

TRAWL INDIVIDUAL QUOTAS: STAGE I ALTERNATIVES AND PROGRESS REPORT ON STAGE II

At this meeting, the Council will confirm the results and alternatives from the Stage I development of the Trawl Individual Quota (TIQ) Program analysis and review progress on Stage II. The Council will have convened Tuesday evening, September 12 to receive an information briefing on the potential initial allocation of quota shares to permit-owners and processors. No public comment will be taken during that session, but Council members will have an opportunity to ask questions. Information on that session is provided here as Agenda Item C.7.a, TIQ Information Session (1). Permit-owner and processor representatives making the Tuesday evening presentation were invited to provide statements on this issue in the briefing book (Agenda Item C.7.a, TIQ Information Session [2]).

Stage I Completion

At its June 2006 meeting, the Council conducted its initial review of results and alternatives and, relying in part on advice from the Trawl Individual Quota Committee (TIQC) and the Scientific and Statistical Committee, made a number of revisions to simplify the alternatives (Agenda Item C.7.a, Staff Report). Subsequent to the June Council meeting, comments were provided to Northern Economics Incorporated, the contractor developing stage I of the draft analysis. In early August, the contractor provided a final draft submission of its work product (Agenda Item C.7.a, Stage I Final Draft, Excerpts 1 and 2).

In June, the Groundfish Management Team (GMT) and Groundfish Advisory Subpanel (GAP) were fully subscribed with the biennial specifications process and unable to offer the Council their recommendations on this matter. At this meeting, the GAP and GMT will have had time to review materials related to this agenda item. Also, the TIQC will have met on Sunday, September 10, to review the Council's June action and develop additional details needed on some provisions, including co-op entities and the rollover of whiting individual fishing quota (IFQ) from one sector to another. The Council task related to the Stage I submission will primarily be to review and respond to these comments, as needed.

During its June deliberations, the Council requested a presentation on the question of the balance of the initial allocation of quota shares between processors and permit holders. Current options run from 0% to 50% for processors, with the remainder going to permit holders. On Tuesday evening of this Council meeting, there will be a Council session with industry representatives on each side of this issue making presentations followed by a formal question-and-answer period (Agenda Item C.7.a, TIQ Information Session). These presentations are informational and the Council is not necessarily expected to make a decision on the basis of the presentations at this meeting.

Approach to Reviewing Alternatives

The alternatives are described in Chapter 2 of Agenda Item, Stage I Final Draft, Excerpt 1. The overall structure of the alternatives can be viewed in text tables on pages 23 and 24 and the figures on pages 26 and 28. The alternatives are summarized in Table 2-1 (management regime alternatives, pages 30-36) and Table 2-2 (IFQ program alternatives, pages 37-43). The

component and element numbers in these summary tables correspond to the component and element numbers in the complete description of the alternatives provided in Tables 2-3 (management regime alternatives, pages 47-67) and Table 2-4 (IFQ program alternatives, pages 70-107). Keys for the highlighting in these tables are provided on pages 29 (Tables 2-1 and 2-2) and 46 (Tables 2-3 and 2-4). It is suggested that Council members first review the summary tables (Tables 2-1 and 2-2) before delving into the more detailed tables.

Stage II Progress

This two stage process for drafting of the analytical document was developed as a response to funding that was not sufficient to cover a complete analytical document. As of early August, funding to initiate the second stage of the analysis had not been secured. The result is that progress on the second stage and completion of Council deliberations will be delayed. In the interim, the Council staff has begun working to develop an analysis of components of the TIQ program. It is anticipated that the components analysis will directly contribute to continued progress on the draft analysis by enabling the Council to deliberate on certain design features of the TIQ program in a sequential manner.

Council Action:

- 1. Determine whether additional adjustments are needed to the alternatives or plans for analysis.**
- 2. Provide guidance on steps for Stage II, as necessary.**

Reference Materials:

1. Agenda Item C.7.a, TIQ Information Session (1): Tuesday Evening Information Session: Questions for Presenters; and Standards, Goals, and Objectives.
2. Agenda Item C.7.a, TIQ Information Session (2): Harvester Position on the Initial Allocation of IFQs.
3. Agenda Item C.7.a, Staff Report: Actions from the June 2006 Council Meeting
4. Agenda Item C.7.a, Stage 1 Final Draft (Excerpt 1): Excerpt 1 from Stage 1 Document, IFQs and Permit Stacking Alternatives in the Limited Entry Trawl Fishery, Final Draft (Chapters 1, 2, 4 and Appendices A-C).
5. Agenda Item C.7.a, Stage 1 Final Draft (Excerpt 2): Excerpt 2 from Stage 1 Document, IFQs and Permit Stacking Alternatives in the Limited Entry Trawl Fishery, Final Draft (Chapters 3 and 5 through 11) (**electronic copy on Council briefing book CD**).
6. Agenda Item C.7.d, Public Comment.

Agenda Order:

- a. Agenda Item Overview
 - b. Report of the Trawl Individual Quota Committee
 - c. Reports and Comments of Advisory Bodies
 - d. Public Comments
 - e. **Council Action:** Confirm Stage I Results and Alternatives, and Provide Guidance on Stage II Analysis
- Jim Seger
Dave Hanson