

3.0 APPROACH TO THE ANALYSIS

3.1 Introduction

The analysis is divided into two parts. The first part (Chapter 4) reviews the rationale and provides analysis of key provisions of the license limitation alternative. The second part (Chapters 5, 6, 7, and 8) provides an analysis of the license limitation alternative in contrast to the other amendment alternatives (status quo and ITQs). Chapter 5 provides a description of trends in the Pacific Coast groundfish and other fisheries in order to allow the reviewer to form an opinion about the likely state of the future fishery under status quo. Chapters 6 and 7 analyze biophysical and socio-economic effects of license limitation and ITQ alternatives in contrast to status quo management, and Chapter 8 provides a summary. The majority of this chapter is devoted to the analytical approach used in the second part of the analysis.

3.2 Scenarios for Analysis and Definition of Effectiveness

The following scenarios will be compared to status quo management in the bio-physical and socio-economic analysis.

- License limitation which is:
 1. effective in holding capacity to below levels which would have occurred under status quo management, and
 2. ineffective in holding capacity to below levels which would have occurred under status quo management.
- ITQs.

The performance of each alternative presented is compared with that of status quo in an effort to evaluate the desirability of changing the management regime for the groundfish fishery. To this end, defining what is meant by the term "status quo" is not a trivial matter. One view of status quo is that it represents the current conditions of the fishery. The issues embodied in this discussion however, are of a long-term nature. Under the license limitation alternative, the full impact of the license system does not occur until 1997 when "B" endorsements expire. Consequently, most of the benefits associated with the alternative are delayed until then. Furthermore, whatever management regime is in place at that time will continue to have major impacts upon the condition of the fishery for many years. Thus, while it may be interesting to assess how conditions in 1997 under license limitation would compare to the current fishery, the more relevant issue is how they would compare with a 1997 fishery that has been managed for the next five years using only the array of management tools available now. Beyond 1997, how might the various alternatives act to compound or diminish the causes of existing fishery problems? A determination of whether a program is expected to be "effective" depends as much upon presumptions of what will happen under status quo management as it does on the number of vessels initially qualifying for a permit with an "A" endorsement.

3.3 Likelihood of License Limitation Effectiveness

In order to be effective, a license limitation system must reduce fleet harvesting capacity below status quo management. This would be achieved principally through placing a limit on the number of

vessels allowed in the fishery, and secondarily putting constraints on increases in capacity of participating vessels. Additionally, the degree to which individual vessel capacity is utilized would affect the likelihood of program success as well as limits on the type of gear used with the vessel.

3.3.1 Control of Number of Vessels

From a practical standpoint, if a license limitation system is to be effective, it must result in fewer participating vessels than would have been active under status quo management. If the number of active vessels would have increased under status quo management, then a license limitation system may be effective if it simply limits the increase. If the number of participants would have remained at or declined below current levels under status quo management, then effectiveness of the limited entry system is likely to require a decrease in the number of active vessels below current fleet size.

It will be impossible to determine with advance certainty whether the license limitation proposals before the Council will be effective in reducing the number of active vessels compared to what would have occurred under the status quo management. What can be done is to provide information on conditions, trends and events in this and other fisheries which will help individuals assess for themselves whether vessel numbers are likely to be higher without a license limitation system. This is the focus of Chapter 5.

Limiting vessel numbers is only a prerequisite for an effective license limitation system. Increases in vessel fishing power and the degree to which individual vessel capacity is utilized must also be considered in determining whether a license limitation system will be effective.

3.3.2 Control of Vessel Capacity (Power)

Under the proposed license limitation program, expansion of capacity would be limited by the size endorsement for overall length of the qualifying vessel. This is not expected to completely prevent expansion of vessel capacity, however, it may slow the growth in capacity of individual vessels and put an ultimate ceiling on growth. An example of its effectiveness is that size may limit movement of vessels into different strategies. For example, it is difficult to turn a small nearshore trawler into a midwater trawler without increasing vessel size. Size limits also prevent permits from moving to larger vessels which may have higher annual capacity simply because they are less limited by weather than smaller vessels.

The Council considered a number of measures for limiting vessel growth including horsepower and various volumetric measures such as under-deck-volume, gross tons and net tons and combinations thereof (see Squires and Huppert 1988 for an example of some of the work carried out in exploration of this issue). Horsepower was rejected because of the difficulty of enforcing such a measure and because it related more to trawl vessel capacity than the capacity of other types of vessels. Volumetric measures combined with vessel length were rejected because of measurement difficulties and concern over limiting a vessel's ability to achieve greater stability.

While length may not be completely effective in limiting the growth of individual vessel capacity, as long as trip limits are in place incentive for expansion of vessel capacity will be limited.

3.3.3 Utilization of Vessel Capacity in the Groundfish Fishery

Given the current trip limits and fish prices, much of the capacity for the fleet is not utilized. Many of the vessels which participate have done so only marginally. Even under the license limitation system with high MLRs, many permits will be issued for vessels which have had relatively little activity and much unused capacity. The owners of these permits and vessels may become more active or the permits may eventually be purchased by individuals who intend to be more active, thereby increasing capacity utilization. Again, as long as trip limits are in place, much of the per vessel excess capacity cannot be used so the incentive to increase capital investment will be limited. Trip limits apply to most of the fleet. The primary exception is the two month non-trawl sablefish opening which currently occurs in the spring.

3.3.4 Restrictions on Gear Used

In addition to restricting numbers and sizes of vessels as well as the utilizable capacity of the vessels, the program also works to restrict capacity through restriction of the limited entry gear used. Vessels would not be allowed to switch from a less powerful to a more powerful type of limited entry gear (e.g., longlining to trawling for rockfish).

3.4 Scoping and Issues Covered in the Analysis

In January and February 1989, the Council held 13 workshops on limited entry, one in each of the following ports: Washington – Bellingham, Seattle, Port Angeles, Westport; Oregon – Astoria, Newport, Coos Bay, Brookings; and California – Eureka, Fort Bragg, Sausalito, Monterey, Santa Barbara. These workshops served as scoping sessions for the SEIS. Presentations were made giving the reasons the Council was considering limited entry, pros and cons of limited entry, and proposals which had been developed by the Council's LEC. During the workshops, participants were asked to identify reasons for support and opposition to limited entry and ways to improve the proposals. Their responses were considered carefully by the LEADOC and were the basis of changes to the proposals recommended by the LEADOC to the Council. The responses were also used to identify the issues to be covered in this analysis. A full report on the workshops and issues covered was presented to the Council at its November 1989 meeting and is available from the Council office.

The analysis provided in this document covers the issues identified during the 1989 limited entry workshops and should allow the reviewer to evaluate the effects of the limited entry alternatives on achievement of the Council goals and objectives. The Council goals and objectives are responsive to National Standards of the MFCMA and address conservation, economic and social problems present in the fishery. Council goals and objectives and how they relate to problems in the fishery are reviewed in Chapter 1.