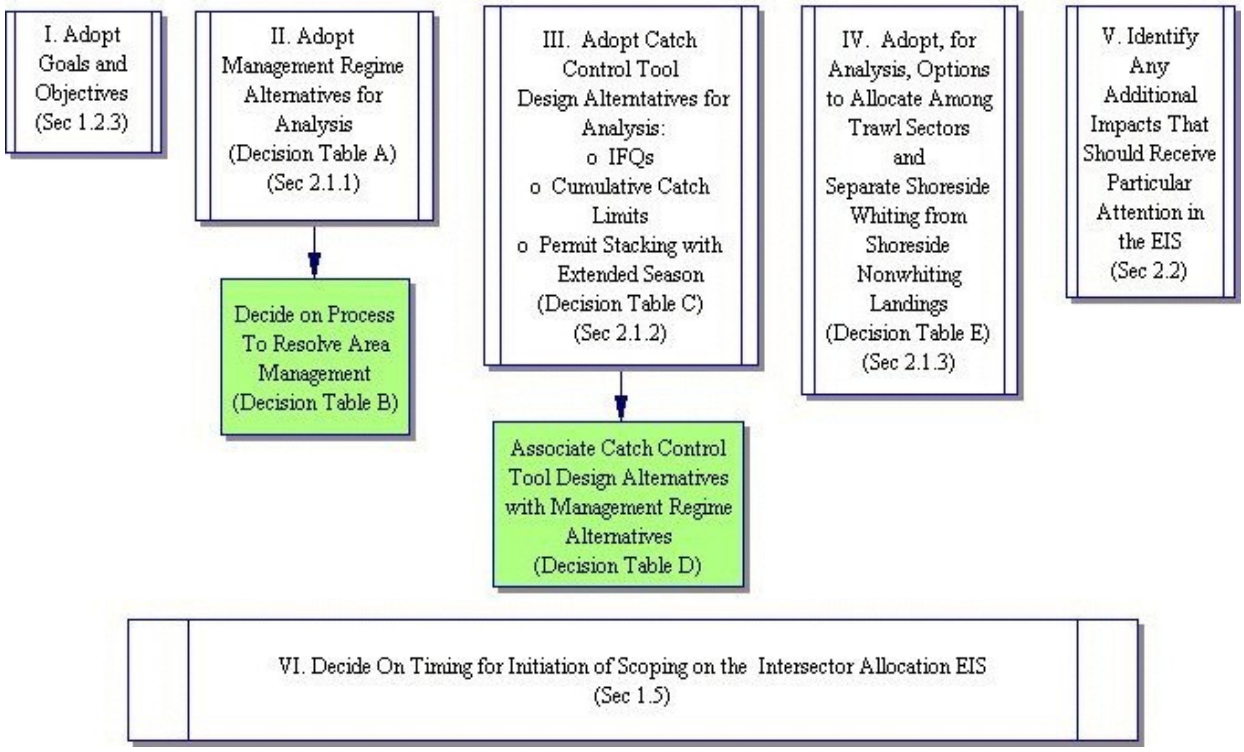
GUIDE TO COUNCIL DECISION PROCESS FOR TRAWL IFQS (JUNE 2005 MEETING)

This document is to be used as a guide to the issues and questions which the Council must consider in completing its action on an IFQ Program for this agenda item. The guide follows the organization of the scoping document (Agenda Item C.5.a, Attachment 3), distills the decision choices provided there, and provides references to the pertinent sections of Attachment 3, if more detailed information is desired. The decision steps the Council may choose to follow are provided as tasks in Figure 1.

Figure 1. Decision tasks (June 2005).



Goals and Objectives (Section 1.2.3 of Attachment 2)

The following list of "goals, objectives, and constraints and guiding principles" provides the draft purpose of the proposed action. This list is based on recommendations of the Ad Hoc Independent Experts Panel (IEP), as modified by the Ad Hoc Trawl Individual Quota Committee (TIQC) and Council. The Council has not explicitly adopted these goals and objectives and may consider revising them before ultimately moving forward with a IFQ program for the trawl fishery. In Attachment 3, Table 1.2-1 provides the TIQC's original goals and objectives in the left-hand column, the IEP's recommended goals and objectives in the right-hand column, and the TIQCs response to the IEP's recommendations and Council actions from November 2004, at the bottom of the table.

Goals

1. Increase regional and national net benefits including improvements in economic, social, environmental and fishery management objectives.
2. Achieve capacity rationalization through market forces and create an environment for decision making that can rapidly and efficiently adjust to changing conditions.

Objectives

1. Provide for a viable, profitable and efficient groundfish fishery.
2. Minimize negative ecological impact while taking the available harvest.
3. Reduce bycatch and discard mortality.
4. Promote individual accountability - responsibility for catch (landed catch and discards).
5. Increase stability for business planning.
6. Increase operational flexibility.
7. Minimize adverse effects from IFQs on fishing communities to the extent practical.
8. Promote measurable economic and employment benefits through the seafood catching, processing, distribution elements, and support sectors of the industry.

Constraints and Guiding Principles

1. Taking into account the biological structure of the stocks including such factors as populations and genetics.
2. Taking into account the need to ensure that the total OYs and ABC for the trawl and all other sectors are not exceeded.
3. Accounting for total groundfish mortality.
4. Avoiding provisions where the primary intent is a change in marketing power balance between harvesting and processing sectors.
5. Avoiding excessive quota concentration.
6. Providing efficient and effective monitoring and enforcement.
7. Designing a responsive review evaluation and modification mechanism.

Decision Table A - Overview

There are seven management regime alternatives in Decision Table A, which starts on the following page. Changes recommended in the final TIQC report are noted in the table. The following is the general structure of management regime alternatives with respect to catch control tools employed.

Overview of Management Regime Alternatives

Primary Catch Control Tool Alternatives	**Alt 1** Status Quo	**Alt 2** IFQ for Trawl Target Species	**Alt 3** IFQ for Groundfish (Except "Other Fish")	**Alt 4** IFQ for All Groundfish	**Alt 5** Cumulative Catch Limits	**Alt 6** Cumulative Catch Limits & Stacking	**Alt 7** Cumulative Catch Limits, Stacking & Extended Cumulatve Limit Periods
Cumulative Landing Limits	Included	-	-	-	-	-	-
Season Closures [a/]	Included	*	*	*	Included	Included	Included
IFQ Program	-	Included	Included	Included	-	-	-
Cumulative Catch Limits	-	Included	Included (for low OY conditions)	-	Included	Included	Included
Permit Stacking	-	-	-	-	-	Included	Included
Extended Cumulative Limit Periods	-	-	-	-	-	-	Included

a/ Season closures are the primary tool used to control catch in the whiting fishery. While season closures sometimes occur for some species in the nonwhiting fishery, it is the Council's general policy to use cumulative limits to try to maintain year round opportunities in the nonwhiting groundfish fisheries.

* In order to limit impacts on ESA listed salmon stocks there may be seasons for whiting, but season closures would not be the primary whiting catch control tool under an IFQ program.

Definitions

Cumulative Catch Limits: Limits on catch per time period; for example: no more than 1000 pounds of canary landed or discarded per two month period south of Cape Mendocino.
Cumulative Landing Limits: The same as cumulative catch limits except the limit applies to amounts landed (does not apply to discards).
Extended Period Length: The cumulative limit periods would be longer than the typical 2 month periods currently used; for example, a vessel might have 6 months to catch its canary limit and the canary limit would be substantially larger than for the 2 month period (e.g. 4,000 pounds per permit).
Permit Stacking: Vessels with more than one groundfish trawl LE permit may catch additional cumulative limits for each permit registered for the vessel; for example, a vessel with 3 permits might receive a cumulative limit of 1,000 pounds of canary for each of its permits for a total of 3,000 pounds during a two month cumulative limit period.

These alternatives are displayed in Decision Table A as follows.

Alternative 1 is status quo (column 2 of Decision Table A)
Alternatives 2 through 4 are IFQ program alternatives (columns 3-5 of Decision Table A)
Alternatives 5 through 7 are nonIFQ alternatives (shown at the bottom of Decision Table A)

Note that in Decision Table A, at the time of final recommendations provisions can be mixed and matched between alternatives as long as the alternatives remain internally consistent and within the scope of the analysis.

Decision Table A: Accept or modify the following seven management regimes, see end of table for Alternatives 5-7 (Section 2.1.1). (Page 1 of 4)

	Species Groups and Management Tools			
	Alt 1 - Status Quo	**Alt 2 - IFQs for Trawl Target Groundfish**	**Alt 3 - IFQs for All Groundfish Except "Other Fish"[a/]**	**Alt 4 - IFQs for All Groundfish[b/]**
	NonWhiting Fishery Management Tools and Species (Sections 2.1.1.1 - 2.1.1.3)			
Primary Management Tools	-	Manage with IFQ for target species and species for which there is a trawl allocation	Mange with IFQ for all groundfish except the "Other Fish" category of groundfish and except in situations in which the OY for the species is very low (see below).	Manage with IFQ for all groundfish [b/]
	Cumulative landing limits for nonwhiting species/species groups.	Transferable cumulative catch limits for other groundfish species managed with cumulative landing limits under status quo[c/]	-	-
	Monitoring only for other species	Monitoring only for other species	Monitoring only for other species	-
Adjustments for Low Harvest Levels	The Council may suspend intersector allocations when a species is overfished	Low OY Management: Same as status quo plus For IFQ species, management does not change with low OYs. If the OY for a nonIFQ species becomes extremely low (such as for a rebuilding species) manage with nontransferable cumulative catch limits.[d/e/f/] Low OY Threshold: Establish a threshold at which point a species would switch from incidental catch management to "Low OY management." (e.g., $B_{25\%}$)	Low OY Management: Same as status quo plus If the OY for any species becomes extremely low, switch from IFQ for that species and instead manage the sector allocation as a pool using nontransferable cumulative catch limits to control catch.[g/f/] Decide on whether or not to use "Low OY management" as part of the bienniel specifications process.	Same as status quo
Prohibited Species	Trawl prohibited species - monitoring only	Trawl prohibited species: monitoring only	Trawl prohibited species: monitoring only	Trawl prohibited species: monitoring only except IBQ for Pacific halibut or sector caps. Suboptions - Pacific halibut retention: 1: none The TIQC has recommended elimination of the following halibut retention suboptions, previously listed as part of Alternative 4: Pacific halibut retention allowed 2: when LE TWL vessel use longline & IBQ 3: when any vessel uses longline & IBQ (acquired from LE TWL) 4: when LE TWL vessel uses groundfish trawl

Decision Table A: Accept or modify the following seven management regimes, see end of table for Alternatives 5-7 (Section 2.1.1). (Page 2 of 4)

	Species Groups and Management Tools			
	Alt 1 - Status Quo	**Alt 2 - IFQs for Trawl Target Groundfish**	**Alt 3 - IFQs for All Groundfish Except "Other Fish"[a/]**	**Alt 4 - IFQs for All Groundfish[b/]**
	Whiting Fishery Management Tools and Species (Sections 2.1.1.1 - 2.1.1.3)			
Primary Management Tools	No IFQ	IFQ for whiting	IFQ for whiting and all incidentally caught groundfish except the "Other Fish" category of groundfish	IFQ for whiting and **all** incidentally caught groundfish species [b/]
	Sector allocation with catch limited by season closure	Possible continuation of seasons to control impacts on ESA listed salmon stocks	Possible continuation of seasons to control impacts on ESA listed salmon stocks	Possible continuation of seasons to control impacts on ESA listed salmon stocks
	Possible season constraints to protect overfished species.	Sector catch caps for other incidentally caught nonwhiting groundfish species for which allocations have been established. No cumulative catch limits. Season closes when fleet catch cap is reached.	-	-
	Other species managed with monitoring only	Monitoring only for other species	Monitoring only for other species	-
Prohibited Species	Trawl prohibited species - monitoring only	Trawl prohibited species: monitoring only	Trawl prohibited species: monitoring only	Trawl prohibited species: monitoring only except IBQ for Pacific halibut or sector caps. Suboptions - Pacific halibut retention: 1: none
	Pacific halibut retention allowed	The TIQC has recommended elimination of the following halibut retention suboptions, previously listed as part of Alternative 4: 2: when LE TWL vessel use longline & IBQ 3: when any vessel uses longline & IBQ (acquired from LE TWL) 4: when LE TWL vessel uses groundfish trawl		

Decision Table A: Accept or modify the following seven management regimes, see end of table for Alternatives 5-7 (Section 2.1.1). (Page 3 of 4)

	Species Groups and Management Tools			
	Alt 1 - Status Quo	**Alt 2 - IFQs for Trawl Target Groundfish**	**Alt 3 - IFQs for All Groundfish Except "Other Fish"[a/]**	**Alt 4 - IFQs for All Groundfish[b/]**
	Trawl Sectors and Intersector Transfers (Section 2.1.1.4)			
Sectors	Three Sectors • shoreside deliveries • mothership deliveries and • catcher-processor deliveries	Four Sectors: • shoreside whiting deliveries, • shoreside nonwhiting deliveries, • mothership deliveries and • catcher-processor deliveries (FROM 2.1.1.4 Option 3)	Three Sectors: • shoreside deliveries, • mothership deliveries and • catcher-processor deliveries (FROM 2.1.1.4 Option 2)	One Sector (FROM 2.1.1.4 Option 1)
Intersector Transfer/ Trading	***Whiting***: Sector allocations fixed by formula with procedure for midseason transfer of unused allocation.	***Whiting*** Option 1: IFQ nontransferable between trawl sectors. Option 2: IFQ nontransferable between trawl sectors with procedure for midseason rollover of unused IFQ to another sector.	***Whiting*** IFQ nontransferable between trawl sectors.	No subdivision of whiting sectors (there may or may not be a subdivision for purposes of initial allocation)
	Nonwhiting species: There is no inseason transfer of catch opportunity between trawl sectors except through Council inseason management.	***Nonwhiting species***: Sector catch cap roll-over: Roll-over any unused incidental catch from one whiting sector to the next as the year progresses.[h/] Allow purchase of nonwhiting species IFQ from the nonwhiting sector. Such IFQ would be placed in the pool for vessels operating in the whiting sector.	***Nonwhiting species***: Do not allow transfer of nonwhiting IFQ from one trawl sector to another.	

Decision Table A: Accept or modify the following seven management regimes, see end of table for Alternatives 5-7 (Section 2.1.1). (Page 4 of 4)

	Species Groups and Management Tools			
	Alt 1 - Status Quo	Alt 2 - IFQs for All Groundfish	Alt 3 - IFQs for All Groundfish Except "Other Fish"[a/]	Alt 4 - IFQs for All Groundfish[b/]
Groundfish Catch of Limited Entry Trawl Vessels Using Gears Other Than Groundfish Trawl (Section 2.1.1.5) (Options are Relevant for IFQ Catch Control Only)				
Trawl Vessel Exempted Gear Quota Accounting and Catch Control (Includes Exempted Trawl and Exempted Nontrawl Gears)	**Exempted gear** catch by LE trawl vessels counts against LE allocation (trawl and fixed gear)* but is subject to open access trip limits. *With the exception of sablefish for which there is a separate LE trawl allocation against which such catch is counted.	**Exempted gear** - IFQ is **not** required. Catch counts against the OA allocation and is managed as part of the OA fishery. Some catch will be allocated from the LE trawl to OA fishery. (From 2.1.1.5 Option 1A) The TIQC has recommended elimination of the following options which might otherwise be included as part of Alternative 2: Catch counts against . . . . . . a subquota of the LE trawl allocation, managed without IFQ (From 2.1.1.5 Opt 2A) OR . . . the OA allocation and is managed as part of the OA fishery. (From 2.1.1.5 Opt 2B)	**Exempted gear -** IFQ required. Catch counts against LE Trawl. Open access catch control regulations apply (FROM 2.1.1.5 Option 1A)	**Exempted gear -** IFQ required. Catch counts against LE Trawl. Open access trip limits **do not** apply (FROM 2.1.1.5 Option 1B)
Trawl Vessel Longline and Fish Pot Without LE Endorsement (Fixed Gear Gear Quota Accounting and Catch Control)	**Longline and fishpot** catch by LE trawl vessels counts against LE allocation (trawl and fixed gear)* but is subject to open access trip limits. *With the exception of sablefish for which there is a separate LE trawl allocation against which such catch is counted.	**Longline and fishpot** - IFQ required. Catch counts against LE Trawl. LE fixed gear catch control regulations apply. (FROM 2.1.1.5 Option 1A) The TIQC has recommended elimination of the following options which might otherwise be included under an alternative: . . . IFQ is **not** required. Catch counts against . . . . . . a subquota of the LE trawl allocation, managed without IFQ (FROM 2.1.1.5 Opt 2A) . . . an LE fixed gear allocation and is managed as part of the LE fixed gear fishery. (FROM 2.1.1.5 Opt 2B) . . . [same as 2B except some catch will be allocated from the LE trawl to the LE fixed gear fishery]. (FROM 2.1.1.5 Opt 2C)	**Longline and fishpot** - IFQ required. Catch counts against LE Trawl. LE fixed catch control regulations **do not** apply. (FROM 2.1.1.5 Option 1B)	**Longline and fishpot** - IFQ required. Catch counts against LE Trawl. LE fixed catch control regulations **do not** apply. (FROM 2.1.1.5 Option 1B)

Alternative 5: **Cumulative Catch Limits** - same as status quo except replace cumulative landing limits with cumulative catch limits. Continue season management for whiting and incidental catch species. (TIQC recommends Alt 5 be eliminated).

Alternative 6: **Cumulative Catch Limits and Permit Stacking** - same as Alternative 5 but add permit stacking. (TIQC recommends Alt 6 be eliminated).

Alternative 7: **Cumulative Catch Limits, Permit Stacking and Extended Periods** - same as Alternative 5, but add permit stacking and extend the cumulative limit period.

a/ "Other Fish" is a groundfish category that includes sharks, skates, rays, ratfish, morids, genadiers, kelp greenling, and Pacific cod.
b/ The TIQC final recommendations would not use IFQs to manage the "Other Fish" groundfish category but would use IBQs or sector caps to manage Pacific halibut.
c/ NonIFQ Species - Trawl share based on biennial Council decision. 1. Transferable cumulative catch limit between vessels within period (full or partial limit transfers, depending on length of limit period). 2. Any transfers between vessels are temporary.
d/ Eliminate the transferability of cumulative catch limits and implement season closure for the affected species on reaching the fleet limit for that species.
e/ Retention allowances within the catch limits may vary based on annual management measure decisions.
f/ Other measures to keep bycatch rates low may stay in place (e.g., RCAs).
g/ Implement season closure for the affected species on reaching the fleet limit for that species.
h/ There would not be a rollover from the nonwhiting to whiting sector.

Decision Table B: Decide on a process for addressing regional management area issues .

Process Option 1	Plan to establish additional regional management areas as needed at a later time. *(TIQC recommendation: Area restrictions should be based solely on the need to address stock conservation concerns.)*
Process Option 2	**Task a group to immediately** begin considering the need for additional regional management areas (biological or socio-economic) and potential boundaries along with a process for identifying and responding to regional management area issues that may develop or become more apparent in the future.
Process Option 3	**If an IFQ Program is adopted, task a group** with considering the need for additional regional management areas (biological or socio-economic) and potential boundaries along with a process for identifying and responding to regional management area issues that may develop or become more apparent in the future.

Decision Table C - Adopt catch control tool design element alternatives for analysis (Section 2.1.2)

Status Quo - Cumulative Landing Limits and Season Closures (Section 2.1.2.1)

No decisions needed

Trawl Individual Quotas (Section 2.1.2.2) -
Table of options provided starting on page 11 of this document
(Options Table C-1).

A narrative of the IFQ program design elements is provided starting on page 2 of Attachment 2, and is followed by a complete list of options, elements,[a/] **and pubic comment.**

The Council should:

adopt trawl IFQ programs to be included for full analysis in the EIS (Option Table C-1) and
make adjustments to the programs, as it deems appropriate.

Cumulative Catch Limits (Section 2.1.2.3) -
Table of options provided on page 16 of this document
(Options Table C-2).

The Council should:

adopt cumulative catch limit design alternatives to be included for full analysis in the EIS (Option Table C-2) and
make adjustments to the alternatives, as it deems appropriate,
(if cumulative catch limit alternatives were included as part of decision made on Decision Table A).

Permit Stacking and Extended Limit Periods (Section 2.1.2.4) -
Table of options provided on page 16 of this document.
(Options Table C-3).

The Council should:

adopt permit stacking and extended limit period design alternatives to be included for full analysis in the EIS (Option Table C-3) and
make adjustments to the alternatives as it deems appropriate,
(if permit stacking alternatives were included as part of decisions made on Decision Table A).

a/ The term "element" is used for design provisions that are not mutually exclusive (several elements from a list may be adopted). The term "option" is used when a choice must be made between design elements.

Option Table C-1. IFQ program design alternatives recommended by the TIQC, for analysis (Section 2.1.2.2). (Page 1 of 5)			
	IFQ Program A	*IFQ Program B*	*IFQ Program C*
B.1.0 IFQ Allocation			
B.1.1 Eligible Groups	*Allocate 50% of quota shares to current permit owners and 50% to processors (Option 3b)*	*Allocate 100% of quota shares to current permit owners (Option 1)*	*Allocate 75% of quota shares to current permit owners and 25% to processors (Option 3a)*
Processor Definition:	*Use special IQ Program definition (processors: receive and process unprocessed fish; or catch and process) (Option 1)*	*Use FMP Definition (Option 2)*	*Same as Program A*
B.1.2 Qualifying Criteria: Recent Participation	***Harvesters (including catcher-processors):*** *1998-2003 participation required in order to qualify for an initial allocation of quota shares (number of trips or years to be specified) (Option 2)* ***For shoreside processors and motherships:*** *1999-2004 recent participation requirement (number of trips or years to be specified). (Option 4)*	*All Members of Eligible Groups: No recent participation required in order to qualify for an initial allocation of quota shares (Option 1)* *OR* *All Members of Eligible Groups: 1998-2003 participation required (one trawl groundfish landing/delivery of any groundfish species) in order to qualify for an initial allocation of quota shares (Option 2)*	*Same as Program A*
B.1.3 Elements of the Allocation "Formula"			
Vessel/Permit Related Allocation	*Catcher vessel permit owners will receive quota shares based on their permit history plus an equal division of the quota that could be attributed to permit history of bought-back permits (catcher-processors permit owners will not receive a portion of the quota shares distributed on an equal sharing basis) (Option 2)* *Suboptions for incidentally caught overfished species, either: (a) same as for other species OR (b) equally divide quota for incidentally caught overfished species.* *For catcher-processors permit owners, use an allocation schedule developed by unanimous consent of that sector (to be provided).*	*Same as Program A, except no special catcher-processor schedule.*	*Same as Program A*
Processor Allocation	*Processors are allocated quota shares based entirely on the processing of groundfish trawl landings received unprocessed. (Option 1)*	*No Allocation*	*Same as Program A*

Option Table C-1. IFQ program design alternatives recommended by the TIQC, for analysis (Section 2.1.2.2). (Page 2 of 5)			
	IFQ Program A	*IFQ Program B*	*IFQ Program C*
B.1.4 History: Species/Species Groups to Be Used for Allocation	*Allocate Quota Shares Based on Individual Species/Species Groups: Allocate quota shares for each species/species group based on relative amounts of each respective species/species group caught/landed or processed - for permits applies to permit history; for processors applies to amounts processed (Option 2).*	*Same as Program A, except applies only to permit catch/landings history (i.e. there is no processor allocation).*	*Same as Program A*
B.1.5 History: Allocation Periods			
Periods/Years to Drop:	***Vessels:*** *1994-2003* *Drop 2 years for whiting sector fishing (applies to incidental harvest and whiting)* *Drop 3 years* ***for nonwhiting sector fishing*** *(Option 1, Suboption B)* ***Shore Processors:*** *1999-2004* *Drop 2 years* *(Option 5, Suboption B)* ***Motherships:*** *1998-2003.* *No opportunity to drop worst year.* *(Option 4, Suboption A)*	*Same as Program A for vessels but no allocations for shore processors or motherships.*	*Same as Program A*
Weighting Among Years:	*Absolute pounds - no weighting between years (Suboption (i))*	*Relative pounds (calculate history based on the entity's percent share of each year's total) (Suboption (ii))*	*Same as Program B*
B.1.6 History: Combined Permits and Other Exceptional Situations			
Combined permits:	*All Permits Count (Option 1)*	*Same as Program A*	*Same as Program A*
Illegal landings/catch:	*Don't count*	*Same as Program A*	*Same as Program A*
Landings in excess of trip limits, as authorized under an EFP	*Don't count landings in excess of the cumulative limit in place for the nonEFP fishery*	*Same as Program A*	*Same as Program A*
Compensation fish:	*Don't count*	*Same as Program A*	*Same as Program A*
B.1.7 Initial Issuance Appeals Process	*Only one provision has been identified: Appeals would occur through processes consistent with the Administrative Procedures Act, and any proposed revisions to fishtickets would undergo review by state enforcement personnel prior to finalization of the revisions.*		

Option Table C-1. IFQ program design alternatives recommended by the TIQC, for analysis (Section 2.1.2.2). (Page 3 of 5)			
	IFQ Program A	*IFQ Program B*	*IFQ Program C*
B.1.8 Creating New IFQ Species/Species Groups After initial Implementation	*Only one practical option has been identified: When a management unit is subdivided, quota shares for that unit will be subdivided by issuing quota share holders amounts of shares for the subdivisions equivalent to their holdings of the shares being subdivided.* *If a new management unit is established that is not a subset of an existing unit managed with IFQ, the Council will need to take action at that time to develop criteria for quota share allocation.*		
B.2.0 IFQ/Permit Holding Requirements and IFQ Acquisition (After Initial Allocation)			
B.2.1 IFQ and LE Permit Holding Requirements	Catch must be covered with quota pounds within 30 days of the landing (Option 3). Only LE trawl vessels would be allowed to participate in the IFQ fishery. For any vessel with an overage (landings not covered by quota) there would be no more fishing by the vessel until the overage is covered. Additionally, for vessels with an overage, the limited entry permit cannot be sold or transferred until the deficit is cleared. A possible suboption would require some amount of quota pounds be held prior to departure from port (to be analyzed).	Same as Program A	Same as Program A
B.2.2 Annual IFQ Issuance			
B.2.2.1 Start-of-Year Quota Pound Issuance	Only one practical option has been identified: Quota pounds are issued annually to share holders based on the amount of quota shares they held. (Quota shares are issued at the time of initial IFQ allocation).		
B.2.2.2 Rollover (Carryover) of Quota Pounds to a Following Year			
Nonoverfished	10% rollover for nonoverfished (Option 3)	30% rollover for nonoverfished (Option 5)	5% rollover for nonoverfished species (Option 2)
Overfished	5% rollover for overfished species (Option 3)	Full (30%) rollover allowance for overfished species (Option 5)	No rollover allowance for overfished species (Option 2)
B.2.2.3 Quota Share Use-or-Lose Provisions	Include use-or-lose option (require use at least once every three years). (Option 1)	Do not include a use-or-lose provision but evaluate need as part of future program reviews (Option 3).	Same as Program B
B.2.2.4 Entry Level Opportunities for Acquiring Quota Shares and Low Interest Loan Options	No special provisions.	No special provisions.	Provide new entrants an opportunity to qualify for revoked shares and shares lost due to non-use (if such non-use provisions are created) (Element 2)

Option Table C-1. IFQ program design alternatives recommended by the TIQC, for analysis (Section 2.1.2.2). (Page 4 of 5)				
		IFQ Program A	*IFQ Program B*	*IFQ Program C*
B.2.2.5	***Community Stability Hold Back***	No special provisions.	No special provisions.	Set aside up to 25% of the nonwhiting shoreside trawl sector allocation each year and allocate that share as quota pounds for joint fishermen/processor venture proposals, ranked on the basis of objective criteria that evaluate benefits to local communities.
B.2.3 Transfer Rules				
B.2.3.1	***Eligible Owners/Holders (Who May Own/Hold)***	Any entity eligible to own or operate a US documented fishing vessel. (Option 2) TIQC intent: preserve opportunity for existing participants)	Same as Program A	Same as Program A
B.2.3.2	***Duration of Transfer - Leasing and Sale***	Permanent transfers and leasing of quota shares and quota pounds allowed. (Option 2)	Permanent quota share transfers only--leasing prohibited. Permanent transfers and leasing of quota pounds allowed. (Option 1)	Same as Program A
B.2.3.3	***Limits on Time of Transfer***			
	Time of Year	Allow transfers of quota shares any time during year (Option 1).	Same as Program A	Same as Program A
	~~**Embargo When in Deficit**~~	Provisions prohibiting transfer of quota shares when a vessel makes a landing not covered by quota pounds were eliminated as not being practical due to the difficulty of tracing quota pounds back to quota shares, the ownership of which may not be associated with the vessel. The quota share embargo was replaced with a limit on permit transfers when deficits occur (see Section B.2.1).		
B.2.3.4	***Divisibility***	Only one practical option has been identified: Quota Shares: nearly unrestricted divisibility - “many decimal points." Quota Pounds: divisible to the single pound		
B.2.3.5	***Liens***	No options have been proposed to restrict liens. Liens can and should be facilitated through a central lien registry. Options for the central lien registry are covered in Section B.3.1.		
B.2.3.6	***Accumulation Limits***	50% or No Limits (Option 5).	Consider all limits as suboptions	Most restrictive limits(1% or 5% Intermediate level limits (10% or 25%)
B.2.3.7	***Vertical Integration Limit***	Only one option has been identified: No additional limits on vertical integration beyond those already provided through accumulation limits.		

Option Table C-1. IFQ program design alternatives recommended by the TIQC, for analysis (Section 2.1.2.2). (Page 5 of 5)			
	IFQ Program A	*IFQ Program B*	*IFQ Program C*
B.3.0 Program Administration			
B.3.1 Tracking IFQ, Monitoring Landings, and Enforcement (see Table B.3-1)	Enforcement Program 2 100% at-sea monitors Discards allowed Upgraded bycatch reporting system needed Electronic landings tracking Shoreside monitoring opportunity Advance notice of landing Licenses for delivery sites Electronic IFQ reporting Unlimited landing hours VMS	Enforcement Program 1 100% at-sea monitors Full retention required No upgraded bycatch reporting system needed Electronic landings tracking 100% shoreside monitoring Advance notice of landing Limited ports of landing Electronic IFQ reporting Limited landing hours VMS	Enforcement Program 3 100% at-sea monitors or cameras Discards allowed if at-sea monitor is present (otherwise full retention) Upgraded bycatch reporting sys needed Parallel federal electronic landings tracking Shoreside monitoring opportunity* Advance notice of landing Licenses for delivery sites Electronic IFQ reporting Unlimited landing hours VMS ***With 100% shoreside monitoring**
Quota Share Tracking	Create a central lien registry but exclude all but essential ownership information(Option 2).	Create a central lien registry including all related ownership information (Option 1).	Same as Program B.
B.3.2 Cost Recovery/Sharing and Rent Extraction The TIQC has not developed options for this issue; however, it has discussed the following elements of a cost recovery/sharing and rent extraction program: Privatization of Elements of the Management System, for example: • Monitoring IFQ Landings (e.g., industry pays for their own compliance monitors) • Fishtickets (industry payment for Trawl IQ program landings information to be fed into a Federal electronic system)	Cost recovery for management (not enforcement or science). Up to 3% of exvessel value, the limit specified in the Magnuson-Stevens Act.	Cost recovery for management (not enforcement or science). Up to 3% of exvessel value, the limit specified in the Magnuson-Stevens Act.	Landings fee plus privatization of elements of the management system. In particular, monitoring of IFQ landings (e.g., industry pays for their own compliance monitors).Stock assessments should not be privatized and the electronic fish ticket system should not be privatized.
B.3.3 Program Duration and Procedures for Program Performance Monitoring, Review, and Revision (Magnuson-Stevens Act (d)(5)(A))	A four year review process is specified along with review criteria. Among other factors, the review would include evaluation of whether or not there are localized depletion problems and whether or not quota shares are being utilized. Standard fishery management plan and regulatory amendment procedures will be used to modify the program.		
B.3.4 Data Collection	Expanded voluntary submission of economic data (Option 2).	Expanded mandatory submission of economic data (Option 1).	Expanded mandatory submission of economic data (Option 1).

Option Table C-2. Cumulative catch limit design alternatives (Section 2.1.2.3)		
CC Alt 1: Nontransferable Cumulative Catch Limits	**CC Alt 2:** Transferable Cumulative Catch Limits	**CC Alt 3:** Transferable and Divisible Cumulative Catch Limits
Cumulative limits may not be transferred from one permit to another and permit transfers are only effective at the end of a cumulative limit period.	Temporary transfers between permits are allowed. Cumulative catch limits are period specific. Partial transfers **are not** allowed.	Same as CC Alt 2 except Partial transfers **are** allowed
Cumulative limit periods will remain two months long	Cumulative limit periods will remain two months long	Cumulative limit periods will be four or six months long
Full retention and at-sea video camera	At-sea compliance monitors (100%)	Same as CC Alt 2
Spot dockside enforcement presence and plant audits	Dockside compliance monitors (100%)	Same as CC Alt 2
No change to system for reporting at-sea catch data.	Upgrade at-sea catch data reporting system such that catch data is complete and available at the vessel level in a time frame similar to that for dock receipts and fish tickets	Same as CC Alt 2

Note: Provisions below the dashed line may be mixed and matched between alternatives.

Option Table C-3. Cumulative catch limits with permit stacking and extended period design alternatives (Section 2.1.2.4)	
PS Alt 1. Stacking With **Whole** Cumulative Catch Limits for Additional Permits and **Status Quo Period Lengths**	**PS Alt 2.** Stacking With **Fractional** Cumulative Catch Limit for Additional Permits and **Extended Period Lengths**
A vessel would receive a full cumulative limit for each trawl endorsed permit stacked (increased utilization of cumulative limits would be expected and would reduce the amount of the cumulative limit associated with each permit).	A vessel would receive a full cumulative limit for its "base" permit and a part of an additional cumulative limit for each stacked trawl endorsed permit. The percentage of an additional limit allowed could be a fixed amount or depend on permit length or recent catch history.
Length Endorsement: The vessel would need to have only one permit with the appropriate length endorsement. Trawl permits with other size length endorsements could be stacked without penalty.	Length Endorsement: Same as PS Alt 1
Period Length: status quo, 2-month cumulative limit periods	Period Length: 4-month cumulative limit periods
A maximum of 3 permits could be stacked	No limit on the number of permits stacked
Monitoring and enforcement measure such as those under the cumulative catch limit alternatives (Option Table C-2) would be includes as part of the permit stacking alternatives..	

Note: Provisions below the dashed line may be mixed and matched between alternatives.

Decision Table D - Create main analytical alternatives for the EIS by associating the catch control tool design alternatives from Decision Table C with the management alternatives from Decision Table A.

This table is provided as an example and work sheet. Note that in Decision Table A, the differences in IFQ program species coverage between Alternatives 2 and 4 are likely to swamp any differences between the IFQ program design alternatives (from Decision Table C). Therefore, in this example it is suggested that one management regime alternative be selected (Alternative 3) and matched with each IFQ program design alternative, such that differences between the IFQ program design elements can be more readily illustrated. Also, this example contains only one cumulative catch limit design alternative (CC Alternative 1). This was done in order to limit the number of alternatives. Other cumulative catch limit design alternatives are on a continuum between cumulative catch limits and a full IFQ program and can be discussed as part of the analysis. The Council may also choose to deviate substantially from this example. **The TIQC report recommends modification of Alternative 4 such that it covers "IFQ for Groundfish Except 'Other Fish' and IBQ for Pacific Halibut"and elimination of Alternatives 5 and 6 and**

	Management Regime Alternatives from Decision Table A								
Catch Control Tool Alternatives (From Decision Table C)	**Alt 1** Status Quo	**Alt 2** IFQ for Targets Spp	**Alt 3-A** IFQ for Groundfish Except "Other Fish"	**Alt 3-B**	**Alt 3**-C	Alt 4 IFQ for All Groundfish	Alt 5 Cumulative Catch Limits	Alt 6 Cumulative Catch Limits & Stacking	Alt 7 Cumulative Catch Limits, Stacking & Extend Periods
Cumulative Landing Limits	Included	-	-	-	-	-	-	-	-
Season Closures [a/]	Included	*	*	*	*	*	Included	Included	Included
IFQ Program A Program B Program C	-	Program C	Program A	Program B	Program C	Program C	-	-	-
Cumulative Catch Limits (CC - Alt 1)	-	Included	Included (low OYs)	Included (low OYs)	Included (low OYs)	-	Included	Included	Included
Cumulative Catch Limits (CC - Alt 2)	-	-	-	-	-	-	-	-	-
Cumulative Catch Limits (CC - Alt 3)	-	-	-	-	-	-	-	-	-
Permit Stacking (PS - Alt 1)	-	-	-	-	-	-	-	Included	-
Permit Stacking & Extended Cumulative Limit Periods (PS - Alt 2)	-	-	-	-	-	-	-	-	Included

* In order to limit impacts on ESA listed salmon stocks there may be seasons for whiting , but season closures would not be the primary whiting catch control tool under an IFQ program.

a/ Season closures are the primary tool used to control catch in the whiting fishery. While season closures sometimes occur for some species in the nonwhiting fishery, it is the Council's general policy to use cumulative limits to try to maintain year round opportunities in the nonwhiting groundfish fisheries.

Decision Table E - Within Trawl Allocations (Section 2.1.3)

For analysis, adopt options to allocate groundfish between divisions of the trawl sector.

Options: For whatever subdivisions of the trawl sector are established (see Decision Table A: Trawl Sectors and Intersector Transfers–Section 2.1.1.4) ,

establish the subdivision of the trawl sector allocation based on the relative shares for each sector during the time period used for the initial IFQ allocation.

Options: Options will be the same as for the allocation periods considered for the trawl IFQ program (Section B.1.5).

If different periods are used to allocate to different trawl sectors, either use the shortest period common to the allocation of IFQ for all sectors or calculate a sector share of catch based on the IFQ period and adjust the shares proportionally such that they sum to 100%.

When calculating fleet history based on permit history of the individual vessels, a permit formed from the combination of several permits would include the catch history of all of the combined permits.

Suboption a: **A recency requirement would be applied** and the catch history of permits not meeting the recency requirement would not be included as part of the calculation of the relative sector shares. The recency requirement would be the same as that used for the IFQ program.

Suboption b: **No recency requirement.**

For analysis, adopt options to separate shoreside nonwhiting landings from shoreside whiting landings

	Criteria for a Whiting Trip		
Classification Option 1	>50% whiting	AND	>10,000 pounds of whiting
Classification Option 2	>50% whiting	OR	>10,000 pounds of whiting
Classification Option 3	>50% whiting		

The TIQC recommends classification Options 2 or 3, but has requested additional data on the issue.

Types of Environmental Impacts for Consideration

The following categories of impacts were identified during previous Council meetings and the public scoping period. The Council's task at this meeting is to review this list and make any additions for issues of Council concern not already covered.

Habitat and Ecosystem

- Changing impact on habitat due to gear changes
- Potential changes in ecosystem dynamics if regional or localized depletion occurs.
- Potential changes in the mix of species harvested with changes in fishing tactics, seasonality or gear types used
- Environmental impacts due to economic, community, and resource management changes

Fishery Resources

Changes in accuracy of total mortality estimates

- Incentives for unreported highgrading
- Incentives to underreport landings
- Improved monitoring

Changes in total mortality

- Incentives to minimize take of incidental catch species to avoid IFQ costs
- Changes in size and maturity of fish taken
- Direct and indirect impacts on fisheries prosecuted by other gear sectors, including sport

Socioeconomic Environment

Production Value - Harvesters and Processors

- Mix of species and products
- Product quality
- Market timing (special orders)
- Allowable catch (reduced uncertainty about discards with proper monitoring)

Production Costs - Harvesters

- Harvest flexibility (opportunity to better scale harvest activities to improve operational efficiency)
- Gear flexibility
- Timing flexibility
- Opportunity for more efficient investment in capital
- Asset values (permit and vessel)

Production Costs - Buyers and Processors

- Product recovery rates
- Operational planning
- Storage costs
- Opportunity for more efficient investment in capital
- Asset values (facilities)
- Consolidation impacts, loss of infrastructure, and indirect impacts on the businesses (e.g., shifts impacting the operation of existing businesses and their competitiveness)

Safety and Personal Security

- Vessel maintenance, repair and replacement
- Avoidance of bad weather
- Personal financial and employment security

Community Impacts

- Local income
- Employment
- Tax base and municipal revenues
- Cost recovery for fishery related public works projects
- Cultural heritage
- Business and infrastructure impacts

Fairness and Equity

- Effects on groups involved and dependent on the fishery (income and employment) for crew, skippers, vessel owners, processor labor and management, support industries
- Effects on small entities (businesses (including family businesses) local governments, organizations)
- Effects on low income and minority populations
- Effects on asset value (quotas, permits, vessels)
- Effects on adjacent fisheries (geographically adjacent fisheries, for example Alaskan fisheries)
- Effects on nontrawl gear fisheries on the West Coast including sport fisheries

Nonconsumptive Values

- Nonconsumptive Use
- Existence Value

Initial Program Development and Implementation Costs

Ongoing Administrative Costs

Enforcement and Compliance Monitoring Costs

Research and Performance Monitoring Costs

Initiation of Scoping on the Intersector Allocation EIS

With action to adopt alternatives for analysis in an IFQ EIS, the Council will have moved into Phase II of its consideration of an IFQ program. Preliminary scoping has been conducted on intersector allocation issues. The question before the Council is when to formally announce its intent to prepare an intersector allocation EIS and formally open a public scoping period, thereby moving into Phase II of the intersector allocation EIS process.

Figure 2. Trawl IFQ and Intersector Allocation Processes