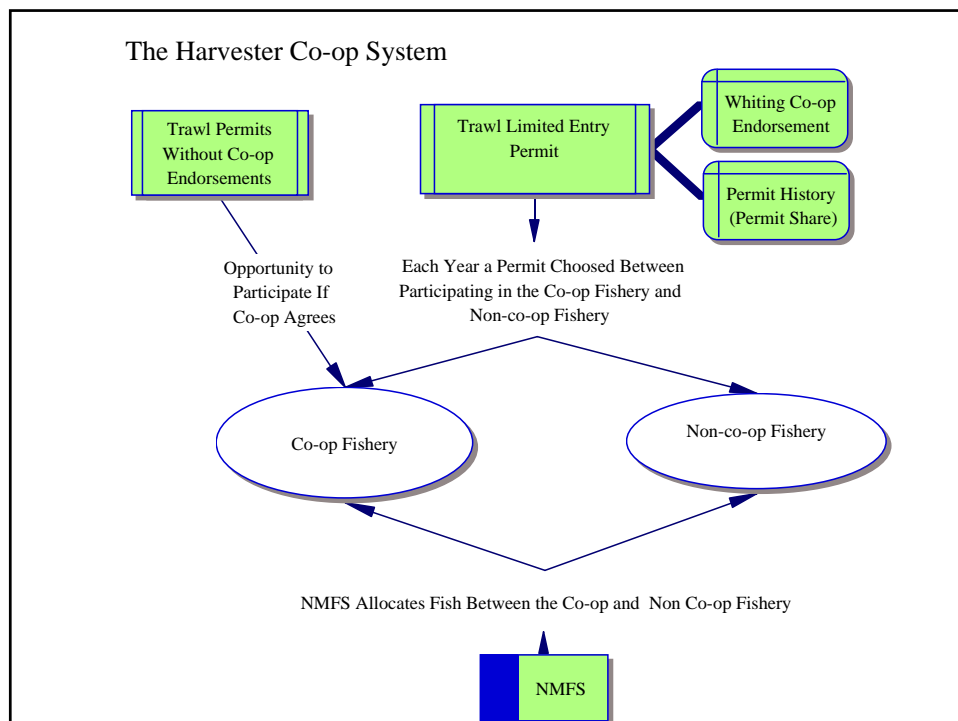
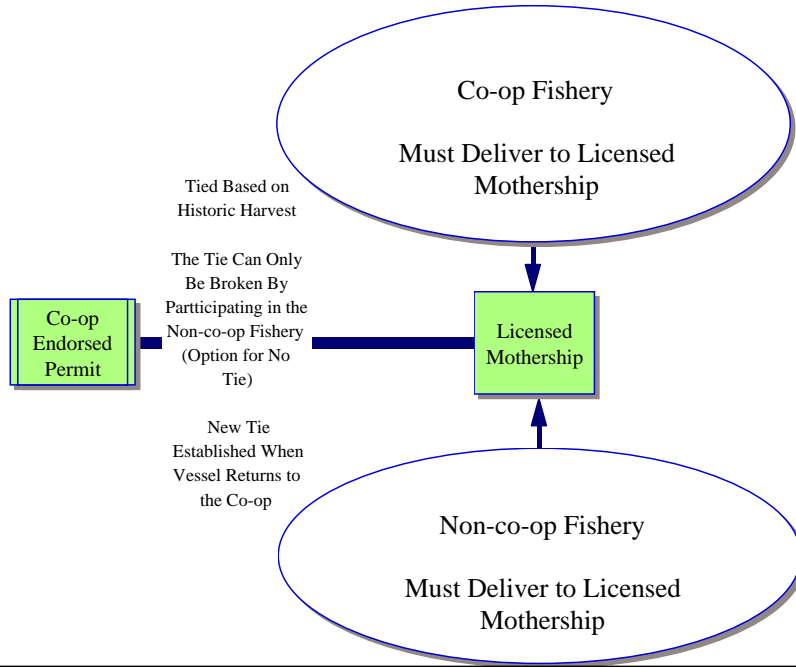


Trawl Rationalization Alternatives

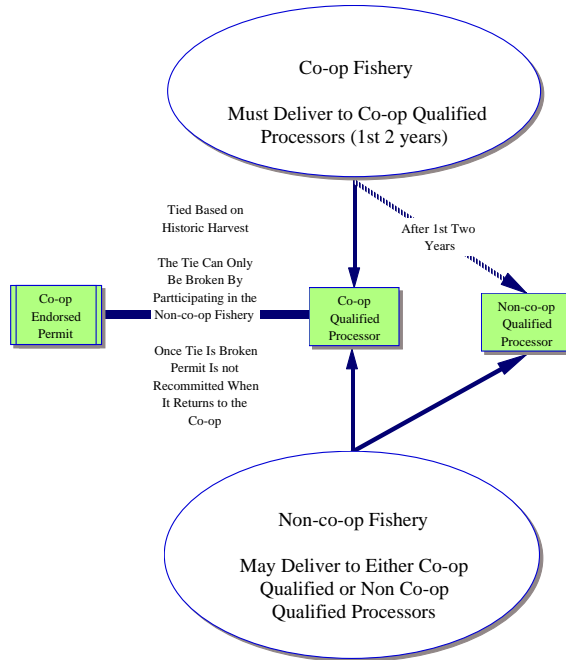
- Review Co-op Alternative Basics
- Review Major New IFQ Provisions
 - Adaptive Management
 - Processor Measures
 - Halibut IBQ
- Review IFQ Alternatives Focusing on GAC Proposed Changes
- Review Preliminary Quantitative Analysis
- Challenges to Managing Overfished Species with IFQs

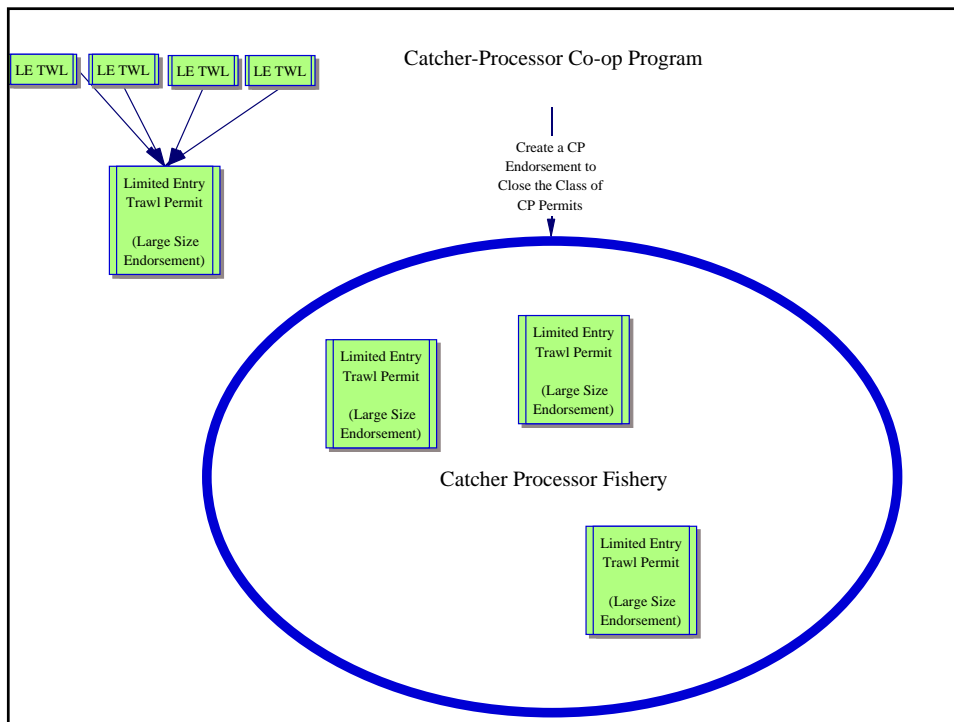


Mothership Co-op Program: Processor Ties



Shoreside Co-op Program: Processor Ties





Whiting Co-op Alternative Bycatch Management

- Option 1: A single pool for all whiting sections
 - SubOption 1: Close on attainment of pool cap
 - SubOption 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

	<u>One</u>	<u>Five</u>	<u>Ten</u>	<u>Total</u>
Number of Permits Excluded	6	7	10	163*
Share of Landings History	0.34%	0.35%	0.47%	100%

* 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

