

PACIFIC GROUND FISH BUY-BACK PROGRAM

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EUREKA

Pacific Ocean











Pacific Coast Groundfish

Multi-species Fishery

80+ Species

Rockfish (Sebastes)

Flatfish

Whiting

Multi-sector

Commercial

Recreational

Multi-gear Commercial Fishery

Trawl

Longline

Trap

Setnet

Hook and Line

Troll

Prior to 1970's

Stable Landings

Mid 70's through 1980's

Build-up of the Fleet – Increased Landings

Magnuson Act

Regulation displacing fishermen

Fishing Vessel Obligation Loan

Capitol Construction Fund

Investment Tax Credit

History of Management

State Regulations – Until 1982
Passive Regulations

Federal Regulations

1982

Hard quotas

Gear regulation

Sizes

Trip Limits

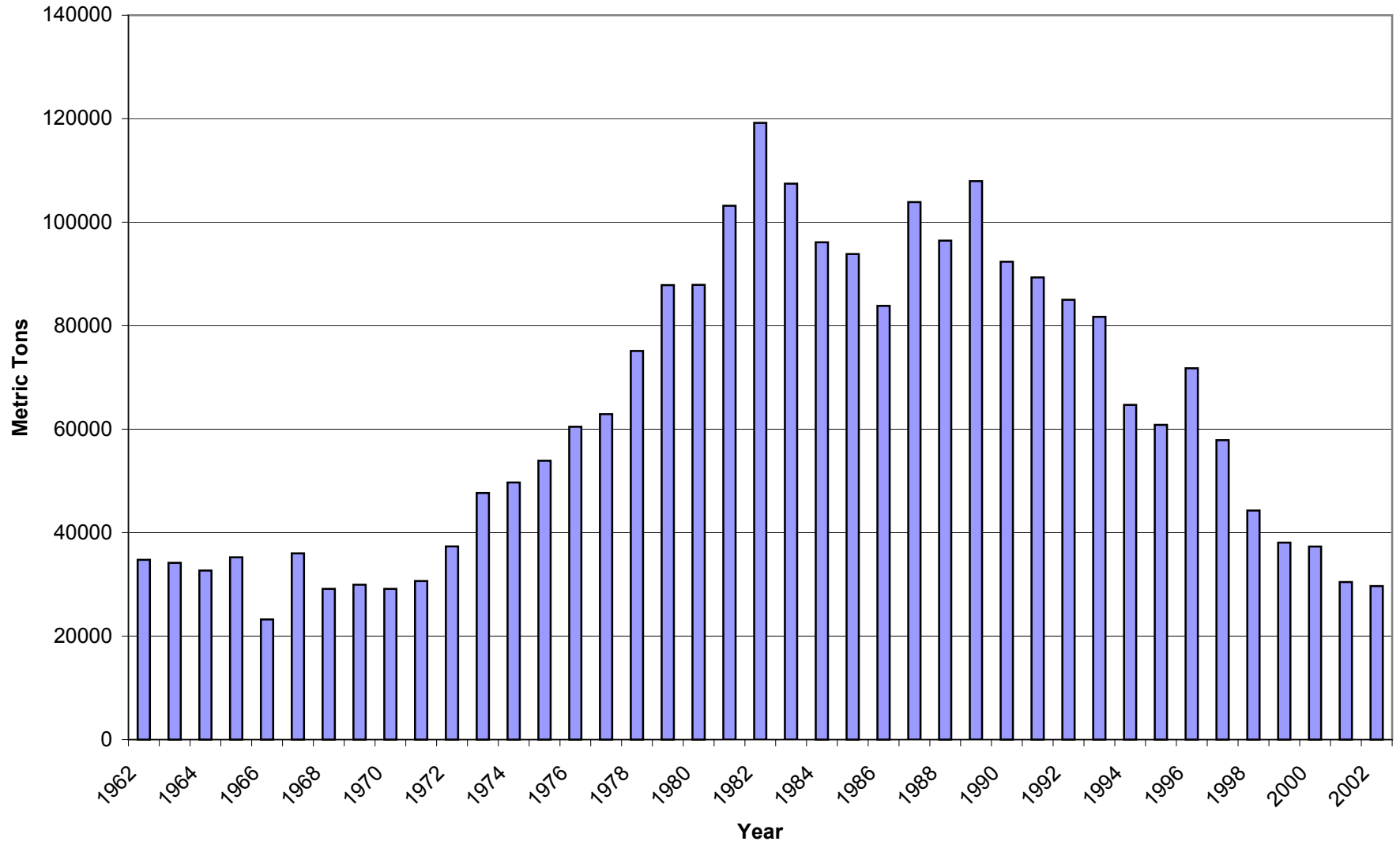
1987 – Asked for Limited Entry

1994 – Implemented Limited Entry

1996 – SFA / Precautionary Approach

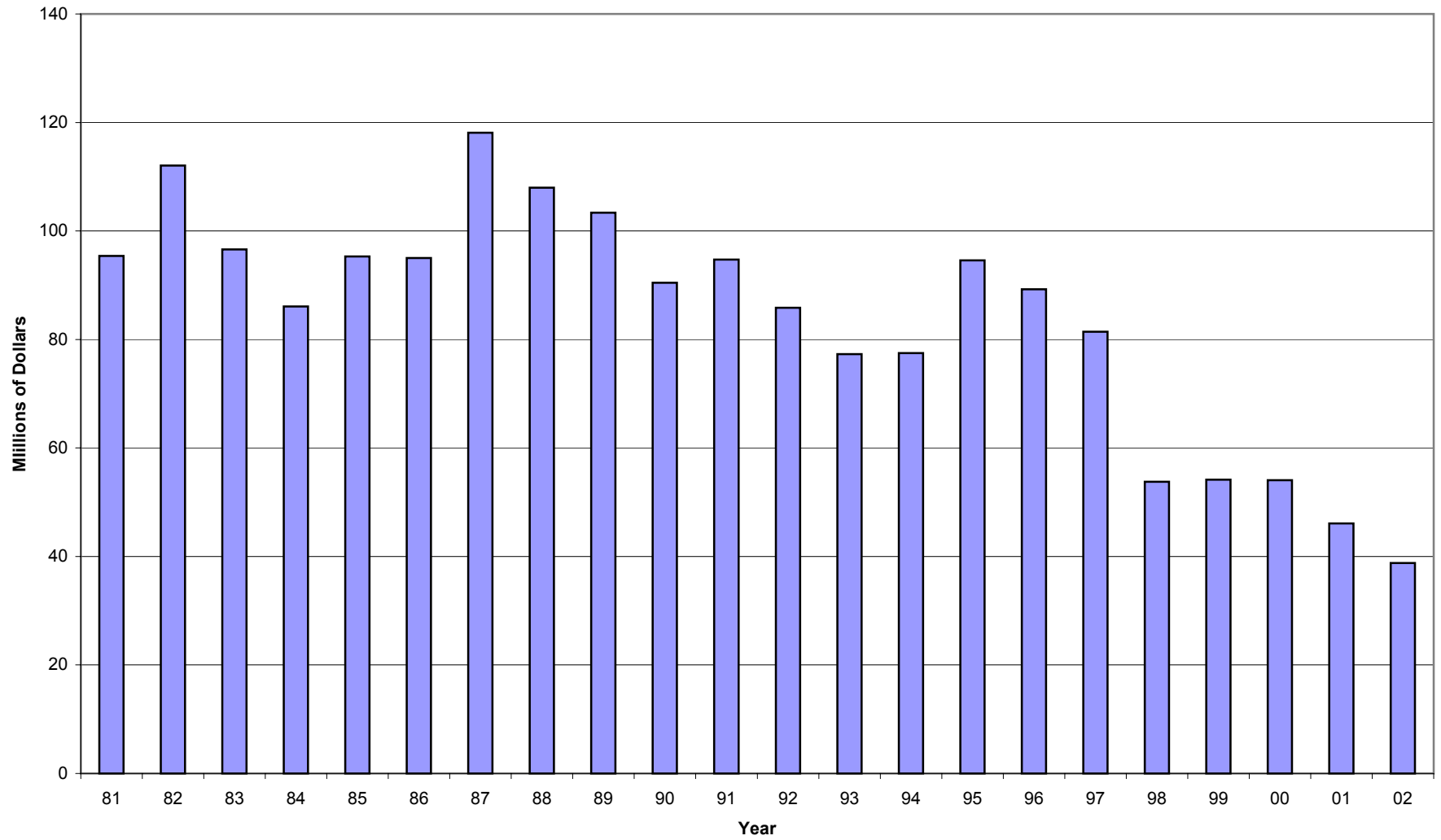
2000 – Declared a Fishery Disaster

Pacific Groundfish Commercial Landings



Exvessel Value of Pacific Groundfish

Excluding Whiting



SUSTAINABLE FISHERIES ACT OF 1996

Signed into law in October 1996

Section 312b – Industry Funded Buy-backs

Pacific Fishery Management Council

November 1996

Appoint Committee

FIRST BUY-BACK PROPOSAL

(TRAWL PERMIT ONLY)

REDUCTION GOAL 80-90 PERMITS OUT OF 280

NMFS SEND OUT BID FORMS

BIDS PRICES RANKED FROM LOW TO HIGH

REJECT BID GREATER THAN ONE STANDARD DEVIATION

POTENTIAL FOR SEVERAL ROUNDS OF BIDS

QUALIFYING BIDS \Rightarrow REDUCTION GOAL

AND SUM OF BIDS \leq THAN AVAILABLE \$

THEN ALL BIDS WOULD BE BOUGHT

HOWEVER

IF THE # OF BIDS WAS $<$ THE REDUCTION GOAL
THEN A SECOND ANOTHER ROUND OF BIDDING
WOULD OCCUR

TOTAL LOAN AMOUNT OF \$28 MILLION

1ST ROUND = \$10 MILLION

2ND ROUND = \$15 MILLION

3RD ROUND = \$20 MILLION

4TH ROUND = \$28 MILLION

CONCERNS RAISED

ALLOCATION

EFFORT SHIFTS

PACIFIC COUNCIL STRATEGIC PLAN

GOAL TO REDUCE FLEET BY 50%

METHODS:

- 1) BUY-BACK
- 2) IFQ'S
- 3) RE-ISSUE PERMITS

COMPARISON OF ACTIVE FISHING FLEETS IN TWO BUY-BACK FISHERIES AND THE PACIFIC GROUND FISH FISHERY

	1994	1995	1996	1997	1998	1999
New England						
Total # permits			1763	1776	1649	1645
# w/ 1000lbs +			871	894	865	849
# w/ 1 to 1000 lbs			201	180	155	166
# w/ zero lbs			691	702	629	630
% Active			49.4%	50.3%	52.5%	51.6%
Washington Salmon						
Total # permits	2476	2096	1925	1901	1530	
# w/ 1000lbs +	966	766	531	701	501	
# w/ 1 to 1000 lbs	1025	331	294	535	137	
# w/ zero lbs	485	999	1100	665	892	
% Active	39.0%	36.5%	27.6%	36.9%	32.7%	
Pacific Groundfish - Trawl						
Total # permits	384	287	286	280	275	274
# w/ 2200lbs +	293	274	269	252	238	240
# w/ 1 to 2200 lbs	11	9	2	9	11	7
# w/ zero lbs.	80	4	15	19	26	27
% Active (see note)	76.3%	95.5%	94.1%	90.0%	86.5%	87.6%

SENT OUT QUESTIONNAIRE

NUMBER OF STATE PERMITS BY FISHERY

POUNDS AND VALUE OF LANDINGS IN EACH
FISHERY

BENEFIT TO EACH FISHERY

POUNDS

ESTIMATED FEES

RETURN ON INVESTMENT

WHAT CONGRESS PROVIDED

INDUSTRY AND GOVERNMENT FUNDING

TRAWL PERMIT HOLDERS

RETIRE ALL FISHING PERMITS AND VESSEL

VESSEL COULD NOT FISH ANYWHERE

PARTICIPANTS

SUBMIT BIDS

“BLIND, SILENT, REVERSE AUCTION”

SCORE BIDS – BID / REVENUE

COST SHARING OF LOAN

DEBT OBLIGATION OF SECTOR IN PROPORTION
TO REVENUE

FEEs SET SEPARATELY TO REPAY LOAN

REFERENDUM

MAJORITY RULE

VOTES WEIGHTED BY DEBT OBLIGATION