G.4. Accumulation Limits

Decisions Made

• Have Accumulation Limits
• No Grandfather Clause

Decisions Open

• Percent by Species
• Exceptions (e.g., communities)
• Aggregate nonwhiting control limit
• Redistribution or divestment

Other Issues of Possible Concern

• Disposition of excess QS with OY changes
• Disposition of QS in excess of control limits, on initial allocation

G.4. Accumulation Limits

• Control limits (QS/QP)
• Vessel Usage Limits (QP) and/or

Supplemental Powerpoint 2
March 2009
Decide

- Species and percentages for vessel and control limits
  - Species
    - Target species
    - Overfished species
    - Whiting (shoreside and mothership)
    - Halibut IBQ
  - Adjust policy for vessel usage limits above control limits
  - Special situation limits (e.g., communities)

- Disposition of excess QS
  - Special situation limits (e.g., communities)
  - Adjust policy for vessel usage limits above control limits
  - Habitat IDQ
  - Writing (shoreside and mothership)
  - Overfished species
  - Target species

- New VAC Options

GAC Control Limit Options

- Control limits based on 90th percentile of vessel landings

Do Better than 90th Percentile

GAC Option 2:
- 90th percentile based on vessel landings
- Trawl sector harvest
- Trawl sector allocation

Example based on Northern Slope Rockfish:

- Trawl sector harvest = 200 mt
- 90th percentile harvest = 4 mt
- Percent for control limit = (4/200) = 2.0%
- Trawl sector allocation = 800 mt
- 2% of allocation = 16 mt

Do not apply to allocation of overfished species.
Comparing New GAC Options to Existing Options

• New GAC Options, more restrictive than existing options.

General Pattern in Results (Existing and GAC Options)

• Vessel limit options generally accommodate individual vessel activity.
• Control limit options are substantially less accommodating of individual vessel activity.
  • Vessel limit options generally accommodate excessive amounts (existing and GAC options).
  • Control limit options when compared to entity activities and allocations are even more restrictive.

Overfished Species

• Vessel usage limits –
  – little good incentive to accumulate excessive amounts on a vessel (incentive is to avoid catch and not use)
  – need to cover high bycatch events
• Control limits –
  – Might consider setting in relation to needs for accessing to target species control limits.
    – Difficult because of many different strategies in which some overfished species are taken.
    – Need to cover high bycatch events.
    – Vessel usage limits –

Other Individual Species to Address

• Shoreside Whiting
• Mothership Whiting
• Pacific Halibut
• Pacific Halibut
• Pacific Halibut
• Pacific Halibut
• Pacific Halibut

Overfished Species

• Vessel usage limits –
  – too low: may not function well
  – too high: too much control – choke points
  – But also, don’t set too high or too low.

New GAC Option 2 (2004-2006)

• New GAC Option 1 (1994-2003), more restrictive than
  • Existing Options.
  • New GAC Options, more restrictive than

New GAC Options to (Table 3)
Mothership Whiting Data

<table>
<thead>
<tr>
<th>Year</th>
<th>Allocation to Permit (%)</th>
<th>Allocation to Processing (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004-2006</td>
<td>9.4%</td>
<td>16.4%</td>
</tr>
<tr>
<td>1994-2003</td>
<td>11.3%</td>
<td>18.5%</td>
</tr>
<tr>
<td>2000-2006</td>
<td>10.0%</td>
<td>28.9%</td>
</tr>
<tr>
<td>1994-2003</td>
<td>12.5%</td>
<td>37.5%</td>
</tr>
</tbody>
</table>

Mothership Control Options

- 10% (Option 1)
- 15% (GAC Recommendation, Option 2)
- 25% (Option 3)
- The amount of the largest current owner (no grandfather clause, Option 4)

Measurement of control: Same rules as for IFQs, i.e., individual and collective rules.

Mothership Control Options

- Control stated in terms of amount of history represented by permits owned.
- Control stated in terms of amount of history controlled.

Shoreside Whiting

<table>
<thead>
<tr>
<th>Year</th>
<th>Allocation to Permit (%)</th>
<th>Allocation to Processing (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004-2006</td>
<td>8.6%</td>
<td>15.0%</td>
</tr>
<tr>
<td>2000-2006</td>
<td>7.3%</td>
<td>22.5%</td>
</tr>
<tr>
<td>1994-2003</td>
<td>9.1%</td>
<td>37.5%</td>
</tr>
</tbody>
</table>

Mothership Control Options

- Control limit not selected in November.
- Vessel usage limits were not a feature of the package.

The package:

- Control limit option not selected in November.
Halibut IBQ

• Accumulation limits have not been addressed.
  – Vessels Limits
    • Little good incentive to accumulate excessive amounts on a vessel (incentive is to avoid catch and not use)
  – Control Limits
    • Look at initial allocations of IBQ
    • Initial IBQ allocations proportional to Petrale and arrowtooth
    • Consider developing halibut IBQ control limits in relation to the range of control limits for these species.
    • Petrale (e.g. 3%) and arrowtooth (e.g. 10%)

Initial Allocation of IBQ Compared to Target Species (2006 fisheries)

Northern-Area Halibut IBQ (lbs) and QS (%) compared with Arrowtooth plus Petrale QPs (equal sharing of buyback)

- Control Limits
  - (no way to pull QP on vessels without exceeding limits)
  - Likely because limits do direct the vessels to vessels
  - Implication for Processors (from EIS)
  - Counting QP against control limits would prevent
    • (limits) and each year restrict the QP to its vessels.
    • indirectly control QP held by other vessels.
    • Concern: An entity owning multiple vessels might
      • reduce the use of one vessel by diverting QPs

Inconsistency to Resolve

• QS and QP count against the control limits
  - Vessel violating control limits.
  - Vessel cannot pull QP into its account
  - (ownership) limits
  - Vessel usage limits higher than control

Counting QP Against Control Limits

Rationale and Implication

• Proposed as a way to make it more difficult to
  • Propose as a way to make it more difficult to

Halibut IBQ

Accumulation limits have not been addressed.
Resolution to Inconsistency

1. Leave the way it is (QS and QP count against control)
   and set vessel and control limits the same.

2. Don't count QP in vessel QP accounts against control limits. Leaves the vessel limit as a backstop. People could buy up to the control limit, or if they had a vessel, up to the vessel limit, but not more.

3. Don't count any QP against control limits. (GAC Recommendation)
   No limit on amount of QP an entity might buy (e.g. purchasing large amounts at start of year).

Disposition of Excess from Changes in OY

- Special situtation limits (e.g. communities)
- Control limits
- Adjust policy for vessel usage limits above
- Halibut IQ
- Weighting (seeded and maternal)
- Whiting (seeded and maternal)
- Target species
- Vessels
- Species and percentages for vessel and control limits

Decide

- As 1% Pacific cod
- Weight all QS equally. 1% Dover sole same
- Do not change the weighing with changes in OY
- Change the rules for calculation.
- (grandfather in their holdings)
- Allow those pushed over the limit to retain
- Require those pushed over aggregate limit
to divest.
- Change the rules for calculation.

Resolution

- Require those pushed over aggregate limit to divest.
- Allow those pushed over the limit to retain (grandfather in their holdings).
- Change the rules for calculation.
- Do not change the weighing with changes in OY
- Weight all QS equally. 1% Dover sole same

Decide

- Species
- Target species
- Overfished species
- Nonwhiting limits
- Can cause someone to go over their aggregate
- Will not change person's position relative to
  Changes in OY

Disposition of Excess

- From Changes in OY
- By the QS.
- Each species by the pounds represented
- Calculation of aggregate average weights
- Nonwhiting limits
- Changes in OY