The SSC *finds* the analysis sufficient to advance to final action with suggested minor revisions.

Confidentially restrictions due to the small vessel numbers made the analysis challenging:

- Less than or equal to 55’ LOA H&L or pot CVs: a low of 2 vessels participating in 2021; an average of 9 per year
- Less than or equal to 56’ LOA H&L or pot CVs: a low of 5 vessels in 2021; an average of 12 per year
The SSC notes that:

- Analysis of trends within vessel groups indicates that all groups have been negatively impacted in terms of catch and revenue due to cod TAC declines, but that the 56’ LOA H&L or pot CVs have not been disproportionately impacted.

- Specifically, the percentage of the allocation landed by the 56’ LOA vessels, including a typical annual reallocation from the jig sector, has not been decreasing over time.
The purpose and need statement describes the motivation for this change as about entry, competition, and attenuating an ensuing race-to-fish.

The SSC encourages that the analysts explore the extent to which seasons are shortening and for evidence of a race-to-fish, as there is currently no evidence presented that the percentage of the allocation fished by ≤56’ LOA H&L or pot CVs is decreasing over time.
C2 Pacific Cod Small Vessel Initial Review (4 of 5)

- The SSC recommends minor revisions to:
  - Emphasize the potential distributional impacts, including that in practice this is a reallocation of catch from large to small vessels:
    - Under Alternative 2, the group of 56’-60’ LOA H&L or pot vessels is estimated to lose 22% of their historic average revenue;
    - The < 56’ LOA H&L or pot vessels are estimated to have an opportunity to almost double (a 98% increase based on $1.08/1.10 million) their historic average annual revenue
  - Adding language to emphasize the difficulty of predicting responses post-management change and the inherent behavioral assumptions associated with the numbers currently presented
  - Explore additional information related to the community of those likely to be impacted
The SSC *suggests* the following long-term potential outcomes be acknowledged in the document:

- Substantial changes to opportunities associated with LLP licenses could reduce the value of the licenses directly affected, but also create uncertainty and undermine other LLP values.
- Frequent regulation changes related to length could deter more specialized capital investments.
- If Pacific cod stocks recover and jig sector participation would increase in the absence of this program, the sector could be negatively impacted if they would need to compete with H&L or pot vessels.