## WASHINGTON DEPARTMENT OF FISH AND WILDLIFE REPORT ON PROPOSED CHANGES TO THE PACIFIC HALIBUT CATCH SHARING PLAN – AREA 2A SPORT ALLOCATIONS ANALYSIS

The Pacific Fishery Management Council (Council or PFMC) is currently considering changes to the Pacific Halibut Catch Sharing Plan (CSP) for 2024 and beyond. The Washington Department of Fish and Wildlife (WDFW) has prepared this report to provide a preliminary analysis of the recreational fishery options adopted for public review by the Council at its September 2023 meeting. This analysis builds on information provided in the September WDFW Report 1 (Agenda Item D.1.a, WDFW Report 1, September 2023).

Options to move sport allocation from Washington (WA) and Oregon (OR) to California (CA).

Option 1: Move 2 percent of the OR sport allocation and 1 percent of the WA sport allocation to the CA sport allocation.

Option 2: Move 1 percent of the OR sport allocation and 0.5 percent of the WA sport allocation to the CA sport allocation.

Option 3: Move 0.6 percent of the OR sport allocation and 0.4 percent of the WA sport allocation to the CA sport allocation.

## **Analysis of Options**

Under status quo, the Washington "sport" fishery receives 35.6 percent of the 2A FCEY. As described in previous reports (<u>Agenda Item D.3.b, WDFW Report, September 2010, Agenda Item D.1.a WDFW Report 1, September 2023</u>), the CSP provides halibut for incidental retention in the sablefish fishery north of Point Chehalis scaled to the 2A halibut biomass/FCEY (<u>PFMC CSP</u>). Specifically:

"The primary sablefish fishery N. of Pt. Chehalis will be allocated the WA sport allocation that is in excess of 214,110 pounds up to 50,000 pounds provided a minimum of 10,000 pounds is available. If the 2A FCEY is 1.5 million pounds or more, the maximum allocation will increase to 70,000 lbs. If the amount above 214,110 is less than 10,000 pounds or greater than 50,000 (or 70,000) pounds, the excess will be allocated back to the WA sport areas."

Note, the term "WA sport areas" is synonymous with the recreational fishery, excluding the commercial sablefish fishery. There are four sport areas used for halibut fishery management: Puget Sound (including the Strait of Juan de Fuca or marine areas 5-10), the North Coast (marine areas 3-4), the South Coast (marine area 2; Westport), and the Columbia River (marine area 1). The CSP prescribes specific allocations to each area.

## Sablefish North of Point Chehalis

Because of this allocation scheme, all the proposed options impact the sablefish fishery north of Point Chehalis at certain FCEYs. Applying the options to this allocation scheme also results, at a first glance, in a somewhat counterintuitive result for the sport fishery when the 2A FCEY is low. Namely, the amount of allocation apportioned to WA sport subareas can increase under the three options compared to status quo. This is shown in Figure 1 which depicts the allocations to WA sport areas for 2015 through 2023 using actual FCEYs under Status Quo and all three options. In 2015, the FCEY was 970,000 pounds; all three options would have shifted pounds to the recreational fishery because the amount available to sablefish incidental was less than 10,000 pounds.

Figure 2 uses selected hypothetical but plausible 2A FCEYs to illustrate the difference between status quo allocation to sablefish incidental and the three options across a range of FCEYs. Under status quo, the 2A FCEY must reach 970,000 pounds before the 10,000 minimum to incidental sablefish is reached. In contrast, under each of the options, the 10,000-pound minimum is not achieved until the 2A FCEY is at least one million pounds. Until the 50,000-pound cap is reached, the three options reduce the sablefish incidental allocation compared to status quo. Since 2019, the primary sablefish fishery has attained 91-114 percent of its incidental halibut allocation. In years when they exceed the allocation, additional unused halibut in the WA sport areas has covered the overage.

Table 1a. presents the differences between status quo and each option using actual FCEYs from 2015-2023. For illustrative purposes, 2023 prices are used to estimate revenue loss. The average price per pound of halibut in the primary sablefish fishery in 2023 is \$5.99, which is relatively comparable to recent years when adjusted for inflation. Full attainment of the incidental allocation is also assumed. Had any of the options been in place in 2015, no halibut would have been allocated to sablefish incidental. This would equate to a loss in revenue of \$61,984.52. In 2016, the loss in revenue would equate to \$44,385.90, \$22,192.95, and \$17,754.36, for options 1 through 3 respectively. Table 1b. presents the differences using a range of hypothetical but plausible FCEYs. The loss in revenue from high to low ranges from \$61,984.52to \$15,574.00. Since 2015, the proportion of total revenue in the primary sablefish fishery made up of Pacific halibut sales has grown from a three-year average of 5.8 percent in 2015-2017 to 19.2 percent in 2021-2023. As sablefish prices have declined over the last few years, directed sablefish vessels have increasingly relied on supplemental income from incidental Pacific halibut.

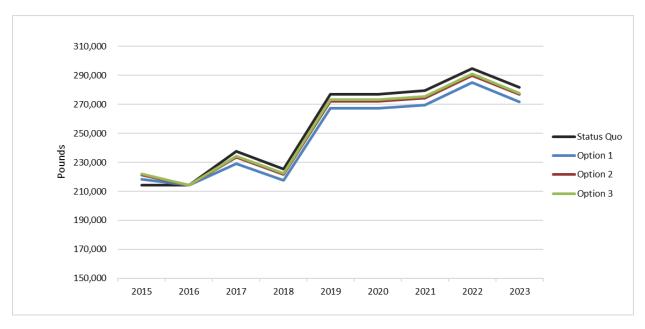


Figure 1. WA sport area allocations under status quo (actual) and options (1-3) applied to FCEYs from 2015-2023. In 2015, the options would have allocated more pounds to the recreational fishery compared to status quo.

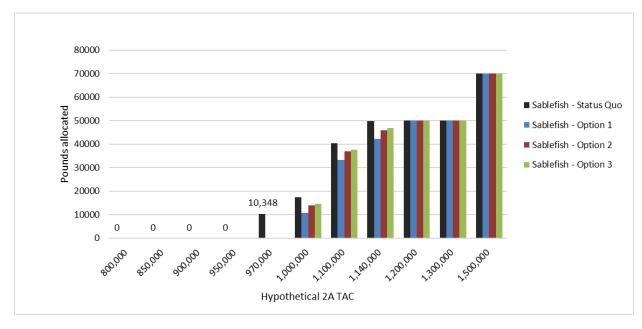


Figure 2. Sablefish incidental allocation using selected hypothetical but plausible 2A FCEYs, under status quo and options. FCEYs were selected to illustrate threshold points in the allocation scheme.

Table 1a. Sablefish incidental allocations compared to actual/status quo and options 1-3 under actual FCEYs, 2015- 2023.

Year / Sablefish allocation (actual)		Allocation			Difference +/-		
		Option 1	Option 2	Option 3	Option 1	Option 2	Option 3
2015	10,348	0	0	0	-10348	-10348	-10348
2016	49,686	42,276	45,981	46,722	-7410	-3705	-2964
2017	70,000	70,000	70,000	70,000	0	0	0
2018	50,000	50,000	50,000	50,000	0	0	0
2019	70,000	70,000	70,000	70,000	0	0	0
2020	70,000	70,000	70,000	70,000	0	0	0
2021	70,000	70,000	70,000	70,000	0	0	0
2022	50,000	50,000	50,000	50,000	0	0	0
2023	70,000	70,000	70,000	70,000	0	0	0

Table 1b. Sablefish incidental allocation difference in pounds and percent under Options 1-3 relative to status quo and a range of plausible 2A FCEYs.

2 A ECEV	Option 1	Option 2	0 4: 3	Percent reduced		
2A FCEY			Option 3	Option 1	Option 2	Option 3
<950,000	No change	No Change	No Change			
970,000	-10348	-10348	-10348	100	100	100
1,000,000	-6500	-3250	-2600	38	19	15
1,100,000	-7150	-3575	-2860	18	9	67
1,140,000	-7410	-3705	-2964	15	7	6
>1,200,000	No Change	No Change	No Change			

## Washington Sport Fishery

Figure 1 above depicts the sport area or recreational fishery allocations using actual FCEYs from 2015-2023 under status quo and the three options. Except for 2015 as just described, the options had they been in place, reduce the allocation relative to status quo. Figure 3 uses hypothetical 2A FCEYs to illustrate the effect of each option on the sport fishery allocation across a broader range of FCEYs.

To explore the impact of the reduced sport area-catch allocations to the recreational fishery, we used average catch per day to translate the reduction from pounds to fishing days. Spring (May/June) average catch per day is used for consistency across years and areas. These are the only two months when all areas typically have been open at least a few days. Based on the Table 2b allocation amounts and a 2023 average catch per day of 7,800, the range of options would result in a loss of one-third to 1.25 days. While this may seem inconsequential in terms of recent season durations which are longer due to the pandemic and lingering effects in combination with a relatively higher (and stable) 2A FCEY, it is meaningful when viewed over more years, and particularly in conjunction with lower FCEYs.

The Washington recreational halibut fishery has substantial harvest capacity. For example, the WA season averaged 10 days per subarea in 2015 when the 2A FCEY was 970,000; the North Coast (Neah Bay/La Push) and South Coast (Westport) sport areas were open only three and four days, respectively. The 2016-2018 seasons, with FCEYs of about 1.1 to 1.3 million pounds, averaged nine days per subarea. Had the WA seasons in these years been structured with all subareas open May 1, with no staggering or midweek closures, they would have closed by May 5<sup>th</sup>, 7<sup>th</sup>, and 8<sup>th</sup> respectively. Even with a 2A FCEY of 1.5 million in 2023, had all the sport areas opened May 1 with no staggering or midweek closures, and using May-June average catch rates, the Washington recreational season would have been open for approximately 37 days.

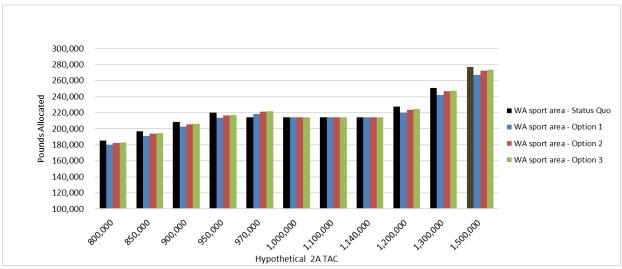


Figure 3. WA recreational fishery allocation under status quo and Options 1 - 3, using hypothetical but plausible 2A FCEYs.

Table 2a. WA sport area (recreational) allocations under Status Quo and Options 1-3 under actual FCEYs, 2015- 2023.

Year/ Sport area allocation (status quo)		Sport Area allocation			Difference +/-		
		Option 1	Option 2	Option 3	Option 1	Option 2	Option 3
2015	214,110	218,153	221,306	221,936	4043	7196	7826
2016	214,110	214,110	214,110	214,110	None	None	None
2017	237,762	229,117	233,440	234,304	-8645	-4322	-3458
2018	225,366	217,631	221,499	222,272	-7735	-3867	-3094
2019	277,100	267,350	272,225	273,200	-9750	-4875	-3900
2020	277,100	267,350	272,225	273,200	-9750	-4875	-3900
2021	279,414	269,599	274,507	275,488	-9815	-4907	-3926
2022	294,786	285,101	289,944	290,912	-9685	-4842	-3874
2023	281,728	271,848	276,788	277,776	-9880	-4940	-3952

Table 2b. WA sport area (recreational) allocation difference in pounds under Options 1-3 relative to status quo and a range of plausible 2A FCEYs. Note at a 970,000 FCEY, the sport area allocation increases due to shift from sablefish incidental per the WA sport allocation scheme.

2A FCEY	Option 1 lbs. +/-	Option 2 lbs. +/-	Option 3 lbs. +/-
800,000	(5200)	(2600)	(2080)
850,000	(5525)	(2762)	(2210)
900,000	(5850)	(2925)	(2340)
950,000	(6175)	(3087)	(2470)
970,000	4043	7196	7826
1,000,000	No Change	No Change	No Change
1,100,000	No Change	No Change	No Change
1,140,000	No Change	No Change	No Change
1,200,000	(7800)	(3900)	(3120)
1,300,000	(8450)	(4225)	(3380)
1,500,000	(9750)	(4875)	(3900)

In summary, under the CSP allocation formula for WA Sport, the options affect both the sablefish fishery North of Point Chehalis and the WA sport fishery but the impact of the options on each fishery relative to each fishery's status quo varies depending on the FCEY. The overall effect of the options is to shift the threshold when sablefish incidental first receives an allocation under the current scheme from a FCEY of 970,000 to 1.0 million. For FCEY's from 1.0 million to 1.14 million and across option 1, 2, and 3, the sablefish incidental allocation is reduced compared to its status quo from 38 percent to 6 percent (Table 1b). The sport subarea allocation is reduced at FCEY's below 970,000 but as a consequence of shifting when sablefish first receives an allocation, the sport area quota under the options is higher at an FCEY of 970,000 compared to its status quo. There is no effect on the sport area quota at FCEY's from 1.0 million to 1.14 million because all quota above 214,110 pounds is allocated to sablefish incidental (but in reduced amounts as just described). When the sablefish incidental caps of either 50K or 70K pounds are reached, the remainder as reduced under the options is allocated to the subareas.

The allocation options were reviewed and discussed at a stakeholder meeting on October 11, 2023. Stakeholders overwhelmingly support the status quo allocation option. The discussion included the contrast between how seasons are structured in Washington compared to California. Many commented that it was difficult to consider giving up quota from an area that has been managed under restrictive season structures and annual bag limits to keep catch below subarea allocations compared to an area open seven days per week for the duration of the season. Many stakeholders have participated in the WA sport halibut fishery for many years, including those prior to a stable Area 2A TCEY where seasons were very short in all subareas. Uncertainty in the stable Area 2A TCEY in 2024 and beyond also contributes to the rationale for maintaining status quo allocations among WA stakeholders.