GROUNDFISH MANAGEMENT TEAM REPORT ON TRAWL CATCH SHARE PROGRAM REVIEW - PRELIMINARY

The Groundfish Management Team (GMT) discussed the Review of the West Coast Groundfish Trawl Catch Share Program (Agenda Item G.5, Attachment 1) and provides: 1) general comments about the review and 2) requests for additional information in the review analysis to be provided at the November 2025 Pacific Fishery Management Council (Council) meeting. The focus of our comments at this meeting is to provide initial feedback and consider whether any additional information would be helpful, with the understanding that final adoption, program diagnoses, and consideration of program changes through follow-on action will be the focus of discussion in November. Erin Steiner, a contributor to the analysis, was in the GMT room during discussion and fielded questions about the analysis. The GMT would like to express its appreciation and support for the Catch Share (CS) Program Review analysis, particularly given the scope of the review process and the initial impetus of the action; that is to say, a regulatory requirement for periodic review (referencing the program outline in Section 1.1.2 of Agenda Item I.7, Attachment 1, September 2024). **The GMT recommends the Council forward the review draft for final adoption in November, with the following additions (discussed in more detail below):**

- **Synthesis of the analysis on community and social vulnerability to convey its meaning to, and context around, the CS program, and**
- **Similar metrics with DTS and non-DTS combined to evaluate how the overall bottom trawl sector is performing, as well as clarification as to why those sectors are split.**

General Comments

The GMT found this to be a valuable analysis of the performance of the catch share fishery, but notes that there is a difference between the performance of a fishery and the performance of a management system. The fishery faces many challenges, particularly stemming from market issues, which the program may have limited ability to influence. Since the last CS Program Review in 2017, many factors outside of the CS Program itself have impacted the fishery, such as the COVID-19 pandemic in 2020 and subsequent years, dramatic changes in the producer price index (i.e., increasing operational costs), shifts in processing infrastructure, and shifts in markets. While the review document makes note of those external factors, it generally does not parse out impacts to the fishery from those external factors compared to impacts from the CS program itself, making it difficult to identify specific program changes that can address economic performance of the fishery. However, conversations with Council staff indicate that further information on internal (management) and external (markets, etc.) impacts on CS fishery outcomes is in progress and can be expected in November as a part of the initial diagnosis. This is likely to be complimented by feedback from industry, as many proposals for program changes are likely to come from industry members who are acutely aware of immediate program needs and the difference between impacts that are market-driven compared to those that are directly related to program features.

In addition to external factors, the GMT also discussed the difficulty in translating the information provided to potential program changes given that the most recent year in the analysis is 2023.

There have been a number of changes both within and outside of the CS program that impact the fishery since 2023 and were not captured in the available time series from the economic data collection (EDC) program, including sharp allocation decreases, somewhat of a rebounding period post-COVID, the new use of two Mothership processing platforms on the West Coast during the summer, and further consolidation of major processing operations that has shifted effort in the trawl fishery, among others. One major processor shut down its operation in Newport, Oregon halfway through 2024, which shifted trawl effort primarily to Astoria. It was also noted that EDC is the only data source available to look at where the processing is occurring, even though the primary purpose of the data collection is financial performance of seafood businesses, not to quantify port-specific processing capacity. When considering program diagnoses and potential program changes, the Council should balance the quantitative analysis provided in the document with qualitative discussion and feedback from industry provided from the prior hearings as well as in November.

The CS program has a goal to, "provide for full utilization of the trawl sector allocation." However, there are only a handful of quota stocks in the Individual Fishing Quota (IFQ) program that are high-value target stocks, such as Pacific whiting, sablefish, petrale sole, yellowtail rockfish, and widow rockfish, and the allocations of those stocks are already generally fully attained. Many of the remaining stocks are considered "facilitator" stocks that either facilitate or constrain full attainment of target stocks. The report specifically mentions two explanations for low quota utilization: lack of market demand (Oremus et al. 2023) and the risk of unexpected, costly bycatch events ("lighting strikes"). Regarding the first, there are multiple cases throughout this review analysis where the term "full utilization" is implied to also mean "full attainment". However, if lack of market demand for species is the primary culprit of low attainment, then full attainment may not be consistent with broader program goals. At present, the Council does not appear to have a clear and agreed upon definition of "full utilization" as applied to the CS program goal. **The GMT suggests the Council evaluate and/or clarify the intent and definition of this CS program goal in the future, potentially as a follow-on action, along with any other goal(s) that may warrant re-evaluating now that the program is nearly 15 years old.**

Regarding the low utilization of quota resulting from risk of "lightning strikes", the GMT recognizes that this is a complex issue that cannot be rigorously explored before the November meeting. The GMT suggests that future analyses attempt to rigorously explore the function of the quota trading market, specifically with respect to constraining stocks, to determine what/if any program change could better facilitate allocation of constraining species quota.

Additionally, the GMT wishes to highlight the importance and continued need for economic data collection to further refine the translation of metrics into potential CS program changes in the future. Most of the data used in this review comes directly from the EDC Program, and much of the analysis would not be possible without that data source.

Requests for Additional Information

Below, the GMT outlines some potential additions to the review draft that may help the Council's deliberation at the program diagnosis stage in November. However, we recognize the limited time between September and November and only ask for what the analysts are capable of providing in that limited time.

Related to our discussion in this report about the difficulty in linking fishery performance to CS program influence and/or changes, **the GMT requests that the analysis on community and social vulnerability be synthesized across the disparate sections to convey its meaning to, and context around, the CS program.** For example, the analysis thoroughly demonstrated that groundfish CS landings are shifting away from California, and in a separate section the analysis highlighted community vulnerability of specific port areas, but more discussion on how metrics like these are connected in the context of the CS program would aid in November consideration of overall program performance.

During the joint GMT and Groundfish Advisory Subpanel (GAP) webinar on September 9th, there was some discussion about the analysis separating the bottom trawl fishery into vessels/trips that did or did not fall into the category of DTS (i.e., targeting Dover sole-thornyhead-sablefish). However, since Federal regulations consider those the same declaration type (50 CFR 660.13(d)), vessels may operate as both DTS and non-DTS on the same trip as well as throughout the year. The analysts clarified that the sectors were split as such in the analysis due to how the data are separated and aggregated in FishEYE, but also that there was a conscious decision to separate DTS vs. non-DTS vessels/trips in the analysis in order to underscore the impact that sablefish market declines have had on individual participants in the fishery. However, the GMT is interested in seeing the overall financial performance of the entire bottom trawl fishery as a whole. **For comparison, the GMT requests that the analysts provide similar metrics with DTS and non-DTS combined to evaluate how the overall bottom trawl sector is performing. The GMT also requests that the revised report in November provide some clarification as to why those sectors are split.**

References

Oremus, K. L., Frank, E. G., Adelman, J. J., Cruz, S., Herndon, J., Sewell, B., & Suatoni, L. (2023). Underfished or unwanted? *Science*, *380*(6645), 585-588.

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