



Sablefish Gear Switching- Initial Preliminary Preferred Alternative

Agenda Item H.2
June 2023

Council Action

- iPPA
- As needed,
 - Other guidance on the alternatives.
 - Guidance on the process.



Attachments to Support

- Att 1 – Synopsis
 - Brief reminder of alternatives
 - Lists of options
 - Main Contrasts
 - Outstanding Issues
 - Process for Moving Forward
- Att 2 – Alternatives
 - Overview
 - Discussion at End of Each Alt
 - Past Motions
- Att 3 – Analysis
 - Analysis of Problem
 - Comparison of Alternatives
 - Alternative Specific Analysis



Process

- Usually, ROA → PPA → FPA
- Smaller Bite Approach – reduce work on non-preferred alternatives
 - Select iPPA (June 2023)
 - Complete Specification of iPPA
 - Select PPA (Nov 2023)
 - Select FPA (March 2024)
- Steps for Completing Specification of iPPA
 - Depend on significance and complexity of remaining issues
 - Back in November (staff)
 - Check-in on specification in September (staff)
 - Options & Analysis in September (work group?)

Presentation

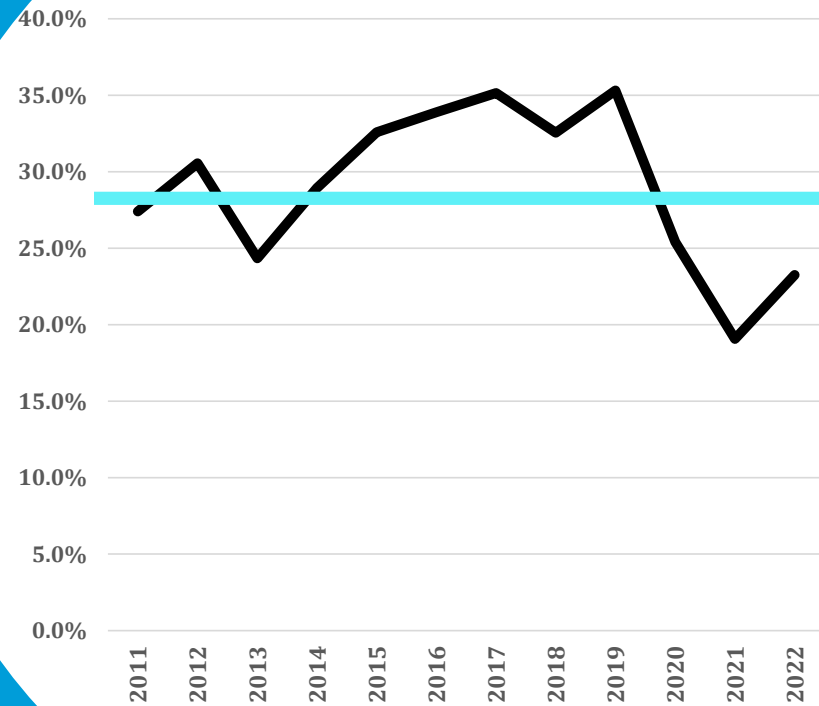
- Analysis of the problem
- Review of the alternatives
- Comparison of the alternatives
- Analysis of Specific Elements
 - Focus on the Alternative 3 (new)





Analysis of the Problem: Trawl Under Attainment

Levels of Gear Switching



Factors that Might Alter Future Levels of Gear Switching

- Normal variation and extraordinary events
- Biomass changes and changing ACLs
- Sablefish market prices
- Conditions in crossover fisheries
- The availability of latent and underutilized permits
- New entrants
- QS acquisition by gear switchers



Potential Causes of Trawl Under Attainment





Alternatives

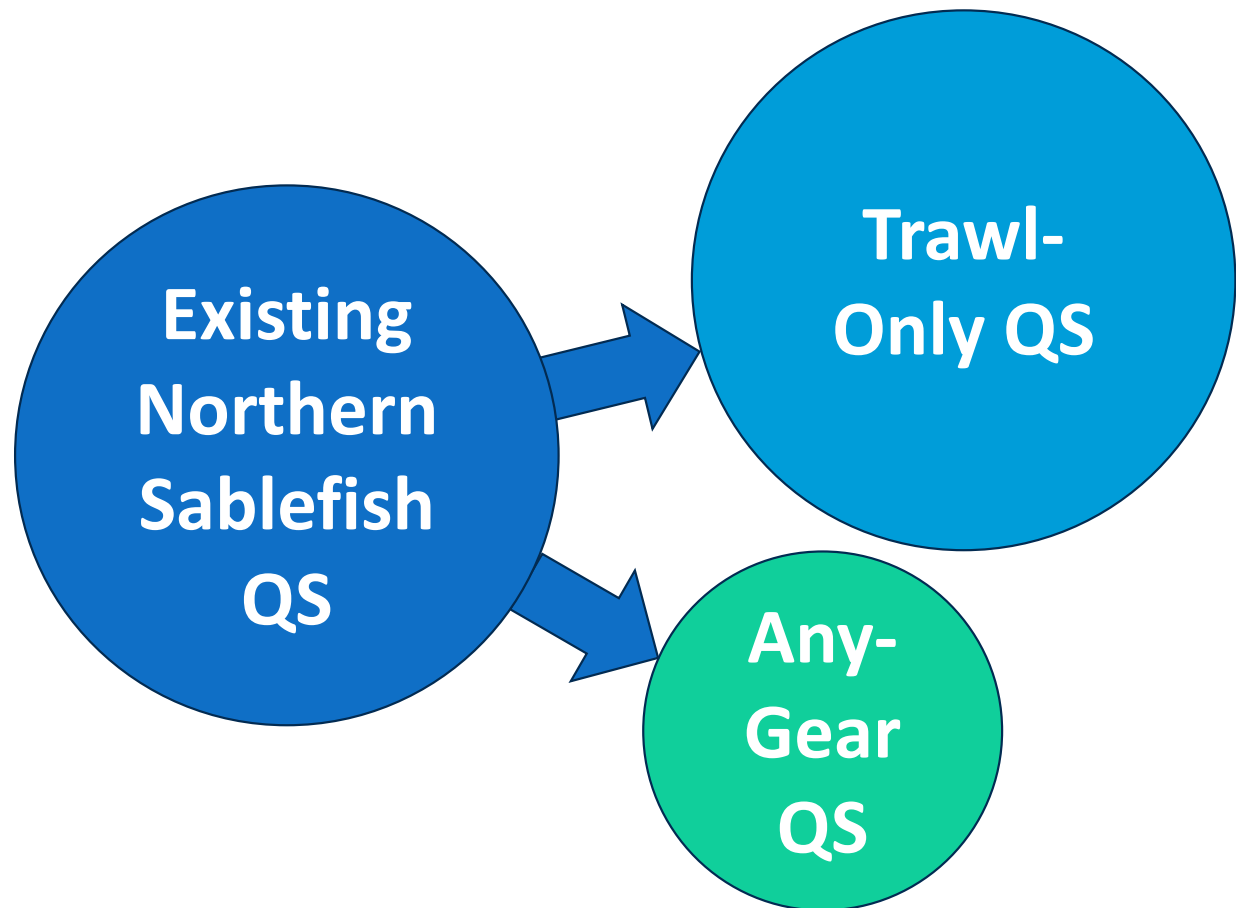
- No Action
- Action

Overview of the
3 Action Alternatives

Alt 1: Gear Specific QS

- Distribution of Gear-Specific QP, Based on QS Distribution
- One Time Conversion of QS to Trawl-Only and Any-Gear QS
- Qualified Gear Switching Participants up to 100 percent any-gear QS
- Qualified Non-Gear-switching Participants – Portion of any-gear QS.

One-Time QS Conversion

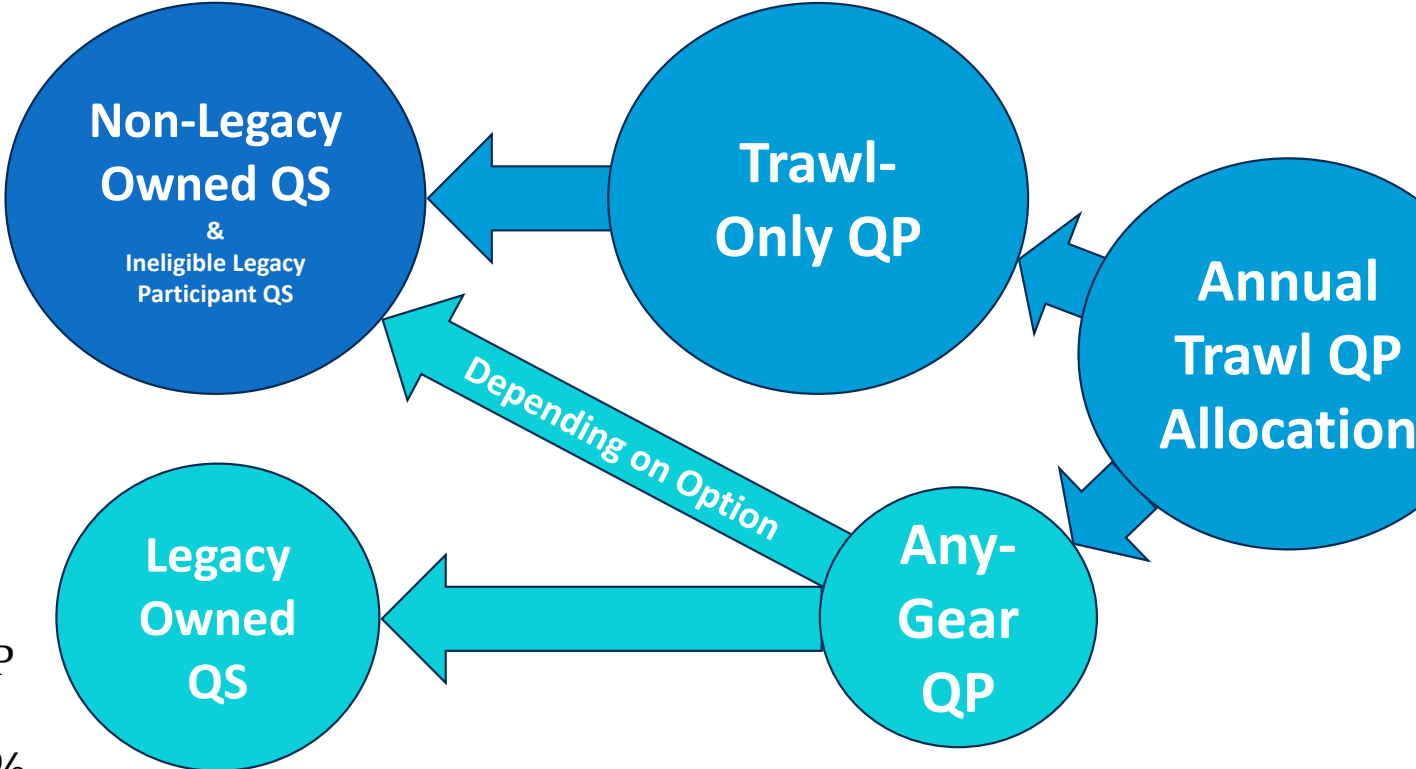


Alt 2: Gear Specific QP

One-Time Qual of Legacy Participants

Annually Issued QP

- Distribution of QP Based on Legacy Participant Status
- One Time Legacy Qualification
- Non-Legacy
 - Trawl only QP +
 - 0% to 29% any-gear QP (depending on option)
- Legacy Participants 100% any-gear QP



Alt 2: QP Distribution Options

QP Distrib Option	Initial amount of any-gear QP	Initial Ratio for Non-Legacy Participants	Non-Legacy Participant Ratios as Legacy Participants Divest	Minimum amount of any-gear QP (after legacy participants divest)
Option 1	29 percent	Ratio needed to achieve 29 percent any-gear.	Changes to maintain 29 percent.	29 Percent
Option 2	29 percent	Ratio needed to achieve 29 percent any-gear.	Does not Change	29 percent minus the initial legacy participant amount
Option 3	Equivalent to allocation for legacy owned eligible QS.	Zero any-gear QP/100 percent trawl only.	Does not Change	Zero

Alt 3: Seasonal Management

- Gear switching limited to 29 percent of trawl allocation
- Closure = prohibition of retention while gear switching.
- Projections
 - Incomplete trips
 - Observer data in process
 - QP used to cover discards after closure



Comparison of the Alternatives

Impacts that are determined by specific design elements

versus

Impacts that are driven by GS mechanism

Section 3.0



Impacts of Design

Amount of Gear Switching Allowed (3.2.1) & Expiration (3.2.3)

	Alternative 1	Alternative 2	Alternative 3
Short Term	29% or 1.8 million lbs	6.5-29%	29%
Long Term	Same as short term	0-29%	Same as short term
Phase Out (Historic Gear Switchers)	No	Yes	No
Phase Out (Gear Switching)	No	Depends	No

Basis of Allocation

	Alt 1 (QS)	Alt 2 (QP)
History Evaluated	Personal history (vessel owner)	Permit history
What Must Be Owned on Control Date	QS	QS & Qualifying Permit (Possibly Vessel)
What Must Be Owned on Implementation	QS (may divest QS between)	Above, continuously since control date (may partially divest QS between)
Other Basis for Qualification	Groups First Receiver	No

Initial Allocation of GS Opportunity (3.2.2)

	Alternative 1	Alternative 2
Number of Qualified Gear Switchers	16-38 Individual Entities Note: Co-op options not included.	10-19 Individual Entities
Total Amount of GS Opportunity (% of allocation) Initially Distributed to Qualified Gear-Switchers Based on Qualification Avenue	8.7-22.8%	6.5-12.6%
Vessel History	8.7-17.4%	N/A
Permit History	N/A	6.5-12.6%
QS Ownership Group Membership	0-4.1%	N/A
Co-op Membership	Not available until implementation	N/A
First Receiver History	1.3%	N/A
Total Amount of GS Opportunity (% of allocation) Received by Those Not Qualifying as Gear Switchers	6.2-20.3% (to be reduced by the amount owned by qualifying co-ops; dependent on QP Split Option) ^a	0-22.5% depending on Legacy Qualification Option and QP Distribution Option ^b



Impacts Tied to Gear Switching Limitation Mechanism

Changes to Access Privileges (Section 3.3.2)

No Action

- Trawl LEP
- QP
- QS

Alt 1

- Trawl LEP
- Any-gear QP
- Any-gear QS

Alt 2

- Trawl LEP
- Any-gear QP
- Legacy/
Non-Legacy
Status
non-transferable

Alt 3

- Same as no action

Fishermen Flexibility (Section 3.3.4)

No Action

- Flexible timing
- Easy to scale

Alt 1

- Flexible timing
- Easy to scale but quota more limited

Alt 2

- Flexible timing
- Harder to scale and quota more limited

Alt 3

- Risk of limitation on timing.
- Easy to scale

Manager Flexibility Re: Gear Switching (Section 3.3.5)

No Action

- No gear-switching limits

Alt 1

- Approach 1: Allocate more QP to a QS type.
- Approach 2: Allocate different QP type to a QS type.

Alt 2

- Could be simple if only impacting non-legacy

Alt 3

- Easy to change level for trigger
- Gear-switching reductions could lead to other concerns.

Costs (Section 3.3.7)

No Action	Alt 1	Alt 2	Alt 3
<ul style="list-style-type: none">• Ongoing: Annual QP issuance to QS Accounts	<ul style="list-style-type: none">• Implementation: Relatively Low• Ongoing: Similar to No Action	<ul style="list-style-type: none">• Implementation: Allocation-lower Programing-higher (comp to Alt 1)• Ongoing: Some new tasks	<ul style="list-style-type: none">• Implementation: Lowest• Ongoing: New season monitoring & closure tasks

First Receivers (Section 3.3.8)

No Action

- Secure long-term oppty through QS acquisition

(limited by control limits)

Alt 1

- Considered in initial allocation
- Opportunity to secure long-term GS oppty (QS)
- More certainty quota is available for twl use.

Alt 2

- Not considered in initial allocation
- Limited or no opportunity to secure long-term GS oppty (QS)
- More certainty quota is available for twl use.

Alt 3

- Same as No Action, unless season substantially shortened

Sections not Covered in Presentation

Likelihood of Max Gear Switching (Section 3.3.1)

Opportunities for New Entrants (Section 3.3.3)

Impact on Quota Values and Selling QP to Gear Switchers (Section 3.3.6)

Communities (Section 3.3.9)

Biological Impacts (Section 3.3.10)

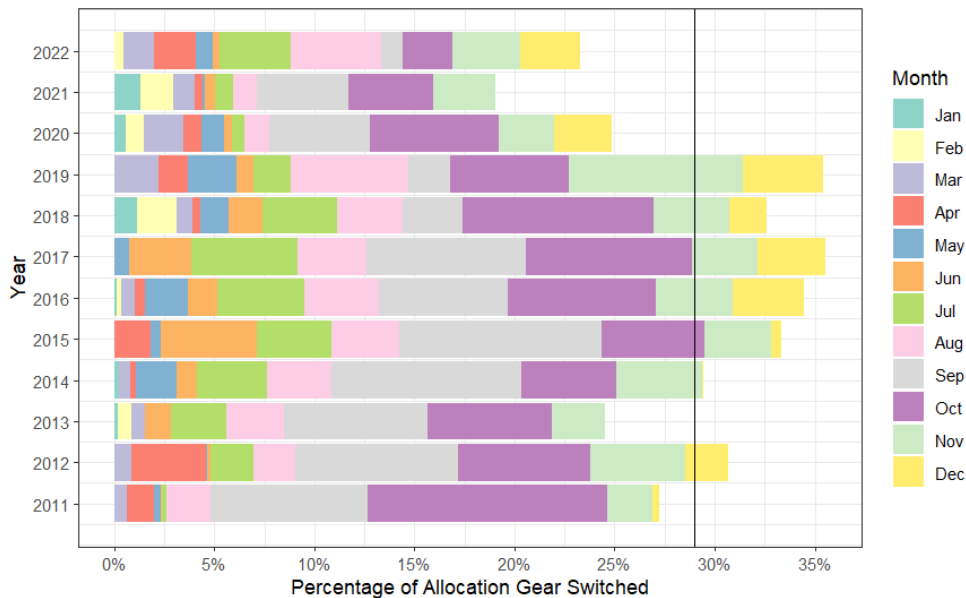




Analysis of Specific Elements of the Alternatives

Section 4.0

Alternative 3- Seasonal Approach



- Factors that may cause shortening of season
 - GS response if fishery closes in previous year
 - Number of lbs provided
 - Higher \$\$ for FG sablefish or reduced \$\$ in other fisheries
- Factors that may maintain year-round season
 - GS response
 - Trawl gear uses 71+%
 - Lower \$\$ for FG sablefish or greater \$\$ in other fisheries

Council Action

1. Select an iPPA.
2. Provide other guidance on the alternatives, as needed.
3. Discuss and provide guidance on the process for selecting the PPA, as needed.

