

Range of Gear Switching Alternatives Adopted for Analysis

October 2023

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Range of Gear Switching Alternatives Adopted for Analysis

The Pacific Fishery Management Council (Council) is considering placing a limit on the amount of gear switching (GS), use of non-trawl gear to catch sablefish north of 36° N. lat. quota pounds (QPs), that can occur in the trawl individual fishing quota (IFQ) fishery. The Council selected dual initial preliminary preferred alternatives (iPPA) at its June 2023 meeting (No Action and Action Alternative 2).

At the November 2023, the Council is scheduled to select and fully specify the provisions of its preliminary preferred alternative(s) (PPA(s)). As with all Council deliberations, designation of an alternative as preferred at one stage in the process does not necessarily mean that the alternative will continue to be the preferred alternative as the process moves forward.

This document provides a description of the preliminary range of alternatives the Council adopted at its September 2021 meeting and augmented at its June 2022, November 2022, April 2023, and June 2023 meetings. It also provides some discussion of all the alternatives. For additional discussions and interpretations regarding Alternative 1, see the June 2022 ([Agenda Item F.5, Attachment 2, June 2022](#)), November 2022 ([Agenda Item H.3, Attachment 1, November 2022](#)), and April 2023 ([Agenda Item G.5, Attachment 2, April 2023](#)) versions of the alternatives. Analysis is provided in Agenda Item E.4, Attachment 3.

Terminological Notes

In this document, unless otherwise noted, the terms

- **allocations, quota, QP, and QS** reference northern sablefish,
- **permits** reference trawl limited entry permits (LEPs), and
- **eligible QS** is the amount of QS an individual owns up to but not exceeding the amount that they owned on the **control date** (September 15, 2017).

Additionally, anyone with gear-switching history is an **historic gear switcher**. **Qualified gear switchers** include those whose gear-switching history or other affiliations with gear-switching activity qualify them for a greater opportunity to continue gear-switching activity:

- In Alternative 1, the term **gear-switching participant** is used for those who will have a greater amount of their existing QS (as of the date of implementation) designated as eligible for use in gear switching, as compared to those who do not qualify as gear-switching participants. **The term does not reference an ongoing status for such participants**. After implementation and designation of QS as either eligible for gear-switching (any-gear QS) or not eligible for gear switching (trawl-only QS), the designation would not be maintained.
- In Alternative 2, the term **legacy participant** is used for those who will **have an ongoing gear-switching status that is personal to them (non-transferable)**. Those with such status will have a greater amount of their QP designated as eligible for use in gear switching, as compared to those who do not qualify as legacy participants.

Legacy participant status allows a QS owner to receive any-gear QP for QS that they own at any time in the future, up to the amounts that they owned on the control date.

1.0 SUMMARY OF NO-ACTION ALTERNATIVE (iPPA)

No Action is an alternative to each of the following action alternatives (Figure 1). Under No Action, the regulatory regime would not change in connection with this deliberation. The fishery would continue to change in response to changing environmental, economic, and social conditions, as well as other regulatory actions. Attainment of the trawl allocations would continue to vary with changes in factors such as the level of trawl allocations, market conditions, the mix of co-occurring species, and prices for QP. These factors may influence and be influenced by the degree of gear switching. Some of the main provisions of that regime relevant to provisions of the gear-switching limitation alternatives under consideration include:

- participation in the trawl catch share fishery is allowed for any vessel registered to a trawl LEP and any legal groundfish gear may be used to participate;
- movement between the limited entry fixed gear (LEFG) and trawl catch shares fishery is eased by allowing a vessel to be registered with a trawl and fixed gear LEP at the same time (dual registration);
- any person can open a QS account but QS accounts cannot be transferred (just the QS held in the accounts);
- each year QP are issued to QS accounts but must be transferred to a vessel account to be used; and
- no individual can own or control more than 3 percent of the QS, while no vessel may use more than 4.5 percent of the QP.

The total amount of GS might decline, remain at recent levels, or increase under no action. Regardless of which direction gear switching moves under No Action, in comparison the direction or magnitude might be different under one of the action alternatives.

No Action: Overview

Main Gear Switching Related Provisions				
Trawl Permit Required to Participate	Vessels with Trawl Permits Can Use Any Gear	LE Trawl and LE Fixed Gear Permits Dual Registration Allowed	Any Person Can Open a QS Account QS Account Cannot be Transferred	QP Issued to QS Accounts QPs Transfer to Vessel Accounts
<p>QS Control Limit: 3%</p> <p>Annual Vessel QP Use Limit: 4.5%</p>				

Figure 1. Overview of No Action Alternative (iPPA).

2.0 SUMMARY OF ACTION ALTERNATIVES

Three Action Alternatives, with Different Limitation Mechanisms. There are three action alternatives, which rely on different mechanisms to limit gear switching of sablefish north of 36° N. lat. (Figure 2, Figure 3, and Table 1).

- Alternative 1 (gear-specific QS) would limit gear switching by converting most of the northern sablefish QS to trawl-only and leave the remainder as is (i.e., any-gear QS, top of Figure 2). Individuals who qualify as gear-switching participants would have a substantial portion or all of their eligible QS converted to any-gear QS (depending on the amount of QS they own and options selected). Others would have a substantial portion or all of their eligible QS converted to trawl-only QS (depending on their qualifications and options selected).
- Alternative 2 (gear-specific QP—iPPA) would issue gear-specific QP, instead of converting QS. Individuals with legacy participant status would receive all their annually issued QP as any-gear QP, in amounts up to those that correspond to their control date ownership. Others would either receive a portion or none of their QS as any-gear QP (depending on options selected).
- Alternative 3 (seasonal management of gear switching) would prohibit retention of northern sablefish caught after 29 percent of the trawl allocation of northern sablefish is taken or projected to be taken by gear switching vessels.

Maximum GS Allowed: The action alternatives were designed to limit gear switching to no more than 29 percent of the trawl allocation. Under the first two alternatives, the maximum amount of gear switching allowed may be lower than 29 percent. For Alternative 1, this would

depend on the QP allocation split options selected by the Council (at the low end, the amount would only be somewhat less than 29 percent—see the Maximum Gear Switching Row in Table 1). Under Alternative 2, the maximum in the year of implementation would be 29 percent but it might decline from there, depending on what happens to the any-gear QPs issued to legacy participants after they divest/leave the fishery. Under one option, as legacy participants divest, the maximum would stay at 29 percent (with non-qualifiers receiving a greater proportion of any-gear QP as legacy participants divested themselves of QS); and under another option, the maximum would decline (with non-qualifiers receiving the same proportion of any-gear QP as at the time of implementation as legacy participants divested themselves of QS). Under Alternative 3, the amount of gear switching allowed is determined by the level of gear switching that will result in a closure of the sablefish north gear switching season. This amount is set at 29 percent under Alternative 3.

Qualifying Criteria: Only Alternatives 1 and 2 include qualifying criteria. Those who meet the criteria receive more quota eligible for use in gear switching (any-gear QS and/or any-gear QP). What must be owned and when in order to qualify for a continuation of some gear switching opportunity varies between those two alternatives—as described in Table 1 and detailed in the full description of the alternatives. In the following, “eligible QS” is the amount of QS an individual owns up to but not exceeding the amount that they owned on the control date.

Alternative 1 allows those who own QS on the control date and at the time of implementation to qualify as gear-switching participants based on:

- History of owning a vessel when it made qualifying gear-switched landings.
- History of being a member of a group in which at least one member met the criteria for making qualifying landings (either a QS ownership group or a fishermen’s co-operative).
- History as a first receiver who received gear-switched landings (suboption).

With respect to individuals qualifying under the vessel-owner based criteria, prior to the control date they would need either one gear-switched northern sablefish landing or 30,000 pounds of landings in each of three years (depending on the option selected). Those who qualify could have all their eligible QS converted to any-gear QS, but there is an option that would convert only 50 percent of the eligible QS to any-gear for those who had one landing but not 30,000 pounds in three years. Ineligible QS would be converted to trawl-only QS. All QS (any-gear and trawl-only) would continue to be freely transferable and those holding the QS in future years would receive the corresponding gear-specific QP.

Under Alternative 1, those that do not qualify as gear-switching participants could receive a portion of their QS as any-gear QS if they are classified as non-gear-switching participant. Depending on the option selected, a non-gear switching participant would be either: any QS owner who does not qualify as a gear-switching participant; or all such individuals that have also owned a vessel making at least one bottom trawl sablefish landing in the two years prior to implementation of this action. In the latter case, QS owners could also have an opportunity to qualify by being a member of a QS ownership group with at least one non-gear switching participant or by being a first receiver that purchased Dover sole, thornyheads, and sablefish north from vessels using bottom trawl gear in the IFQ fishery in the two years prior to the year

of implementation. If there are these additional criteria for being classified as a non-gear-switching participant, anyone not qualifying as a non-gear-switching participant would be classified as an “Other participant” and all of their QS would be converted to trawl-only QS.

Alternative 2 allows those who own QS as of and since the control date to qualify as legacy participants based on their ownership of a qualifying permit as of and since the control date. A qualifying permit has 30,000 pounds of gear-switched northern sablefish landings in each of three years prior to the control date. Those who qualify as a legacy participant would receive any-gear QP for all of their eligible QS (QS in amounts up to what they owned on the control date). Legacy participant opportunity to receive any-gear QP for their eligible QS would be non-transferable and would be associated with them so long as they own QS. The annually issued any-gear QP issued would be transferable to and among vessels.

Under Alternative 2, those that do not qualify as legacy participants would be classified as non-legacy participants (with no further criteria to meet). As described in the previous section, they would receive a portion of their QP as any-gear; and those proportions might increase as legacy participants divest themselves of QS (depending on options selected). Ineligible QS owned by legacy participants would receive the same proportions applied to non-legacy participants.

The full text of the alternatives should be reviewed for specific information on what is required to meet the criteria and the opportunities provided to those meeting the criteria.

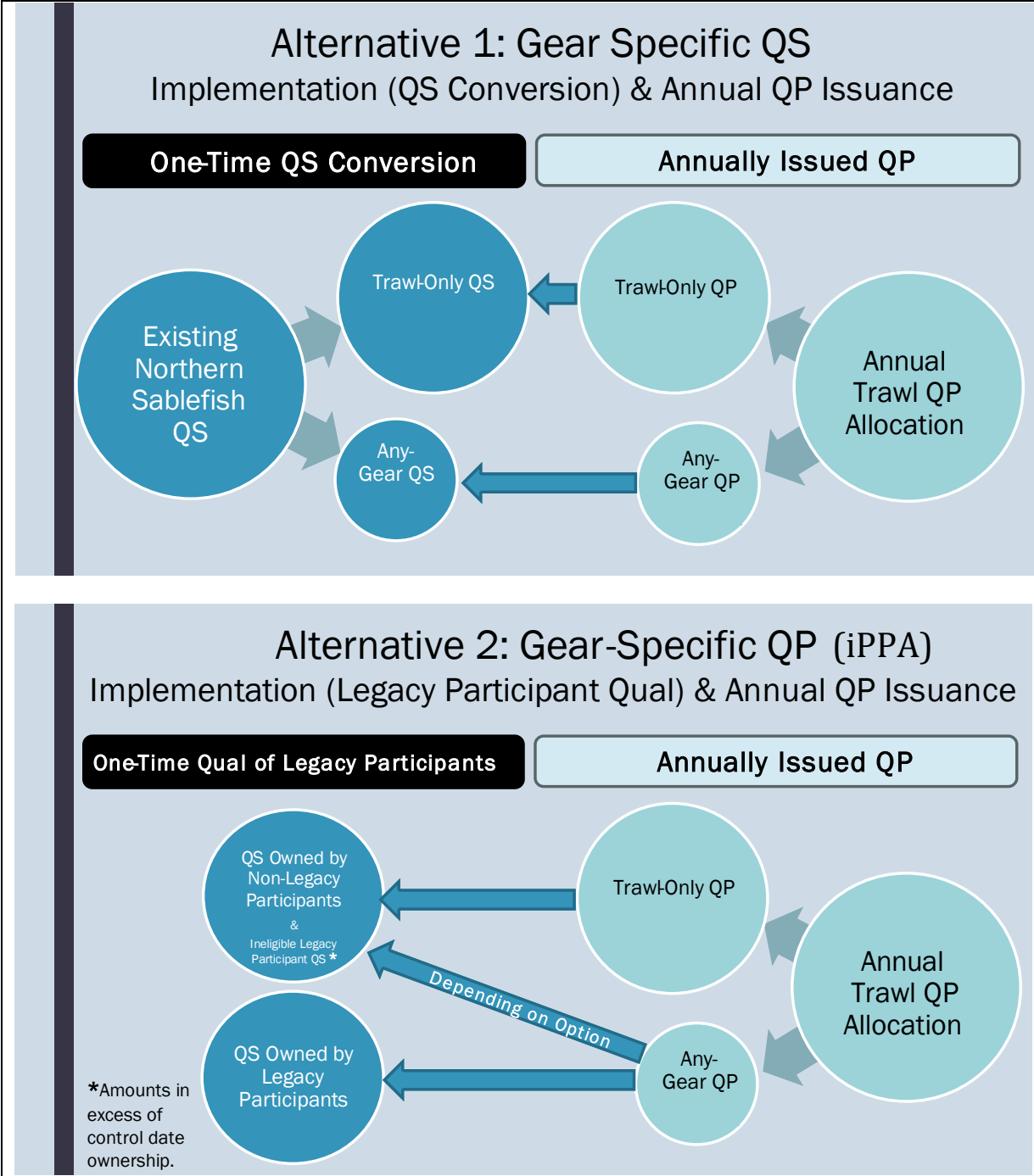


Figure 2. Schematics of Action Alternatives 1 and 2.

Alternative 3: Seasonal Management Implementation (Seasonal Regulation) & Annual QP Issuance

Gear-Switching Season Added to Regs

Annually Issued QP

Annually, opportunity to retain while gear switching ends with projection of 29 percent attainment by gear-switchers.

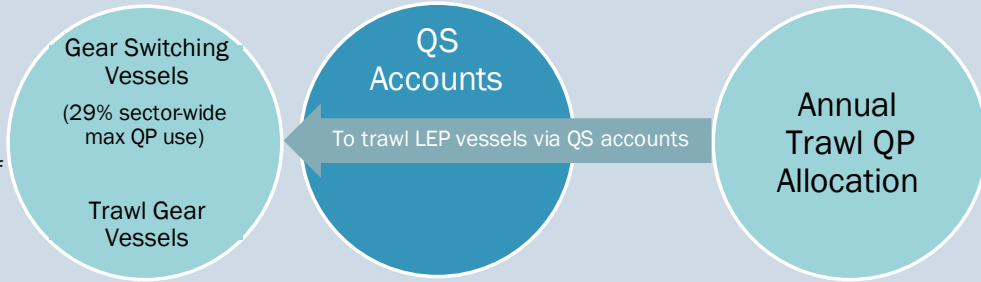


Figure 3. Schematic of Action Alternative 3.

Table 1. Overview of main provisions of the three action alternatives.

Alternatives	Alt 1: Gear Specific QS	Alt 2: Gear Specific QP (iPPA)	Alt 3 Seasonal Approach
Gear Switching Limit Mechanism	Gear-Specific QS (Trawl-Only or Any-Gear)	Gear-Specific QP (Trawl-Only & Any-Gear)	Season
Maximum Gear-Switching	29% OR 29% but not more than 1.8 mil. lbs (depending on option selected).	29% OR the amount of QS owned by legacy participants (depending on option selected).	29%
Gear Switching Opportunity Current & Future Vessels	A vessel's gear switching is limited only by the amount of any-gear QP it is able to acquire.		A vessel's gear switching is limited by the season, which ends with 29% gear switching.
Gear Switching History Based Allocation Qualification as a gear switcher results indesignation of more of the individual's QS as any-gear QS (relative to non-qualifiers). ^{a,b}	...designation of the individual as a legacy participant. (Legacy participants receive all any-gear QP for their QS, in amounts up to their control date holdings.)	No allocation/qualification
Gear Switcher Qualification	<i>Qualify as Gear-Switching Participant:</i> Own QS on the control date and owned a vessel when it acquired qualifying gear switching history.	<i>Qualify as Legacy Participant:</i> Own as of and since the control date: <ul style="list-style-type: none"> • QS, and • a permit with qualifying gear-switching history. 	
Qualifying Gear-Switching History	Prior to the control date-- Opt 1: One gear-switched landing. Opt 2: Three years with more than 30,000 lbs of gear switched landings.	Prior to the control date-- three years with more than 30,000 lbs of gear switched landings.	
Alternative Avenues of Gear-Switcher Qualification	Yes: <ul style="list-style-type: none"> • QS ownership group members • Co-op members • First Receivers (option) (see full description of alternatives)	No	

Alternatives	Alt 1: Gear Specific QS	Alt 2: Gear Specific QP (iPPA)	Alt 3 Seasonal Approach
Non-Qualifiers (those not qualifying as a gear switcher)	<p><i>Non-gear-switching participant:</i> Receive a lesser portion of their QS as any-gear QS (relative to qualifiers)^{a,c}</p> <p><i>Other Participants:</i> Receive no any-gear QS.</p>	<p><i>Non-legacy participant:</i> Receive a lesser portion of their QP as any-gear QP (relative to qualifiers)^d.</p>	No allocation/qualification
Criteria a non-qualifier must meet	<p><i>Non-gear-switching participant qualification:</i> Must own QS on the control date; OR must own QS on the control date and have bottom trawl landings—depending on option selected (see full description of alternatives for details and alternative avenues for meeting criteria^e).</p> <p><i>Other participant qualification:</i> Any QS owner not otherwise qualified.</p>	No additional criteria.	
Who does not receive any-gear QS or QP?	<i>Other Participants</i> (if option is chosen); and those acquiring all their QS after the control date. ^a	All current and future QS owners would receive at least some any-gear QP.	N/A
Exceptions to Control Date Requirements	Option for family members (see full description of alternatives)	No	N/A
Transferability	Any-gear QS and QP is transferable to others.	Legacy participant status is not transferable to others. QP is transferable to others.	N/A
Duration -- Individual Gear Switching Opportunity for Qualified Gear Switchers	No limit on duration of gear-specific quota.	Any-gear QP issued to legacy participants declines as they divest of QS.	N/A

Alternatives	Alt 1: Gear Specific QS	Alt 2: Gear Specific QP (iPPA)	Alt 3 Seasonal Approach
Duration – Maximum Total Gear Switching	No change over time.	As legacy participants divest of QS, maximum gear switching levels depend on how the any-gear QP provided to non-legacy participants changes: <ul style="list-style-type: none"> • if they receive a greater proportion of any-gear QP—total potential gear switching remains unchanged • if they receive the same proportion—total gear switching declines to a lower level. 	No change over time.

^a QS acquired in excess of what was owned on the control date is not eligible for conversion to any-gear QS.

^b For their eligible QS, gear-switching participants would either have 100 percent of their QS converted to any-gear QS, or, under one option, those who qualifying with one gear-switched landing but not with 30,000 pounds in each of three years would have half of their eligible QS converted to any-gear QS.

^c The proportion of non-gear-switching participant QS converted to any-gear QS would depend on the maximum amount of gear-switching to be allowed and the amount of any-gear QS converted for gear-switching participants.

^d The proportion issued would depend on the amount of any-gear QP issued to legacy participants.

^e These include by being a member of a QS ownership group in which at least one individual qualifies and a qualification opportunity for first receivers.

3.0 DETAILED DESCRIPTION OF THE ACTION ALTERNATIVES

The following is a detailed description of action alternatives. In these descriptions, all references to quota, allocations, QS, and QP are to northern sablefish, unless otherwise specified. Additionally, all references to years are to calendar years unless otherwise noted.

Action Alternative 1: Gear Specific QS

Overview. All northern sablefish QS will be converted to either QS valid only for the use of trawl gear (“trawl-only QS”) or for the use of any gear (“any-gear QS”, i.e., QS that is the same as status quo QS with respect to gear usage). This one-time conversion will be carried out in a fashion such that it will not impact the total percentage of northern sablefish QP a QS owner receives in the year of the conversion. The proportions of each type of QS a QS owner receives will be based on the QS owner’s participant status, except that any QS an owner holds that is excess of the amount held as of the control date will be converted entirely to trawl-only QS. QS owners that qualify as a gear-switching participant will receive all or a substantial portion of their northern sablefish QS as any-gear QS, in amounts up to what they owned on the control date. Non-gear-switching participants will receive a combination of trawl-only and any-gear QS; and if there is an “Other Participant” category, those entities would receive all of their QS as trawl-only. Participant status will be based on a QS owner’s history of owning a vessel that gear switched or trawled. There are also opportunities for qualifying based on being a member in certain types of groups that include such individuals and an option for first receivers. The annual trawl allocation of northern sablefish QP issued each year will be designated as trawl-only and any-gear QP and issued to holders of the respective trawl-only and any-gear QS.

Full Description

Terminological Note:

Any-gear QS: Same as status quo QS.

Conversion: Because any-gear QS is the same as status quo QS, there is not really a need to “convert” it to any-gear QS; however, to simplify discussion, the designation of QS as any-gear QS will be described as “conversion,” just as the designation of QS as trawl-only is a conversion.

Gear Switching Control: Trawl-Only and Any-Gear Quota Share (QS)

The current northern sablefish QS (valid for use with any gear) will be converted to trawl-only QS and any-gear QS (see procedure below).

Annual Split of the Sablefish North QP Allocation Between Trawl-Only and Any-Gear QS

QP Allocation Split Option 1: 71 percent of the trawl QP allocation will be designated as trawl-only QP and 29 percent as any-gear QP. Trawl-only QP will go to trawl-only QS holders and trawl-only adaptive management program (AMP) QS. Any-gear QP will go to any-gear QS holders and any-gear AMP QS.

QP Allocation Split Option 2: The total amount of QP issued as any-gear QP will be the smaller of 29 percent of the trawl QP allocation and 1.8 million pounds, with the remainder of the allocation issued as trawl-only QP. Trawl-only QP and any-gear QP will be distributed to QS holders and AMP, as indicated for Option 1.

Procedure for Converting Northern Sablefish QS holdings to Trawl-Only and Any-Gear QS

National Marine Fisheries Service (NMFS) will categorize current individual owners of sablefish north QS based on the participation criteria listed in the next section. After classifications have been completed, northern sablefish QS will be converted to trawl-only and any-gear QS using the following initial steps. After initial steps are completed, all QS amounts will be adjusted so that the total amount of QS held for each gear-specific northern sablefish QS type totals to 90 percent for QS accounts and 10 percent for QS reserved for AMP. The end result will be that in at least the year of conversion, each QS holder would receive the same percentage of the total sablefish QP after the conversion that they would have if the conversion had not been carried out, except designated as trawl-only or any-gear QP.

Initial steps:

Excess QS. All QS owned by an individual in excess of the amount the individual held as of the control date (September 15, 2017) will be converted to trawl-only QS.

Eligible QS. All other QS held by the QS owner at the time of conversion will be potentially **eligible** for conversion to any-gear QS, depending on the QS owner's status as determined by participation criteria and applied in the following steps.

1. QS owners **meeting the gear-switching participant criteria** will
 - Conversion Procedure Option 1:** have 100 percent of their eligible QS converted to any-gear QS.
 - Conversion Procedure Option 2:**
 - if they qualify under Gear-Switching Participant Vessel Option 1, have 50 percent of their eligible QS converted to any-gear QS and 50 percent converted using the same ratio that is applied for eligible QS owned by non-gear switching participants, or
 - if they qualify under Gear-Switching Participant Vessel Option 2 (or the First Receiver suboption, if it is selected) have 100 percent of their eligible QS converted to any-gear QS. (Note: this option requires Council selection of both Gear-Switching Participant Vessel Options 1 and 2).
2. QS owners **meeting the non-gear-switching participant criteria** will have their eligible QS converted to trawl-only and any-gear QS in pre-established ratios that are applied to each account. Those ratios will be established such that, when all of these initial steps are completed and results summed across all QS accounts, the ratio of trawl-only to any-gear QS matches the ratio of the QP Allocation Split Option selected

above and the combined total of trawl-only and any-gear QS comes to 90 percent.^{1,2}

3. QS owners that **do not meet the gear switching or non-gear-switching participant criteria** (“Other Participants”) will have 100 percent of their QS converted to trawl-only QS.
4. AMP QS will be designated as trawl only and any-gear in proportions that match the QP Allocation Split option selected above.

Adjustment Step:

After the initial steps, the amount of **trawl-only QS and any-gear QS** in each account will be adjusted by multiplying by an adjustment factor so that the total amount of each type of QS in QS accounts is 90 percent.³

The percentage of **QS held back for AMP** will be expanded so that there are 10 percentage points of trawl-only AMP QS and 10 percentage points of any-gear AMP QS.

Participant Criteria for Determining Participant Status

The participant criteria below are applied only to current QS owners for the purpose of determining their participant status. In general, these criteria will be applied to individuals (taking into account their ownership interest in QS accounts as reported to NMFS), including individuals within ownership group. For this purpose, trusts, non-governmental entities, and governments will be treated as individuals. To meet the participant criteria, a current QS owner must

have owned northern sablefish QS as of September 15, 2017; and
for some criteria, meet the additional participation criteria listed below.

Gear-Switching Participant Criteria:

Gear-Switching Participant—Vessel Option 1: The QS owner owned a vessel that they used to make at least one gear switched landing of northern sablefish prior to September 15, 2017;

OR were part of a QS ownership group when at least one member of the group owned a vessel or vessels and met this landing criteria;

OR were members of a registered cooperative that transferred their sablefish QP⁴ to gear switching vessel(s) owned by

¹ For QP Allocation Split Option 1, in the initial step, the total amount of QS issued to private accounts as trawl-only would be 63.9 percent and the total amount issued as any-gear would be 26.1 percent, i.e. 71 percent of 90 percent and 29 percent of 90 percent.

² If the Council chooses QP Allocation Split Option 2, the ratio will be the percentages that would apply under QP Split Option 2 for the year of the conversion.

³ Implementation Detail—Calculation: For trawl only QS the adjustment factor would be 90 percent divided by the sum of all trawl-only QS in all QS accounts. For any-gear QS, the adjustment factor would be 90 percent divided by the sum of all any-gear QS in the accounts.

⁴ “Their sablefish QP” means the individual owns northern sablefish QS for which they received QP.

members of the cooperative which met this landing criteria.⁵

Gear-Switching Participant—Vessel Option 2: The QS owner owned a vessel or vessels that they used to make gear switched landings of at least 30,000 pounds of northern sablefish in each of three or more years prior to September 15, 2017,

OR were part of a QS ownership group when at least one member of the group owned a vessel or vessels and met this landing criteria;

OR were members of a registered cooperative that transferred their sablefish QP⁴ to gear switching vessel(s) owned by members of the cooperative which met this landing criteria.⁵

(Note: If Conversion Procedure Option 2 is selected, then both of the above options would be applied.)

Gear-Switching Participant—First Receiver Suboption: A QS owner that had an ownership interest in a first receiver that prior to September 15, 2017 made a majority of its trawl IFQ fishery purchases from non-trawl vessels (based on exvessel revenue). This suboption could be applied with either vessel option.

Non-Gear-Switching Participant Criteria:

Non-Gear-Switching Participant—Option 1

All QS Owners: The QS owner owns sablefish north QS but does not meet the gear-switching participant criteria (including QS account owners that do not own vessels or first receiver operations).

Non-Gear-Switching Participant—Option 2

Vessel Criteria: The QS owner does not meet the gear-switching participant criteria but owns or owned a vessel that they used to land northern sablefish with bottom trawl in the IFQ fishery in any of the two years prior to the year in which the QS conversions are conducted;
OR were part of a QS ownership group when at least one member of the group owned a vessel or vessels and met this landing criteria.

First Receiver Suboption: A QS owner that had an ownership interest in a first receiver and does not meet the gear switching participation criteria but purchased Dover sole, thornyheads, and sablefish north from vessels using

⁵ The vessel receiving the QP must have been making gear-switched landings in the year of the QP transfer. This criteria does not require that the particular year in which such a transfer is made be one that counts toward meeting the requirement.

bottom trawl gear in the IFQ fishery, in any of the two years prior to the year in which the above QS conversions to gear-specific QS are conducted. This suboption would be relevant only if Non-Gear-Switching Participation Option 2 is selected.

Other Participant Criteria:

Any QS owners with QS as of the control date and not qualifying under the selected gear-switching and non-gear-switching participant options will be classified as “Other Participants.” Only if Non-Gear-Switching Participation Option 2 is selected would there be anyone in this category.

Applying Participation Criteria (Allocation Approach)

Approach for Applying Vessel Ownership Related Participant Criteria: A QS owner’s participant status is determined by the ownership of a vessel at the time it made landings meeting the participation criteria. The QS owner is considered to meet the vessel ownership criteria if the QS owner has any fraction of ownership interest in a vessel at the time of those landings.⁶

Additionally, as provided by the participant options, the following also count as the meeting the participant criteria:

- being part owner of a QS ownership group, or
- being a member of a registered co-op

when at least one member meets the vessel ownership criteria (see the participant options for related additional criteria that must be met to qualify based on association).

These criteria do not require that vessel ownership or association with the vessel owner be maintained through to the control date or time of implementation. Thus, once it is established that at a particular point in time an individual met the participant criteria, that individual’s status is not considered to change across time.

Approach for Applying First Receiver Ownership Related Participant Criteria: If a QS owner has any fraction of ownership interest in a first receiver at the time the first receiver received qualifying landings, that QS owner will qualify under the participant criteria for first receivers. As with the vessel owner participant criteria, once it is established that at a particular point in time an individual met the first receiver participant criteria that individual’s status is not considered to change across time.

Approach to Applying QS Ownership Related Criteria: An individual approach will be used to convert the QS in each QS account. This means that each individual’s participant status will be determined and then applied to the portion of QS in the

⁶ Vessel account information will be used to determine ownership of a vessel at any particular point in time and to determine linkage to QS account ownership as of the control date and at the time of implementation (current QS ownership).

account attributable to their ownership share of the QS account.⁷ All converted QS will remain in the same QS account, under the same owner or ownership group (not under the individual's sole ownership). This approach applies regardless of the criteria by which the individual qualifies.

(Note: The Council instructed that analysts continue to evaluate a collective approach. Under the collective approach, where QS account ownership is comprised of a group of individuals as of the control date, if one individual owner qualifies for a particular status then all members of the group are considered to qualify. This is similar but different from what is now specified with respect to the application of vessel ownership criteria and being part of a QS ownership group, but in that case, it is at the time of gear-switching, rather than the control date.)

Applying Participation Criteria Requiring QS Ownership as of the Control Date (Special Transfers):

Families: Any QS that was owned as of the control date but transferred to a family member including via inheritance (e.g., probate, estate planning) will be considered to have been owned by that family member as of the control date. This effectively alters the cap on the maximum amount of QS that family member may have converted based on their participant status but does not alter the family member's participant status.

Administrative Changes and Business Reorganization: QS in a QS account as of the control date that is transferred to a new or different QS account as a result of changes to accounts that are solely administrative in nature, or as a result of business reorganizations, will be considered to have been in the new or different QS account as of the control date. The application of this provision is limited to the QS that remains under ownership of the same individual(s).⁸

⁷ In some cases where a group owns the QS account, the total of the individual ownership interests may add up to more than and in others less than 100 percent. For example, where the partnership is considered a joint entity with rights of survival partnership, each individual is reported to own 100 percent of the partnership. Or, because QS owners are not required to report ownership interests of less than 2 percent, there are some accounts for which the total reported ownership is less than 100 percent. In these situations, the reported ownership interest for each individual in the group will be adjusted proportionately so that their combined ownership totals to 100 percent.

⁸ For example, if 50 percent of the ownership in the new account is the same as that in the old account, then a continuity of ownership will be considered to exist for the associated 50 percent of the QS in the account.

Accumulation Limits

The existing QS control limit (3.0 percent) and annual vessel use limit (4.5 percent) will continue to be applied for northern sablefish quota as a whole (without distinction by gear type).⁹

Discussion of Alternative 1

The amount of any-gear QS that might be issued to gear-switching participants under some of the Alternative 1 qualification and QP split options are approaching levels that could exceed the total any-gear QS to be issued. While current estimates are that the gear-switching participant QS would still be less than the maximum specified for any-gear, there are a number of sources of uncertainty: the amount of QS that will qualify through the co-op provisions is not included and will not likely be known until implementation; there could be relevant ownership relationships that are not reflected in the current data set; and ACLs could increase further, reducing the percentage of any-gear QP to be issued, if QP Split Option 2 is selected. QP Split Option 2 caps the total any-gear QP at 1.8 million pounds. A contingency might be developed to address this situation, or the issue could be left until the Council determines the options it would select and, consequently, is better able to identify the degree of concern.

In its [April motion on Alternative 1](#), the Council asked that consideration be given on how to preserve its option to issue Adaptive Management Program (AMP) quota as any-gear eligible—in case the Council chooses to develop an alternative use for AMP in the future. Ten percent of the QS is set aside for AMP. To limit gear switching to 29 percent, 71 percent of all QS would be designated as trawl-only, including 71 percent of the AMP QS. If this alternative is selected as the PPA, additional work will be done in this area.

To this point, analysts have been assuming that, in the event of a death of an individual, if an estate or trust is established in the same organization, then that estate or trust would count the same as the individual in qualifying as a gear-switching or non-gear-switching participant and be granted the status as appropriate. With concurrence of that Council, a provision to that effect will be added to the alternative.

Action Alternative 2: Gear Specific QP (iPPA)

Overview. All northern sablefish QP will be designated either for the use of trawl gear (“trawl-only QP”) or for the use of any gear (“any-gear QP”) and issued each year to owners of QS accounts. Depending on options selected, the amount of any-gear QP issued will start at 29 percent and remain at 29 percent, start at 29 percent and decline over time (but not to zero), or start at a lower level and decline over time to zero. The proportions of each type of QP a QS owner receives will be based on whether or not they qualify as a legacy participant and the amount of QS they owned on the control date. Qualification as a legacy participant will be based on LEP permit and QS ownership on and continuously since the control date. Once it is

⁹ To determine a person’s holdings or usage relative to these caps, trawl-only quota (QS or QP) will be multiplied by 0.71 and any-gear quota will be multiplied by 0.29. This assumes that quota is issued in a 71/29 gear ratio. If another ratio is used, the multipliers will be adjusted as necessary.

determined that an individual qualifies as a legacy participant, that status stays with them (is not transferable to others) and does not change over time. Any-gear QP will be issued to legacy participants for their QS, in amounts up to what they held on the control date (their “eligible” QS). For all other QS (including legacy participant QS that is not eligible and QS not owned by legacy participants), a standard ratio of trawl-only and any-gear QP will be issued. Over time, as legacy participants divest themselves of their QS, either there will be no change to the existing individual ratios and therefore the total amount of annually issued any-gear QP will go down, or the standard ratio of any-gear to trawl-only QP issued will increase so that the total amount of any-gear QP issued remains constant at 29 percent.

Full Description

Gear Switching Control: Trawl-Only and Any-Gear (Unrestricted) QP

Northern sablefish QP will be issued as trawl-only QP and any-gear QP (unrestricted QP).

Procedure for Determining the Amount and Distribution of Any-Gear QP

NMFS will classify as legacy participants those individuals that owned QS on the control date and at the time of implementation, based on the qualification criteria listed in the following section.

Legacy participants: will receive any-gear QP for their eligible QS (eligible QS is any QS owned^{10,11} by a legacy participant that does not exceed what the participant owned on the control date).

For QS owned by non-legacy participants (and legacy participant QS that is not eligible): Any-gear QP and trawl-only QP will be distributed as follows.

QP Distribution Option 1: Increasing Proportion of Any-Gear QP **Each year**, any-gear and trawl-only QP will be issued in a ratio such that the total amount of any-gear QP will equal 29 percent. As legacy participants divest of their eligible QS, the any-gear/trawl-only QP ratio will increase to maintain 29 percent any-gear QP.

QP Distribution Option 2: Constant Proportion of Any-Gear QP — In the **first year** of the program, any-gear and trawl-only QP will be issued in a ratio such that the total amount of any-gear QP will equal 29 percent. As legacy participants divest of their eligible QS, the any-gear/trawl-only QP ratio will not change, such that the total amount of any-gear QP declines to less than 29 percent.

¹⁰ For situations in which more than one individual owns a QS account, a legacy participant’s QS ownership is determined based on their share of ownership, as reported to NMFS.

¹¹ In some cases where a group owns the QS account, the total of the individual ownership interests may add up to more than and in others less than 100 percent. For example, where the partnership is considered a joint entity with rights of survival partnership, each individual is reported to own 100 percent of the partnership. Or, because QS owners are not required to report ownership interests of less than 2 percent, there are some accounts for which the total reported ownership is less than 100 percent. In these situations, the reported ownership interest for each individual in the group will be adjusted proportionately so that their combined ownership totals to 100 percent.

Legacy Participants and Qualifying Criteria

Legacy participants are individuals that meet the qualifying criteria provided below. The designation as a legacy participant stays with the individual and is not transferable. As legacy participants divest themselves of QS, the total legacy participant holdings of eligible QS will decline.¹²

To qualify as a legacy participant:

As of and since the control date, an individual¹³ must have some ownership interest in a permit (or permits) that landed northern sablefish QPs with non-trawl gear totaling at least 30,000 pounds per year in at least 3 years between January 1, 2011 and September 15, 2017 (the control date) and had some ownership interest in northern sablefish quota shares (any amount).

Transferability and Accumulation Limits

As under status quo, all QS and QP would remain fully transferable and the existing QS control limit (3.0 percent) and annual vessel QP use limit (4.5 percent) will continue to be applied for northern sablefish quota as a whole (without distinction by gear type).

Discussion of Alternative 2

A number of related Alternative 2 provisions should be worked through prior to selection of a PPA pertaining to QS divestiture and reacquisition for legacy participants. To qualify as a legacy participant, an individual just needed to own some amount (any amount) of QS as of and since the control date. The maximum amount of legacy participant owned QS that is eligible to receive any-gear QP is the amount the participant owned on the control date. This was interpreted to mean that between the control date and implementation, if a legacy participant divested themselves of QS, as long as they retained some QS they would still qualify; and that if they reacquired QS prior to implementation (up to the amount owned on the control date), that QS would still be eligible to receive 100 percent any-gear QP. This raised other questions.

- After implementation, is the cap on eligible QS for legacy participants still their control date holdings or does it become what they owned at the time of implementation. In other words, if they are below their cap at the time of implementation, after implementation can they reacquire QS, up to their control date holdings, and have it be eligible? Since the alternative specifies a cap based on the control date on eligible QS but no other caps, absent further guidance, staff's interpretation would be that the control date cap continues to apply after implementation (i.e., post implementation acquisitions would be eligible.)

¹² There are some special situations that may need to be considered if this alternative is further developed. For example, treatment of QS owned by estates or community organizations that qualify for as legacy participants.

¹³ Or a legal entity for which individual ownership interests cannot be identified (e.g. trusts, non-governmental entities, and governments).

- After implementation, can they divest and reacquire QS and have that reacquired QS be eligible to receive 100 percent any-gear QP? Again, absent guidance otherwise, this would appear permissible.
- If so, can they totally divest of QS and still retain their legacy status (i.e., if they reacquire QS later, still have that QS be considered eligible)? Nothing in the alternative specifically indicates that if a legacy participant divests themselves of all QS their status would expire. Absent other guidance, legacy participants would be able to totally divest themselves of QS and still retain their legacy status if they reacquired QS at a later time.

With respect to this last question, just because they divested QS, does not necessarily mean they have left the fishery. For example, the individual might have continued to own a vessel and gear switch but, for a period of time, did not own QS.

For individuals classified as legacy participants, legacy status will eventually end, potentially not until the death of the individual. For some QS owners, there may be no individual that is deemed to be the owner of the QS (e.g., non-profit organizations and trusts). Would there be a status termination for these entities, and, if so, what would it be?

To this point, analysts have been assuming that, in the event of a death of an individual, if an estate or trust is established in the same organization, then that estate or trust would count the same as the individual in qualifying as a gear-switching or non-gear-switching participant and be granted the status as appropriate. With concurrence of that Council, a provision to that effect will be added to the alternative.

Legacy Qualification Option 2 requires ownership of a gear-switching vessel as of and since the control date. This provision was adapted from the gear switching endorsement alternative. The gear-switching endorsement alternative also included a provision to allow individuals to replace a vessel after the control date and still qualify. **That provision has not been included in the current alternative.** *Staff seeks confirmation of this interpretation—possible need for options (options development simple).*

Action Alternative 3: Seasonal Management of Gear Switching

Overview. Retention of northern sablefish caught while gear switching would be allowed until 29 percent of the trawl allocation of northern sablefish is taken or projected to be taken by gear switching vessels.

Full Description

At the start of each calendar year, any vessel fishing in the trawl IFQ fishery would be allowed to retain northern sablefish while using non-trawl gear (gear switching), until such date that 29 percent of the northern sablefish trawl QP is used or projected to have been used to cover catch by gear switching vessels. After that date, only vessels using trawl gear would be allowed to retain northern sablefish. While retention of northern sablefish by gear-switching vessels would be not be allowed, such vessels would still be required to cover their northern sablefish catch with QP, taking into account any discard survival credits.

Discussion of Alternative 3

Effect of Gear-Switching for Non-sablefish Species. Under Alternative 3, the opportunity to retain northern sablefish would end when 29 percent of the northern sablefish allocation is used or projected to be used. Targeting other species while gear switching would continue to be allowed and there is a possibility that northern sablefish would be taken incidentally, but discard would be required. Fixed gear sablefish discards receive a survival credit of 80 percent, which reduces the amount of QP needed to cover bycatch. In order to limit total use of northern sablefish QP to 29 percent, projections used for seasonal management would need to include sablefish taken while gear-switching for other species. Historically, this activity has been quite low (zero in some years). It might be even lower without the opportunity to receive revenue for incidentally caught sablefish. If the level of gear-switching for other species were to increase in the future, it might have more of an impact on the amount of gear-switching that can be directed on northern sablefish.

Possible Simplifications and Cost Savings: Alternative 3 proposes closure of the northern sablefish retainment opportunity for gear switching vessels when 29 percent of the quota is projected to be attained. These projections would presumably be inseason projections. There are modifications that could be made that would simplify this process and limit costs, for example, a rule that would require closure when it is determined that 29 percent has been attained. Closure on attainment would likely result in some degree of overage with respect to the 29 percent maximum specified. The trigger could be set slightly lower in anticipation of an overage.

If a projection approach is maintained, another simplification might be to not count sablefish caught and discarded after the closure against the 29 percent limit. Gear-switching targeted on non-sablefish species is minimal at this time.

4.0 COUNCIL MOTIONS PASSED ON GEAR SWITCHING

September 2021 Passed Motions (Agenda Item C.5)

September 2021, 1st Passed Motion (Niles)

I move that the following be added to the range of alternatives for analysis as the gear-based quota share alternative:

Creation of trawl-only Quota Share (QS): NMFS will create a new management unit from the existing Sablefish North IFQ management unit that will only be eligible to be fished by trawl gears. The existing IFQ management unit will continue to be eligible to be fished with any legal gear. For ease of reference, the resulting QS units are referred to as “trawl only” and “any gear.”

Split of the Sablefish North trawl allocation: After conversion both would be adjusted so that the total pool of QS for each is 90 percent (and 10 percent to the Adaptive Management Program). The QS conversion will achieve the Council’s specified split between the two QS types and then each will receive the specified percentage or amount of the trawl allocation of Sablefish North annually. The two options for analysis include:

- Option 1: 71% of the trawl allocation will go to trawl only QS and 29% any gear.
- Option 2: The any gear QS will receive the smaller of 29% of the trawl allocation or 1.8 million pounds with the trawl only QS receiving the remainder.

Procedure for converting QS holdings: NMFS will evaluate owners of Sablefish North QS against the fixed gear and IFQ participation criteria and then convert the QS using the following steps:

1. QS acquired by owners after the control date and in excess of what they held on the control date will be converted to trawl only QS.
2. QS owners that do not meet the fixed gear or IFQ participation criteria will have 100% of their QS converted to trawl only.
3. QS owners meeting the fixed gear participation criteria will have 0% of their QS converted to trawl only QS up to the QS they owned on the control date. QS acquired after the control date will be converted to trawl only QS.
4. QS owners meeting the IFQ participation criteria will have their QS converted at the rate that achieves the Council’s recommended allocation between the two QS units.

Participation Criteria: the criteria focus on QS owners with ownership tracked by the QS Permit. The term “vessel” refers to a vessel owned in full or part by the QS owner. Vessel ownership and fishing activity are evaluated based on the Vessel Account. And the term “fished” refers to landings of Sablefish North QP and activity that qualifies under the control date unless otherwise stated.

Fixed gear participation criteria options for analysis:

- Option 1: The vessel fished with fixed gear.
- Option 2: The vessel fished at least 30,000 QP in each of three or more years with fixed gear.

IFQ participation criteria options for analysis:

- Option 1: All Sablefish North QS owners not meeting the fixed gear participation criteria and irrespective of vessel ownership and fishing activity.
- Option 2: The vessel fished QP with bottom trawl gear in any of the two years prior to the year of QS conversion.

Moved by Corey Niles

Seconded by Phil Anderson

Motion carries

Marci Yaremko voted no

September 2021, 2nd Passed Motion (Sommer)

I move the Council include the following alternatives in the range adopted for further analysis and review:

No Action Alternative

Gear-Switching Endorsement Alternative (Action Alternative 2)

Overview. In the area north of 36° N. lat., a vessel’s gear-switching activity will be restricted based on limits applied to its trawl limited entry permit and the size of the limit will depend on whether or not the permit has a gear-switching endorsement. The amount of sablefish gear switching allowed will be larger for gear-switching endorsed permits than for non-endorsed trawl

permits. Gear-switching endorsements will be attached to permits that have and based on a permit or vessel meeting a history of gear switching that meet minimum qualification criteria that include gear switching history and, under some options, linkage between permit, quota share and, or vessel ownership. The endorsement might or might not expire when the permit to which it is attached is transferred. If endorsements expire with permit transfer, the higher gear-switching limits would eventually phase out and all vessels would be restricted to the lower level gear-switching limit provided for permits without gear-switching endorsements.

Full Description

Gear-Switching Endorsement and Qualification. Gear-switching endorsements will be attached to trawl limited entry permits and will not be severable from the permit. The gear-switching endorsement on a permit (or the absence of such an endorsement) will determine the northern sablefish gear-switching limit associated with the permit.

To qualify for a gear-switching endorsement, between January 1, 2011 and September 15, 2017 (the control date) the limited entry trawl permit (Option for further analysis: or VESSEL) must have landed northern sablefish IFQ with fixed gear totaling at least:

~~**Endorsement Qualification Option 1:** 10,000 pounds per year in at least 3 years~~

~~—— Recent Participation Sub-Option: and participated in at least one year from 2016 through 2018.~~

Endorsement Qualification Option 2 1: permit (option for vessel) has 30,000 pounds per year in at least 3 years

~~Recent Participation Suboption: And participated in at least one year from 2016 through 2018.~~

~~**Endorsement Qualification Option 3:** 30,000 pounds per year in at least 3 years~~

~~—— and participated in at least one year from 2016 through 2018;
or caught 90,000 pounds of northern sablefish cumulatively across three years from 2014 to 2018, with at least one gear-switched landing in each of the three years.~~

(NEW) Endorsement Qualification Option 2: permit (option for vessel) has 30,000 pounds per year in at least 3 years, AND quota share ownership (any amount) on the control date by the permit owner (option for vessel owner)

(NEW) Endorsement Qualification Option 3: permit (option for vessel) has 30,000 pounds per year in at least 3 years, AND quota share ownership (any amount) AND vessel ownership on the control date by the permit owner (for vessel owner option: “AND permit ownership on the control date by the vessel owner

IF VESSEL used as the qualifying entity, then at implementation, the vessel owner designates a LE trawl permit to carry the gear switching endorsement.

Sablefish Gear-Switching Limits.

Trawl permits with gear-switching endorsements. The annual sablefish north gear-switching limit for a gear-switching endorsed permits is:

Endorsement Limit Option 1: for each qualifying permit (option for vessel), the average percentage of the sablefish north trawl allocation caught with fixed gear for years fished between 2011 and the control date.

~~**Endorsement Limit Option 2:** the standard northern sablefish vessel QP limit (the current limit is 4.5 percent but this could change in the future).~~

(NEW) Endorsement Limit Option 2: Each qualifying permit owner (option for vessel) receives a gear switching limit equivalent to the percentage of quota share owned as of and since the control date; in addition, the difference between the amount thereby allocated and 29 percent will be allocated among all qualifying permits (option for vessel) proportionally to each permit's (option for vessel) average annual gear switched landings (or the qualifying vessels landings) in years fished in the trawl IFQ program before the control date. This additional allocation will be operationalized as an addition to the permit specific limits (option for vessel).

(NEW) Endorsement Limit Option 3: the percent of sablefish north QS owned by the qualifying permit owner (option for vessel owner) as of and since the control date.

Trawl permits without gear-switching endorsement. The annual sablefish north gear-switching allowance for a trawl vessel except when fishing under a permit not endorsed for gear switching is 10,000 pounds ~~0.5 percent of the sablefish north trawl allocation.~~

Gear-Switching Limits and Permit Transfers. For both gear-switching endorsed and non-endorsed permits, the gear-switching limits are associated with the permit. If a permit is transferred midyear, fish caught prior to the transfer still count against the permit's limit for the year.

~~**Sequential Permit Registration.** A vessel gear switching under non-gear-switch endorsed permits (non-endorsed permit) may not exceed the 0.5 percent/year gear-switching limit by sequentially registering different non-endorsed permits during the same year. A vessel gear switching under a gear-switching endorsed permit may not increase its gear-switching~~

~~limit beyond that allowed under the endorsed permit by sequentially registering a non-endorsed permit during the same year.~~ FOR FURTHER DELIBERATION: Should a vessel be able to expand its gear-switching opportunity by sequentially fishing under multiple gear-switching endorsed permits? **Yes**

Combination of Trawl Permits. Current management measures allow vessels to combine to permits to create a single permit with a larger vessel length endorsement. If trawl permits are combined and if there is a gear-switching endorsement on either permit, the permit resulting from the combination will have a gear-switching endorsement. If both of the combined permits have a gear-switching endorsement, then the larger of the two limits will be included on the resulting permit.

Gear-Switching Limit Overages.

When a vessel reaches the gear-switching limit (as determined by the permit registered to the vessel), it may retain and sell any sablefish caught in excess of the limit but may not deploy non-trawl gear on any trawl IFQ sector trips taken during the remainder of the year. The gear-switching limits are specified as limits on the maximum amount of sablefish QP that can be used to cover fish caught under the IFQ Program with non-trawl gear. All gear-switching overages must be covered by QP. Any QP a vessel uses for gear switching in excess of its gear-switching limit will reduce the following year gear-switching limit for its permit by the amount of the excess QP used. This applies to the permit being used by the vessel at the time of the overage.

Suboption: Any QP a vessel uses for gear switching in excess of its gear-switching limit will not reduce the following year gear-switching limit (i.e., eliminate the last two sentences of the above paragraph).

Other Species Gear-Switching Limit. For all trawl permitted vessels, there will not be any gear-switching limits for other IFQ species.

Annual Vessel QP Limit. Regardless of these gear-switching limits, trawl permitted vessels are not allowed to catch amounts in excess of the northern sablefish vessel QP limit (taking into account both the vessel's trawl and non-trawl QP landings).

Endorsement Expiration.

Expiration Option 1: Gear-switching endorsements will expire when the permit is transferred to a different owner or a new owner is added to the existing permit ownership (ownership-based phase-down of gear switching).

Expiration Option 2: Gear-switching endorsements do not expire when the permit is transferred.

Moved by Maggie Sommer
Seconded by Bob Dooley
Motion carries
Marci Yaremko voted no

June 2022 Passed Motions (Agenda Item F.5)

June 2022, 1st Passed Motion (Anderson)

I move that the Council advance the consideration of limiting gear switching in the Limited Entry Trawl Fishery and confirm the following guidance and intent relative to the questions raised in F.5, Attachment 3 specific to Alternative 1 (F.5, Attachment 2) and add a new alternative as described below.

Alternative 1: Gear Specific Quota Share Guidance

*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? **Focus on using the “individual” approach while maintaining the flexibility to use the “Collective” approach depending on the outcome of the analysis.***

*On what date should the linkage between a QS account owner and vessel owner be evaluated? **Use the Control Date.***

*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? **Only the partner that has had a history of owning a gear switching vessel would retain that status.***

*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? If a collective approach is taken, how would the conversion caps be applied if an ownership group breaks up prior to implementation? **Use the individual approach.***

*If a collective approach is taken, how would the conversion caps be applied if an ownership group breaks up prior to implementation? **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.***

*Under the collective approach, how is QS owned outside the ownership group treated? **Under the collective approach, the QS owned outside the group would not qualify for group classification status.***

*Application of criteria to trusts, non-governmental organizations (NGO)s, and governments. **Apply same as they would be applied to all other QS owners.***

*Application of formulas relying on share of ownership when ownership shares on record do not add to 100 percent. **Calculate based on reported percent of ownership.***

*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. **Apply existing accumulation limits only at the aggregate northern sablefish level**, i.e., maintain the aggregate northern sablefish QS control limit (3 percent) and QP use limit (4.5 percent), as recommended by the GAP and GMT and do not apply adjustments to convert those into gear-specific limits.*

New Alternative

Include as a new alternative a variation on Alternative 1 in which the resulting distribution of trawl-only and any gear quota is done at the annual quota pound issuance step, rather than permanently converting quota share. All other provisions of Alternative 1 would remain the same.

Staff Discretion

In addition to this guidance, the intent is to provide Council staff with the leeway to modify the language of the alternatives to reflect the intent stated.

Moved by Phil Anderson

Second by Bob Dooley

Motion carried

Voting no: Ms. Christa M. Svensson and Ms. Corey Ridings

Abstain: Ms. Marci Yaremko

June 2022, 2nd Passed Motion (Watson)

I move the Council confirm the following statements of intent regarding the requested provisions on which council guidance is needed ([F.5, Attachment 3](#)) for the gear switching range of alternatives and request that staff analyze alternative 2 according to this intent:

Prevent potential circumvention of qualification criteria and add provisions stated in the [SaMTAAC report](#) (page A-8) for exceptions that should be applied for certain circumstances of quota share account expiration and vessel replacement.

No double counting in complex ownership situations.

In complex ownership situations allow the involved owners to decide how to distribute credit for Quota Share (QS) accounts.

Gear switching limits based on QS should be adjusted to take into account Adaptive Management Program (AMP) Quota Pound (QP) distributions and add a safeguard statement that states, “Nothing in these provisions should be construed or implemented in a fashion that allows the gear switching endorsement limit to exceed the annual vessel QP limit”.

Partial years should be included or excluded based on whichever gives the individual an improved gear switching limit.

Non-endorsed trawl permits be specified as “the lesser of X percentage and 10,000 pounds.”

In addition, the Council requests that Council staff split alternative 2 based on the qualifying options of vessel or permit to reduce complexity and confusion for the analysis.

Moved by Jessica Watson

Second by Corey Niles

Motion passed. Ms. Christa M. Svensson and Ms. Corey Ridings voted no. Ms. Marci Yaremko abstained.

November 2022 Passed Motions (Agenda Item H.3)

Amendments that failed and motions that were withdrawn are not included here.

November 2022, 1st Passed Motion (Hassemer)

I move the Council remove Alternatives 2 and 4 from further consideration as it moves forward to define a preliminary preferred alternative regarding sablefish gear switching.

Moved by Pete Hassemer

Second by Jessica Watson

Motion passed. Ms. Marci Yaremko voted no.

November 2022, 2nd Passed Motion (Niles)

I move that the Council

Consideration for First Receivers

- For the “Gear-switching Participation Criteria”:
A first receiver that owns Sablefish North QS and purchased a minimum of 30,000 pounds of Sablefish North from fixed gear vessels in at least three years (subject to the control date).
- For “Non-Gear-Switching Participant Option 2”:
A first receiver that owns Sablefish North QS and purchased Dover sole, Thornyheads, and Sablefish North from bottom trawl vessels in the IFQ fishery in any of the two years prior to the year in which the above QS conversions to gear-specific QS are conducted.

Participation Criteria – Individual vs Collective and Cooperatives

- Change the “Participation Criteria for Use in QS Conversion Procedure” (p. 14 of Attachment 3) to read:
have owned northern sablefish QS as of September 15, 2017; and for some criteria, have used a vessel or vessels under their ownership, or have been part of a QSA ownership group when at least one member of the group owned a vessel or vessels when it met the participation criteria listed below.

- Add language to the Participation Criteria that has the effect of qualifying members of a Fishermen’s Collective Marketing Act (FCMA) registered cooperative that transferred their sablefish QP to gear switching vessels owned by members of the cooperative.
- Continue to explore the consequences of the “individual vs. collective” approach.

QS transfers and the Control date

- Create exemptions from the Control Date for transfers of QS between accounts that resulted because of changes to accounts that are administrative in nature, result from business reorganizations, and for transfers to family members including via inheritance (e.g., probate, estate planning). These exemptions would be only for transfers and not acquisitions (i.e., there would be no net increase in the overall amount of any gear QS).

Intermediary Gear-switching qualification

- Add a Gear-switching Participant Option 3 that has the following effect: Those that meet Option 2 criteria keep 100% of their QS as any gear quota. Those that only meet the Option 1 criteria keep 50% of their QS as any gear quota.

Moved by Corey Niles

Seconded by Christa M. Svensson

Motion Passed. Ms. Corey Ridings voted no; Ms. Marci Yaremko and Mr. Butch Smith abstained.

November 2022, 3rd Passed Motion (Watson)

I move the Council modify Alternative 3 as follows:

- Remove Option 1 under the Endorsement Qualification Options.
- Remove the allowance for low levels of sablefish gear switching landings by vessels that are not fishing under gear-switching endorsed permits.
- Develop a relatively small amount in pounds or percentage of catch over the endorsement’s limit to designate as an allowable overage with the exceedance of this amount being considered a violation.
- Leave both expiration options available for further consideration (no expiration and expiration on transfer to new owner or owner added).
- Evaluate restricting the number of gear-switched endorsed permits an individual could own.
- Use the collective approach for the endorsement qualification and limit options.

Moved by Jessica Watson

Seconded by Pete Hassemer

Motion Passed. Ms. Corey Ridings voted no; Ms. Marci Yaremko and Ms. Christa M. Svensson abstained.

November 2022, 4th Passed Motion (Anderson)

Motion Passed: I move to add the following alternative for sablefish gear switching:

Trawl-Only and Any-Gear Quota Share (QS)

The current northern sablefish QS (valid for use with any gear) will be converted to trawl-only QS and any-gear QS (see procedure below).

Procedure for Converting Northern Sablefish QS holdings to Trawl-Only and Any- Gear QS:

NMFS will categorize current individual owners of sablefish north QS based on the participation criteria listed below and convert QS based on the steps listed below. The end result will be that each QS holder would receive the same percentage of the total sablefish QP after the conversion that they would have if the conversion had not been carried out, except designated as trawl-only or any-gear QP.

- QS owners **meeting the gear switching participation criteria** will have their eligible QS converted to any-gear QS (QS in amounts up to their control date holdings).
- QS owned by those **meeting the gear switching participation criteria but in excess of what they owned on the control date** will be converted to trawl- only QS.
- QS owners that **do not meet the gear switching criteria** will have 100 percent of their QS converted to trawl-only QS.
- AMP QP will be distributed to each QS account as any-gear and trawl-only QP in proportion to the any-gear and trawl-only QS in the account.

Individual Approach to Allocation:

In general, these criteria will be applied to individuals (taking into account their ownership interest in QS accounts as reported to NMFS), including individuals within ownership group. For this purpose, trusts, non-governmental entities, and governments will be treated as individuals.

Accumulation Limits: The existing QS control limit (3.0 percent) and annual vessel use limit (4.5 percent) will continue to be applied for northern sablefish quota as a whole (without distinction by gear type).

Gear Switching Participation Criteria:

To qualify as a gear-switching participant: As of and since the control date, an entity must have owned a permit (or permits) that landed northern sablefish QPs with non-trawl gear totaling at least 30,000 pounds per year in at least 3 years between January 1, 2011 and September 15, 2017 (the control date) and had some ownership interest in northern sablefish quota shares (any amount).

Moved by Phil Anderson

Seconded by Bob Dooley

Motion Passed. Ms. Corey Ridings voted no; Ms. Marci Yaremko and Ms. Christa M. Svensson abstained.

April 2023 Passed Motions (Agenda Item G.5)

April 2023, 1st Passed Motion (Svensson)

I move the Council add an option to Alternative 1 that drops all qualification criteria but would involve maintaining sablefish North QP as eligible to fish with any gear throughout the year until 29 percent of the sablefish North QP is taken or is projected to be taken by fixed gear vessels. This does not involve the quota conversion step but would only require inseason prohibition of fixed gear use of Northern, sablefish Northern QP.

Moved by: Christa M. Svensson

Seconded by: Corey Ridings

Roll call vote: Motion passed, 8 yes, 5 no.

April 2023, 2nd Passed Motion (Anderson)

I move that the gear-specific QP alternative that was removed from the ROA last November be restored in a simplified form, as follows:

Individual permit owners who qualify as legacy participants would be designated as legacy participants and their control date holdings identified. The qualifying criteria would be as specified in the current version of Alternative 2. Annually, QP issued to QS accounts owned by legacy participants would be issued as any-gear QP for QS in amounts up to what the legacy participant owned as of the control date. For QS in excess of a legacy participant's control date holdings, trawl-only QP and any-gear QP would be issued in the same proportions as for accounts not owned by legacy participants.

QP's issued annually for the remainder of the QS accounts would be designated as any-gear and trawl-only QP's in a proportion such that the total any-gear QPs issued each year would be 29 percent of the trawl allocation.

All QS and QP would remain fully transferable.

Moved by Phil Anderson

Second by Butch Smith

Motion passed. Ms. Yaremko voted no.

April 2023, 3rd Passed Motion (Niles)

I move that the Council:

1. Make the following refinements and clarifications to Alternative 1:
 - Drop the Fishermen's Collective Marketing Act aspect of how registered co-ops could qualify under the Gear-Switching Participant Criteria.
 - Change the First Receiver suboption, Gear-Switching Participant Criteria to require that the first receiver must have made the majority of its purchases from the IFQ fishery from fixed gear vessels (based on exvessel revenue).
 - Clarify that the ownership-in-common requirement between a First Receiver and a Quota Share Account owning entity should be the same as that for a Vessel Account owner and Quota Share Account owning entity.
2. Make those refinements and clarifications recognizing that it would likely be best to defer close attention to the details of how they would be implemented until the Council identifies Alternative 1 as a PPA or determines that better understanding of the details would benefit the choice of a PPA.
3. In that same recognition about the relative value of implementation details to the Council's main policy deliberations, request that the analysis:

- Continue to consider the individual and collective approaches.
- Consider how to preserve the Council’s option to issue Adaptive Management Program (AMP) quota as any gear eligible under Alternative 1 if the Council chooses to develop the AMP in the future.

Moved by Corey Niles Seconded by Corey Ridings
 Motion passed. Ms. Yaremko, Mr. Dooley, Mr. Pettinger voted no.

April 2023, 4th Passed Motion (Anderson)

I move the following:

- 1) Add to Alternative 2 a sub-option to qualify as a legacy participant you must have landed 30,000 pounds in each of three years prior to the control date, owned QS as of and since the control date, and owned a vessel that gear switched as of and since the control date.
- 2) Add to Alternative 2 a sub-option that provides for the expiration of any gear quota share upon the transfer to a new owner or owner added.
- 3) Suspend further analytical work on Alternative Three

Moved by Phil Anderson
 Second by Bob Dooley
 Motion passed. Ms. Yaremko voted no.

April 2023, 5th Passed Motion (Hall)

I move that we reconsider action taken under G.5.

Moved by Heather Hall
 Seconded by Butch Smith
 Motion to reconsider passed. Ms. Caroline McKnight abstained.

April 2023, 6th Passed Motion (Hall)

I move that we amend the Anderson motion as follows (Heather Hall/Butch Smith:

Add to ~~Alternative 2~~ new QP alternative a sub-option to qualify as a legacy participant you must have landed 30,000 pounds in each of three years prior to the control date, owned QS as of and since the control date, and owned a vessel that gear switched as of and since the control date.

~~2. Add to Alternative 2 a sub-option that provides for the expiration of any gear quota share upon the transfer to a new owner or owner added. Add to new QP alternative, the expiration option described under the “New Alternative” section in Agenda Item G.5.a, Supplemental GAP Report 2~~

3. Suspend further analytical work on Alternative Three and remove Alternative 2 from the range of alternatives

Motion passed. Ms. Caroline McKnight abstained.

June 2023 Passed Motions (Agenda Item H.2)

June 2023, Passed Motion (Anderson)

I move the council adopt No Action and Alternative Two as outlined below as its Initial Preferred Proposed Alternatives to address gear switching in the trawl fishery. Regarding Alternative Two it would be as follows:

Gear Switching Control: Trawl-Only and Any-Gear (Unrestricted) QP Northern sablefish QP will be issued as trawl-only QP and any-gear QP (unrestricted QP).

Procedure for Determining the Amount and Distribution of Any-Gear QP: NMFS will classify as legacy participants those individuals that owned QS on the control date and at the time of implementation, based on the qualification criteria listed in the following section.

Legacy Participants:

Legacy participation will receive any-gear QP for their eligible QS (eligible QS is any QS owned by a legacy participant that does not exceed what the participant owned on the control date).

QS owned by non-legacy participants (and legacy participant QS that is not eligible): Any-gear QP and trawl-only QP will be distributed as follows.

QP Distribution Option 1: Increasing Proportion of Any-Gear QP **Each year**, any-gear and trawl-only QP will be issued in a ratio such that the total amount of any-gear QP will equal 29 percent. As legacy participants divest of their eligible QS, the any-gear/trawl-only QP ratio will increase to maintain 29 percent any-gear QP.

QP Distribution Option 2: Constant Proportion of Any-Gear QP — In the **first year** of the program, any-gear and trawl-only QP will be issued in a ratio such that the total amount of any-gear QP will equal 29 percent. As legacy participants divest of their eligible QS, the any-gear/trawl-only QP ratio will not change, such that the total amount of any-gear QP declines to less than 29 percent.

~~*QP Distribution Option 3: No Any Gear QP: Only trawl only QP is issued. As legacy participants divest of their eligible QS, the total amount of any gear QP declines to zero.*~~

Legacy Participants and Qualifying Criteria

Legacy participants are individuals that meet the qualifying criteria provided below. The designation as a legacy participant stays with the individual and is not transferable. As legacy participants divest themselves of QS, the total legacy participant holdings of eligible QS will decline.

To qualify as a legacy participant:

Qualification Option 1: As of and since the control date, an individual must have some ownership interest in a permit (or permits) that landed northern sablefish QPs with non-trawl gear totaling at least 30,000 pounds per year in at least 3 years between January 1, 2011 and September 15, 2017 (the control date) and had some ownership interest in northern sablefish quota shares (any amount).

~~**Qualification Option 2:** Same as Option 2 plus, as of and since the control date, the current permit owner also have some ownership interest in a trawl permitted vessel that made at least one gear switched landing of northern sablefish prior to the control date.~~

Transferability and Accumulation Limits:

As under status quo, all QS and QP would remain fully transferable and the existing QS control limit (3.0 percent) and annual vessel QP use limit (4.5 percent) will continue to be applied for northern sablefish quota as a whole (without distinction by gear type).

Moved by Phil Anderson

Second by Butch Smith

Motion passed. Ms. Yaremko and Ms. Ridings voted no.