GROUNDFISH MANAGEMENT TEAM REPORT ON LIMITED ENTRY FIXED GEAR ACTIONS: GEAR ENDORSEMENTS, COST RECOVERY AND OTHER ADMINISTRATIVE CHANGES

The Groundfish Management Team (GMT) discussed the analysis provided in <u>Agenda Item H.7 Attachment 1, March 2025</u> and focused our discussion on management implications if the Council were to adopt any of the Alternatives 1-3 for the permit gear endorsement component of this action. The team also provides recommendations for all components of this action with the exception of cost recovery.

Permit Endorsement

The team discussed that there are likely to be minimal differences in future management of the groundfish fishery between No Action, Alternative 1, or Alternative 2, except that Alternatives 1 and 2 would provide opportunity for the fishery to better attain its sablefish allocation compared to No Action. Additionally, management under Alternative 2 would be simpler than under Alternative 1. Alternative 3 has the most potential to change management of the fishery in the future, as it would allow all vessels registered to a Limited Entry (LE) permit to use any legal non-trawl gear, including gear types that are typically used to target other non-sablefish species.

Historically, participants in the LE sector have primarily targeted sablefish. However, with increased participation and, in some cases, full utilization of non-sablefish Open Access (OA) trip limits, it is anticipated that some OA participants may opt to obtain an LE permit to access higher non-sablefish trip limits, provided they can use all legal non-trawl gear. Currently, there are roughly 60 latent LE permits that OA vessels could, in theory, purchase in order to fish the higher LE limits using any legal non-trawl gear type under Alternative 3. This could allow participants to shift their effort away from the seafloor to target healthy midwater stocks, which have historically been under attained.

On the other hand, this provision could allow participants in the LE fishery to diversify target strategies, which could indirectly affect the OA sector, as it would increase overall fishing pressure on those species. This increased targeting from current and new LE fishery participants could result in trip limit reductions in both OA and LE sectors to stay within harvest limits while honoring the investment of LE participants. The GMT will continue to monitor commercial landings inseason and suggest trip limit adjustments as appropriate. Under Alternative 3, if a complex-level trip limit reduction is necessary in response to one species in that complex being more highly attained, opportunity for other species in that same complex would also be reduced, unless species-specific trip limits were developed through a new management measure, such as C.2 Stock Complex Species Specific Trip Limits outlined in Agenda Item H.8.a, GMT Report 1, March 2025.

Compared to all other alternatives, Alternative 3 would provide the greatest flexibility in terms of gear use and market opportunities for individual businesses in the groundfish fishery as a whole. The added flexibility that Alternative 3 provides would also allow businesses to tailor their operations according to fluctuating stock allocations and spatial distribution trends of populations, thereby promoting efficient utilization of the groundfish resource¹. Discussions with the

¹ <u>National Standard 5</u> regarding efficient utilization, <u>National Standard 6</u> regarding variation, and Pacific Coast Groundfish Fishery Management Plan (FMP) Objective 6

Groundfish Advisory Subpanel regarding the analysis in Section 4.5.1.3 Anticipated Effects of the Proposed Action on Profitability underscored that even small fluctuations in operational costs, such as fuel, are likely to influence the business-level profitability of using alternative gear types or targeting alternative species. Furthermore, Alternative 3 would increase the opportunity for vessels to bring a diverse suite of groundfish species to seafood markets depending on profitability, consumer demand, and other market factors, thereby optimizing yield for the greatest overall benefit to the Nation².

As described in Attachment 1, Alternative 3 is likely to generate the most increases in the non-trawl attainment of catch limits given it would provide vessels the ability to target all groundfish species with LE trip limits using any legal non-trawl gear. It is difficult to assess the nature and extent of these potential changes in attainments, or which target or non-target species may see the greatest change in attainments. However, Alternative 3 is likely to have positive impacts on overall harvest limit attainments, as compared to No Action and the other action alternatives, given the increased flexibility Alternative 3 would provide to target available groundfish species. For these reasons, the GMT recommends Alternative 3 to create a single LE non-trawl endorsed permit, for which vessels would be permitted to use any legal non-trawl groundfish gear to harvest their quota.

The GMT also notes that it would be beneficial for management to add a slinky pot gear code to fish tickets for better monitoring of slinky pot use regardless of the Alternative adopted.

Base Permit Designation

The GMT recommends Alternative 1, removal of the base permit designation, as the analysis indicates this provision is no longer necessary or warranted.

Permit Price Reporting

The GMT recommends Alternative 1, requiring that permit prices be reported upon sale to a new owner for all LEFG permits. The GMT sees value in tracking permit prices for any future management purposes.

Season Start Time

The GMT recommends Alternative 1, removal of the start and end times of the sablefish primary fishery in groundfish regulations. The GMT understands that the time component of the season start is no longer necessary.

Cost Recovery

The GMT does not provide a recommendation on the cost recovery component, because there are no anticipated management implications.

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² National Standard 1 regarding optimum yield and Pacific Coast Groundfish Fishery Management Plan Goal 3 and Objective 9 regarding full utilization