

NOVEMBER 2005 COUNCIL ACTIONS
TO ADDRESS COMMUNITY CONCERNS
AND
MAKE OTHER ADJUSTMENTS TO
TRAWL INDIVIDUAL QUOTA ALTERNATIVES
ADOPTED FOR ANALYSIS IN JUNE 2005

At its November 2005 meeting, the Pacific Fishery Management Council (Council) made the following adjustments to the alternatives it adopted for analysis at its June 2005 meeting (see the July 2005 information document).

- revise the community stability holdback Option 1 (Table 1 of this document),
- create a panel of community advisors to monitor implementation of the individual fishing quota (IFQ) program (Table 2 of this document), and
- eliminate the alternative that would provide IFQ only for overfished species.

Analysis of other community impact control mechanisms already included in the package will continue (Table 3 of this document).

Table 1. Community stability holdback option (renumber B.2.2.5 as B.4 and incorporate the following).	
General Description	<p>A portion of annual quota pounds would be held back and allocated for proposals submitted by IFQ holders. The proposals would be evaluated based on quantitative criteria which place priority on community benefits.</p> <p>The shares held back for this purpose will continue to be “trawl shares” and must be used in a manner consistent with the scope of the trawl individual quota program.</p>
Holdback	<p>Amount of the total annual* quota pounds for the shoreside component of the trawl fishery would be allocated for the stability hold back would be: Suboption A: 20%; Suboption B: 10% Suboption C: 5% Suboption D: 5% in year one, increasing by 5% percent each year until the total set aside is 20%.</p> <p>* It may be determined that the optimal period for these allocations is greater than one year.</p>
Holdback Management Body	<p style="text-align: center;">Council Committee</p> <p>Committee Authority and Appointment: Magnuson-Stevens Fishery Conservation and Management Act authority. Appointed by the Council. Recommendations would require approval by the Council before being forwarded to National Marine Fisheries Service (NMFS).</p> <p>Committee Role: Use specific measurable criteria to make recommendations to the Council on the amount of quota pounds to be allocated for proposals presented by IFQ holders for the purpose of achieving specific community development, enhancement, or stabilization goals.</p> <p>Composition: The committee would be composed of representatives from West Coast regions, port districts, processors, and fishermen as determined under a Council Operating Procedure.</p> <p>Staffing and Administration: Option A: Committee reports would be developed for the committee by the staff of the NMFS Limited Entry Office and related expenses would be included as part of program costs to be covered by fees. Other staffing functions would be carried out by the Council. Option B: All staffing functions would be carried out by the Council.</p>

Table 1. Community stability holdback option (renumber B.2.2.5 as B.4 and incorporate the following).	
Eligibility for participation	IFQ holders would submit proposals and may work together in collaboratives. IFQ holders may only participate in one proposal.
Allocation Criteria	Basis for allocating among proposals. A set of quantitative criteria will be developed that can be applied to objectively determine the amount of quota pounds to be allocated for each proposal. A list of potential criteria some of which may or may not be included by the Council as part of the final list adopted, is provided in the footnote. ¹ Comment will be solicited from the public on these and other criteria that should be used, if any.
Accumulation Limits	The additional quota shares acquired by a person through participation in a proposal will count toward accumulation caps.
Transferability Between Holdback Quota for Users	Quota pounds issued for proposals may be transferred as long as their use is consistent with the proposal and fish caught are handled and landed in all manners originally specified in the proposal.

¹ Example quantitative criteria to be used in objectively evaluating and weighting proposals.

Past Performance: Proportion of performance on past commitments for each criteria. (Where applicable, does not apply to overfished species).

Utilization: Proportion of raw product to be converted to consumptive and non-consumptive human use (including meal and fertilizer) times past performance on utilization commitments. Indicator of wastage and potential pollution externalities.

Local Added Value: Fair market value of proposed exports from community divided by fair market value of exvessel landings. The committee will determine a fair market value and apply the same per pound market values to all proposals. (Apply as a past performance measure if advance commitment to product forms is not tenable). For this criteria, scores of all proposals will be scaled proportionally such that a score of 1 will be assigned to the proposal with the greatest added value ratio.

Local Labor 1: Local employees divided by total individuals employed (FTE) by the firms that are parties to the proposal.

Local Labor 2: Total local wages to be paid per dollar fair market value of proposed exports or final products. Proportionally scale the scores of all proposals such that the proposal with the largest ratio is scaled to one.

Amount of quota pounds committed to the project by the applicants: The exvessel fair market value of all pound committed (based on previous years prices) will be summed and divided by the fair exvessel value of all pounds committed by all proposals. For this criteria, scores of all proposals will be scaled proportionally such that a score of 1 will be assigned to the proposal with the greatest amount of pounds committed.

Public Debt Related to Fisheries Development: For the port in which the landings will be made, the amount of public debt directly related to investments supporting the fishing industry and relying on fishing activity for debt recovery divided by the total amount of debt identified in all such proposals and scaled proportionally such that a score of 1 is assigned to the proposals benefiting ports with the greatest fishing infrastructure related debts.

Public Investment Dedicated to Fisheries: For the port in which the landings will be made, the amount of public investments directly supporting the fishing industry divided by the total amount of such investments identified in all such proposals and scaled proportionally such that a score of 1 is assigned to the proposals benefiting ports with the greatest fishing industry related debts.

Port Dependence: Proportion of port revenue from activities of vessels, buyers, and processors divided by total port revenues. Proportion of revenues in all proposals will be adjusted proportionally such that the largest proportion of revenues receives a score of one.

Other Criteria: To be identified through public comment.

Calculation of Allocation: Each criteria will be scaled such that they are evenly weighted and values fall between 0 and 1 (or between 0 and 100). Scores for all criteria would be added together to derive a single score for each proposal. The scores for all proposals would be summed. The amount to be allocated to each collaborative proposal would be the score for that proposal divided by the sum of all scores times the total holdback for each species covered by the application.

Table 2. Community Involvement Option (incorporate in Section B.2.2 as part of the “Monitoring Program Performance” provisions)	
Community Advisory Committee ²	The Council will convene a committee comprised of representatives from West Coast regions, port districts, processors, and fishermen. The committee would meet at Council discretion ³ to make recommendations to the Council pertaining specifically to the proposed IFQ program and its impacts to port districts, regions, processors and fishermen.

Table 3. Existing Community Impact Control Mechanism Options (not mutually exclusive)	
Some community impact control mechanisms have already been incorporated into the alternatives chosen for analysis, including the following:	
<ol style="list-style-type: none"> 1. Allowing communities to hold quota (Section B.2.3.1); 2. Setting limits on quota accumulation (Section B.2.3.6); 3. Allocations of whiting and nonwhiting groundfish species for shoreside and at-sea delivery (Options 2 and 3 of Section 2.1.1.4). 4. Temporarily prohibiting quota share transfer after initial allocation. (In Section B.2.3.2, the Option 2 suboption would prohibit permanent transfers of quota shares during the first year of the program. The suboption will be discussed in the analysis but is not included as part of one of the three IFQ program alternatives adopted for analysis.) 5. Distribute revoked shares to new entrants.⁴ Distribute⁵ to new entrants quota reclaimed through forfeiture due to fishermen non-compliance available (Section B.2.2.4). 	

² A committee not tasked with allocating quota.

³ The committee might meet at least annually for the first years of the program to discuss problems related to the IFQ program and make recommendations for adjustments to the program. After the first years, the committee might meet at least once every four years to provide advice and comment on the four year program review.

⁴ New entrants will need to be defined for purposes of this option. The following is one possible approach. A new entrant might be defined as an individual or nonprofit community organization that has owned quota shares for less than a specified period of time (e.g. three years) and did not receive an initial allocation. In order to qualify for redistribution, the new entrant must own some quota share and be a licensed crew member, vessel operator, vessel owner, or nonprofit organization or governing body representing a community. Crew members and vessel operators must be able to demonstrate at-sea experience in the West Coast groundfish trawl fishery (for example, 3 months). Vessel owners may qualify only if all individual owners of the vessel are new entrants (e.g. all participants in a partnership or all with an ownership in a corporation owning a vessel).

⁵ There are a number of ways in which revoked shares might be redistributed. The following are two possible approaches.

1. Redistribute Using a Lottery: be divided into equal blocks of a number equal to . . . [i twice; ii half] . . . the number of new entrants and be distributed through a random lottery in which every participant has an opportunity to receive each block. After reissuance, blocks will be divisible, subject to the same restrictions as all other quota shares. Lottery shares may not be awarded that would result in a person exceeding its accumulation cap.
2. Redistribute Using Equal Allocation: equally divided among all new entrants.