

Work Plan for the 2017 Central GOA Rockfish Program Review *April 2017*

Introduction

The current iteration of the Central GOA Rockfish Program (Rockfish Program) has been in place since the 2012 fishing year. Section 303A(c)(1)(G) of the Magnuson-Stevens Fishery Conservation Act states that all Limited Access Privilege Programs (LAPP) must include provisions for regular monitoring and review. A formal and detailed review must occur 5 years after implementation of the LAPP. This paper is provided as the initial work plan for completing that review and to solicit input from stakeholders, including the Council and its advisory bodies, on issues that should be included as part of the review.

Program reviews should be structured to ensure that the LAPP is meeting the goals of the program. The Council's problem statement includes the objectives for the Rockfish Program that it identified during the implementation process and is provided below:

The intent of this action is to retain the conservation, management, safety, and economic gains created by the Rockfish Pilot Program to the extent practicable, while also considering the goals and limitations of the Magnuson-Stevens Fisheries Conservation and Management Act LAPP provisions.

The existing CGOA Rockfish Pilot Program (RPP) will sunset after 2011. Consequently, if the management, economic, safety, and conservation gains enjoyed under the RPP are to be continued, the Council must act to create a long term CGOA rockfish LAPP. For both the onshore and offshore sectors, the RPP has improved safety at sea, controlled capacity of the fleets, improved NMFS' ability to conserve and manage the species in the program, increased vessel accountability, reduced sea floor contact, allowed full retention of allocated species and reduced halibut bycatch. In addition, the rockfish fishery dependent community in the CGOA and the shorebased processing sector have benefited from stabilization of the work force, more shoreside deliveries of rockfish, additional non-rockfish deliveries with the RPP halibut savings, and increased rockfish quality and diversity of rockfish products. Moreover, the CGOA fishermen, and the shorebased processing sector have benefited from the removal of processing conflicts with GOA salmon production. The Council needs to resolve identified issues in the management and viability of the entry level fishery.

The portion of the catcher processor sector currently participating in the rockfish cooperatives has also benefitted from the RPP. These benefits include greater spatial and temporal flexibility in prosecuting the fishery, which result in lower bycatch, a more rational distribution of effort, and more stable markets. Certain provisions of the current RPP act as disincentives to some C/P operators from joining the cooperative sector and achieving these benefits. These disincentives should be eliminated to the extent practicable in the new RPP.

The objectives of the program will be reviewed, to the extent data allows, to determine how well the stated objectives were met. This work plan includes a summary of the program goals and objectives, data that will be used to examine those program goals, and the performance indicators that will be generated. This work plan also includes a draft outline of the proposed review document and a draft timeline for Rockfish Program actions.

The Rockfish Program will expire at the end of the 2021 fishing year, unless the Council takes action to re-implement or modify the program. If the program is allowed to expire, the fishery will return to a limited access fishery with the number of participants controlled by the GOA Groundfish LLP licenses. Returning a limited access fishery will also affect the other regulations implemented to manage the LAPP (e.g., observer coverage levels).

This review is anticipated to be the first step in the overall process to review the Rockfish Program and is expected to help develop alternatives to continue the program after 2021. This program review and the process to consider future actions on the Rockfish Program are separate, but related, actions for the Council.

Staff Assigned to the Rockfish Program Review

The following are primary staff members assigned to drafting/overseeing the Rockfish Program review.

Agency	Name	Project Role
Contractor	Darrell Brannan	Primary author of work plan and program review
NPFMC	Jon McCracken	Contract monitor, author of work plan and program review
NMFS SF	Rachel Baker	Primary NMFS contact, author and project reviewer
NMFS SF	Jennifer Mondragon	CAS data and catch monitoring, author
NMFS SF	Steve Whitney	Inseason management, contributor
NMFS RAM	Tracy Buck	RAM program data, contributor
AKFIN	Michael Fey	Summarize, describe, and provide data
Contractor	Mike Downs	Community/social impacts
OLE	Brent Pristas (T)	Summary of enforcement issues
Obs. Program	Chris Rilling	Observer program costs
NIOSH	Samantha Case	Vessel Safety author

(T) tentative

Methods

NMFS has utilized experts within the agency¹ to start developing an initial set of standard performance indicators that measure the economic performance of catch share programs, regardless of their design (Brinson & Thunberg, 2013). Standard performance measures identified in that report included catch and landings, effort, revenue, accumulation limits, and cost recovery. Other LAPP reviews conducted by the NPFMC² also provide examples of issues that should be covered in a review. This review will include standard performance measures and performance measures that are specific to the Rockfish Program, using available data. Qualitative and quantitative information will be presented based on cooperative reports and information reported for other issues³. Readily available information will be supplemented, when necessary, by discussions with key informants.

¹ Fishery economists, anthropologists, policy analysts, and resource managers

² Rockfish Pilot Program Review, Amendment 80 Program Review, American Fisheries Act Review, BSAI Crab Rationalization, and Halibut and Sablefish IFQ Program Review.

³ GOA Trawl Bycatch Management Program papers drafted for the NPFMC; community impact papers funded by GOA communities; and community impact studies of catch shares by NOAA staff as well as academic and private sector researchers.

The Council's Problem Statement indicated that the Rockfish Program should retain conservation, management, safety, and economic gains created by the Rockfish Pilot Program. To review these factors this paper will consider:

- Conservation
 - PSC usage and rates
 - Bycatch amounts and rates
 - Discards amounts and rates
 - Reduced contact with the sea floor (to the extent possible)
- Management
 - Changes in capacity of the fleets
 - NMFS' ability to conserve and manage the species in the program (review season lengths, days fished, and catch relative to allocations)
 - Increased vessel accountability (review enforcement actions)
 - Cost recovery (review fees collected and summary of agency expenses)
 - Effectiveness of accumulation limits (review consolidation of fleet and transfers)
 - C/P incentives to join cooperatives (review C/P activity in cooperatives vs limited access fishery)
 - Monitoring and enforcement (at-sea observer coverage and shoreside processor catch monitoring and control plans)
 - Recordkeeping and reporting (annual cooperative reports and annual applications for cooperative quota)
- Safety - improved safety at sea (NIOSH staff will review the safety of vessels in the Rockfish Program)
- Economic Impacts
 - Changes in catch
 - Stabilization of the work force
 - Increased shoreside deliveries of rockfish
 - Increased non-rockfish deliveries
 - Improved rockfish quality and diversity of rockfish products
 - Reducing processing conflicts with GOA salmon
 - Greater spatial and temporal flexibility in prosecuting the fishery
 - More rational distribution of effort (will review timing of catch and effort)
 - More stable markets (review changes in vessel/processor deliveries, also include a qualitative review of wholesale markets).
 - Community/social impacts (changes in patterns of community engagement and dependency in the catcher vessel, catcher processor, and shore-based processing sectors; changes to private sector support service and municipal infrastructure use, as relevant; and changes to public revenues from fishery activity related taxes and fees.)
- Viability of the entry level fishery (participation and catch in the longline fishery)

Data

This section focuses on the data that are proposed to be used to conduct the program review. Formal surveys are not expected to be utilized to collect additional data. The program review does not include an Office of Management and Budget (OMB) time budget, as required by the Paperwork Reduction Act (PRA). The PRA must be complied with regardless of the origin or reason for the data collection. OMB approval must be obtained prior to collecting information where there are 10 or more respondents and the

questions are standardized. While this type of data collection is not being considered for this effort, the analysts do anticipate having voluntary discussions with some knowledgeable stakeholders to acquire information to bolster the qualitative discussion of Rockfish Program impacts.

Based on the structure of previous LAPP reviews and the measures of LAPP performance identified by NMFS, necessary data that is available will be summarized and provided to the analysts by AKFIN staff. Data not available to AKFIN will be provided by the agency that is responsible for the collection and management of that information. Data anticipated to be used in this review includes the following:

- 1) RAM data
 - a) LLP licenses (license number, ownership information, endorsements)
 - b) Permits (quota allocations assigned to LLP licenses)
 - c) Cooperatives (vessels and processor by cooperative)
 - d) Cooperative Quota Transfers (quantity information is available but not value)
 - e) LLP Transfers (value information is collected but will not be used since past analyses have indicated that those data will not provide insights into the value of the attached RP quota)
 - f) Sideboard Limits
- 2) Catch Accounting System (CAS) data by vessel, LLP license, and processor – aggregated as required to meet confidentiality standards: Limited Access Fishery (2003 through 2006), Rockfish Pilot Program (2007 through 2011), and Rockfish Program (2012 through 2016)
 - a) Catch (location, time-period, species, and amount)
 - b) Discards (amount and rate)
 - c) PSC - also incorporates observer data (halibut mortality {metric tons and rates} and Chinook salmon {numbers and rates}).
 - d) Production (amounts, products produced, and utilization rates)
 - e) Non-target estimates (observer data) will be considered in terms of invertebrate catches as a proxy to provide information on reduced sea floor contact.
- 3) AKFIN summary of COAR and fish ticket data
 - a) Ex-vessel prices and value
 - b) First Wholesale price and value
- 4) NMFS data on recoverable fees, cost recovery fee amounts, and cost recovery fee compliance.
- 5) Amendment 80 EDRs will be used for the C/P sector (2008-2015). CV and processor sector data will be based on a single year of information (2015) from the GOA Trawl EDR. These data will primarily be used for harvesting crew on CVs and harvesting and processing crew for catcher/processors that operate in the GOA Rockfish Program.
- 6) Observer Program data will be used to describe changes in observer costs and observer coverage in the GOA Rockfish Program fisheries.
- 7) OLE will be asked to provide information on changes in enforcement and any infractions that have occurred under the Pilot Program and the Rockfish Program.
- 8) Community data will primarily be derived from existing sources and previous reports, including several of the sources noted above. Alaska community analysis will focus on Kodiak, which is home to the large majority of Alaska-owned catcher vessels participating in the relevant fisheries and where inshore deliveries from the Rockfish Program allocations have traditionally occurred, irrespective of the community of ownership of the delivering vessels. A specific data source not noted above that will be utilized in this analysis is the AFSC's 2014 GOA Trawl Social Survey. Additional information will be collected through focused discussions with key informants, as necessary. Discussions of engagement and dependency of other communities in Alaska and the Pacific

Northwest will focus more narrowly on employment and ownership attributes of vessels and processors participating in the Rockfish Program, with catcher/processor sector-specific analysis in particular focusing largely on the greater Seattle area.

- 9) Safety data will be provided and summarized by National Institute for Occupational Safety and Health (NIOSH). NIOSH staff have been instrumental in generating the safety sections of other program reviews conducted by the NPFMC.

Data Limitations

The Rockfish Program review will be subject to the same data confidentiality constraints imposed on the use of federal and state data for other analyses. These constraints limit what can be reported for some sectors, communities, and cooperatives.

Also some data sets have limited time series (e.g. the GOA Trawl EDR data). These limitations will prevent a meaningful discussion of changes in the data over the entire period of time the program was in place.

Another issue that typically arises when conducting a program review is how the profitability of a vessel, plant, or firm changed as a result of the implementation of a program. Information available to the analysts does not allow these estimates to be generated. Data are available and will be presented to show changes in specific costs and gross value. However, cost data for vessels, processors, and firms are not available to calculate either changes in total net value for all fishing operations or net value from just the Rockfish Program.

Changes in value of the Rockfish Program cooperative quota could also be used as an indicator of changes in the net value of the fishery. NMFS draft guidance on LAPP reviews indicated that a review should contain an analysis of trends in long-term and annual QS values as indicators, when sufficient data are available (Holland, et al., 2014). The QS price reflects expected economic profits in the long-term while the annual lease price reflects expected economic profits in the short-term. While both could be useful to assessing the program's economic effects on participants, particularly if other data are insufficient to directly estimate net revenue or economic profits, they are not available for the Rockfish Program review.

RAM collects data on the amount of annual quota transferred between cooperatives (leases) to ensure cooperatives do not exceed their harvest limits. However, the value of those quota transfers are not collected.

Rockfish Program cooperative quota is linked to the LLP license. RAM tracks LLP license transfers and their value. However, the value of the LLP license includes endorsements, attributes, and fishing privileges in addition to the Rockfish Program quota shares. Because the LLP license value includes a bundle of attributes that change the value, it is not appropriate to assign all the value of the LLP license, or the change in LLP license value if available, to the Rockfish Program quota. As a result of the limitations on the value of Rockfish Program quota, the value of that quota cannot be used as a proxy for changes in profitability of that fishery over time.

The Amendment 80 Economic Data Reports (EDRs) collect value information on arm's length transactions for species that are allocated under Amendment 80 and "other species". Amendment 80 species include POP, a primary Rockfish Program species, but is not broken out by Rockfish Program and Amendment 80. The "other species" category includes the other primary Rockfish Program species (dusky rockfish and Northern rockfish) as well as secondary species (e.g., sablefish). Based on these

reporting aggregations, the analysts are unable to determine the value of Rockfish Program quota leases using the Amendment 80 EDR. It is anticipated that the analysts will use information from key informants to describe how the Rockfish Program has impacted the profitability of firms as opposed to using data already being collected to make quantitative estimates.

Bibliography

- Brinson, A. A., & Thunberg, E. M. (2013). *The Economic Performance of U.S. Catch Share Programs*. Silver Spring: U.S. Dept. of Commer., NOAA Technical Memorandum NMFSF/SPO-133.
- Holland, D., Thunberg, E., Agar, J., Crosson, S., Demares, C., S. K., . . . Travis, M. (2014). *U.S. Catch Share Markets: A Review of Characteristics and Data Availability*. Silver Spring: U.S. Dept. of Commer., NOAA Technical Memorandum NMFSF/SPO-145.

Draft Program Review Outline

- Executive Summary
- 1 Introduction
- 2 History of the Central Gulf of Alaska Rockfish Fishery Management
 - 2.1 Limited Access Fishery (Prior to 2007)
 - 2.2 Section 802 of the Consolidated Appropriations Act of 2004
 - 2.3 Amendment 68 – Rockfish Pilot Program (2007 through 2011)
 - 2.4 Amendment 88 – Rockfish Program (2012 through present)
- 3 Rockfish Program Duration and Review Requirements
- 4 Cooperative Contracts and Reports
 - 4.1 Overview of Rockfish Program Cooperatives
 - 4.2 Cooperative Contracts
 - 4.3 Cooperative Reporting Requirements
- 5 Major Changes from Pilot Program to Rockfish Program
 - 5.1 Harvester and Processor Linkage
 - 5.2 Cost Recovery Fee
 - 5.3 Monitoring and Enforcement (CMCP may be addressed in Section 17.1)
 - 5.4 Addition of Chinook Salmon PSC Limits
- 6 TACs, Allocations, Harvests, and Transfers
 - 6.1 TACs
 - 6.2 Catcher Vessel Sector
 - 6.2.1 Initial Allocations to LLP Licenses and cooperatives
 - 6.2.2 Harvest by Cooperative
 - 6.2.3 Processing by Sector
 - 6.2.4 Transfers between Cooperatives
 - 6.3 Catcher/Processor Sector
 - 6.3.1 Initial Allocation to LLP Licenses and cooperatives
 - 6.3.2 Harvest by Sector
 - 6.3.3 Transfers between Cooperatives
 - 6.4 Limited Access Fishery
 - 6.5 Fixed Gear Entry Level Fishery
- 7 Overview of Changes in Ownership
 - 7.1 Catcher Vessel Sector
 - 7.2 Catcher/Processor Sector
 - 7.3 Processing Sector
- 8 Prohibited Species Catch (broken out by CV and C/P)

- 8.1 Salmon Prohibited Species Catch
 - 8.2 Halibut Prohibited Species Catch
 - 9 Excessive Harvesting and Processing Limits
 - 9.1 Excessive harvesting limits
 - 9.2 Excessive processing limits
 - 9.3 Management of limits
 - 10 Fishing Communities (detailed discussion of Kodiak, more narrowly focused discussions of other relevant communities as noted above)
 - 10.1 Background
 - 10.2 Impacts of the Rockfish Program Documented in the Rockfish Program EA/RIR (2011)
 - 10.3 Continuing Impacts of the Rockfish Program on Fishing Communities
 - 10.4 Taxes
 - 10.5 Labor
 - 10.6 Summary
 - 11 Retention and Utilization
 - 11.1 Discard Rates
 - 11.1.1 Primary Species
 - 11.1.2 Secondary Species
 - 11.2 Utilization Rate
 - 12 Fishery Value
 - 12.1 Ex-vessel prices and value
 - 12.2 First wholesale prices and value
 - 12.3 Exchange rates (currency of counties purchasing rockfish to U.S. dollars)
 - 13 Products and Markets
 - 13.1 Overview of Rockfish Products
 - 13.2 Overview of Rockfish Markets
 - 14 Sideboard Limits
 - 14.1 Catcher Vessels
 - 14.2 Catcher/Processors
 - 15 Fishing Vessel Safety
 - 16 Impact on Management Agencies
 - 16.1 NOAA (Sustainable Fisheries, Office of Law Enforcement, Observer Program, etc.)
 - 16.2 NPFMC
 - 16.3 ADFG (if determined to be necessary)
 - 17 Management Costs and Cost Recovery
 - 17.1 Catch Monitoring Control Plan (CMCP) specialist
 - 17.2 Observer program costs
 - 17.3 Plant modifications
 - 17.4 Cost recovery
 - 18 Conclusions
- Appendices (as necessary)

