Final Action On Widow Rockfish Reallocation And Divestiture Issues

Agenda Item E.6

Outline of Presentation

• Review Situation
• Summary of Alternatives
• Criteria Used in Alternatives and Emphasis
• Allocational Results
• Impacts of Divestiture Suboptions (Sup Att 3)
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Widow QS Reallocation

Situation

• Amendment 20
  – Consider IFQ reallocation upon rebuilding
  – No change to at-sea co-op allocations
• Widow rebuilt as of 2013
Widow Rockfish Shoreside Trawl Allocations

Divestiture Delay Situation

- Amendment 20 QS Control Limits
  - individual species
  - aggregate non-whiting control limit
- Individuals allocated QS using allocation formulas
- Some received amounts in excess of control limits
- Original divestiture deadline – End of 2014
- Deadline moved to – 11/30/2015 (except for widow)
- QS trading moratorium on widow rockfish
- Vessel QP limits not affected (>control limits)
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Widow Rockfish Reallocation and Divestiture Decisions

<table>
<thead>
<tr>
<th>a. Widow Reallocation Alternatives</th>
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<tbody>
<tr>
<td>Alt 1 – No Action</td>
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<tr>
<td>Alt 2 – Target Formula: but end in 2002</td>
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<tr>
<td>Alt 3 – Target + Revenue: Alt 2 + 2003-2010 nonwtg rev</td>
</tr>
<tr>
<td>Alt 4 – Pound Neutral: 70% not reallocated to ensure 2014 QP levels in 2016</td>
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</tbody>
</table>
a. Widow Rockfish Reallocation

Suboption A
Use the 2016 ACL for the split between whiting and nonwhiting trips

Suboption B
Use the 2016 ABC as the ACL for the split between whiting and nonwhiting trips

Alt 1 – No Action

Alt 2 – Target Formula: but end in 2002

Alt 3 – Target + Revenue: Alt 2 + 2003-2010 nonwhtg rev

Alt 4 – Pound Neutral: 70% not reallocated to ensure 2014 QP levels in 2016

a. Widow Reallocation Alternatives

Suboption A
Drop 3 worst years

Suboption B
No Drop Years
Widow Rockfish Reallocation and Divestiture Decisions

a. Widow Reallocation Alternatives
   - Alt 1 – No Action
   - Alt 2 – Target Formula: but end in 2002
   - Alt 3 – Target + Revenue: Alt 2 + 2003-2010 nonwhtg rev
   - Alt 4 – Pound Neutral: 70% not reallocated to ensure 2014 QP levels in 2016

b. Divestiture Deadline Delays
   - Widow Individual QS Control Limit (5.1%)
   - Aggregate Non-Whiting QS Control Limit (2.7%)

   - Suboption A – 2015 Deadline
     - Set an 11/30/15 deadline to divest (currently no deadline).
   - Suboption B – 12 Month Delay: 12 months after widow QS becomes transferrable.
   - If No Action, consider delay to allow those over limits more than 2 months to divest.

   - Suboption C – 12 Month Delay
     - 12 mo. post widow trading to divest.
   - Suboption D – 5-Year Review Delay
     - Delay until after the 5-year prog rev.

If No Action, consider delay to allow those over limits more than 2 months to divest.

Alternative 1 – Forced Divestiture
- For anyone who did not meet divest deadline.

Alternative 2 – Abandonment Option, Followed by Forced Divestiture
- Abandonment options prior to the divestiture deadline.

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  -Allocational Results
  -Impacts of Divestiture Suboptions (Sup Att 3)
Criteria Used in Alternatives and Emphasis

– Equal Allocation
– Bycatch needs
  • Nonwhiting trips
  • Shoreside Whiting trips
– Other Nonwhiting Trip Criteria
  • 1994-2002 widow history
  • 2003-2010 nonwhiting revenue
– AMP
  • Policy Question: relevance and degree of emphasis for each criteria?

Emphasis
Outline of Presentation

• Review Situation
• Summary of Alternatives
• Criteria Used in Alternatives and Emphasis
• **Allocational Results**
• Impacts of Divestiture Suboptions (Sup Att 3)
Status Quo v. 1994-2002 Widow Lndgs
(Figure 4-6)

Landing History vs. Revenue
(Figure 4-8)
Comparing Alt 1, 2(a), and 3 (Permits) (Figure 4-9)

Comparing Alt 1, 2(a), and 3 (Permits) (Figure 4-9 Corrected)
Comparing Alt 1 and 4 (Permits) (Figure 4-10)

Comparing Alt 1 and 4 (Permits) (Figure 4-10 Corrected)
Comparing Alt 1, 2(a), and 3 (Owners)  
(Figure 4-11 Corrected)
Comparing Alt 1 and 4 (Owners) (Figure 4-12)

Comparing Alt 1 and 4 (Owners) (Figure 4-12 Corrected)
Suboptions - Alt 2(a) vs. Alt 2(b)  
(Figure 4-23)

 Dummy IDs for LE Permits with Directed Whiting History

Suboptions - Alt 2(a) vs. Alt 2(b)  
(Figure 4-23 - Corrected)

 Dummy IDs for LE Permits with Directed Whiting History

- Alt 2 - '94-'02 wt - Sub a (2,000 mt ACL)  
- Alt 2 - '94-'02 wt - Sub b (3,890 mt ACL)
Suboptions - Alt 2(a) vs. Alt 2(b)  
(Figure 4-24)

Share of Total Dummy IDs for LE Permits with No Directed Whiting History

Alt 2 - '94-'02 wt - Sub a (2,000 mt ACL)  
Alt 2 - '94-'02 wt - Sub b (3,890 mt ACL)

Suboptions - Alt 2(a) vs. Alt 2(b)  
(Figure 4-24 Corrected)

Share of Total Dummy IDs for LE Permits with No Directed Whiting History

Alt 2 - '94-'02 wt - Sub a (2,000 mt ACL)  
Alt 2 - '94-'02 wt - Sub b (3,890 mt ACL)
Suboptions – Alt 3(a) vs. 3(b)  
(Not in EA - Figure 4-25 with Different Sort Order)
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Divestiture Delay (1)
Connection to Reallocation

Policy Question: How long to delay full implementation of control limits?

Additional Analysis – Widow QS Reallocation and Divestiture

Agenda Item 6a
Supplemental Attachment 3
Divestiture Delay (2)
Suboptions

• Widow Rockfish
  – Suboption A – No div. delay (11/30/2015)
  – Suboption B – 12 mo. post reallocation

• Aggregate Non-whiting
  – Suboption A – No div. delay (11/30/2015)
  – Suboption B – Exclude Widow from the Calculation
  – Suboption C – 12 mo. post reallocation
  – Suboption D – Extend through Program Review.

Divestiture Delay (3)
Physical and Biological Resources

— No change to harvest levels or gears used
  • Harvest levels limited by constraining species
    — Sablefish and Petrale Sole

— Potential small geographic shifts
  • Short term shift in when the impacts occur
  • Long-term – markets and relative port advantages
Divestiture Delay (4)
Socio Economic Impacts (a)

• Harvesters
  – Owners over limit
  – Other sellers
  – Would be QS buyers
• Main Impact – market prices
  – Availability of QS
  – Potential reduction in QS price

Divestiture Delay (5)
Socio Economic Impacts (b)

• First Receivers (processors)
  – Impact on first receivers who are QS owners (or would buy QS)
  – Potential delay in short term geographic impact
• Communities
  – Potential delay in short term geographic impact
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• QUESTIONS?