The Groundfish Advisory Subpanel (GAP) received a presentation from Mr. Jim Seger and Mr. Merrick Burden on species’ accumulation limits in the trawl rationalization program and provides the following comments and recommendations.

The GAP believes that the revenue-based approach provided by the Groundfish Management Team (GMT) in Agenda Item G.4.b, GMT Report for considering quota share control limits is a useful conceptual approach for deciding this issue. The GAP also paid attention to the recommendations of the Groundfish Allocation Committee (GAC) in Agenda Item G.4.b, GAC Report and the maximum initial quota share allocations in recommending the control limits for species individual fishing quota (IFQ) shares in Table 1. The maximum landings as a share of trawl allocation was another important consideration.

The GAP recognizes the trade-off between preventing excessive market control of the groundfish fishery with overly high control limits for single entities and the lower revenues and efficiency associated with control limits that are set too low. The GAP also agrees with the GMT that control limits for some species that tend to be targeted by fewer vessels in the fleet should be set relatively higher than those for species that tend to be caught by more vessels in the fleet to allow continuance of these specialized fishing opportunities. For this reason, higher control limits are recommended for species such as Pacific cod and arrowtooth flounder than for more commonly caught species such as sablefish and petrale sole.

The GAP agrees with the GAC recommendation that the Council apply control limits to quota shares and apply vessel use limits to quota pounds. In general, the GAP is recommending vessel use limits that are approximately 1.5 times higher than control limits. This will promote efficiency of fishing operations that will help absorb the higher overhead costs associated with IFQ management (e.g., observer costs borne by permit holders). The GAP felt that using 1.5 instead of the previously discussed factor of 2 for the vessel limit use cap multiplier was appropriate since it would set a larger minimum number of vessels in the fishery. The GAP does recommend slightly higher vessel limits relative to control limits for Pacific cod, arrowtooth flounder, and starry flounder to allow greater access to these species by specialists in the fishery when needed to meet fluctuating market demand or availability of these species for harvest.

The GAP recommends overall market control of the groundfish fishery should be limited by setting an aggregation limit of 2.7 percent on quota shares for non-whiting groundfish species. This recommendation is a mid range of the data presented on page 23 of the GMT report. The GAP agreed there would not be an overall vessel limit because the panel felt the individual species limits will achieve that purpose. Further, the GAP recommends fixing the weighting scheme for calculating the aggregation limit based on the trawl allocation of 2010 optimum yields (OYs) specified for IFQ species. The GAP believes that fixing this weighting scheme for the long term will promote stability and long range business planning much better than a more
dynamic process that contemplates re-calculting the aggregation limit every two years in the biennial management decision process. If the future mix of IFQ species OYs changes to such a degree that the aggregation limit causes excessive market control or other unanticipated problems, then, and only then, should a different weighting scheme be considered.

<table>
<thead>
<tr>
<th>Species</th>
<th>Vessel use limit</th>
<th>Control limit</th>
<th>Rationale for control limits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pacific Whiting</td>
<td>15%</td>
<td>10%</td>
<td>Complies w/ GAC recommendation</td>
</tr>
<tr>
<td>Lingcod</td>
<td>3.8%</td>
<td>2.5%</td>
<td>Exceeds highest initial allocation and allows growth for the entity</td>
</tr>
<tr>
<td>Pacific cod</td>
<td>20%</td>
<td>12%</td>
<td>Exceeds highest initial allocation and allows growth for the entity</td>
</tr>
<tr>
<td>Sablefish N</td>
<td>4.5%</td>
<td>3%</td>
<td>Complies w/ GMT recommendation</td>
</tr>
<tr>
<td>Sablefish S</td>
<td>15%</td>
<td>10%</td>
<td>Complies w/ GAC recommendation</td>
</tr>
<tr>
<td>Chilipepper</td>
<td>15%</td>
<td>10%</td>
<td>Complies w/ GAC and GMT recommendation</td>
</tr>
<tr>
<td>Splitnose</td>
<td>15%</td>
<td>10%</td>
<td>Complies w/ GAC and GMT recommendation</td>
</tr>
<tr>
<td>Yellowtail</td>
<td>7.5%</td>
<td>5%</td>
<td>Complies w/ GMT recommendation</td>
</tr>
<tr>
<td>Shortspine N</td>
<td>9%</td>
<td>6%</td>
<td>Complies w/ GMT recommendation</td>
</tr>
<tr>
<td>Shortspine S</td>
<td>9%</td>
<td>6%</td>
<td>Complies w/ GMT recommendation</td>
</tr>
<tr>
<td>Longspine N</td>
<td>9%</td>
<td>6%</td>
<td>Complies w/ GMT recommendation</td>
</tr>
<tr>
<td>Shelf Rockfish N</td>
<td>7.5%</td>
<td>5%</td>
<td>Doubles the maximum initial allocation and allows growth for the entity</td>
</tr>
<tr>
<td>Slope Rockfish N</td>
<td>7.5%</td>
<td>5%</td>
<td>Doubles the maximum initial allocation and allows growth for the entity</td>
</tr>
<tr>
<td>Shelf Rockfish S</td>
<td>13.5%</td>
<td>9%</td>
<td>Exceeds highest initial allocation and allows growth for the entity</td>
</tr>
<tr>
<td>Slope Rockfish S</td>
<td>13.5%</td>
<td>9%</td>
<td>Exceeds highest initial allocation and allows growth for the entity</td>
</tr>
<tr>
<td>Dover sole</td>
<td>3.9%</td>
<td>2.6%</td>
<td>Exceeds highest initial allocation and allows growth for the entity</td>
</tr>
<tr>
<td>English sole</td>
<td>7.5%</td>
<td>5%</td>
<td>Exceeds highest initial allocation and allows growth for the entity</td>
</tr>
<tr>
<td>Petrale sole</td>
<td>4.5%</td>
<td>3%</td>
<td>Complies w/ GMT recommendation</td>
</tr>
<tr>
<td>Arrowtooth</td>
<td>20%</td>
<td>10%</td>
<td>Complies w/ GMT recommendation</td>
</tr>
<tr>
<td>Starry Flounder</td>
<td>30%</td>
<td>15%</td>
<td>Will cover expected landings and market demand</td>
</tr>
<tr>
<td>Other Flatfish</td>
<td>15%</td>
<td>10%</td>
<td>Exceeds highest initial allocation and allows growth for the entity</td>
</tr>
<tr>
<td>Other Fish</td>
<td>7.5%</td>
<td>5%</td>
<td>Exceeds highest initial allocation and allows growth for the entity</td>
</tr>
</tbody>
</table>

**Overfished species**

For overfished species, the GAP recommends that control limits be set at the maximum initial allocation of overfished species QS given to any single permit. Vessel limits would be set equal to control limits. Following the GMT approach, the GAP recommends that only the unused pounds in the account would count towards the vessel limit.

**Halibut**

Consistent with our statement on agenda item G.3, the GAP recommends the Council not move forward with control and vessel limits for halibut IBQ at this time.
Table 2. GAP recommendations together with GMT, GAC and Existing options and other information used to develop the GAP recommendations.

<table>
<thead>
<tr>
<th>Species Category</th>
<th>Vess Ctrl</th>
<th>Vess Ctrl</th>
<th>Vess Ctrl</th>
<th>Vess Ctrl</th>
<th>Vess Ctrl</th>
<th>GAC Option 1</th>
<th>GAC Option 2</th>
<th>GMT</th>
<th>Control Limits Identified in GMT Report</th>
<th>GAP Vessel Limit Option</th>
<th>GAP Control Limit Option</th>
<th>Max Annual Share of Trawl Fleet Allocation '04-'06</th>
<th>Max Initial Permit Allocations '04-'06</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nonwhiting Groundfish Species</td>
<td>3.0% 1.5% 4.4% 2.2% 2.0% 1.0% 3.0% 1.5%</td>
<td>None</td>
<td>2.7%</td>
<td>1.8%</td>
<td>1.6%</td>
<td>4.1%</td>
<td>4.9%</td>
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<tr>
<td>Lingcod - coastwise</td>
<td>10.0% 5.0% 15.0% 7.5% 3.6% 1.8% 4.4% 2.2%</td>
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<td>3.8%</td>
<td>2.5%</td>
<td>1.1%</td>
<td>2.2%</td>
<td>9.0%</td>
<td>3.7%</td>
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<tr>
<td>Pacific Cod</td>
<td>10.0% 5.0% 15.0% 7.5% 12.8% 6.4% 12.0% 6.0% 20.0%</td>
<td>None</td>
<td>20.0%</td>
<td>12.0%</td>
<td>7.2%</td>
<td>10.0%</td>
<td>22.7%</td>
<td>21.1%</td>
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<tr>
<td>Pacific whiting (shoreside)</td>
<td>20.0% 10.0% 22.5% 15.0% 15.0% 10.0% 15.0% 10.0%</td>
<td>None</td>
<td>15.0%</td>
<td>10.0%</td>
<td>6.9%</td>
<td>8.6%</td>
<td>9.1%</td>
<td>7.3%</td>
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<tr>
<td>Sablefish</td>
<td>N. of 36° (Monterey north)</td>
<td>4.0% 2.0% 6.0% 3.0% 2.0% 1.0% 3.0% 1.5% 3.0%</td>
<td>None</td>
<td>4.5%</td>
<td>3.0%</td>
<td>4.3%</td>
<td>1.4%</td>
<td>2.4%</td>
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<td></td>
<td>S. of 36° (Conception area)</td>
<td>10.0% 5.0% 15.0% 7.5% 20.0% 10.0% 20.0% 10.0%</td>
<td>None</td>
<td>15.0%</td>
<td>10%</td>
<td>22.0%</td>
<td>15.0%</td>
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<td>60.3%</td>
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<tr>
<td>PACIFIC OCEAN PERCH</td>
<td>10.0% 5.0% 15.0% 7.5% 5.4% 2.7% 7.4% 3.7%</td>
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<td>3.3%</td>
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<td>10.1%</td>
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<tr>
<td>WIDOW ROCKFISH</td>
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<td>2.5%</td>
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<td>CANARY ROCKFISH</td>
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<td>5.2%</td>
<td>0.0%</td>
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<tr>
<td>Challis Rockfish</td>
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<td>15.0%</td>
<td>10.0%</td>
<td>0.5%</td>
<td>9.6%</td>
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<td>12.4%</td>
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<tr>
<td>Splitnose Rockfish</td>
<td>10.0% 5.0% 15.0% 7.5% 11.4% 5.7% 20.0% 10.0%</td>
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<td>15.0%</td>
<td>10.0%</td>
<td>8.5%</td>
<td>9.2%</td>
<td>19.9%</td>
<td>26.9%</td>
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<tr>
<td>Yellowtail Rockfish</td>
<td>10.0% 5.0% 15.0% 7.5% 5.8% 2.8% 10.4% 5.2% 5.0%</td>
<td>None</td>
<td>15.0%</td>
<td>10.0%</td>
<td>0.7%</td>
<td>3.7%</td>
<td>9.9%</td>
<td>11.5%</td>
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<tr>
<td>Shortspine Thornyhead</td>
<td>N. of 34°'27&quot;</td>
<td>9.6% 4.8% 14.4% 7.2% 2.6% 1.3% 4.4% 2.2% 6%-10% 9.0% 6.0% 4.0% 1.9% 5.0% 8.7%</td>
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<td></td>
<td>S. of 34°'27&quot;</td>
<td>9.4% 4.7% 14.2% 7.1% 8.4% 4.2% 17.6% 8.8% 9.0% 6.0% 3.3% 7.0% 16.0%</td>
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<tr>
<td>Longspine Thornyhead</td>
<td>N. of 34°'27&quot;</td>
<td>4.0% 2.0% 6.0% 3.0% 2.8% 1.4% 4.4% 2.2% 6%-10% 9.0% 6.0% 2.0% 1.3% 2.0% 8.7%</td>
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<td>COWCOD</td>
<td>10.0% 5.0% 15.0% 7.5% 20.0% 10.0% 0.0% 0.0% 20.0% 20.0% 0.0% 44.4% 100.0% 0.0%</td>
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<tr>
<td></td>
<td>DARKBLOTHCHED</td>
<td>10.0% 5.0% 15.0% 7.5% 4.0% 2.0% 6.2% 3.1%</td>
<td>None</td>
<td>2.0%</td>
<td>2.0%</td>
<td>3.7%</td>
<td>4.4%</td>
<td>15.8%</td>
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<tr>
<td></td>
<td>YELLOWBEYE</td>
<td>10.0% 5.0% 15.0% 7.5% 18.8% 9.4% 20.0% 10.0%</td>
<td>None</td>
<td>5.2%</td>
<td>5.2%</td>
<td>0.0%</td>
<td>6.0%</td>
<td>35.8%</td>
<td>35.5%</td>
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<tr>
<td>Minor Rockfish North</td>
<td>Shelf Species</td>
<td>8.0% 4.0% 12.0% 6.0% 5.8% 2.9% 4.4% 2.2%</td>
<td>None</td>
<td>7.5%</td>
<td>5.0% 3.1% 2.6% 30.6% 49.1%</td>
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<tr>
<td>Shelf Species</td>
<td>10.0% 5.0% 15.0% 7.5% 4.0% 2.0% 6.0% 3.0% 6%-10% 7.5% 5.0% 3.5% 2.4% 11.9% 15.7%</td>
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<tr>
<td>Minor Rockfish South</td>
<td>Shelf Species</td>
<td>10.0% 5.0% 15.0% 7.5% 12.2% 6.1% 20.0% 10.0% 13.5% 9.0% 1.7% 7.5% 46.6% 30.9%</td>
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<tr>
<td>Slope Species</td>
<td>10.0% 5.0% 15.0% 7.5% 11.6% 5.8% 20.0% 10.0% 6%-10% 13.5% 9.0% 12.1% 6.4% 24.8% 21.7%</td>
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<tr>
<td>Dover sole (total)</td>
<td>3.6% 1.8% 5.4% 2.7% 2.2% 1.1% 3.2% 1.6% 5% 3.9% 2.6% 5.7% 1.3% 2.0% 5.6%</td>
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<tr>
<td>English Sole</td>
<td>20.0% 10.0% 30.0% 15.0% 3.0% 1.5% 5.2% 2.6% 5% 7.5% 5.0% 2.3% 3.5% 13.9% 7.7%</td>
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<tr>
<td>Petrale Sole</td>
<td>5.8% 2.9% 8.8% 4.4% 2.8% 1.4% 4.6% 2.3% 3% 4.5% 3.0% 5.9% 1.7% 6.2% 8.0%</td>
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<tr>
<td>Arrowtooth Flounder</td>
<td>10.0% 5.0% 15.0% 7.5% 3.8% 1.9% 6.4% 3.2% 10% 20.0% 10.0% 8.3% 6.2% 25.5% 19.1%</td>
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<tr>
<td>Starry Flounder</td>
<td>10.0% 5.0% 15.0% 7.5% 20.0% 10.0% 11.0% 5.5% 10% 30.0% 15.0% 8.3% 30.5% 65.7% 54.5%</td>
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<tr>
<td>Other Flatfish</td>
<td>20.0% 10.0% 30.0% 15.0% 2.6% 1.3% 4.0% 2.0% 10% 15.0% 10.0% 1.6% 9.2% 16.4% 8.1%</td>
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<tr>
<td>Other Fish</td>
<td>10.0% 5.0% 15.0% 7.5% 5.0% 2.5% 18.0% 9.0% 7.5% 5% 1.5% 3.9% 10.2% 21.3%</td>
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</table>

1 Under the GAC option, the numbers provided for overfished species are for reference only and not part of the GAC option.
2 Finer scale method used for calculating maximum control limit for overfished species.