SCIENTIFIC AND STATISTICAL COMMITTEE REPORT ON TRAWL CATCH SHARE PROGRAM REVIEW

The Scientific and Statistical Committee (SSC) reviewed the "Review of the West Coast Groundfish Trawl Catch Share Program" (F.7 Attachment 1). The Economics Subcommittee (ESC) of the SSC reviewed the report during a November 7, 2025 webinar and Matt Reimer (SSC) provided an overview of the subcommittee report (appended below). Jessi Waller (Council Staff) was available to answer questions.

The catch share program review provides a thorough and comprehensive evaluation of the catch share program's performance and the factors inhibiting the program's ability to meet its economic goals and objectives. While the report does not assess the program's performance relative to a world without the program, the SSC does not expect such an analysis to be technically feasible. The presented analysis provides a good foundation to guide future Council actions aimed at improving the program's effectiveness.

The SSC emphasizes that one reason for the thoroughness and utility of the program review is the systematic collection of data aligned with the program's goals and objectives. The Economic Data Collection program (EDC) is a rare case where efficiency and profitability goals can be evaluated through a sector-wide census of revenue, costs, and profitability measures. Furthermore, the Quota Share Owner survey, implemented since the last program review, allows for a detailed analysis of quota leasing and royalties, while the Participation Survey offers information on non-fishing income and miles traveled between homeports and sources of services and supplies. The SSC acknowledges that collecting such data can be burdensome for industry participants. Assessing ways to reduce this burden while maintaining the value of the survey is an important research need. However, the SSC stresses that continued collection of such data is essential for evaluating any future Council actions to improve the program's performance.

The SSC endorses the four research and data needs identified and detailed in the ESC report:

1. Data and studies on administrative costs;
2. Identifying observed drivers of change;
3. Understanding attainment rates; and
4. Evaluating the performance of the quota-pound market.

The SSC identified three additional research and data needs:

1. **Reasons for better performance in the catcher-processor sector:** The review finds that the catcher-processor (CP) sector of the whiting fishery generally performed better than either the shoreside or mothership sectors. This may be due in part to differences in marketed product forms (e.g., more fillet production) that arise from differences in the size and quality of catch or differences in prior investments in processing equipment among

sectors. A better understanding of the reasons for these different outcomes could help improve performance in the shoreside and mothership sectors.

2. **Lack of vertical integration in the non-whiting fishery:** Understanding whether and why a lack of vertical integration in the non-whiting fishery is inhibiting utilization and profitability could be useful for evaluating the need for program modifications.
3. **Price declines in the non-whiting fishery:** The decline of ex-vessel prices for sablefish is a major reason for the poor performance of the bottom trawl fleet in recent years. A better understanding of what led to these price declines and whether and when they might reverse is key to understanding how the program will perform in the future and whether there is a need for major changes to the program to ensure its long-term viability. Understanding how alternative harvest strategies for sablefish over the next decade could impact the size distribution of landed fish, their prices, and the value of the sablefish fishery would be useful.

Scientific and Statistical Committee's
Economics Subcommittee
Report on the Review of the West Coast Groundfish Trawl Catch Share Program

Pacific Fishery Management Council
Online Meeting

November 7, 2025

The Scientific and Statistical Committee's (SSC) Economics Subcommittee (ESC) met virtually on November 7, 2025 to review the "Review of the West Coast Groundfish Trawl Catch Share Program." The ESC received an overview of the report from Jessi Waller (PFMC) and a presentation from Darrell Brannan (Brannan and Associates) and Melissa Errend (Northern Economics, Inc.). The subcommittee appreciates the considerable amount of work done by the authors of the report to complete the analysis.

The Magnuson-Stevens Act requires that catch share programs be reviewed five years after their implementation, and at least once every seven years thereafter (Section 303A(c)(i)(G)). The previous trawl catch share program review was completed in November 2017. The Council began discussing the second catch share review in September 2022 and provided guidance on the scope and focus of the trawl catch share review in September 2024. The Council requested that the review examine the performance of the trawl catch share program and provide a diagnosis of whether the program is meeting its economic goals and objectives, with a primary focus on the non-whiting sector, since the last program review.

The ESC reviewed the report, focusing on the diagnosis and conclusions about the factors that contributed to the catch share program's performance. The ESC provided feedback and recommendations on the diagnosis, including whether there are additional factors or aspects of the program affecting the achievement of its economic goals and objectives, along with any other comments on the review document as needed. The ESC also examined research needs identified in the previous program review and considered which research and data, currently unavailable, could support future understanding of the catch share program, including gaining a clearer understanding of the diagnosis.

The ESC concluded that the report offers a comprehensive review of the trawl catch share program. It provides a detailed summary of the program's performance over the past eight years and evaluates whether the program meets its goals and objectives. Specifically, the report shows that outcomes related to several economic objectives, such as the utilization of sectoral allocations, net economic benefits, and profitability, have varied significantly since the last review. In general, most sectors showed improvements in key economic indicators from 2016 to 2019 compared to the first five years of the program, followed by a decline over the last four years (2020–2023). The report diagnoses why the program appears to be falling short of its goals and objectives in the recent four years, focusing on both internal and external factors that contribute to its shortcomings. External factors include tariffs on U.S. seafood products, the COVID-19 pandemic, declining ex-vessel prices, challenges in rebuilding groundfish markets, inflation, and the strengthening of the U.S. dollar. Internal factors include program-related costs, variability in sectoral allocations, mismatches between sector allocations and catch composition on the water, and difficulties in the operation of the quota-pound market.

The ESC generally agrees with the report's diagnosis and conclusions. Although the report does not assess the program's performance relative to a world without it, it still provides a good foundation to guide future Council actions aimed at improving the program's effectiveness. Moreover, the ESC noted that generating such a counterfactual is not technically feasible. The ESC notes that one challenge in achieving the program's objectives is that they are not mutually exclusive, and some may conflict with each other. For example, reaching full utilization of sectoral allocations might conflict with efficiency and profitability goals, especially since program participants also participate in other non-catch share fisheries. This should be taken into consideration when making future decisions to improve the program.

The ESC provided several recommendations regarding research and data needs. It emphasized that one reason for the thoroughness of the program review and its ability to diagnose and address the shortcomings of the trawl catch share program is the systematic collection of data aligned with the program's goals and objectives. For example, the Economic Data Collection program (EDC) is a rare case where efficiency and profitability goals can be evaluated through a sector-wide census of revenue, costs, and profitability measures. Furthermore, the Quota Share Owner survey, implemented since the last program review, allows for a detailed analysis of quota leasing and royalties, while the Participation Survey offers information on non-fishing income and miles traveled between homeports and sources of services and supplies. The ESC acknowledges that collecting such data can be burdensome for industry participants, both in terms of program costs and the time spent answering survey questions, and identifies that assessing ways to reduce this burden is an important research need. However, the ESC stresses that continued collection of such data is essential for evaluating any future Council actions that may be taken to improve the program's performance.

The ESC identified the following outstanding research needs, some of which are similar to those identified in the previous program review and remain relevant for understanding the performance of the trawl catch share program. These include:

Data and Studies on Administrative Costs

- **Problem**: Determining the benefits generated by the program depends on knowing the full cost of administering the program. To date, while NMFS has quantified the incremental costs of implementing the program, full cost-accounting (including costs incurred by the Council and states) has not yet been implemented. This information would need to be developed to fully understand the relationship between the program's costs and the economic benefits generated for the nation.
- **Potential solution**: Assess the feasibility of providing additional program administration cost information in future annual reports.

Identifying Observed Drivers of Change

- **Problem**: Changes in the fishery have been observed since the implementation of the catch share fishery. However, the sources of these changes remain unclear. For instance, several factors external to the program, such as ex-vessel prices and inflation, have varied considerably in recent years, yet we don't know how much this variation contributes to the observed changes in the fishery. Furthermore, the catch share program (or other factors) may induce some participants to leave the fishery, changing the composition of remaining participants. We don't know how much the observed changes in the fishery are being driven by changes in individual behavior versus changes in the composition of remaining participants.
- **Potential Research**:

- Research is needed to distinguish between observed changes arising from changes in individual behavior and those arising from changes in the population makeup of participants (e.g., Abbott, Sakai, and Holland, 2022; Holland, Kasperski, and Abbott, 2025).
- Research is needed to decompose observed changes in the fishery into those attributable to external factors and those attributable to internal factors, potentially using mediation analysis (e.g., Reimer and Haynie, 2018). For example, what would industry profits have been in recent years if ex-vessel prices and costs had remained at their pre-catch share levels?

Understanding Attainment Rates

- **Problem**: We lack an understanding of the causes behind the continued under-attainment of sectoral allocations. For example, is under-attainment being driven by aggregation limits, a lack of markets for certain species, under-capacity relative to the size of sectoral allocations, or fishing effort being directed to non-catch share fisheries?
- **Potential Research**: Research is needed to understand what attainment would have been if aggregation limits had been different and if ex-vessel prices, sectoral allocations, and fishing capacity had remained at their pre-catch share levels.

Evaluating the Performance of the Quota Pound Market

- **Problem**: Achieving the program's goals and objectives depends on a quota market that enables the exchange of quotas between participants and provides signals about the abundance and scarcity of remaining allocations. Public comments indicate there are several obstacles hindering the market's efficient operation, but we do not know which design features could be used to improve the quota market's functionality.
- **Potential Research**: Research is needed to evaluate the performance of the quota pound market and identify areas in which the functioning of the market can be improved. These should be considered jointly with potential changes in harvest specifications that allow for greater flexibility (e.g., carryover).

References

Abbott, J.E., Y. Sakai, D.S. Holland. 2022. Species, space, and time: a quarter-century of fishers' diversification strategies on the US West Coast. *Fish and Fisheries* 24:93-110. DOI: 10.1111/faf.12712

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Reimer, Matthew N, and Alan C Haynie. 2018. Mechanisms Matter for Evaluating the Economic Impacts of Marine Reserves. *Journal of Environmental Economics and Management* 88: 427–46. https://doi.org/S0095069617304175.