

**GROUND FISH TRAWL INDIVIDUAL QUOTA COMMITTEE REPORT ON TRAWL
 INDIVIDUAL QUOTA ANALYSIS REVIEW OF STAGE 1 DOCUMENT**

The Trawl Individual Quota Committee (TIQC) met Sunday June 11, 2006 and reviewed the proposed restructuring of the management regime alternatives, the individual fishing quota (IFQ) program alternatives, and other areas where the Council staff sought additional guidance (Agenda Item F.3.a, Attachment 2; Staff Report, Issues for Council Consideration). The TIQC recommends the Council modify the specifications provided in the staff report as follows:

1. Restructuring IFQ Program Alternatives

With respect to the three program alternatives, change the section on initial allocation of quota shares to groups of initial participants to the following:

Program A	Program B	Program C
Initial Allocation of Quota Shares, Section B.1.0		
<p><i>Eligible Groups:</i> 50% to current permit owners; 50% to processors.</p>	<p><i>Eligible Group Suboption B-1:</i> 100% to current permit owners.</p> <p><i>Eligible Group Suboption B-2:</i> Nonwhiting—100% to current permit owners; Whiting—50% to current permit owners; 50% to processors.</p> <p><i>Eligible Group Suboption B-3:</i> 90% to current permit owners; 10% to processors.</p>	<p><i>Eligible Groups:</i> 75% to current permit owners, 25% to processors.</p> <p><u>(NOTE: For the nonwhiting shoreside fishery only, up to 20% of the quota pounds will be held back from the allocation (off the top) to support the community stability holdback. Each year, the Council will have the flexibility to determine whether 20% or some lesser amount will be held back.</u></p>

2. Specification of Design Elements

For purposes of allocation of QS/QP (quota share/quota pounds), two types of processors are defined for any program which includes an initial allocation of quota share to processors. These definitions will apply only for the initial allocation and not for other purposes (unless otherwise specified):

1. At-sea processors are those vessels that operate as motherships in the at sea whiting fishery or those vessels permitted to operate as catcher-processors in the catcher-processor whiting fishery.
2. A shoreside processor is an operation, working on US soil, that takes delivery of trawl-caught groundfish that has not been “processed at-sea” and that has not been “processed shoreside”; and that thereafter engages that particular fish in “shoreside processing.”
 - a. “Shoreside Processing” is defined as any operation that takes place shoreside; and that involves:

- 1) cutting groundfish into smaller portions; OR
- 2) freezing, cooking, smoking, drying groundfish

and packaging that groundfish for resale into 100 pound units or smaller for sale or distribution into a wholesale market.

- b. The purchase and redistribution into a wholesale market of live groundfish from a harvesting vessel is also defined as “shoreside processing.”
- c. Entities that received fish that have not undergone “at-sea processing” or “shoreside processing” (as defined in this paragraph) and sell that fish directly to consumers shall not be considered a “processor” for purposes of QS/QP allocations.
- d. The recipient of the groundfish listed on the fishticket is presumed to be the first processor unless evidence is presented to NMFS that some other entity was the processor as defined in this section.

For the at-sea fishery, observer data and weekly processing reports will be used to document landings. Item d. may potentially result in conflicting claims to the history for a particular landing (e.g. claims by the first receiver and a processing company to the history for same fish ticket). This will create a need for adjudication. Further criteria will need to be developed for use in adjudication.

3. Definition of a Whiting Trip

Two options exist for the definition of a whiting trip. Based on its review of scattergrams showing the pounds of whiting and percent of whiting for trips in 2002, 2003, and 2004, the TIQC recommends that any trip composed of more than 50% whiting be considered a shoreside whiting trip. The rejected alternative would have defined a whiting trip as those trips composed of more than 50% whiting or trips with more than 10,000 pounds of whiting. The TIQC rejected the 10,000 pound option out of concern that different type of IFQ might be required for whiting and nonwhiting trips. If a vessel went out intending to make a whiting trip covered with IFQ for the whiting fishery and the trip was cut short, such that 10,000 pounds was not taken, then the vessel might not have the right type of IFQ to cover the catch.

4. Bycatch in the Whiting Fishery under Alternative 2

The TIQC is concerned about how bycatch in the whiting fishery would be managed under Alternative 2 and would like to explore the possibility of creating co-ops for that alternative. The TIQC would like to address this issue in more detail and report back at the next meeting. It is the TIQC’s understanding that taking another meeting to develop this specification will not delay the early part of Stage II of the analysis.

5. Provisions for a Rollover of Unused IFQ from One Whiting Sector to Another

The IFQ program includes the possible provision of a rollover of unused IFQ from one whiting sector to another. Additional detail needs to be developed for this alternative. The TIQC will take this up at its next meeting. Again, it is the TIQC’s understanding that taking another meeting to develop this specification will not delay the early part of Stage II of the analysis.