MTC PROPOSAL FOR RATIONALIZATION OF THE PACIFIC WHITING FISHERY

1. Purpose

The goal is to rationalize the Pacific Whiting fishery so as to reduce continued capitalization of an overcapitalized fishery and to provide a means to facilitate Industry management of fishery issues, including bycatch.

2. Proposed System of Rationalization

The proposed catcher vessel system of rationalization would include a program for individual transferable quotas (ITQs) for both the mothership fishery and inshore fishery so as to preserve the allocations between those fisheries as they now exist and, also, to recognize the history of the catcher vessels that have participated in those fisheries over a substantial number of years in an equitable fashion. The processors would be protected by virtue of the continued separation between the mothership fishery and the inshore fishery, yet because of the uncertain nature of this fishery and to assure that the catcher vessel quota can be harvested on an annual basis, all restriction with regard to location of delivery between mothership and inshore would be eliminated after August 1 of any given year.

3. Eligibility for ITQs

A. Eligibility to Receive ITQ.

Eligibility to receive ITQ is any person that holds a valid, permanent and fully transferable Pacific Coast Groundfish Fishery Permit with "A" endorsement with trawl gear. To be eligible for catcher vessel ITQ, the catch history of the vessel or permit (depending on the basis selected for distribution) must have been 1,000 tons or more of whiting (alternative 500 tons) in at least two of the applicable catch history years in the mothership and/or inshore fishery using a valid, permanent and fully transferable Pacific Coast Groundfish Fishery Permit with "A" endorsement with trawl gear.

B. The Basis for Distribution.

1) First Alternative (based on the catch history of the permit)

The distribution of ITQs shall be based on the catch history of the vessel or vessels fishing under authority of the trawl permit with "A" endorsement owned by the applicant. In situations where the owner of the vessel and the owner of the permit are different parties at the time of harvest, the same principle shall apply unless to the extent a contract exists between the owner of the vessel
and the owner of the permit which provides for the catch history to 
be distributed to the vessel owner.

2) **Second Alternative** (based on catch history of the vessel)

   The distribution of ITQs shall be based on the catch history of the vessel 
on which the license was used, and in cases where the vessel is operated with 
multiple licenses over time, the distribution of ITQ to the vessel shall be based on 
the aggregate catch histories of the licenses while on that vessel. In situations 
where the owner of the vessel and the owner of the permit are different parties at 
the time of harvest, the same principle shall apply unless to the extent a contract 
exists between the owner of the vessel and the owner of the permit which 
provides for the catch history to be distributed to the permit holder.

4. **Determination of Individual Transferable Quota Share**

   **A. Inshore ITQs (Possible Alternatives for Applicable Catch History Years)**

   1. 1994 - 2000
   2. 1994 - 2002
   3. 1994 - 2003
   4. In all cases drop 2 years

   **B. Mothership ITQs (Possible Alternatives for Applicable Catch History Years)**

   1. 1994 - 2000
   2. 1994 - 2002
   3. 1994 - 2003
   4. In all cases drop 2 years

   **C.** For either the inshore ITQ or mothership ITQ the option should remain open to 
consider another range of years as the basis of catch history between 1994 and 
2003 after initial analysis.

   **D. Initial Allocation of ITQ.**

   Calculation of initial ITQ distribution shall be based on total legal landings by 
sector (mothership and onshore). The calculation is to be done on a vessel by 
vessel basis, as a percent of the total catch within each sector (mothership and 
inshore) year by year during the qualifying period dropping on a vessel by vessel 
basis the lowest 2 percentage years. Then the sum of the yearly percentages, thus 
determined, on a sector basis, is to be divided by the number of qualifying years 
(less 2) included in the qualifying period on a sector basis to derive a vessel's ITQ 
within each of the mothership and inshore sectors.

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5. **Transferability**

Both mothership and inshore ITQs would be freely transferable.

6. **Delivery Restrictions**

A. Inshore ITQs can only be delivered to inshore processors prior to August 1 of any year.

B. Mothership ITQs can only be delivered to mothership processors prior to August 1 of any year.

C. After August 1, any unharvested ITQs may be delivered to any inshore or mothership processor.

D. If processors desire additional individual company protection, that can be accomplished via private, long term supply contracts with CV owners.

7. **Non-Eligible CV Trawl Vessel Quota**

Whiting quota would be set aside to allow continuation of non-primary season deliveries of up to 10,000/20,000 pounds (in accordance with current regulation) of whiting by trawl permit holders that do not qualify for whiting ITQs. This quota would be capped at 200% of the highest harvest year of non-primary season deliveries between 1994 - 2003. Holders of whiting ITQ may not participate in this fishery.

8. Establish a coastwide opening date for Pacific whiting for both inshore and motherships of April 1.

9. **Whiting Set Aside**

A bycatch set aside of whiting shall be established to support the non-whiting target fisheries.

10. **Council Committee**

MTC supports formation of a Council sponsored committee charged with the responsibility of developing a comprehensive ITQ program for Pacific whiting, and also including an ITQ program for the other "traditional groundfish" if requested by that sector. If the committee is charged with developing a program for both whiting and the traditional groundfish it should consist of a fair representation of vessel owners from both sectors. In addition, the committee should be authorized to develop the programs as separate plan amendments on separate time tracks if the committee work can be completed on either sector's program more quickly than the other.