

GROUND FISH ADVISORY SUBPANEL REPORT ON CATCH SHARE FIVE-YEAR  
REVIEW FOLLOW ON ACTION – PRELIMINARY ACTION

Dr. Jim Seger provided the Groundfish Advisory Subpanel (GAP) with an overview of this agenda item and proposed Council action. The GAP offers the following comments and recommendations.

**Blackgill rockfish vessel quota pound cap purpose and need statement, range of alternatives, and preliminary preferred alternative**

The GAP believes that the purpose and need statement accurately describes the rationale for considering new vessel quota pound caps for blackgill rockfish and offers no additional comments. The GAP further believes that the bookends for the range of alternatives are adequate. The GAP is concerned that the status quo vessel quota pound limits (i.e. 9%) will likely prove constraining for several operations. At the same time, given the concentration of blackgill at the southern edge of the fishery, the GAP is not concerned that relatively high use caps would result in undue concentration or control in the fishery as a whole. Therefore, the GAP recommends, alternative 3, setting the preliminary preferred alternative at 20%.

The GAP notes that this action is inextricably linked with implementation of Amendment 26.

**Set aside management for whiting bycatch preliminary preferred alternative**

The GAP discussed this issue at length. Establishment of set-asides for canary rockfish, darkblotched rockfish, Pacific ocean perch and widow rockfish will provide greater operational flexibility and certainty for the at-sea fishery. At the highest level, the GAP is broadly supportive of set aside management for all four species. The discussion in the GAP concerned whether the best approach is alternative 3 or alternative 4. Alternative 3 has the benefit of greater certainty in set aside levels year to year, as well as reduced workload requirements. Most importantly it would avoid contentious discussions about the appropriate level at which to set aside levels every two years. In contrast, alternative 4 could be more responsive to variability in abundance and needs. Ultimately, the GAP recommends alternative 3 as the preliminary preferred alternative and will be prepared to further discuss the pros and cons of the alternatives at the November meeting where the Council is scheduled to adopt a final preferred alternative.

**Post-season trading preliminary preferred alternative**

The GAP believes that post season trading could provide significant benefit to the fleet. Current rules require covering overages in excess of vessel use caps with quota from the following year. This reduces available quota for the remainder of the fleet ultimately driving down landings and revenue. There are also circumstances in which a vessel in deficit, but not over the vessel cap may not be able to find quota to cover that deficit during a fishing year. Likewise, in those instances, post-season trading preserves quota for the following year, maximizing the potential value of the fishery.

Relatedly, the GAP believes that the September 1 QP expiration serves no important purpose but does strand quota every year.

Therefore, the GAP recommends adopting alternative 2 (allow postseason trading for accounts in deficit), as well as the suboption exempting vessels from QP use limits during postseason trading. The GAP also recommends adopting alternative 3 (striking the September 1 QP expiration). The GAP did discuss several additional components that will be important to further develop in order to ensure that postseason trading serves its intended purpose and does not lead to unintended consequences.

- 1) Limited window for trading - For example, we recommend that post season trading would be allowed between January 1<sup>st</sup> and January 15<sup>th</sup>.
- 2) Post season trading should only be allowed for those species that are not close to full attainment – Vessels in deficit would be allowed to participate in post season trading during those dates only for species under 90% attainment of the QP as of January 1<sup>st</sup>. Another option would be to specify species that would not be eligible for post season trading (e.g. petrale sole and sablefish).

The GAP discussed two reasons for consideration of this limit. First, allowing post season trading for key target species, especially for vessels that had exceeded the vessel use cap, might undermine core components of the program. Second, the GAP was concerned that if many people fished into deficit knowing they had the ability to acquire quota after the year end, ACLs could potentially be exceeded. The GAP believes that these risks could benefit from further analysis.

One potential fix might be to allow post season quota trading for all species regardless of attainment, but to forbid post season trading for species over a certain level of attainment by vessels in excess of the vessel cap. This would minimize gaming while allowing more full utilization of the available quota.

- 3) Measures to prevent gaming -Vessels exceeding a vessel limit during the year would still be unable to fish the remainder of the year after incurring the deficit.
- 4) Additional exemptions to 30 day deficit rule – Modify the regulatory language to add a second exception to the 30 day rule for covering a vessel account deficit (1<sup>st</sup> exception is deficit within the carryover provision). The 2<sup>nd</sup> exception would be to allow a vessel more than 10% over the vessel limit to declare out of the fishery and cover the deficit during the January 1<sup>st</sup> to 15<sup>th</sup> post season trading window. If you don't or can't cover during post-season trading window and/or carryover quota then a violation would occur. This bullet could also benefit from further analysis.

### **Catcher-processor accumulation limits preliminary preferred alternative**

As noted in previous GAP and Community Advisory Board (CAB) statements, the GAP believes that establishing accumulation limits, ownership limits and processing limits for the catcher-processor sector is not the best use of precious staff time and resources. The GAP notes that the other priority actions in this agenda item are likely to improve flexibility, efficiency or business certainty and thereby improve economic outcomes in the fishery. This item is not supported by industry, was not recommended by the CAB or GAP, and won't lead to any appreciable benefits.

Therefore, with regard to accumulation limits the GAP recommends no action (alternative 1) plus vacating the control date (alternative 2). With regard to ownership limits the GAP recommends no action (alternative 1). With regard to processing limits, the GAP also recommends no action

(alternative 1). On this point in particular, the GAP notes that normal rationale for processing limits – maintaining shoreside infrastructure, regional participation, competition among buyers for catcher vessels etc. – does not make sense when applied to vertically integrated catcher-processors.

**Catcher-processor ownership data preliminary preferred alternative**

To provide parity and consistency with the other sectors, the GAP supports the new reporting requirements, but requests that CP information be held to the same confidentiality requirements in use for the other sectors.

**Quota share owner data preliminary preferred alternative**

While the GAP understands the desire to collect economic information on quota share owners to develop a greater understanding of the full impacts of the program, the GAP ultimately believes that such data will be expensive to collect and of suspect accuracy. Therefore, the GAP supports alternative 1 (no action).

**Additional issue considered by the GAP**

The GAP also received a public comment from Ms. Sarah Nayani recommending consideration of raising the mothership processing cap. Ms. Nayani noted that there are already vessel catch limits and ownership limits in the sector. Raising the cap could provide more flexibility and opportunity for catcher vessels, especially in years when some mothership vessels choose not to participate. The GAP supports Ms. Nayani’s request to consider caps ranging from status quo to 100%.

PFMC  
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