

Agenda Item F.5
Attachment 3
September 2016

PACIFIC COAST GROUND FISH FISHERY MANAGEMENT PLAN

FOR THE CALIFORNIA, OREGON, AND WASHINGTON GROUND FISH FISHERY

**Description of Trawl Rationalization
(Catch Shares) Program**

Appendix E

APRIL 2011

For comment boxes with item numbers, see Agenda Item F.5, Attachment 2 for description of the policy or regulatory change that corresponds to the proposed change in the language of Appendix E.

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Revised and printed on May 2014 – DRAFT REVISIONS FOR REVIEW

Acronyms and Abbreviations

Acronym	Definition
Council	Pacific Fishery Management Council
CP	catcher processor
CV(MS)	mothership-endorsed catcher vessel permit
EIS	environmental impact statement
FMP	fishery management plan
IBQ	individual bycatch quota
IFQ	individual fishing quota
MS	mothership
MSA	Magnuson-Stevens Fishery Conservation and Management Act
NMFS	National Marine Fisheries Service
OY	optimum yield
RCA	Rockfish Conservation Area
QP	quota pound
QS	quota share

~~This appendix contains a description of the Council's trawl catch share policy (trawl rationalization policy) as originally adopted in conjunction with Amendment 20 and as subsequently modified through regulatory actions. This appendix will be updated from time-to-time to reflect the regulatory amendments recommended by the Council and approved by NMFS, as well as plan amendments as appropriate. Those regulatory amendments will be developed under the regulatory amendment processes specified in the FMP. As identified in the FMP, the update of this appendix does not require an amendment to the FMP.~~

Commented [JS1]: Item 75. Updated to further describe the contents of this appendix and process for updating, as authorized by the FMP.

E.1 Overview of Recommendations by Sector

~~The Pacific Fishery Management Council's (Council) sector specific recommendations-policies for rationalizing the trawl fishery are provided here and will be finalized and forwarded to the National Marine Fisheries (NMFS) for approval later in 2009. The recommendations-policies were originally adopted at the Council's November 2008 meeting and finalized in 2009 for forwarding to National Marine Fisheries (NMFS) later in 2009. In general, the Council recommendeds the following. The following is the a general outline of the trawl rationalization program:~~

Commented [JS2]: Updated to reflect that the program has now been approved and implemented..

Shoreside Trawl Sector (nonwhiting groundfish species and whiting):

Manage with individual fishing quotas (IFQs).

Provide 90 percent of the initial allocation of nonwhiting IFQ to holders of vessel permits; and

and
set aside 10 percent of the initial allocation for an adaptive management program that may benefit processors and communities, among others.

Provide 80 percent of the initial allocation of whiting IFQ to holders of vessel permits; and provide 20 percent of the initial allocation of whiting to processors.

Allocate 100 percent of the Pacific halibut individual bycatch quota (IBQ) to holders of vessel permits.

Mothership (MS) Trawl Sector (whiting and groundfish bycatch species):

Manage with a harvester co-op system and limited entry for MS processors.

Require that ~~vessels-permit holders~~ declare preseason the MS processor(s) for which they will fish in a coming year.

Commented [JS3]: Item 95 and Item 108

Catcher Processor (CP) Sector (whiting and groundfish bycatch species):

Create a permit endorsement to prevent expansion of the number of participants.

Allocate whiting and bycatch to the existing voluntary co-op.¹

Provide an IFQ program if the voluntary co-op fails (initially allocate IFQ equally among all permit holders).

The amount of allocation available for these sectors will be determined through the intersector allocation process. IFQ for the shoreside fishery may not be delivered to or caught by at-sea processors, nor may quota allocated to the mothership (MS) or CP sectors be delivered shoreside. IFQ for the shoreside fishery may not be processed prior to delivery except as allowed for certain non-whiting vessels delivering fish as part of the shorebased sector or as otherwise specifically allowed.

Commented [JS4]: Item 96

The following sections provide a general summary of the program for each sector. In general, provisions that apply to QS and QP also pertain to Pacific halibut IBQ-QS and IBQ-QP. ~~followed by a complete description that also identifies trailing actions the Council has been working on in 2009. These actions will be completed prior the time it submits the package to NMFS for approval.² The trailing actions pertain to~~

¹ When the Council took final action, NMFS indicated its preliminary intent to license the voluntary co-op. However, this was not part of the Council's final action.

² ~~During its March and April 2009 meetings, the Council also clarified a number of its recommendations. These clarifications are reflected in the version of the trawl rationalization recommendation provided here.~~

~~eligibility to own IFQ, accumulation limits, and adaptive management. Implementation is not expected earlier than 2011.~~

Commented [JS5]: Since the appendix has been updated this language is no longer required.

E.2 Shoreside Trawl Sector: IFQ Program (Appendix A of the Environmental Impact Statement [EIS])

This section details the IFQ program that the Council ~~is recommending~~ recommended for the shoreside sector of the groundfish fishery. The first part of the section describes major components of the program. Table E-1, which starts on page 6, presents complete details on elements of the recommended IFQ program.

E.2.1 Overview of the IFQ Program Elements

~~On initial implementation, the trawl rationalization program left Under this program,~~ most status quo management tools ~~would remain~~ in place. The main exceptions ~~are~~ was cumulative landing limits for nonwhiting groundfish species ~~covered by the IFQ program,~~ and a closure period to control whiting harvest at the start of the year.³ Other ~~regulatory constraints continue to be reduced through trailing actions,~~ measures, such as Rockfish Conservation Area (RCA) boundaries, may be adjusted as experience is gained with the IFQ program.

An IFQ ~~will~~ grants an entity the privilege to catch a specified portion of the trawl sector's allocation. Within the IFQ program, vessels ~~will bear~~ allowed to use a variety of directed groundfish commercial gear (including nontrawl gear) to take the shoreside trawl sector allocation, which ~~will~~ enables "gear switching." IFQs ~~will have been~~ created for most species of groundfish under the Groundfish Fishery Management Plan (FMP) (although some will still be managed collectively at the stock complex level, e.g., remaining minor slope rockfish). Some groundfish species rarely caught by trawl gear and dogfish will be excluded from the IFQ program. To ensure that ~~optimum yields (OY) annual limits~~ for species not covered by IFQ are not exceeded, catch of those species will be monitored and deductions made from ~~the OY ACLs~~ in anticipation of the expected level of shoreside trawl sector catch. For trips targeted on whiting, IFQ will be required ~~only~~ for whiting and ~~the main~~ bycatch species.

Halibut individual bycatch quota (IBQ) will be required to cover the incidental ~~catch~~ mortality of Pacific halibut in the groundfish trawl shoreside fishery. Under ~~an~~ the IBQ ~~provision~~ program, retention ~~would~~ will not be allowed.

The following sections describe the major provisions of the IFQ program.

E.2.1.1 Initial Allocation

The program ~~will~~ initially allocated IFQ as quota share (QS) to fishery participants based mainly on their historic involvement in the fishery. ~~Each year quota pounds (QP) is allocated to holders of QS in proportion to their QS holdings. QS and QP are collectively referred to as IFQ.~~ Following the initial allocation of QS, transfers (described below) ~~will also~~ allow others to participate in the fishery as quota holders. The initial allocation ~~can be viewed~~ occurred in two segments:

First, in developing its recommendation, the Council considered the groups that should be included in the initial allocation and the proportional split ~~of the initial allocation~~ among the groups. The Council

³ ~~This closure period is necessary because of Endangered Species Act concerns related to salmon.~~

⁴ ~~At its June meeting, the Council will consider a recommendation by the Groundfish Allocation Committee to interpret previous Council action under Amendment 21 as creating an IBQ program to cover incidental mortality rather than catch.~~

recommended that harvesters (those holding limited entry permits for trawl vessels) be given an initial allocation of 90 percent of the nonwhiting QS and 80 percent of the whiting QS. Ten percent of the QS for nonwhiting species ~~would be~~ was made available for an adaptive management program and processors ~~would receive~~ 20 percent of the whiting QS. All of the halibut IBQ was allocated to harvesters with no set aside for the adaptive management program.

Second, the Council considered specific allocation formulas to determine the amount of QS each eligible entity ~~will~~ would receive. These calculations ~~are~~ were based primarily on the delivery history associated with a vessel permit or processing company over a set number of years. For the allocation to permits, the QS associated with the history of permits retired in the buyback program ~~will be~~ was distributed equally among the remaining qualified permits (about 44 percent of the QS ~~will be~~ was allocated in this fashion). A special calculation ~~is~~ was provided for incidentally caught overfished species. For these species, the allocation ~~will be~~ was based on the QS recipient's need to cover incidental catch under current fishing practices (as measured by bycatch rates, individual permit logbooks for recent years, and the amount of target species QS that an entity receive~~s~~). None of the QS for overfished species ~~will be~~ was allocated equally among harvesters, with the exception of canary rockfish. A similar approach ~~would be~~ was used for the allocation of halibut IBQ.

E.2.1.2 Stock Management Units for IFQs

QS ~~will be~~ was issued for the species groups and areas for which there ~~were~~ annual catch limits (specified as optimum yields at the time the program was implemented)~~are~~ OYs (management units). However, QS ~~will not be~~ was not required for some rarely caught species. Catch of these species ~~would be~~ is monitored to ensure that ~~they do~~ it does not exceed any established allocations ~~or~~ annual catch limits. ~~There may be further area subdivisions for species for which there is an area specific precautionary harvest policy.~~ There are ~~also~~ provisions that provide for both species group and area subdivision of QS after initial allocation.

E.2.1.3 Annual Issuance, Holding Requirements, and Transfer Rules

In designing the management regime for the IFQ program, the Council ~~is balancing~~ balanced the benefits of flexibility and individual accountability with program costs and the constraints of the very low allowable catch levels of overfished species. Prior to the start of each fishing year, NMFS ~~will issue~~ quota pounds (QP) to entities based on the amount of QS they hold and the shoreside trawl sector allocation. The QP ~~would have to~~ must be transferred to a vessel account in order to be used. When a vessel goes fishing under the IFQ program, all catch must be recorded (including discards), and it must be matched by an equal amount of QP from the vessel's QP account. If there is not enough QP to cover the catch from a trip, there is a 30-day grace period during which adequate QP must be transferred into the vessel's account. A vessel's fishing ~~will be~~ is limited, and its permit cannot be sold, until the overage is covered. After the 30-day grace period, the vessel is considered in violation of the program, unless the overage is within the amount allowed by the carry-over provision. A carryover provision ~~will allow~~ s for an overage in one year to be covered by up to 10 percent of the following year's QP; likewise, the provision also ~~will allow~~ s QP that were not used in one year to be carried over into the following year, up to 10 percent.

Bycatch reduction and greater efficiency are expected to occur in the groundfish fishery under the IFQ program because of the transferability of QS and QP. Through the transfer of QS/QP (bought and sold or leased through private contract), it is anticipated that those best able to avoid catching overfished species and those who are most efficient will increase the amount of QS/QP registered to them. Those who consistently have high bycatch rates or operate less efficiently might choose to sell their QS and leave the fishery. Generally, anyone eligible to own a U.S.-documented fishing vessel ~~could~~ may also acquire QS

and QP, and the QS and QP ~~could~~may be acquired in very small increments.⁵ These provisions ~~will~~ allow for new entrants into the fishery; for example, a crewmember could ~~slowly~~ purchase ~~amounts of~~ quota in small increments. They also allow for ownership of QS by entities that do not otherwise participate in the fishery. ~~In early 2009, during its trailing actions the Council considered but rejected substantially modifying provisions pertaining to who is eligible to own the QS.~~

While transferability is an important component, some provisions limit transferability in order to protect against unintended consequences. For example, there ~~will be~~ accumulation limits on the amount of QS ~~or QP~~ that can be controlled by an entity and ~~accumulation vessel~~ limits ~~on for~~ the amount of QP registered to a vessel. The intent of these limits is to prevent excessive control of quota by a participant. ~~The exact percentages that will be used in these limits will be determined through a trailing action.~~

An adaptive management ~~provision program (AMP) will~~ allow the Council to use 10 percent of the trawl allocation to provide incentives, support, or other compensation to offset adverse impacts of the program. This program may benefit communities and processors, among others. Details of the AMP will be the subject of a trailing action. To date, these QP have been passed through to QS holders in proportion to their QS holdings.

E.2.1.4 Tracking and Monitoring

A tracking and monitoring program is necessary to ensure that all catch (including discards) is documented and matched against QP. ~~Initially, At-sea~~ observers ~~would be~~ required on all vessels, as well as shoreside monitoring during all off-loading (100 percent coverage). The Council has developed a policy to allow cameras to substitute for observers on certain vessels. Cameras may be used to augment the observers and ensure compliance. Compared to status quo monitoring, ~~this the trawl rationalization program requirements are~~ will be a significant increase in at-sea monitoring for a large portion of the trawl fleet, particularly nonwhiting shoreside vessels. In addition to being necessary to insure the effectiveness of incentives based on individual responsibility, More more accurate estimates of total mortality will benefit stock conservation goals. Discarding will be allowed, though all fish discarded will must also have to be covered by QP. There ~~would be is~~ 100 percent shoreside monitoring; ~~and there may be limited landing hours to control costs.~~ Additionally, a program for the mandatory submission of economic data ~~is included to~~ facilitates monitoring program performance.

E.2.1.5 Costs and Fee Structure

~~Program costs are of concern and ongoing Federal administrative costs are discussed in Appendix A and in Appendix H.~~ Program benefits ~~are were~~ expected to exceed costs and will be evaluated as part of program performance review. One of the major sources of costs is associated with industry payments for observers and catch monitors. To help mitigate against these costs, at the start of the program NMFS ~~has announced its intent, subject to available Federal funding, provided a cost reimbursements such~~ that participants ~~would initially be were initially~~ responsible for only 10 percent of the cost of hiring observers and catch monitors. The industry proportion of the costs of hiring observers and catch monitors ~~would be increased over time and cost reimbursements ended in 2015~~ every year so that, ~~once the fishery has transitioned to the rationalization program, the industry would be responsible for 100 percent of the cost of hiring the observers and catch monitors by 2014.~~ Program cost recovery fees were implemented starting in 2014. Fee structures will be proposed to recover program costs from industry, up to the limit of 3 percent of ex-vessel value.

⁵ To be eligible to own QS, the person need not actually own a U.S. documented fishing vessel.

E.2.1.6 Program Monitoring, Review and Future Auction

The Council ~~will conduct~~ a formal periodic reviews of catch share program performance as required under the Magnuson-Stevens Act. no later than ~~The current policy requires a review~~ five years after implementation and every four years thereafter. The result of these evaluations could include dissolution of the program, revocation of all or part of quota shares, or other fundamental changes to the program. At the time of its first review, the Council will also consider the use of an auction or other non-history-based method when distributing quota share that may become available after the initial allocation.

E.3 Detailed Specification of IFQ Program Elements and Options

Table E-1 provides a complete description of the IFQ program.

Table E-1. Full description of the IFQ Program for shoreside trawl deliveries.

	Element	Sub-element	
A. Trawl Sector Management			
A-1.1	Scope for IFQ Management, Including Gear Switching		<p>For trips delivered shoreside, QP will be required to cover catch of all groundfish (including all discards) by limited entry (LE) trawl vessels with certain gear and species exceptions.</p> <p>Gear Exception: Vessels with an LE trawl permit using the following gears would be not be required to cover their groundfish catch with QP: exempted trawl non-groundfish trawl (pink shrimp, ridgeback prawn, California halibut south of Pt. Arena, and sea cucumbers south of Pt. Arena),ⁱ gear types defined in the coastal pelagic species FMP; gear types defined in the highly migratory species FMP, salmon troll, crab pot, and LE fixed gear when the vessel also has a LE permit endorsed for fixed-gear (longline or fishpot) AND has declared that it is fishing in the LE fixed-gear fishery. However, open access trip limit regulations for each of these gears apply when a trawl permitted vessel has declared into the related fishery.</p> <p>Species Exception: The following would be an exceptions from the QP requirement; longspine thornyheads south of 34°27' N latitude, minor nearshore rockfish (north and south), black rockfish (WOC), California scorpionfish, cabezon, kelp greenling, shortbelly rockfish, and the "Other Fish" category of groundfish.</p> <p><i>This definition of the scope allows an LE trawl vessel to switch between trawl and nontrawl groundfish gears, including fixed-gear, for the purpose of catching their QP ("gear switching"). It also allows a nontrawl vessel to acquire a trawl permit, and thereby use trawl QP to catch the LE trawl allocation using nontrawl gear.</i>ⁱⁱ</p>
A-1.2	IFQ Management Units, Including Latitudinal Area Management		<p>QS will carry designations for the species/species group, area, and trawl sector to which it applies (see A-1.3 for the list of trawl sectors). The QP will have the same species/species group, area, and sector designations as the QS on the basis of which the QP was issued. QP will may not be used in a trawl sector other than that for which it was issued,ⁱⁱⁱ and will may not be used in a nontrawl sector (i.e., by vessels without trawl permits).^{iv} QP will may not be used in a catch area or for a species/species group other than that for which it is designated.</p> <p>For those species within the scope of the program, the QS/QP species groupings and area subdivisions will be those for which OYs-ACLs are specified in the acceptable biological catch (ABC)/OY-ACL table that is generated through the groundfish biennial specifications process and those for which there is an area-specific precautionary harvest policy^v QS for remaining minor rockfish will be aggregated for the shelf and slope depth strata (nearshore are excluded from the scope, see Section A-1.1).</p> <p>Changing the management units. After initial QS allocation the Council may alter the management units by changing the management areas or subdividing changing species groupings. Section A-2.1.6 provides methods for reallocating QS when such changes are made after initial implementation of the program.^{vi} Hereafter in this document, all references to species include species and species group, unless otherwise indicated.</p>

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	Element	Sub-element	
A-1.3	General Management and Trawl Sectors		<p>Unless otherwise specified or modified by later regulatory action, status quo regulations, other than trip limits for species within the scope of the IFQ program, will remain in place. If individual vessel overages (catch not covered by QP) make it necessary, area restrictions, season closures, or other measures will be used to prevent the trawl sector (in aggregate or the individual trawl sectors listed here) from going over allocations.ⁱⁱⁱ The IFQ fishery may also be restricted or closed as a result of overages in other sectors. Non-IFQ groundfish species continue to be managed with trip limits and/or set-asides.</p> <p>There will be three trawl sectors: shoreside, MS, and CP. However, as per Section A-1.1, IFQ will bes required only for the shoreside trawl sector. The MS and CP sectors will be are managed using co-ops, as specified in the co-op section of the trawl rationalization program <u>this appendix</u>. If the industry organized voluntary co-op program for the CP sector collapses, IFQ will be required for the CP sector, as specified in the co-op program described for that sector.</p> <p>Vessels fishing under the IFQ program, with trawl or other gear, may not process fish for delivery shoreside except for vessels that legally engaged the at-sea processing of non-whiting groundfish prior to July 20, 2010. Vessels less than 75 feet which head, gut, tail, and freeze whiting are not considered to be processing.</p> <p>Allocation among trawl sectors has have been determined in FMP Amendment 21 except that whiting allocations were established before Amendment 21. Those Sector allocations not covered by Amendment 21 in the FMP will be are addressed in the biannual specifications process. Trawl vessels fishing IFQ with non-trawl gear will be are required to comply with the RCA lines applicable for that gear. Such RCA restrictions, as necessary, will be are determined in a separate process.</p>
A-1.4	Management of Nonwhiting Trips		<p>Nonwhiting trips are those with less than 50 percent whiting. No changes to management measures, other than those identified in Section A-1.3, have been identified at this time <u>were identified at the time of initial implementation of this program but such changes have been implemented subsequently.</u></p>
A-1.5	Management of Whiting Trips ^{viii}		<p>Whiting seasons will not be <u>not changed under by</u> the IFQ program but were modified by later action, and so the current s <u>Spring openings will be were have been</u> maintained to control impacts on ESA-listed salmon that might occur earlier in the year.^{ix} When the primary whiting season is closed for shoreside deliveries, cumulative whiting catch limits will apply and shoreside QP will be required to cover whiting <u>caught incidentally catch.</u></p>
A-1.6	Groundfish Permit Length Endorsements		<p>Length endorsement restrictions on LE permits endorsed for groundfish gear will be <u>have been</u> retained; however, the provision that requires that the size endorsements on trawl permits transferred to smaller vessels be reduced to the size of that smaller vessel will be <u>was</u> eliminated (i.e., length endorsements will do <u>not</u> change when a trawl-endorsed permit is transferred to a smaller vessel).</p>

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	Element	Sub-element	
A-2. IFQ System Details			
A-2.1	Initial Allocation and Direct Reallocation		
A-2.1.1	Eligible Groups	a Groups and Initial Split of QS	<p>Eligible Groups The initial allocation of QS was will be made either only to permit owners and processors, as follows.</p> <p>Whiting QS: 80 percent to permits, 20 percent to processors and zero percent for adaptive management. Nonwhiting QS: 90 percent to permits, zero percent to processors, and 10 percent for adaptive management.</p> <p><i>After initial allocation, trading will likely result in changes in the distribution of shares among permit owners and processors. Additionally, entities that are neither permit owners nor processors may acquire QS (see below: "IFQ/Permit Holding Requirements and IFQ Acquisition").</i></p>
		b Permits	<p><i>For initial allocation, landing history will was considered to accrue to the permit under which the landing was made. The owner of a groundfish LE permit at the time of initial allocation will received the QS issued based on the permit. (Also, see Section A-2.1.4 on permit combinations and other exceptional situations.)</i></p>
		c Processors and Processing Definition	<p>A special definition of "processor" and "processing" will be was used for initial QS allocation. A main intent of the definition is was to specify that only the first processor of the fish be credited for the history of that delivery when the initial allocation formula is was applied (see footnote for definition).^a</p>
		d Attributing and Accruing Processing History	<p>For an allocation for shoreside processors (applies only to whiting): attribute history was attributed to the receiver reported on the landing receipt (i.e., the entity responsible for filling out the state fishticket), except it was possible to reassign history may be reassigned to an entity not on the landings receipt, if parties agreed or through an agency appeals process. <i>The intent of this option is was to provide an opportunity for catch history to be assigned to the entity that actually processed the fish.</i></p> <p>For shoreside processors, allocations go went to the processing business and successor-in-interest will be was recognized. NMFS will develop criteria for use in determining the successor in interest with respect to the entities listed on the landings receipts or otherwise eligible for an initial QS allocation based on being the first processor of the fish.^{si}</p>
A-2.1.2	Recent Participation	a Permits (including CP permits)	Recent participation is was not required in order for a permit to qualify for an initial allocation of QS.
		b Processors (motherships)	Not applicable because a co-op program was provided for this sector rather than IFQs. (This header is being left in the document so that paragraph numbering will correspond to numbering in the analysis.)
		e-b Processors (shoreside) (originally lettered as paragraph c)	Recent participation is was required to qualify for an initial allocation of whiting QS: 1 mt or more of deliveries from whiting trips in each of any two years from 1998-2004.

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Element	Sub-element	
A-2.1.3	Allocation Formula	<p>a Permits with catcher vessel history</p> <p>QS will bewas issued for all fish management units within the scope of the program (see Section A-1.2) based on equal division and permit history, as follows:^{xii}</p> <p>Equal Division: There will bewas an equal division of the buy-back permits' pool of QS among all qualifying permits (<i>except the incidentally caught overfished species other than canary</i>). Qualifying permits included all catcher vessel permits, including those that have hadbeen used only in the MS sector. (The QS pool associated with the buyback permits will bewas the buyback permit history as a percent of the total fleet history for the allocation period. The calculation will bewas based on total absolute pounds with no other adjustments and no dropped years.)</p> <p>Permit History: The remaining QS (<i>the QS left after setting aside amounts for equal allocation</i>) will bewas allocated based on each permit's history (see following formulas).</p> <p>For the portion of the allocation based on each permit's history.</p> <p>For nonwhiting trips, permit history used for QS allocation will bewas calculated:</p> <p>For nonoverfished species: using an allocation period of 1994-2003. Within that period use relative history and drop the three worst years.^{xiii}</p> <p>For overfished species taken incidentally:^{xiv} using target species QS as a proxy based on the following approach: Apply fleet average bycatch rates to each permit's depth and latitude distributions and target species QS allocations. Fleet average bycatch rates for latitudinal areas^{xv} divided shoreward and seaward of the RCA will be developed from West Coast Observer Program data for 2003-06. For the purposes of the allocation, a permit's QS for each target species will bewas distributed shoreward and seaward of the RCA and latitudinally based on the permit's logbook information for 2003-06. If a permit does didnot have any logbooks for 2003-06, fleetwide averages will bewere used.^{xvi}</p> <p>For whiting trips, permit history used for QS allocation will bewas calculated as follows:</p> <p>For whiting, use an allocation period of 1994-2003. Within that period, use relative history and drop the two worst years.^{xvii}</p> <p>For bycatch species (if IFQ is used for bycatch species): use the whiting history as a proxy (i.e., allocation will bewere pro rata based on the whiting allocation).</p> <p>Area Assignments: Landings history will bewas assigned to catch areas based on port of landing.^{xviii}</p> <p>Relative history (percent). For each sector, the permit history for each year is was measured as a percent of the sector's total for the year.</p> <p>Initial allocations will were be constrained by accumulation limits for permits that were acquired after the November 8, 2008 control date. See Section A-2.2.3.e for a discussion of the limits and divestiture requirements.</p> <p>Reallocation: Reallocate widow rockfish using the same approach that applies for nonoverfished species except use 1994-2002 as the allocation period for non-whiting trips and allocate 9.016 percent for the history of whiting trips and 51.382 percent for the history of nonwhiting trips (the remainder is equally allocated among all permits).^{xix}</p> <p>b-Permits with CP history</p> <p>Not applicable because a co-op program was provided for this sector rather than IFQs. (<i>This header is being left in the document so that paragraph numbering will correspond to numbering in the analysis.</i>)</p> <p>e-Processors (motherships)</p> <p>Not applicable because a co-op program was provided for this sector rather than IFQs. (<i>This header is being left in the document so that paragraph numbering will correspond to numbering in the analysis.</i>)</p>

Commented [JS12]: Updated to reflect that three was not a blanket grandfather clause.

Commented [JS13]: Item 131 (implement after final approval of widow reallocation rule.

	Element	Sub-element	
		<p>db Processors (shoreside) (originally lettered as paragraph d)</p>	<p>For whiting:</p> <ul style="list-style-type: none"> Allocate whiting QS based on the entity's history for the allocation period of 1998 xx 2004 (drop two worst years) and use relative history. <p>Initial allocations will were not be constrained by accumulation limits, except when the overage was caused by the acquisition of a permit after November 8, 2008. See Section A-2.2.3.e for a discussion of the limits and divestiture requirements.</p>
A-2.1.4	History for Combined Permits and Other Exceptional Situations		<p>Permit history for combined permits will included the history for all the permits that have had been combined. For history occurring when two or more trawl permits were stacked, split the history was split evenly between the stacked permits. History for illegal landings will did not count toward an allocation of QS. Landings made under nonwhiting Experimental Fishing Permits (EFPs) that are were in excess of the cumulative limits in place for the nonEFP fishery will did not count toward an allocation of QS. Compensation fish will did not count toward an allocation of QS.</p>
A-2.1.5	Initial Issuance Appeals		<p>There will be was no Council appeals process on the initial issuance of IFQ. NMFS will developed a process proposal for an internal appeals that was approved by the Council through the regulatory deeming process and bring it to the Council for consideration. Any revisions to an entity's fishtickets must had to be approved by the state in order to be accepted. The Council recommended that A any proposed revisions to fishtickets should undergo review by state enforcement personnel prior to finalization of the revisions.</p>
A-2.1.6	Direct Reallocation and Future Allocations After Initial Issuance		<p>Reallocation With Change in Overfished Status: When an overfished species is rebuilt or a species becomes overfished there may be a change in the QS allocation within a sector (allocation between sectors is addressed in the intersector allocation process). When a stock becomes rebuilt, the reallocation will be to facilitate the re-establishment of historic target fishing opportunities. That change may be based on a person's holding of QS for target species associated with the rebuilt species or other approaches deemed appropriate by the Council. Now that QS trading has commenced, reallocation to re-establish targeting opportunities for currently overfished species for historic participants may be problematic. When a stock becomes overfished, QS may be reallocated to maintain target fisheries to the degree possible. That change may be based on a person's holding of QS for target species associated with the rebuilt species or other approaches deemed appropriate by the Council.</p> <p>Reallocation With Changes in Area Management (Changes in management lines are expected to be rare; however, when they occur the following provides for the reallocation of QS in a manner that will give individual QS holders with the same amounts of total QP before and after the line changes.)</p> <p>Area Subdivision: If at any time after the initial allocation an IFQ management unit is geographically subdivided, those holding QS for the unit being subdivided will receive an amount of QS for each newly created area that is equivalent to the amount they held for the area before it was subdivided.</p> <p>Area Recombination: When two areas are combined, the QS held by individuals in each area will be adjusted proportionally such that (1) the total QS for the area sums to 100 percent, and (2) a person holding QS in the newly created area will receive the same amount of total QP as they would if the areas had not been combined.</p>

Commented [JLS14]: Updated to reflect Council inclusion of an accumulation limit grandfather clause in its final recommendation.

Commented [JS15]: Staff recommendation to match discussions that were part of the widow reallocation deliberations.

	Element	Sub-element	
A-2.1.6	Continued		<p>Area Line Movement: When a management boundary line is moved, the QS held by individuals in each area will be adjusted proportionally such that they each maintain their same share of the trawl allocation on a coastwide basis (a fishing area may expand or decrease, but the individual's QP for both areas combined wouldn't change because of the change in areas). In order to achieve this end, the holders of QS in the area being reduced will receive QS for the area being expanded, such that the total QP they would be issued will not be reduced as a result of the area reduction.^{xxi} Those holding QS in the area being expanded will have their QS reduced such that the total QP they receive in the year of the line movement will not increase as a result of the expansion (nor will it be reduced).</p> <p>Reallocation With Subdivision of a Species Group: If at any time after the initial allocation an IFQ management unit for a species group is subdivided, those holding QS for the unit being subdivided will receive an amount of QS for each newly created IFQ management units that is equivalent to the amount they held for the species group before it was subdivided. For example, if a person holds one percent of a species group before the subdivision, that person will hold one percent of the QS for each of the groups resulting from the subdivision.</p> <p>Future Allocation of Groundfish Outside the Scope of the IFQ Program: For the "Other Fish," category of groundfish, if at some time in the future the Council adds it to the IFQ system, the initial allocation would be determined using the same history criteria as was used for other IFQ species (i.e., 1994-2003 history), unless otherwise specified by a future Council action.</p>
A-2.2	Permit/IFQ Holding Requirements and Acquisition (after initial allocation)		
A-2.2.1	Permit/IFQ Holding Requirement		<ol style="list-style-type: none"> 1. Only vessels with LE trawl permits are allowed to fish in the trawl IFQ fishery. 2. For a vessel to use QP, the QP must be in the vessel's QP account. 3. All catch a vessel takes on a trip must be covered with QP within 30 days of the time that data or documentation from the trip shows there is an overage unless the overage is within the limits of the carryover provision (Section A-2.2.2.b), in which case the vessel has 30 days for a reasonable time (to be determined) after the QP for the following year are issued, whichever is greater.^{xxii} When a vessel has an overage, the carryover amount will be calculated based on the amount of QP in the vessel's account at the end of the 30-day period.^{xxiii} 4. For any vessel with an overage (catch not covered by QP), fishing that is within the scope of the IFQ program (Section A-1.1) will be is prohibited until the overage is covered, regardless of the amount of the overage. Vessels which have not adequately covered their overage within the time limits specified in paragraph 3, must still cover the overage before resuming fishing, using QP from the following year(s), if necessary. If a vessel covers its overage, but coverage occurs outside the specified time limit (paragraph 3), the vessel may still be cited for a program violation. 5. For vessels with an overage, the LE permit may not be sold or transferred until the deficit is cleared.

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	Element	Sub-element	
A-2.2.2	IFQ Annual Issuance	a Annual Quota Pound Issuance	QP will be issued annually to QS holders based on the amount of QS held. ^{xxiv} <i>As specified above, QS holders will have must to transfer their QP to a vessel account in order for those QP to be used.</i>
		b Carryover (Surplus or Deficit)	<p>To the extent allowed by the conservation requirements of the Magnuson-Stevens Fishery Conservation and Management Act (MSA), a carryover allowance will allow surplus QP in a vessel's QP account to be carried over from one year to the next or allow a deficit in a vessel's QP account for one year to be carried over and covered with QP from a subsequent year. Surplus QP may not be carried over for more than one year.</p> <p><u>Subject to what is permissible under the conservation requirements of the MSA, A a vessel with a QP surplus at the end of the current year will be may able to use that QP in the immediately following year, up to the limit of the carryover allowance (see below). However, if there is a decline in the QP, the applicable ACL/HG/ACT, the amount of QP carried over as a surplus will be reduced in proportion to the reduction in the the applicable ACL/HG/ACT.</u></p> <p>A vessel with a QP deficit in the current year will be able to may cover that deficit with QP from the following year without incurring a violation if</p> <ol style="list-style-type: none"> (1) the amount of QP it needs from the following year is within the carryover allowance (see below), and (2) the QP are acquired within the time limits specified in A-2.2.1.^{xxv} <p><u>Consideration of whiting surplus carryover has been suspended pending an assessment as part of the five-year review.</u></p> <p>Carryover Allowance: Limit of up to 10 percent carryover for each species. This applies to both nonoverfished species and overfished species. The percentage is calculated based on the total pounds (used and unused) in a vessel's QP account for the current year. The percentage used for the carryover provision may be changed during the biennial specifications process.</p> <p>This section has been deleted but the numbering is being maintained as a placeholder so as not to change section numbering and corresponding references in the analysis.^{xxvi}</p> <p>d c Entry Level Opportunities <u>(originally lettered as paragraph c)</u></p> <p>Under the MSA, the Council is required to consider entry level fishermen, small vessel owners, and crew members, and in particular the possible allocation of a portion of the annual harvest to individuals falling in those categories. No special provisions have been identified were included as part of the program for analysis. New entry is addressed indirectly by allowing crew, captains and others to acquire QS in small increments.</p>
A-2.2.3	IFQ Transfer Rules	a Eligible to Own or Hold	No person can acquire QS or QP other than 1) a United States citizen, 2) a permanent resident alien, or 3) a corporation, partnership, or other entity established under the laws of the United States or any State, that is eligible to own and control a U.S. fishing vessel with a fishery endorsement pursuant to 46 USC 12113 (general fishery endorsement requirements and 75 percent citizenship requirement for entities). However, there is an exception for any entity that owns a MS that participated in the west coast groundfish fishery during the allocation period and is eligible to own or control that U.S. fishing vessel with a fishery endorsement pursuant to sections 203(g) and 213(g) of the AFA.

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	Element	Sub-element	
A-2.2.3	continued	b Transfers and Leasing	<p>QS/QP will be transferable and transfers must be registered with NMFS. NMFS will notdoes not differentiate between a transfer for a lease and a permanent transfer. ^{xxvii}</p> <p>Each year, all QP must be transferred to a vessel account. A penalty for not meeting this transfer requirement has been not been recommended; however, this requirement is intended to encourage QP availability for use by the fleet.</p> <p>QP can only be transferred into vessel accounts. Once in a vessel account QP can be transferred from one vessel account to another.</p>
		c Temporary Transfer Prohibition	<p>NMFS may establish temporary prohibitions on the transfer of QS, as necessary to facilitate program administration. ^{xxviii}</p> <p>QS will not be transferred in the first two years of the program (QP will be transferable).</p>
		d Divisibility	<p>QS will be highly divisible and the QP will be transferred-transferable in whole pound units (i.e., fractions of a pound may not be transferred).</p>
		e Accumulation Limits (Vessel and Control)	<p>Limits ^{xxx} may vary by species/species group, areas, and sector. The values for the shoreside sector limits are provided in Error! Not a valid result for table. The vessel unused QP limits may be revisited in the first biennial specifications process after implementation of the program.</p> <p>Vessel Use Limit (Vessel Limit): A limit on the total QP that may be registered for a single vessel during the year. This element will means that a vessel could not have more used and unused quota pounds registered for the vessel than a predetermined percentage of the QP pool.</p> <p>Vessel Unused QP Limit: A limit on the amount of unused QP that may be registered to the vessel at any time. This limit applies only for overfished species and Pacific halibut.</p> <p>QS Control Limit: A person, individually or collectively, may not control QS in excess of the specified limit (because there is no the grandfather clause except during the divestiture period). QS controlled by a person shall include those registered to that person, plus those controlled by other entities in which the person has a direct or indirect ownership interest, as well as shares that the person controls through other means. ^{xxx} However, certain exceptions have been made for entities whose primary business is lending. The calculation of QS controlled by a person will follows the “individual and collective” rule.</p> <p>Individual and Collective Rule: The QS that counts toward a person’s accumulation limit will include 1) the QS for QP owned by them, and 2) a portion of the QS owned by any entity in which that person has an interest. The person’s share of interest in that entity will determine the portion of that entity’s QS that counts toward the person’s limit. ^{xxxi}</p>

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	Element	Sub-element	
A-2.3	Program Administration	e Accumulation Limits (Vessel and Control) (continued)	<p>Grandfather Clause and Divestiture: There will is not be a grandfather clause for the QS control limits, however, an adjustment period (divestiture period is-has been provided through the following divestiture rules. QS will be was issued for amounts in excess of aggregate and species control limits only for holders of permits transferred by November 8, 2008, if-when such transfers have-had been registered with NMFS by November 30, 2008. The holder of any permit transferred after that time will be was eligible to receive an initial allocation for that permit of only those QS that were within the aggregate and individual species control limits. Anyone who qualifies for an initial allocation of QS in excess of the control limits will be was allowed to receive that allocation but required to divest themselves of that excess QS after QS trading commenced (January 1, 2014) and prior to November 30, 2015, with the exception of widow QS, limits for which divestiture down to the widow rockfish QS control limit will be required by 12 calendar months after the commencement of widow QS trading (the actual time allowed may will be only 11 months since there is no QS trading in December).^{xxxii} Additionally, anyone pushed over the aggregate non-whiting limit by the widow QS reallocation will have the same period of time to divest themselves back down to that limit, some time during years three and four of the IFQ program (the two years after the QS transfer moratorium specified in Section A-2.2.3.e).</p> <p>Holders of QS in excess of the limits may receive and use the QP associated with that excess, up to the time their divestiture is completed or the divestiture deadline. However, QP for year five of the program will not be issued for QS held in excess of the limits. At-After the applicable deadline end of year four, any QS still held in excess of the species or aggregate limits in place at the time of the initial QS allocation will be revoked and redistributed to the remainder of the QS holders in proportion to their QS holdings. In addition to transferring, QS owners had the option of abandoning QS to NMFS prior to November 15, 2015 in order to meet control limits. If NMFS must impose compliance with the control limits the aggregate non-whiting limits will be applied first and then the individual species limits. No compensation will be due for any revoked shares. Divestiture transfers will be are allowed in accordance with the provisions established here and the transfer rules and processes implemented by NMFS. Vessel LE P permit transfers will are not be limited or required by the divestiture provision.</p> <p>Calculation of Aggregate Nonwhiting QS Holdings: To determining how much aggregate nonwhiting QS an entity holds, an entity's QS for each species will be is first converted to pounds. This conversion will is always be conducted using the trawl allocations applied to the 2010 OYs, until such time as the Council recommends otherwise. Specifically, each entity's QS for each species will be is multiplied by the shoreside trawl allocation for that species. The entity's pounds for all nonwhiting species will is then be summed and divided by the 2010 shoreside trawl allocation of all nonwhiting species to get the entity's share of the aggregate nonwhiting trawl quota.</p> <p><i>Note: QS that is-was not allocated because of the accumulation limits and absence of the grandfather clause will be was distributed to other eligible recipients in a manner that maintaineds the distribution among groups specified in A-2.1.1 and based on the allocation formulas specified in A-2.1.3.</i>^{xxxiii}</p>

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Element	Sub-element	
A-2.3.1	Tracking, Monitoring and Enforcement	<p>It is the Council intent to provide NMFS flexibility sufficient to design and implement a tracking and monitoring program that will achieve the goals and objectives of the trawl rationalization program.</p> <p>Discarding by Shoreside Sector Nonwhiting Trips – Discarding of IFQ species allowed after an observer has documented them, discarding of IBQ species required after an observer has documented them, discarding of nongroundfish species allowed.</p> <p>Whiting Trips Maximized retention vessels: Discarding of fish covered by IFQ or IBQ, and nongroundfish species prohibited except for minor operational discards. This allows for retention of salmon and other prohibited and protected species.</p> <p>Vessels sorting at-sea: Same as for nonwhiting. Discarding rules may be adjusted as needed where cameras are substituted for monitoring by at-sea observers.</p> <p>At-Sea Catch Monitoring for Shoreside Sector Nonwhiting Trips – The sorting of catch, the weighing and discarding of any IBQ and IFQ species, and the retention of IFQ species must be monitored by the observer or other at-sea monitoring technologies deemed appropriate for the task by the Council and NMFS. Observer coverage is not required when testing gear. When an observer provides at-sea monitoring, Observer coverage must be maintained until the final offload site is reached and either the shoreside catch monitor is present or records have been creating documenting the amount of certain overfished species on board. Vessels may split loads between initial offload sites and the final offload site so long as observer coverage is maintained. When a camera is used for at-sea monitoring camera coverage must be maintained on a continuous basis as deemed adequate by the Council and NMFS for ensuring the integrity of the trawl rationalization program.</p> <p>Whiting Trips For maximized retention vessels at-sea monitoring of harvest operations by observers or video monitoring deemed adequate by the Council and NMFS as proposed under Amendment 10 is required. Observers would be required in addition to or as a replacement for video monitoring. For vessels that sort at-sea: The sorting, weighing and discarding of any IFQ or IBQ species must be monitored by an observer or camera system deemed adequate by the Council and NMFS with supplemental video monitoring.</p> <p>Shoreside Landings Monitoring The sorting, weighing and reporting of any IFQ or IBQ species must be monitored by a shoreside landings monitor (IBQ will have been discarded at sea).</p>

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Element	Sub-element	
A-2.3.1	continued	<p>Catch Tracking Mechanisms for Shoreside Sector</p> <p>Electronic vessel logbook report VMS-based electronic logbooks <u>may be</u> required to be transmitted from the vessel. <u>Such a logbooks system might include At-at-sea entry by vessel personnel, required</u> including catch weight by species and if retained or discarded.</p> <p>Vessel landing declaration report Mandatory declaration reports</p> <p>Electronic ITQ landing report Mandatory reports completed by processors and similar to electronic fishticket report.</p> <p>Processor production report Mandatory reports (possible inclusion of proprietary data included to be recommended as option is fleshed out).</p> <p>Cost Control Mechanisms for Shoreside Sector</p> <p>Shoreside landing hour restrictions Landing hours may be restricted <u>but no such restriction was deemed necessary at the time of initial implementation of the program.</u></p> <p>Shoreside site First Receiver Site Licenses Mandatory license for shoreside delivery <u>sites</u>. License <u>can bear</u> issued to any site that meets the monitoring requirements <u>(i.e. this is not a limited entry license).</u></p> <p>Vessel Certification Mandatory certification. Certificate can be issued to any vessel that meets the monitoring requirements <u>(e.g. requirements for carrying an observer or using an electronic monitoring system).</u></p> <p>Program Performance Measures for Shoreside Sector <u>Integrate into</u> The tracking and monitoring program <u>includes</u> the collection of data on cost, earnings and profitability; economic efficiency and stability; capacity measures; net benefits to society; distribution of net benefits; product quality; functioning of quota market; incentives to reduce bycatch; market power; spillover effects into other fisheries; contribution to regional economies (income and employment); distributional effects/community impacts; employment in seafood catching and processing; safety; bycatch and discards; administrative, enforcement, and management costs. (See A-2.3.2)</p>
A-2.3.2	Socio-Economic Data Collection	<p>The data collection program will be expanded and sSubmission of economic data by harvesters and processors <u>will be</u> mandatory. Random and targeted audits may be used to validate mandatory data submissions. See footnote for a full description^{xxxiv} Information on QS transaction prices, will be included in a central QS ownership registry. <u>NOTE: The initial D data collection included 2009 and 2010 started before the first year of implementation would be beneficial, in order to have a baseline for comparison.</u></p>
A-2.3.3	Program Costs	<p>a Cost Recovery Fees up to three percent of exvessel value, consistent with 303A(e) of the MSA may be assessed. Cost recovery shall be for costs of management, data collection, analysis, and enforcement activities. <u>Separate cost recovery assessments should be made for each trawl sector. Incremental costs should be recovered, defined as the net costs that would not have incurred but for the implementation of the Individual Fishing Quota program. Net incremental costs should include an assessment of not only additional costs but cost savings.</u>^{xxxv}</p> <p>b Fee Structure To be determined. The TIQC recommended a fee structure that reflects usage. A fee structure that allows for equitable sharing of observer costs for smaller vessels may be developed. The cost recovery fee structure is based on each vessel's exvessel revenue.</p>

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	Element	Sub-element	
A-2.3.4	Program Duration and Modification		<p>The Council shall beginits first a review of the IFQ program review no later than 5 years after implementation of the program. After the initial review, there will be a review process every four years.</p> <p>A community advisory committee will take part in the review of IFQ program performance.</p> <p>The rReviews will evaluate the progress the IFQ program has made in achieving the goal and objectives of Amendment 20.</p> <p>The result of this evaluationthe reviews could include dissolution of the program, revocation of all or part of quota shares, or other fundamental changes to the program. Holders of quota shares should remain cognizant of this fact when making decisions regarding their quota shares, including buying selling, and leasing of these shares.</p> <p>During the first program review, tThe Council shall consider the use of an auction or other nonhistory based methods when distributing quota share that may become available after initial allocation. This may include quota created when a stock transitions from overfished to nonoverfished status, quota not used by the adaptive management program, quota forfeited to “use it or lose it” provisions, and any quota that becomes available as a result of the initial or subsequent reviews of the program.</p> <p>The specific form of the auction or other method of distribution shall be designed to achieve the goals of Amendment 20, specifically including minimizing the adverse effects from an IFQ program on fishing communities to the extent practical.</p> <p>After the initial review, there will be a review process every four years. A community advisory committee will take part in the review of IFQ program performance.</p>

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	Element	Sub-element
A-3	Adaptive Management	<p>Ten percent of the nonwhiting QS will be reserved to facilitate adaptive management in the shoreside nonwhiting sector. -Therefore, each year 10 percent of the shoreside trawl sector nonwhiting quota pounds QP will be potentially available for use in adaptive management (adaptive management QP). The set aside will is to be used to address the following objectives.</p> <ul style="list-style-type: none"> o Community stability o Processor stability o Conservation o Unintended/Unforeseen consequences of IFQ management. o Facilitating new entrants. <p>Years One and Two. During the first two years in which of the IFQ program is in place, AMP QP has been passed thru to QS owners in proportion to their QS holdings. This pass-thru will continue until the first regulatory actions are implemented pursuant to the 5 year review. When an alternative method for to be used in distributing QP is developed, considerations will include in years three through five will be determined, including.</p> <ul style="list-style-type: none"> o The decision making and organization structure to be used in distributing the QP set aside^{xxxvi} o The formula for determining community and processor eligibility, as well as methods for allocation, consistent with additional goals. o The division of QP among the states. o Whether to allow the multi-year commitment of QP to a particular project. <p>Years Three through Five. AMP QP will be distributed through the organizational structure, decision process, formulas and criteria developed in years one and two and implemented through subsequent Council recommendation and NMFS rule making processes. Consideration will be given to the multiyear commitment of QP to particular projects (three year commitments). There is no AMP set-aside for IBQ.</p> <p>Review and Duration. The set aside of QP for the identified objectives will be reviewed as part of the year five comprehensive review and a range of sunset dates will be considered, including 10, 15, 20 year and no sunset date options.</p>
A-4	Pacific Halibut IBQ—nonretention	<p>IBQ—QS and IBQ-QP for Pacific halibut bycatch mortality in the trawl fishery will be established. Regulations-Rules governing IBQ-QS and IBQ-QP are the same as for those for QS and QP, unless specified otherwise. Each year, holders of IBQ-QS will be allocated IBQ-QP. The Vessels IBQ will be required to cover with IBQ-QP the round weight equivalent of their legal and sublegal sized Pacific halibut bycatch mortality in the area north of 40°10 N latitude. It is the intent of the Council that Halibut IBQ mortality be estimated on an individual vessel basis. See IBQ-QS will be issued on the basis of a bycatch rate applied to the target species QS an entity receives in a manner similar to that described in Section A-2.1.3.a; for overfished species caught incidentally. Area-specific bycatch rates may be used for allocation but halibut IBQ-QS will was not be geographically subdivided.</p>

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ⁱ California halibut gear covered as non-groundfish trawl is of a minimum mesh size of 7.5” or greater and used in state waters ~~would be exempted.~~

ⁱⁱ Mandatory gear conversion (the permanent switching from trawl to some other gear) was considered but not included as a provision of this program.

ⁱⁱⁱ Since the shoreside trawl sector covers all shoreside deliveries, this implies that IFQ issued for the shoreside trawl sector may not be used for at-sea deliveries (i.e., may not be used to cover deliveries made to motherships or catch by catcher-processors).

^{iv} Notwithstanding this provision, a vessel with a LE trawl permit may catch the trawl QP with a nontrawl gear, as per Section A-1.1.

^v At present there are no groundfish species for which the there are area specific limits for harvest in the trawl fishery ~~is managed differently by geographic area that are not reflected in the ABC/ACL table.~~ An example of an area specific precautionary policy from outside trawl fishery management ~~is was~~ the geographic differential recommended by the Scientific and Statistical Committee for lingcod, prior to the north/south division of the lingcod management unit. Before this geographic division was created lingcod ~~is was~~ monitored and managed differently in different geographic areas though there is a single coastwide ABC ~~and OY~~ for lingcod. ~~Since there are no geographic subdivisions in the trawl management measures for lingcod, it is assumed that lingcod trawl IFQ will not be geographically subdivided.~~

^{vi} Such changes in latitudinal area management may occur as a result of changes in the management areas for species/species complexes in the ABC/~~ACLOY~~ table or as a result of separate Council action to change the trawl QS by area. In either case, specific Council action will be required to change the management areas and such action will be accompanied by appropriate supporting analysis and public comment opportunity.

^{vii} ~~The Council authority to establish or modify RCAs will was not be changed by this program.~~

^{viii} A whiting QP rollover provision was considered but rejected from further analysis. This provision would have allowed unused QP to be reclassified so that they could be used in any whiting sector.

^{ix} The ~~current~~ process for changing the whiting fishery opening dates involves a regulatory amendment developed under the FMP through a framework process. Implementation of ~~an the~~ IFQ program ~~should did~~ not change this process.

^x For purposes of initial allocation “Processors” ~~are were~~ defined as follows:

An at-sea processor is a vessel that operates as a mothership in the at-sea whiting fishery or a permitted vessel operating as a catcher-processor in the at-sea 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 allocations.

For purposes of initial allocation “Shoreside Processing” ~~is was~~ defined as either of the following:

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

OR

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

^{xi} ~~It was the Council intent that~~ Transfer of physical assets alone ~~should~~ not be considered a basis for successor in interest. Business relationships such as transfer of the company name and customer base might be reasonable evidence of successor in interest.

^{xii} ~~Due to the divestiture provision of Section A-2.3.2.c, it is relatively unlikely that accumulation limits will constrain the amount of QS an entity receives in the initial allocation. However, if an entity qualifies for QS in excess of~~

~~accumulation limits and it does not qualify to receive that QS under the divestiture provision, the initial allocation will be constrained by first applying the aggregate limits and then, if necessary, the individual species limits. In using this approach, the entity's QS allocation should not be scaled back more than necessary to stay within limits and any QS not allocated will be reallocated to other QS recipients.~~

xiii State landings receipts (fishtickets) ~~will be were~~ used to assess landings history for shoreside deliveries. In some cases, fishticket records ~~do does did~~ not identify species to the same level of detail used for the IFQ management units (e.g., reports "unspecified rockfish"). Under such circumstances standard species composition routines usually used at the port level ~~have been were~~ applied to vessel level data to estimate the species composition of such landings. In some instances, even after applying species composition information there ~~may be were~~ some fishticket records with a species groundfish categorization that ~~does did~~ not match with one of the IFQ management units. Under such circumstances, when the initial allocations ~~are were~~ made, ~~it was permissible to use~~ other information on the landings records and in logbooks ~~might be used~~ to assign the landing to its most probable species category.

xiv The intent ~~is was~~ to provide an allocation method for QS for overfished species which addressed ~~s~~ the vessel's need to have the QS to cover incidental catch in fisheries that target healthy stocks. The method ~~would attempted~~ to allocate the species to those who ~~will be receive ding~~ QS for related target species. By allocating overfished species QS to those most in need of it, such an allocation ~~would be was~~ expected to reduce transition costs. ~~Currently At the time of initial allocation the following , the list of~~ overfished species ~~that fall fell~~ into this category ~~is as follows:~~ canary rockfish, darkblotched rockfish, Pacific Ocean perch, widow rockfish, and yelloweye rockfish. ~~This list may change by the time the program is ready to be implemented.~~ If a major target species ~~had become become~~ overfished, it ~~would was not be~~ intended that such a species would ~~not~~ be allocated via an alternative method (for example species such as Dover sole, sablefish, or Pacific whiting).

xv The four areas ~~are were~~ as follows: (1) north of 47°40 N latitude; (2) between 47°40 N latitude and 43°55 N latitude; (3) between 43°55 N latitude and 40°10 N latitude; and (4) south of 40°10 N latitude.

xvi In order to determine an amount of aggregate target species to which bycatch rates ~~will be were~~ applied, each vessel's QS ~~will be was~~ multiplied by the trawl allocation at the time of implementation.

xvii State landings receipts (fishtickets) ~~will be were~~ used to assess landings history for shoreside deliveries.

xviii Catch area data on fishtickets ~~are was~~ not considered appropriate for this purpose. The catch area field is often filled out by fish receivers that do not know the area in which the vessel fished. Additionally catch area is often left unspecified. Therefore, it ~~will be was~~ assumed that all catch comes from ocean areas near the port of landing.

~~xix See the Council's April 2015 action for additional detail on this allocation formula.~~

~~xx March 2010. Changed from 1994-2004 to 1998-2003 to reflect Council action of November 2008.~~

~~xxi Unless there is a change in the total applicable ACL/HG/ACT or other factors affecting trawl allocation for the areas involved, in which case their change in QP would be proportional to the change in the trawl allocation.~~

~~xxii QP from a subsequent year may not be accessed until such QP have been issued by NMFS.~~

~~xxiii In the case of a deficit, all QP in the vessel account would be used QP, with respect to the deficit species.~~

~~xxiv Including QS that an entity received in excess of accumulation limits in place at the time of initial allocation (see Section A-2.2.3.e).~~

~~xxv Carryover of deficits provides some flexibility to use pounds from a year to cover a deficit from a previous year. Without a carryover provision, a vessel would still need to use pounds in a subsequent year to cover an overage but would incur a violation.~~

~~xxvi The following is the text deleted from this section: "No QS use or lose provision has been specified. The need for this provision will be evaluated as part of program review process, and the provision could be added later, if necessary. Section A 2.2.3.b contains a provision mandating the transfer of QP to vessels each year. This is intended to encourage QP use."~~

~~xxvii QS may be transferred on a temporary basis through private contract (leased) but NMFS will not track lease transfers differently than any other transfer.~~

~~xxviii Initially there was a prohibition on the transfer of QS for the first two years of the program. For all species except widow rockfish, this prohibition was continued through December 31, 2013 due to allow time for the resolution of~~

law suits. For widow rockfish, the prohibition was continued through the completion of a reallocation undertaken in consideration of the stock having been rebuilt (as per Section A-2.1.6).

^{xxxix} The “vessel” accumulation limit was originally termed a “permit” limit. The term “permit” was changed to “vessel” to be consistent with Section A-2.1.3, which indicates that QP go into vessel accounts, not permit accounts. The term “own or control” was shortened to “control” for simplicity. “Control” ~~includes ownership and therefore~~ is inclusive of “ownership.”

^{xxx} It is the Council intent that control limits should not constrain the formation of risk pools to help the fishermen deal with overfished species constraints, so long as the pools do not undermine the effectiveness of the accumulation limits. A risk pool is ~~one in which formed when~~ two or more people enter into an agreement whereby if one person does not have the QP the others would agree to provide the QP, if they have them. Whether these kinds of agreements are informal or formal, as other considerations and conditions are added to the agreements they may begin to constitute control. It is the Council intent to allow for these pooling agreements, so long as they do not become control.

^{xxxi} For example, if a person has a 50 percent ownership interest in that entity, then 50 percent of the QS owned by that entity will count against the individual's accumulation limit unless it is otherwise determined to have effective control of a greater or lesser amount.

^{xxxii} Originally, there was to be a trading moratorium for the first two years of the program and then those controlling QS were to be given two years to divest. Due to law suits related to the initial allocation, the trading moratorium was extended, as well as the period for divestiture.

^{xxxiii} The original Council policy specified that QS that was not allocated because of the accumulation limits would be distributed to other eligible recipients in a manner that maintained the distribution among groups specified in A-2.1.1 and based on the allocation formulas specified in A-2.1.3. This situation would only have arisen with respect to individuals that would have otherwise received excess shares through the acquisition of permits after November 8, 2008.

^{xxxiv} **Expanded data collection** ~~would~~ includes:

- mandatory submission of economic data for LE trawl industry (harvesters and processors),
- voluntary submission of economic data for other sectors of the fishing industry,
- transaction value information in a centralized registry of ownership, and
- formal monitoring of government costs.

Mandatory Provisions: The Pacific Fishery Management Council and NMFS ~~shall~~ have the authority to implement a data collection program for cost, revenue, ownership, and employment data, compliance with which ~~will be is~~ mandatory for members of the west coast groundfish industry harvesting or processing fish under the Council's authority. Data collected under this authority ~~will be is~~ treated as confidential in accordance with Section 402 of the MSA.

A mandatory data collection program ~~shall be was~~ developed and implemented as part of the groundfish trawl rationalization program and ~~will be~~ continued through the life of the program. Cost, revenue, ownership, employment and other information will be collected on a periodic basis (based on scientific requirements) to provide the information necessary to study the impacts of the program, including achievement of goals and objectives associated with the rationalization program. These data may also be used to analyze the economic and social impacts of future FMP amendments on industry, regions, and localities. The program ~~will may~~ include targeted and random audits as necessary to verify and validate data submissions. Additional funding (as compared to status quo) ~~will be is required needed~~ to support the collection of these data. The data collected ~~would includes~~ data needed to meet MSA requirements (including antitrust).

The ~~development of the~~ program ~~shall includes a~~ comprehensive ~~discussion consideration~~ of the enforcement of such a program, including discussion of the type of enforcement actions that will be taken if inaccuracies are found in mandatory data submissions. The intent of this action ~~will be is~~ to ensure that accurate data are collected without being overly burdensome on industry in the event of unintended errors.

Voluntary Provisions: A voluntary data collection program will be used to collect information needed to assess spillover impacts on nontrawl fisheries.

Central Registry: Information on transaction prices ~~will be~~ included in ~~the IFQ data system~~ ~~central registry of QS owners~~. Such information will also be included for LE permit owners/lessees.

Government Costs: Data ~~will be~~ collected and maintained on the monitoring, administration, and enforcement costs related to governance of the trawl rationalization program.

^{xxxv} For further details on the Council's cost recovery policy see Council recommendations from the September 2011 Council meeting.

^{xxxvi} The following are three options for the sequences of agency involvement in the application of the criteria developed decision making for the distribution of adaptive management QP ~~after year 2~~.

1. NMFS
2. State → Council → NMFS
3. Council → NMFS

Table E-2. Control and vessel limit options: ~~Council preferred alternative.~~

Species Category	Vessel Limit (Applies to all QP in a Vessel Account, Used and Unused)	Vessel Unused QP Limit	QS Control Lim
Nonwhiting Groundfish Species	3.2%		2.7%
Lingcod — eastwide <u>N. of 40°10' N. lat</u>	3.8 <u>5.3%</u>		2.5%
<u>Lingcod - eastwide</u> S. of 40°10' N. lat	3.8 <u>13.3%</u>		<u>2.5%</u>
Pacific Cod	20.0%		12.0%
Pacific whiting (shoreside)	15.0%		10.0%
Pacific whiting (mothership)	30.0%		20.0%
Sablefish			
N. of 36° (Monterey north)	4.5%		3.0%
S. of 36° (Conception area)	15.0%		10.0%
PACIFIC OCEAN PERCH	6.0%	4.0%	4.0%
WIDOW ROCKFISH <u>Widow Rockfish *</u>	8.5%	5.1%	5.1%
CANARY ROCKFISH <u>Canary Rockfish</u>	10.0%	4.4%	4.4%
<u>Blackgill Rockfish N. of 40°10' N. Lat</u>	<u>9.0%</u>		<u>6.0%</u>
Chilipepper Rockfish <u>S. of 40°10' N. lat</u>	15.0%		10.0%
BOCACCIO <u>S. of 40°10' N. lat</u>	15.4%	13.2%	13.2%
Splitnose Rockfish	15.0%		10.0%
Yellowtail Rockfish	7.5%		5.0%
Shortspine Thornyhead			
N. of 34°27'	9.0%		6.0%
S. of 34°27'	9.0%		6.0%
Longspine Thornyhead			
N. of 34°27'	9.0%		6.0%
COWCOD <u>S. of 40°10' N. lat</u>	17.7%	17.7%	17.7%
DARKBLOTCHED	6.8%	4.5%	4.5%
YELLOWEYE	11.4%	5.7%	5.7%
Minor Rockfish North			
Shelf Species	7.5%		5.0%
Slope Species	7.5%		5.0%
Minor Rockfish South			
Shelf Species	13.5%		9.0%
Slope Species ²	9.0%		6.0%
Dover sole	3.9%		2.6%
English Sole	7.5%		5.0%
Petrale Sole	4.5%		3.0%
Arrowtooth Flounder	20.0%		10.0%
Starry Flounder	20.0%		10.0%
Other Flatfish	15.0%		10.0%
<u>Other Fish</u>	<u>7.5%</u>		<u>5.0%</u>
Pacific Halibut	14.4%	5.4%	5.4%

Commented [JS46]: Item 138.

Commented [JLS47]: Item 135

Commented [JLS48]: Item 139

Commented [JLS49]: Not included in the final list of IFQ species.

* If widow rockfish is rebuilt before initial allocation of QS, the vessel limit will be set at limit will be 1.5 times the control limit.

E.4 Whiting At-sea Trawl Sector: Cooperative Program (Appendix B of the EIS)

The at-sea whiting sector co-op program is described generally below. Table D-3 provides an outline of the sections of the program. A full description of the co-op programs follows Table D-3, beginning with a section on management of the whiting fishery and followed by sections on the MS and CP sectors of the whiting fishery (the “at-sea” sectors).

The Council considered but did not adopt a co-op program for the shoreside whiting fishery. Instead, the shoreside whiting sector was merged with the nonwhiting sector, both to be managed with IFQs. However, section placeholders for the shoreside whiting co-op program are maintained in this document so that the numbering system will correspond to the numbering of the alternatives and sections of the analysis as they are laid out in the EIS [and other historic documents](#).

E.5 Overview of Co-op Program Elements

E.5.1 At-sea Whiting Sector Management under Co-ops

While co-ops ~~will be~~ used to control the harvest within the at-sea whiting sectors, a number of management measures ~~will be~~ still be required to control competition between the whiting sectors. This section covers those measures along with other measures that ~~will~~ apply to all sectors managed under co-ops, such as ~~observer~~ at-sea monitoring requirements and mandatory submission of economic data. The description of the co-op management program for each at-sea whiting sector starts in Section E.5.2.

Commented [JLS50]: Item 137

The existing allocation of whiting between the shoreside, MS, and CP sectors ~~will be~~ not changed ~~under by~~ the rationalization program (42, 24, and 34 percent, respectively).

Provisions also address bycatch in the at-sea whiting fishery (particularly that of certain overfished species). The Council ~~is recommending~~ recommended incidental groundfish species caps for each of the whiting sectors, for the co-op and non-co-op fisheries within the MS sector, and for the co-ops within the MS sector. Within sectors, bycatch allocations ~~would be~~ pro rata, based on the amount of whiting allocated to that sector, ~~co-op or non-co-op fishery, and individual co-ops~~.

Commented [JLS51]: Additional description of original provisions.

Area closures may be used to control the pace of the fishery. For the MS sector, the fishery ~~will be~~ divided into a co-op fishery and a non-co-op fishery (for those who do not desire to take part in a co-op). Participants in the non-co-op fishery ~~will do~~ not have a claim to a particular amount of the fish allocated to that fishery; therefore the vessels ~~participating in the non-co-op fishery will likely~~ might race to harvest the available allocation.

Commented [JLS52]: Additional description of original provisions.

NMFS will close the whiting fishery, a particular sector, ~~or~~ the co-op or non-co-op fishery within a sector (~~not including individual co-ops~~) ~~or individual co-ops~~, as appropriate, when it is projected that a whiting catch or bycatch limit will be reached. With respect to co-ops, inseason monitoring and closure ~~will be~~ needed only at the highest level of aggregation of the co-ops. For example, if individual co-ops join together to form an inter-co-op that covers the entirety of one of the whiting sectors, then NMFS ~~will do~~ does not need to ~~track and anticipate quota attainment and~~ close at the sector level ~~for species managed by that co-op, since this is a co-op responsibility~~. Nevertheless, vessel level monitoring ~~will be~~ still be required to ensure that catch is accurately recorded.

Commented [JLS53]: Item 34

Commented [JLS54]: Item 34

Given the high level of monitoring already in place in the whiting fishery, only moderate changes in monitoring ~~were~~ needed to implement this program for the at-sea whiting fishery. For the at-sea segment of the fishery, 100 percent coverage aboard MS ~~processors~~ and CPs ~~will have been~~ continued. A program

for the mandatory submission of economic data is also included to facilitate monitoring program performance.

E.5.2 Co-ops for Catcher Vessels Delivering to Motherships

Under this program, those who hold whiting-endorsed permits for catcher vessels in the MS sector ~~will~~ choose each year whether to be part of a co-op or to register to fish in the non-co-op portion of the fishery. The holders of catcher vessel permits with mothership whiting endorsements ~~will~~ form the co-ops. Based on its catch history, each permit that qualifies for a mothership whiting endorsement ~~will be~~ capped at a portion of the history (endorsement share ~~or catch history assignment, CHA~~) of the MS sector allocation of whiting and bycatch species. ~~The CHA for each permit is permanently linked to the whiting endorsement for the permit and the whiting endorsement together with the associated CHA may be transferred to other LE trawl permits. Multiple endorsements may be accumulated on a single LE trawl permit, subject to accumulation limits.~~ Each year, NMFS ~~will~~ distribute a catch allocation to each catcher vessel co-op based on the sum of the ~~endorsement shares~~ CHAs for the permits registered to that co-op. NMFS ~~will~~ also distribute a catch allocation each year to the non-co-op portion of the fishery, based on the collective ~~endorsement shares~~ CHAs of the permits opting to participate in the non-co-op fishery ~~(if any)~~.

Commented [JLS55]: Item 95

The co-op organization ~~will~~ coordinate harvest by its members. Although co-op agreements ~~will~~ include a mandatory clause that the catch allocation made to a member must equal the amount that the member brings into the co-op, co-op members may transfer catch allocations among themselves. Similarly, if multiple co-ops join to form an inter-co-op, one co-op ~~will be have to~~ may transfer catch allocation to another co-op within that inter-co-op. NMFS ~~will does~~ not necessarily have to track transfers among co-op members or within an inter-co-op.

The ~~maximum number class of motherships processor participants will be has been closed limited~~ by creating a LE permit for mothership vessels. There ~~will be are~~ restrictions limiting a vessel's ability to both catch and operate as a mothership in the whiting fishery in the same year. This ~~will limits~~ the ability of processing vessels to move between the CP and MS sectors.

Commented [JLS56]: More accurate language.

Prior to the start of each season, each catcher vessel permit desiring to participate in the co-op fishery ~~will~~ obligate ~~its CHAs to itself to deliver its catch to a particular MS or MSs (a single CHAs may not be split between motherships)~~. The obligation to a particular co-op or MS ~~will does~~ not carry over from one year to the next; it may be changed at the catcher vessel permit owner's discretion based on its preseason declaration. While catch may be transferred among participants in a co-op or inter-co-op, such transfers ~~would do~~ not change the MS to which the catch is obligated, unless a mutual agreement is reached.

Commented [JLS57]: Item 95 and Item 108

~~As in Similar to~~ the IFQ program, accumulation limits ~~will be imposed to~~ prevent excessive concentration of ~~catch allocations~~ CHAs. ~~They will The~~ accumulation limits cap the proportion of whiting that an individual or entity can process, the proportion of whiting an individual or entity ~~could can~~ accumulate via ownership of ~~catcher vessel permit(s) whiting endorsements and the linked CHAs~~, and the amount that can be landed by any catcher vessel.

Commented [JLS58]: Item 95

E.5.3 Co-ops for Catcher-Processors

Under the CP co-op program, as ~~was the case prior to the trawl rationalization program, under status quo~~, a voluntary CP co-op may continue to be formed by CP permit holders. This system will continue as long the existing co-op system continues to operate successfully, or until the FMP is otherwise amended. If the voluntary co-op system fails, it will be replaced with an IFQ system. ~~Currently The~~ CP co-op operates under a private contract that includes division of the harvest among participants according to an agreed

schedule. If the co-op system fails, IFQ will be allocated equally to each CP permit (equally divided among all CP endorsed permits).

Under the CP co-op program, the main Council recommendation ~~s-are~~was the creation of a CP endorsement to close the CP fishery to new entrants and the assignment of an allocation to the voluntary CP co-op. The endorsement ~~will be~~was granted to LE permits registered to CP vessels ~~if the vessels meet that met~~ specified qualification criteria. Only vessels with a CP LE permit ~~will be~~are allowed to harvest fish from the CP sector's allocation. LE permits with CP endorsements ~~will~~continue to be transferable. NMFS will not establish an allocation of catch or catch history among CP permits unless the co-op fails. NMFS ~~will~~ specify the assignment of the CP sector allocation to the CP sector co-op in regulation. ~~Individual co-ops are responsible for staying within their own allocations.~~ If necessary, a closure ~~will~~can be used to keep the ~~entire trawl fishery CP sector~~ from exceeding its allocation of whiting and bycatch species ~~or the entire groundfish fishery from exceeding the applicable ACL/HG/ACT.~~

Commented [JLS59]: Item 34.

E.6 Detailed Specification of Co-op Program Elements

Table D-3 Overview of the co-op program.

B.1	Whiting Sector Management Under Co-ops
B-1.1	Whiting Management
B-1.2	Annual Whiting Rollovers
B-1.3	Bycatch Species Management
B-1.4	At-sea Observers/Monitoring
B-1.5	Mandatory Data Collection
B-1.6	Adaptive Management—Not included in recommendation. <i>(This section header is being maintained as a place holder so that numbering will correspond to that of the alternatives and analysis in the EIS).</i>
B-1.7	Length Endorsement
B-2	Whiting Mothership Sector Co-op Program
B-2.1	Participation in the MS Sector
B-2.2	Permits/Endorsement Qualification and Characteristics
B-2.3	Co-op Formation and Operation Rules
B-2.4	Obligations to Processors
B-2.5	NMFS Role
B-3	Whiting Shoreside Sector Co-op Program
	Not included in recommendation. <i>(This section header is kept to maintain numbering consistent with historic documents)being maintained as a place holder).</i>
B-4	Catcher-Processors Co-op Program
B-4.1	Participation in the Catcher-Processor Sector and Endorsement Qualification
B-4.2	Co-op Formation and Operation Rules
B-4.3	NMFS Role

B-1 Whiting Sector Management Under Co-ops

B-1.1 Whiting Management

Under the co-op program, catcher vessel permits for the MS sector ~~will be~~ endorsed for deliveries to motherships. ~~At the start of the program and~~ amounts of catch history ~~were~~ assigned to each catcher vessel permit based on past ~~mothership sector whiting~~ harvest ~~of that permit in the fishery~~. ~~The allocations provided for each permit (catch history assignments or CHAs) are permanently linked to the whiting endorsement for each permit.~~ Catcher-processor permits ~~will be~~ endorsed for participation in the CP sector.

Commented [JLS60]: Item 95

~~The Each whiting catch history CHA calculation for each mothership endorsed catcher vessel permit [CV(MS)] will be~~ assigned to ~~a the~~ pool for the CV(MS) co-op ~~to which the permit with the CHA has committed the CHA in which the permit will participate~~, or to a pool for the mothership non-co-op fishery. NMFS ~~will~~ make an allocation assignment to the CP sector co-op based on the allocation to the CP sector. Co-ops are responsible for monitoring and enforcing the catch limits of co-op members.

NMFS ~~will~~ monitor the catch in the mothership non-co-op fishery, the mothership co-op fishery, the CP fishery, and the overall whiting catch of all at-sea sectors. NMFS will close each segment of the fishery ~~(not including individual co-ops)~~ based on projected attainment of whiting catch. Additionally, all at-sea sectors ~~will be~~ subject to closure based on attainment of the overall trawl whiting allocation.

Commented [JLS61]: Item 34

B-1.2 Annual Whiting Rollovers

~~There will not be a rollover of unused~~ Unused whiting ~~may not be rolled over~~ from one sector to another.

B-1.3 Bycatch Species Management

For the near future, the whiting fishery will be managed under bycatch limits (hard caps) for widow, canary, darkblotched rockfish, and Pacific ocean perch. The catch of all groundfish will be accounted for and tracked against the ~~applicable~~ OYACL/HG/ACT.

~~The~~ ESA-listed salmon bycatch management measures ~~— that is, the~~ 11,000 Chinook threshold, 0.05 rate threshold, and triggered 100 fathom closure ~~as of the original implementation of catch share program—will also~~ continue to be in place ~~but may be revised under future biological opinions~~.

The goal of bycatch management is to control the rate and amounts of rockfish and salmon bycatch to ensure that each sector is provided an opportunity to harvest its whiting allocation.

There ~~will be~~ a set aside of Pacific halibut for the at-sea whiting fishery, as specified in the intersector allocation process (Amendment 21).

B-1.3.1 Bycatch Allocation Subdivision

Subdivide bycatch species managed with hard caps (~~initially~~ widow, canary, darkblotched rockfish, and Pacific Ocean perch) among each of the whiting sectors; within the ~~mothership~~ sectors ~~subdivide~~ between

the co-op fishery and non-co-op fishery (~~subdivision for the non co-op fishery does not apply to the CP co-op program~~); and subdivide among co-ops.

Only those species with hard caps ~~will be~~ subdivided for bycatch management, and bycatch ~~will be is~~ allocated to ~~the~~ each permit and co-op pro rata in proportion to ~~its~~ the CHA assigned to the co-op whiting allocation. ~~As needed, the MS sector's bycatch allocation will be is~~ divided between its co-op and non-co-op fishery, based on the allocations made to the permits participating in each portion of the fishery.

Commented [JLS62]: Item 95

B-1.3.2 Bycatch Management

All ~~at-sea~~ sectors ~~and co-ops will~~ close based on projected attainment of the at-sea whiting fishery bycatch cap for any one species. The mothership co-op fishery, non-co-op fishery, and CP fishery will each be closed based on projected attainment of their individual allocation (~~not including individual co-ops~~). ~~Additionally, each co-op will cease fishing when its bycatch allocation is reached.~~

Commented [JLS63]: Item 34

The Council may also use area closures (seasonal or year-round) to manage overfished stocks in the co-op and non-co-op fisheries. The area closures may be the same or different for different species. Area closures may be year-round, seasonal, or triggered automatically by the attainment of certain levels of catch.

Unused bycatch may be rolled over from one sector to another if the sector's full allocation of whiting has been harvested or participants in the sector do not intend to harvest the remaining sector allocation.

~~Unused bycatch may be rolled over from an MS co-op to other MS co-ops if the MS co-op's full allocation of whiting has been harvested or participants in the co-op do not intend to harvest the remaining co-op allocation. (Additionally, bycatch may be voluntarily moved between mothership co-ops through an approved inter-co-op agreement, as specified in Section B-2.2.3-b).~~

Commented [JLS64]: Item 25

B-1.4 At-sea Observers/ Monitoring

At-sea Whiting Fishery: 100 percent observer coverage aboard MS ~~processors~~ and CPs will continue. ~~100 percent at-sea monitoring is~~ ~~Observers would be required on catcher vessels in addition to or as a replacement for video monitoring.~~⁶

~~For some coverage, cameras may be used in place of observers through monitoring provisions recommended by the Council and implemented by NMFS (feasibility to be determined).~~ It is the Council's intent to provide NMFS flexibility sufficient to design and implementation a tracking and monitoring program that will achieve the goals and objectives of the trawl rationalization program.

B-1.5 Mandatory Data Collection

The following are the central elements of the data collection program ~~that will be~~ implemented as part of the co-op program.

- Mandatory submission of economic data for LE trawl industry (harvesters and processors).
- Voluntary submission of economic data for other sectors of the fishing industry.
- Include transaction value information in a centralized registry of ownership.

⁶ February 2010: The second sentence of this paragraph was adopted as part of the Council's November 2008 motion, but it was located under the section on the IFQ program rather than the section on the mothership co-op program.

- Formal monitoring of government costs.

Mandatory Provisions. The Council and NMFS ~~shall~~ have the authority to implement a data collection program for cost, revenue, ownership, and employment data, compliance with which ~~will be~~ mandatory for members of the west coast groundfish industry harvesting or processing fish under the Council's authority. Data collected under this authority ~~will be~~ treated as confidential in accordance with Section 402 of the MSA.

A mandatory data collection program ~~shall be~~ developed and implemented as part of the groundfish trawl rationalization program and ~~will be~~ continued through the life of the program. Cost, revenue, ownership, employment and other information ~~will be~~ collected on a periodic basis (based on scientific requirements) to provide the information necessary to study the impacts of the program, including achievement of goals and objectives associated with the rationalization program. These data may also be used to analyze the economic and social impacts of future FMP amendments on industry, regions, and localities. The program ~~will may~~ include targeted and random audits as necessary to verify and validate data submissions. ~~Data collected under this authority will be treated as confidential in accordance with Section 402 of the MSA.~~ Additional funding (as compared to status quo) ~~will be needed~~ is required to support the collection of these data. The data collected ~~would include~~ data needed to meet MSA requirements (including antitrust).

Commented [JLS65]: Redundant.

The ~~development of the program shall include~~ includes a comprehensive ~~discussion consideration~~ of the enforcement of such a program, including discussion of the type of enforcement actions that will be taken if inaccuracies are found in mandatory data submissions. The intent of this action ~~will be~~ is to ensure that accurate data are collected without being overly burdensome to industry in the event of unintended errors. Annual reports will be provided to the Council.

Voluntary Provisions: A voluntary data collection program ~~will be~~ is used to collect information needed to assess spillover impacts on nontrawl fisheries.

Central Registry: Information on transaction prices ~~will be~~ is included in a central ~~registry data system~~ of whiting endorsed permit and MS permit ~~ownersowner information~~. Such information ~~will should~~ also be included for sales and lessees.

Government Costs: Data ~~will be~~ is collected and maintained on the monitoring, administration, and enforcement costs related to governance of the rationalization program.

B-1.6 Adaptive Management

There ~~will is~~ not ~~be~~ an adaptive management set aside for the at-sea whiting fisheries. *(This section is being maintained as a placeholder so that numbering will correspond to that used in the alternatives and analysis of the EIS and historic documents.)*

B-1.7 Length Endorsement

Length endorsement restrictions on LE permits endorsed for groundfish gear ~~will behave~~ been retained; however, the provision that requires that the size endorsements on trawl permits transferred to smaller vessels be reduced to the size of that smaller vessel ~~will behas~~ been eliminated (i.e., length endorsements ~~will do~~ not change when a trawl endorsed permit is transferred to a smaller vessel).

B-2 Whiting Mothership Sector Co-Op Program

Overview. Qualified permits ~~will be~~ endorsed for MS co-op participation. The endorsements and the CHA linked to them are transferable between LE trawl permits. Each year the holders of ~~endorsed those~~ permits will choose whether their vessels will fish in the co-op fishery, in which individual co-ops ~~will~~ direct harvest, or fish in a non-co-op fishery that ~~will be is~~ managed by NMFS as an Olympic style fishery. The co-op ~~will be is~~ obligated to deliver its fish to specific MS processors based on the obligations of each permit in the co-op determined based on preseason declarations for each CHA. Mothership LE permits ~~will be~~ endorsed issued for motherships and required for a mothership to receive whiting from catcher vessels.

Commented [JLS66]: Item 95

Commented [JLS67]: Item 108

B-2.1 Participation in the Mothership Sector

a. Catcher Vessels

Vessels with trawl LE permits that have catcher vessel (mothership) (CV(MS)) endorsements ~~endorsed permits~~ may participate in either the co-op or non-co-op portion of the mothership fishery. They ~~will~~ choose annually which fishery they will participate in for the coming year. Additionally, any groundfish LE trawl permitted vessels (including vessels without CV(MS) whiting endorsements) may participate in the co-op portion of the fishery if they join a co-op (as described in Section B-2.3.3).⁷ No other catcher vessels may participate in the mothership fishery. Catcher vessels that participate in the MS fishery (either with or without CV(MS) whiting endorsed permits) can also use shorebased OP to participate in the shorebased IFO fishery.

Commented [JLS68]: Item 95

Commented [JLS69]: Item 14

A vessel may not engage in the processing of whiting during any year in which a CV(MS) endorsed permit is registered for use with the vessel.

b. Processors

Only motherships with a mothership LE permit (MS Permit) may receive deliveries from catcher vessels participating in the co-op or non-co-op portions of the MS sector whiting fishery. [Note: motherships may acquire such permits by transfer; see Section B-2.2.2.]

c. Vessels Excluded⁸

~~Motherships also operating as a CP may not operate as a mothership during a year in which it also participates as a CP. A vessel with an MS permit can also be registered to a CP permit at the same time but cannot operate as a mothership during the same year it participates in the CP fishery.~~

Commented [JLS70]: Item 14

B-2.2 Permits/Endorsement Qualification and Characteristics

⁷ When such permits participate in a co-op, the co-op will not be allocated any additional fish based on participation by such a vessel.

⁸ A vessel that has been under foreign registry after the date of the AFA and that has participated in fisheries in the territorial waters or exclusive economic zones of other countries ~~will is~~ not ~~be~~ eligible to participate as a mothership in the mothership sector of the Pacific whiting fishery, as per the AFA's modification of Section 12102(c)(6) of the USC. Section 12102(c)(6) of the USC has since been renumbered.

B-2.2.1 Catcher Vessel Mothership (CV[MS] Whiting Endorsement)

a. Endorsement Qualification and History Assignment

Permits ~~with a that had a~~ qualifying history ~~will be were~~ designated as CV(MS) permits through the addition of ~~a~~ CV(MS) whiting endorsement to their LE groundfish permit. At the time of endorsement qualification, each permit ~~will also was also allocated be assigned~~ a catch history ~~assignment (CHA) that will determine~~ the share of the mothership whiting allocation associated with ~~that permit the whiting endorsement for that permit.~~ The CV(MS) whiting endorsement and the CHA are permanently linked.

Commented [JLS71]: Item 95.

Qualifying for a CV(MS) Whiting Endorsement. A LE permit ~~will~~ qualified⁹ for a CV(MS) whiting endorsement if it had^s a total of more than 500 mt of whiting deliveries to motherships from 1994 through 2003.

Catch History Assignment (Identification of Endorsement Related Catch History). The initial catch history calculation for the CHAs linked to CV(MS) whiting endorsements ~~will was be~~ based on whiting history of the permit for 1994 through 2003, dropping two⁹ years. A permit's history for each year ~~will was be~~ measured as a share of the fleet history for that year (i.e., "relative pounds" ~~will be were~~ used). ~~The is catch history CHAs are~~ ~~will be~~ used by NMFS to assign both whiting and bycatch species allocations to the co-ops and non-co-op fishery pools, as per section B.1.3.2.

Commented [JLS72]: Item 95

For the purpose of the endorsement and initial calculation, catch history associated with the permit included^s that of permits that were combined to generate the ~~current~~ permit receiving the CHA.

b. Whiting Permit and Endorsement Transferability and Endorsement Severability

~~Starting September 1, 2014, The the~~ CV(MS) whiting endorsement (together with the associated catch history CHA) ~~may not be~~ severed from the groundfish LE trawl permit. Catch history associated with the CV(MS) whiting endorsement may not be subdivided or separated from the CV(MS) whiting endorsement (i.e. both must be transferred together). More than one CV(MS) whiting endorsement and its associated catch history CHA may be associated with a single permits. A CV(MS) permit is a limited entry trawl permit to which a CV(MS) whiting endorsement has been registered. CV(MS) permits may be transferred two times during the fishing year, provided that the second transfer is back to the original catcher vessel (i.e., only one transfer per year to a different catcher vessel). Additionally, if there is a second transfer the vessel to which the permit is transferred may not participate in a groundfish limited entry fishery other than the mothership whiting fishery through the end of the year.

Commented [JS73]: Item 112 and Item 115

Commented [JS74]: Item 95

Commented [JLS75]: Item 5

c. Accumulation Limit

CV(MS) Permit Ownership: No individual or entity may own CV(MS) permits for which the allocation CHAs represent total is greater more than 20 percent of the sector allocation. The same individual and collective rule used for evaluating control of QS will be is used to evaluate ownership of allocation associated with CV(MS) permits. Any individual receiving an initial allocation greater than the accumulation limit was required to divest themselves of that allocation by August 31, 2016.

Commented [JLS76]: Item 95

Commented [JS77]: Item 55

Commented [JS78]: Item 112

Catcher Vessel Usage Limit: No vessel may catch more than 30 percent of the MS sector's whiting allocation.

⁹February 2010: The word "worst" was removed in line with the Council's April 2009 action specifying that the permit owner would be allowed to select the years dropped from the calculation.

d. Combination

CV(MS) Permit Combination to Achieve a Larger Size Endorsement. When a CV(MS) permit is combined with another permit (including unendorsed permits), the resulting permit will be reissued with all the CV(MS) whiting endorsements on the combined permits, unless one of the permits is a CP permit, in which case the CV(MS) whiting endorsements will not be reissued to that permit. ¹⁰

Commented [JLS79]: This provision is in the footnote but it is clearer to include it as part of the main text.

Commented [JS80]: Footnote updated as per Item 95.

B-2.2.2 Mothership Processor Permit

a. Qualifying Entities

The owners of qualifying motherships will be issued MS permits. In the case of bareboat charters, the charterer of the bareboat will be issued the permit.

b. Qualification Requirements

A qualifying mothership is one which processed at least 1,000 mt of whiting in each of any two years from 1997 through 2003.

c. Transferability

1. MS permits will be transferable.
2. MS permits may be transferred to a vessel of any size (there will be no size endorsements associated with the permit). MS permits may not be transferred to a vessel engaged in the harvest of whiting in the year of the transfer.
3. Limit on the Frequency of Transfers: MS permits may be transferred two times during the fishing year provided that the second transfer is back to the original mothership (i.e., only one transfer per year to a different mothership).¹¹

Commented [JS81]: Item 10

d. Usage Limit

No individual or entity owning a MS permit(s) may process more than 45 percent of the total MS sector whiting allocation.

B-2.3 Co-op Formation and Operation Rules.

¹⁰ Specifically, if a CV(MS)-endorsed permit that is combined with a LE trawl permit for a catcher vessel that is not CV(MS) endorsed or one that is CV(Shoreside) [CV(SS)] endorsed the resulting permit will be reissued with the all of the CV(MS) endorsements associated with the original CV(MS) endorsed permits (endorsements will not be combined). If the other permit is CV(SS)-endorsed, the CV(SS) endorsement will also be maintained on the resulting permit. However, CV(MS) and CV(SS) catch histories will be maintained separately on the resulting permit and be specific to participation in the sectors for which the catch histories were originally determined. If a CV(MS) permit is combined with a CP permit, the CV(MS) endorsement and history will not be reissued on the combined permit (which will have a CP endorsement) but may be transferred to a non-CP trawl permit. The size endorsement resulting from permit combinations will be determined based on the existing permit combination formula.

¹¹ The original vessel means either the vessel registered to the permit as of January 1 or, if no vessel is registered to the permit as of January 1, the original mothership is the first vessel to which it is registered after January 1.

B-2.3.1 Who and Number of Co-ops

Co-ops are not required but may be voluntarily formed among CV(MS) permit owners. The number of co-ops ~~will be~~ indirectly limited by the limit on the minimum number of vessels able to form a co-op (see Section 2.3.3-b).

B-2.3.2 When

Each year at a date certain prior to the start of the fishery, MS and CV(MS) permit holders planning to participate in the MS sector must register with NMFS. At that time CV(MS) permit holders must identify which co-op they will participate in or if they plan to participate in the non-co-op fishery.

B-2.3.3 Co-op Agreement Standards

a. Submissions to NMFS and the Council

Co-op permit and agreement. Federal co-op permits ~~will be~~ issued for co-op agreements approved by NMFS. Signed copies of the cooperative contracts must be filed with ~~the Council and NMFS, and available for public review before the co-op is authorized to engage in fishing activities.~~¹² ~~Any material changes or amendments to the contract must be filed annually with the Council and NMFS by a date certain.~~

Commented [JLS82]: Item 78

~~Letter to Department of Justice. Co-ops must also file with the Council and NMFS a copy of a letter from the co-op requesting a business review letter on the fishery cooperative from the Department of Justice and any response to such request.~~

Commented [JLS83]: This is not part of the regulations. Delete?

b. Number of Participants in Each Co-op (Including Inter-co-ops)

CV permits may join together in separate harvester co-ops. A minimum of 20 percent of the CV(MS) permit holders are required to form a co-op.¹³ Co-ops may form co-ops with other co-ops. ~~Within one of the whiting sectors,~~ these co-ops may be formed to manage directed catch and/or bycatch. Whiting and bycatch allocations may be transferred among co-ops through inter-co-op agreements.

c. Catch History Distributions among Permits

Co-op agreements must stipulate that catch allocations to members of the co-op be based on their ~~catch history calculation by NMFS used for distribution to the co-op~~ CHAs.

d. Participation by Non-CV (MS) Endorsed Permits

Through temporary arrangements a co-op allocation may be harvested by any catcher vessel holding a valid LE trawl permit which has joined the co-op (including one that does not have a CV(MS) endorsement).¹⁴

¹² ~~During council discussion, this was flagged by NOAA GC as a potential legal problem.~~

¹³ The minimum threshold number of participants required to form a co-op balances the potential advantages for multiple co-ops while limiting implementation and management costs and administrative requirements for managing this sector.

¹⁴ As a member of the co-op, such a vessel ~~would be~~ subject to Section B-2.4 and the indicated processor obligations.

e. Other Required Co-op Agreement Provisions

The Council ~~'s intent is to have intended that~~ MS sector participants work with NMFS to develop and describe a process and co-op agreement requirements to include in implementing regulations for this action. Those regulations were developed and deemed by the Council as part of the implementation process.

A co-op agreement must include (but is not limited to):

1. A list of all vessels, and permit owners participating in the co-op and their share of the allocated CHAs which must match the amount distributed to individual permit holders by NMFS.
2. Signature of all permit holders participating in the co-op.
3. A plan to adequately monitor catch and bycatch.
4. Adequate enforcement and penalty provisions to ensure that catch and bycatch overages do not occur.
5. Measures designed to reduce bycatch of overfished species.
6. An obligation to manage inseason transfers of catch history.
7. ~~A requirement that agreement by at least a majority of the members is required to dissolve a co-op (During council discussion this was flagged by NOAA GC as a potential legal problem).~~
- 8-7. An obligation to produce an final annual report to ~~the Council and~~ NMFS by ~~a date certain March 31~~ documenting the co-op's catch and bycatch data and inseason transfers (the report is to be available for review by the public). The same annual report must be submitted to the Council each year prior to its April briefing book deadline (but no earlier than March 10).
- 9-8. Identification of a co-op manager who will:
 - a. serve as the contact person with NMFS, the Council and other co-ops,
 - b. be responsible for the annual distribution of catch and bycatch,
 - c. oversee transfers,
 - d. prepare annual reports, and
 - e. be authorized to receive or respond to any legal process against the co-op.
- 10-9. Provisions that prohibit co-op membership by permit holders that have incurred legal sanctions that prevent them from fishing groundfish in the Council region.
- 11-10. A provision that requires new owners to comply with membership restrictions in the co-op agreements.

Commented [JLS84]: Item 27 and Item 71

Commented [JLS85]: Reinsertion of text that had been inadvertently deleted from the final version of the appendix.

Commented [JLS86]: Item 27 and Item 71

Commented [JS87]: Item 68 and Item 102

f. Additional Provisions for Inter-co-op Agreements

1. In the case of two or more cooperatives entering into an inter-cooperative agreement, the inter-co-op agreement must incorporate and honor the provisions of the individual co-op agreements unless all such agreements (or modifications thereof) are resubmitted for approval.
2. The requirements of Sections 2.3.3.a-2.3.3.e apply to the inter-co-op agreement, ~~except that for the purpose of Section 2.3.3.c., subparagraph 7, the members of the inter-co-ops are the co-ops and not the participants in each co-op.~~

g. Co-op Dissolution or Failure

Co-op member may dissolve a co-op in season or NMFS may make a determination that the co-op has failed in season if the co-op agreement is no longer valid (e.g. co-op membership falls below 20 percent of the CV(MS)-endorsed limited entry permits).

Commented [JLS88]: Item 29, Item 70

B-2.3.4 Annual Allocation Transferability

- a. The annual allocations received by a co-op based on the CHAs catch history of the whiting endorsements held obligataed to the co-op by its members may be transferred among co-op members and from one co-op to another so long as obligations to processors are met (as per Section B-2.4).

Commented [JLS89]: Item 95

Additionally, in order to transfer annual allocation from one co-op to another there must be a NMFS approved inter-co-op agreement.

- b. Allocations may not be transferred from the MS sector to another sector.

B-2.4 Obligations to Processors (Processor Ties)

Each year, a LE permits participating in the co-op fishery will must obligate to a processor-processors the all of its catch for a coming year associated with the CHAs obligated to the co-op fishery.

Commented [JLS90]: Item 95 and Item 108.

B-2.4.1 Formation and Modification of Processor Tie Obligations

~~There will not be a p~~Processor tie ~~that obligations do not carries~~ from one year to the next. ~~A~~Once obligated a CV(MS) ~~permits whiting endorsement and its related-linked CHA catch history assignments are~~ will be obligated to a single MS permit for an entire year but may change to a different MS permit in a following year through a preseason declaration of intent. ~~Permits with multiple CV(MS) whiting endorsements and linked CHAs may obligate each of its CHAs to a different MS permit.~~

Commented [JS91]: Item 95

Commented [JLS92]: Item 108

Between September 1 and December 31 of ~~the each~~ year prior to implementation and every year thereafter, each CV(MS) permit is required to contact NMFS and indicate whether CV(MS) permit will be participating in the co-op or non-co-op fishery in the following year. If participating in the co-op fishery, then ~~the~~ CV(MS) permit must also provide the name of the MS ~~permit(s) that the CV(MS) permit's endorsement~~CHA(s) will be ~~linked-obligated~~ to in the following year (i.e., annual catcher vessel/mothership linkage obligations that may be changed each year without requirement to go into the "non-co-op" fishery). ~~Once established, the catcher vessel endorsement, mothership linkage shall remain in place until changed by CV(MS) permit.~~ By September 1 of ~~the each~~ year prior to implementation and every year thereafter, if ~~the~~ CV permit ~~would-will~~ be participating in the co-op fishery in the following year, then ~~the~~ CV permit must notify the MS permit of its intent to obligate CHA to that MS permit ~~that the CV permit OP will be linked to~~ in the following year.⁴⁵

Commented [JS93]: Item 108

Commented [JLS94]: Reserving the term "link" for the relation between the CV(MS) whiting endorsement and the CHA.

Commented [JLS95]: No longer relevant.

Commented [JLS96]: The regulations deemed by the Council state that this obligation expires at the end of each year.

Commented [JS97]: Item 95

Mothership Permit Transfer. If a mothership transfers its MS permit to a different mothership or different owner, the CV(MS) permit's CHA obligations for that year remains in place and transfers with the MS permit to the replacement mothership unless the obligation is changed by mutual agreement. The obligation does not extend beyond the fishing year.

B-2.4.2 Flexibility in Meeting Obligations to Processors

a. Temporary Transfer of the Annual Allocation Within the Co-op or from One Co-op to Another

When CV(MS) permit owners transfer co-op allocations from one co-op member to another within the co-op or from one co-op to another within an inter-co-op such allocations must be delivered to the mothership to which the allocation is obligated through the preseason declaration, unless released by mutual agreement.

b. Mutual Agreement Exception

⁴⁵ February 2010: The last sentence of this paragraph was part of the November 2008 Council motion and was inadvertently omitted from previous drafts of the Council's final preferred alternative. At its June 2010 meeting, the provision was modified to specify September 1 as the notification date. Previously the date was July 1.

By mutual agreement of the CV(MS) permit owner and ~~motherhip-MS permit~~ to which the permit ~~has is~~ obligated ~~its CHA~~, a permit may deliver to a licensed mothership other than that to which ~~#-the CHA~~ is obligated.

Commented [JLS98]: Item 95 and Item 108

B-2.4.3 Mothership Processor Withdrawal

If a mothership withdraws subsequent to quota assignment, then the CV(MS) permit ~~is free to use the CHA~~ that ~~it is was previously~~ obligated ~~to that vessel to it is free to participate~~ in the co-op or non-co-op fishery. The MS permit shall notify NMFS and ~~linked-obligated~~ CV(MS) permits of its withdrawal, and CV(MS) permits shall notify NMFS of their intent to participate in the co-op or non-co-op fishery thereafter. If continuing in co-op fishery, then ~~the~~ CV(MS) permit shall provide NMFS with the name of the new MS permit to which ~~its CHA~~ will be obligated for that season.

Commented [JLS99]: Item 95 and Item 108

Commented [JLS100]: Item 95

B-2.5 NMFS Role

B-2.5.1 Permit and Endorsement Issuance

NMFS ~~will~~ issues all necessary permits and endorsements under the rules specified under this program. Appeals processes ~~will be are~~ provided as appropriate and necessary.

B-2.5.2 Fishery Registration and Co-op Approval

NMFS ~~will announce a asset March 31 as the~~ deadline ~~before by~~ which all co-op agreements must be ~~received-submitted~~ for the coming year. NMFS ~~will reviews~~ and ~~approves~~ or ~~rejects~~ co-op agreements based on standards provided here and other standards that it ~~has deemed~~ necessary to achieve the policy intent of the Council's actions.

Commented [JLS101]: As specified in the Council deemed regulations.

B-2.5.3 Annual Allocation to Co-ops and the Non-co-op Fishery

a. Co-op Allocation

Each year NMFS ~~will~~ determines the percent of the mothership sector's harvest allocation to be given to each co-op based on the ~~catch history calculation~~ CHAs of ~~the~~ CV(MS) permits registered to ~~participate in~~ the co-op that year. NMFS does not allocate to the individual permit holder; rather, NMFS allocates an aggregate amount of harvest tonnage annually to the co-op based on the ~~catch histories~~ CHAs associated with the ~~CM(MS) permits of~~ members of the co-ops.

b. Non-co-op Allocation

Each year NMFS ~~will~~ determines the distribution to be given to the non-co-op fishery based on the ~~catch history calculation~~ CHAs of ~~that CV(MS)~~ permit holders registered to participate in that fishery. ~~Additionally, allocations for permits not renewed or not declared into the co-op fishery are assigned to the non-co-op fishery.~~

Commented [JLS102]: Item 32

B-2.5.4 Fishery Management and Co-op Monitoring

1. NMFS ~~will track~~s all permit transfers and the invocation of mutual agreement exceptions. Permit transfers ~~will be~~ not be valid until registered and acknowledged by NMFS.
2. NMFS ~~will monitor~~s catch and ~~close~~s segments of the fishery as necessary to ensure catch limits are not exceeded for:
 - a. the whiting mothership co-op fishery
 - b. the whiting mothership non-co-op fishery
 - c. the mothership whiting sector as a whole
3. NMFS ~~will do~~ not necessarily monitor, but will investigate and enforce as it deems necessary, the permit and co-op obligations to motherships.
4. NMFS ~~will do~~ not necessarily monitor or enforce (except as it deems necessary):
 - a. an individual permit's progress towards its catch allocations (permit level catch control ~~will be~~ is at the co-op level and enforced through execution of the private contract)
 - b. a co-op's progress toward its catch allocation¹⁶
 - c. actual performance of the co-op agreement (the parties to the contract will resolve through private contract and remedies any deviation from provisions such as that requiring that a vessel have the opportunity to harvest the catch allocated to the co-op based on that vessel's permit, Section B-2.3.3.c)
5. NMFS ~~will monitor~~s other program provisions as needed. In some situations, there may need to be a declaration procedure to determine where a permit is delivering its obligated catch, for example, if a mothership withdraws without transferring its permit or reaching a mutual agreement for the transfer of obligated deliveries to a different mothership.

B-3 Whiting Shoreside Sector Co-Op Program (placeholder, not recommended)

The shoreside whiting sector will be managed with an IFQ program. This section header is being maintained so that section numbering here will correspond to section numbering in the alternatives and analysis in the EIS [and other historic documents](#).

B-4 Catcher-Processors Co-op Program

Catch by the CP sector ~~will be~~ is controlled primarily by closing the fishery when a constraining allocation is reached.¹⁷ ~~As under status quo~~ Prior to the trawl rationalization program, CP vessels ~~may form~~ a co-op to achieve benefits that result from a slower-paced, more controlled harvest. The [Council's rationalization policy main recommendations](#) are the ~~creation of~~ a limited number of CP endorsements, the requirement that a CP co-op qualify for a Federal co-op permit, and the specification in regulation of the amounts that will be available for harvest by the voluntary co-op. [Under this policy](#), ~~a~~ new entrant ~~will have to~~ must acquire a permit with a CP endorsement in order to enter the fishery. If the co-op system fails, it will be replaced by an IFQ program and the initial issuance of IFQ will be allocated equally among the permits (equally divided among all CP endorsed permits).

Commented [JLS103]: Item 96

Commented [JLS104]: Item 37

¹⁶ This assumes that there is an inter-co-op agreement in place that covers the entire co-op fishery. If such an agreement is not in place covering both catch and bycatch, NMFS may have to monitor catch by each individual co-op (but not by the individual vessels in the co-op).

¹⁷ All references to catcher-processors in this section references to vessels operating in the catcher-processor sector. Vessels under 75' which [which head, gut, tail, and freeze whiting catch and process at sea or qualified for the processing exception](#) as part of the shoreside sector (see Section A-1.3) are not covered here.

B-4.1 Participation in the Catcher-Processor Sector , Endorsement Qualification and Permit Transferability.

Catcher-processor (CP) Endorsement. The class of CP endorsed permits (CP permits) ~~will be~~ limited by an endorsement placed on a LE permit. LE permits registered to qualified CP vessels ~~will be~~ endorsed as CP permits. A qualified permit ~~is~~ ~~was~~ one that harvested and processed in the CP sector of the Pacific whiting fishery at any time from 1997 through 2003. Only CP vessels with a CP endorsed LE permit ~~will be~~ allowed to process whiting at-sea as part of the CP sector. LE permits with CP endorsements ~~will~~ continue to be transferable.

Participation as Mothership. A vessel with a CP permit ~~can also be registered to an MS permit at the same time but~~ cannot operate as a mothership during the same year it participates in the CP fishery.

Commented [JLS105]: Item 14

CP Permit Combination to Achieve a Larger Size Endorsement. A CP permit that is combined with a LE trawl permit that is not CP endorsed will result in a single CP permit with a larger size endorsement. (A CV(MS) whiting endorsement on one of the permits being combined will not be reissued on the resulting permit.) The resulting size endorsement will be determined based on the existing permit combination formula.

CP Permit Transfers to Smaller Vessels. Length endorsement restrictions on LE permits endorsed for groundfish gear ~~will be~~ retained, however, the provision that requires that the size endorsements on trawl permits transferred to smaller vessels be reduced to the size of that smaller vessel ~~will be~~ eliminated (i.e., length endorsements ~~will do~~ not change when a trawl endorsed permit is transferred to a smaller vessel).

Number of Transfers Per Year. CP permits may be transferred two times during the fishing year, provided that the second transfer ~~was~~ ~~is~~ back to the original CP (i.e., only one transfer per year to a different CP).

B-4.2 Co-op Formation and Operation Rules

Annual registration. ~~As under status quo, Catcher-processors form a co-op among themselves through a private agreement~~ ~~co-op(s) will be formed among holders of permits for CP.~~ Participation in the co-op ~~will be~~ at the discretion of ~~the holders of CP~~ ~~those~~ permit holders. If eligible participants choose to form a co-op, the CP sector will be managed as a private voluntary cooperative and governed by a private contract that specifies, among other things, allocation of whiting among CP permits, catch/bycatch management, and enforcement and compliance provisions. The co-op ~~will~~ ~~must~~ submit an application to NMFS for a Federal co-op permit. NMFS will not establish an allocation of catch or catch history among permits unless ~~the CP co-op system fails~~; the sector fails to organize itself under a single co-op agreement that qualifies for a Federal co-op permit ~~and includes all CP permit holders for the duration of the entire year, or fails to meet its deemed responsibilities, or the co-op declares its own failure.~~ If the co-op system fails, it will be replaced by an IFQ program and the initial issuance of IFQ will be divided equally among all CP endorsed permits.

Commented [JLS106]: Item 31

Commented [JS107]: Item 6 and Item 29

Annual Reporting Requirements. The CP cooperative ~~will~~ ~~must~~ submit ~~a~~ ~~final~~ annual report to the Council ~~at their prior to its April briefing book deadline (but no earlier than March 10) November meeting.~~ The report ~~will~~ ~~must~~ contain information about the current year's CP fishery, including the CP sector's annual allocation of Pacific whiting; the CP cooperative's actual retained and discarded catch of Pacific whiting, salmon, rockfish, groundfish, and other species on a vessel-by-vessel basis; a description of the method used by the CP cooperative to monitor performance of cooperative vessels that participated in the

Commented [JS108]: Item 68 and Item 102

CP sector of the fishery; and a description of any actions taken by the CP cooperative in response to any vessels that exceed their allowed catch ~~and-or~~ bycatch. The report ~~will-must~~ also identify plans for the next year's CP fishery, including the companies participating in the cooperative, the harvest agreement, and catch monitoring and reporting requirements.

B-4.3 NMFS Role

B-4.3.1 Permit and Endorsement Issuance

NMFS ~~will-issues~~ all necessary permits and endorsements under the rules specified under this program. Appeals processes ~~will-beare~~ provided as appropriate and necessary.

B-4.3.2 Annual Allocation

Harvest amounts for the co-op ~~will-beare~~ specified in regulation. If the co-op ~~breaks-upfails~~, IFQ will be issued and divided equally among the 10 permits.

The CP sector allocation may be divided among eligible CP vessels (i.e., those CP vessels for which a CP permit is held) according to an agreed CP cooperative harvest schedule as specified by private contract.

B-4.3.3 Fishery and Co-op Monitoring

1. NMFS ~~will-tracks~~ all permit transfers. Permit transfers ~~will-are~~ not be valid until registered and acknowledged by NMFS.
2. NMFS ~~will-monitor~~s catch and ~~close~~s the CP sector fishery as necessary to ensure catch limits are not exceeded.

Commented [JLS109]: Item 6