

Why a Shorebased Whiting Risk Pool?

Feeling Lucky?



On Average...

In an average year, there is plenty of bycatch to cover the fleet...

Year	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Species	kg/mt	kg/mt	kg/mt	kg/mt	kg/mt	kg/mt	kg/mt	kg/mt	kg/mt	kg/mt	kg/mt	kg/mt
Canary	-	-	0.01	0	0.01	0.02	0.02	0.03	0.03	0.06	0.06	0.01
Dark blotch	-	-	0	0.01	0.01	0.05	0.02	0.01	0.02	0.02	0.07	0.01
POP	-	-	0	0.01	0.01	0.01	0	0.32	0	0.12	0.1	0.00
Widow	0.89	0.58	0.12	0.15	0.32	0.77	0.51	1.22	1.98	2.68	0.88	1.33
Yelloweye	-	-	0	0	0.0001	0.0001	0.0006	0.0005	0	0	0	0

...which is fine if you are an average boat, on an average day, in an average year...

When it's just not an average day...

What Am I Worth Today?



- Jan. 1st - \$0.50/lb?

- Dec 30th – zip?

- The day you are in deficit and you still have 4 million lbs of whiting QP in your vessel account?

Priceless.

An Overview of the Shorebased Whiting Coop

- This Risk Pool is for Shorebased whiting fishermen who:
 - own trawl vessels with NMFS vessel accounts
 - have whiting as their primary IFQ fishery
 - are willing to commit that all their whiting harvest will be done under coop rules

What about groundfish targets?

- Members are free to fish other target species outside the coop.
- Whiting QS holders who don't plan to fish whiting themselves are welcome to join the coop – or – they can lease whiting QP to a member without joining.

What species does the risk pool manage?

- “Constraining Species”
 - Canary rockfish
 - Dark Blotched rockfish
 - POP
 - Widow rockfish
 - Yelloweye rockfish
- Chinook is a “Species of Concern”
 - The Board has the authority to establish fishing behaviour rules to avoid Chinook bycatch

Some Key “Definitions”

- ‘Commit’ vs ‘Contribute’
 - Minimum Pool Commitment – bycatch QP subject to coop risk pool rules.
 - Minimum Reserve Contribution – bycatch QP placed in the coop’s account (the insurance premium)

How much does a member need to commit ?

- The “Minimum Pool Commitment” is made of two parts
 - The bycatch QP that was allocated to a permit based on its whiting history – the “pro-rata share”

(Members can add 25% more whiting to cover the processor quota match without contributing more bycatch QP)
 - The proportional amount of bycatch QP associated with the equal sharing of buyback history

How is the Minimum Pool Commitment Calculated?

Best Available SS Information	CANARY	DKB	POP	WIDOW	Y-EYE
Pro-rata Share rates to whiting QP using the 2012 Whiting TAC	0.00012	0.00021	0.00025	0.00212	0
Typical Lbs of Buyback/Permit	125	1730	1070	1630	*

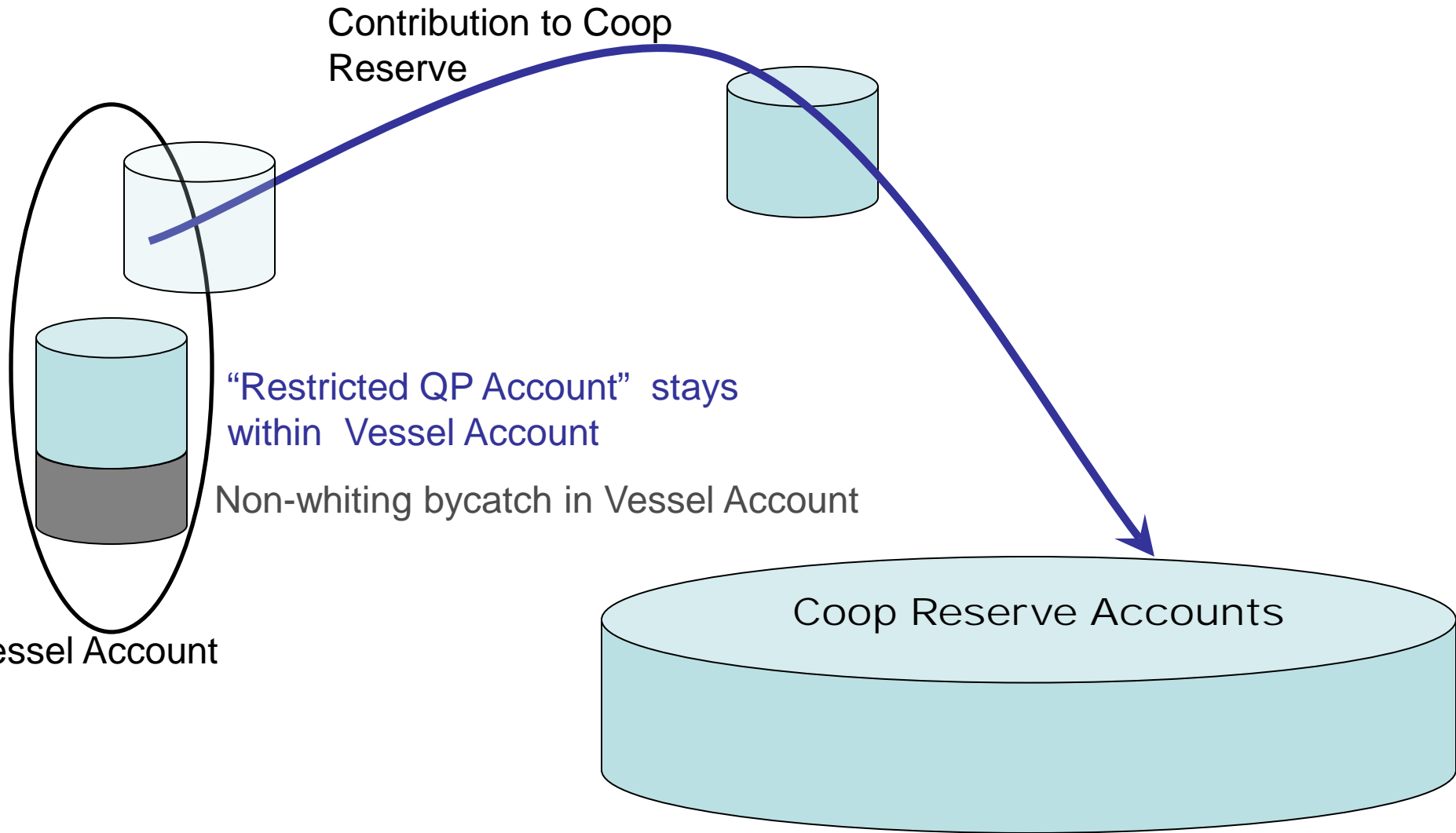
Here is an example (based on 2012 TACs):

Example of a Minimum Commitment Calculation for a Permit/Vessel with 5,000,000 lbs of Whiting QP					
Pro-rata rate component (lbs)	590	1025	1240	10,600	0
Typical Buyback component (lbs)	150	1775	1090	1880	8
Combined total	740	2800	1330	12,480	8

Where does the Minimum Pool Commitment go?

- 50% stays with the member as a virtual sub-component of the member's NMFS Vessel Account - which we call the member's "Restricted QP Account" (the "deductible" or "co-pay")
- The "Minimum Reserve Contribution" of 50% is transferred to the coop's account – which we call the "Coop Reserve Account" (the "premium")

Where does the “premium” go?



More “terms”

- “Initial Reserve Ratio” – all the bycatch of each species committed to the coop divided by all the whiting to be harvested coop members

(This is the average rate that the fleet must meet or beat to harvest all its whiting.)

- “Current Reserve Ratio” – the balance of all the unused bycatch of each species committed to the coop divided by all the un-harvested whiting at any point in time.

How are the “Rates” used?

- The Initial Reserve Ratio is used to determine how a member may access the coop’s Reserve Account.
- The Current Reserve Ratio measures how much better or worse the fleet’s “burn rate” is than the Initial Base Rate.

The Current Reserve Ratio status is the ‘red light/green light’ on whether to shift to stricter rules.

Data Sharing

- Members waive confidentiality on access to relevant NMFS & VMS data
- Coop Monitoring Agent uses fish-ticket and observer data to track bycatch rates and identify hotspots
- Coop Manager tracks bycatch account balances
- VMS data is used to enforce closures and identify bycatch “hotspots”

What are the types of Fishing Rules?

- Stand Downs for fishing at rates above the Initial Base Rate
- Access to the Coop Reserve Account when a member has used the bycatch amounts in their Restricted QP Account (receiving “Coverage”)
- Modified rules apply when the Current Reserve Ratio is in the “red zone”.
- Time and Area closures as determined by the board

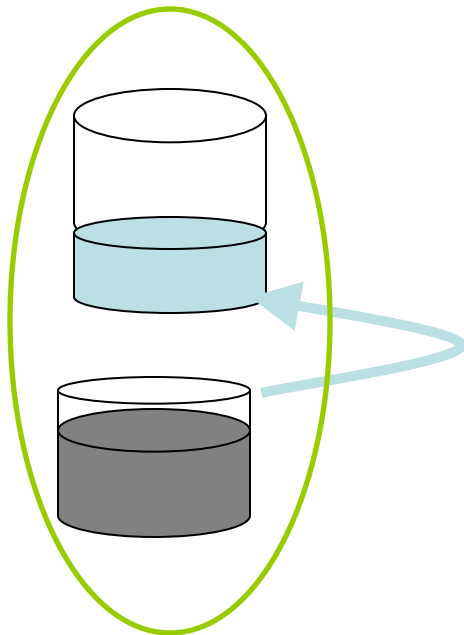
Checkpoints

There are 'red light /green light' tests that apply to members as they use up bycatch –

- The 1st checkpoint is when a member uses half their “deductible”
- There is a 2nd checkpoint when a member has used all their “deductible”
- A member who exceeds 120% of the Initial Reserve Ratio at a check point is subject to a 7 day Stand Down before they can go back fishing.

The “get out of jail free card”

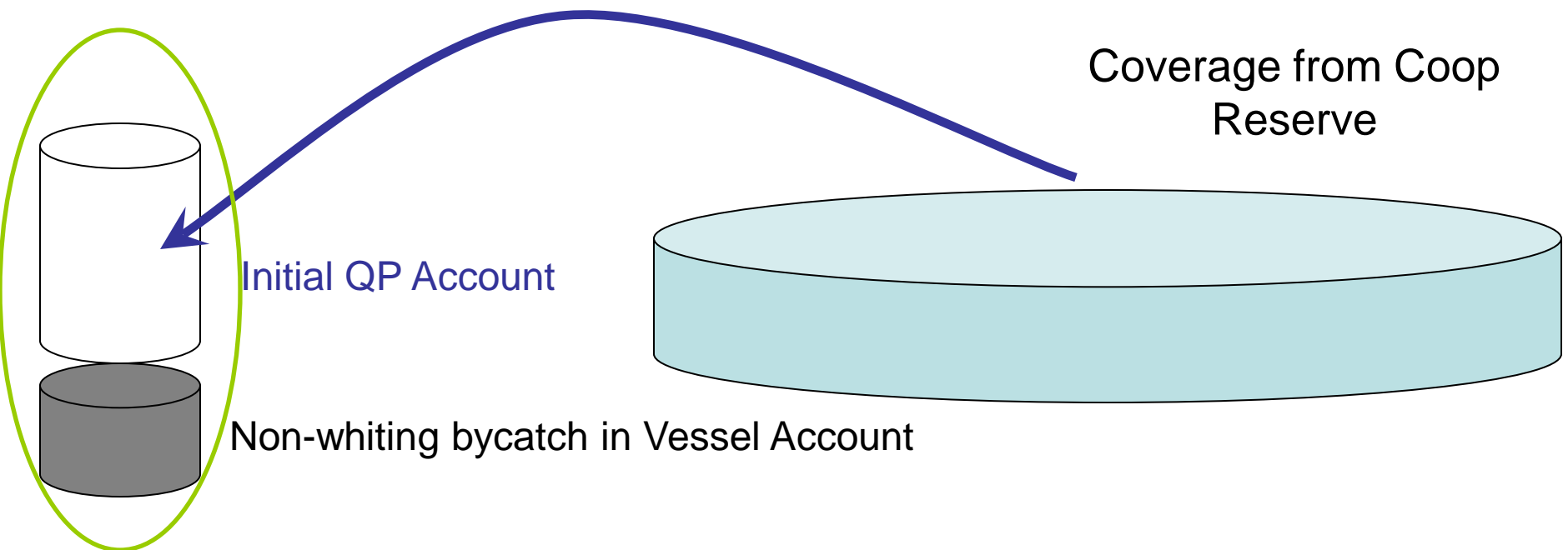
- At any time, a member can add bycatch amounts above their minimum commitment to their Restricted QP Account



- The member’s rate relative to the “red light /green light” checkpoint tests will be re-calculated using the added bycatch.
- By contributing the extra bycatch QP a member can avoid a Stand Down.

When can a member draw from the Coop Reserve Account?

After a member has used all the bycatch of a species committed to their Restricted QP Account



Are there a limits to how much a member can draw from the Coop Reserve Account?

- Yes.
 - For Yelloweye the cap is 20% of the Reserve pool.
 - For other bycatch species the cap is 5 times the Contribution to the Reserve Account, not to exceed 20% of the Reserves.
 - The Board may raise the caps in-season based on the solvency of the Reserves to allow members more opportunity to complete their whiting fishery.

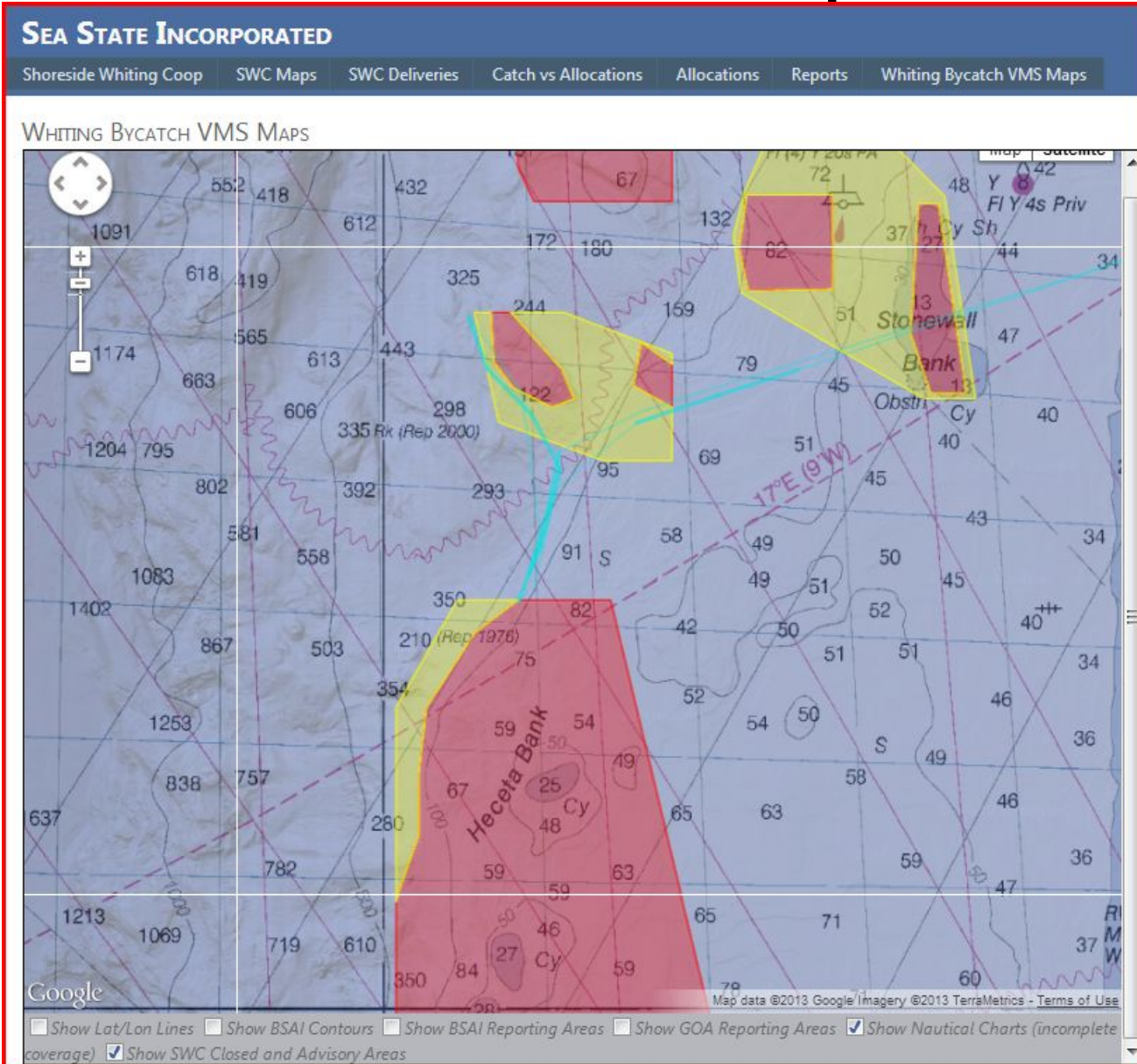
What's different when the Current Reserve Ratio is in the 'red zone'

- Being in the “red zone” means the coop is burning up bycatch at a rate that won't allow all the whiting to be harvested
- Vessels who have exceeded allowable rates are not eligible to resume fishing after being Covered until the Current Reserve Ratio is back in the “green zone”

What happens if there is un-used bycatch in the Coop Account at the end of the whiting fishery?

- When the board determines the fishery is substantially done, the un-used bycatch in the Coop Reserve Account goes back to the members pro-rata to their contribution minus their usage.
- Members who used more bycatch than they contributed will pay an amount based on its ex-vessel value, to be distributed pro-rata to those who used less than they contributed.

Web based hotspot tool



Sea State provides VMS track of high bycatch tows overlaid on nautical charts showing the coop's closed areas and advisory areas.

Alerts are emailed to members when a vessel has a high bycatch tow with a link to the map of the event.

The Results

The 16 member vessels harvested:

- 100,414,956 lbs of Whiting
 - 1,490 lbs of Canary Rockfish
 - 141,857 lbs of Widow Rockfish
 - 8,220 lbs of Dark Blotched Rockfish
 - 23,851 lbs of POP
 - 0 lbs of Yelloweye Rockfish

2012 SWC Bycatch Rates vs Averages

SWC 2012 Rates by Vessel

