

# SaMTAAC Meeting

January 2020

# 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.

# Purpose and Need Statement

. . . . 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~~ using northern sablefish quota that may otherwise be used by trawl gears; . . . .

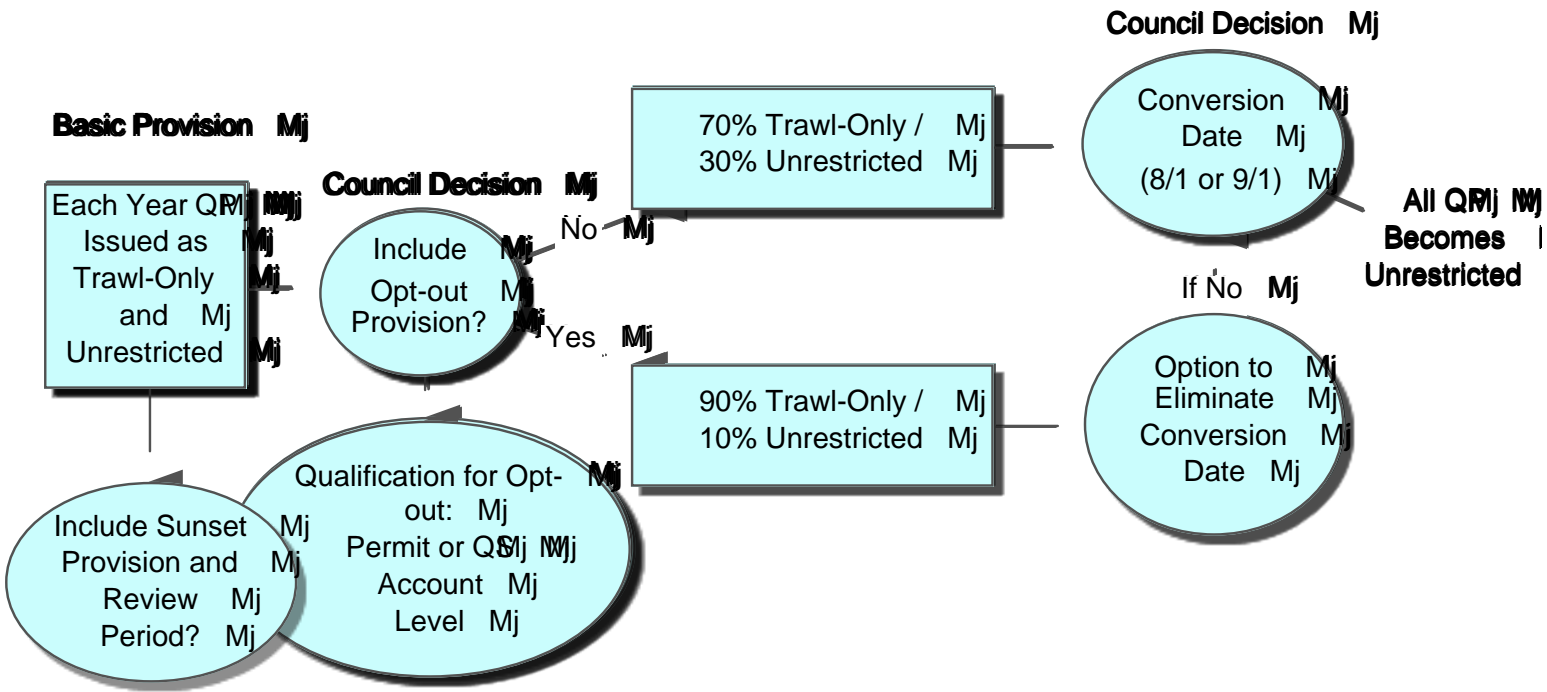
# Calendar

Month/Year	Purpose
January 2020	SaMTAAC Meeting
May 2020	Tentative SaMTAAC Meeting?
June 2020	Council Meeting: Select Range of Alternatives
November 2020	Council Meeting: Select PPA
TBD	Council Meeting: Select FPA



# Overview of Alternatives

# Alternative 1 (Gear Specific QP)



# 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 2 (GS Endorsement)

Basic Provision Mj

Gear Mj  
Switching Mj  
Endorsement Mj

Council Decision Mj

Qualification Mj  
Criteria Mj  
Options Mj

Council Decision Mj

Transferability/ Mj  
Expiration Mj  
Options Mj

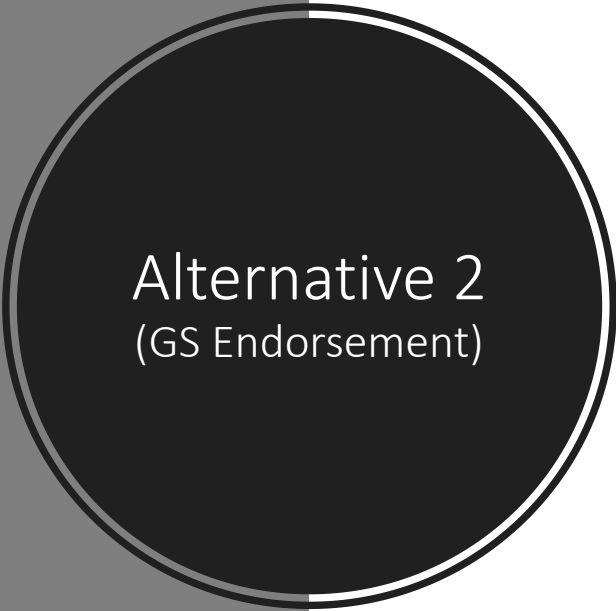
Endorsed Vessel Mj  
Gear Switching Limits Mj  
Non-Endorsed Vessel Mj  
Gear Switching Limits Mj

Council Decision Mj

Gear Mj  
Switching Mj  
Limits Mj

Qualification for Mj  
Endorsement: Mj  
Vessel or Permit Mj  
Level Mj

# 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 Mj

Active Trawler Mj  
Requirement Mj  
for Gear Mj  
Switching Mj

Exempted Vessel Mj  
Exception Mj

Back Stop M  
Percentages M  
(10%) Mj

Qualification for Mj  
Endorsement: Mj  
Vessel or Permit Mj  
Level Mj

Council Decision Mj

# Completion and Staff Identified Considerations



## Completion

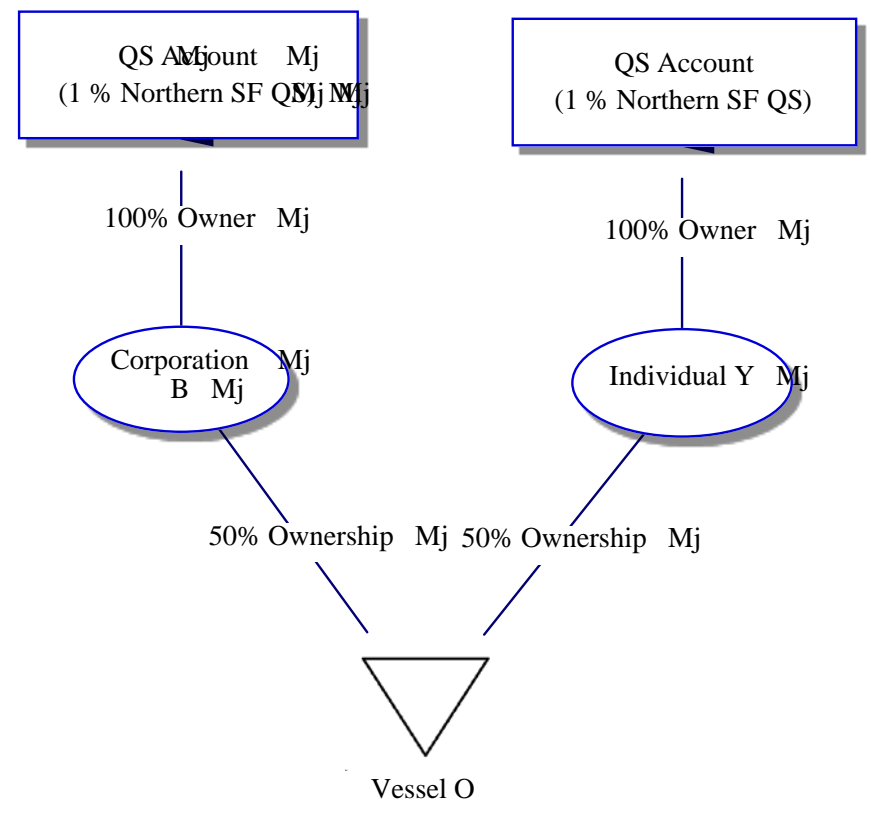
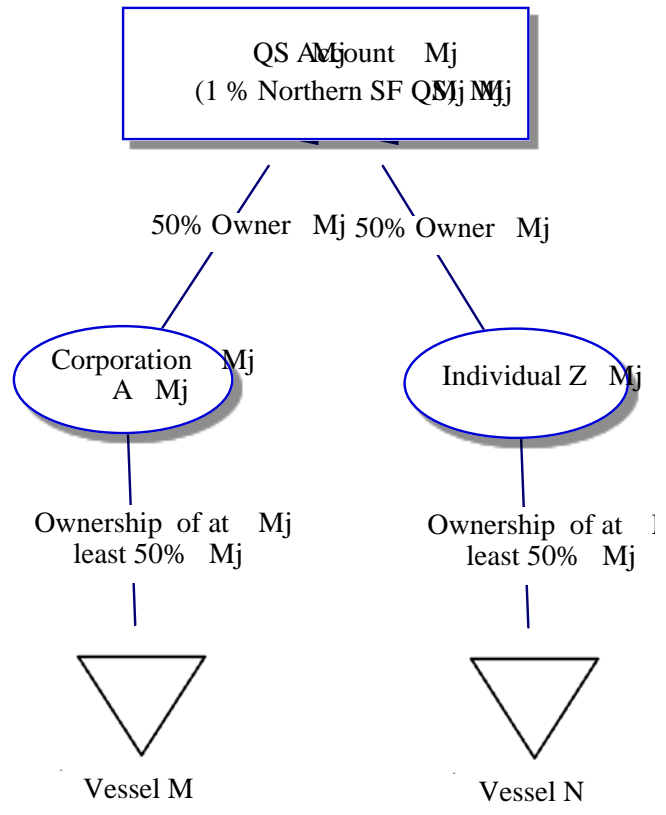
- Vessel Acquisition
  - QS ownership must be continuous.
  - What about vessel ownership?
- Inclusion of QS Transfers Under Same Ownership (50%)

## 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

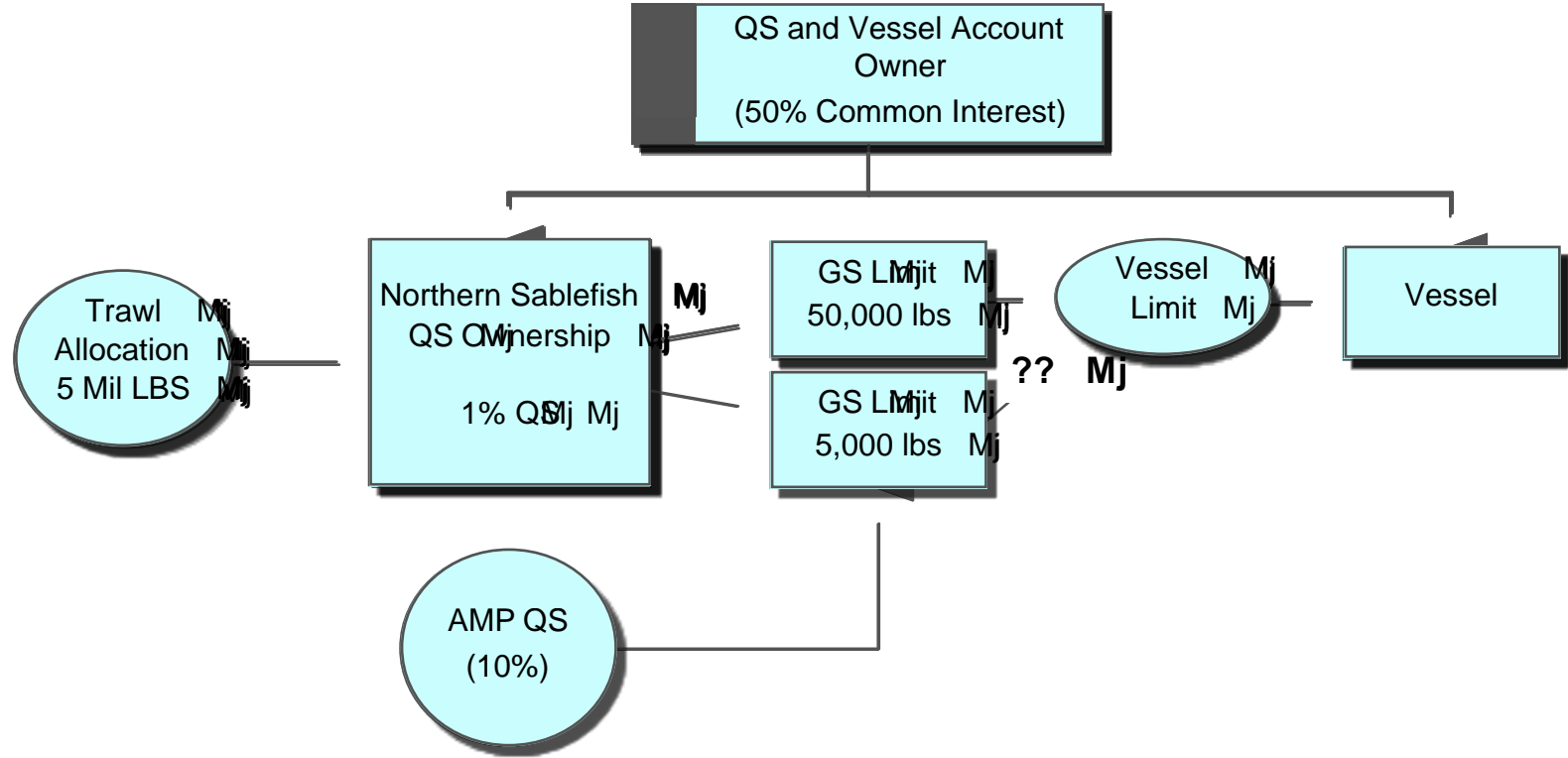
# Multiple Vessel or Permit Accounts

Alternative 3  
(Active Trawler)





# AMP Adjustment

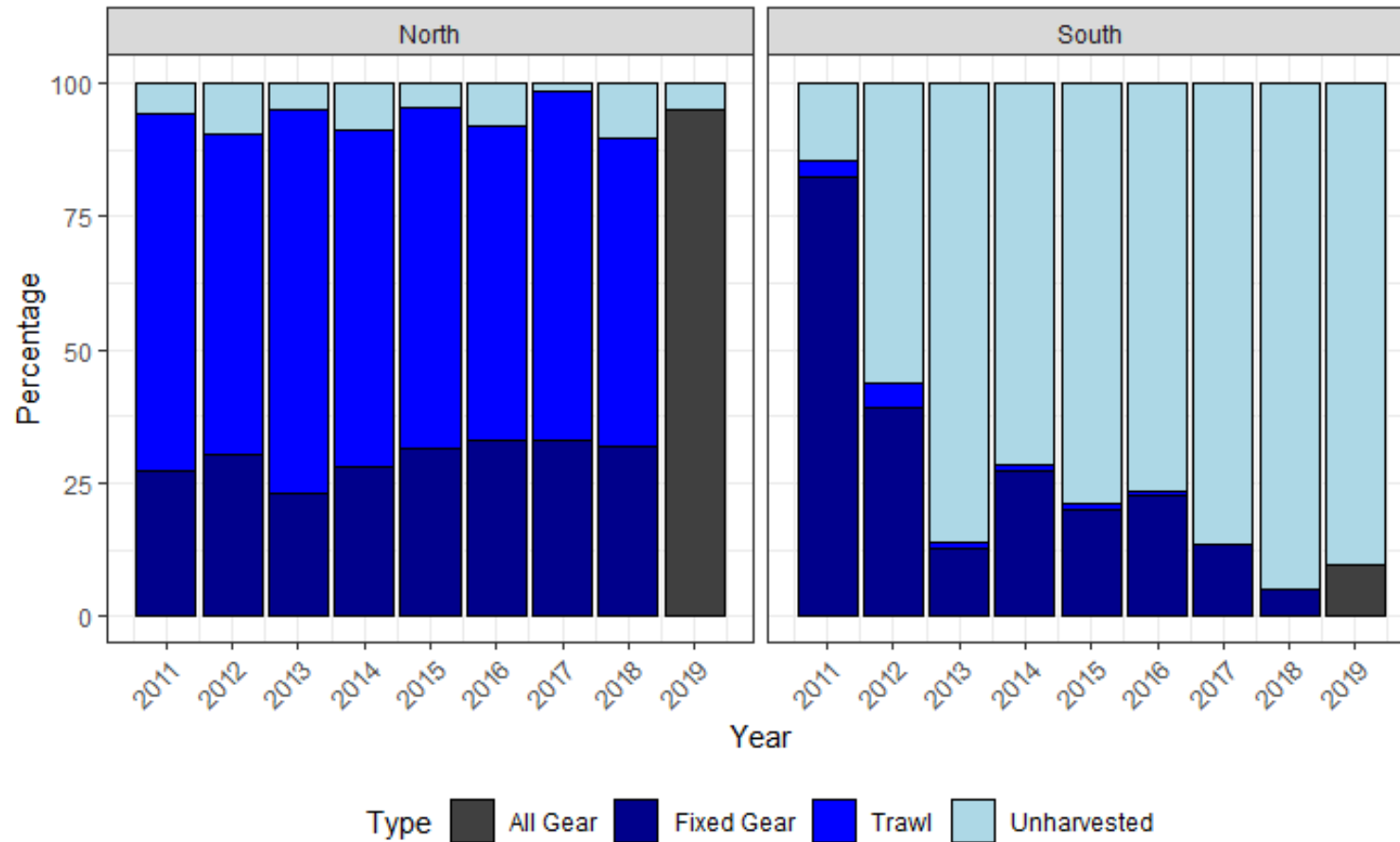


Correction: The 5,000 lbs amount shown in this figure should be corrected to 5,555 lbs =  $(1\% \times 100\%/90\%) \times 10\% \times 5 \text{ million}$  (rounded to nearest lb).

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.

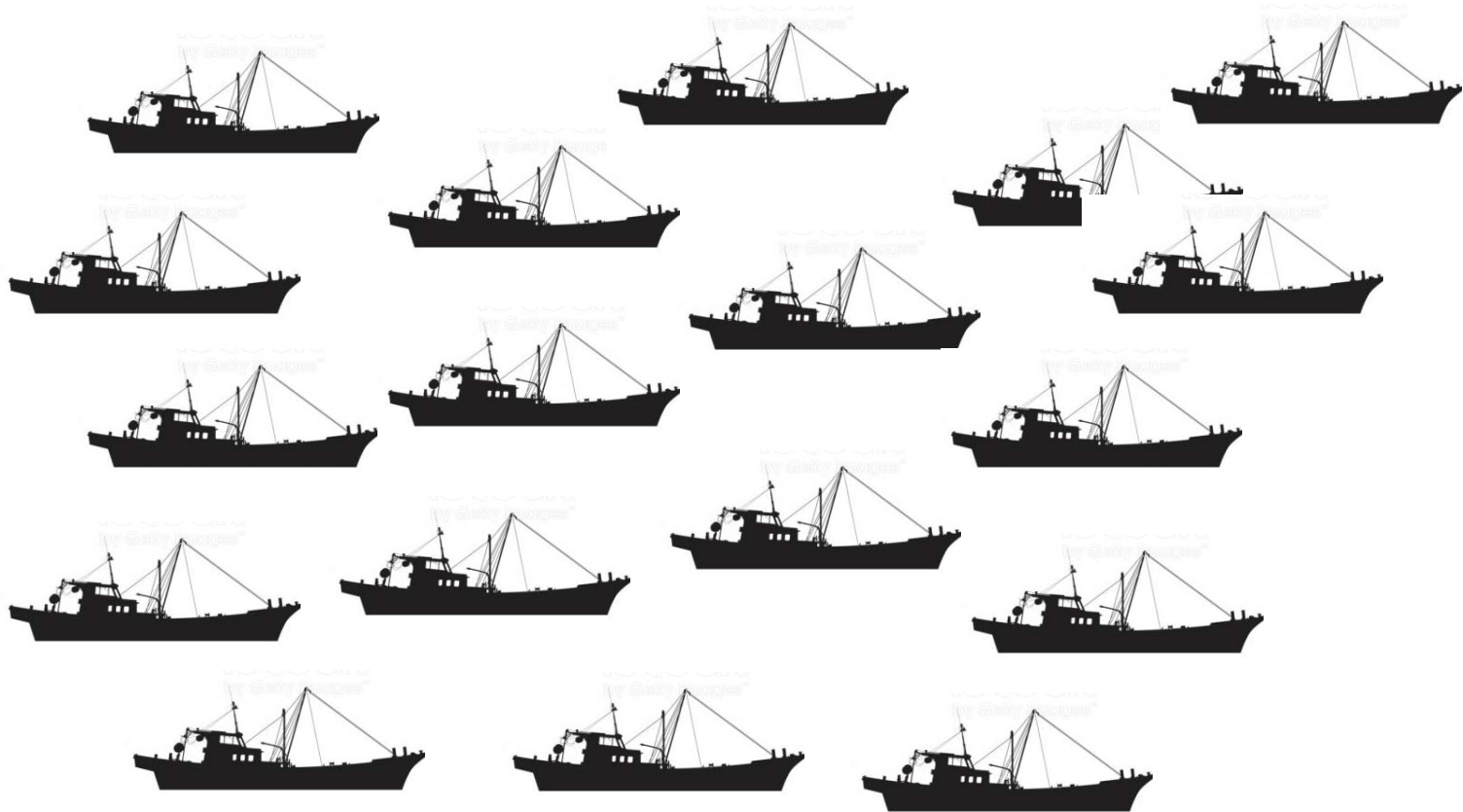
# General Analysis of Gear Switching Issue

# Utilization by Area and Gear



# Fleet Participation- Fixed Gear

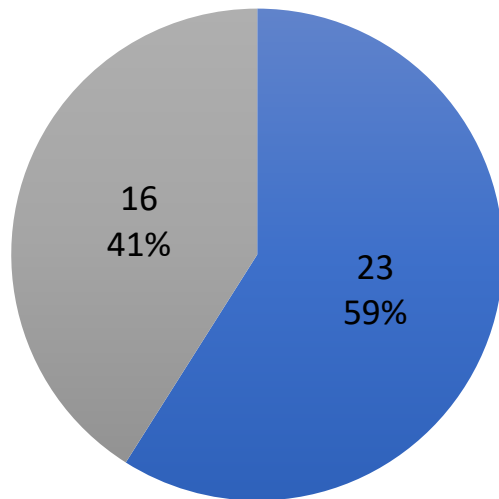
- In 2019, one less vessel and permit in total than 2016-2018



# Recent Participation by the Numbers

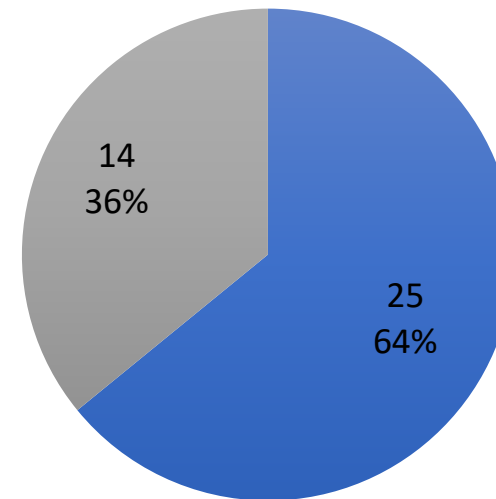
- 2011-2018: 39 vessels and permits involved in gear switching
- 2016-2018: 16 vessels and permits involved in gear switching

**Number of Vessels**



■ Landings ■ No Landings

**Number of Permits**



■ Landings ■ No Landings

# Early Participants- Where did they go?

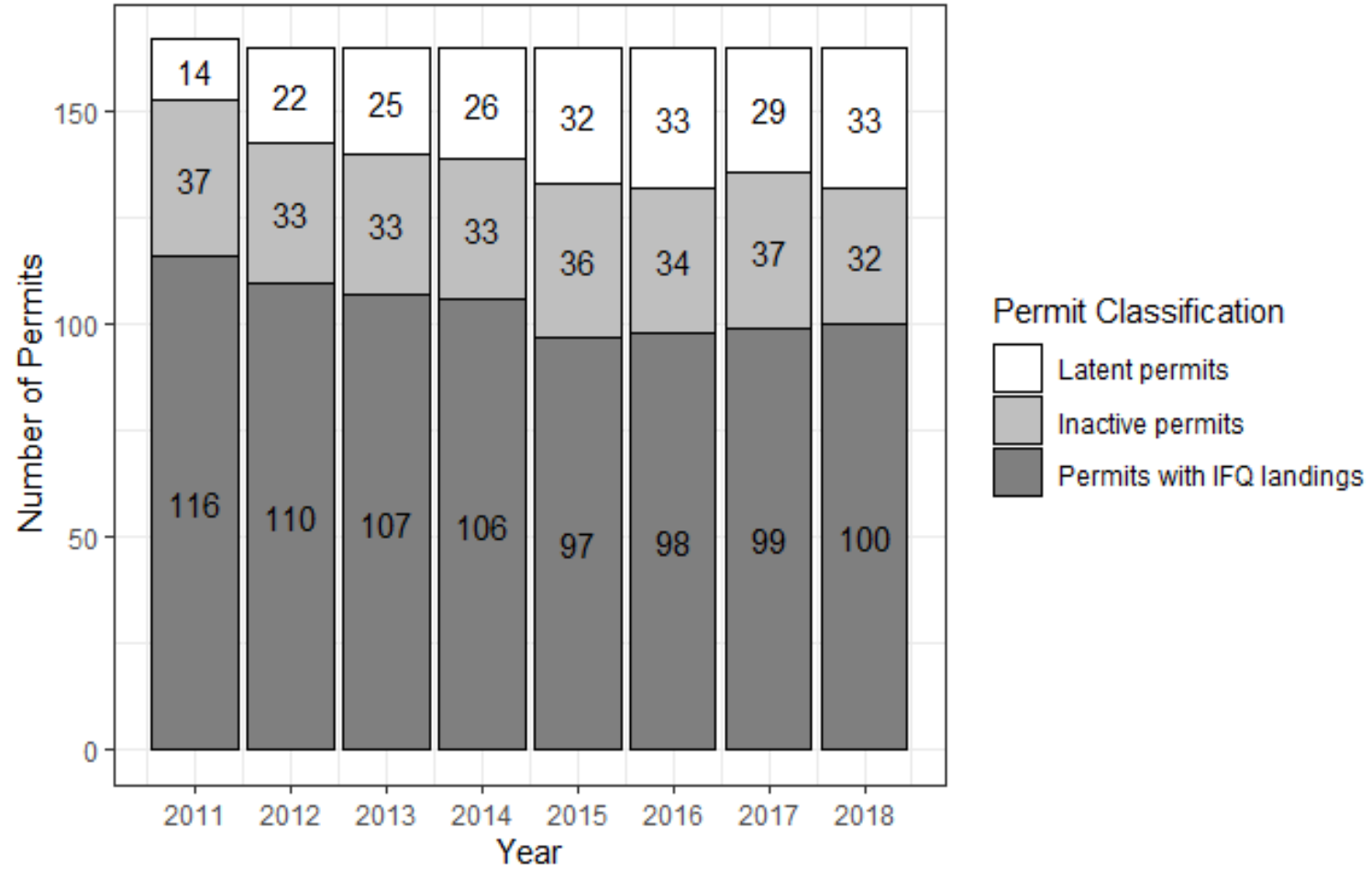
## **Vessels (11)**

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

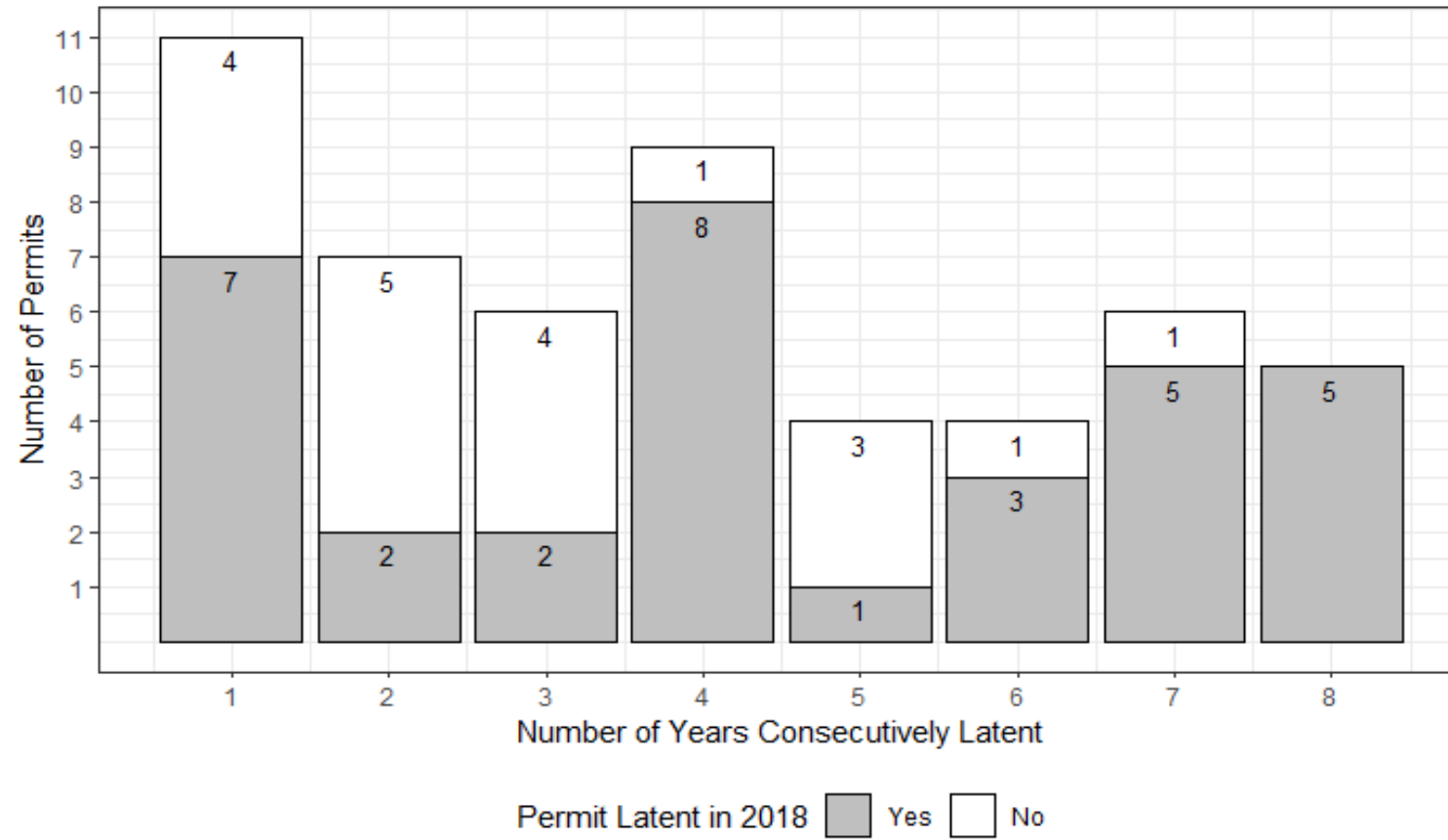
## **Permits (11)**

- 3 latent from 2014-2018
- Others mainly trawled in IFQ program

# Permits by Year

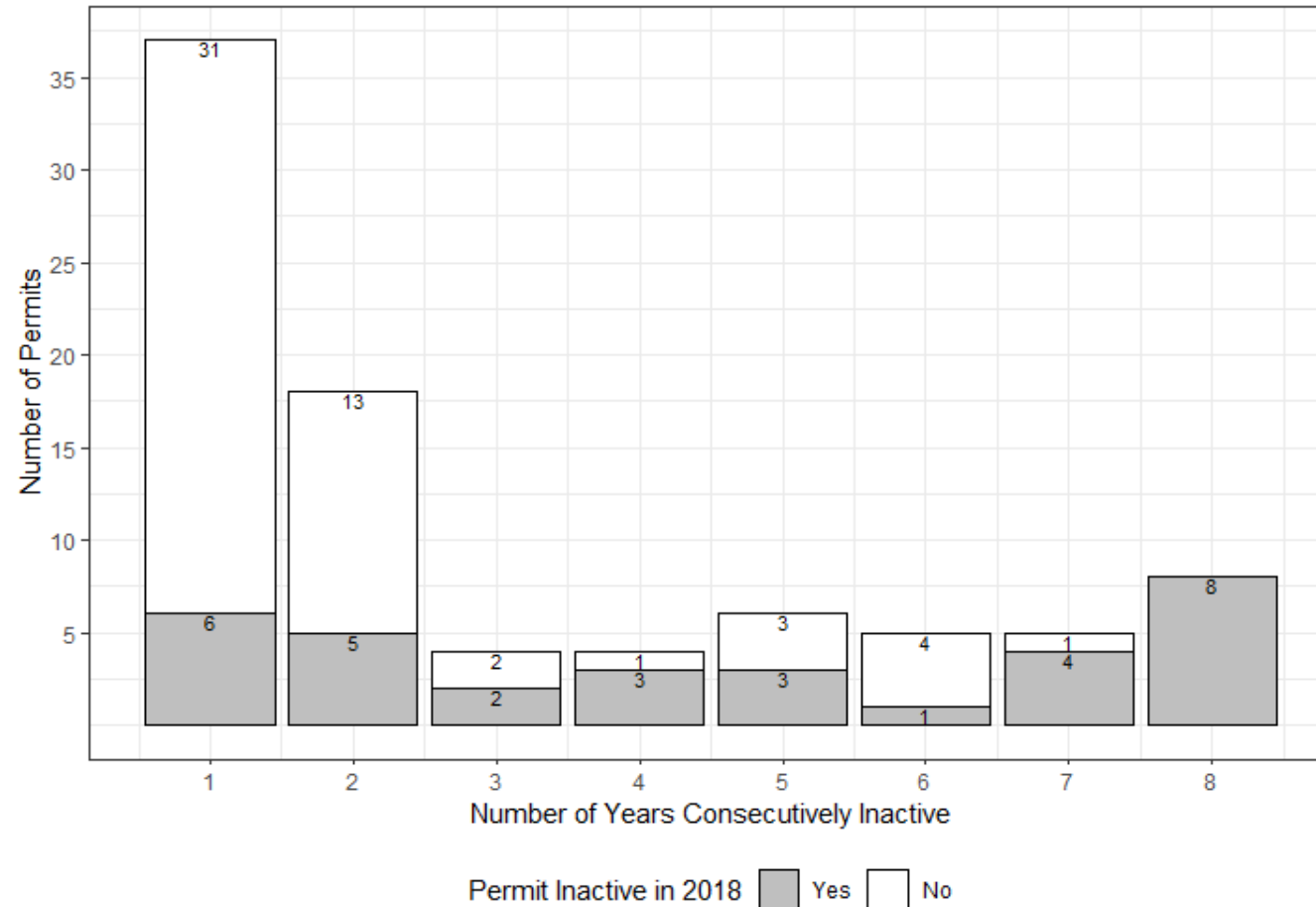


# Consecutive Latent Permits





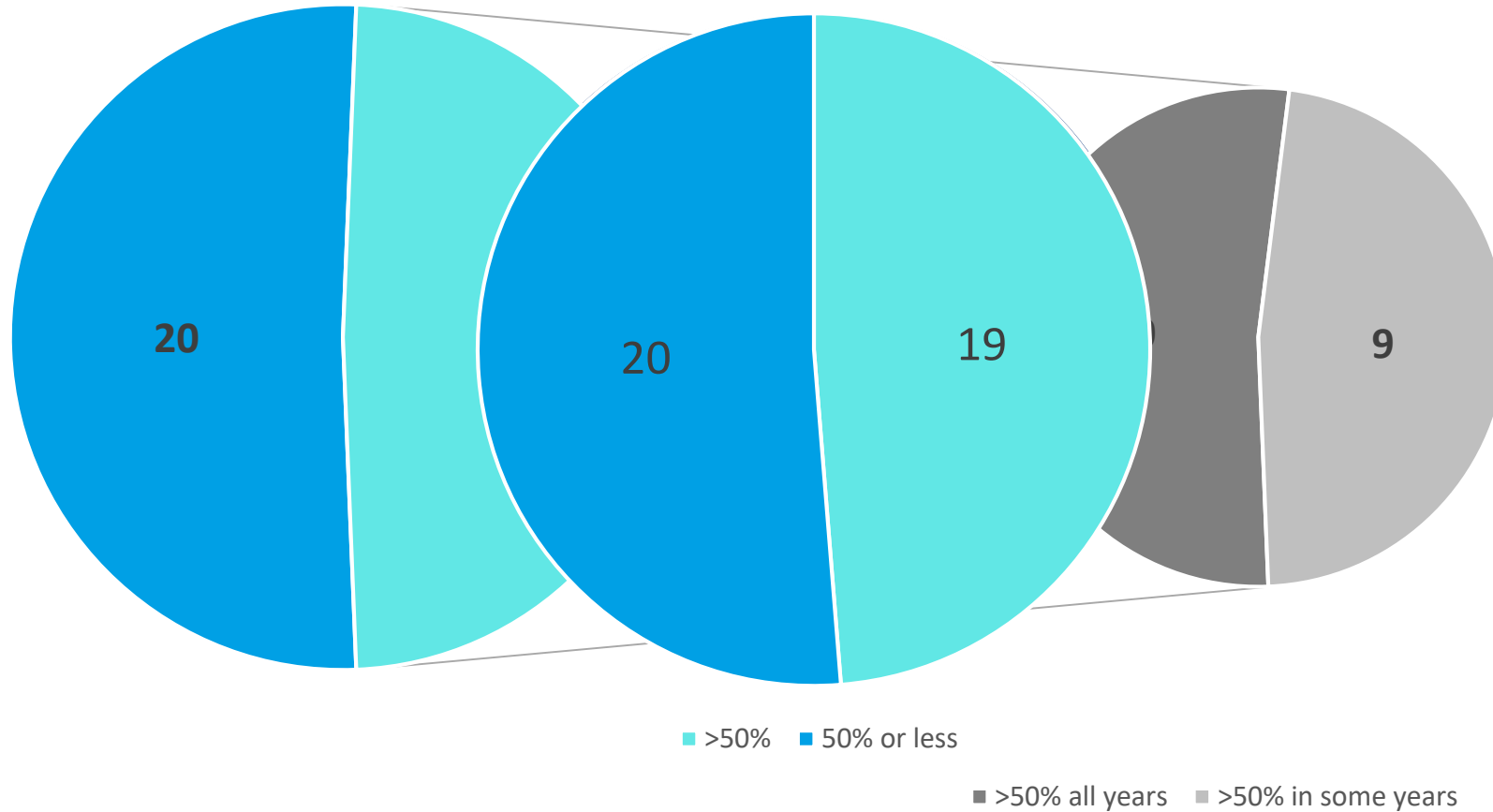
# Consecutive Inactive Permits

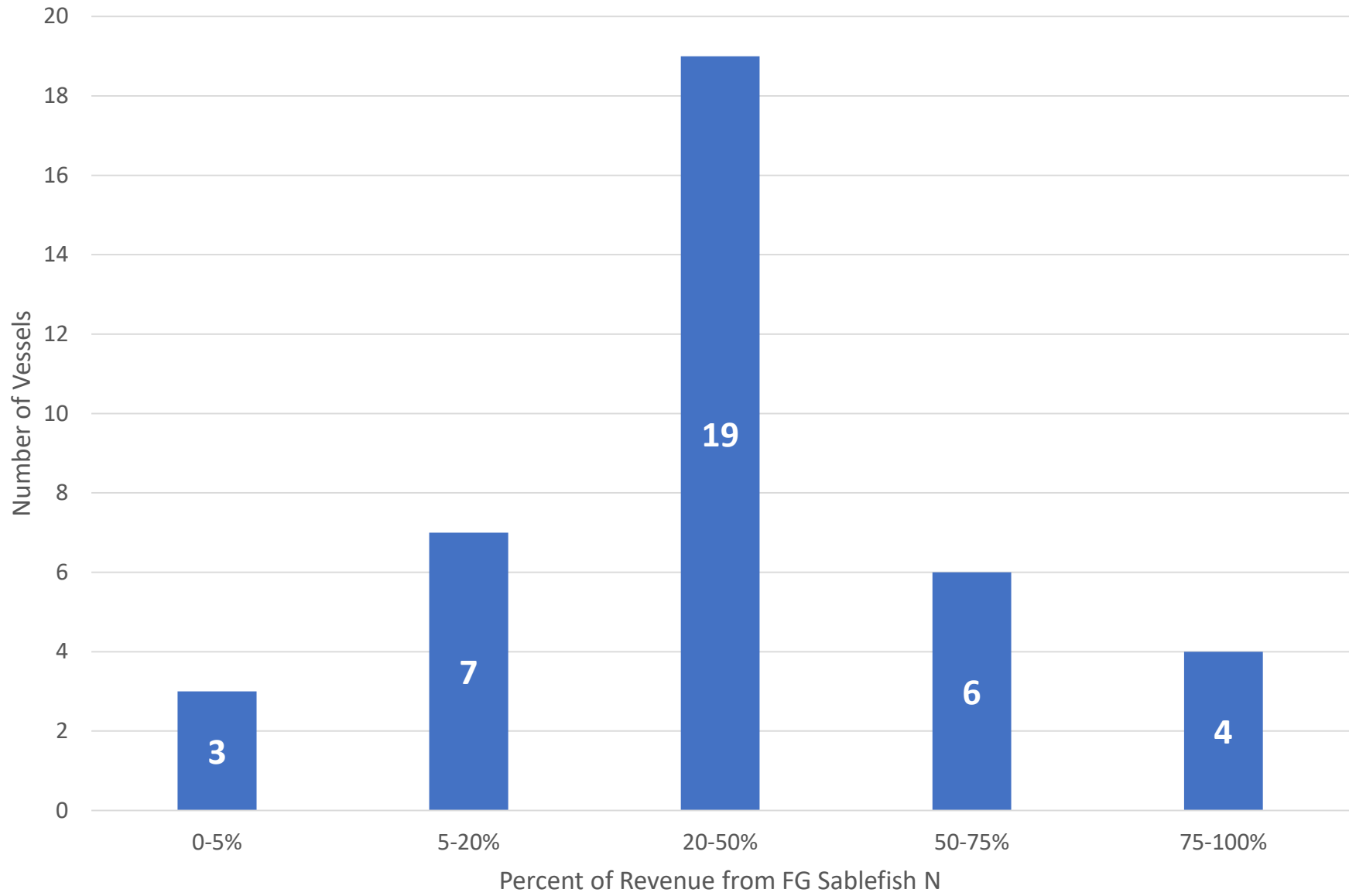


# Reliance on Gear Switching

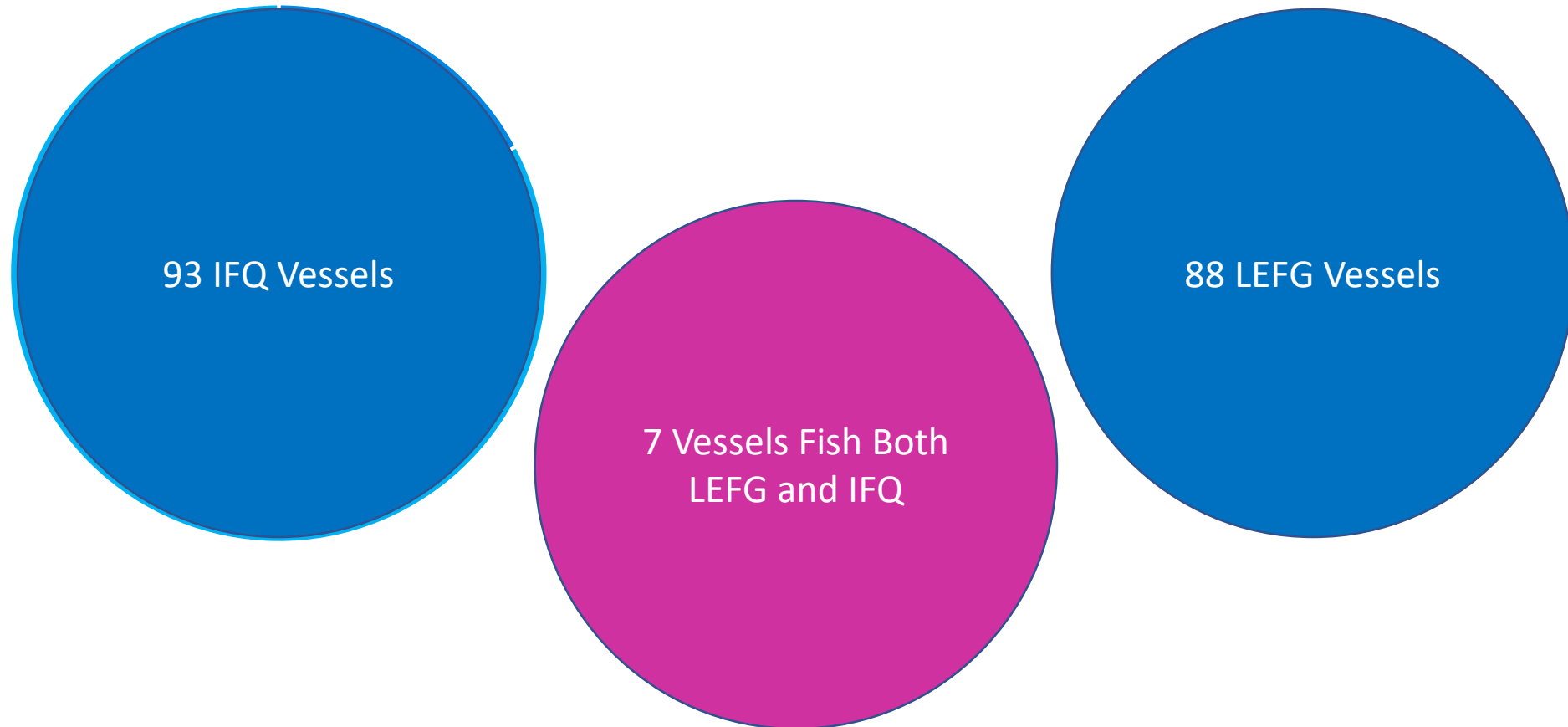
Vessel Average Revenue	Gear Switching	Trawl Gear (Whiting Portion)	LE FG	Dungeness Crab	Pink Shrimp
Over Entire Period (2011-2018)	23.0%	18.4% (7.6%)	14.2%	32.8%	8.7%
Just for Years of Gear Switching (2011-2018)	41.5%	3.7% (1.4%)	15.6%	27.8%	<1%

# Reliance on Gear Switching

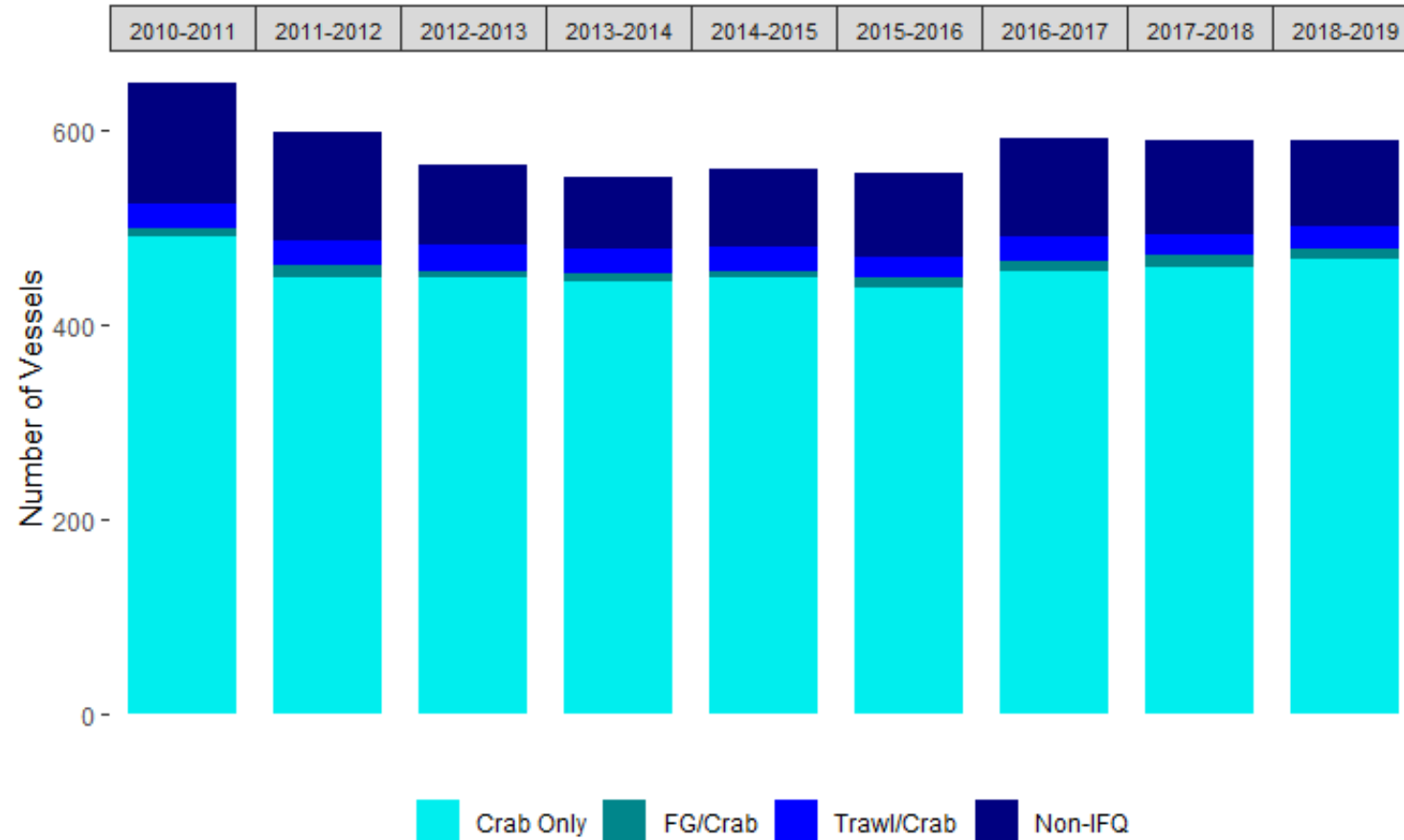




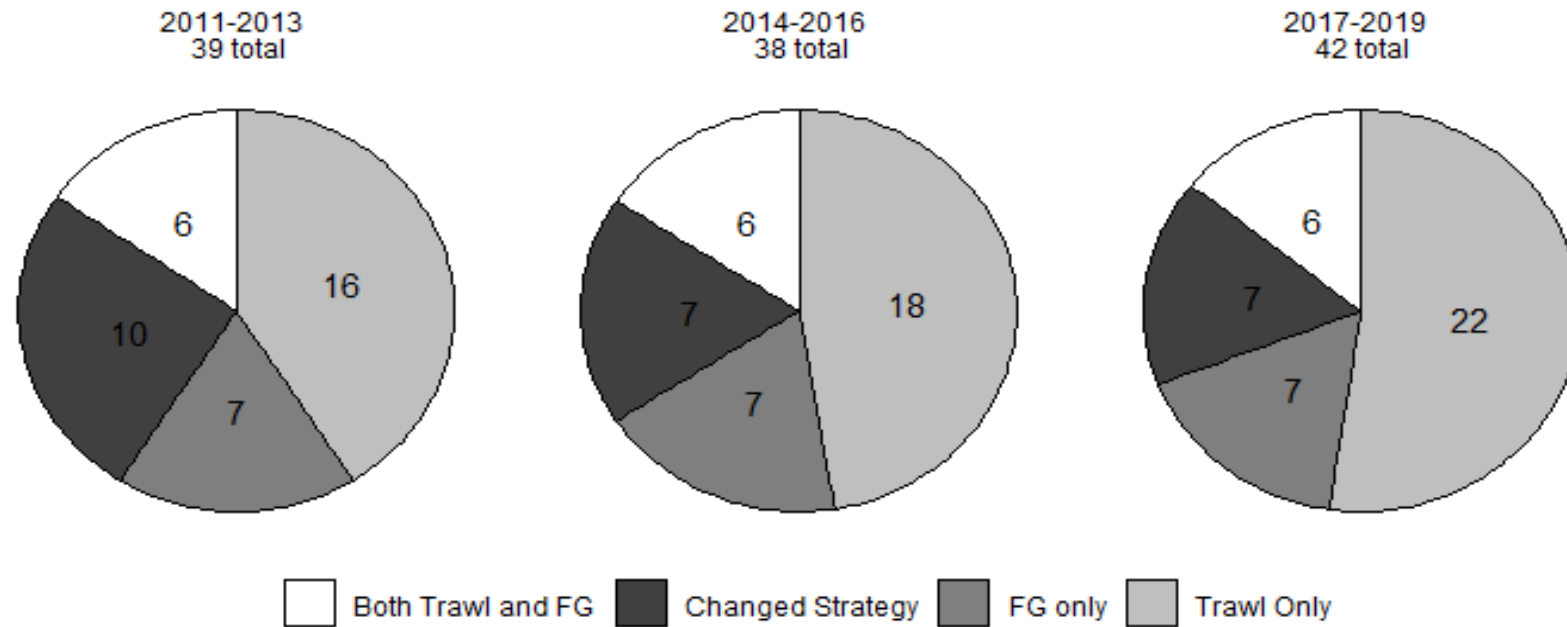
# Potential Crossover- LEFG



# Dungeness Crab Fishery Crossover



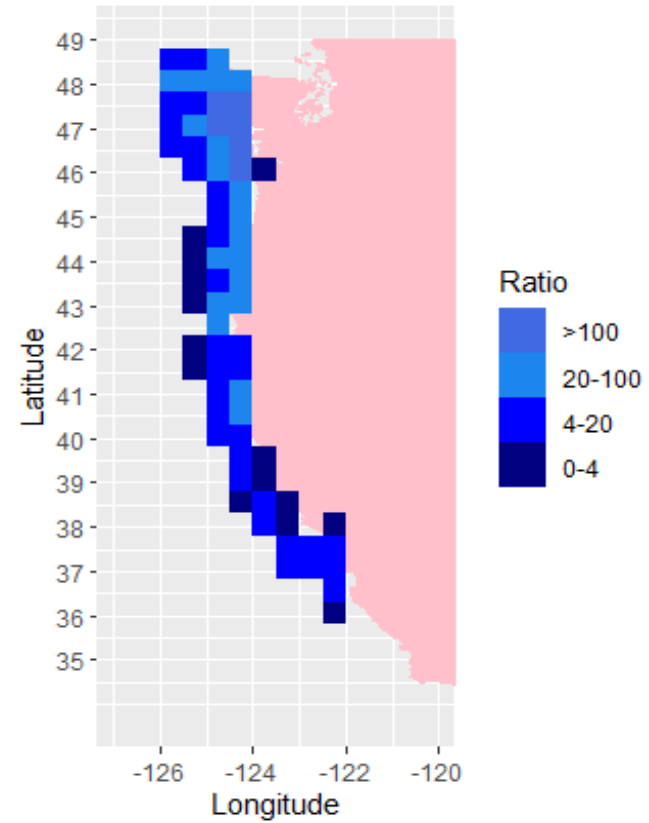
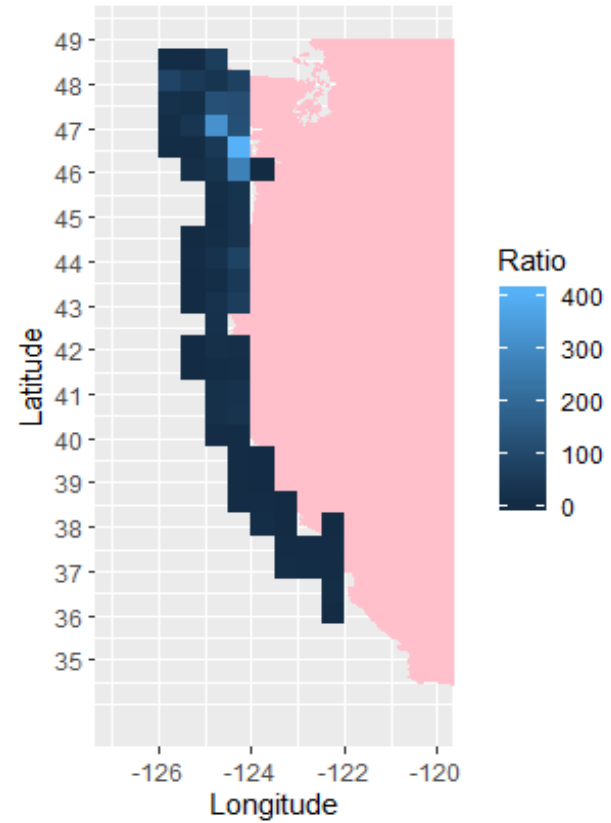
# First Receivers By Sablefish Purchasing Strategy



# Analysis Applying Across Several Alternatives

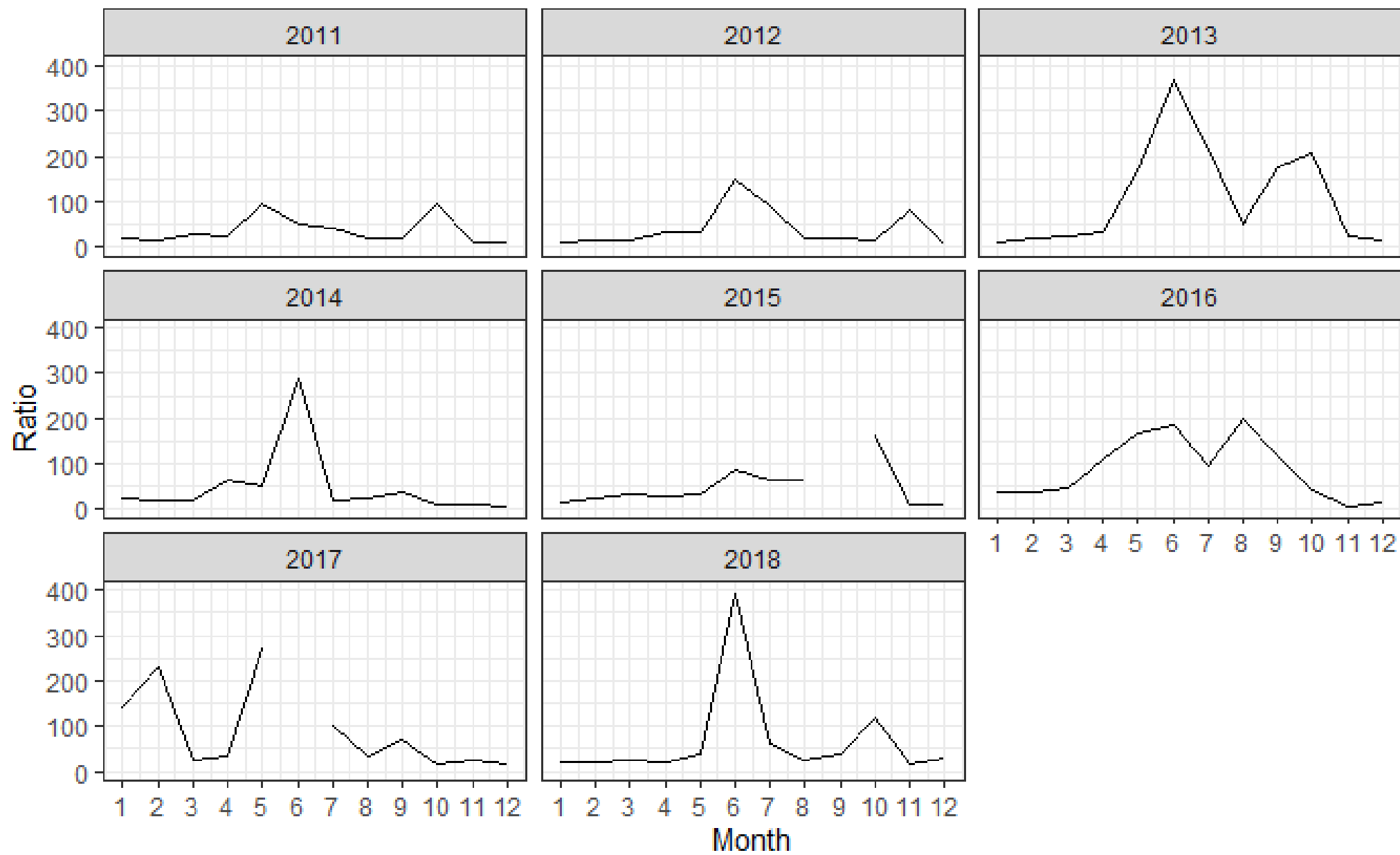


# DTS Haul Level Trends



# Hauls by Ratio

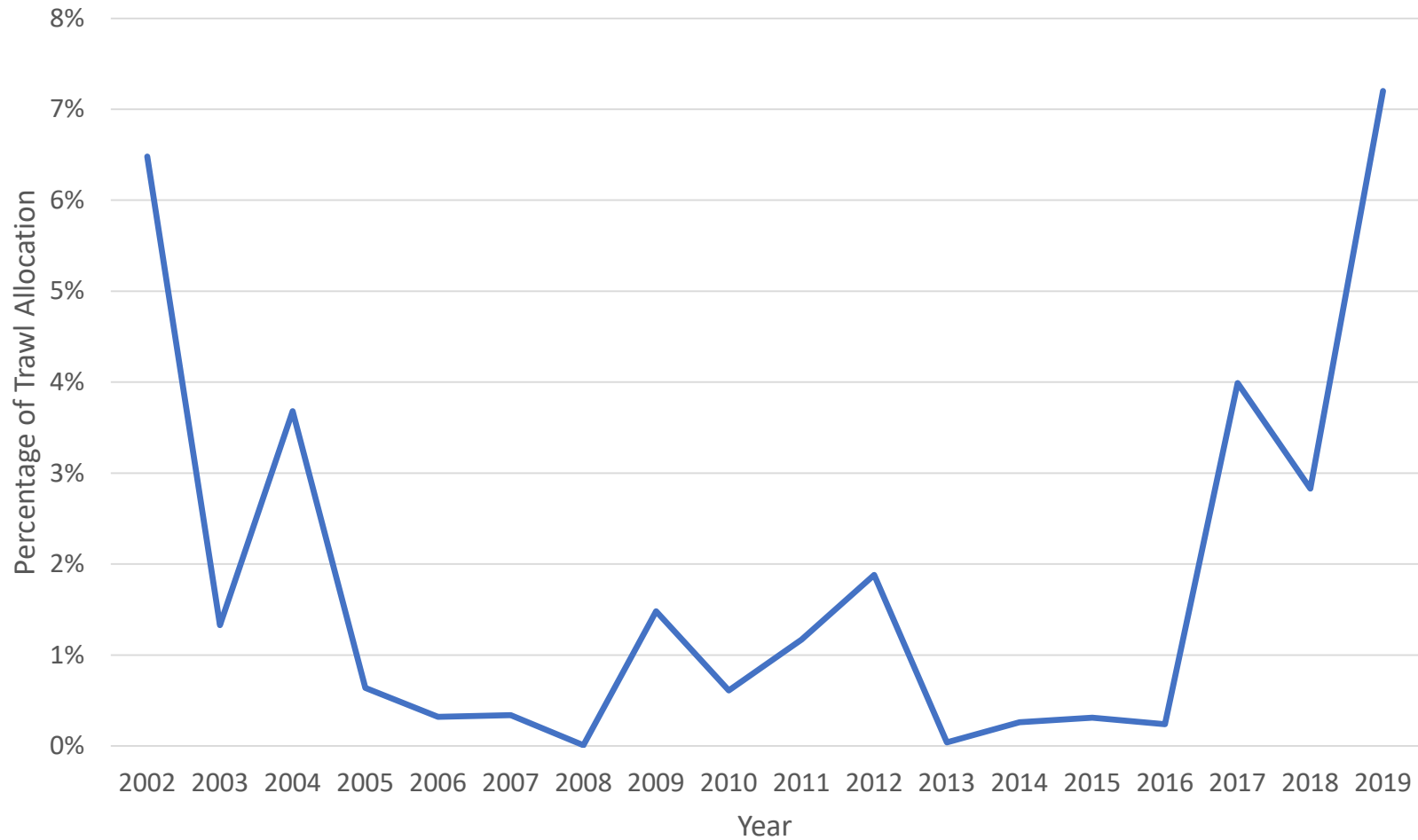
		Ratio of Dover to Sablefish			
		No Sablefish	No Dover	0-4.65	4.65-10
<b>Hauls</b>	11,591	3,707	26,661	10,169	21,255
<b>Percent of Total Hauls</b>		6.0%	43.1%	16.5%	34.4%
<b>Total Weight Caught (All Species)</b>		6,431	62,068	27,904	60,006
<b>Percent of Total Weight</b>		4%	40%	18%	38%



# Opportunities

Year	Scenario 1 Status Quo	Scenario 2 Increase 10:1 and Continues Fishing	Scenario 3 Increase to 10:1 and sells surplus sablefish north QP	
			2018 Avg Price	2019 Avg Price
2016	\$4,739.22	\$7,075.94	\$4,451.70	\$4,124.56
2017	\$4,830.23	\$6,970.22	\$4,538.59	\$4,218.09
2018	\$3,653.01	\$6,048.01	\$3,676.96	\$3,326.42

# 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

Species	QP Price/Exvessel Price (2011-2016)
Sablefish	49%
Pacific whiting and Petrale Sole	25%
Overfished Species	Varies including >100%
All other species (<50% attainment)	<<20%

# 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

Species	Sector	2011	2012	2013	2014	2015	2016	2017	2018
Chinook	Bottom Trawl	175	304	323	984	996	371	190	138
	Fixed Gear	0	0	0	0	0	0	0	0
Coho	Bottom Trawl	19	27	49	18	3	9	0	0
	Fixed Gear	0	0	0	15	0	0	0	0

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 Specific QP)

- 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)

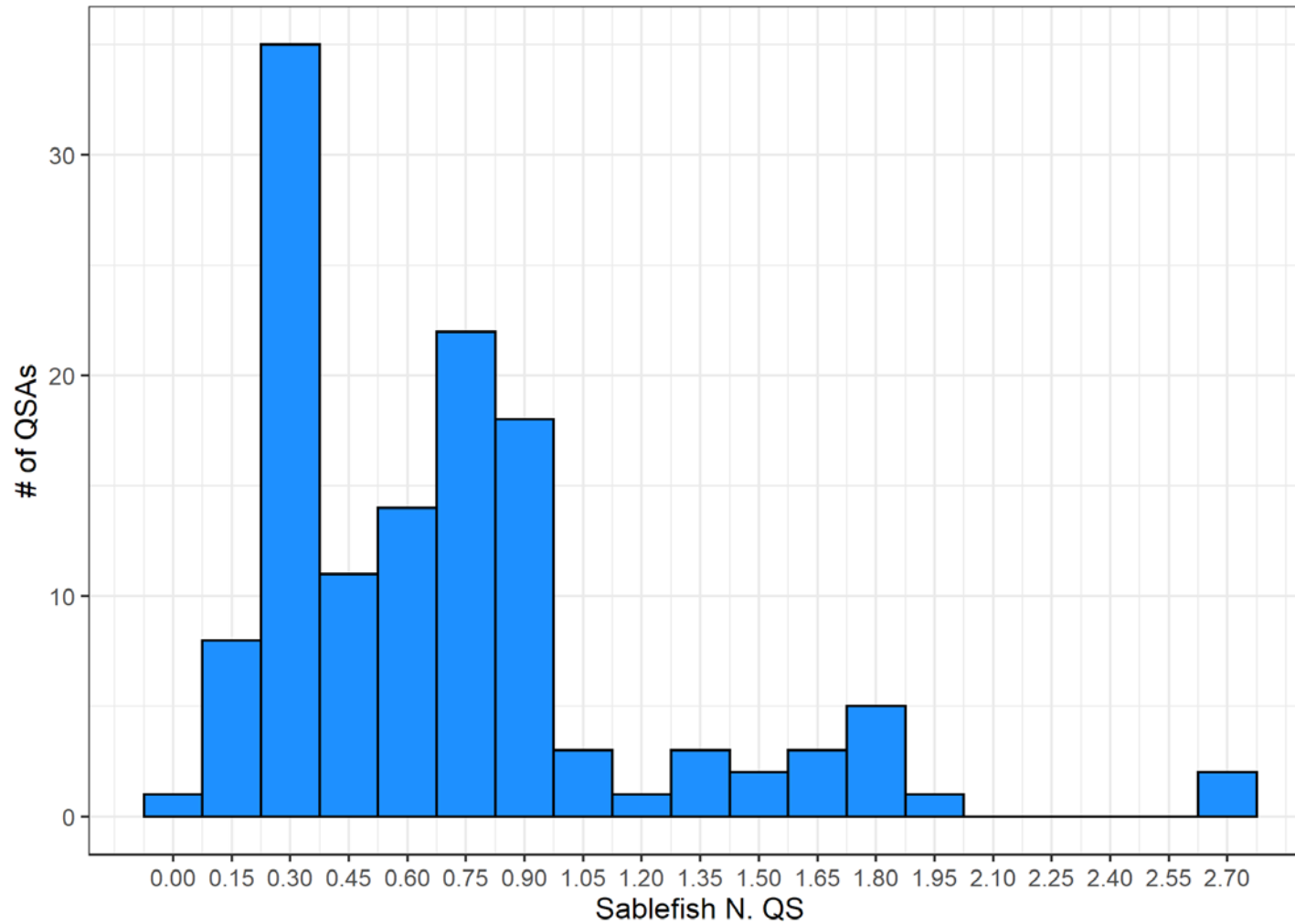
# Opt-Out Option a- Permit

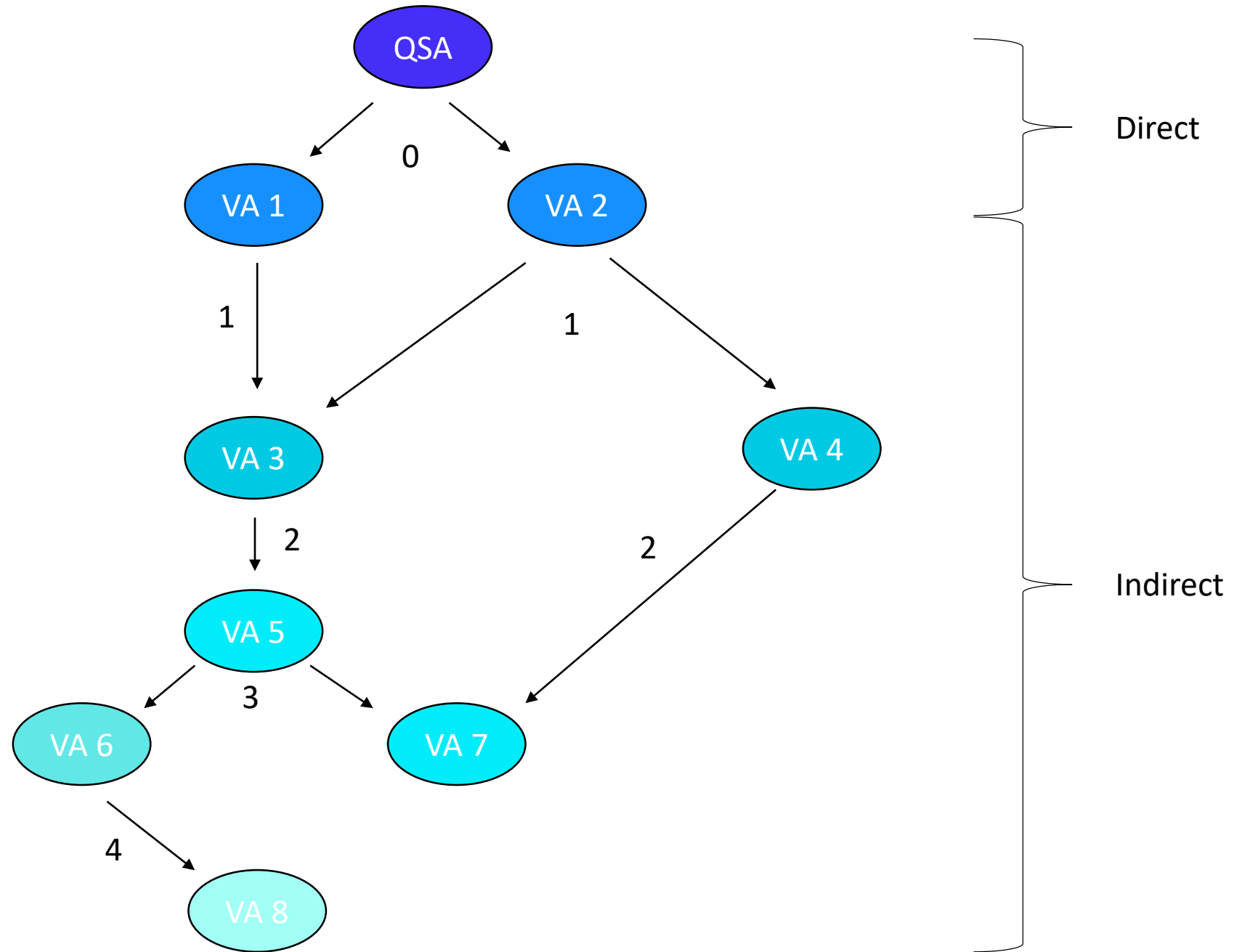
Qualification Period Sub-Option	Qualification Suboption	Number of Qualifying Permits	Gear Switching Permits with No History <sup>a/</sup>
<b>1: January 1, 2011- September 15, 2017</b>	Sub-Opt 1.A: 10,000 lbs	33	3
	Sub-Opt 1.B: 20,000 lbs	31	
	Sub-Opt 1.C: 30,000 lbs	31	
<b>2: January 1, 2014-December 31, 2018</b>	Sub-Opt 2.A: 10,000 lbs	26	11
	Sub-Opt 2.B: 20,000 lbs	25	
	Sub-Opt 2.C: 30,000 lbs	24	

# Projected Impacts of Opt-Out Option a

Sub-Option	Number of Permits	Projected attainment of 2020 trawl allocation assuming...			
		Max in any year	Average in Active Gear Switching Years	Average	If Every Eligible Permit Identifies an Opt Out QS Account Which Acquires a Full Limit of QS
1.A	33	77.49	57.06	26.22	99
1.B	31	73.67	54.34	25.58	93
1.C	31	73.67	54.34	25.58	93
2.A	26	61.25	42.11	23.62	78
2.B	25	60.91	41.77	23.57	75
2.C	24	60.48	41.35	23.52	72

# Sablefish N QS Amounts

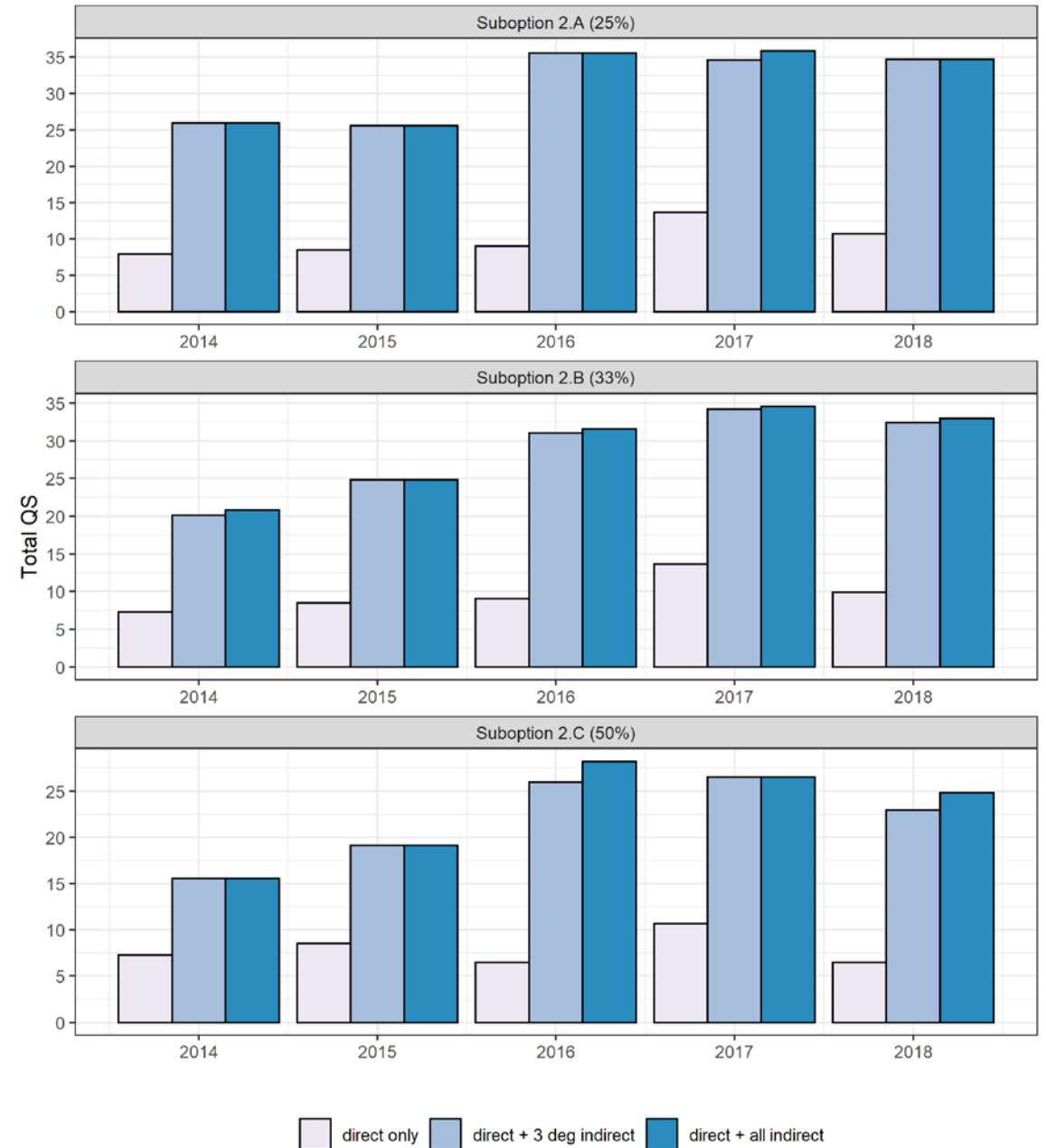




# Opt-Out Option- QS

Minor differences in the total QS that would qualify between

- Direct + 3 indirect transfer
- Direct + plus all indirect transfers



# Opt-Out B Results

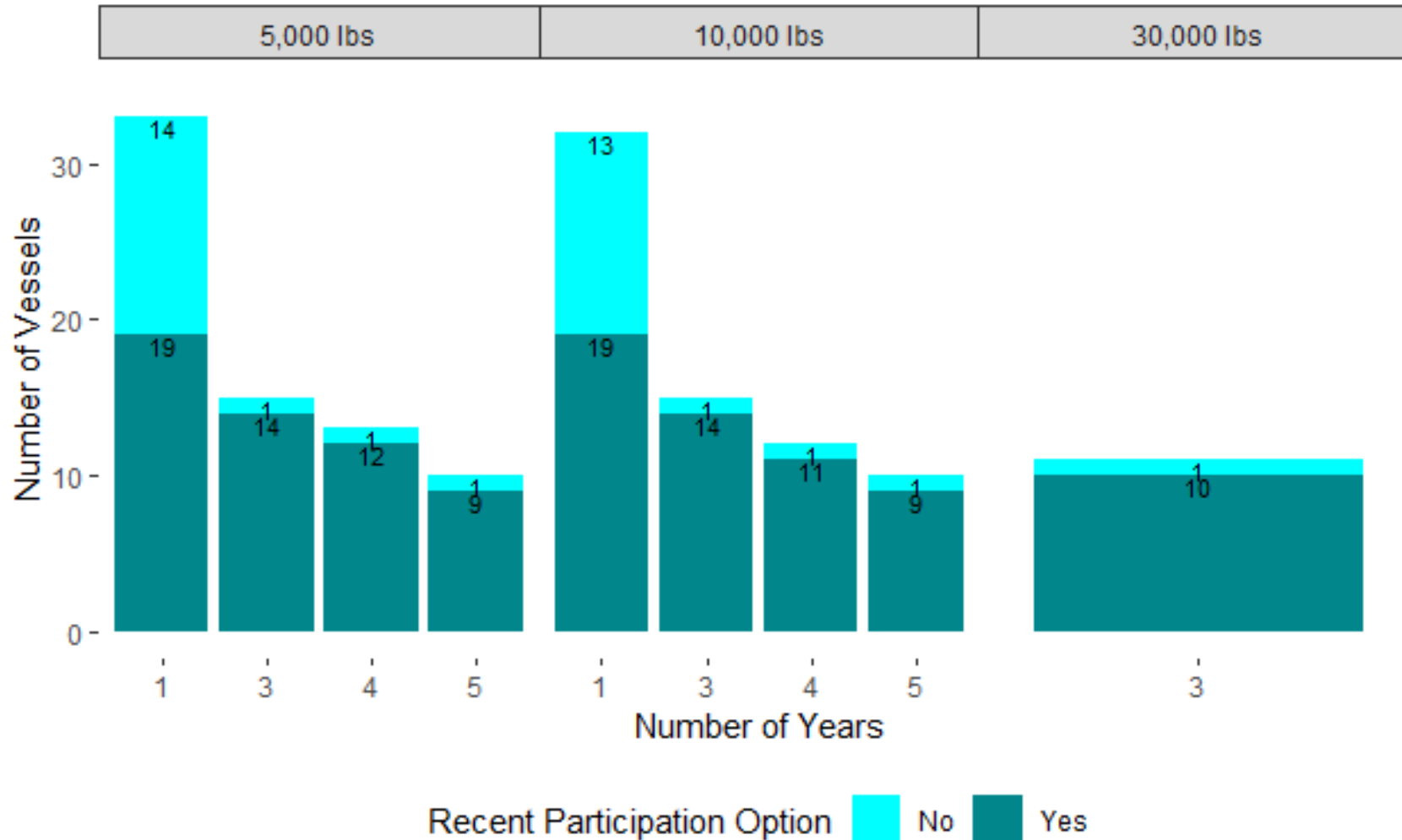




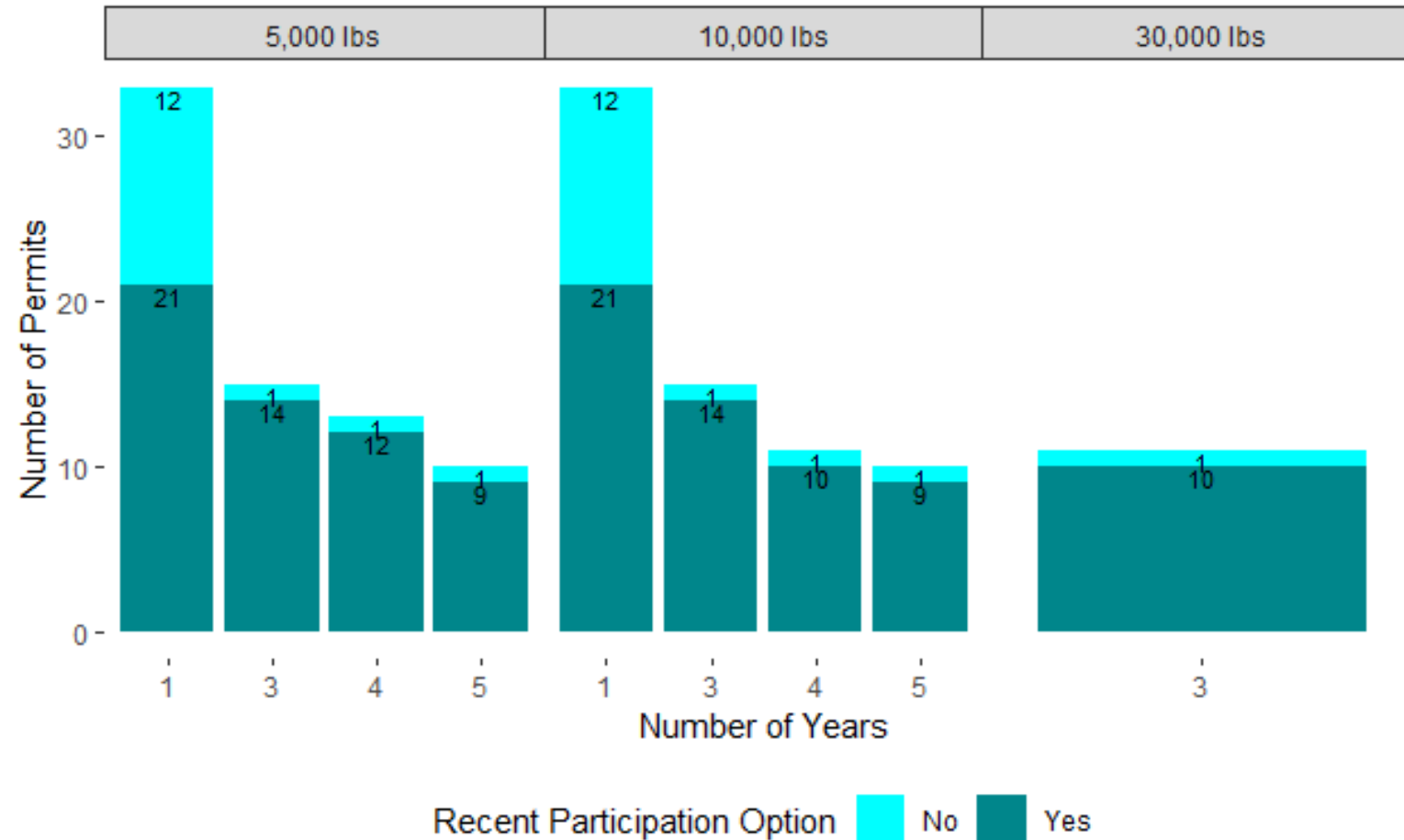
# Alternative 2 (Gear Switching Endorsement)

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

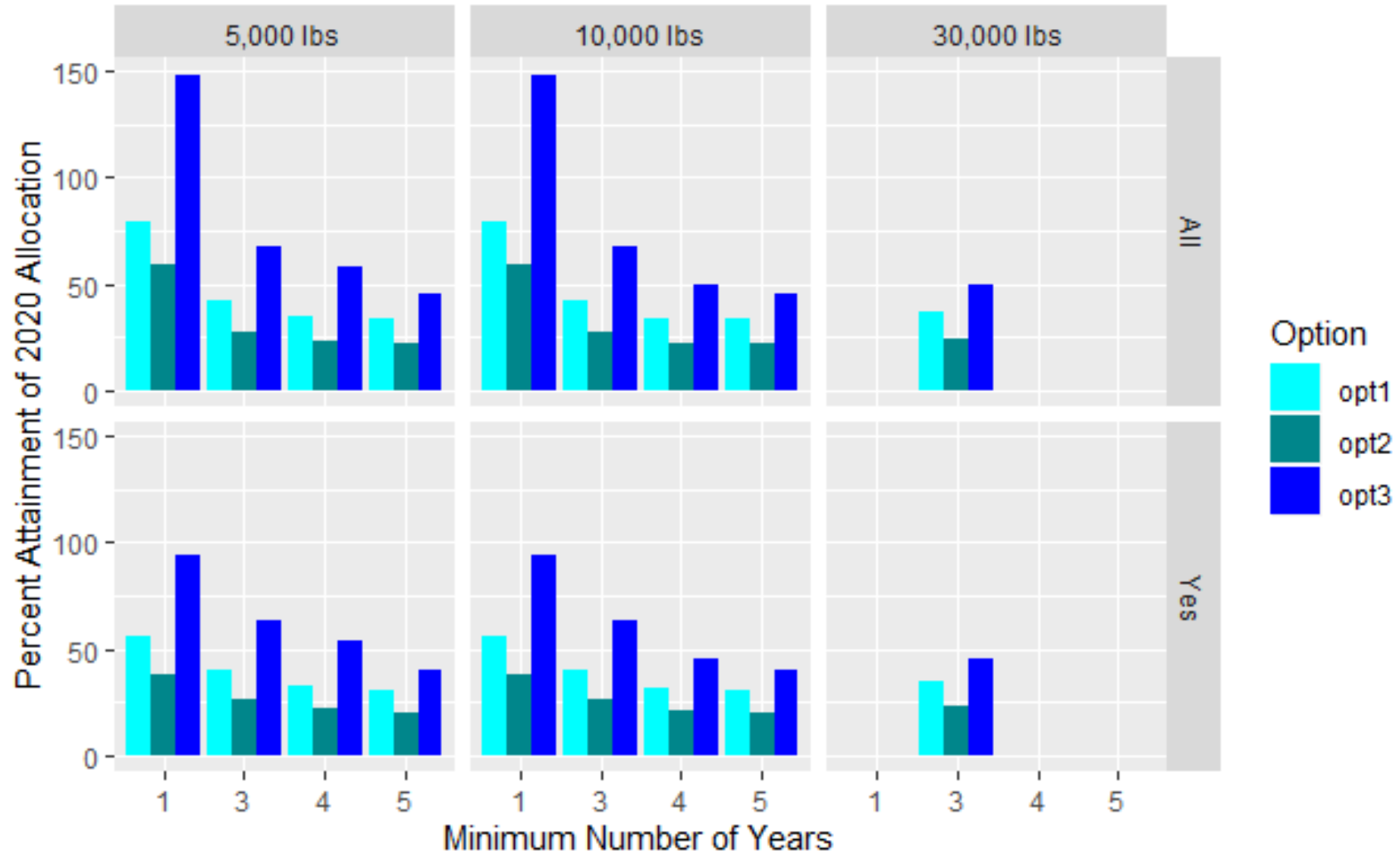
# Vessel Qualification



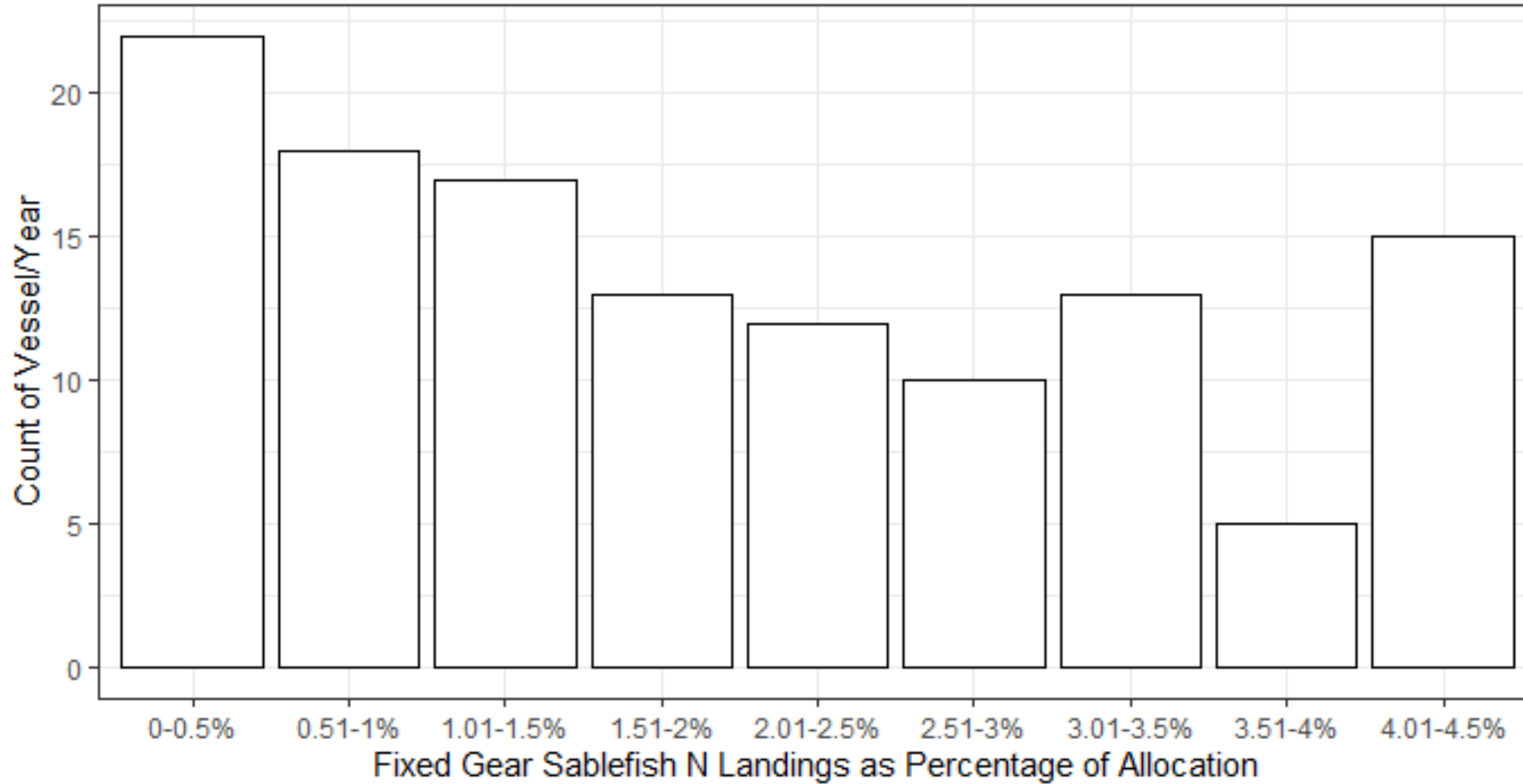
# Permit Qualification



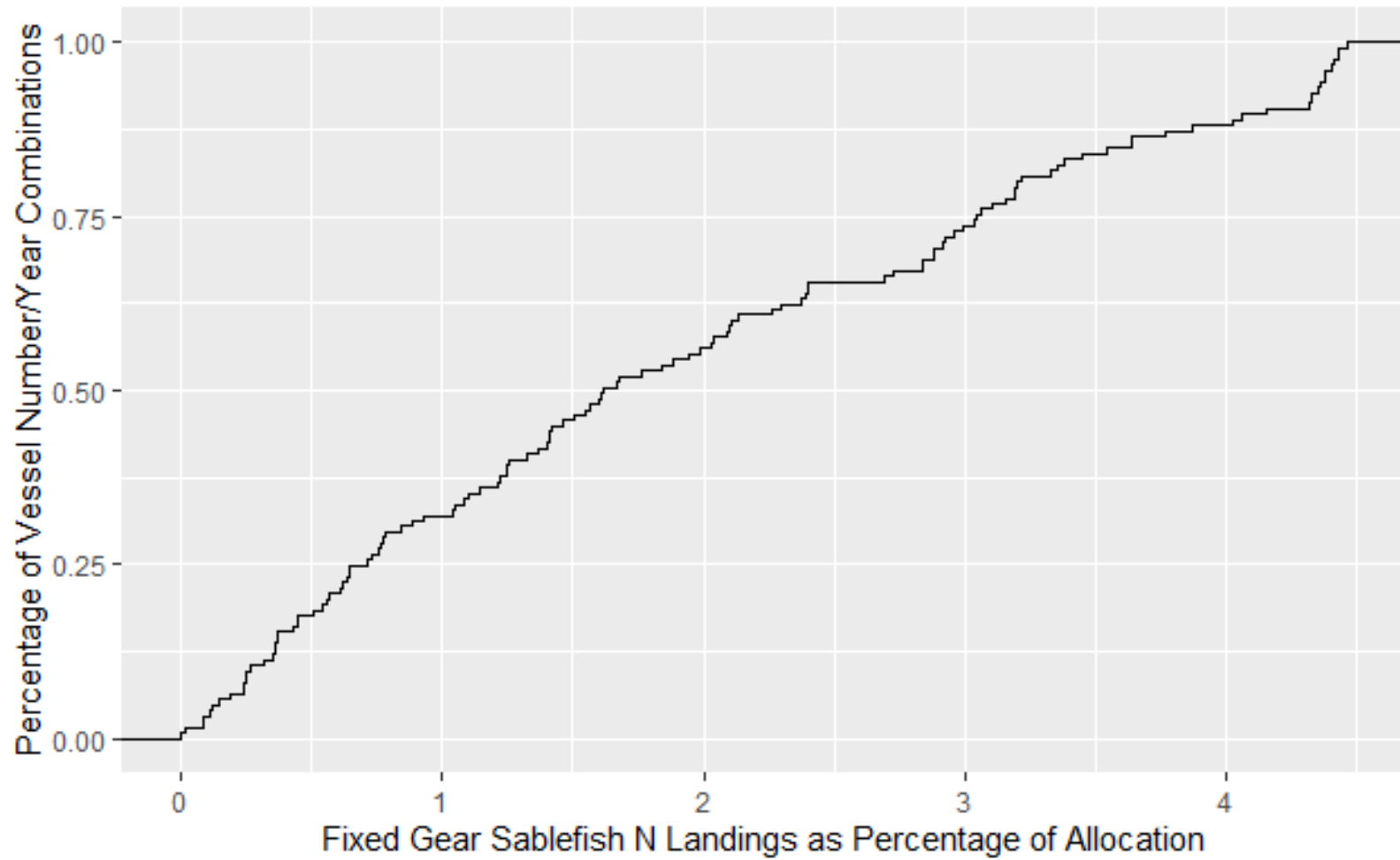
# Options for Endorsed Vessel Limit



# 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

Amount	Without	With
5,000	6 vessels/6 permits	20 vessels/18 permits
10,000	7 vessels/6 permits	20 vessels/18 permits

# 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

Option	Qualifying Vessels	Vessels that Own QS	Projected percent attainment of 2020 allocation if each vessel lands...			
			Max in any year (2011-2018)	Average of active GS years (2011-2018)	Annual Vessel Limit (4.5%)	Maximum limit of 0.6% or the amount of QS owned
Option a	11	4	33.72	22.86	49.5	8.85
Option b	9	4	28.65	20.5	40.5	7.65
Option c	12	4	34.42	23.36	54.0	9.45