of Cowcod quota among member vessels as necessary. This EFP would test the use of a voluntary collective agreement in a small California port setting to annually manage a pool of vessel limits of Cowcod quota pounds using a risk pooling model to reduce the risk of catching an overfished stock while increasing attainment of target species.

- EFP participants will provide all quota needed to conduct the EFP; no additional quota allocations are required.
- The actual amount of quota pounds pooled by the CGC will be constrained by market availability.
- All participants will operate under the existing Electronic Monitoring EFP and a Collective Enforcement Agreement.
- The CGC will manage a pool of Cowcod quota pounds and allocate those quota pounds to its member vessels as necessary.
- Collectively, the CGC vessels' catch would not be permitted to exceed the amount specified for the pool, but an individual vessel could exceed the existing annual vessel limit of 858 pounds.

## 5. Statement of Purpose and Goals

### Purpose

The purpose of this EFP is to allow CGC vessels to test the use of a voluntary collective agreement to annually manage a pool of annual vessel limits of Cowcod. Specifically, this EFP would use a risk pooling model to reduce the risk of catching an overfished stock while increasing attainment of target species and still meeting conservation and management objectives. The members of the CGC have a proven track record of compliance, collaboration and innovative management measures.

### Goals

1. Test and evaluate the merits of permitting a regional collective of vessels operating under a Collective Enforcement Agreement, similar to a regional fishery association, to pool constraining species quota pounds, allocate those pounds among members as needed (potentially exceeding individual annual vessel limits), and stay within a pool limit.
2. Identify if managing annual vessel limits using a risk pool model can allow additional attainment of target species while mitigating the impact of catching constraining species to the point of ending fishing seasons early.
3. Establish and share best practices for collectively managing and allocating constraining species quota pounds using a Collective Enforcement Agreement.
4. Gather and share information that may inform an impact analysis should the Council scope potential changes to the groundfish IFQ vessel limit regulations.
5. Gather and share information that may inform an exploration into the types of provisions to include in regional fishery associations as defined in the MSA as well as community fishing groups that are already allowed within the current fishery management system.

## 6. Justification and Broader Significance:

Annual vessel limits are used in the Shorebased IFQ Program to restrict the consolidation of quota pounds among vessels in the fishery, particularly for constraining species such as overfished species (e.g., cowcod). The region where the CGC operates off the coast of California (south of the 40° 10' N. latitude management line) is the only area where cowcod are encountered and managed as an individual IFQ species, and few trawl vessels operate in the area. The annual catch limit for cowcod is small both due to its rebuilding status and its typical abundance in the marine environment. The cowcod stock has been making significant rebuilding progress and is nearly rebuilt. At this time, due to the low harvest allowances and the rigidity of annual vessel limits, this rebuilding stock has the potential to destabilize this portion of the groundfish trawl fishery should higher-than-normal catches occur. The existing annual vessel limit for cowcod (858 lb) is constraining fishing operations and limits the effectiveness of Collective Enforcement Agreements by reducing flexibility and ability to pool risk. An early end to a vessel's fishing opportunity due to exceeding individual vessel limits of cowcod would prove detrimental to individual businesses, markets and infrastructure growth that has been hard-fought to rebuild in California. A single vessel leaving the fishery early would result in a loss of more than 50% of the total IFQ Groundfish landed south of San Francisco.

Industry raised the issue of the cowcod annual vessel limit (as well as other southern area species caps) being constraining at the Community Advisory Board meetings during the Shorebased IFQ Program 5-year review, and this topic was discussed when prioritizing recommendations for follow-on actions as

part of the 5-year review process. However, the Council chose not to move ahead with reconsideration of annual vessel QP limits at the time.

While the CGC has taken voluntary measures to successfully reduce the catch of this constraining stock over the last nine years, it has experienced a significant increase in catches of cowcod in 2018 and 2019 as the stock rebuilds. For example, the CGC has experienced a 416% increase in the amount of cowcod caught by this point in the season from 2017 to 2019. In 2017, the CGC had seven member vessels and had collectively caught 151 lb of cowcod by June 1<sup>st</sup>. In contrast, in 2019 the CGC has five member vessels and had caught 780 lbs by the same point in the season. As of August 2019, CGC members have harvested more than 1000 lbs which represents over 80% of the total cowcod harvested by the entire fleet.

The current attainment rate of cowcod is 20%. The ratio of cowcod to other under-attained target species with market demand is currently less than .01%. However, individual fishing operations are restricted from access to stocks with market demand due to the low cowcod annual vessel limit.

The cowcod stock was recently assessed, and is expected to rebuild by 2020. In advance of annual vessel limits that may result from improvements in the condition of the cowcod stock, the CGC believes that this EFP could test managing annual vessel limits using a collective enforcement agreement, collecting information and sharing best practices while still supporting the ongoing rebuilding of this stock. Additionally, this EFP will allow for exploring the types of provisions to include in regional fishery associations as defined in the MSA, as well as community fishing groups that are already allowed within the current fishery management system. This could lead to regulatory change that would successfully mitigate serious socioeconomic risks by providing flexibility to the fleet and support the successful rebuilding of the West Coast groundfish fishery.

As cowcod continues to rebuild, allowing vessels to pool their cowcod quota will create overall greater stability among the fishing industry. If vessels are given more flexibility to access healthy target stocks, then fishing vessels and the associated community infrastructure will be better able to continue operating during fishing years with lower cowcod quotas.

## **7. Duration**

We request the permit be issued for the full 2019-2020 groundfish biennial harvest specifications cycle (i.e., the remainder of 2019 and for the full 2020 fishing year).

## **8. Number of Vessels**

We anticipate that 5 vessels will participate in this EFP from 3 ports (Half Moon Bay, Morro Bay and Fort Bragg, California). This represents the current participating vessels in the GCG. The CGC is always open to new participants. If new participants apply and qualify to join the CGC, the CGC would notify NMFS and request additional EFPs for new participants. New participants would be required to have both this EFP and an EM EFP to operate under its Collective Enforcement Agreement.

## **9. Description and Amount of Harvested Species**

Target Species: Chilipepper rockfish, Bocaccio rockfish, Petrale Sole, Lingcod, minor shelf rockfish, minor slope rockfish, Splitnose rockfish, other flatfish

Rebuilding Species: Cowcod, Yelloweye rockfish.

## 10. Accountability Mechanism

In an effort to mitigate accountability concerns, the vessels participating in this EFP will be required to sign a collective enforcement agreement (i.e. a contract) under which they agree to comply with the terms and conditions of the EFP and the Collective Enforcement Agreement, and authorize the release of data for purposes of verifying their compliance.

An EFP project manager will monitor participating vessels and their owners and operators for compliance with EFP requirements and the terms of the Collective Enforcement Agreement and The California Groundfish Collective may unilaterally suspend or terminate a participant's or vessel's authority to operate under the EFP at any time if they conclude, that the participant's or vessel's activity is inconsistent with the terms of the EFP, the Collective Enforcement Agreement, or any of the intents and purposes for which activity under the EFP or this Agreement is being conducted.

This structure will help ensure that compliance incentives are in place and that minor issues are dealt with by the EFP applicant.

This contract will be an extension of the Collective Enforcement Agreement that was developed partnership with, and to the satisfaction of, NOAA OLE, and that is currently in place for the CGC Electronic Monitoring (EM) EFP. This agreement includes the following:

- i. An acknowledgement by signatories that violations by one vessel may result in penalties for all participants, and that potential violations will be reviewed by an EFP manager (selected by the participants) and notified to NMFS OLE.
- ii. An acceptance by participants of the possibility of the EFP being revoked in the case of a serious violation by a single fishing vessel.
- iii. Incentives to report accurately and to cooperate with existing voluntary risk pooling protocols (for example, use of fishery management plans that include detailed spatial plans with zoned risk mitigation behaviors, such as 30-minute test tows in areas where Cowcod and Yelloweye may be encountered, and voluntary closures of high-risk areas).

The total amount of cowcod QP managed under this scenario will be limited by the market availability and will not exceed the number of participants multiplied by the annual vessel limits. There is no additional allocation of QP requested for any stock or stock complex, and vessels would stay within allocated QP limits.

## 11. Proposed Data Collection:

The CGC has collected fishing activity data since 2011 such as tracking the number of spatial fishing plans by gear and region and the number and relative size of voluntary no-go fishing zones closed by the CGC. The CGC also conducts a monthly check in that gauges the usage of QP of overfished species, and the ratio of overfished species to Target species harvested. The CGC will continue to operate under approved fishing plans that track the percentage of cowcod harvested in all sets/hauls (currently at .006%) and the amount of additional target species attainment achieved by allowing the pooling of vessel caps.

## 12. Quota Accounting

Catch accounting conducted by the CGC will use three sources of data: e-logbooks; shoreside catch monitor landing data; and data from the EM video review.

NMFS will continue to monitor individual vessel accounts for quota accounting.

## 13. Vessel Selection Process

Vessels must agree to the terms of participation in the California Groundfish Collective and in the Collective Enforcement Agreement including but not limited to agreement to fish under a prescriptive regional fishing plan that is designed to maximize the harvest of target species from the Fishery; minimize the take of Constraining Species from the Fishery, safeguard sensitive fish habitat off the Pacific Coast; and contribute to the rebuilding of Constraining Species stocks. CGC vessels also agree to share data, including logbook data and other information deemed necessary to ensure compliance with the agreements and to provide data for reporting.

All participating vessels will operate under an Electronic Monitoring EFP that includes a Collective Enforcement Agreement.

The vessels currently participating in the California Groundfish Collective are:

Miss Moriah-Half Moon Bay  
Mr Morgan Half Moon Bay  
Donna J Fort Bragg  
Moriah Lee Half Moon Bay  
Britta Michelle Morro Bay

## 14. Times and Places of Fishing, Type of Gear

Fishing locations, gear types and activity will not change. Vessels are operating out of Fort Bragg, Half Moon Bay and Morro Bay and operating under approved CGC fishing plans.

## 15. Signatures



Lisa Damrosch  
Executive Director  
Half Moon Bay Groundfish Marketing Association



Michelle Norvell  
Executive Director  
Fort Bragg Groundfish Association