Wifi Information

Network: IHG use access code logon
Passcode: Pdxap
Meeting Purposes

• Continue development of a preferred range of alternatives and identify outstanding analytical needs

• Provide guidance on SaMTAAC report to be provided for the June 2020 Council meeting
SaMTAAC Charge

Identifying obstacles to achieving the goals and objectives of the catch share plan related to under attainment of non-sablefish trawl allocations and unharvested sablefish quota pounds (QP) south of 36° N. latitude.

As appropriate to overcome identified obstacles, the committee will discuss and develop options, including but not limited to, actions that may modify rules for gear switching by trawl permit holders and QP leasing to vessels using fixed gear, as well as options that may encourage increased utilization of sablefish QPs south of 36° N. latitude.
Principles

A. We want to ensure there is trawl affordable access to sablefish.

B. We believe that unlimited catch of sablefish through gear switching is not desirable.

C. We want to consider impacts on existing operations/investments.

D. We want to maintain the gear switching option for trawl operations.

E. We will consider industry and community impacts and ensure long-term stability.

F. We will consider the effect on the value of trawl permits.

G. We want to increase the net economic value of the trawl individual fishing quota fishery.
Review of November Council Guidance

• The *analysis* include a *focus on the four potential causes of under-attainment* identified in the purpose and need statement.

• *Guidance* relative to the SaMTAAC *purpose & need statement*

• At its June 2020 meeting, the Council will consider *whether to move this issue forward* by adopting a range of alternatives for analysis.
The under attainment for some northern stocks may be due to the allowance to use fixed gear to harvest shorebased IFQ, declining trawl vessel participation, and the lack of market and infrastructure.

Specifically, participants engaging in gear-switching are acquiring northern sablefish quota that may otherwise be used by trawl gears.
## Calendar

<table>
<thead>
<tr>
<th>Month/Year</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>January 2020</td>
<td>SaMTAAC Meeting</td>
</tr>
<tr>
<td>May 2020</td>
<td>Tentative SaMTAAC Meeting?</td>
</tr>
<tr>
<td>June 2020</td>
<td>Council Meeting: Select Range of Alternatives</td>
</tr>
<tr>
<td>November 2020</td>
<td>Council Meeting: Select PPA</td>
</tr>
<tr>
<td>TBD</td>
<td>Council Meeting: Select FPA</td>
</tr>
</tbody>
</table>
Overview of Alternatives
Completion and Staff Identified Considerations

Completion

• Gear Specific QP
  Application to AMP

• Opt-out Option b (QS Account)
  Qualification Criteria: number of years

For Committee Consideration

• Gear Specific QP Options A and B
  Eliminate options and specify outcome as contingent on opt-out suboption

Alternative 1
(Gear Specific QP)
Alternative 2
(GS Endorsement)

- Basic Provision
  - Gear Switching Endorsement
- Council Decision
  - Qualification for Endorsement: Vessel or Permit Level
  - Gear Switching Limits
  - Transferability/Expiration Options
  - Council Decision
  - Endorsed Vessel Gear Switching Limits
  - Non-Endorsed Vessel Gear Switching Limits
  - Council Decision
  - Gear Switching Limits
Completion and Staff Identified Considerations

**Completion**

- Qualification Options 1 & 2
  
  Number of years

- Permit Transfers & Annual Limits
  
  Transfer of GS limits to a new vessel (see footnote 5)

**For Committee Consideration**

- Qualification v. Limits
  
  Limits apply to catch/mortality
  Qualification is based on landings
Alternative 3
(Active Trawler)

Basic Provision

Active Trawler Requirement for Gear Switching

Exempted Vessel Exception

Back Stop Percentages (10%)

Qualification for Endorsement: Vessel or Permit Level

Council Decision
Completion and Staff Identified Considerations

Alternative 3
(Active Trawler)

Completion

• Vessel Acquisition
  QS ownership must be continuous.
  What about vessel ownership?
• Inclusion of QS Transfers
  Under Same Ownership (50%)

Completion

• Gear Switching Limit
  Catch = QP Usage?
• AMP Adjustment
• Multiple Vessels or Accounts
  Application of Limits
• Replacement Vessels Allowed?
  Vessel qualified
  Endorsement goes on permits
• Definition of Permit Ownership Changes
  Triggering Expiration
Multiple Vessel or Permit Accounts

Alternative 3
(Active Trawler)

- QS Account Mj
  - (1 % Northern SF QS Mj)

  - 50% Owner Mj
    - 50% Owner Mj
      - Corporation A Mj
        - Ownership of at least 50% Mj
          - Vessel M
      - Individual Z Mj
        - Ownership of at least 50% Mj
          - Vessel N

  - 100% Owner Mj
    - Corporation B Mj
      - 50% Ownership Mj
        - 50% Ownership Mj
          - Vessel O
    - Individual Y Mj
      - 100% Owner Mj

AMP Adjustment

Correction: The 5,000 lbs amount shown in this figure should be corrected to 5,555 lbs = (1% x 100%/90%) x 10% x 5 million (rounded to nearest lb).

Multiplication by 100%/90% is needed because the total QS in all accounts sums to 90% and without this adjustment only 9% of the AMP would be distributed to QS accounts.
General Analysis of Gear Switching Issue
Utilization by Area and Gear
Fleet Participation- Fixed Gear

• In 2019, one less vessel and permit in total than 2016-2018
Recent Participation by the Numbers

- 2011-2018: 39 vessels and permits involved in gear switching
- 2016-2018: 16 vessels and permits involved in gear switching

<table>
<thead>
<tr>
<th>Number of Vessels</th>
<th>Landings</th>
<th>No Landings</th>
</tr>
</thead>
<tbody>
<tr>
<td>23</td>
<td>16</td>
<td>59%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Number of Permits</th>
<th>Landings</th>
<th>No Landings</th>
</tr>
</thead>
<tbody>
<tr>
<td>25</td>
<td>14</td>
<td>36%</td>
</tr>
</tbody>
</table>

59% of vessels and 64% of permits had landings.
Early Participants- Where did they go?

**Vessels (11)**
- 3 had no West Coast landings
- 8 participated in other fisheries
  - Trawl IFQ (4)
  - LEFG or OA sablefish
  - Crab
  - Shrimp

**Permits (11)**
- 3 latent from 2014-2018
- Others mainly trawled in IFQ program
Permits by Year

![Permits by Year Chart]

**Permit Classification**
- Latent permits
- Inactive permits
- Permits with IFQ landings
Consecutive Latent Permits
Consecutive Inactive Permits

![Bar chart showing the number of permits inactive for consecutive years.](image)

The chart shows the number of permits inactive for consecutive years, with a breakdown for whether they were inactive in 2018 (Yes) or not (No). The data indicates that most permits were inactive for 1 year, with a smaller number inactive for 2 years and fewer for longer durations.
## Reliance on Gear Switching

<table>
<thead>
<tr>
<th>Vessel Average Revenue</th>
<th>Gear Switching</th>
<th>Trawl Gear (Whiting Portion)</th>
<th>LE FG</th>
<th>Dungeness Crab</th>
<th>Pink Shrimp</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Over Entire Period (2011-2018)</strong></td>
<td>23.0%</td>
<td>18.4% (7.6%)</td>
<td>14.2%</td>
<td>32.8%</td>
<td>8.7%</td>
</tr>
<tr>
<td><strong>Just for Years of Gear Switching (2011-2018)</strong></td>
<td>41.5%</td>
<td>3.7% (1.4%)</td>
<td>15.6%</td>
<td>27.8%</td>
<td>&lt;1%</td>
</tr>
</tbody>
</table>
Reliance on Gear Switching

- 20 Vessels with >50% in some years
- 20 Vessels with 50% or less
- 19 Vessels with >50% all years
- 9 Vessels with >50% all years and >50% in some years
Potential Crossover - LEFG

- 93 IFQ Vessels
- 7 Vessels Fish Both LEFG and IFQ
- 88 LEFG Vessels
Dungeness Crab Fishery Crossover

![Diagram showing the number of vessels from 2010-2011 to 2013-2014 with categories: Crab Only, FGI/Crab, Trawl/Crab, and Non-IFQ.]
First Receivers By Sablefish Purchasing Strategy
Analysis Applying Across Several Alternatives
DTS Haul Level Trends
## Hauls by Ratio

<table>
<thead>
<tr>
<th></th>
<th>Ratio of Dover to Sablefish</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No Sablefish</td>
</tr>
<tr>
<td><strong>Hauls</strong></td>
<td></td>
</tr>
<tr>
<td>11,591 Hauls</td>
<td>11,591</td>
</tr>
<tr>
<td><strong>Percent of Total Hauls</strong></td>
<td>6.0%</td>
</tr>
<tr>
<td><strong>Total Weight Caught (All Species)</strong></td>
<td>6,431</td>
</tr>
<tr>
<td><strong>Percent of Total Weight</strong></td>
<td>4%</td>
</tr>
</tbody>
</table>
## Opportunities

<table>
<thead>
<tr>
<th>Year</th>
<th>Scenario 1 Status Quo</th>
<th>Scenario 2 Increase 10:1 and Continues Fishing</th>
<th>Scenario 3 Increase to 10:1 and sells surplus sablefish north QP</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2016</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$4,739.22</td>
<td>$7,075.94</td>
<td>$4,451.70</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>$4,124.56</td>
</tr>
<tr>
<td></td>
<td>2017</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$4,830.23</td>
<td>$6,970.22</td>
<td>$4,538.59</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>$4,218.09</td>
</tr>
<tr>
<td></td>
<td>2018</td>
<td>$6,048.01</td>
<td>$4,326.96</td>
</tr>
<tr>
<td></td>
<td>$3,653.01</td>
<td></td>
<td>$3,326.42</td>
</tr>
</tbody>
</table>
Shoreside Whiting Fishery: Sablefish Bycatch
Profits and QP Prices—

General Economic Analysis

• Quota prices fluctuate with profits
• Generally, profits are predicted to trend toward normal levels
• If sablefish quota prices drop QP prices for other spp would likely increase
  • Uncertainty: there is a substantial surplus of other species

<table>
<thead>
<tr>
<th>Species</th>
<th>QP Price/Exvessel Price (2011-2016)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sablefish</td>
<td>49%</td>
</tr>
<tr>
<td>Pacific whiting and Petrale Sole</td>
<td>25%</td>
</tr>
<tr>
<td>Overfished Species</td>
<td>Varies including &gt;100%</td>
</tr>
<tr>
<td>All other species (&lt;50% attainment)</td>
<td>&lt;&lt;20%</td>
</tr>
</tbody>
</table>
Market Channels

• N. Sablefish QP Transactions (based on total QP transferred)
  • 7 percent – Cash purchases by gear switchers
  • 3 percent – At least partial barter-based acquisitions by gear switchers

• Cash sellers, would need to find other buyers

• Barters
  • Those who barter sablefish QP for non-sablefish QP would no longer have leverage.
  • Gear switchers that barter their non-sablefish QP would likely not have an incentive to barter.
  • If bartering with gear switchers decrease, more opportunity might open for those who would sell.
## ESA Salmon Impacts

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Chinook</td>
<td>Bottom Trawl</td>
<td>175</td>
<td>304</td>
<td>323</td>
<td>984</td>
<td>996</td>
<td>371</td>
<td>190</td>
<td>138</td>
</tr>
<tr>
<td></td>
<td>Fixed Gear</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Coho</td>
<td>Bottom Trawl</td>
<td>19</td>
<td>27</td>
<td>49</td>
<td>18</td>
<td>3</td>
<td>9</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Fixed Gear</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>15</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

Non-whiting fishery = <21% of 9,000 Chinook Threshold

*Elimination of gear switching is unlikely to impact hitting threshold*
Alternative Specific Analysis
Alternative 1 (Gear SpecificQP)

• Summary of Changes from October
  • Opt-out Option a (new option): Use LE Permits to Qualify for Opt-out
  • Opt-out Option b: Limitation to Four Degrees of Transfer
    QS to VA (direct transfer) and three VA to VA (indirect transfers)
## Opt-Out Option a - Permit

<table>
<thead>
<tr>
<th>Qualification Period Sub-Option</th>
<th>Qualification Suboption</th>
<th>Number of Qualifying Permits</th>
<th>Gear Switching Permits with No History^a/</th>
</tr>
</thead>
<tbody>
<tr>
<td>1: January 1, 2011- September 15, 2017</td>
<td>Sub-Opt 1.A: 10,000 lbs</td>
<td>33</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Sub-Opt 1.B: 20,000 lbs</td>
<td>31</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sub-Opt 1.C: 30,000 lbs</td>
<td>31</td>
<td></td>
</tr>
<tr>
<td>2: January 1, 2014-December 31, 2018</td>
<td>Sub-Opt 2.A: 10,000 lbs</td>
<td>26</td>
<td>11</td>
</tr>
<tr>
<td></td>
<td>Sub-Opt 2.B: 20,000 lbs</td>
<td>25</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sub-Opt 2.C: 30,000 lbs</td>
<td>24</td>
<td></td>
</tr>
</tbody>
</table>
### Projected Impacts of Opt-Out Option a

<table>
<thead>
<tr>
<th>Sub-Option</th>
<th>Number of Permits</th>
<th>Projected attainment of 2020 trawl allocation assuming...</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Max in any year</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Average in Active Gear Switching Years</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Average</td>
</tr>
<tr>
<td></td>
<td></td>
<td>If Every Eligible Permit Identifies an Opt Out QS Account Which Acquires a Full Limit of QS</td>
</tr>
<tr>
<td>1.A</td>
<td>33</td>
<td>77.49</td>
</tr>
<tr>
<td>1.B</td>
<td>31</td>
<td>73.67</td>
</tr>
<tr>
<td>1.C</td>
<td>31</td>
<td>73.67</td>
</tr>
<tr>
<td>2.A</td>
<td>26</td>
<td>61.25</td>
</tr>
<tr>
<td>2.B</td>
<td>25</td>
<td>60.91</td>
</tr>
<tr>
<td>2.C</td>
<td>24</td>
<td>60.48</td>
</tr>
</tbody>
</table>
Sablefish N QS Amounts
Opt-Out Option- QS

Minor differences in the total QS that would qualify between

• Direct + 3 indirect transfer
• Direct + plus all indirect transfers
Opt-Out B Results

The diagram illustrates the results for Opt-Out B with three different percentages: A (25%), B (33%), and C (50%). Each percentage is represented in separate sections, with two suboptimal outcomes (Subopt 1 and Subopt 2) shown for each year (1 to 7). The number of eligible QSAs is indicated on the y-axis, ranging from 0 to 75.
Alternative 2 (Gear Switching Endorsement)

• Summary of changes from October
  • Addition of qualification levels of 5,000 and 10,000 pounds
  • Recent participation sub-option
Vessel Qualification

The bar chart displays the number of vessels qualified for loads of 5,000 lbs, 10,000 lbs, and 30,000 lbs, classified by the number of years they have been qualified. The chart also indicates participation options, with recent participation options shown in blue (No) and gray (Yes).
Permit Qualification

<table>
<thead>
<tr>
<th>Number of Years</th>
<th>5,000 lbs</th>
<th>10,000 lbs</th>
<th>30,000 lbs</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>21</td>
<td>12</td>
<td>10</td>
</tr>
<tr>
<td>3</td>
<td>14</td>
<td>14</td>
<td>10</td>
</tr>
<tr>
<td>4</td>
<td>12</td>
<td>9</td>
<td>3</td>
</tr>
<tr>
<td>5</td>
<td>9</td>
<td>10</td>
<td>3</td>
</tr>
<tr>
<td>6</td>
<td>9</td>
<td>10</td>
<td>3</td>
</tr>
</tbody>
</table>

Recent Participation Option: No | Yes
Attainment of Annual Vessel Limit
Distribution of AVL Attainment
Non-Endorsed Vessel/Permit Impacts

• For vessels/permits that don’t receive an endorsement, there was 0.5%.

• In 2020, limit would be 29,066 lbs

• Biggest impact with the recent participation option is at the 1 year level- difference of 12-14 vessels/permits

<table>
<thead>
<tr>
<th>Amount</th>
<th>Without</th>
<th>With</th>
</tr>
</thead>
<tbody>
<tr>
<td>5,000</td>
<td>6 vessels/6 permits</td>
<td>20 vessels/18 permits</td>
</tr>
<tr>
<td>10,000</td>
<td>7 vessels/6 permits</td>
<td>20 vessels/18 permits</td>
</tr>
</tbody>
</table>
Alternative 3 (Active Trawler)

• New alternative from October
• Two sections of the analysis
  • Active Trawler Designation
  • Exempted Vessel Qualification
Active Trawler Requirements

Minimum of 6 trawl landings from:

• In the area north of 40° 10’ N. lat., 18,000 lbs of any IFQ species; and/or
• In the area between 36° N. lat. and 40° 10’ N. lat., 9,000 lbs of any IFQ species.

Trips: Based on unique vessel and landing date from fish tickets
Area: Area of catch vs. port of landing
Active Trawler Designation

• 98% of all IFQ pounds landed were on qualifying trips
• 81.2-92.6% of all trawl trips in a year would have qualified
• Potential for gear switching?
  • Limit of 1%- but only 10 vessels have ever done both trawl and FG in a single year
  • 7 of the 10 would have qualified as an active trawler- with only 5 actually using fixed gear in the year they would qualify
  • 2 of the 5 would have exceeded 1% limit
Exempted Vessels

• 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.

• 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.

• 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 at least three of those years.
# Exempted Vessel Limits

<table>
<thead>
<tr>
<th>Option</th>
<th>Qualifying Vessels</th>
<th>Vessels that Own QS</th>
<th>Projected percent attainment of 2020 allocation if each vessel lands...</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Max in any year (2011-2018)</td>
</tr>
<tr>
<td>Option a</td>
<td>11</td>
<td>4</td>
<td>33.72</td>
</tr>
<tr>
<td>Option b</td>
<td>9</td>
<td>4</td>
<td>28.65</td>
</tr>
<tr>
<td>Option c</td>
<td>12</td>
<td>4</td>
<td>34.42</td>
</tr>
</tbody>
</table>