

TRAWL INDIVIDUAL QUOTA COMMITTEE (TIQC)
REPORT TO THE GROUND FISH ALLOCATION COMMITTEE
MAY 2007

The TIQC met May 2-3, 2007, to review and further develop alternatives under analysis. The TIQC has the following comments and recommendations.

Individual Fishing Quota (IFQ) Alternative

Recent Participation Requirement

The TIQC recommends that the Council drop the recent participation requirement as an option for vessel permits, including those for catcher-processors (CP) (some analysis would be maintained to document its consideration). There were only a few permits not meeting the recent participation requirement and they had very small amounts of associated catch history, therefore elimination of a recent participation requirement will make little difference in the allocation formula. A recent participation requirement for the shoreside processor sector and the mothership processor sector should continue.

The TIQC recommends that the following recent participation requirement be specified for the mothership sector: 1,000 mt processed in each of any two years from 1998 – 2004. This level of participation indicates that a processing vessel was providing a real market for catcher vessels, rather than just taking a few codends over the side while pursuing other activities. It is the same as that specified for the mothership sector under the Co-op Alternative. Development of a recent participation requirement option for shoreside processors is pending the needed quantitative analysis.

Equal Allocation Based on the Harvest History of Buyback Permits

The TIQC reiterates its recommendation that an option be analyzed that is based only on harvest history (i.e. an option with no equal sharing of buyback permit history). The other option would continue (i.e., equal sharing of the quota share (QS) pool associated with the history of the buyback permits plus allocation of the remaining QS to each permit based on that permit's history). The QS pool associated with the buyback permits will be the buyback permit history as a percent of the total fleet history for the allocation period. The calculation will be based on total absolute pounds with no other adjustments. The TIQC recommends that analysis of intermediate points be included as necessary to ensure that the Council may select an intermediate option (an option between an equal sharing of all buyback permit history and no allocation based on buyback permit history).

The TIQC discussed but did not take action on the ability of whiting sector participants to transfer to non-whiting sector participants any species of groundfish not associated with the whiting fishery (such as Dover sole). Whiting participants might receive an allocation of such species as a result of equal allocation of the buyback permit pool. The TIQC also discussed the ability of non-whiting participants to land whiting allocated to them as part of the same equal allocation portion of the formula.

Overfished and Bycatch Species

The TIQC recommends adopting for analysis a revised proxy species option for the initial allocation of overfished species to the non-whiting sector: allocate overfished species QS using fleet average bycatch rates applied to each permit's target species QS allocations. The target species QS allocation would be based on the standard allocation formula. For permits, this allocation is currently specified based on 1994-2003 permit history. Fleet average bycatch rates for the areas shoreward and seaward of the Rockfish Conservation Area (RCA) would be developed from West Coast Observer Program data for 2003-2006. For the purposes of the allocation, it would be assumed that a permit's QS for each target species would be distributed shoreward and seaward of the RCA based on the fleet average for that species, derived from logbook information for 2003-2006. Both the fleet bycatch rates and the distribution of fleet target catch would be stratified by latitudinal area.

The TIQC recommends Section A-1 of the IFQ program be modified to add consideration of an option that would not require IFQ for bycatch species in the whiting sector. If IFQ is not used for bycatch species, add options that would allocate bycatch at a (a) fishery level, (b) sector level, or (c) co-op level. Bycatch would be allocated to a sector or co-op based on one of the following options (a) *pro rata* in proportion to the whiting allocation, or (b) weighted historical catch formula (for example, in projecting bycatch in the whiting fisheries prior to the start of the season, the Groundfish Management Team (GMT) uses a four-year weighted average starting with the most recent year: 40%, 30%, 20%, 10%).

TIQC members expressed concern that the initial QS allocation may need to be adjusted when a stock is rebuilt, to facilitate targeting by traditional participants, and discussed possible consideration of reallocation of a selected list of species in 5-6 years or as stocks are rebuilt. Staff was asked to consult with NOAA General Counsel about the feasibility of such a framework for future reallocation. It was noted that if bycatch of overfished species for the whiting sector is distributed as pools available to fisheries or sectors instead of being allocated as transferable QS, those stocks could be redistributed as appropriate when they are rebuilt.

Allocation Formula for the Catcher-Processor Sector

The CP representative reported that Option 2, "Permit history for 1994-2003 (no option to drop years) and using relative pounds" is acceptable to all participants in the CP sector. The CP representative recommends deletion of Option 1, "Schedule developed by unanimous consent of catch processors."

Accumulation Limits

For the IFQ alternative, adopt the following accumulation limit options for the CP sector: Own or control limit: 50%, 55%, or 60%. For the permit accumulation limit: 65%, 70%, or 75%.

A draft definition of the *own or control accumulation limit*, along with example interpretations of "direct and indirect control," was presented to the TIQC. The TIQC noted that they may want to recommend changes to those examples to make them more specific and applicable to this fishery.

Adaptive Management/Holdback

The TIQC received a presentation from Environmental Defense on an adaptive management option. The option had not been completely developed and the TIQC does not have a recommendation on the option at this time.

Monitoring Program

The TIQC strongly recommends that real-time accounting be a required component of the trawl rationalization program. With current technologies, this likely means 100 percent at-sea catch monitoring, but the monitoring program should be able to adapt to incorporate new technologies that may be more cost effective. Complete individual accountability is key to the conservation and economic benefits expected from the program. By allowing access to a higher proportion of target fish per unit of overfished species, the trawl rationalization program is anticipated to allow for greater utilization of the available groundfish resource than can currently be accomplished. However, this access is contingent upon 100% at-sea catch monitoring that will give a fisherman individual accountability for their bycatch. The TIQC also recognizes the costs associated with full coverage. However, if quota has value, which is increasing, a quota owner should have responsibility to protect that by paying for it.

The TIQC recommends including in the monitoring program an option that requires 100 percent shoreside monitoring and allows the catch of a given trip to be unloaded at more than one location. Flexibility in offloading will allow for more innovation in marketing.

The TIQC recommends adding an option to the monitoring program that requires electronic logbooks. Electronic logbooks would be a valuable component of a viable camera monitoring system.

Co-op Alternative

At the start of the co-op alternative, there is a section covering management of the whiting fishery under co-ops. This section includes provisions that would have applicability to all whiting sectors. A new option should be added which would allocate bycatch among the whiting sectors based on a four year weighted average similar to that suggested by the GMT at the March Council meeting (Agenda Item E.3.b, March 2007) or some other formula based on historical performance. The GMT suggestion would have applied the following weights to the four year average (starting with the most recent year): 40%, 30%, 20% and 10%.

Also in this section, provide an option which would establish a 10% reserve of the whiting sector bycatch allocation as a set aside for use by those (sectors, coops, or individual vessels) with bycatch rates at or below a predetermined rate.

Mothership Sector Co-op Alternative

The TIQC recommends incorporation of the revisions to the mothership co-op alternative that were presented to the TIQC (and including subsequent changes based on TIQC comments during the meeting.) This alternative will be provided separately to the GAC. The revisions included the specification of two options for co-op formation and the inclusion of the “golden rule.” The new insertions are underlined.

Co-op Formation. Co-ops will be formed among coefficient of variation (CV) (MS) permit owners.

Option 1 (Multiple Co-ops): In the first year of the program, permit owners choosing to participate in a co-op must form those co-ops based on the mothership where the CV permit holders delivered the majority of their most recent years' catch. A separate co-op must be formed for each mothership to which deliveries were made. Co-op agreements will be submitted to NMFS. In subsequent years, multiple coops are required to be formed based on the processor where CV permit holder delivered the majority of their most recent years' catch.

Option 2 Multiple co-ops are not required. Catcher vessels may organize a single co-op or multiple co-ops of like-minded catcher vessels. Vessels within the co-op(s) would have separate contracts with the processor to whom they are delivering. Permit owners choosing to participate in a co-op must register annually with NMFS and express their intent to be a member of the co-op at a date certain prior to the start of the fishery. In the first year of the program, permit holders are required to deliver their percentage of the co-op allocation to the mothership where they delivered the majority of the most recent years' catch.

Co-op agreements must stipulate that catch allocations to members of the co-op be based on their catch history calculation distribution to the co-op by NMFS ("The Golden Rule")

Mothership Sector Co-op Accumulation Limits. The TIQC recommends that the following accumulation limit options be adopted for the mothership co-op alternative. Mothership permit ownership limit: No individual or entity owning a mothership permit(s) may process more that 20%, 30%, or 50% of the total mothership sector whiting allocation. Catcher-vessel (mothership delivery) permit ownership limit: No individual or entity may own catcher-vessel (mothership delivery) permits for which the allocation totals greater than 10%, 15%, or 25% of the total mothership sector whiting allocation.

Shoreside Sector Co-op Alternative

The TIQC recommends incorporation of the revised shoreside whiting co-op alternative that was presented to the TIQC (and including subsequent changes based on the TIQC's comments). Among these is a clarification in the section on "shoreside permit transfers" that the shoreside processor permits are only in effect the first two years of the program. This alternative will be provided separately to the GAC.

Catcher-Processor Sector Co-op Alternative

It was reported to the TIQC that the CP alternative will not likely be classified as a limited access privilege program as defined under the Magnuson-Stevens Fishery Management and Conservation Act. The alternative being considered by the Council would create a closed class of catcher-processors but not a specific allocation to those choosing to participation in a catcher-processor co-op. This alternative will be provided separately to the GAC.

The CP representative has recommended changing the qualification years for the CP endorsement from 1997-2006 to 1997-2004.