Date of Hearing: April 29, 2025

ASSEMBLY COMMITTEE ON WATER, PARKS, AND WILDLIFE Diane Papan, Chair AB 1056 (Bennett) – As Amended March 17, 2025

SUBJECT: Gill nets: permits

SUMMARY: Creates new limitations on the ability of the Department of Fish and Wildlife (CDFW) to renew a gill or trammel net (GTN) permit. Specifically, **this bill**:

- 1) Prevents CDFW from renewing a GTN permit unless that permit was used to land at least 1,000 pounds of California halibut or 1,000 pounds of white seabass between January 1, 2020 and December 31, 2024.
- 2) Removes the limit on the cost of the fee that CDFW charges for the transfer of a GTN permit.
- 3) Prevents the transfer of a GTN permit to a new individual, upon the death or disability of the original GTN permit holder.
- 4) Allows the Fish and Game Commission (Commission) to adopt regulations to eliminate the authority to transfer GTN permits (see Existing Law #4).
- 5) Repeals the provisions by which a person may appeal to the Commission if they are denied renewal of a GTN permit (see Existing Law #6).
- 6) Makes other technical and clarifying changes.

EXISTING LAW:

- 1) Declare that it is in the best interest of the people of the state, the commercial fishing industry, and California's marine resources that fishermen who use GTN be experienced in the use of those nets [Fish and Game Code (FGC) § 8680].
- 2) Prohibits the use of GTNs for commercial purposes unless under a revocable, nontransferable permit issued by CDFW (FGC § 8681).
- 3) Prevents CDFW from issuing a new GTN permit, but allows CDFW to renew an existing, valid GTN permit under regulations established by the Commission and upon payment of a fee [FGC § 8681.5(a)].
- 4) Allows any GTN permit holder with an existing, valid GTN permit to transfer that permit to another qualified individual if that permit holder has taken or landed fish for commercial purposes in at least 15 of the preceding 20 years [FGC § 8681.5(b)].
- 5) Allows for the transfer of a GTN permit to another qualified individual upon the disability or death of the original GTN permit holder [FGC § 8681.5(d) and (e)].
- 6) Allows a person who was denied renewal of a GTN permit to appeal to the Commission under certain circumstances [FGC § 8681.7].

- 7) Requires the Commission to establish regulations to create an orderly GTN fishery and consider recommendations for the GTN advisory committee (FGC § 8682).
- 8) Limits the use of GTN and limits allowable catch (FGC §§ 8684–8700; 8610.4).
- 9) Under the Marine Resources Protection Act, prohibits the use of GTN within three nautical miles offshore of the mainland coast and within one mile of the Channel Islands (FGC §§ 8610.1 *et seq.*).
- 10) Establishes the MLMA, which has several underlying goals:
 - a) Conserve Entire Systems: It is not simply exploited populations of marine life that are to be conserved, but the species and habitats that make up the ecosystem of which they are a part [FGC § 7050(b)(1)].
 - b) Non-Consumptive Values: Marine life need not be consumed to provide important benefits to people, including aesthetic and recreational enjoyment as well as scientific study and education [FGC § 7050(a)].
 - c) Sustainability: Fisheries and other uses of marine living resources are to be sustainable so that long-term health is not sacrificed for short-term benefits [FGC § 7055(a) and § 7050(b)(2)].
 - d) Habitat Conservation: The habitat of marine wildlife is to be maintained, restored or enhanced, and any damage from fishing practices is to be minimized [FGC § 7055(b) and § 7056(b)].
 - e) Restoration: Depressed fisheries are to be rebuilt quickly within a specified time that accounts for the biology of the stock and environmental conditions [FGC §§ 7055(b), 7056(c), and 7086(c)(1)];
 - f) Bycatch: The bycatch of marine living resources in fisheries is to be limited to acceptable types and amounts [FGC § 7056(d)]; and
 - g) Fishing Communities: Fisheries management should recognize the long-term interests of people dependent on fishing, and adverse impacts of management measures on fishing communities are to be minimized [FGC § 7056(i) and (j)].
- 11) Establishes the Marine Resources Protection Act of 1990 in the Constitution, through initiative measure, Proposition 132 (Article XB, Section 4, of the California Constitution), which, among other things:
 - a) Establishes Marine Protection Zone within three miles of coast of Southern California.
 - b) As of January 1, 1994, prohibits use of gill or trammel nets in the zone.

FISCAL EFFECT: Unknown. This bill is keyed fiscal.

COMMENTS:

- 1) **Purpose of this bill**. According to the author, "Set gillnet fishing has been banned off most of the California coastline through laws and initiatives dating back to 1915. It takes place primarily in the federal waters off the coast of Ventura and Santa Barbara counties and around the Channel Islands. This bill phases out inactive licenses for gillnet fishermen. This will broaden protections for marine life and encourage sustainable practices for all who enjoy and make a living from our ocean."
- 2) Background. The MLMA provides for the conservation, sustainable use, and restoration of California's living marine resources. It requires an ecosystem-based approach for managing the state's fisheries, using the best available science, and involving stakeholders in a comprehensive and transparent process. Additionally, rather than assuming that exploitation should continue until marine damage has become clear, the MLMA was intended to shift the burden of proof toward demonstrating that fisheries and other activities are sustainable. Finally, while the Legislature retained its control of some of the state's commercial fisheries, through the MLMA, the Legislature gave the Commission and CDFW greater management authority, using the standards and procedures of the MLMA (see Existing Law #10).

The 2018 MLMA Master Plan for Fisheries (Master Plan), provides CDFW with guidance and tools for managing the state's commercial and recreational fisheries. It also provides a prioritization process for identifying which fisheries are in need of the most management attention. It was this process that revealed, of the 17 state-managed commercial fisheries and the 14 state-managed recreations fisheries, the fisheries using set gillnet and trawl gear were in the most need of management attention.

Gill and trammel nets. The commercial California set gillnet fishery is a single permit fishery that targets and lands multiple species. Gillnets are wide fishing nets that resemble a curtain and hang vertically in the water column. They are designed to have a mesh size that is large enough for the head, but not the body, of the target species to swim through the net, catching the fish by its gills. There are three main varieties of gillnet: set, drift, and trammel. Set gillnets are held stationary in the water. Since 202, drift gillnets (DGN) have been phasing out with support from a transition program established by SB 1017 (see Related Legislation, below). Trammel nets are a variety of gillnet, but with several layers of mesh of various sizes, to facilitate more potential catch. GTNs are left unobserved in open water, until they are retrieved by boat where the catch is sorted. In California, the GTN fisheries target California halibut, Pacific angel shark, and white seabass.

In 2002, the gillnet closure in northern California was made permanent. In 1994, Proposition 132 established the Marine Resource Protection Zone which banned all gillnets in nearshore waters. This banned set gillnets within three miles of the mainland and one mile or 70 fathoms, whichever is less, surrounding the Channel Islands. The Channel Islands are considered some of the most productive waters off California's coast. The trawl fishery may operate statewide but must occur outside of state waters (except in one southern California area), and outside of designated protected areas. The commercial hook-and-line fishery may operate statewide outside of designated protected areas but it primarily occurs from vessels inside state waters and within bays and estuaries.

Bycatch in the GTN fishery. GTN is a nondiscriminatory form of fishing that is likely to catch non-target species (bycatch). Although not targeted, many of the species caught can still be brought to market. The remaining species must be returned to the ocean.

Evaluating bycatch is a challenge as there can be a lack of consistent data, especially when log books differ from on-board observer data. According to federal fishery observers, 64% of all animals caught are discarded and over 50% are discarded as dead. The interpretation of this data may be debated; for example, pacific mackerel are also frequently caught as bycatch with a 98% mortality rate. Despite this value, this is not thought to be very impactful to the general mackerel population. Additionally, these values include invertebrate species, and pacific mackerel, crab, and jumbo squid account for the majority of the discard percentage. Information about the amounts and estimated mortality of bycatch can be found at CDFW's Marine Species Portal, California Halibut Enhanced Status Report, section 3.1.3.

The impact of the GTN fishery on giant sea bass has also been of historical concern. Due to dramatic declines in giant seabass population, protections were put in place in 1981 and the fishery was closed. The exception to the prohibition of take is that a single giant seabass may be possessed on a GTN boat. Recent research indicates that even with this exception, and the high mortality of released giant seabass, populations have rebounded under current protections.

Correcting for bycatch. Evaluation of bycatch data is difficult as it unclear what the best way is to prioritize species impacts. Over the past several years CDFW has worked in coordination with research partners, Commission staff, industry representatives, and the non-governmental organization community to complete a four-step process to determine whether the amount and type of bycatch are considered "acceptable."

In its efforts to give more attention to the halibut fishery, CDFW confirmed six management priorities: 1) refinement of the 2020 stock assessment; 2) completion of an Enhanced Status Report; 3) completion of an ecosystem evaluation; 4) conducting a California Halibut Southern Trawl Ground assessment; 5) expansion of the halibut Management Strategy Evaluation; and 6) performing a bycatch evaluation.

In June 2023, CDFW, guided by the Master Plan, released its evaluation of the bycatch in the Halibut set gillnet fishery. This evaluation noted the most frequent bycatch in the fishery and focused on twelve bycatch species and assessed the frequency of catch, mortality, and vulnerability of the species. The evaluation concluded that "majority of the [sharks, rays, and skates] evaluated are considered to have moderate or unknown risks of threats to sustainability, fisheries, and ecosystems. Additionally, the bycatch of marine mammals is also considered moderate or unknown. Marine birds are caught in very small numbers, four total in six observed years. However, recognizing there is a small amount of interaction and 100% mortality, it is important to track any interactions of marine birds with the fishery. For the finfish species, the overall risk of threats were considered low to moderate."

In response to these findings, CDFW developed several recommendations with the goal of reducing the bycatch to "acceptable" levels. One of the recommendations was prohibiting or limiting the transfer of permits (either short- or long-term) to guard against increased effort in the fishery. Other recommendations include gear marking and the use of electronic technology. These findings have directly resulted in regulations that are designed to reduce bycatch, a key example of recent changes is regarding soak time. Currently, there is no limit for how long a GTN can be left in the water, which has been left up to fleets who allow longer soak times when the fishing is slow. Records indicate that 72% of gillnets soak for 24 hours or less, with 97% being removed within 48 hours. Research indicates that with a 24

hour or less soak time, mortality decreases significantly (80% of finfish and 87% of sharks, skates, and rays can be released alive). CDFW notes that enforcement of soak time will be difficult without electronic monitoring.

As of August 14, 2024, regulations to better manage commercial halibut and white seabass set gillnets were adopted by the Commission.

By the numbers. In 1987, during the peak of the set gillnet fishery, there were more than 800 set gillnet permittees, with just over 300 permittees actively landing halibut that year. The number of both general set gillnets and those who actively target halibut have steadily declined since the peak in 1987. As of 2022, there are 100 set gillnet permit holders, 32 of which were active, or had at least one halibut landing last year and just 13 vessels contributed 90% of the catch. Currently, there are only 78 GTN permits in the fishery. If this bill were to be enacted, 32 permits would remain. CDFW also indicates that 37 GTN permits were transferred between 2010 and 2024.

Some argue that because the northern California fleets have been able to transition to hookand-line fishing, the same could be expected for fleets in southern California. Hook-and-line fishing is a selective fishing method that has significantly less bycatch and typically yields higher prices for fish considered better quality seafood. Fishermen indicate that the underwater topography and therefore fish behavior in southern California would not allow for successful hook-and-line fishing, which would greatly hamper the commercial fleets. From 2014–2019, there were an average of 333 boats that reported halibut landings using hook and line fishing, with 59 permitted for GTNs—and over that time period GTN fleets brought in twice as many pounds of halibut (GTN brought in over 2 million pounds of halibut).

Federal update. On April 17, 2025 President Trump signed two executive orders. The first, "Unleashing American commercial fishing in the Pacific," opens up the Pacific Remote Island Marine National Monument to commercial fishing. The second, "Restoring American Seafood Competitiveness," requires the Secretary of Commerce to "immediately consider suspending, revising, or rescinding regulations that overly burden America's commercial fishing, aquaculture, and fish processing industries at the fishery-specific level," "incorporate less expensive and more reliable technologies and cooperative research programs into fishery assessments," develop and implement an American First Seafood Strategy, and review all existing marine national monuments and provide recommendations of any that should be opened to commercial fishing. This is also concurrently happening as the Trump administration is reportedly considering closing two of the National Oceanic and Atmospheric Administration's National Marine Fisheries Services offices. These offices help manage the nation's fisheries and protect marine life.

3) **Policy considerations**. As California manages one of the most regulated fishing industries, it is also prudent to consider the consequences of reducing support of local commercial catch, increasing import from areas that may not have the same oversight, and the impact of climate change on fisheries. Indeed, research is beginning to include both the adaptive management of fisheries as well as how to maintain adaptive capacity of fisheries. This is particularly relevant as California has entered into the third consecutive year of no commercial salmon fishing. Increasing the flexibility of California's commercial fleets may be even more critical in the coming years.

- 4) **Proposed committee amendments**. To maintain the remaining 78 permits and evaluate the effectiveness of the most recent GTN regulations developed by the Commission, the author may wish to consider the following amendments:
 - 1) <u>Section 8681.5 of the Fish and Game Code is amended to read:</u>

(a) Except as provided in subdivision (b), the department shall not issue or renew a gill net or trammel net permit under Section 8681.

(b) The department may renew an existing, valid permit issued under Section 8681, *to the permit holder whose name appears on the permit as of January 1, 2027*, under regulations adopted by the commission and upon payment of the fee prescribed under Section 8683.

(c) Notwithstanding subdivision (b), the department shall not renew an existing, valid permit issued pursuant to this article unless at least 1,000 pounds of California halibut or 1,000 pounds of white seabass were landed under the permit between January 1, 2020, and December 31, 2024, inclusive.

(c) Notwithstanding subdivision (b), after January 1, 2027, any person who has an existing, valid permit issued pursuant to Section 8681, and presents to the department satisfactory evidence that the person has taken and landed fish for commercial purposes in at least 15 of the preceding 20 years, may transfer that permit one time to a family member pursuant to regulations adopted under Section 8682 and upon payment of the fee prescribed under Section 8683, at which point the permit shall become non-transferable.

(d) (1) Notwithstanding subdivisions (a) and (b) or Section 8681, *until January 1, 2027*, any person who has an existing, valid permit issued pursuant to Section 8681, and presents to the department satisfactory evidence that the person has taken and landed fish for commercial purposes in at least 15 of the preceding 20 years, may transfer that permit to any person otherwise qualified under the regulations adopted pursuant to Section 8682 upon payment of the fee prescribed under Section 8683.

(2) The commission may adopt regulations to eliminate the authority to transfer a permit pursuant to paragraph (1).

(e) The Legislature finds and declares that this section is more restrictive on the use and possession of gill nets and trammel nets than the version of this section in effect on January 1, 1989, and therefore complies with Section 8610.4, and Section 4 of Article X B of the California Constitution.

2) Retain FGC § Section 8681.7 to enable an appeals process at the Commission

5) **Arguments in support**. Numerous environmental groups write in support of this bill which they believe will enable California to continue to safeguard marine ecosystems and keep local fishers on the water. The sponsors of this bill, Oceana and Resource Renewal Institute, write that this bill will retire the minimally active GTN permits which will better enable the Commission to implements effective management tools (e.g., electronic monitoring and data

collection). They also note that this bill clarifies and strengthens the Commission's authority to promulgate regulations on GTN permit transferability. The sponsors also highlight data from federal fisheries observers, which they conclude indicate high rates of bycatch and mortality, which may impact over 125 species—many of which have unassessed populations. They also note that in the six years that the fishery was observed, only 12.5% of fishing efforts were observed, indicating that total GTN fishing effort is not being tracked in an effective manner for catch and bycatch quantification. Finally, they note that the stock assessments for target GTN species: white seabass and California halibut, indicate that the species are at 27% and 14% of their unfished biomass.

- 6) Arguments in opposition. Several fishing organization write in opposition. These groups say that this bill overrides the established fisheries management process at the Commission and is regulating businesses and individuals rather than fisheries. Opposition also notes that the GTN fishery is already under great pressure, and has been shrinking every year. The Pacific Coast Federation of Fishermen's Associations (PCFFA) shares that, collectively, California's commercial fishing operations lands an average \$176 million worth of sustainable seafood each year, which supports thousands of jobs in coastal communities, which are constantly at risk of economic pressures and decline. PCFFA also notes that this bill will "strip [GTN] permits from their rightful owners" who may have many valid reasons for not using their permit in a given year, including market conditions and COVID disruptions. This point is exemplified in a note from a fisherman who indicates that they have used their permit for a couple years, then switched to a different fishery. Despite having paid their permit fees every year and maintained their obligations to keep the permit, this bill would prevent them from transitioning back into their GTN permit.
- 7) **Related legislation**. AB 2220 (Bennet) of 2024, would have made numerous changes to GTN permits and allowable take including prohibiting any incidental take of giant seabass and white sharks, prohibiting the transfer of a GTN permit, and expanded the Marine Resources Protection Zone. AB 2220 was held in this Committee at the request of the author.

SB 1017 (Allen) Chapter 844, Statutes of 2018, requires CDFW to develop a program by March 31, 2020, to voluntarily transition the holder of a DGN permit out of the DGN fishery.

SB 1114 (Allen) of 2016, would have outlined timelines for phasing out DGNs, authorized the CDFW to issue deep-set buoy gear or similar gear to take swordfish when that gear is authorized pursuant to federal law, and would have established a protocol and incentives for the issuance of the new permits. SB 1114 was held in the Senate Appropriations Committee.

AB 1241 (Keeley), Chapter 1052, Statutes of 1998, established the MLMA.

REGISTERED SUPPORT / OPPOSITION:

Support

Oceana (Co-Sponsor) Resource Renewal Institute (Co-Sponsor) American Fishing Tackle Company Animal Welfare Institute Animal Wellness Action Azul Bay Area Youth Climate Summit California Coastal Protection Network California Marine Sanctuary Foundation Center for the Blue Economy Clean Earth 4 Kids Defenders of Wildlife **Dolphin Project** Eco Dive Center **Emerald Keepers** Endangered Habitats League Environment California Environmental Action Committee of West Marin **Environmental Protection Information Center** Fish On Heal the Bay Healthy Ocean Coalition Hollywood Divers International Game Fish Association, INC. International Marine Mammal Project of Earth Island Institute Los Cerritos Wetlands Land Trust Monterey Bay Whale Watch Natural Resources Defense Council Nueva Environmental Club **Ocean Defenders Alliance** Pacific Beach Coalition **Project Super Plants** Reefseeker Santa Barbara Whale Heritage Area Seachange Agency Shark Allies Sierra Club California **Slipins** Solutions for a Sustainable & Just Future Southern California Recreational Divers Turtle Island Restoration Network University of California, Irvine-Environmental Law Society Western Watersheds Project

Two professors Three individuals

Opposition

Alliance of Communities for Sustainable Fisheries Commercial Fishermen of Santa Barbara Pacific Coast Federation of Fishermen's Associations San Diego Fishermen's Working Group

Two individuals

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