

GROUND FISH ADVISORY PANEL REPORT ON SABLEFISH GEAR SWITCHING

The Groundfish Advisory Subpanel (GAP) received an update from Dr. Jim Seger and Ms. Jessi Doerpinghaus, Council staff, under this agenda item and offers the following comments and recommendations.

The GAP had a robust discussion of the alternatives and considered the questions posed in [Agenda Item F.5, Attachment 3](#). We appreciate the extensive analysis and preparation of the alternatives and the questions to help frame discussion and Council direction.

This report is broken into two sections: The summary below lists the questions from Attachment 3, with the GAP's answers in **bold**. The second section details perspectives from trawl and fixed gear sectors.

Summary of responses

The GAP is recommending the individual approach (under Alternative 1, below), thereby eliminating the need to respond to the questions on the collective approach. However, responses to the collective approach questions are provided in case the Council ultimately chooses the collective method.

Additionally, the GAP would like to see a high-level analysis that further indicates how the individual approach varies from the collective approach in terms of the number of entities that would be affected by this choice and the quota shares (QS) held by those entities. It would also be helpful to have a general description of some of the business arrangements for which the choice makes a difference.

List of Issues

Alternative 1: Gear Specific Quota Share

1. *With respect to classifying QS owners as Gear Switching Participants, what degree of linkage between QS account owners and vessel owners should be required? Where linkages exist, how much of the QS in the account should be converted based on that linkage?* **GAP: Individual approach**
2. *On what date should the linkage between a QS account owner and vessel owner be evaluated?* **GAP: Control date**
3. *If a collective approach is taken and linkages are valued based on some date in the past (e.g., the control date), what happens if a group splits up prior to implementation?* **GAP: Only the partner that had a history of owning a gear switching vessel would retain that status.**
4. *How might the individual/collective approach and linkage date requirements be applied with respect to the Individual Fishing Quota (IFQ) Participant option that requires a*

bottom trawl landing within two years prior to implementation? **GAP: Individual approach**

5. *If a collective approach is taken, how would the conversion caps be applied if an ownership group breaks up prior to implementation?* **GAP: If a collective approach is taken and the group breaks up prior to implementation, have a cap proportional to their share of ownership of QS as of the control date.**
6. *Under the collective approach, how is QS owned outside the ownership group treated?* **GAP: Under the collective approach, the QS owned outside the group would not qualify for group classification status.**

Other Alternative 1 issues to consider

7. *Application of criteria to trusts, non-governmental organizations (NGO)s, and governments.* **GAP: Yes, apply same as they would be applied to all other QS owners.**
8. *Application of formulas relying on share of ownership when ownership shares on record do not add to 100 percent.* **GAP: Calculate based on reported percent of ownership**
9. *Modification of QS control and annual vessel quota pounds (QP) limits to take into account the division of the northern sablefish allocation into two pools.* **GAP: Apply existing accumulation limits only at the aggregate northern sablefish level.**

List of Issues

Alternative 2: Gear Switching Endorsements

10. *How might the qualification criteria be adjusted to prevent potential circumvention?* **GAP: To prevent potential circumvention of qualification criteria, all transfers of ownership after the control date, whether it be the permit, vessel, or QS, won't qualify a person or entity for a gear switching endorsement.**
11. *How will endorsement limits be determined in situations where there are one-to-many or many-to-many relationships between a qualifying permit or vessel and a QS account?*
12. *How should gear switching limits be determined where there is a single QS account and multiple linked qualifying permits or vessels?* **GAP: In response to both 11 and 12 combined, partial credit for partially owned QS accounts; no double counting; and in complex ownership situations, allow the involved owners to decide how to distribute credit for QS accounts owned among gear switching limits that will be provided for the related endorsements (taking into account that double counting not be allowed).**

Other Alternative 2 Issues to Consider

13. *Should the gear switching limit formulas based on QS be adjusted to take into account Adaptive Management Program (AMP) QP distributions?* **GAP: Change the option language to clarify that the resulting gear-switching limits that are based on options which take into account QS ownership provide a limit sufficient to cover the AMP QP issued for the QS.**

14. *Should there be an adjustment to the gear switching limit formulas based on gear switching history to take into account a partial year?* **GAP: Some members of the GAP recommend examining ending dates of December 31, 2016, and December 31, 2017, to be more fair to examine a full fishing season since many gear switchers wait until after September to catch their sablefish. Other members of the GAP believe it is important to maintain the integrity of the control date and use September 15, 2017.**
15. *Should the limits for vessels gear switching with non-endorsed trawl permits be specified as a fixed amount or a percentage?* **GAP: The limit for non-endorsed trawl permits should be specified as the smaller value of 0.11 percent or 10,000 lbs.**

Perspectives

As the Council is aware, the two primary sectors – fixed gear and trawl – have had very differing viewpoints of this issue in the past. We have presented these to the Council in our GAP statements in an effort to provide the Council with the best representation of the issue. In keeping with that form, we provide those perspectives below.

Fixed gear sector perspective

The fixed gear representatives of the GAP who are interested in gear switching recommend the following revisions to the existing gear switching alternatives.

1. We recommend the Council consider the proposal presented in the letter to the Council from [Oceanbeat Consulting LLC](#), which is part of the written public record found under agenda item F-5 as a sub-option to alternative 1.
2. We recommend that the phase out option (Endorsement Expiration Option 1) of Alternative 2 be dropped.
3. We recommend the council consider an alternative refinement that would allow for 29 percent of the trawl sablefish quota to be gear switched and when that amount has been landed the gear switching would be closed.

Some have worried this would create a race for fish. We discount this based on the low level of numbers of vessels that actually gear-switch and the allocation to GS at 29 percent is approximately 85 percent of historical levels of GS activity (based on 2016-2019 percent utilization of allocation by fixed gear). We do not see a classical race for fish materializing with this refinement.

Trawl gear sector perspective

Comments on Alternatives:

1. The current range of fixed gear limitation of about 5 percent to 29 percent with an expiration option in alternative #2 is appropriate to provide for a robust analysis.
2. The 5 percent limitation is appropriate for analysis as a base number since it represents a combination of qualifiers like QS ownership by vessel owners that fished 30,000 pounds in any three pre-control date years.

3. Alternative #1 currently has only a 29 percent limitation, and therefore an analysis that compares alternative #1 to status quo is not likely to provide much or any of a contrast for impact to items such as purpose and need, optimum yield, FMP & program goals and objectives.
4. Both alternatives have a fair amount of complexity. Although the analysis in November could provide some clarity in terms of the impact from different sub-options.

Proposal for a Third Alternative:

Issue sablefish north QP each year to all QS accounts in the same proportion of “trawl only” QP and “any gear” QP for each QS account. Analyze at 5 percent to 29 percent “any gear” QP and remainder “trawl only” QP so it has about the same limitation range as Alternative 2.

Comments on Future Analysis:

1. It is desired for the analysis prepared for the November Council meeting to compare and contrast the impact of 29 percent vs. 0 percent fixed gear attainment limitation of sablefish north trawl quota on the long-term capacity of the program/fishery to:
 - a. Achieve the goals and objectives as outlined in the Pacific Coast Groundfish Fishery Management Plan and Amendment 20, with emphasis on multi-species optimum yield on a continuing basis;
 - b. Contribute to necessary continuity of markets, infrastructure, and year-round employment anchored in coastal communities;
 - c. Maintain necessary continuity previously mentioned in years when sablefish incidental catch is trending high in the shoreside whiting fishery;
 - d. Maintain a geographically distributed fishery that connects communities to the sustainable trawl dependent groundfish resource; and
 - e. Maximize contribution in amount and affordability to the nation’s food security.
2. It would be informative to have analysis showing percentage of sablefish North QS that is:
 - a. Owned by vessel owners as of and since the control date and fished with fixed gear 30,000 lbs in any three pre-control date years;
 - b. And in addition, have maintained their permit and vessel ownership;
 - c. And in addition, have fished fixed gear in the trawl IFQ fishery in at least two of the last three years (2019-2021).

PFMC
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