

June 2008 Council Action on Trawl Rationalization

Complete Details

The Council adopted a preliminary preferred alternative that it will consider at its November 2008 Council meeting, when it will adopt its final preferred alternative. A preliminary draft environmental impact statement (EIS) will be released at the end of September. That document will cover both the preliminary preferred alternative and other alternatives that the Council could consider as part of its final action. Hearings will be held in late October just prior to the Council's final action.

Main Rationalization Tools

By sector, the main trawl rationalization tools of the Council's preliminary preferred alternative are:

- Shoreside Whiting and Nonwhiting Fisheries: manage under an individual fishing quota (IFQ) system, as a single combined sector.
- Whiting Mothership Sector: manage as a co-op fishery.
- Catcher-processor Sector: modify the limited entry system to facilitate continuation of the current voluntary co-op system and put in place individual quota provisions that would be triggered if the voluntary co-op system fails.

If Congress provides the needed legislation, the shoreside whiting fishery may be managed as a co-op with processor linkages rather than with IFQs.

IFQ Program

❖ A-1.1 Scope for IFQ Management, Including Gear Switching

Species. The scope for the preliminary preferred alternative would exclude some groundfish species rarely taken in a trawl sector and dogfish, as specified in the following tables.

SHORESIDE TRAWL SECTOR: IFQ Not Required for the following		
	Longspine South of 34°27'	California Scorpionfish
	Minor Nearshore Rockfish N	Cabazon
	Minor Nearshore Rockfish S	Kelp Greenling
	Black Rockfish (WA)	Shortbelly
	Black Rockfish (OR-CA)	Other Rockfish
		Spiny Dogfish
AT-SEA TRAWL SECTOR: IFQ Not Required for Any Species Other Than Whiting and . . .		
	<u>Option 1 (Similar to status quo):</u>	<u>Option 2 (Extended List)</u>
	Widow	Slope Rock
	Darkblotched	Shelf Rock
	Canary	Canary
		Darkblotched
		Lingcod
		Pop
		Sablefish
		Widow
		Yellowtail

The catches of species excluded from IFQ coverage would be accounted for and tracked against the overall optimum yield (OY). If a trawl allocation for any of these species is adopted in the future, then IFQ coverage could be extended to those species at that time.

Gears. The scope of the program allows for gear switching (allows a trawl permitted vessel to switch back-and-forth between taking its IFQ with trawl and with other legal groundfish gears). An option was added to provide for gear conversion. Gear conversion would allow a vessel to switch from trawl to another gear but not back again, see Section A-7 for the gear conversion option.

❖ **A-1.2 IFQ Management Units**

The IFQ program provides an option that would create a spit at 40°10' N latitude for any stock management unit that would otherwise be managed on a coastwide basis. Management units are used to set targets for trawl harvest (i.e. the trawl allocation). To address concerns about potential geographic shifts, the Council preferred alternative includes both this existing option and a new option: regional landing zones. Regional landing zones would not change the management units for which targets are set, but rather specify where landings would occur. Therefore, the details of the regional landing zone option are provided in a separate section, Section A-8.

❖ **A-1.3 General Management and Trawl Sectors**

Under the preliminary preferred alternative, the shoreside whiting and nonwhiting sectors would be combined into a single sector such that there would be three trawl sectors: a single shoreside sector and two at-sea sectors (mothership and catcher-processor).

❖ **A-1.6 Groundfish Permit Length Endorsements**

Under the preliminary preferred alternative, the length endorsement restriction on trawl permits will not apply unless the permit is also endorsed for limited entry longline or fishpot gear.

❖ **A-2.1 Initial Allocation and Direct Reallocation**

Groups (Section A-2.1.1.a). For its preliminary preferred alternative, the Council structured a new option for initial split of the quota shares (QS)¹ among groups.

	Shoreside Nonwhiting QS		Shoreside Whiting QS ²	
	Amount to Permits	Amount to Processors	Amount to Permits	Amount to Processors
Option 6 (10% for Adaptive Management)*	80%	20%	80%	20%

* Annually, up to 10% of the available QP may be set aside for use in an adaptive management program

Attribution of Processor History (Section A-2.1.1.d). The Council adopted dual preferred alternatives on attributing and accruing processing history for shoreside processors:

Option 1: attribute history to the receiver reported on the landing receipt (i.e. the entity responsible for filling out the state fish ticket). *The fish receiver would serve as a proxy for processor because of limited availability of official documentation on actual processing history.*

Option 3: same as Option 1, except history may be reassigned to an entity not on the landings receipt, if parties agree or through an agency appeals process. *The intent of this option is to provide an opportunity for catch history to be assigned to the entity that actually processed the fish.*

Recent Participation (Section A-2.1.2.c). In order for a shoreside processor to qualify for an allocation related to its nonwhiting deliveries, the preliminary preferred alternative specifies that it would have to meet the following recent participation requirement:

Nonwhiting Option 2: 6 mt or more of deliveries from nonwhiting groundfish trips in each of any three years from 1998-2003.

For an allocation related to whiting deliveries the processor recent participation requirement would be:

Whiting Option 2: 1 mt or more of deliveries from whiting trips in each of any two years from 1998-2003.

There is no recent participation requirement for permits.

¹ IFQ would be issued as QS which designate the share of total harvest which an individual would be allowed to harvest. Each year, holders of QS would receive quota pounds to be used in that year.

² Assuming the fishery is not managed with co-ops.

Allocation Formula for Permits (Section A-2.1.3.a). Under the Council’s preliminary preferred alternative, there will be an equal division of the buyback permits’ pool of QS among all qualifying permits. All remaining QS would be allocated based on each permit’s history:

For non-overfished species, the allocation period would be 1994-2003, using relative history and dropping the three worst years for nonwhiting deliveries and the two worst years for whiting deliveries. For overfished species taken incidentally on nonwhiting trips, QS would be allocated to a permit by taking its target species QS and applying the permit’s catch areas as recorded in vessel logbooks and area-specific fleet bycatch rates (Overfished Species Option 2). For all bycatch species taken on whiting trips, QS would be allocated pro-rata to a permit based on the whiting QS allocation to the permit (Bycatch Species Option 2).

Allocation Formula for Shoreside Processors (Section A-2.1.3.d).³ Under the Council’s preliminary preferred alternative, for all species other than overfished species taken incidentally on nonwhiting trips and bycatch species taken on whiting trips, allocate QS based on the entity’s history for the allocation period of 1994-2003 (drop two worst years) and use relative history (as defined in Section A-2.1.3.a). For overfished species taken incidentally as part of a nonwhiting trip, apply the same formula used for permits (i.e. determine catch area distributions for all permits delivering to a processor, use fleet averages to develop an average bycatch rate and apply the result to the target species QS allocated to the processor). For bycatch species taken as part of a whiting trip either (dual preliminary preferred options): Option 1: do not allocate bycatch to the processor, or Option 2: allocate whiting pro-rata based on the whiting QS allocated to the processor.

❖ **A-2.2.1 Permit/IFQ Holding Requirements**

Element #4 specifies that if a vessel has a deficit in its quota pounds (QP) account it would be prohibited from participating in any fishery covered within the scope of the program (Section A-1.1). For its preliminary preferred alternative, the Council specified in Element #4 that a vessel with a deficit in its QP account would not be prohibited from participating in any of the following fisheries, even if they fall within the scope of the program.

salmon troll; Highly Migratory Species (HMS) troll/surface hook-and-line; Dungeness crab; all other HMS gears, except small mesh gillnet; and Coastal Pelagic Species purse seine.

³ The Council’s preliminary preferred alternative also included the allocation of bycatch species in the mothership and catcher processor sectors pro-rata based on the whiting allocation. However, these options would only come into play if the Council does not go with its preliminary preferred alternative to adopt the co-op alternatives for these two sectors.

Additionally, vessels with a QP deficit would be prohibited from participating in:

state trawl fisheries such as pink shrimp, California halibut, ridgeback prawn, and sea cucumber, and small mesh gillnet.

For its preliminary preferred alternative, the Council revised Element #6 to provide a sliding scale exception that would allow a vessel that does not cover its deficit to resume fishing after a period of time. The period of time the vessel would be prohibited from participating in certain fisheries would vary depending on the degree of the uncovered overage. The scale that would be used is still to be developed.⁴

❖ **A-2.2.2 Annual IFQ Issuance**

Carryover (Section A-2.2.2.b). The Council's preliminary preferred alternative specifies that the carry-over provision apply only to QP that are transferred to a vessel account.

❖ **A-2.2.3 IFQ Transfer Rules**

Temporary Transfer Rules (Section A-2.2.3.c). For its preliminary preferred alternative the Council specified that QS will not be transferable at the start of the program for the first two years. QP will be transferable at the start of the program.

Accumulation Limits (Section A-2.2.3.e). The Council did not select a preliminary preferred option from among the three suites of accumulation limit options provided in Table 2-4. It did, however, make the following change to that table.

Modify the shoreside whiting sector vessel caps so that they are all 50 percent above the control caps (change the 7.5 percent, 10 percent, and 12 percent vessel caps to 15 percent, 22.5 percent and 37.55 percent, for Options 1, 2 and 3 respectively).

With respect to the grandfather clause options for the accumulation limit provision, the Council specified that there would not be a grandfather clause (Option 3).

❖ **A-2.3.1 Tracking, Monitoring and Enforcement**

The Council specified the following as its preliminary preferred tracking and monitoring alternative.

Discards (Tracking and Monitoring Program Alternative 1). With respect to discarding Alternative 1 includes allowing discards of IFQ species (discards still count against a vessel's QP), and requires discards of individual bycatch quota (IBQ) species.

⁴ Example: a minimum of 4 months (120 days) for 100 lbs plus an additional month for every additional 50 pounds of overage (1 mt overage = 44 months)

At-sea Catch Monitoring (Tracking and Monitoring Program Alternative 2). With respect to at-sea catch monitoring Alternative 2 includes for nonwhiting trips a requirement for 100 percent observer coverage on vessels and for shoreside whiting trips observers in addition to or as a replacement for video monitoring.⁵

Cost Control Mechanisms (Tracking and Monitoring Program Alternative 2). In order to control costs, the Council preliminary preferred alternative would limit landing hours.

All Other Provisions. All other provisions of the tracking and monitoring program would be as specified in A-2.3.1.

❖ **A-2.3.2 Program Costs**

The Council selected Option 1 for its preliminary preferred alternative:

Fees will be used to recover costs associated with management of the IFQ program but not for enforcement or science. The limit on fees will be 3 percent of ex-vessel value, as specified in the Magnuson-Stevens Fishery Conservation and Management Act (MSFCMA).

❖ **A-2.3.2 Program Duration and Modification**

For the Council's preliminary preferred alternative this provision continues as it stands:

Four-year review process to start four years after implementation. Community advisory committee to review IFQ program performance.

❖ **A-3 Adaptive Management**

For its preliminary preferred alternative, the Council modified the adaptive management option by specifying that an amount up to 10 percent of the available QP would be set aside, that set-asides would be specific to the trawl sector providing the set aside, and that the amount to be set aside, if any, would be determined as part of the biennial specifications process.

❖ **A-4 Pacific Halibut IBQ—Non-retention**

The Council included the option for Pacific halibut IBQ as part of its preliminary preferred alternative.

❖ **A-6 Fixed Term (and Auctions)**

Fixed term QS and auctions are not part of the Council's preliminary preferred alternative.

❖ **A-7. Gear Conversion**

The scope of the IFQ program allows trawl vessels to use other types of gear to harvest groundfish QP. The Council added the following option for consideration at its November 2008 meeting. The option is not necessarily a preferred option.

⁵ If IFQs are applied to at-sea whiting in the Council's final action (1) the Council's preliminary preferred alternative would include a provision requiring observers in addition to or as a replacement for video monitoring for at-sea whiting; and (2) for motherships and catcher-processors the Council's preliminary preferred alternative would remove references indicating "supplemental video monitoring on processors may also be used."

Option: allow a permit holder to use an alternative legal gear for a two-year period after which the permit holder decides whether to continue to use the alternative gear or trawl gear.

❖ **A-8. Regional Landing Zones (Option)**

Under the preferred alternative, the Council will choose between creating a split in the management units at 40°10' N latitude and regional landing zones (see Section A-1.2). The following describes the regional landing zone option.

1. Two basic types of QS would be issued for target species:
 - (a) zone-specific QS and
 - (b) zone-free QS.
2. QP from zone-specific QS could only be landed in the zone for which the QS is issued. Zone-specific QS would be transferable to holders outside the zone, but the QP associated with that QS would have to be landed within the specified zone. Incidentally harvested overfished species would not be managed with regional landing zones.
3. Zones would be limited in number (i.e., 2-6 per state with a coastwide maximum of ten), designed and nominated by the states, and approved by the Council. The states could design individual zones to encompass a single port or group of ports.⁶
4. The Council would decide the overall split between zone-specific and zone-free QS (e.g., 80 percent zone-specific, 20 percent zone-free). Each permit owner or processor would be allocated the same split of zone-specific and zone-free QS.⁷

QS would be issued to permit owners and processors based on the allocation formulas specified in Section A-2.1. These formulas use a 1994-2003 allocation period. The QS issued to each recipient would be designated for a particular zone based on the recipient's landings history over a time period chosen to reflect recent conditions (e.g., 2005-2007). For each target species, zone-specific QS would be issued to a recipient based on the proportion of landings history in each zone during the recent period.

5. The Council could adaptively manage the system by varying the split of zone-specific to zone-free QS, redistributing QS among zones, permitting limited transfers between zones, adding or subtracting zones, etc.

⁶ Washington Department of Fish and Wildlife would likely nominate two zones: Bellingham-North Coast and South Coast-Columbia River.

⁷ The analysis should consider a reasonable range of zone-specific/zone-free splits (e.g., 80/20, 75/25, 50/50).

B-1 Whiting Sector Management Under Co-ops

Under the Council's preliminary preferred alternative,

- there will not be a rollover of unused whiting from one sector to another (Section B-1.2, Option 1)
- bycatch species will be allocated down to the co-op level and between the co-op and non-co-op fisheries (Section B-1.3, Option D)
- there will not be seasonal releases of bycatch, unused bycatch may be rolled over from one sector to another if the sector's full allocation of whiting has been harvested or participants do not intend to harvest the remaining sector allocation (Rollover Option 1); and there will not be a buffer for the non-co-op fishery, but the fishery will be closed based on projected attainment of its allocation (Bycatch Buffer Option 2, modified).

For the Council's preliminary preferred alternative, other provisions of this section are as specified with the addition of the requirement that co-ops provide annual reports to the Council and modification of the adaptive management program to parallel the adaptive management option specified for IFQs.

B-2 Whiting Mothership Sector Co-op Program

❖ B-2.1 *Participation in the Mothership Sector*

Catcher Vessels (Section B-2.1.a). For its preliminary preferred alternative, the Council added a provision specifying that a vessel may not engage in the processing of whiting during any year in which a catcher vessel (mothership) (CV(MS)) endorsed permit is registered for use with the vessel.

Vessels Excluded (Section B-2.1.c). For its preliminary preferred alternative the Council specified that motherships also operating as a catcher-processor may not operate as a mothership during a year in which it also participates as a catcher processor (Option 1).

❖ B-2.2 *Permits/Endorsement Qualification and Characteristics*

Qualifying for a Catcher Vessel (Mothership) Endorsement (CV(MS) endorsement) (Section B-2.2.1.a). For its preliminary preferred alternative the Council specified that a limited entry permit will qualify for a CV(MS) whiting endorsement if it has a total of more than 500 mt of whiting deliveries to motherships from 1994 through 2003 (Option 1).

Catch History Assignment (Section B-2.2.1.a). For its preliminary preferred alternative, the Council specified a new option: a CV(MS) whiting endorsement calculated catch history will be based on whiting history during the related permit's best 8 out of 10 years from 1994 through 2003.

Whiting Endorsement Transferability and Endorsement Severability

(Section B-2.2.1.b). The Council selected Transfer Option 2 for its preliminary preferred

alternative: the CV(MS) whiting endorsement may be severed from the permit and transferred to a different limited entry trawl permit.

Accumulation Limit (Section B-2.2.1.c). For the Council's preliminary preferred alternative, the accumulation limit will be set equal to the amount of the largest current owner. There will be no grandfather clause.

Qualifying Entities for Motherships (Section B-2.2.2). For its preliminary preferred alternative, the Council selected Option 1:

Option 1: The owners of qualifying motherships will be issued MS permits. In the case of bareboat charters, the charterer of the bareboat will be issued the permit.

The Council also specified that

- MS permits **may not** be transferred to a vessel engaged in the *harvest* of whiting in the year of the transfer (Section B-2.2.2.c, paragraph 3, Option 1);
- MS permits may be transferred two times during the fishing year (Section B-2.2.2.c, paragraph 4, Option 3); and
- No individual or entity owning a MS permit(s) may process more than 40 percent of the total mothership sector whiting allocation (Section B-2.2.2.d, new option).

❖ **B-2.3 Co-op Formation and Operation Rules**

For its preliminary preferred alternative, the Council selected Option 2:

Co-op Formation Option 2: Multiple co-ops are not required. Catcher vessels may organize a single co-op or multiple co-ops but are obligated to deliver to the processors as proscribed in B-2.4.

The preliminary preferred alternative includes co-op agreement standards, as presented.

❖ **B-2.4 Processor Ties**

For its preliminary preferred alternative, the Council selected a new processor tie option: permits will be required to deliver 90 percent of their catch to the mothership to which they are obligated and initial obligations will be based on the licensed mothership the permit made a majority of its whiting deliveries in 2009. The Council also specified its preliminary preference to not provide CV(MS) endorsed permits an opportunity to participate in the co-op fishery under circumstances in which a mothership leaves the fishery without transferring its permit to a different mothership and a mutual agreement is not reached with respect to the transfer of the CV(MS) permit obligation to a different mothership.

B-3 Whiting Shoreside Sector Co-op Program

The Council did not specify options for its preliminary preferred alternative.

B-4 Whiting Catcher-processor Sector Co-op Program

For its preliminary preferred alternative, the Council modified the alternative by specifying that harvest amounts for members of the co-op (in aggregate) will be specified

in regulation and that if the current industry developed co-op breaks up, individual quota will be distributed equally among the 10 catcher-processor endorsed permits.

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