

**Table 2. Summary of the IFQ Alternatives**

	Element	SubElement	IFQ Alternative
<b>A. <u>Trawl Sector Management</u></b>			<b>Same for All Alternatives</b>
A.1	Scope for IFQ Management, Including Gear Switching		Catch based system: QP (quota pounds) required to cover groundfish catch (including all discards). Gear switching allowed (vessels with limited entry trawl permits can use directed groundfish gears (including open access, longline and fishpot) to harvest their QP).
A.2	IFQ Management Units, Including Latitudinal Area Management		Quota-Shares/QP will be species, area and sector specific. Species and areas will be as specified in the ABC/OY table, <b>unless it is determined that additional area subdivisions are desirable.</b> <b>(Process Option:</b> Initiate a group to address area management) QS may be subdivided after initial allocation.
A.3	General Management and Trawl Sectors		Unless otherwise specified, status quo regulations, other than trip limits, will remain in place. Including season closures, as necessary. <b>For trawl vessels fishing IFQ with longline gear, RCAs may need to be more conservative.</b> <b>Option 1:</b> <del>One</del> <b>Three</b> trawl sectors ( <b>shoreside, mothership, and catcher-processors</b> ). <b>Option 2:</b> Four trawl sectors: shoreside nonwhiting, shoreside whiting, mothership, and catcher-processors.
A.4	Management of NonWhiting Trips		Trip limits will apply to whiting incidental catch in the nonwhiting fishery (in addition to the requirement that catch be covered with for whiting QP).
A.5	Management of Whiting Trips		At-sea whiting will be closed through a prohibition on at-sea deliveries (including catcher-processor harvest).  <del>If the trawl sector is divided into subsectors:</del> <del><b>Option 1:</b> Whiting QP rollover provision.</del> <del><b>Option 2:</b> No whiting QP rollover provision.</del> <b>[Note: QP can be sold, let market handle it]</b>
A.6	Special Overfished Species Management Provisions	(placeholder)	No special provisions (except with respect to initial allocation and carryovers (see below)).
A.7	Sideboards	(placeholder)	<del>No special provisions at this time. Issue is being evaluated.</del> <b>None.</b>
<b>B. <u>IFQ System</u></b>			
<b>B.1 Initial Allocation</b>			
B.1.1	Eligible Groups	Groups and Initial Split of QS	<b>Option 1:</b> 100% to permit owners <b>Option 2:</b> 75% to permit owners and 25% to processors <b>for groundfish, 50% to permit owners and 50% to processors for whiting.</b>

**Table 2. Summary of IFQ alternatives (continued)**

	Element	SubElement	IFQ Alternative
		Permit History	Landings/deliveries history goes with the permit.
		Processing Definition	Only the first processing counts as processing. A special definition of processors and processing is provided.
		Attributing and Accruing Processing History	Attribute to the first receiver, but for shoreside <b>Option 1:</b> Attribute to the receiver reported on the landing receipt. <b>Option 2:</b> Same as Option 1, except history may be reassigned to an entity not on the landings receipt, if parties agree or thru an adjudication process. Additionally, history transfers with the facility (unless the facility is leased, in which case it goes to the lease holder).
B.1.2	Recent Participation	Permits (including catcher-processor permits)	<del><b>Option 1:</b> Recent participation is not required.</del> <del><b>Option 2:</b> Recent participation required (one zero, five, or ten landings/deliveries from 1998-2003)</del> <del><b>Option 3:</b> Recent participation required (1998-2003) [level of activity to be determined]</del>
		Processors (motherships)	Recent participation required: [level of activity to be determined] from 1999-2004
		Processors (shoreside)	Recent participation required: [level of activity to be determined] from 1999-2004
B.1.3	Allocation Formula	Permits with catcher vessel history	Allocation based on (1) permit history, plus (2) an equal division of QS for buy-back permits For each species/species group to be allocated QS, the history used for allocation will be that for: <b>Allocation Species Option 1 (Nominal<sup>a</sup> Species):</b> the species/species group being allocated. <b>Allocation Species Option 2 (Nominal or Proxy Species):</b> Use proxy species for nontarget-overfished species and other incidental species (LIST TO BE PROVIDED IN FOOTNOTE) Allocation period: 1994-2003 drop two worst years for whiting trips drop three worst years for nonwhiting trips. <sup>b</sup> Relative pounds. Use a vessels pounds relative to the rest of the fleet to calculate history for each year.
		Permits with catcher-processor history	<b>Option 1:</b> Schedule developed by unanimous consent of catch processors. <b>Option 2:</b> Permit history: 1994-2003 (no option to drop years) use relative pounds <sup>c</sup> .
		Processors (motherships)	Motherships: 1998-2003 (no option to drop years) use relative pounds. Apply the Allocation Species Options listed above
		Processors (shoreside)	Shoreside Processors: 1994-2004, drop two worst years, use relative pounds. Apply the Allocation Species Options listed above
B.1.4	History for Combined Permits and Other Exceptional Situations		Permit history for combined permits include the history for all the permits that have been combined. EFPs landings in excess of cumulative limits for the non-EFP fishery will not count. Compensation fish will not count. <sup>de</sup>
B.1.5	Initial Issuance Appeals		No Council appeals process. NMFS will develop a proposal for an internal appeals process.

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	Element	SubElement	IFQ Alternative
B.2	<b>Permit/Holding Requirements and Acquisition</b>		
B.2.1	Permit/IFQ Holding Requirement		<ol style="list-style-type: none"> <li>Limited entry trawl permit required.</li> <li>30 days to cover catch with QP</li> <li>For a vessel to use QP, they must be in the vessel's QP account.</li> <li>If a vessel does not have QP to cover its catch, it may not fish until the overage is covered.</li> <li>A vessel with a deficit could not transfer its LE permit. <b>Option:</b> XXX QP must be held prior to departure from port.</li> </ol>
B.2.2	IFQ Annual Issuance	Start-of-Year QP Issuance	Quota pounds would be issued annually to quota share holders.
		Carryover (Surplus or Deficit)	<p><del>Non-overfished Species Option 1:</del> 5% carryover for non-overfished species  <del>Non-overfished Species Option 2:</del> 10% carryover for non-overfished species  <del>Non-overfished Species Option 3:</del> 30% carryover for non-overfished species</p> <p><del>Overfished Species Option 1:</del> No carryover for overfished species  <del>Overfished Species Option 2:</del> 510% carryover for overfished species  <del>Overfished Species Option 3:</del> Same carryover as for overfished species</p>
		Quota Share Use-or-Lose Provisions	None. -Consider during program review.
		Entry Level Opportunities	<p><del>Option 1:</del> No special provisions.  <del>Option 2:</del> Lottery for revoked shares. One time distribution of 5% of QS at start of program, possibly through and auction.  <b>Infinitely divisible, buy-in slowly.</b></p>
B.2.3	IFQ Transfer Rules	Eligible Owners/holders	Any entity eligible to own or control a US documented fishing vessel with certain AFA and treaty exceptions. <b>Use North Pacific Council language.</b>
		Transfers and Leasing	<p><del>Option 1:</del> Transferable QP/QS.  <b>Option 2:</b> Transferable QP/QS but leasing QS prohibited.</p>
		Temporary Transfer Prohibition	Temporary prohibitions on QS transfers, as necessary for program administration (to be determined by NMFS).
		Divisibility	Unrestricted for quota shares. Whole pound units for quota pounds.
		Liens	Liens could be placed on quota shares and quota pounds.
		Accumulation Limits (Vessel and, Ownership, or Control)	<p>Limits may vary by species/species group, areas, and sector. <b>Use options provided in TIQC report and North Pacific rules for defining ownership or control.</b> <del>Data needed to narrow options. New definition of "control" and other provisions needed.</del> The following options are being considered.</p> <p><del>Option 1:</del> No limits      <del>Option 4:</del> 10% limits  <del>Option 2:</del> 50% limits      <del>Option 5:</del> 5% limits  <del>Option 3:</del> 25% limits      <del>Option 6:</del> 1% limits</p>
			Note: Limits for groundfish or a complex may be applied in addition to the species/species group limits.

**Table 2. Summary of IFQ alternatives (continued)**

	Element	SubElement	IFQ Alternative
B.3	<b>Program Administration</b>		
B.3.1	Tracking and Monitoring NMFS will explore the possibility of less than 100% at-sea monitoring and report back on the possibility.		<p><b>Option 1:</b> 100% at-sea compliance monitors/observers (small vessel exception, if feasible). Discarding would be allowed. Allowing discarding would require that the timeliness of discard reporting be improved to match that for landings reporting. Such timeliness would be necessary to track quota pound usage. VMS would be required.</p> <p>Electronic landings tracking, advance notice of landings, unlimited landing hours. Some shoreside monitoring.</p> <p>Some costs would be controlled through a requirement that delivery sites be licensed. Site licenses would ensure that certain standards would be met that would facilitate monitoring and would aid work force planning. Any landing not made at a licensed site would be illegal.</p> <p>QP account information for vessels would be available in the field. A central lien registry system would include only essential ownership information.</p> <p><b>Option 2:</b> Same as Option 1 except as follows. No small vessel exception. There would be full retention and 100% shoreside monitoring, so the discard reporting system would not need to be upgraded. The site licensing program would be replaced by a limitation on the ports to which deliveries could be made. Costs would be further controlled by limiting landing hours. A central lien registry system would contain expanded ownership information.</p> <p><b>Option 3:</b> Same as Option 1 except as follows. No small vessel exception. Cameras might be provided as an option for vessels to use in place of compliance observers (feasibility to be determined). Discards would be allowed (except when cameras are used). Instead of creating an electronic state fish ticket system, a Federal system would be created to track trawl landings. A central lien registry system would contain expanded ownership information.</p>
B.3.2	Socio-Economic Data Collection		<p><b>Option 1:</b> Expanded data collection, voluntary compliance. Include transaction prices in a central QS ownership registry.</p> <p><b>Option 2:</b> Expanded data collection, mandatory compliance. Include transaction prices in a central QS ownership registry.</p>
B.3.3	Program Costs Some cleanup is needed so that the options all cover the same issues.	Cost Transfer and Recovery	<p><b>Option 1:</b> Recover IFQ program costs but not enforcement or science costs A maximum of 3% of ex-vessel value.</p> <p><b>Option 2:</b> Full cost recovery through landing fees plus privatization of certain elements of the management system.</p>
		Fee Structure	To be determined. TIQC recommends a fee structure that reflects usage.
B.3.4	Program Duration and Modification		Four-year review process <b>to start four years after implementation.</b> Community advisory committee to review IFQ program performance.

<sup>a</sup> As used here, “nominal” refers to the species attributed to the vessel after the application of species composition ratios in the PacFIN system. The estimates for nominal species are based on fleet averages and so may vary from actual vessel catch. However, these are the best estimates available of actual vessel catches, specified to the needed levels of species group desegregation.

**Table 2. Summary of IFQ alternatives (continued)**

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- b State landings receipts (fish tickets) will be used to assess landings history for shoreside deliveries and observer data will be used for motherships.
- c Based on observer data
- d **Stacked permits:** On rare occasions two trawl permits have been assigned to the same vessel. During the time more than one permit is assigned to a single vessel . . . Options: A. Divide landing/delivery history equally among both permits. B. Assign all landing/delivery history to the permit registered for use with the vessel. This issue will not affect the analysis. Therefore, until the issue is decided Option A will be used.
- e Illegal landings/deliveries do not count toward history for QS allocation.

