Public Comment
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History

Part of the stated goal for the Trawl Rationalization Program created by Amendment 20 was to provide "for full utilization of the trawl sector allocation" to benefit trawlers and groundfish processors consistent with National Standard One's command to achieve optimum yield on a continuing basis. The program has worked for some species, such as whiting and rockfish, particularly widow rockfish, but has struggled to achieve full utilization of other trawl sector allocations. In 2011 the bottom trawl fishery saw an immediate mass exodus of sable, underutilization of bottom trawl dominant species, and loss of employment. This was a major theme in the 2016 five-year review public hearing port meetings (see appendix A) in all three states as **processors in port after port detailed 30%-50% employment losses** representing dozens of jobs; and that doesn't even include estimation of lost trawl fishermen jobs and lost jobs in the support services.

The bottom trawl fishery has continued the decline since 2016, and 2019 has proven to be the lowest attainment year yet for many trawl sector allocations. Landings were supposed to increase with catch shares, but, for underutilized species (everything except sable and petrale), **landings are down over 16 million pounds a year compared to pre catch shares (2008-2010)** despite vast increases in trawl allocations from 2011 to 2019 (3,582% increase in canary, 162% increase in darkblotched, 2,998% increase in POP, 467% increase in yelloweye, 2,798% increase in widow). At the same time, in 2019 fixed gear users had their highest attainment ever of trawl sable allocations.

For the 60 years prior to catch shares, the trawl fishery averaged 48% of all west coast sable landings, but that has diminished to 30% during catch shares. Fixed gear now accounts for 70%, which is more than two times as much as trawl's 30% after there was a near even split (48% / 52%) during those previous 60 years. There is a correlation here between declining attainment for many trawl sector allocations and increasing attainment of sable allocation by fixed gear. Prompt action is needed to address this problem, which is the SaMTAAC's charge.

Sable & Fishery Capacity

The trawl fishery should not be losing attainment of its allocations under catch shares, particularly in light of massive allocation increases. **Achieving optimum yield on a continuing basis in the trawl rationalization program should be the Council's goal, and sable is needed for the trawl sector to achieve this, both because of economics and logistics** of targeting other species while encountering incidental catch of sable; and doing so while providing a constant supply to processors to sustain the markets. Sable isn't the only challenge, but it is an essential component in rebuilding attainment in the fishery. Sable is the lifeblood of the fishery and directly tied to fishery capacity because **sable co-occurs with other species, not just with DTS**; the logistics and economics just don't work without sable.

The significant degradation of attainment for bottom trawl dominant species under catch shares has left the fishery with low trip limits (maximum lbs allowed per species at full price) and long delivery intervals that devastates the business viability for a trawl vessel. This demonstrates the need for increased sable dedicated to trawl, because we need an increase in total bottom trawl landings in order to increase trip limits and reduce delivery intervals. Sable is needed for a meaningful increase in attainment as noted in the previous paragraph.

Certainty of supply of sable dedicated to use by trawl vessels is essential. The way fishery management works in any commercial fishery in any region is pretty much the same: Divide the species' catch limits into sectors and then let the harvester & processor businesses make plans and strategies and execute them. Gear-switching takes the certainty of the sector allocation away and also puts two disparate sectors together, both with very different requirements for capital investment, long-term market development, labor input, and market timing for fresh vs. frozen. No wonder this has been a disaster. We have been reminded why fishery managers everywhere, including on the west coast, rely almost exclusively on sectors as the foundation of their fishery management. With gear switching status quo, or any alternative that has a similar effect to trawl of status quo, we are left with the fishery we have now, which for bottom trawl is the opposite of what the Council intended when it adopted the FMP goals and objectives in Amendment 20.

We need to turn this fishery around; not just for the bottom trawl vessels and the processors, but also for the fishing communities that rely in part on the groundfish fishery to sustain the infrastructure that all fisheries and support services rely on, and consumers who should benefit from and have access to rebuilt groundfish stocks.

<u>Past Capacity Increases</u>

The past history of the trawl fishery, both prior to and under catch shares, shows that maximizing attainment can be achieved when harvesters and processors have certainty of supply.

There was a significant increase in widow rockfish allocation in 2017. Given that attainment was only 54% in 2016, one may not have expected a sevenfold allocation increase would be substantially used given the sector was barely using half of its allocation before the large increase. However, catch increased sevenfold in 2017 for 52% attainment, then there was another large increase in 2018 to achieve 97% attainment.

Widow RF	2016	2017	2018
Available QP	3,413,786	25,116,604	23,504,584
Catch	1,846,488	13,050,983	22,801,565
% Attainment	54%	52%	97%

So what happened with widow between 2016 & 2018? Processors knew once the sector had its allocation that they could make concurrent plans with vessels, processing methods & investments, and markets. About one rockfish fillet machine has come online per year on the coast since 2017. Not only that, as the fishery and markets mature, the process gets more efficient, planning throughput and sales to take more advantage of the fresh market and its higher price than frozen, and the vessels can get more deliveries and pounds across the dock in a shorter time which is so critical for a vessel to have a viable business in 2020.

A very similar thing to widow in 2016-2018 happened with dover in 2006-2008. A large allocation increase resulted in a large increase in landings, and it took two years to make the big leap, just like with widow.

Dover	2006	2007	2008
ACL	16,675,765	36,376,273	36,376,273
Catch	13,132,937	20,423,624	24,696,599
% Attainment	79%	56%	68%

With dover in 2006-2008 and widow in 2016-2018 the best management action was to give the trawl sector its allocation and then let the businesses plan and work. And they did. Much has been made in the recent multi-year process of discussing a trawl vessel's access to sable, but the essential piece has been overlooked, and that is the **processors' need to know with a fair degree of certainty how much sable is coming out of the water with trawl gear, because then they can plan, invest resources, and develop markets for what other species come with it.** Processors need certainty to commit resources to enhance capacity and work to develop markets.

The past is the best indicator of the future. The past capacity increases of widow and dover tell us a sector needs its allocation and then businesses make business decisions to catch, process, and sell the fish. The past catch share years 2011-2019 tell us that if we have status quo on gear switching and sable (or something similar to status quo) that we will get a status quo result on attainment.

Purpose and Need

The SaMTAAC should reconsider certain changes to the statement of purpose and need (P&N) adopted at the October 2019 meeting. At that meeting, three other purported "causes" of trawl sector underattainment besides gear switching were added to the P&N: 1) declining vessel participation, 2) lack of market, 3) lack of infrastructure. **But these are symptoms, not root causes, of underattainment, and so should not be part of the P&N**. It is the uncertainty in sable allocation for the trawl sector caused by gear switching that is causing these other problems, as the P&N statement recognizes.

The Council's charge for the SaMTAAC is as follows:

> *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.*

The SaMTAAC should keep the focus of the P&N statement on gear switching, which is the problem identified by the five-year review and that led to the creation of the SaMTAAC in the first instance.

Gear switching was already intentionally separated from other five-year review issues to have a singular, prioritized focus on it. Adding other issues into the mix now, several years into the process, shifts the focus of the committee, detracts from the primary issue it was tasked with addressing, and risks further delay in addressing underattainment. The committee has not identified another cause and potential solution to significantly improve attainment in the trawl sector other than curtailing gear switching. If there is a desire to address other issues, that should be done through a separate process.

Since addressing gear switching is essential to rebuilding attainment in the trawl fishery, delaying action on this matter serves no purpose and causes continued harm as 2019 saw the worst year yet under catch shares for bottom trawl attainment. Help and certainty of direction on the gear switching issue is needed ASAP. Even if we stay on task with SaMTAAC, regulatory changes likely will not be implemented until the 14th year of the program in 2024.

Forty-four trawl vessels, five processors, WCSPA, MTC, & OTC signed onto two alternatives to limit gear switching for the October SaMTAAC. This is a major issue that is in its fifth calendar year of deliberations in the Council process while the bottom trawl fishery has suffered from underattainment under catch shares. We urge the committee not to delay moving forward with a focus on gear switching. **Therefore, please remove references of other "causes" from the Purpose & Need Statement** and make modifications to the first paragraph as follows:

> This action is needed because the Shorebased Individual Fishing Quota (IFQ) Program has underattained most of its allocations since the inception of the program in 2011. The underattainment 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 ***to take sablefish along with other ifq species***; this may lead to uncertainty in trawl access to sablefish, thereby affecting the development of markets and infrastructure. Working within the guidance and authority provided by the MSA (§303A(c))1 and the Pacific Coast Groundfish Fishery Management Plan (FMP) goals and objectives, the purpose of this action would be to keep northern sablefish gear switching from impeding the attainment of northern IFQ allocations with trawl gear, while considering impacts on current operations and investments.

APPENDIX A – 2016 Public Hearing Processor Related Comments

Below are some comments from the 2016 five year review hearing summaries specifically related to the loss of processing capacity for groundfish under catch shares.

FORT BRAGG – Sep 6, 2016

1) *"As a processor, our production has dropped 38 percent and we have lost half our workforce."*
2) *"Because of limited processor workforce we cannot go right back out again after making a landing; and, at the same time, if we do not provide a consistent supply the processor will lose its workforce."*

EUREKA – Sep 7, 2016

1) *Packing crews are down to 50 percent of what they were. The product is not there to keep the crews on line. Used to have 40 filleters, now 15-17. Used to have 30 packers now 15-18.*
2) *Vessels have had to be put on stricter limits because the processing capacity is not there.*

COOS BAY – Sep 8, 2016

1) *"Under the catch share program, we have lost 45 percent of our fillet crew, gone from five fillet plants down to 2.5 plants."*
2) *"My plant's production is down 30 percent, I've gone from 21 filleters to 6 and associated with that reduction are another 18 packers and 6 on the freezer crew. It is tough to find people to replace them. We've lost 46 jobs in the last 5 years and gone from 11 vessels to 5."*

ASTORIA – Sep 28, 2016

1) *A processor saw a 40 percent to 50 percent reduction immediately after implementation and some increases since then—the increases due in part to their leasing of a large amount of quota.*
2) *Once production has declined, recovery takes investments on many fronts: market development, specialized labor (e.g. filleters), and infrastructure. In order to make these investments, the industry needs consistency and predictability.*
3) *This is a people issue. In the fish plants, there has been a general decline in wages and earnings over the years, particularly on the bottomfish side.*

NEWPORT – Sep 29, 2016

1) *The backbone of the fishing industry has been the trawl fishery. "We are losing infrastructure and the markets are suffering."*
2) *"There have been tremendous cuts in the seafood industry—lost jobs and infrastructure—ice machines, plants, and pilings."*