

**Sablefish Management and Trawl Allocation Attainment Committee (SaMTAAC)  
Alternatives  
(Ver: January 15, 2020)**

This document contains the alternatives developed by the SaMTAAC and incorporating all decisions made by the committee at its October 2019 meeting. The committee will next address these alternatives at its January 22-23, 2020 meeting in Portland, Oregon. Footnotes identify some issues the SaMTAAC may want to take up at that time

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### **No-Action Alternative**

No Action is an alternative to each of the following action alternatives. Under No Action, the regulatory regime would not change but the fishery will continue to change in response to changing environmental, economic, and social conditions. Attainment of the trawl allocations would continue to vary with changes in factors such as the level of trawl allocations, market conditions, the mix of co-occurring species, and prices for quota pounds (QP). These factors may influence and be influenced by the degree of gear switching. Vessels with limited entry trawl permits would be able to continue to use any gear to catch their sablefish QP.

### **Action Alternatives**

#### **Gear Specific QP Alternative (Action Alternative 1)**

**Overview:** Each year, some northern sablefish QP would be issued as trawl-only QP and the remainder would continue to be unrestricted (valid with any legal groundfish gear, as under status quo). Every northern sablefish QS owner would receive the same proportion of their sablefish QP as trawl-only (e.g., 80 percent trawl-only and the remainder unrestricted), except that under a sub-option there would be an opportunity for certain entities to receive all their sablefish QP as unrestricted (an “opt-out” opportunity).

**Allocation of Gear Specific QP:** At the start of the year, QS accounts will receive a specified percentage of their northern sablefish QP as trawl-only and the remainder as unrestricted (i.e., status quo “sablefish QP”).<sup>1</sup>

**Gear Specific Option A**<sup>2</sup> (if there is **no** opt-out): 70 percent trawl/30 percent unrestricted (any gear)

**Gear Specific Option B**<sup>2</sup> (if there is an opt-out): 90 percent trawl/10 percent unrestricted (any gear)

**Conversion Date:** On a “trawl-only conversion date,” any remaining unused trawl-only sablefish QP in individual accounts will convert to unrestricted sablefish QP. The trawl only conversion date will be

**Date Option a:** September 1

**Date Option b:** August 1

**Option for an Opt-out Provision:** The Council may decide to include in this alternative an opt-out provision for QS accounts with northern sablefish QS. Under an opt-out provision, any QS account owners who opt out will receive 100 percent of the QP issued to their account as unrestricted (i.e. status quo QP). Opt-out status will expire when the account expires or when a new owner is added to the underlying ownership of the account (using the same rules which apply to expiration of the owner-on-board exemption for the fixed gear permit system). Therefore, over time, all QS accounts will eventually receive the same splits of trawl-only and unrestricted QP.

**Opt-out Option a:** At the time of implementation, a one-time opt-out option will be provided for qualified trawl permit owners that have a history of using their permit to land fixed gear sablefish in the trawl IFQ fishery. Those qualifying permit owners shall designate the QS account to which the opt-out provision would apply. Any future trawl permit owners or new QS account owners will not have the opportunity to opt-out and all new QS accounts will receive gear-specific QP in the standard proportions of QP specified in the first paragraph of this alternative (90 percent trawl/10 percent any gear).

**Qualification Criteria Suboption for Opt-out Option a:** A trawl permit must land with fixed gear

**Opt-out Option a Qualification Suboption 1.A:** between January 1, 2011 and September 15, 2017, a minimum of 10,000 lbs of sablefish.

**Opt-out Option a Qualification Suboption 1.B:** between January 1, 2011 and

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<sup>1</sup> As part of implementation, PacFIN species codes might be used to track this distinction. For example, “TWSF” could be used for trawl-only sablefish and the current species code (“SABL”) for unrestricted sablefish.

<sup>2</sup> For SaMTAAC consideration: “Gear Specific QP” Eliminate these as options and just specify “If an opt-out option is selected 90 percent of the QP would be issued as trawl-only and 10 percent as unrestricted. If an opt-out option is not selected 70 percent of the QP would be issued as trawl-only and 10 percent as unrestricted.”

September 15, 2017, a minimum of 20,000 lbs of sablefish.

**Opt-out Option a Qualification Suboption 1.C:** between January 1, 2011 and September 15, 2017, a minimum of 30,000 lbs of sablefish.

**Opt-out Option a Qualification Suboption 2.A:** between January 1, 2014 and December 31, 2018, a minimum of 10,000 lbs of sablefish.

**Opt-out Option a Qualification Suboption 2.B:** between January 1, 2014 and December 31, 2018, a minimum of 20,000 lbs of sablefish.

**Opt-out Option a Qualification Suboption 2.C:** between January 1, 2014 and December 31, 2018, a minimum of 30,000 lbs of sablefish.

**Opt-out Option b:** At the time of implementation, a one-time opt-out option will be provided for qualified QS account owners that have a history of transferring their northern sablefish QP to vessels that had substantial use of fixed gear in the trawl IFQ fishery. Any future new QS account owners will not have an opportunity to opt-out and will receive gear-specific QP in the standard proportions of QP specified in the first paragraph of this alternative (90 percent trawl/10 percent any gear).

**Qualification Criteria Suboptions for Opt-out Option b:**

For a QS account to qualify for an opt-out opportunity, the following percentage of northern sablefish QP issued to the account must have been associated with gear switching for TBD years during the indicated period:

**Opt-out Option b Qualification Suboption 1.A:** between January 1, 2011 and September 15, 2017, a minimum of 25 percent.

**Opt-out Option b Qualification Suboption 1.B:** between January 1, 2011 and September 15, 2017, a minimum of 33 percent.

**Opt-out Option b Qualification Suboption 1.C:** between January 1, 2011 and September 15, 2017, a minimum of 50 percent.

**Opt-out Option b Qualification Suboption 2.A:** between January 1, 2014 and December 31, 2018, a minimum of 25 percent.

**Opt-out Option b Qualification Suboption 2.B:** between January 1, 2014 and December 31, 2018, a minimum of 33 percent.

**Opt-out Option b Qualification Suboption 2.C:** between January 1, 2014 and December 31, 2018, a minimum of 50 percent.

The amounts associated with gear switching will be assessed using the WDFW proportional method and only the first four degrees of separation will be included in the assessment (QP transfer from the QS account to the vessel

account and three subsequent degrees of separation) <sup>3</sup>

**Opt-Out Conversion Date Suboption:** Eliminate the trawl-only conversion date (an opt-out option would be included and QP issued as trawl-only would remain trawl-only throughout the entire year).

**Sunset Provision Option:** The Council may decide to include a sunset provision with this alternative, which might also include a mandatory review prior to the sunset date.

**Sunset Option:** These provisions end 10 years after implemented in regulation, unless the Council takes action to extend or modify the program. If the program sunsets, all QP will be issued as unrestricted in the subsequent fishing year, i.e. a return to status quo with respect to the related regulations.

**Review Period Suboption:** There will be a review period prior to sunset date.

## **Gear Switching Endorsement Alternative (Action Alternative 2)**

**Overview:** In the area north of 36° N. lat. there will be different sablefish gear-switching limits for two groups of vessels: those associated with a gear-switching endorsement and all other trawl permitted vessels. The amount of sablefish gear switching allowed for endorsement associated vessels will be larger than the allowance provided to all other trawl permitted vessels. There will be qualification requirements for the gear-switching endorsement, which

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<sup>3</sup> **THIS DESCRIPTION UPDATED JAN 15, 2020:** The WDFW scoring method tracks QP transfers between QSAs and Vessel Accounts (VAs) and among VAs to quantify the degree to which the sablefish north QP issued to a QSA is caught with trawl gear or fixed gear (gear switched). The scoring is proportionate to QP transfers and is calculated using a weighted average where the amount of QP transferred from the QSA to the VA serves as the weight between the two accounts. Put simply, if the owners of a QSA transferred 30 percent of their QP to a VA, 30 percent of their score comes from that VA. The “score of a VA” can be thought of as a QP activity portfolio that summarizes the account’s QP activity for the year. The portfolio consists of the following “end-state” categories: (1) QP fished with trawl gear; (2) QP fished with non-trawl gear, (3) QP used to cover deficit catch from the previous year, (4) QP remaining in the account at the end of the year.

The proportion of QP in each category (i.e. percentage of the total expressed as a decimal) is calculated by dividing the category’s QP by the total QP summed across all four categories. The “gear switching score” is the second listed category—the proportion of QP debited for catching sablefish north with a gear other than trawl. The four portfolio categories can have “direct” and “indirect” contributions. The direct component is based on the activities of the VA itself. A VA that transfers QP will also have indirect contributions to its scores based on the activities of the VA account to which that QP was transferred and whether that VA account made any additional transfers (additional degrees of indirect contribution).

As with QSAs, a VA’s indirect score is calculated as a weighted average of the QP activity portfolios of QP transfer partners. Extra calculation steps are needed compared to those required to score QSAs. In contrast to QSA transfers, which are one-way transfers (i.e. from QSA to a VA), VAs that transfer QP to other VAs may receive QP from their partners and partners of their partners.

may apply to the vessel or limited entry permit. Regardless of whether the vessel or permit qualifies, the endorsement will be attached to a limited entry permit. The endorsement might or might not be transferable with the permit and could be phased out, depending on the options selected. If endorsements are phased out, all vessels would eventually only have access to the lower level gear switching limit provided to all trawl permitted vessels.

#### Full Description

**Gear-Switching Endorsement and Qualification:** Gear switching endorsements will be attached to trawl limited entry permits. The presence or absence of a gear-switching endorsement on a vessel's limited entry permit will determine its gear-switching limits.

The entity for which the qualifying criteria are evaluated will be the vessel or limited entry permit (TBD prior to or on final action).

Vessel qualification: if the qualifying requirements must be met by the vessel, then the gear-switching endorsement will be attached to the trawl limited entry permit associated with the vessel at the time of implementation.

Permit qualification: if the qualifying requirements must be met by the permit, then the gear-switching endorsement will be attached to the qualifying permit.

The following are the criteria that must be met to qualify for the gear-switching endorsement.

The limited entry vessel/permit (to be determined) made gear switched landings of northern sablefish prior between January 1, 2011 and September 15, 2017 (the control date) totaling at least

Qualification Option 1: 5,000 lbs per year in at least TBD years

Suboption: and participated in at least one year from 2016 to 2018

Qualification Option 2: 10,000 lbs per year in at least TBD years

Suboption: and participated in at least one year from 2016 to 2018

Qualification Option 3: 30,000 lbs in at least 3 years

Suboption: and participated in at least one year from 2016 to 2018

For a permit to qualify, it must have been registered with the vessel at the time of the gear-switched landings.

**Sablefish Gear-Switching Limits:** For vessels with trawl permits that have a gear-switching endorsement, the annual sablefish north gear-switching limit is:

**Endorsement Limit Option 1:** the maximum percent of northern sablefish trawl allocation landed<sup>4</sup> by the qualifying permit/vessel (TBD) with fixed gear in any year between 2011 and the control date (9/15/2017). Once that maximum is determined, it is assigned to the permit and stays with the permit when it is transferred.<sup>5</sup>

**Endorsement Limit Option 2:** for each qualifying vessel/permit the average percentage of the sablefish north trawl allocation landed with fixed gear for years fished between 2011 and the control date.

**Endorsement Limit Option 3:** the standard northern sablefish vessel QP limit (currently 4.5 percent).

For vessels with trawl permits that **do not have a gear-switching endorsement** there is a per-vessel sablefish gear-switching allowance, or limit, of 0.5 percent of the annual trawl allocation of northern sablefish.

The gear switching limits are limits on the maximum amount of sablefish QP that can be used to cover fish caught with non-trawl gear,<sup>6</sup> though there is an allowance to cover catch in excess of the limit on the trip on which a vessel reaches the gear-

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<sup>4</sup> DETAIL FOR SaMTAAC CONSIDERATION: "Limits:" The limits will apply to catch but, as described here, the amount of the limit will be determined based on landings. This could be changed to determine the limit based on catch history of the vessel/permit. Such a change might require development of a new data set and reanalysis of the implications of qualifying criteria for projected gear switching levels, however, at the fleet level discard rates are only a few percentage points so it would not be expected to substantially alter projections.

<sup>5</sup> DETAIL FOR SaMTAAC CONSIDERATION: "Transfers:" Additional provision for permit transfers.

**Vessel based approach:** If more than one gear-switching endorsed trawl permit is associated with the vessel (either sequentially or at the same time), the vessel is entitled to the gear switching limit associated with only one of the permits. A vessel cannot catch sablefish with non-trawl gear in excess of the gear-switching limit associated with the permit registered to the vessel at the time of the catch. For example, if a vessel starts the year with a permit that has a 15,000 pound gear-switching limit and catches 12,000 pounds but then transfers to a permit with only a 10,000 pound limit, it would not be in violation of the new permit limit but it may not take additional gear-switched sablefish. If it starts with a 10,000-pound permit, catches 10,000 pounds, then acquires a 15,000-pound permit, it can catch an additional 5,000 pounds while registered to the second. If a vessel were to have two trawl permits on board at the same time, it would be subject to the larger of the two limits associated with the permit (permit related gear switching limits cannot be stacked).

**Permit based approach:** The gear switching limit is associated with the permit. If the permit is transferred midyear, fish caught prior to the transfer still count against the permit's limit for the year. If a vessel were to have two or more trawl permits on board at the same time, it would be subject to the larger of the limits associated with the permit (permit related gear switching limits cannot be stacked). Note: This is similar to how the fixed gear tiered permit system works except here stacking is not included (though the SaMTAAC could modify this approach to include stacking).

<sup>6</sup> Sablefish gear switching limits are evaluated after applying credits for discard survival. Therefore, they are actually limits on total QP used (sablefish discard mortality and landings) rather than of catch.

switching limit (limit provided by its gear-switching endorsement or the allowance for vessels without an endorsement). When a vessel reaches its limit, it must discard any sablefish caught in excess of the limit and it may not deploy non-trawl gear on any trawl IFQ sector trips taken during the remainder of the year. Discarded sablefish must be covered by sablefish QP, though survival credit is provided (as per regulation).<sup>7</sup> **[This text was previously part of a footnote but has been modified to increase precision.]**

**Other Species Gear Switching Limit:** For all trawl permitted vessels, there will not be any gear switching limits for other IFQ species.

**Annual Vessel QP Limit:** Regardless of these gear switching limits, trawl permitted vessels are not allowed to catch amounts in excess of the northern sablefish vessel QP limit (taking into account both the vessel's trawl and non-trawl landings).

**Endorsement Transferability and Expiration:**

**Transferability/Expiration Option 1:** Gear-switching endorsements expire when the permit ownership changes (ownership-based phase-down of gear switching).<sup>8</sup>

**Transferability/Expiration Option 2:** Gear-switching endorsements may be transferred one time with a change in ownership of permit (ownership-based phase-down of gear switching).<sup>8</sup>

**Transferability/Expiration Option 3:** Gear-switching endorsements are permanent and endorsed permits are transferable.

**Active Trawler Alternative (Alternative 3)**

**Overview:** To be eligible for gear switching in a particular year, a vessel would be required to have a certain level of trawl landings earlier in that year or the previous year. Exemptions to this requirement would be provided for vessels that have some minimum amount of gear switching history. These exemptions would be non-transferable and expire over time with changes in ownership. The level of gear switching allowed by those with exemptions would be tied to the amount of QS owned by the vessel owner but would not be less than some base amount, likely 0.6 percent. Provisions are included for year-to-year adjustments to the level of gear switching allowed for active trawlers and exempt vessels, in order to keep the fleet within a particular cap ("back-stop").

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<sup>7</sup> A vessel that reaches the sablefish gear-switching limit would not be able to gear switch on subsequent trips even if it was targeting non-sablefish species and the chance of sablefish bycatch is extremely low. It would be able to continue to fish with trawl gear and retain sablefish caught, up to the annual vessel limit.

<sup>8</sup> For purpose of this provision, a change in ownership will be considered to occur when a new entity is added to the permit ownership but not when an entity leaves the permit ownership (e.g. partners may leave but new partners may not be added).

## Full Description

**Active-Trawler Vessels:** A vessel must have a current year “active-trawler” designation to use fixed gear to land northern sablefish (unless it has an exemption). Each active-trawler vessel will be limited to catching<sup>9</sup> 1.0 percent of the northern sablefish allocation with fixed gear. A vessel is designated as an “active trawler” if in the current or prior year it uses trawl gear to makes at least six catch share landings that each meet at least one of the following two criteria:

- a. in the area north of 40° 10’ N. lat, 18,000 pounds of any IFQ species
- b. in the area between 36° N. lat. and 40° 10’ N. lat., 9,000 lbs of any IFQ species

**Exempted Vessels:** Vessels may qualify for an exemption to the “active trawler” requirement. Such vessels will be allowed to use fixed gear to catch<sup>9</sup> the greater of 0.6 percent<sup>10</sup> of the northern sablefish allocation or the percent of<sup>11</sup> northern sablefish QS<sup>12</sup> the vessel

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<sup>9</sup> For SaMTAAC CONSIDERATION: “Catch” includes language similar to that in Alternative 2 as part of this alternative. “The gear switching limits are limits on the maximum amount of sablefish QP that can be used to cover fish caught with non-trawl gear, though there is an allowance to cover catch in excess of the limit on the trip on which a vessel reaches the gear-switching limit (limit provided by active trawl status or exempted vessel provisions). When a vessel reaches its limit, it must discard any sablefish caught in excess of the limit and it may not deploy non-trawl gear on any trawl IFQ sector trips taken during the remainder of the year. Discarded sablefish must be covered by sablefish QP, though survival credit is provided (as per regulation). A vessel that reaches the sablefish gear-switching limit would not be able to gear switch on subsequent trips even if it was targeting non-sablefish species and the chance of sablefish bycatch is extremely low. It would be able to continue to fish with trawl gear and retain sablefish caught, up to the annual vessel limit.”

<sup>10</sup> This amount may be reduced prior to final adoption of the alternative, as necessary to ensure that exempted vessels would not be expected to exceed the 10 percent backstop percentage described below.

<sup>11</sup> For SaMTAAC CONSIDERATION: “Multiple Vessels or Multiple QS Accounts” Clarify how this provision is intended to apply to situations in which there might be multiple gear switching vessels that have 50 percent common ownership with a single QS account. Also consider how to handle a situation in which there is 50 percent common ownership between a single vessel and multiple QS accounts. The need to consider these issues may be reduced depending on the rules that apply when a vessel is acquired after the control date (see SaMTAAC consideration related to “Vessel Acquisition”).

If the intent for a multiple vessel situation is to limit the gear switching to the amount in the account to simplify tracking and monitoring, the committee may want to consider requiring that for each year the QS account would identify the vessel to which its gear-switching limit would apply (there would have to be at least 50 percent common ownership between the vessel and QS account).

<sup>12</sup> For SaMTAAC CONSIDERATION: Should the amount of QP that an exempted vessel is able to use (based on the QS account owned by the vessel owners) be adjusted for the AMP QP? For example, under status quo a vessel owner has 1 percent of the QS but because of the AMP receives 1.1 percent of the QP. Under this alternative should its limit be the 1 percent or the 1.1 percent. Similarly, but working the other direction, the QS equivalent of 0.6 percent of the QP is 0.55 percent QS.

owner<sup>13</sup> has owned as of and since the control date.<sup>14,15</sup> Exemptions will be given based on vessel catch history but the exemption will be attached to the trawl limited entry permit designated by the vessel at time of implementation. Exemptions will expire upon transfer of the limited entry permit to a new owner.<sup>16 17</sup> To qualify for the exemption, the vessel must have used fixed gear in the trawl catch share program to land a minimum of

Exempted Vessel Option a: 30,000 lbs of northern sablefish trawl QPs per year in at least three years between January 1, 2011 and September 15, 2017.

Exempted Vessel Option b: 30,000 lbs of northern sablefish trawl QPs per year in at least three years between January 1, 2014 and December 31, 2018.

Exempted Vessel Option c: 30,000 lbs of northern sablefish trawl QPs per year in at least three years between January 1, 2011 and September 15, 2017 or 90,000 lbs cumulatively across three years from 2014 to 2018, with at least one gear-switched landing in each of the three years.

**Other Species Gear Switching Limit:** For all trawl permitted vessels there will not be any gear switching limits for other IFQ species.<sup>18</sup>

**Back Stop Percentages:** Set back-stop percentages of the active trawler group and exempt group to 10 percent and 10 percent of northern sablefish trawl allocation, respectively. Vessel gear switching limits for active trawlers would be adjusted from year-to-year to

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<sup>13</sup> For SaMTAAC CONSIDERATION: “Vessel Acquisition:” The alternative addresses the issue of a vessel owner acquiring more northern sablefish QS after the control date (would not count those acquisitions) but no that of a QS owner acquiring a qualifying vessel (and hence making an amount of QP equivalent to its northern sablefish QS holding eligible for gear switching). If after the control date and prior to implementation a QS owner acquires ownership of a vessel that qualifies for an exemption, would that QS count toward establishing the QS based gear switching limit for the vessel? If a limit on the date by which the vessel must be acquired is to be included, in addition to the control date the committee might also want to consider some other period through which such vessel acquisitions would be considered (e.g. through the end of 2018 or 2019).

<sup>14</sup> A vessel owner will be considered to own a QS account if there is 50 percent or more common ownership between the vessel and the QS account.

<sup>15</sup> For SaMTAAC CONSIDERATION: “QS Transfers” Under this provision, would a vessel owner that had sablefish QS in one account as of the control date and then transferred that QS to a new account under the same or similar ownership (50 percent ownership in common with the vessel) be considered to have owned the QS as of and since the control date?

<sup>16</sup> For SaMTAAC CONSIDERATION: “Replacement Vessels” Added “to a new owner” on the assumption that the intent here was to prohibit transfers to a new owner but not to prevent a replacement vessel. To prevent replacement vessels remove “to a new owner”.

<sup>17</sup> For SaMTAAC CONSIDERATION: “Ownership Changes” With respect to the expiration of the active trawler requirement, should it be based on the same criteria used for the fixed gear owner-on-board grandfather clause (i.e. owners may be subtracted without being considered to cause a change in ownership but they may not be added). If so, unless other provisions are made, the departing owner could disrupt the 50 percent ownership link between the vessel and the QS account, causing the vessel gear switching allowance to revert to the default minimum of 0.6 percent.

<sup>18</sup> For SaMTAAC CONSIDERATION: What sablefish limit would apply for vessels targeting non-sablefish species? Zero retention?

keep the active trawler group below the 10 percent back stop amount. Prior to final adoption, the 0.6 percent limit for vessels with exemptions may be reduced if it appears necessary to ensure that vessels in this category do not take more than 10 percent of the northern sablefish with fixed gear.

### **Discussion of Intent**

The intent of the active trawler backstop percentage is to ensure that the active trawler group does not collectively take more than approximately 10 percent of the northern sablefish quota with fixed gear in a year. If the collective fixed gear use of northern sablefish quota by the active trawler group does exceed 10 percent in any year, then in the following year, the active trawler vessel limit will be reduced from 1.0 percent to 0.8 percent of the northern sable trawl allocation.

The intent of the exempt group backstop percentage is to aid development and analysis of the alternative. It is expected that the sum of exempt vessel fixed gear limits will sum to approximately 10 percent. If the sum is significantly greater than 10 percent, consider lowering the 0.6 percent value prior to finalizing this alternative.

If management changes allow any or all of the 2017 control date southern portion of sable (approximately 24.42 percent) to be harvested north of 36° N. lat., this will trigger a reduction in the fixed gear vessel limit and backstop limit percentages such that the poundage limits are unchanged compared to what the poundage limits would have been without any management changes. This is intended to apply only in the case of management changes intended specifically to address the underattainment and gear-switching issues, or conversion to a coastwide Annual Catch Limit (ACL) for sablefish. It will not apply in the case of other changes to the N/S apportionment, such as could occur if the Scientific and Statistical Committee (SSC) recommends revising the basis for apportionment (currently under review by the SSC with a recommendation to the Council expected in November 2019).