

# Rationalization of the Groundfish Fishery – US West Coast

# Outline of Presentation

- Overview of Groundfish Fishery
- History of Groundfish Rationalization – Including Fixed Gear Sablefish Quota Program
- Basics of the Amendment 20 Trawl Rationalization Program
- Lessons Learned During the Policy Development Process

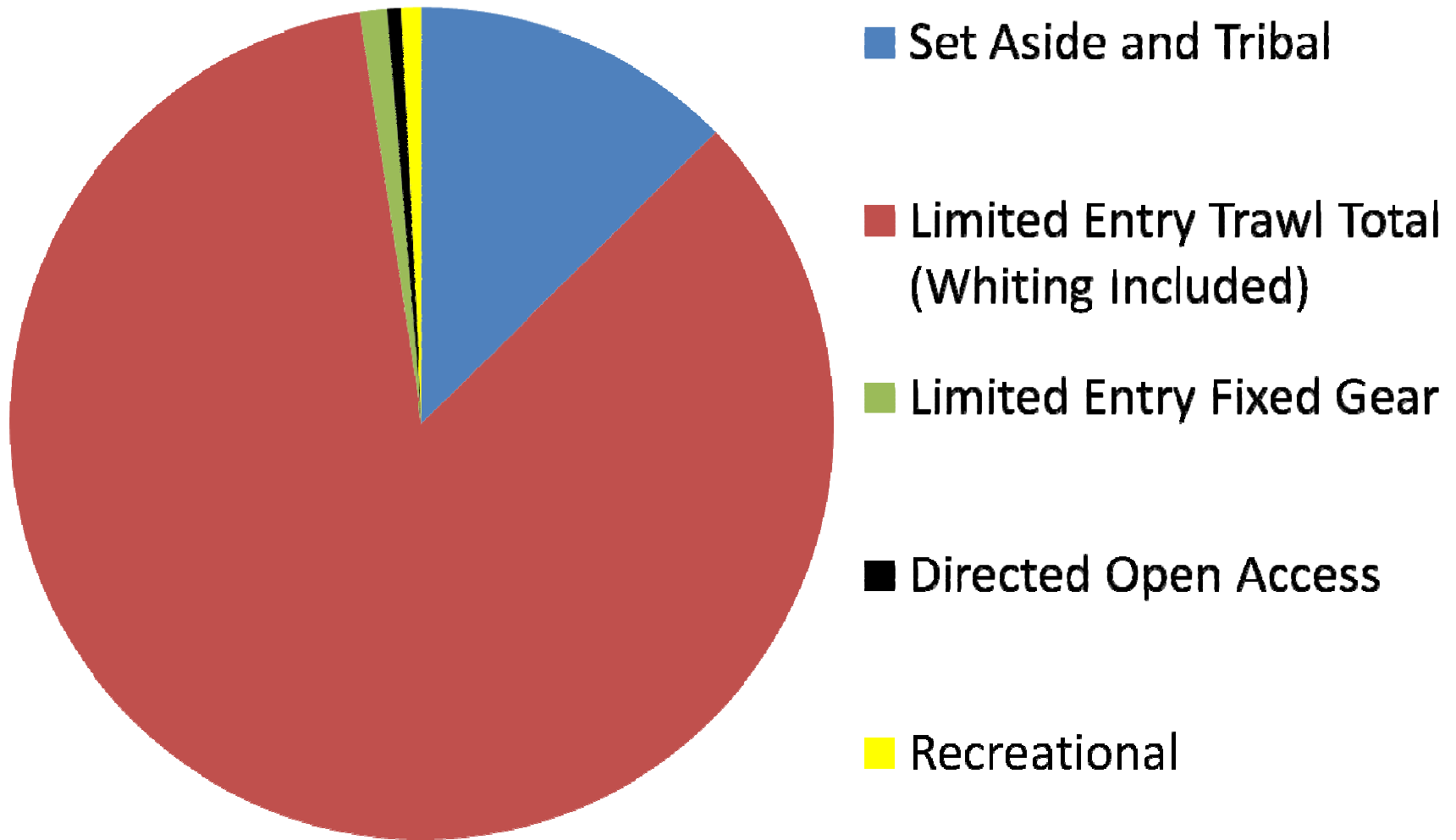
# Types of Limited Access Privilege Programs (LAPPs) to be Covered Today

- Limited entry fixed gear sablefish – existing system in which QS is in blocks attached to permits
- Shoreside trawl fishery – proposed traditional IFQ program, includes divisibility and separate transferability of quota shares
- Mothership whiting trawl fishery – proposed catcher-vessel co-ops
- Catcher-processor whiting trawl fishery – existing self organized co-op program

# **OVERVIEW OF WEST COAST GROUNDFISH FISHERY**

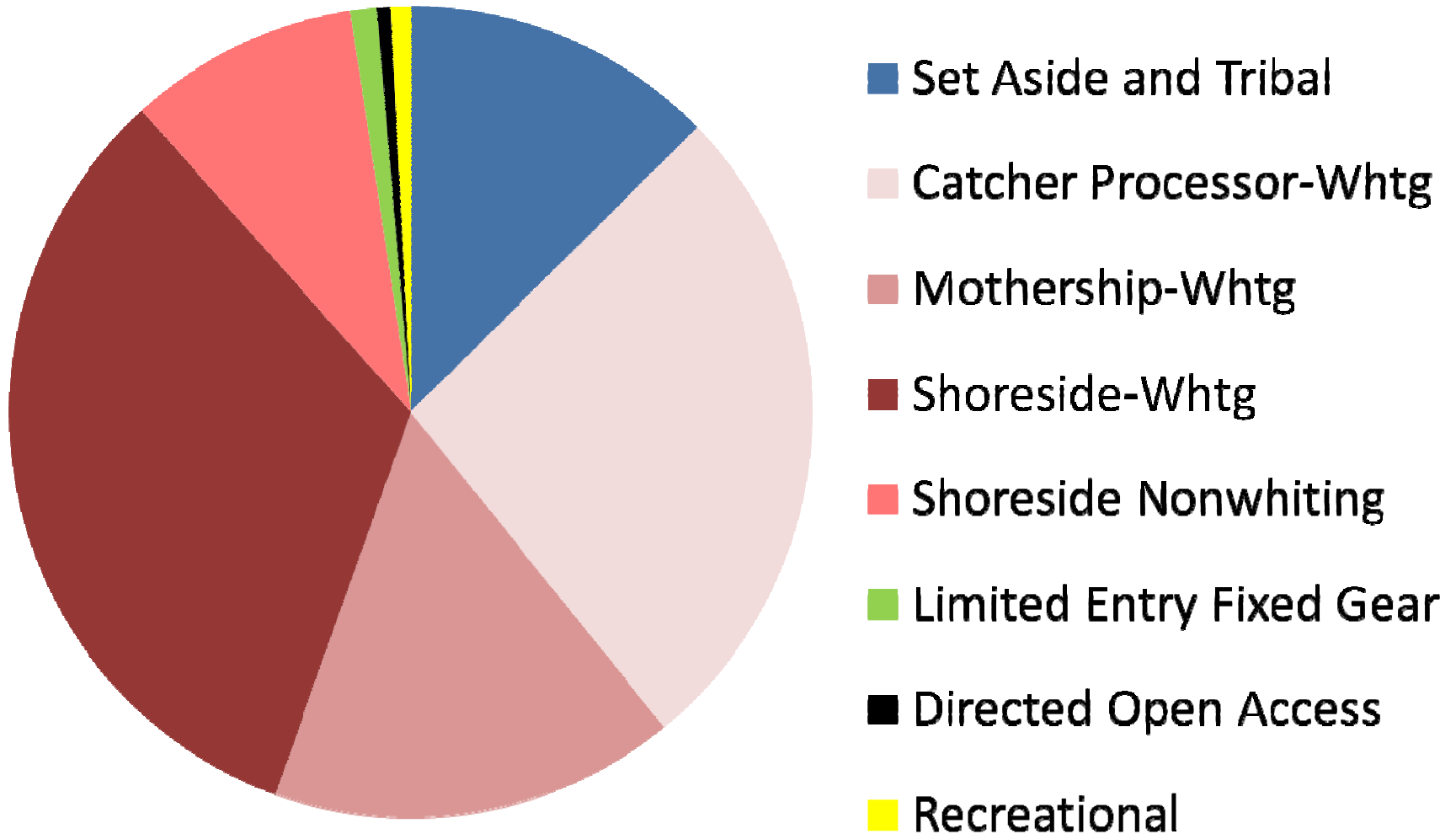
# Groundfish By Sector

## (Metric Tons, Whiting and Nonwhiting)

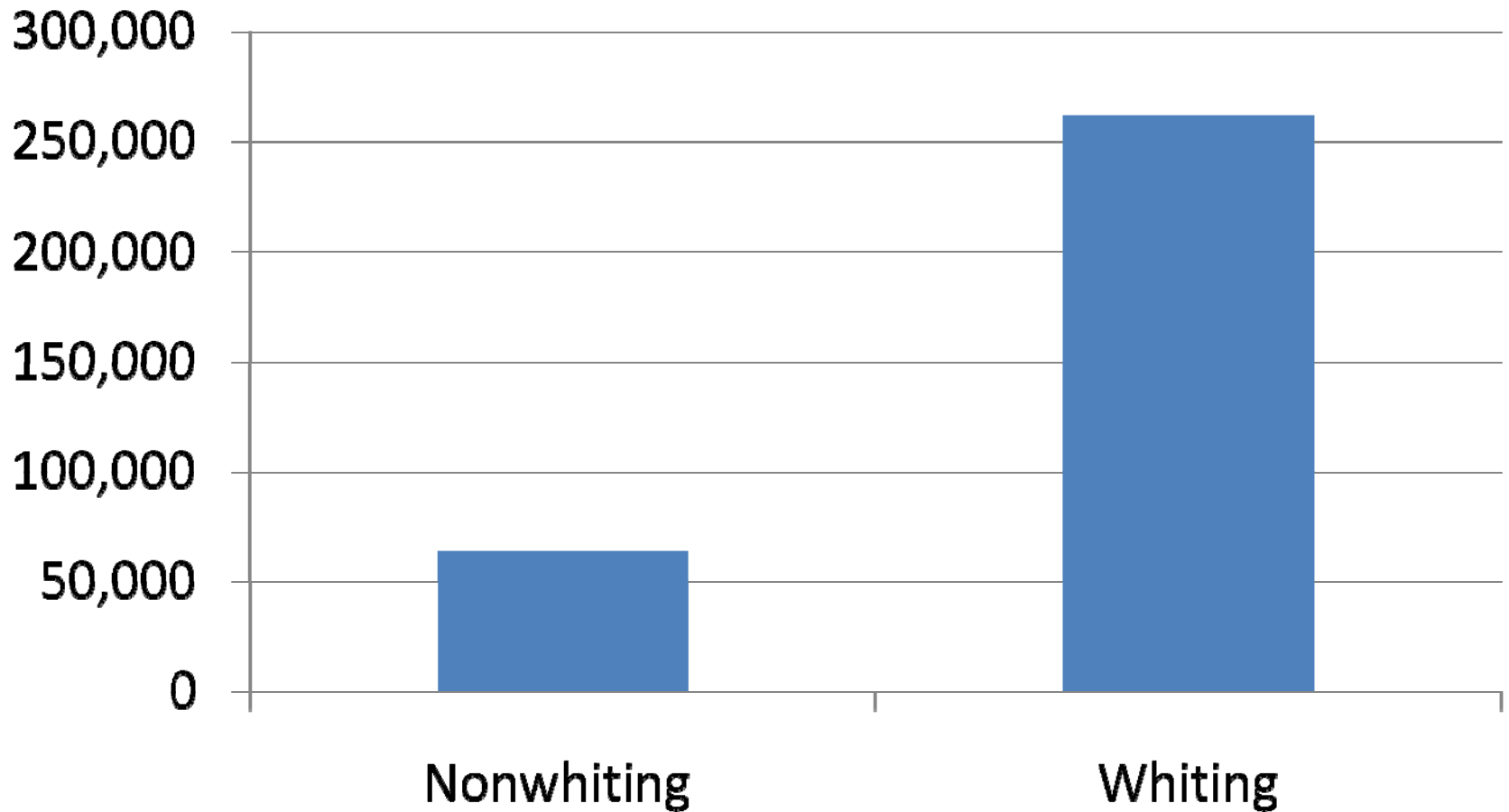


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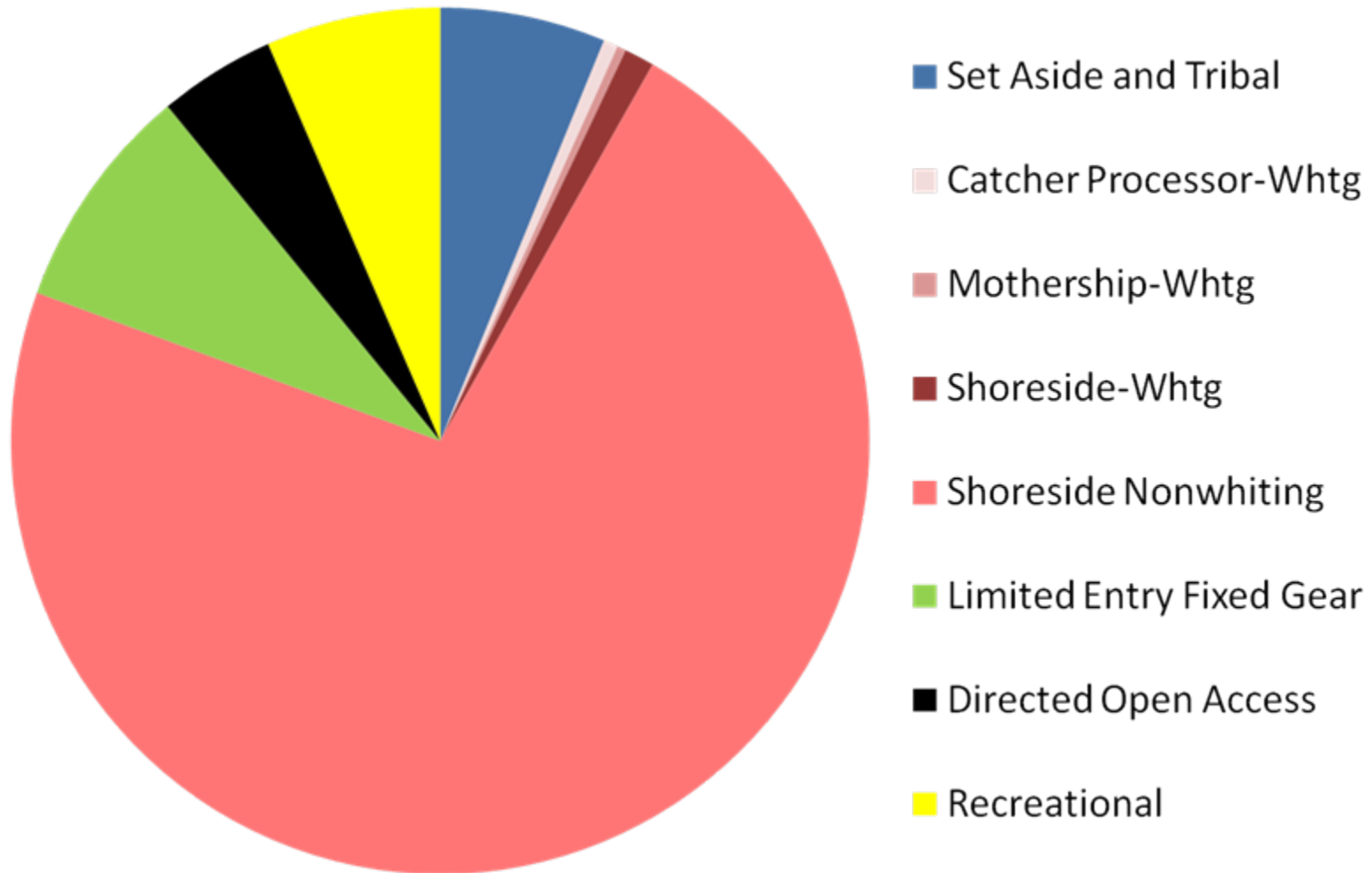
## (Metric Tons, Trawl Sector Split Out)



# Groundfish Fishery Metric Tons (All Sectors - 2005)



# Groundfish By Sector (Metric Tons, Non-Whiting)





# Limited Entry Permit and Vessel Counts

## Trawl

- 168 catcher vessel permits
- 10 catcher-processor permits
- 110-120 active catcher vessels each year

## Fixed Gear

- 235 fixed gear permits
- 164 permits sablefish endorsed permits

# Non-tribal Commercial Fishery – Exvessel Values (2007)

- Total value nontribal commercial groundfish— \$74.2 million  
(27% of all commercial, including tribal)
- Total value whiting trawl – \$34.1 million  
– 46% of all nontribal commercial groundfish
- Total value nonwhiting trawl – \$24.2 million  
– 33% of all nontribal commercial groundfish
- Total for limited entry fixed gear fishery -- \$10.5 million  
– 14% of all nontribal commercial groundfish
- Combined the limited entry fisheries took about 93% of the nontribal commercial groundfish exvessel value

# **HISTORY OF GROUND FISH RATIONALIZATION**

80				<i>MSA Moratorium Ends (Oct 1)</i>
				Groundfish Strategic Plan - Recommends IFQs
81		<b>Scheduled final action on LE for Mar. Sept. License limitation adopted.</b>		
		Fixed Gear Sablefish IFQ development begins	01	Fixed Gear Sablefish Permit Stacking (IFQs) Implemented
82			02	Modification to qualifying requirements.
83			03	<b>Trwl Catch Shares - Wrk Begins.</b> Trawl buyback program.
84	IFQs mentioned at least this early.	License Limited Permits Required <b>Sabelfish IFQs final action scheduled for Apr. Oct. Sablefish IFQs tabled.</b>	04	Bycatch Mitigation Plan supports consideratino of IFQs.
85		<i>Budget rider prevents consideration of IFQs.</i>	05	Bycatch Plan Finalized in Amendment 18.
86		<i>MSA Moratorium on IFQs</i>	06	<b>MSA Reauthorized (mandates Council Action)</b>
87	<b>Limited Entry (LE) Committee work begins</b>	Sablefish Endorsements Implemented	07	
88		Sablefish Tiered Limits Implemented	08	Trawl Catch Shares - Final Action

# Fixed Gear Sablefish Permit Stacking Program (Blocked Shares w/Limited Transferability)

- One blocks of sablefish quota for each permit.
- Blocks in 3 sizes, determined by permit's history (Tier Endorsements)
- Blocks cannot be transferred separate from the permit
- Multiple permits (up to 3) can be used with one vessel
- Owner-on-board requirement.

.  
164 sablefish endorsed permits are now consolidated on 90 vessels.

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# Trawl Vessel/Permit Buyback Program

- \$10 million appropriated and \$36 million industry loan
- 91 trawl vessels and associated state and Federal permits bought back
- Federal permits representing about 44% of the 1994-2003 groundfish landing history.
- Loan to be paid by trawl groundfish, Dungeness crab and pink shrimp fleets.

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**BASICS OF THE AMENDMENT 20  
TRAWL RATIONALIZATION PROGRAM**

# Motivation for Trawl Rationalization

- Reduce bycatch
  - IFQs identified as a tool for bycatch mitigation (Amendment 18)
- Stabilize and improve fishery and community economics
  - IFQs identified in the 2000 strategic plan as a tool for addressing overcapitalization in the fishery
  - Limited Access Privilege Programs were believed to provide a management system with flexibility and individual accountability that achieves these aims.

# Trawl Groundfish Sectors

Delivery Location	Target Species	
Shoreside	Non—whiting	
Shoreside	Whiting	
At-sea— Mothership		
At-sea— Catcher—Processor		

# Trawl Groundfish Sectors

Delivery Location	Target Species	Catch Composition
Shoreside	Non—whiting	Multiple species
Shoreside	Whiting	
At-sea— Mothership		
At-sea— Catcher—Processor		

# Trawl Groundfish Sectors

Delivery Location	Target Species	Catch Composition
Shoreside	Non—whiting	Multiple species
Shoreside	Whiting	99+% whiting, some important bycatch – nonwhiting groundfish
At-sea— Mothership		
At-sea— Catcher—Processor		

# Trawl Groundfish Sectors

Sectors	Status Quo Management	Rationalization Program
Shoreside – Nonwhiting		
Shoreside – Whiting		
Mothership – Whiting		
Catcher Processor – Whiting		

# Trawl Groundfish Sectors

Sectors	Status Quo Management	Rationalization Program
Shoreside – Nonwhiting	2 Month Cumulative Limits	
Shoreside – Whiting		
Mothership – Whiting		
Catcher Processor– Whiting		

# Trawl Groundfish Sectors

Sectors	Status Quo Management	Rationalization Program
Shoreside – Nonwhiting	2 Month Cumulative Limits	
Shoreside – Whiting	Olympic Fishery	
Mothership – Whiting		
Catcher Processor – Whiting		



# Trawl Groundfish Sectors

Sectors	Status Quo Management	Rationalization Program
Shoreside – Nonwhiting	2 Month Cumulative Limits	
Shoreside – Whiting		
Mothership – Whiting	Olympic Fishery	
Catcher Processor– Whiting	Self Organized Co-op	

# Trawl Groundfish Sectors

Sectors	Status Quo Management	Rationalization Program
Shoreside – Nonwhiting	2 Month Cumulative Limits	Combine Sectors Single Shoreside IFQ Program
Shoreside – Whiting	Olympic Fishery	
Mothership – Whiting		
Catcher Processor– Whiting		

# Trawl Groundfish Sectors

Sectors	Status Quo Management	Rationalization Program
Shoreside – Nonwhiting	2 Month Cumulative Limits	Combine Sectors Single Shoreside IFQ Program
Shoreside – Whiting	Olympic Fishery	
Mothership – Whiting		Harvester Co-op Processor Permits
Catcher Processor– Whiting		Self Organized Co-op

# Trawl Groundfish Sectors

Sectors	Status Quo Management	Rationalization Program
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Shoreside – Whiting	Olympic Fishery	
Mothership – Whiting		Harvester Co-op Processor Permits
Catcher Processor– Whiting	Self Organized Co-op	Preserve Entry Barrier

# Other Policy Changes from Status Quo

## Nonwhiting Fishery

- Switch from landings based controls to catch based controls
- 100% at-sea observers to enforce control of catch
  - Industry to pay for observers
  - Ability to pay is facilitated by rationalization
- Permit stacking was considered but rejected
  - Many of the costs (e.g. observers)
  - Not enough benefits because of limited flexibility.

# Impacts

- Nonwhiting Trawl Fishery
  - Modeling based on 2004 annual revenues and costs
  - Net nonwhiting efficiency gains
    - \$14 million to \$21 million
- Total Projected Annual Costs
  - Soft Approximation for All Trawl Sectors*
  - \$8 million/year in agency administrative costs
  - \$6++ million/year observer costs (still being determined)

# **LESSONS FROM POLICY DEVELOPMENT**

# Lessons for Policy Development

- Who sits at the table probably makes a difference
- Contributors to complexity creep
- Need for commitment of agency resources
- Obstacles in reaching a final decision



# Who Sits At the Table Makes A Difference

- Trawl rationalization program developed by TIQC – primarily a committee of Council constituents
- Industry, community, environmental
  - Trawl rationalization includes individual bycatch quota (IBQ) for Pacific halibut
    - Dropped by TIQC but added back in at request of one member who had a constituency with an interest in it.
  - QS Set Aside for Adaptive Management
    - For a while maintained in TIQC proposals at behest of two committee members.
    - Eventually dropped from committee options.
    - Added back in after additional advocacy work.

# Contributors to Complexity Creep

Everyone starts out wanting the simple.

- Simple rules cut an even swath
  - The more diversity in the fishery the more likely it is that varied circumstances will need to be addressed by additional details in the rules.
- The familiar seems simple
  - The more a group works with something, the greater is the temptation is to take a second look to see how it can be made better.
  - Familiarity makes it easier to add a new wrinkle without realizing the challenges to those who are unfamiliar trying to understand for the first time.
- Advocates for new wrinkles often don't see their addition as adding that much to the program relative to the benefits.
  - Straw and camel's back problem. After it gets too heavy which straw should be removed.
- "Make it better now, we might not get back to it"
  - Sometimes "bells and whistles" could wait but there is concern that resources and priority won't be there to support future consideration.

# Last two topics

- Overview
  - Problems resulting from agency resource limitations
  - Challenges closing the door on policy deliberations
- Illustrate with examples from the 6 years of trawl rationalization deliberations.

# Resource Limitations

## Human

Agency personal participating with design committees

- Industry committee needs agency guidance
  - Set bounds
  - Limit option proliferation
- Agency participation on committees facilitates communication to agency leadership.
- Limited agency participation results in more time rehashing

Council meeting time

- Educational element of keeping the Council apprised.
- Easier for Council to deliberate on entire package when it comes before them.

# Resource Limitations

## Fiscal

Need enough to do the job in full steps,  
on schedule.

Only being able to fund part of a job leads to  
inefficiencies.

# Challenges Reaching the Final Decision

- Over the course of a long process, fishery and participant circumstances change (including the individuals participating in the process),
  - those changes often call for new considerations.
- Long process results in option proliferation during a time that analyses are being finalized.

	Council Actions	Funding		Council Actions	Funding
<b>03</b>					
Sept	Development of Alternatives Begin 2007 implementation target.	Initial Funds Available			
<b>04</b>	Policy development (TIQC)		<b>07</b> Jan	<b>MSA signed, mandates Council action w/in 24 months.</b>	Minimal Funding.
			May		Full Funding
<b>05</b>	Policy development (TIQC)  EIS planning		<b>08</b> June	Preliminary preferred alternative selected  Final preferred alternative adopted	
June			Partial		
<b>06</b>	Policy development (TIQC) & EIS Planning		<b>09</b> Jan	Reported to Congress  Alternatives finalized	
Sept			Minimal Funding		
Dec	<b>MSA Reauthorized by Congress</b>		Dec	Public comment on draft EIS	
			<b>10</b> Sept	Review and Public Comment  Quota share issuance process	

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# Lessons for Policy Development

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# Other Challenges Shutting the Door

## Amendment 20 Trawl Rationalization

- NMFS – Approval and Implementation
  - Due to finish Dec 2010
- If challenged, may be in the courts
- If not, or if it is but no injunction
  - Implementation in 2011