Trawl Rationalization Alternatives

- Review Co-op Alternative Basics
- Review Major New IFQ Provisions
  - Adaptive Management
  - Processor Measures
  - Halibut IBQ
- Review IFQ Alternatives Focusing on GAC Proposed Changes
- Review Preliminary Quantitative Analysis
- Challenges to Managing Overfished Species with IFQs

The Harvester Co-op System

- Trawl Limited Entry Permit
- Whiting Co-op Endorsement
- Permit History (Permit Share)

Opportunity to Participate If Co-op Agrees
Each Year a Permit Chosen Between Participating in the Co-op Fishery and Non-co-op Fishery

Co-op Fishery
Non-co-op Fishery

NMFS Allocates Fish Between the Co-op and Non Co-op Fishery
Mothership Co-op Program: Processor Ties

Co-op Fishery
Must Deliver to Licensed Mothership

Licensed Mothership

Co-op Endorsed Permit

Non-co-op Fishery
Must Deliver to Licensed Mothership

New Tie Established When Vessel Returns to the Co-op

Co-op Fishery
Tied Based on Historic Harvest
The Tie Can Only Be Broken By Participating in the Non-co-op Fishery (Option for No Tie)

Shoreside Co-op Program: Processor Ties

Co-op Fishery
Must Deliver to Co-op Qualified Processors (1st 2 years)

Co-op Qualified Processor

Co-op Endorsed Permit

Non-co-op Qualified Processor

Non-co-op Fishery
May Deliver to Either Co-op Qualified or Non Co-op Qualified Processors

Tied Based on Historic Harvest
The Tie Can Only Be Broken By Participating in the Non-co-op Fishery
Once Tie is Broken Permit Is not Recommitted When It Returns to the Co-op
After 1st Two Years
Whiting Co-op Alternative Bycatch Management

• Option 1: A single pool for all whiting sections
  – SubOption 1: Close on attainment of pool cap
  – SupOption 2: Same as Suboption 1 plus seasonal releases of the bycatch pool.

• Option 2: A separate bycatch pool for each whiting sector
  – SubOption 1: Rollover on full attainment of whiting allocation or declaration of all participants that they do not need the remaining pool.
  – SubOption 2: No rollover.
A-2.4. Additional Measures for Processors

IFQ Alternative Includes Option for Initial Distribution of QS to Processors

1. Any QS received for processing history will expire after a certain period of time.
2. The accumulation limit grandfather clause will not apply for QS issued based on processing history.
3. As needed, a fee will be established to provide financial compensation to processors for demonstrated harm. *Congressional action may be necessary to establish a fee dedicated to this purpose.*
4. The Adaptive Management provision will be used to compensate processors for demonstrated harm by:
   - auctioning QP to generate funds to provide financial compensation, or
   - providing QP to be directed in a fashion that increases benefits for affected processors.

A-3. Adaptive Management

- 1st 10 Years of Program
- 0% to 10% of the trawl allocation will be distributed as quota pounds (QP) to create incentives or to compensate for unexpected outcomes.
- This provision would apply to the overall trawl sector (whiting and non-whiting).
- Council establishes criteria for the distribution when it determines there is a need.

Note: This approach does not change the option for splits of quota share (QS) that will go to eligible groups.
A-4. IBQ for Pacific Halibut

• For bycatch only (not for retention)
• Issued on the basis of a bycatch rate applied to the target species quota shares an entity receives.
• Area specific bycatch rates may be used for allocation.

Quantitative Analysis

• Recent Participation Requirement Has Little Effect on Distribution of QS
  – Only a few permits would be affected
  – The amount of their landings is quite small
• Compare Graphs of Initial QS Distribution With and Without Equal Sharing
  – Some flattening of the distribution of QS
  – For some permits ’04-’06 participation diverges greatly from historic participation
• Compare Tables With and Without Equal Sharing
  – Equal sharing is not the main factor affecting geographic distribution (e.g., Astoria and Coos Bay lose less, but Newport and Eureka are worse off)
## TIQ Recent Participation

Number existing permits and share of total landings history that would be excluded under different Recent Participation Thresholds

### Recent Participation Minimum
Landings Requirement 1998-2003

<table>
<thead>
<tr>
<th></th>
<th>One</th>
<th>Five</th>
<th>Ten</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Number of Permits Excluded</strong></td>
<td>6</td>
<td>7</td>
<td>10</td>
<td>163*</td>
</tr>
<tr>
<td><strong>Share of Landings History</strong></td>
<td>0.34%</td>
<td>0.35%</td>
<td>0.47%</td>
<td>100%</td>
</tr>
</tbody>
</table>

* Number of permits does not include 5 permits with only whiting deliveries and 1 permit with no landings between 1994 and 2003
Permit Allocation Option 2

- Allocation Based on Permit History
- Allocation of Buyback Permit Pool Based on Equal Sharing
- Following slides illustrate
  - a permit’s history on the left
  - the buyback permit history pool on the right
  - the QS allocation to the permit in the center