

STAFF REPORT: ACTIONS FROM THE JUNE 2006 COUNCIL MEETING

At its June 2006 meeting the Council:

- adopted the Trawl Individual Quota Committee (TIQC) report but modified the TIQC’s recommended definition of processing
- eliminated the low optimum yield (OY) management options
- directed that the permit stacking alternatives include
 - partial credit for stacked permits (partial limits for each stacked permit)
 - a nonwhiting endorsement

The changes to the options, pursuant to these directions are reflected in the underlined (inserted) and struck through (deleted) text in Tables 2-1, 2-2, 2-3 and 2-4 of the Stage 1 analysis. The following is a list of the specific actions.

Adopted TIQC Report

The TIQC report recommended accepting the staff report with the following changes and additions:

1. Restructuring Individual Fishing Quota (IFQ) Program Alternatives

With respect to the three program alternatives, the TIQC recommended and the Council concurred with changing the section on initial allocation of quota shares to groups of initial participants to the following:

Program A	Program B	Program C
Initial Allocation of Quota Shares, Section B.1.0		
<p><i>Eligible Groups:</i> 50% to current permit owners; 50% to processors.</p>	<p><i>Eligible Group Suboption B-1:</i> 100% to current permit owners.</p> <p><i>Eligible Group Suboption B-2:</i> Nonwhiting—100% to current permit owners. Whiting—50% to current permit owners; 50% to processors.</p> <p><i>Eligible Group Suboption B-3:</i> 90% to current permit owners; 40% to processors.</p>	<p><i>Eligible Groups:</i> 75% to current permit owners, 25% to processors.</p> <p><u>(NOTE: For the nonwhiting shoreside fishery only, up to 20% of the quota pounds will be held back from the allocation (off the top) to support the community stability holdback. Each year, the Council will have the flexibility to determine whether 20% or some lesser amount will be held back.</u></p>

2. Processor definition

The Council accepted a modification of the TIQC recommended processor definition. The modifications are highlighted in the following text with underscores for insertions and strikethroughs.

For purposes of allocation of QS/QP (quota share/quota pounds), two types of processors are defined for any program which includes an initial allocation of quota share to processors. These definitions will apply only for the initial allocation and not for other purposes (unless otherwise specified):

Processors:

At-sea processors are those vessels that operate as motherships in the at-sea whiting fishery or those vessels permitted to operate as catcher-processors in the catcher-processor whiting fishery.

A shoreside processor is an operation, working on US soil, that takes delivery of trawl-caught groundfish that has not been “processed at-sea” and that has not been “processed shoreside”; and that thereafter engages that particular fish in “shoreside processing.” Entities that received fish that have not undergone “at-sea processing” or “shoreside processing” (as defined in this paragraph) and sell that fish directly to consumers shall not be considered a “processor” for purposes of QS/QP allocations.

a. The recipient of the groundfish listed on the fishticket is presumed to be the first processor unless evidence is presented to NMFS that some other entity was the processor as defined in this section.

“**Shoreside Processing**” is defined as either of the following:

Any activity that takes place shoreside; and that involves:
cutting groundfish into smaller portions; OR
freezing, cooking, smoking, drying groundfish; ~~and~~
OR
packaging that groundfish for resale into 100 pound units or smaller for sale or distribution into a wholesale or retail market.

The purchase and redistribution into a wholesale or retail market of live groundfish from a harvesting vessel.

For the at-sea fishery, observer data and weekly processing reports will be used to document landings. Item d. may potentially result in conflicting claims to the history for a particular landing (e.g. claims by the first receiver and a processing company to the history for same fish ticket). This will create a need for adjudication. Further criteria will need to be developed for use in adjudication.

3. Definition of a Whiting Trip

Two options exist for the definition of a whiting trip. Based on its review of scattergrams showing the pounds of whiting and percent of whiting for trips in 2002, 2003, and 2004, the TIQC recommends that any trip composed of more than 50% whiting be considered a shoreside whiting trip. The rejected alternative would have defined a whiting trip as those trips composed of more the 50% whiting or trips with more than 10,000 pounds of whiting. The TIQC rejected the 10,000 pound option out of concern that different type of IFQ might be required for whiting and nonwhiting trips. If a vessel went out intending to make a whiting trip covered with IFQ for the whiting fishery and the trip was cut short, such that 10,000 pounds was not taken, then the vessel might not have the right type of IFQ to cover the catch.

The TIQC concurred with the staff report in the following areas.

Shoreside Whiting IFQ and Season Closures: If shoreside whiting closures are needed, they will be implemented by the imposition of whiting cumulative limits. Vessels catching whiting during a closure would have to comply with the cumulative limits and be required to cover their catch with quota pounds. If a shoreside nonwhiting sector is specified (Management Regime Alternative 2), there would be two types of shoreside whiting IFQ (quota shares/quota pounds): (1) whiting IFQ for the shoreside whiting fishery and whiting IFQ to cover incidental catch of whiting in the shoreside nonwhiting fishery. For the shoreside nonwhiting fishery, whiting cumulative limits would be in place year-round and quota pounds would be required to cover the incidental catch.

Cumulative Limits in the Whiting Fishery: If an alternative is adopted that includes permit stacking or separable transferable cumulative limits, these provisions will not apply with respect to whiting or nonwhiting species taken on whiting trips.

Combination Limited-Entry-Trawl Limited-Entry-Fixed-Gear Vessels: Two options for the IFQ alternatives were created. The option under Management Regime Alternative 2 would not provide these combination vessels an opportunity to use their trawl IFQ to increase their fixed gear catch above what would be allowed for fixed-gear-only vessels. The options under Alternatives 3 and 4 would allow vessels to take additional catch of any groundfish species (catch over and above that allowed for fixed-gear-only vessels) if such catch is covered with trawl IFQ and is taken in compliance with the trawl IFQ monitoring and enforcement rules (e.g., an observer is present). Similarly, two options are provided for permit stacking. One provides a vessel no opportunity to used stacked trawl permits to increase catch with limited entry fixed gear, the other would allow vessels to use limited entry fixed gear to fish against the limits allowed by their stacked trawl permits.

Limited Entry Trawl Vessels Using Open Access Gears Under Permit Stacking: Similar to what is provided for combination trawl/fixed-gear vessels, two options are provided for trawl vessels using open access gear under permit stacking. One provides a vessel no opportunity to use stacked trawl permits to increase catch with open access gear, the other would allow vessels to use open access gear to fish against the limits allowed by their stacked trawl permits.

Lengthening the Cumulative Limit Period: Alternative 2 specified that the cumulative limit periods might be lengthened but did not specify an option for the duration of the extension. The length of the period for the option was set to a 4-month period. During this four month period, transfers of partial cumulative limits would be allowed.

Threshold for Triggering Low OY Management: While the TIQC concurred with the staff suggestion to change the example provided (“25% of B_{msy} ”) into an option, the Council eliminated low OY management from the alternatives being analyzed.

Other Actions

Elimination of Low OY Management Options

Alternative 2 provided an option which would eliminate cumulative limit transferability for species at low OY levels. Under Alternative 2, transferable cumulative limits are being considered for nonIFQ species. Alternative 3 provided that low OY species would be managed with nontransferable cumulative limits instead of IFQs. The triggers for low OY management would be related to overfished thresholds and apply to stocks through part or all of their rebuilding. These options were eliminated from Alternatives 2 and 3 and are not contained in other alternatives.

Partial Credit For Stacked Permits

The Council directed the addition of an option for TIQC consideration that would provide less than a full cumulative limit for each permit stacked under the permit stacking alternative. Under permit stacking, it is expected that the utilization of cumulative limits will increase, requiring managers to reduce the size of the cumulative limits in order to keep harvest within constraints. If vessels get full credit for stacked permits, vessels not stacking permits would experience reduced limits. Partial credit would be intended to minimize the effect of permit stacking on vessels that do not stack their permits.

Nonwhiting Endorsement

For the permit stacking alternative, the Council directed that an option be added that would establish a landing requirement to prevent permits that had been only used in the whiting fishery from rotating into the nonwhiting fishery. This requirement might be based on Dover sole and sablefish or other species which members of the industry feel would appropriately represent the traditional nonwhiting trawl sector. The purpose would be to prevent latent capacity from spilling back into the nonwhiting fleet. The endorsement would act something like the sideboards used in the Alaska system.