

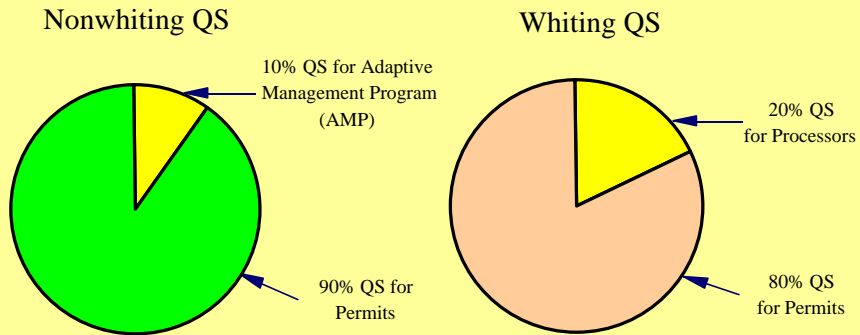
B. Review of Final Council Action on Quota Share (QS) Allocation Formulas

Initial Allocation of QS

- Focus
 - Allocation of QS to Permits
 - Shoreside Sector

 - Will not cover QS allocations for shoreside processors or allocation to mothership co-op permits

How much is available for allocation to permits?



What are the basic elements of the allocation formula?

Species and Sector	Formula
All Species on Nonwhiting Trips Except Incidental Overfished	Equal Sharing and Permit History
Incidental Overfished Species on Nonwhiting Trips	Proportional to Target Species QS Using Logbooks & Bycatch Rates
Whiting	Equal Sharing and Permit History
Bycatch on Whiting Trips (including overfished species)	Proportional to Whiting QS

Example

- Permit with both nonwhiting and whiting trips.
- 1st Calculation of QS for nonwhiting trips and whiting trips
- 2nd Adjustments:
 - Combine shoreside nonwhiting and whiting
 - Subtract QS for Adaptive Management Program and processors

Basic Elements of Allocation Formula By Species And Sector

Species and Sector	Formula
All Species on Nonwhiting Trips Except Incidental Overfished	Equal Sharing and Permit History <i>e.g. Sablefish (north)</i>
Incidental Overfished Species on Nonwhiting Trips	Proportional to Target Species QS Using Logbooks & Bycatch Rates
Whiting	Equal Sharing and Permit History
Bycatch on Whiting Trips (including overfished species)	Proportional to Whiting QS

Equal Sharing Portion of Formula

$$= \frac{\text{Total 1994-2003 Weight by Buyback Permits}}{\text{Total 1994-2003 Weight by Fleet}}$$

$$13,100 \text{ mt buyback} \div 28,100 \text{ mt fleet} = 47\%$$

Assume 169 permits = **0.276%** sablefish QS per permit (before adjustments)

Basic Elements of Allocation Formula By Species And Sector

Species and Sector	Formula
All Species on Nonwhiting Trips Except Incidental Overfished	Equal Sharing and Permit History Total Sablefish QS = 0.276 + ???
Incidental Overfished Species on Nonwhiting Trips	Proportional to Target Species QS Using Logbooks & Bycatch Rates
Whiting	Equal Sharing and Permit History
Bycatch on Whiting Trips (including overfished species)	Proportional to Whiting QS

Permit History Portion of Formula

- 1994-2003
- Measure history as annual share of landings
 - a permit's landings for each year divided by the fleet's landings
 - also termed "relative pounds"
- Drop 3 worst years

Permit History

- Northern Sablefish

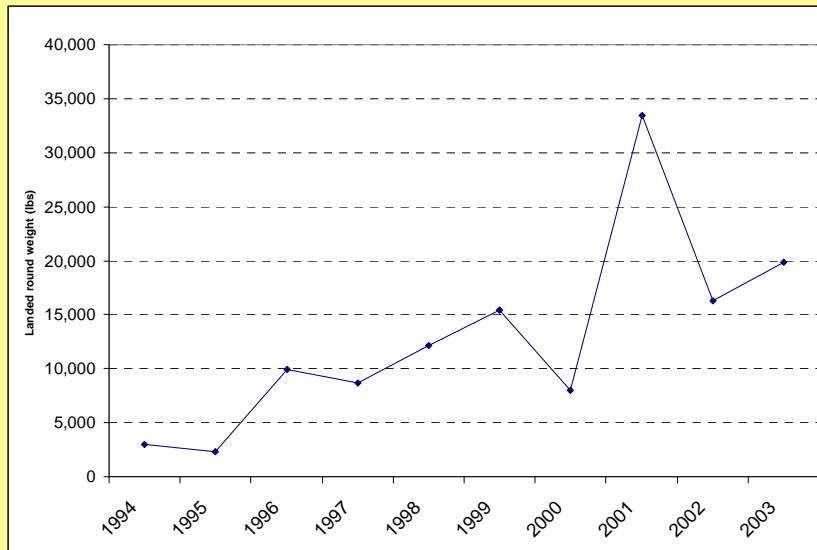
Example Landing History	
Year	Pounds
1994	2,992
1995	2,344
1996	9,913
1997	8,631
1998	12,169
1999	15,392
2000	7,997
2001	33,450
2002	16,335
2003	19,848

Convert Permit History to Shares

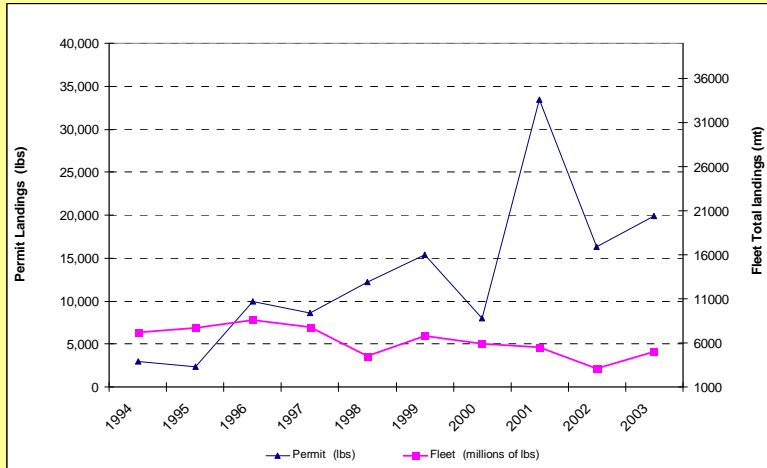
- Northern Sablefish
- Permit History/Fleet Landings

	Example Permit (lbs)	Fleet (million lbs)	Example Permit Share
1994	2,992	7.2	0.04%
1995	2,344	7.7	0.03%
1996	9,913	8.6	0.11%
1997	8,631	7.8	0.11%
1998	12,169	4.5	0.27%
1999	15,392	6.8	0.23%
2000	7,997	5.9	0.14%
2001	33,450	5.5	0.61%
2002	16,335	3.1	0.53%
2003	19,848	5.0	0.40%

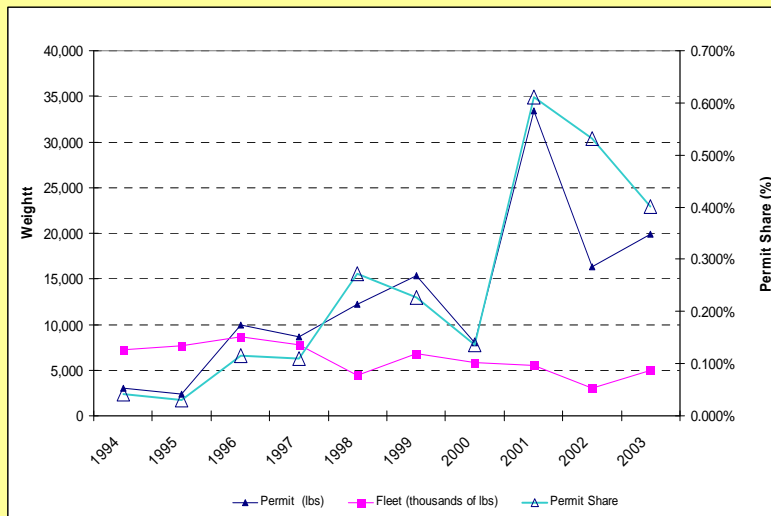
Graphically: Permit Landed Pounds



Graphically: Permit and Fleet Landings



Graphically: Permit Share of Fleet Total



Drop 3 Worst Years and Sum

- Permit History/Fleet Landings
- Drop 3 worst years
- $2.292\% \div 451\% = 0.51\%$
- Do for all permits, result adds to 100%

	Example Permit (lbs)	Fleet (million lbs)	Example Permit Share	Sum Shares of All Permits (excl buyback)
1994	2,992	7.2		
1995	2,344	7.7		
1996	9,913	8.6	0.11%	
1997	8,631	7.8		
1998	12,169	4.5	0.27%	
1999	15,392	6.8	0.23%	
2000	7,997	5.9	0.14%	
2001	33,450	5.5	0.61%	
2002	16,335	3.1	0.53%	
2003	19,848	5.0	0.40%	
Total			2.292%	451%

Scale Back History Result Because of Equal Allocation

- 47% of sablefish north QS will be allocated equally.
- 53% will be allocated based on catch history.
- Therefore 0.51% needs to be reduced:
 $53\% \times 0.51\% = 0.27\%$

Basic Elements of Allocation Formula By Species And Sector

Species and Sector	Formula
All Species on Nonwhiting Trips Except Incidental Overfished	Equal Sharing and Permit History Total Sablefish QS = 0.276% + 0.27% = 0.542% (before adjustments)
Incidental Overfished Species on Nonwhiting Trips	Proportional to Target Species QS Using Logbooks & Bycatch Rates
Whiting	Equal Sharing and Permit History
Bycatch on Whiting Trips (including overfished species)	Proportional to Whiting QS

Basic Elements of Allocation Formula By Species And Sector

Species and Sector	Formula
All Species on Nonwhiting Trips Except Incidental Overfished	Equal Sharing and Permit History Total Sablefish QS = 0.276% + 0.27%=0.542% (before adjustments)
Incidental Overfished Species on Nonwhiting Trips	Proportional to Target Species QS Using Logbooks & Bycatch Rates
Whiting	Equal Sharing and Permit History
Bycatch on Whiting Trips (including overfished species)	Proportional to Whiting QS

Whiting

- Same formula as for nonwhiting except:
 - Drop 2 years instead of 3 years
- Equal Allocation for Whiting:
 $57,500 \text{ mt buyback} / 742,500 \text{ mt fleet} = 7.74\%$

 Assume 169 permits = **0.046%** whiting QS per permit
- Landing History: For this permit **0.15%** whiting based on landing history.
- Total Whiting QS = $0.046\% + 0.15\% = 0.196\%$ (before adjustments)

Basic Elements of Allocation Formula By Species And Sector

Species and Sector	Formula
All Species on Nonwhiting Trips Except Incidental Overfished	Equal Sharing and Permit History Total Sablefish QS = $0.276\% + 0.27\% = 0.542\%$ (before adjustments)
Incidental Overfished Species on Nonwhiting Trips	Proportional to Target Species QS Using Logbooks & Bycatch Rates
Whiting	Equal Sharing and Permit History Total Whiting QS = $0.046\% + 0.15\% = 0.196\%$ (before adjustments)
Bycatch on Whiting Trips (including overfished species)	Proportional to Whiting QS

Basic Elements of Allocation Formula By Species And Sector

Species and Sector	Formula
All Species on Nonwhiting Trips Except Incidental Overfished	Equal Sharing and Permit History Total Sablefish QS = 0.276% + 0.27%=0.542% (before adjustments)
Incidental Overfished Species on Nonwhiting Trips	Proportional to Target Species QS Using Logbooks & Bycatch Rates
Whiting	Equal Sharing and Permit History Total Whiting QS = 0.046% + 0.15% = 0.196% (before adjustments)
Bycatch on Whiting Trips (including overfished species)	Proportional to Whiting QS

Basic Elements of Allocation Formula By Species And Sector

Species and Sector	Formula
All Species on Nonwhiting Trips Except Incidental Overfished	Equal Sharing and Permit History Total Sablefish QS = 0.276% + 0.27%=0.542% (before adjustments)
Incidental Overfished Species on Nonwhiting Trips	Proportional to Target Species QS Using Logbooks & Bycatch Rates
Whiting	Equal Sharing and Permit History Total Whiting QS = 0.046% + 0.15% = 0.196% (before adjustments)
Bycatch on Whiting Trips (including overfished species)	Proportional to Whiting QS = 0.196% of whiting sector allocation of <i>sablefish (north)</i>

Final Adjustments

1. Bring nonwhiting trip and whiting trip QS together as a single sector allocation.
2. Make deductions for allocation of QS to adaptive management program (AMP) and processors.

Combine Sablefish QS for Each Sector to Get Combined Shoreside Sector Sablefish QS

	Nonwhiting Trips	Whiting Trips	Shoreside Total
Sablefish (North) Permit Shares	0.542%	0.196%	
Sablefish (North) Sector Allocation	2,971 mt	54 mt	3,025 mt
Sablefish (North) Permit QP	16.10 mt	0.106 mt	16.20 mt
QS for combined shoreside sector (Permit QP total divided by sector allocation total.)			16.3/3,025= 0.536%

Basic Elements of Allocation Formula By Species And Sector

Species and Sector	Formula
Sablefish QS (all permits sum to 100%)	Equal Sharing and Permit History Total Sablefish QS = 0.536%
Nonwhiting Trips Incidental Overfished	Proportional to Target Species QS Using Logbooks & Bycatch Rates
Whiting (all permits sum to 100%)	Equal Sharing and Permit History Total Whiting QS = 0.196%

Deduct for AMP and Processor Allocation

	Sablefish QS	Whiting QS
Shoreside QS	0.536%	0.196%
Deduction for Adaptive Mangement Program	10%	-
Deduction for Processor Allocation	-	20%
Amount Deducted	0.0536%	0.0392%
<i>Final QS Amount for Permit</i>	0.4822%	0.1568%

Basic Elements of Allocation Formula By Species And Sector

Species and Sector	Formula
Sablefish QS (all permits sum to 100%)	Equal Sharing and Permit History Total Sablefish QS = 0.4822%
Nonwhiting Trips Incidental Overfished	Proportional to Target Species QS Using Logbooks & Bycatch Rates
Whiting (all permits sum to 100%)	Equal Sharing and Permit History Total Whiting QS = 0.1568%