

Fixed Gear Catch Share Review – Scoping

Agenda Item G.2.
June 2021

Council Action



*Provide Guidance on the Review Process
and Scope of Content*

Process

Meeting 1 (June 2021): *Council guidance on process and scope*

Meeting 2 (TBD): *Council approves public review draft*

Meeting 3 (TBD): *Council finalizes review, including R&D needs and recommendations on potential future actions*

Process Scope



Include hearings?

Include development of action alternatives?

Content Scope

- *Initial draft based on September 2020 Outline*
- *What else should be*
 - *included?*
 - *removed?*
- *Some specific questions to consider provided on page 1.*

NMFS Procedural Order (01-121-01)

Goal of procedural order: help ensure catch share programs reviews

- “are comprehensive and targeted at meeting statutory requirements;
- coordinated with stakeholders;
- carried out in a transparent, efficient, and effective manner; and
- are conducted by applying consistent standards across the country while allowing necessary regional flexibility.”



Questions?

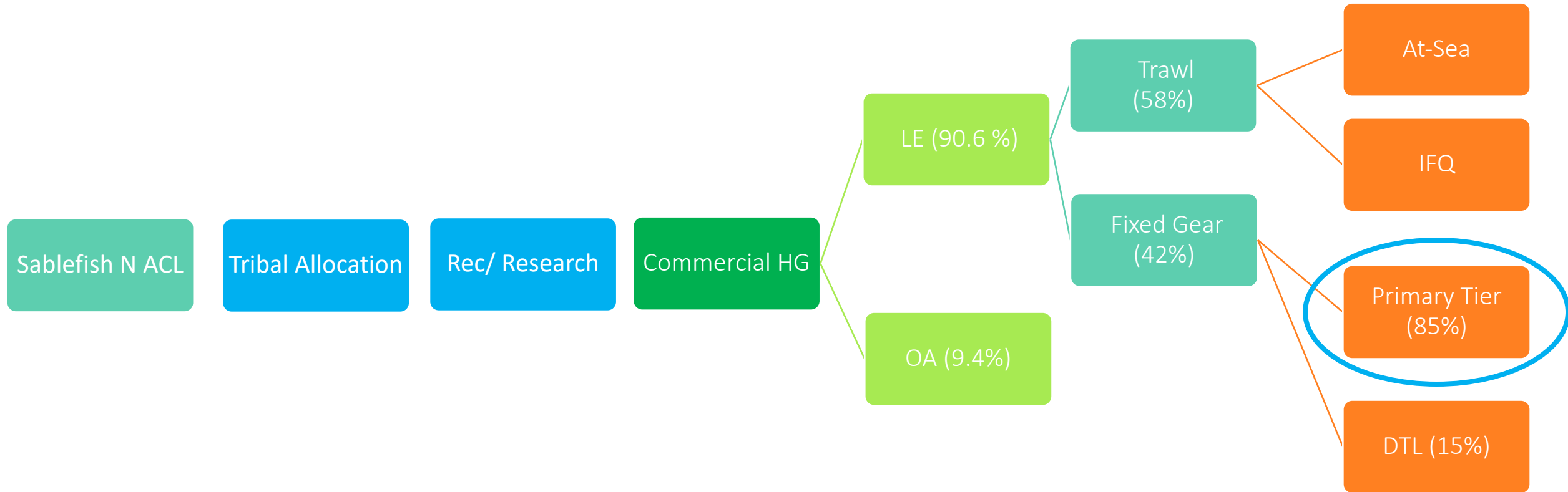


Presentation Overview

- Overview of LEFG Catch Share Program
- Prior Program Review and Subsequent Actions
- Document Outline
- Highlights of Initial Analysis

Overview of LEFG Catch Share Program

Primary Tier Sablefish Allocation



Program History and Key Management Measures

- Catch share program established with Amendment 14 (2001)
 - Lengthened season date from a derby fishery to the current season of April 1-October 31
- Vessels must have a sablefish endorsed LEFG permit
 - Permits are assigned to Tier 1, Tier 2, or Tier 3 (3.85 : 1.75 : 1)
- Vessels can stack up to three permits at one time
- No entity may own or hold more than 3 permits
- Owner-on-board requirement

Prior Program Review and Subsequent Actions

Prior Program Review and Subsequent Actions

- Completed in June 2014
- Focused on the ten Amendment 14 key objectives
 - Review suggested 8 sufficiently achieved, 2 neutral
- Council's review recommendations included five potential action items for the groundfish workload list (Table 2)
- Additionally, in tandem with the review, the Council developed and finalized recommendations on two issues:
 - E-tickets; and
 - Exemptions for permit ownership limits regarding AK ownership interests

Section 3.0: Research and Data Needs (2014 Review)

1. Routine collection of permit sale prices to indicate the market value of the fishery.

Currently on groundfish workload prioritization list (not prioritized)

2. Collect information about crew, captains, and owners of vessels

NWFSC has implemented voluntary survey which may provide some insight

Document Outline

Draft Review Document Outline

2.1: Covered by Previous Review

2.2-2.11: New Sections Covering
NMFS Catch Share Guidelines

Section 1: Introduction

Section 2: Performance and Review

The following sections to be developed through advisory body and public review, comment, and Council final adoption of review:

Section 3: Research and Data Needs

Section 4: Conclusions

Section 5: Council Recommendations

Highlights of Initial Analysis

Section 2.1: Goals and Objectives

Amendment 14 Key Objectives

1. Rationalize the fleet and promote efficiency
2. Maintain or direct benefits toward fishing communities
3. Prevent excessive concentration of harvest privileges
4. Mitigate the reallocational effects of recent policies (3-tier system and equal limits)
5. Promote equity
6. Resolve or prevent new allocation issues from arising
7. Promote safety
8. Improve product quality and value
9. Take action without creating substantial new disruptive effects.
10. Create a program that will readily transition to a multi-month IQ program.

Objective 1: Rationalize Fleet and Promote Efficiency

Fleet Participation and Attainment

- High attainment, stable participation
- Recent years have seen increase in amounts harvested in the later months

Vessel Level Attainment

- Vast majority of vessels with high tier attainment (Table 7)

Concentration of Harvest

- Since 2014,
 - Tier 1 permit stacking increased
 - Single Tier 3 permit decreased

Fleet Consolidation

- No significant changes since 2014
- More analysis to come on “base permit”

Permit Prices

- Influenced by changes in efficiency/profit opportunity.
- Limited data available to inform any trends- additional analyses to come

Net Revenue

- Working with NWFSC to update 2014 analysis

Objective 2: Maintain or direct benefits toward fishing communities

- Involvement=% of total primary LEFG revenue
 - Increases in CA starting in 2009, WA in 2013, OR variable yr-to-yr
 - Increases in Puget Sound
 - Decreases in WA Coast, Astoria, Morro Bay
- Dependence=% of total revenue (all fisheries)
 - Increases in Puget Sound
 - Newport, Ft. Bragg, Coos Bay-Brookings variable
 - Most ports steady

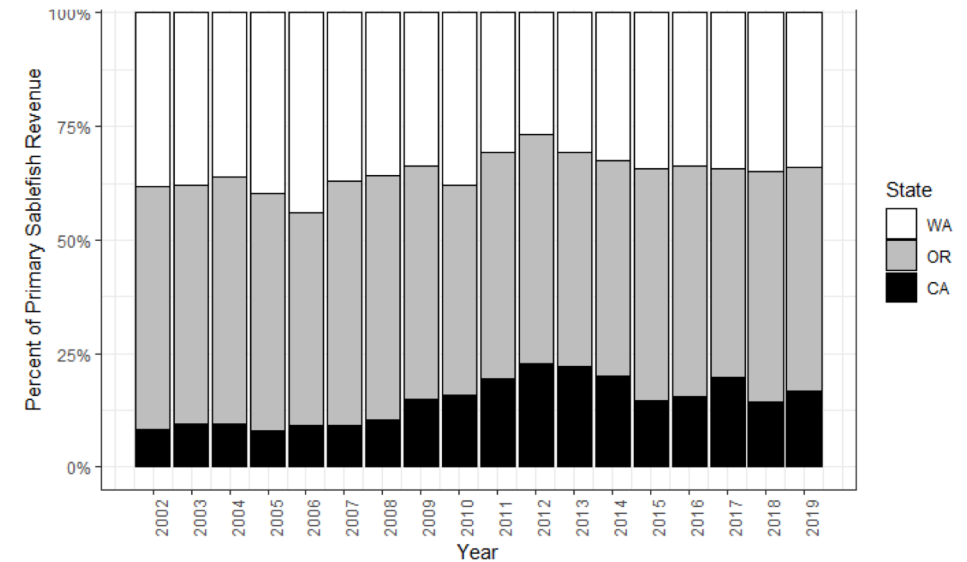


Figure 7

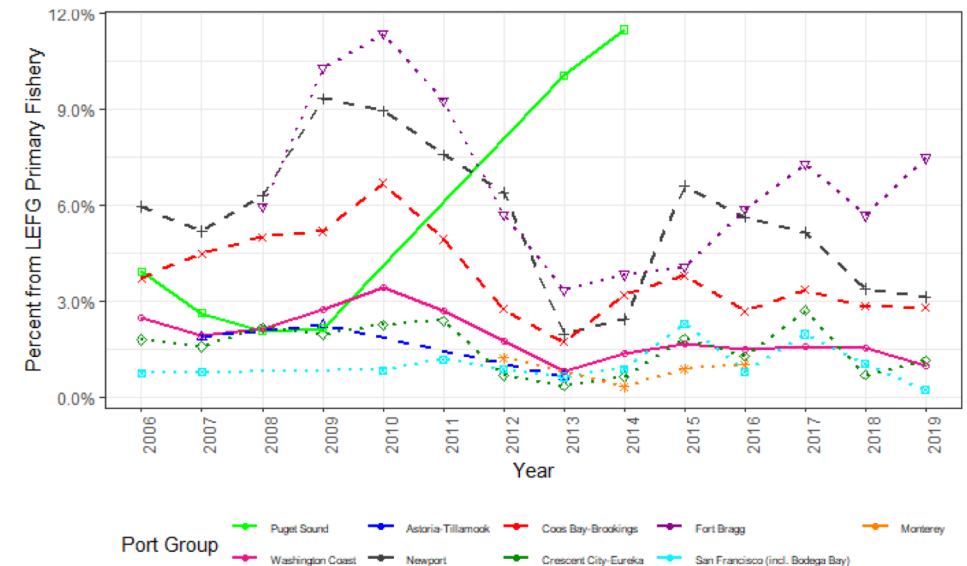


Figure 8

Objective 2: Maintain or direct benefits toward fishing communities

- Sablefish endorsed permits must be owned by individuals who must be on board the vessel when landing against tier
- Exemption
 - Allows
 - a non-individual to own
 - the owner to not be present
 - Exemptions were granted to those with ownership prior to 2001
 - Exemptions have been trending down

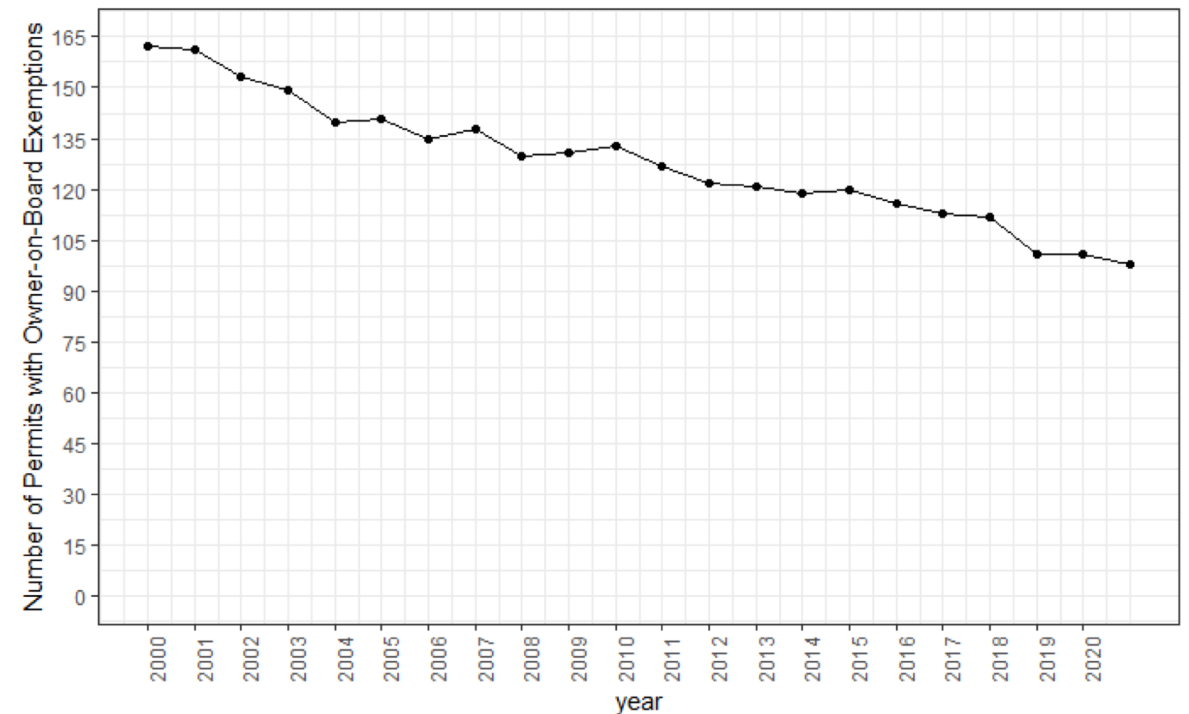


Figure 9

Objective 8: Improve Product Quality and Value

- Most readily available data to inform achievement of objective is ex-vessel value
 - However, influenced by other factors like market, gear, port, size, etc.
- Recent years have seen a seasonal change in the price/lb (fall > spring)
- HKL caught sablefish typically has higher avg price/lb than pot caught sablefish
- New analysis examining highgrading
 - Appears vessels are prioritizing larger sablefish to increase revenue

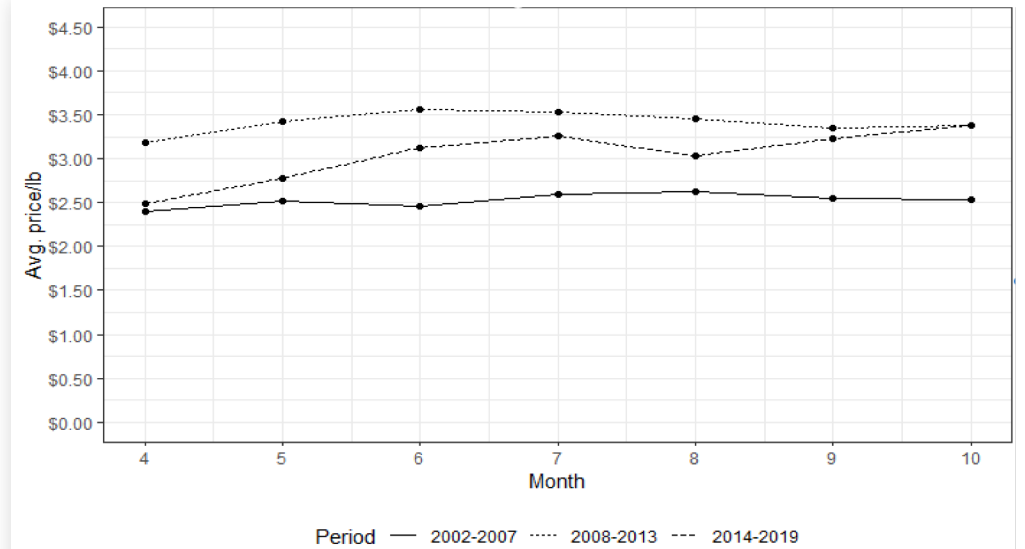


Figure 12

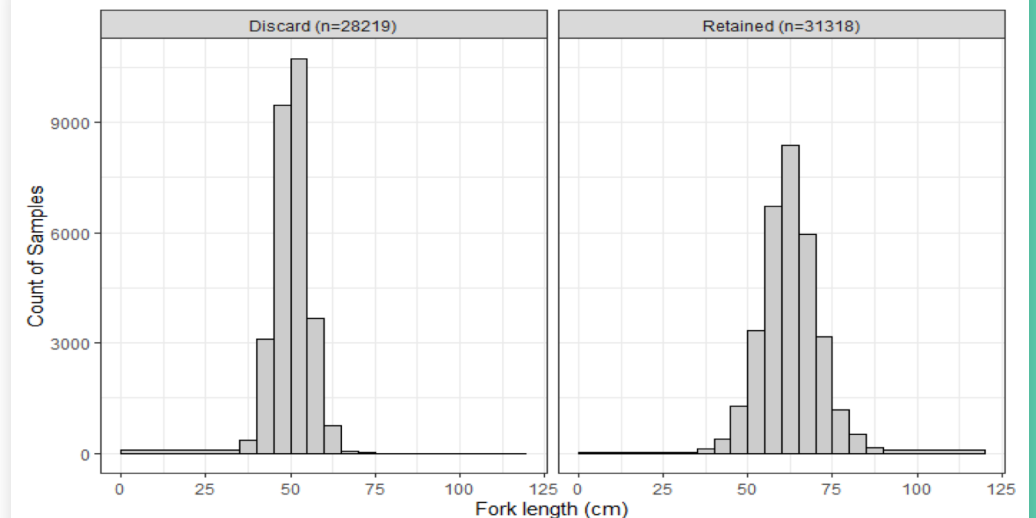


Figure 14

Section 2.2 – 2.11: New Sections Covering NMFS Guidelines

Section 2.2 Allocations


- Allocation review triggers were implemented through COP 27.
 - Trawl/FG allocations- to be reviewed in 2022 with trawl catch share review
 - Within the LEFG sector, there is the allocation between primary (85%) and DTL (15%)
- Since 2014, the primary fishery has averaged 93.3% attainment with the DTL fishery averaging only 73.8%.

Should this review examine the within LEFG allocations (primary, DTL)?

Section 2.3 Eligibility

- Reviews should evaluate who is allowed to hold quota and the effects of those eligibility criteria.
 - If data is available, also consider impacts to those who have left the fishery.
- Only individuals are allowed to acquire sablefish endorsed LEFG permits

Should the review evaluate impacts to those who have left the fishery?



Section 2.6: Accumulation Limits/Caps

Should this review include a detailed assessment of the accumulation limits?

3-Permit Control Limits

- Preliminary analysis shows a small increase in number of entities owning 3 permits in recent years

3-Permit Stacking Limit

- Recent years have increase in number of vessels with 3 stacked permits- but within range in program history
- May be a reason for crossover to the IFQ fishery for GS

Section 2.8: Data Collection/ Monitoring/ Enforcement

Tier System: Landings Accounting

- E-tickets required as of 2017- Able to track tier attainment inseason

Tier System: Ownership Tracking

- Collect ownership interest forms for businesses, corporations
- Able to assess limits

Other Data Collections

- Observer coverage--increasing in recent years
- State fish ticket
- Logbooks (est. Implementation in 2023)

Section 2.8: Data Collection/Monitoring/Enforcement

- *How extensive should the description be of existing data collection, monitoring, and enforcement programs? For example, should the entire catch accounting description for the LEFG fishery be updated (currently in the FMP but out-of-date), the state fish ticket system described, the entire enforcement systems be described, etc.?*
 - Potential solution- Included revisions with next FMP amendment
- *Should the review include a full assessment of program costs, cost effectiveness and opportunities for improvement?*
- *Are current data collections adequate to support program evaluations?*

Section 2.9: Cost Recovery

- No cost recovery program currently in place for LEFG tier program
- Costs for recovery can be for management, data collection and analysis, and enforcement costs

Should cost information in the review be expanded and is a cost recovery program needed?

Section 2.10: Entry/Exit

Questions for Council Consideration:

- 1. Is a more in-depth analysis of entry costs and market power needed/desired?*
- 2. Is a more in-depth analysis of distribution and intergenerational effects needed/desired?*

Permit Ownership

- 138 entities owned permits from 2011-2019
- Annual avg. of 3 new owners bought permits
- Annual avg. of 5 owners left permit ownership

Vessel Ownership

- 132 entities owned at least one of the 152 participating vessels from 2011-2019
- Annual avg. of 5 new vessel owners
- Annual avg. of ~8 vessel owners leaving fishery

Additional Analysis Planned

- Fleet Consolidation: lengths of stacked permits and base permits (p. 19)
- Permit Prices: exploration of data from online marketplaces (p. 20).
- Net Revenue: NWFSC? (p. 21)
- Owner-on-board Exemptions: Number of individuals (p. 27).
- Safety: NWFSC? (p. 32)
- Owner/Control Limits: The Alaska participant exception (p. 45)

Sections 3.0 – 5.0:
To Be Developed through
Review Process

Section 3.0- 5.0 Content

Section 3.0 Research and Data Needs

- Are current data collections adequate for monitoring, enforcement and program review?

Section 4.0 Conclusions

- Overall assessment of program performance

Section 5.0 Council Recommendations

- Recommendations for future Council consideration (not final actions)

Council Action

*Provide Guidance on the Review Process
and Scope of Content*

Questions?