

GROUND FISH ADVISORY SUBPANEL REPORT ON SABLEFISH GEAR SWITCHING

The Groundfish Advisory Subpanel (GAP) received an overview of this agenda item from Dr. Jim Seger, Pacific Fishery Management Council (Council) staff officer, and Ms. Jessi Doerpinghaus and offers the following comments.

Statement framework

As we noted in prior statements on this issue (September 2020, November 2020, [April 2021](#)), gear switching in the trawl catch shares program continues to be challenging for the GAP. As such, the GAP will again be offering a statement that includes opposing viewpoints, in the interest of making sure the Council is aware of the full range of perspectives. The GAP agrees this represents the most comprehensive way to provide divergent viewpoints.

Statement in support of no action alternative

Representatives on the GAP who participate in gear switching offer the following comments for the Council's consideration in addressing Sablefish Management and Trawl Allocation Attainment Committee (SaMTAAC) principles, and specific changes to the Alternatives that have been analyzed to date.

We respectfully submit that we remain unconvinced that limiting gear switching at this time will result in a higher attainment of a mix of groundfish species landed by trawl vessels using nets. The mixed species fishery faces a myriad of problems: demand from consumers, supply chain disruption, frozen versus fresh markets, and processor trip limits on vessels, to name but a few. None of these challenges are caused by gear switching.

Regarding the stated goal of the SaMTAAC to make sablefish "more affordable" for trawl net fishermen, we would point out that current lease prices for sablefish--21 cents--is approximately 1/7 of what the lease price was in the market (\$1.50) at the time this goal was originally articulated. The price at the dock to the fisherman has also declined during this time, but it has gone down by about 1/2. The point is the cost to lease trawl individual quota (TIQ) by any trawl permit holder has declined far more than the dock price, making sablefish significantly "more affordable" for trawlers to acquire. To restate the obvious--this has occurred because of the marketplace--not due to unrestricted gear switching.

We would also add that Council action to restrict gear switching in order to make TIQ more affordable for trawl net fishermen is unlikely to occur, as lease prices reflect the value of the fish. The 2021 annual catch limit (ACL) is about 15 million pounds and the supply out of Alaska is about 50 million pounds this year, again, a significant increase over the earlier years of the IQ program. For 2022, the Pacific region harvest, combined with that of British Columbia and Alaska, will approach 80 million pounds.

Without a corresponding huge increase in demand, domestically and internationally, prices

will likely stay low.

What is certain is that if the Council acts to limit gear switching, and the amount of sablefish taken by fixed gear is reduced, the value of the TIQ sablefish fishery will be worth significantly less. Here is a comparison of very recent dock prices, in round pounds, for sable caught by fixed gear (FG) and sable caught by trawl net fishermen (this price information comes from different processors and is, at best, our closest estimate):

Fish size (round #)	TRAWL Price per pound	FIXED GEAR Price per pound
1-2	0.20	no info
2-3.5	0.30	0.65
3.5-5	0.50	1.19
5-7	0.95	1.57
7-9	1.25	2.08
9+	1.50	2.85
9-12	no info	2.85
12+	no info	3.57

Regarding the specific questions presented to the Council by Dr. Jim Seger and Ms. Jessi Doerpinghaus as they developed the Alternatives, those of us on the GAP engaging in gear switching have the following general answers:

Question 1

We recommend that the 29 percent figure be a general goal for the Council and will use as a guide in selecting alternatives, and that it not be a rigid top limit. We also recommend that in choosing alternatives to go forward for further analysis that the Council aim for at least that amount, 29 percent, to continue to be landed by gear switching participants.

Question 2

That the general goal of 29 percent to be landed by gear switching participants be available to **all** participants who gear switch **IF**:

Under Alternative 1,

- a) On January 1, there is an Opt Out provision for all quota (approximately 11 percent) that is currently owned by qualifying vessel owners and is also specifically excluded from any trawl gear/any gear classification;
- b) the remaining quota is classified as trawl gear/any gear;
- c) that there be a conversion date to “any gear” as of August 1, and the amount landed

- by gear switching after the conversion date be limited to 18 percent.
- d) This is not a permit-restricted alternative.

Under Alternative 2,

- a) the 29 percent includes only the qualifying historical participants based on permits and;
- b) the alternative is modified to reduce non-qualifiers to a very small limit, similar to those levels suggested most recently by staff in their presentation.

Under Alternative 3,

- a) the amount that can be taken by gear switching historical qualifiers be increased to 29 percent; and
- b) the individual vessel limit of 0.6 percent taken by gear switching be eliminated.

Question 3

As to whether limiting gear switching should be a short-term or a long-term goal, we recommend that the limitation on gear switching be a short-term program and re-evaluated frequently. Adopting any alternative that includes an arbitrary termination of gear switching before seeing the effects of the program, and whether it is or is not achieving its goals, would be short-sighted.

Moving on

While we continue to recommend No Action be taken by the Council, we have **NEW** modifications as to the specific Alternatives that are currently before the Council that we believe should go forward. These modifications attempt to resolve questions regarding the Alternatives that are being raised in some of the written public comments for this meeting, discussed by staff in their current presentation, discussed in advisory bodies, and have also been voiced by Council members.

Alternative 1

As mentioned above, qualifying participants who own quota, 11 percent, would be able to Opt Out immediately and gear switch – as of January 1 that quota would be classified "any gear" upon issuance. Quota share (QS) could be added to the account.

There would be a Conversion Date provision, effective as of August 1, for 18 percent of the quota to be any gear that would be allowed to be taken by gear switching. Parties could be required to register their intent to gear switch their quota prior to August 1.

Alternative 2

- a) Set aside the amount of QS owned by qualifying participants--approximately 11 percent for quota owners--to be able to land what they own.
- b) Divide the remaining 18 percent based on all who qualify during a window period in proportion to their average landings during the window period.

c) For those who do not qualify, reduce the landings to a very small amount (suggested by Council staff during presentation to be limited to 0.03 percent or less), that would stay close to total attainment of 29 percent.

Alternative 3

We do not recommend moving forward with Alternative 3. Should the Council decide to do so, we strongly recommend the amount to be taken by vessels that gear switched during a qualifying period be increased in this alternative to 29 percent. We do not recommend going forward with any aspect of the Alternative 3 that invites new participants into gear switching, or that restricts owners of quota that gear switch to an individual 0.6 percent limitation. Those who have historically gear switched should be able to land at least up to what they own and what they have leased during the qualifying period.

However, should the Council want to invite new participation in the form of “active trawlers,” we recommend that the 10 percent total amount for new “active trawlers” referenced in Alternative 3 should be IN ADDITION to the 29 percent for those that qualify as historical gear switching participants. In other words, eliminate the 10 percent backstop limit on gear switchers currently in Alternative 3. Also, the amount proposed to be allowed for individual “active trawlers” of 1 percent is too high and should not be greater than any individual percentage limitation on those who have historically gear switched.

In conclusion, we also recommend that each of the alternatives include an option to be able to:

- 1) transfer a gear switching endorsement attached to a permit to a new owner under Alternative 2; and
- 2) transfer the ownership of a quota share account allowed to use fixed gear to a new owner under Alternatives 1 and 3. And, as referenced above in response to the “questions,” we recommend removing from any of the alternatives an automatic “sunset” clause.

Statement in support of limiting gear switching

It is not only important to specify recommendations for the range of alternatives (ROA), but also to give the rationale why different alternative features are necessary. The following gives both from the viewpoint of those that see reduction of fixed gear attainment necessary for achievement of OY (optimum yield) and future fishery community stability on the west coast:

- 1) **Regulatory Factors:** The Magnuson-Stevens Act (MSA), National Standards (NS) and especially NS1, Fishery Management Plan (FMP) Goals and Objectives (G&O), and Trawl Catch Shares Program G&O drive decision making. NS1 twin mandates of preventing overfishing and achieving OY are the foundations of the MSA itself as well as all fishery management. They are requirements, and other NSs are in support of these

twin mandates and do not supersede these twin mandates. FMP & Program G&Os are designed to be in alignment NS1.

- a. Since achieving OY is a requirement, alternatives are required to include options that allow the fishery the capacity to achieve OY.
 - b. The MSA requires that Limited Access Privilege Program review, from which gear switching has been identified as the #1 issue, include making “any necessary modification of the program to meet those (program) goals.” So, alternatives are required to include options that make modifications to meet program goals including to provide for full utilization, which is essentially achieving OY.
 - c. Alternatives should include options to meet FMP goals including goal 3 to “achieve the maximum biological yield of the overall groundfish fishery,” which is essentially achievement of OY.
- 2) **Current Status of the Fishery on the West Coast:** Utilization of trawl allocation is dependent upon bottom trawl fishing and processing. Utilization is down under catch shares even as many ACLs are up. Processor fillet lines have been in retraction trajectory ever since 2011. Now there are only two to three ports on the west coast receiving landings from multiple bottom trawl boats year-round, with only one or two ports giving the confidence they will still be doing so in five to 10 years.
- 3) **Necessary Improvements in the Fishery on the West Coast to Achieve OY:** Optimum yield cannot be achieved for the groundfish fishery without multiple geographically dispersed ports receiving landings from multiple boats year-round. Expansion of fillet lines, most likely in existing processing plants, is required to have a chance at building towards OY. Sable is the most important species of this multi-species fishery; not only for reasons of incidental catch in efficient year-round targeting strategies to support fresh markets; but also for essential economic viability of both vessel and processor at the individual level, and also for a volume that provides critical mass of activity to support economically viable processors in multiple ports. **Sable absolutely impacts the capacity of the program to achieve OY. The larger the fixed gear cap the further away from capacity for OY the fishery will be.** The full trawl allocation of sable caught by trawl gear is required to achieve OY. This is backed up by historical catch rates of sable to other species, the most important being dover because it would have to be a driver of any processor and market expansion due to its volume. But as a processing representative said at the first Community Advisory Board meeting in asking and answering his own question: “What species does sable help get out of the water? – All of them.” Each pound of sable caught with fixed gear represents approximately eight pounds of other fish that could be landed if that one pound of sable was caught with trawl gear. Diverting up to 30 percent of sable to fixed gear effectively guarantees that OY of other species will not be achieved. Alternatives with options to have a very low cap (0-10 percent) are required to help reverse the retraction of processing capacity under Catch Shares and help drive the expansion. Near status quo fixed gear attainment may not move the needle on incentive for processor investments, and therefore OY.
- 4) **Rationale for 10 percent Immediate FG Cap:** The fishery and coastal infrastructure has been past the point of an emergency for a long time. Each year that goes by may make it more difficult to reverse course in working towards achieving OY. There is an urgency.

Beyond that, the QS owned by fixed gear vessel owners that have a minimal level of pre-control date participation (30,000 lbs in three years) is in the single digits. Ten percent more than covers that amount. Caps above 10 percent represents inclusion of leasing or insufficient participation. The trawl vessel and groundfish processors represent decades and generations of investment in the trawl fishery in the hopes of achieving the promise of OY in the MSA and full utilization of the Trawl Catch Shares Program. Benefits of increasing utilization include:

- a. The fact that trawl infrastructure is necessarily anchored in communities providing jobs, stability, and infrastructure critical mass for other fisheries.
- b. Increased employment.
- c. Domestic food security which has recently increased in importance.

5) **General Requests on ROA:** In light of the previous four points, the general requests for ROA are to move all three SaMTAAC alternatives forward for analysis with the following features.

- a. **Use Hard Caps:** To provide certainty, avoid unintended consequences, and maximize capacity to achieve OY, remove all loopholes from hard caps from further consideration. This includes conversion date, 0.5 percent allowance for any vessel, not covering overages, using an overall soft cap “target” different than the maximum allowed, and making sure the opt-out does not allow for overages. Eliminating loopholes and using hard caps would also simplify the analysis.
- b. **Use Three Hard Cap Sub-Options with Each Alternative – 10 percent, 20 percent, 29 percent:** Council could give general guidance on how to achieve each hard cap level. Rationale for including the 10 percent cap provided previously. The 29 percent is a pre-control date average and recent Council action maximum that many or most understood at the time for the word “maximum” to mean it could not be exceeded and the range of alternatives would be at and below that number, and 20 percent is a middle level amount.
- c. **Include Phase Out with Each Option:** Fixed gear phase out would be either a complete phase out or at minimum phasing out gear switching for vessels that are not active trawlers. Rationale for including this feature:
 - i. Maximize ability to achieve OY.
 - ii. Provide a robust range for analysis to measure effects in light of purpose and need and achievement of OY, goals & objectives, etc.
 - iii. It would give ample time for fixed gear participants to decide if they wanted to use trawl gear to continue participation in the trawl fishery.

6) **Active Trawler Alternative (ATA):**

Some thoughts on this alternative:

- a. There might be room to simplify the oversight burdens of all three alternatives. For ATA, a suggestion has been made to tie the exemption to the vessel instead of the permit. Also, there might be room to look at simplifying requirements to monitor ownership changes to the permit and/or quota share account. One

suggestion has been made for a group to review the alternatives that are passed at this Council meeting with the specific purpose of streamlining oversight burdens without meaningfully altering intent. That sounds like a good idea.

- b. There has been some concern expressed about the active trawler vessel status itself and how monitoring will work for that. The mechanism once programed should be almost self-sustaining, with only a confirmation of status automatically flagged in the system being confirmed on occasion.
- c. If the Council were to adopt ATA and the 10 percent-20 percent-29 percent hard cap sub-options were used for each alternative, the active trawler 10 percent could be achieved by eliminating the active trawler section altogether, 20 percent would be the current alternative itself, and 29 percent could be a combination of 15 percent exempt vessels and 14 percent active trawler vessels.
- d. Rationale for including the ATA in the ROA:
 - i. It maintains the fixed gear option for active trawlers.
 - ii. It recognized the combined minimal level of pre-control date participation with the ownership of the vessel & permit & quota share; so, it represents true participation, investments and ownership.
 - iii. In its current form, the ATA accounts for the previous two points as well as gives the trawl fishery more certainty and more capacity for increased utilization.

PFMC
09/09/21