

NATIONAL ENVIRONMENTAL POLICY ACT SCOPING RESULTS DOCUMENT

INDIVIDUAL FISHING QUOTAS (A KIND OF DEDICATED ACCESS PRIVILEGE) AND OTHER CATCH CONTROL TOOLS FOR THE PACIFIC COAST LIMITED ENTRY TRAWL GROUND FISH FISHERY

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Abstract: The Pacific Fishery Management Council (Council) has developed for analysis in an environmental impact statement (EIS) a set of management alternatives centered around creation of a trawl groundfish individual fishing quota (IFQ) program, a kind of dedicated access privilege (DAP). The purpose of this document is to describe these alternatives and the results of the Pacific Fishery Management Council's scoping of DAPs and other catch control tools for managing the groundfish trawl fishery. In addition to the alternatives for analysis, the document includes recommendations from Council advisory bodies, summarizes public comments received during the scoping period, and provides some initial analysis. At its June 2005 meeting, the Council also announced its intent to scope for an intersector allocation EIS. Intersector allocation is needed to support an IFQ program and other policies established through the Bycatch Mitigation Program Final Environmental Impact Statement, as well as the biennial management process.

Implementing regulations for the National Environmental Policy Act (NEPA) at 40 CFR 1501.7 require that federal entities conduct "an early and open process for determining the scope of issues to be addressed and for identifying the significant issues related to a proposed action. This process shall be termed scoping." The Council began preliminary scoping on this EIS at its September 2003 meeting. On May 24, 2004, the Council announced its intent to prepare an EIS to analyze proposals that would provide a DAP program for participants in the non-tribal Pacific Coast groundfish trawl fishery (69 FR 29482). In the notice the Council identified IFQs as the main type of DAP alternative under consideration but invited comment on other types of DAP programs and management alternatives that would not be considered DAP programs. The NEPA scoping period for the EIS closed August 2, 2004. Over the 10 months after close of the scoping period, comments were summarized and reviewed by the Council and various advisory bodies in order to develop the alternatives adopted for analysis by the Council at its June 2005 meeting.

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Acronyms

ABC	Acceptable Biological Catch
ANPR	Advance Notice of Proposed Rule
BC	British Columbia
BSCC	Bandon Submarine Cable Committee
CBTA	Coos Bay Trawlers Association
CDFG	California Department of Fish and Wildlife
CDQ	Community Development Quota
CFR	Code of Federal Regulations
CJC	Coastal Jobs Coalition
CPFV	Commercial Passenger Fishing Vessels
CPUE	Catch Per Unit of Effort
DAP	Domestic Annual Processing
DEIS	Draft Environmental Impact Statement
DFO	Department of Fisheries and Oceans
DTS	Dover Sole, Thornyhead, and Trawl-Caught Sablefish Complex
ED	Environmental Defense
EFH	Essential Fish Habitat
EFP	Exempted Fishing Permit
EIS	Environmental Impact Statement
EO	Executive Order
FMA	Fishermen's Marketing Association
FMP	Fishery Management Plan
FR	Federal Register
GMT	Groundfish Management Team
IBQ	Individual Bycatch Quotas
ICA	Incidental Catch Allowance
IEP	Independent Experts Panel
IFQ	Individual Fishing Quota
INPFC	International North Pacific Fishery Commission
IPHC	International Pacific Halibut Commission
IPQ	Individual Processing Quota
IQ	Individual Quota
IVQ	Individual Vessel Quota
LE	Limited Entry Fishery
MPA	Marine Protected Area
MSA	Magnuson-Stevens Fishery Conservation and Management Act
MSY	Maximum Sustainable Yield
MTC	Midwater Trawlers Cooperative
NEPA	National Environmental Policy Act
NMFS	National Marine Fisheries Service
NOAA	National Oceanic and Atmospheric Administration
NRC	National Research Council
ODFW	Oregon Department of Fish and Wildlife
OY	Optimum Yield

PCFFA	Pacific Coast Federation of Fishermen's Associations
PMCC	Pacific Marine Conservation Council
POORT	Port Orford Ocean Resource Team
PS	Permit Stacking
PSMFC	Pacific States Marine Fisheries Commission
QS	Quota Shares
RCA	Riparian Conservation Area
RFA	Regulatory Flexibility Act
SSC	Scientific and Statistical Committee
Survey (ED)	Results from survey work done by Environmental Defense
TAC	Total Allowable Catch
TIQC	Trawl Individual Quota Committee
UASC	United Anglers of Southern California
WCSPA	West Coast Seafood Processors Association
WDFW	Washington Department of Fish and Wildlife
WOC	Washington, Oregon, and California

Chapter 1.0 PROCESS, PURPOSE, AND NEED

1.1 Introduction and Terminology

Overview

At its June 2005 meeting, the Pacific Fishery Management Council (Council) adopted for analysis in an environmental impact statement (EIS) a set of management alternatives centered around creation of a trawl groundfish individual fishing quota (IFQ) program, a kind of domestic annual processing (DAP). This action was the culmination of a public scoping process which began in September 2003 and included a formal public comment period that ran from May 24, 2004 through August 2, 2004. Hearings were held June 13, 2004 in Foster City, California; July 20, 2004 in Seattle, Washington; and July 27, 2004 in Newport, Oregon. The scoping process was intended to help determine whether DAPs of some kind or some other type of total catch control tool should be considered to limit harvest of the Pacific Coast groundfish limited entry trawl fishery. Comment was solicited on the range of alternatives, the design of each alternative and issues to be addressed in the EIS.

Under status quo management, total catch is limited by vessel cumulative

Terminology

Buyer/Processor - All references to buyers or processors are references to the first receiver of a vessel's catch, unless otherwise indicated.

DAP - Dedicated Access Privileges - a form of output control whereby an individual fisherman, community, or other entity is granted the privilege to catch a specified portion of the total allowable catch.

IQ - Individual Quota for fishing or processing.

IBQ - Individual Bycatch Quota - IQ for fishing, must be held for the catch of certain species for which discard is required.

IFQ - Individual Fishing Quota - IQ for fishing. Under the IFQ alternatives proposed in this document, IFQ must be held for catch. Catch may be retained or discarded at the fisher's discretion but once caught it counts against the IFQ regardless of its final disposition.

IPQ - Individual Processing Quota - IQ for processing. Implementation of IPQ programs is currently prohibited.

QS - Quotas Shares - IQ held as percent of total quota allocated to an individual.

Quota Pounds - Annual IQ - IQ held as pounds allocated annually based on the quota share held.

TIQ - Trawl Individual Quotas - any IQ program applying to the trawl fishery (including IFQs, IPQs, IBQs or other DAP programs).

The National Environmental Policy Act (NEPA) and public scoping: NEPA is a law that requires Federal agencies and partners to analyze the effects of their proposed actions on the human environment before making a decision on whether to take a particular action. Implementing regulations for NEPA at 40 CFR 1501.7 require that federal entities conduct "an early and open process for determining the scope of issues to be addressed and for identifying the significant issues related to a proposed action. This process shall be termed scoping."

landing limits and seasons, adjusted to take into account estimated discards. DAPs are a “form of output control whereby an individual fisherman, community, or other entity is granted the privilege to catch a specified portion of the total allowable catch”(Commission on Ocean Policy, 2004) and include IFQs. IFQs were part of the preferred alternative adopted under the Pacific Fishery Management Council’s (Council) programmatic bycatch EIS. The range of alternatives being considered by the Council also includes permit stacking. Permit stacking would continue the existing cumulative limit system but apply the vessel limits to catch rather than landings and allow a vessel with multiple limited entry trawl permits (stacked permits) to land one cumulative limit for each permit. The alternatives proposed bound a range of potential actions that also include the possibility of converting the current cumulative landing limit system to a cumulative catch limit system without providing for permit stacking.

This document contains:

- information that was provided in the scoping information document during the NEPA scoping process,
- recommendations of Council advisory bodies,
- summaries of public comments received through the September 2004 Council meeting,
- some initial analysis, and
- a description of the alternatives the Council adopted for analysis.

Two Decision Stages

Council consideration of an IFQ program has been separated into two large-scale decisions (Figure 1.1-1). The first addresses design of a trawl IFQ program, including all of the details on allocating harvest privileges (quota shares) between participants, developing an associated enforcement and monitoring program, and implementing the program through National Marine Fisheries Service (NMFS). This decision is the primary topic of this document. The second large-scale decision, which will affect all of the directed and incidental commercial and recreational groundfish fleets, is the establishment of allocations of groundfish between the limited entry trawl and other groundfish sectors. The Council’s Ad Hoc Allocation Committee has been considering intersector allocation to support recent Council decisions to use sector caps (sector specific total catch limits) to control bycatch (Bycatch Mitigation Program Final Environmental Impact Statement), to assist in the Council’s biennial management decisions, and to support the trawl individual quota program. At its June 2005 meeting, the Council announced its intent to scope for an intersector allocation EIS.

Organization of This Document

The purpose and need for action is presented in Section 1.2, with additional background information in Section 1.3, and a description of the deliberative process in Section 1.4. A description of Council action culminating the scoping process and next steps in the process is summarized in Section 1.5. Alternatives on the table going into the June 2005 Council meeting are provided in Section 2.1. Section 2.2 lists types of impacts that would be considered in an EIS, Section 2.3 provides a preliminary assessment of a few of the main impacts expected under the alternatives, and Section 2.4 describes the modifications the Council made to the Section 2.1 alternatives and Trawl Individual Quota Committee (TIQC) recommendations (Appendix J) before adopting them for

analysis in an EIS. Detailed analyses of design choices imbedded in the major alternatives are provided in related appendices. Design elements related to the overall management regime are provided in Appendix A. Detailed design elements identified for an IFQ program are provided in Appendix B. Recommendations and comments from the public, trawl individual quota (TIQ) Independent Experts Panel and TIQ Enforcement Group are summarized and provided in the relevant sections of Chapters 1 and 2 and Appendix A and B. Public comments pertaining to alternatives and impacts have also been recorded, summarized, and are provided here as Appendix I. Appendix J contains Council advisory body reports provided at the June 2005 Council meeting.

Recent Policy Deliberations

In 2000, the Council adopted a Strategic Plan for its management efforts for the Pacific Coast groundfish fisheries. The intent of this plan, entitled “Transition to Sustainability,” was to chart a course for management that would lead to a future with, among other goals:

- healthy, resilient groundfish stocks that are harvested at levels sustainable over the long-term
- a fishing industry that is reduced and limited in numbers of participants and harvest capacity to levels consistent with the productivity of the groundfish resource
- a fishing industry with a diverse, stable, and market-driven operating environment
- fishery management that creates incentives for fishery participants to operate their businesses in manners compatible with management goals
- resolution of allocation disputes, whether over directed or incidental catch
- minimization and quantification of discarded incidental catch (bycatch) by all gear groups
- less complex and more easily enforced fishery regulations
- protection for essential groundfish habitat
- improved operating conditions and fishery profitability such that participants remaining in the fishery will be capable of bearing responsibility for a portion of the cost of effective science and management needed to support the fishery (PFMC, 2000)

Achievement of many of the Strategic Plan’s goals depended on the Council being able to develop and recommend fishery capacity reduction programs. Participation in much of the directed groundfish fisheries was restricted via the 1994 limited entry program, Amendment 6 to the Fishery Management Plan (FMP). In spite of fleet size caps affected by Amendment 6, in 2000 a Scientific and Statistical Committee (SSC) review showed all of the commercial groundfish fleets to be overcapitalized, when considering the harvest capacity of participating vessels against available groundfish harvest levels in 2000.

“... ‘**excess capacity**’ compares a vessel/fleet’s harvesting capacity and its actual catches; and

‘**overcapacity**’ exists when a vessel/fleet’s harvesting capacity exceeds a management target.”

(National Marine Fisheries Service, August 2004).

To reduce harvest capacity in the limited entry trawl fleet, the Strategic Plan recommended a permit stacking program and a permit/vessel buyback program in the near term, and an IFQ program over the longer term. In December 2003, NMFS implemented a vessel/permit buyback program for the

limited entry trawl fleet that bought 91 vessels, plus their associated federal and state permits out of the trawl fleet. This buyback reduced the number of limited entry trawl permits and potential participating vessel by 35%.

Since the adoption of its Strategic Plan in 2000, the Council has had to focus its groundfish management efforts on large-scale projects to implement fishery management requirements of the Magnuson-Stevens Fishery Conservation and Management Act (Magnuson-Stevens Act). The Council redeveloped and adopt rebuilding plans for the eight overfished West Coast groundfish species via Amendments 16-1, 16-2, and 16-3 to its FMP; revamped its harvest specifications and management measures process to allow for greater public notice and comment through a biennial management process via Amendment 17 to the FMP; reanalyzed its bycatch mitigation program for West Coast groundfish fisheries through a programmatic EIS, finalized in September 2004 and leading to the generation of draft Amendment 18 to the FMP; and, reanalyzed its essential fish habitat (EFH) designation and protection provisions through another broad-scale EIS, scheduled to be finalized in late 2005.

For the final EIS on a groundfish fisheries bycatch mitigation program (the programmatic bycatch EIS), the Council chose a preferred alternative that, in part, supported the future use of IFQs as a management tool to both reduce overall harvest capacity and minimize bycatch. The Council is drafting Amendment 18 to the FMP to implement its preferred alternative from the bycatch mitigation program final EIS (NMFS, 2004). Amendment 18 would tie the Council's capacity reduction activities back to the Strategic Plan by including the Strategic Plan's harvest capacity objective as one of the FMP objectives:

“Achieve a level of harvest capacity in the fishery that is appropriate for a sustainable harvest and low discard rates, and which results in a fishery that is diverse, stable, and profitable. This reduced capacity should lead to more effective management for many other fishery problems. . . .”

In late 2003, with the draft bycatch EIS underway and the trawl buyback program nearing completion; the trawl industry approached the Council about the possibility of beginning discussions

“Dedicated access privileges”

The Magnuson-Stevens Act, the nation's lead marine fisheries law, refers to the term “individual fishing quota” as meaning “a Federal permit under a limited access system to harvest a quantity of fish, expressed by a unit or units representing a percentage of the total allowable catch of a fishery that may be received or held for exclusive use by a person. Such term does not include community development quotas as described in section 305(i).”

Over 2001-2004, the U.S. Commission on Ocean Policy contemplated a broad range of ocean resource management issues, including those associated with fishing privileges and access to fishery resources. In its final report, the Ocean Commission stated that it favored the use of the term “dedicated access privileges” as a broad term for fishery management programs that restrict fishing access to particular stocks of fish. The Ocean Commission defined dedicated access privileges as “a novel form of output control whereby an individual fisherman, community, or other entity is granted the privilege to catch a specified portion of the total allowable catch.”

on developing an IFQ program for the limited entry trawl fishery. At its September 2003 meeting, the Council agreed to consider an individual quota program for the trawl fishery. Individual quotas are a type of DAP program as defined by the U.S. Commission on Ocean Policy (see box). The term “individual quota” includes a set of programs broader than IFQs. For example, individual processing quota (IPQ) would be a type of individual quota. The Council authorized its Chair to appoint an Ad Hoc Trawl Individual Quota Committee (TIQC) to explore development of such a program. This decision began a preliminary scoping process on a DAP program for the Pacific Coast groundfish limited entry trawl fleet. This preliminary scoping process is analogous to internal scoping, which occurs in most agencies prior to the formal public announcement of the intent to prepare an EIS and conduct a NEPA scoping process (see Section 1.4). A formal scoping period was held from May 24, 2005 through August 2, 2005, results were summarized and reviewed by the Council and its advisory panels and the Council adopted a set of alternatives for analysis in an EIS at its June 2005 meeting. This document provides the results from this process.

1.2 Purpose and Need for the Proposed Action

1.2.1 *The Proposed Action*

The Council is considering changing the primary management tool used for control of the West Coast groundfish trawl catch from a system of two-month cumulative landing limits for most species and season closures for whiting to a catch based IFQ system under which each IFQ pound could be caught at any time during an open season. While the alternatives are focused on consideration of an IFQ program, they may also include other types of DAP programs and other reasonable harvest control alternatives that may be proposed to address issues identified in the problem statement. The status quo alternative (no action) will also be considered. This scoping process has resulted in the identification of a set of alternatives that will be analyzed in a draft EIS. From that set of alternatives, for the purpose of the draft EIS the Council may designate one as its preferred alternative: “the proposed action”.

Public comments:

Comment	Source
Include recreational fisheries and allow cross sector transfers. A hard allocation guaranteeing catch for one sector is unfair.	UASC

1.2.2 *Need for Action*

Despite the recently completed buyback program, management of the West Coast groundfish trawl fishery is still marked by serious biological, social, and economic concerns; and by discord between fishermen and managers and discord between different sectors of the fishery, similar to those cited in the U.S. Commission on Ocean Policy’s 2004 report. The trawl fishery is viewed by many as economically unsustainable given the current status of the stocks and the various measures to protect these stocks. One major source of discord and concern stems from the management of bycatch, particularly of overfished species as described in the programmatic bycatch mitigation EIS. As described in Section 1.1, the Council groundfish management efforts over the past several years have been focused largely on drafting overfished species rebuilding plans and developing

management schemes for minimizing both overall bycatch and overfished species bycatch in particular. Through the bycatch mitigation program final EIS and draft Amendment 18, the Council has indicated its support for future use of IFQ programs to manage the non-tribal, commercial groundfish fisheries so that individual fishery participants have both more flexibility in how they choose to participate in the fishery and more accountability for how their individual actions affect the bycatch of overfished species in the groundfish fishery. Upon the recommendations of its TIQC, the Council sent the following problem statement out for public review during the public scoping period:

As a result of the legal requirement to minimize bycatch of overfished species, considerable harvest opportunity is being forgone in an economically stressed fishery. The trawl groundfish fishery is a multispecies fishery in which fishermen exert varying and limited control of the mix of species in their catch. The optimum yields (OYs) for many overfished species have been set at low levels that place a major constraint on the industry's ability to fully harvest the available OYs of the more abundant target species that co-occur with the overfished species, wasting economic opportunity. Average discard rates for the fleet are applied to projected bycatch of overfished species. These discard rates determine the degree to which managers must constrain the harvest of targeted species that co-occur with overfished species. These discard rates are developed over a long period of time and do not rapidly respond to changes in fishing behavior by individual vessels or for the fleet as a whole. Under this system, there is little direct incentive for individual vessels to do everything possible to avoid take of species for which there are conservation concerns, such as overfished species. In an economically stressed environment, uncertainties about average bycatch rates become highly controversial. As a consequence, there is discord between fishing fleets and managers when there is disagreement about decisions on estimates of bycatch. Thus, in the current system there are uncertainties about the accuracy of bycatch estimation, few incentives for the individual to reduce personal bycatch rates, and an associated loss of economic opportunity related to the harvest of target species.

The current management regime is not responsive to a wide variety of fishing business strategies and operational concerns. For example, historically the Pacific Council has tried to maintain a year-round groundfish fishery. Such a pattern works well for some business strategies in the industry, but there has been substantial comment from fishermen who would prefer being able to pursue a more seasonal groundfish fishing strategy. The current management system does not have the flexibility to accommodate these disparate interests. Nor does it have the sophistication, information, and ability to make timely responses necessary to react to changes in market, weather, and harvest conditions that occur during the fishing year. The ability to react to changing conditions is key to conducting an efficient fishery in a manner that is physically safe for the participants..

Fishery stock depletion and economic deterioration of the fishery are concerns for fishing communities. Communities have a vital interest in the short-term and long-term economic viability of the industry, the income and employment opportunities it provides, and the safety of participants in the fishery.

In summary, management of the fishery is challenged with the competing goals of: minimizing bycatch, taking advantage of the available allowable harvests of more abundant stocks (including conducting safe and efficient harvest activities in a manner that optimizes net benefits

over the short-term and long-term), increasing management efficiency, and responding to community interest.

1.2.3 Purpose of the Proposed Action

TASK I. Adopt goals and objectives (task for the June 2005 Council meeting, see Figure 1.5-1).

When the Council formed the TIQC, it charged the committee with providing assistance to the Council in identifying provisions for a trawl individual quota program, and with scoping alternatives and potential impacts of those alternatives in support of the requirements of the Magnuson-Stevens Act and NEPA. At its first meeting in October 2003, the TIQC drafted a set of goals and objectives, which were later reviewed by the Council and an appointed Independent Experts Panel (IEP). The IEP recommended a modified set of goals and objectives, to which the TIQC recommended further modifications in October 2004. Table 1.2-1 provides the TIQC's original goals and objectives in the left-hand column, the IEP's recommended goals and objectives in the right-hand column, the TIQC's response to the IEP's recommendations along with Council action from its November 2004 meeting, at the bottom of the table. The participation of the TIQC, the IEP, and other entities in the scoping process for this action is more fully described below in Section 1.4.

In *Sharing the Fish: Towards a National Policy on Individual Fishing Quotas*, the National Research Council (NRC) stated that "Goals and objectives are central to IFQ program design." NRC further recommended that "The biologic, social, and economic objectives of each fishery management plan (and how a limited entry or access program, including IFQs, will achieve the objectives) should be specified clearly through a process that invites broad participation by stakeholders." (NRC, 1999, p. 197). This recommendation is in keeping with NEPA requirements for an early and open public scoping process for proposed federal actions.

The following list of "goals, objectives, and constraints and guiding principles" provides the purpose of the proposed action. This list is based on recommendations of the IEP, as modified by the TIQC and Council (Table 1.2-1). The Council further modified the goals and objectives (as indicated by the highlighted text) and adopted them as part of its action at its June 2005 meeting.

Goals

1. Increase regional and national net benefits including improvements in attainment of economic, social and, environmental objectives and attainment of fishery management objectives.
2. Achieve capacity rationalization through market forces and create an environment for decision making that can rapidly and efficiently adjust to changing conditions.

Objectives

1. Provide for a viable, profitable, and efficient groundfish fishery.
2. Minimize negative ecological impact while taking the available harvest.
3. Reduce bycatch and discard mortality.
4. Promote individual accountability and responsibility for catch (landed catch and discards).
5. Increase stability for business planning.

6. Increase operational flexibility.
7. Minimize adverse effects from IFQs on fishing communities ~~to the extent practical.~~
8. Promote measurable economic and employment benefits through the seafood catching, processing, distribution elements, and support sectors of the industry.
9. Provide quality product for the consumer.
10. Increase safety in the fishery.

Constraints and Guiding Principles

1. Take into account the biological structure of the stocks including such factors as populations and genetics.
2. Take into account the need to ensure that the total OYs and ABC for the trawl and all other sectors are not exceeded.
3. Account for total groundfish mortality.
4. Avoid provisions where the primary intent is a change in marketing power balance between harvesting and processing sectors.
5. Avoid excessive quota concentration.
6. Provide efficient and effective monitoring and enforcement.
7. Design a responsive review evaluation and modification mechanism.
8. Take into account the management and administrative costs of implementing and

National Plan of Action for Managing Fishing Capacity: In August 2004, NMFS issued an action plan on managing fishing capacity that identified the non-whiting groundfish fishery as a fishery with qualitative indicators of overcapacity. The plan used the following indicators for overcapacity:

- (1) the biological status of the fishery (Is it overfished?),
- (2) management category (Is the fishery open access, limited access, or rights-based?),
- (3) harvest-TAC relationship (Do catches exceed the quotas?),
- (4) TAC-season length (Is the fishing season increasing or decreasing?),
- (5) total catch levels and their allocations (How contentious is the quota-setting process?)
- (6) latent permits (What is the ratio of active to total permits?), and
- (7) catch-per-unit-of-effort in commercial fisheries (Are catch rates increasing or declining?)

overseeing the IFQ program and complementary catch monitoring programs and the limited state and federal resources available.

1.3 Background to the Purpose and Need

The Council has been considering and developing management programs to restrict or reduce capacity in the groundfish fisheries since the mid-1980s. In 1987, the Council appointed an ad hoc Limited Entry Committee to design a West Coast, groundfish fisheries, license limitation program. In 1991, the Council adopted Amendment 6 to the FMP, a groundfish license limitation program that led to the creation of federal limited entry permits. When it adopted Amendment 6, the Council acknowledged that the license limitation program was expected to limit the growth of groundfish harvesting capacity but would not resolve the overcapacity problem. The other major alternative considered along with the license limitation program was an IFQ program. However, at that time opposition to IFQs ran at about 80% across all sectors of industry (vessel owners, operators, crew, processors, and support industries). The license limitation program was seen as a first step toward rationalization of the fleet, with further capacity reduction measures to follow. NMFS began implementing Amendment 6 in 1993, issuing 388 initial limited entry permits with trawl endorsements, in addition to the permits issued with either longline and/or pot gear endorsements.

Gear endorsements were used to constrain the universe of limited entry fishery participants using a particular gear type in the groundfish fishery. As of January 1, 1994, vessels were required to have permits to participate in the limited entry segment of the fishery.

Limited entry permits were issued with length endorsements that matched the length of the vessel that originally qualified for the permit. In 1994, at the recommendation of the Council, NMFS issued a final rule allowing permit owners to combine two or more permits to get a permit with a longer length endorsement than any of the original permits. Because a vessel's harvest capacity increases geometrically with an increase in vessel length, NMFS implemented a length-conversion formula for permit combinations that assigned a certain number of capacity rating points per foot of vessel length. Under this point system, a vessel owner wishing to register his permit to a longer vessel is required to buy capacity points out of the fishery by purchasing and combining enough permits to

create a combined permit with capacity points sufficient for the length of his vessel (See 59 CFR17726, April 14, 1994, for further explanation.) By 2003, this capacity restricting permit combination requirement had resulted in permit owners buying 114 trawl permits out of the fishery. Of the 388 trawl permits originally issued, 274 remained prior to the 2003 buyback program.

The Council and National Policies on IFQ Programs

1988 – The Council includes IFQs among the main alternatives it considered in its deliberations on what became the Amendment 6 groundfish license limitation program (fully implemented in 1994).

1991 – The Council begins drafting Amendment 8 to the FMP, an IFQ program for the limited entry fixed gear sablefish fisheries.

1994 – Council sets aside draft Amendment 8 in response to controversy and a Congressional request that it stop work on any IFQ programs.

1996 – Sustainable Fisheries Act finalized, amending and renaming Magnuson-Stevens Act, including a nationwide moratorium on the creation of any new IFQ programs until October 1, 2000.

1999 – National Research Council issues “Sharing the Fish”, a national study of IFQ programs conducted at the request of Congress.

2000 – Congress uses a budget bill (PL 106-553) to extend the moratorium until October 1, 2002, but exempts a Pacific Council program for limited entry, fixed gear, sablefish, endorsed permit stacking from the moratorium.

2000 – The Council completes its Strategic Plan, recommending future implementation of IFQ programs for capacity reduction in the groundfish fisheries.

2001 – NMFS implements Amendment 14 to the FMP, a permit stacking program for limited entry permits with sablefish endorsements.

2002 – IFQ moratorium expires on October 1.

2003 – Trawl industry representatives approach the Council about developing a trawl IFQ program. November 6, 2003 control date established. TIQC appointed and preliminary scoping starts.

2004 – Bycatch mitigation program EIS finalized, Council preferred alternative recommends implementing IFQ programs for commercial groundfish fisheries to both reduce harvest capacity and minimize bycatch. Council announces intent to produce an IFQ/DAP EIS, public scoping period and hearings.

2005 – Council adopts a set of IFQ alternatives for analysis (June, 2005). Analysis delayed due to funding shortfall. Council announces intent to produce an intersector allocation EIS and public scoping period.

In 1996, Congress passed the Sustainable Fisheries Act, which significantly amended and renamed the Magnuson-Stevens Act. One of the notable revisions to the act was a requirement that NMFS report to Congress on whether any managed species was considered to be overfished or approaching a condition of being overfished. If a fish stock were determined to be overfished, the Council was required to prepare a plan to rebuild that stock. The Council developed Amendments 11, 12, and 13 to the FMP to implement this and other new provisions of the Magnuson-Stevens Act. Following the Council's 1998 completion of Amendment 11, NMFS declared bocaccio, lingcod, and Pacific ocean perch to be overfished. NMFS declared six subsequent species to be overfished: canary rockfish and cowcod in 2000, darkblotched and widow rockfish in 2001, and yelloweye rockfish and Pacific whiting in 2002. Pacific whiting was declared rebuilt in 2004. Since the 1999 declaration of the first three species as overfished, the Council's groundfish management efforts have largely focused on developing management measures to reduce directed and incidental take of those species.

All of the overfished species, to varying degrees, co-occur with more healthy and abundant stocks. One of the Council's primary strategies for reducing incidental catch of overfished species has been to limit access to healthy co-occurring stocks. In response to the severe reductions in available catch of both overfished and healthy stocks, the Secretary of Commerce declared the groundfish fishery to be a commercial fishery failure in January 2000. This declaration freed disaster relief funds for the three West Coast states. Subsequent to this declaration, the Council completed its groundfish Strategic Plan (see Section 1.1 "Recent Policy Deliberations"). One of the SSC's contributions to the Strategic Plan was to evaluate overcapacity in the commercial groundfish fleets by comparing the potential harvest capacity of participating vessels with the amount of fish actually available for harvest. For the non-whiting groundfish trawl fishery, the SSC calculated that 26-40% of the vessels then participating in the fishery were capable of taking all of the groundfish available to that fleet for harvest. Based on the SSC's calculations, the Strategic Plan concluded:

"It is clear from the [SSC figures] that we need a fleet reduction goal of at least 50% of the current number of vessels. Depending on the reduction methods used, it may not be possible to get a full 50% reduction. In addition, eliminating 50% of lower producing vessels may not sufficiently reduce fleet capacity. This should not discourage the Council from moving forward with capacity reduction, as any capacity reduction is better for the fishery than none at all. However, capacity reduction will not be deemed fully successful until capacity has been reduced to a level that is in balance with the economic value of the resource and those remaining in the fishery are able to operate profitably and flexibly."

For the trawl fishery, the Strategic Plan recommended a trawl vessel buyback program as a short to intermediate term objective, and a trawl individual quota or mandatory permit stacking program^{1/} as an intermediate to long-term objective. Individual quotas for trawlers have been on the Council's official workload list since just after the October 2000 adoption of the Strategic Plan. In June 2001, the Council created an Ad Hoc Trawl Permit Stacking Work Group. That group met February 26, 2002, but its activities were suspended while the Council addressed other workload priorities, and in the interim hoped that the Council would be able to complete a buyback program before working on permit stacking.

1/ Mandatory permit stacking reduces capacity in the fishery by requiring permit holders to acquire an additional permit to continue fishing.

In a 2003 budget bill (PL 108-7) Congress instructed NMFS to implement a fishing capacity reduction program for the non-tribal, West Coast groundfish fleet excluding Pacific whiting catcher-processors. This bill funded the buyback program with a \$10 million appropriation and a \$36 million buyback loan approved in an industry referendum. The loan will be paid back by members of the participating fleets (limited entry groundfish trawl, Dungeness crab pot, and pink shrimp trawl fleets) through landings fees to be paid over the course of 30 years. These fleets have not yet begun to repay the loan. On November 16, 2004, NMFS issued a proposed rule to implement an industry fee system to repay the buyback loan. As of this writing, NMFS has not yet finalized this repayment rule.

On December 4, 2003, under the buyback program, NMFS retired 91 trawl vessels and their associated state and federal fishing permits, including their limited entry trawl permits. The buyback program reduced the available pool of limited entry permits for vessels that deliver to shore plants and motherships to 172 permits, excluding the ten permits associated with the whiting catcher-processor fleet. (Since December 2003, two additional trawl permits have been retired through permit combination, leaving 170 permits remaining in the fishery, excluding the ten catcher-processors permits.) In terms of 2002 groundfish ex-vessel revenues, buyback program vessels accounted for 40% of the \$32 million delivered by all groundfish trawlers, either on shore or to non-tribal motherships.

Following the completion of the buyback program, NMFS analyzed permit latency in the limited entry trawl fleet to determine whether there was a significant number of unused or infrequently used permits in the fishery. The agency's concern about latent capacity stemmed from comments from the public that permit/vessel owners who had been bought out of the fishery could rejoin the fishery by purchasing a relatively unused (latent) permit and vessel. The Council found no need to take remedial action given the relatively low degree of fleet latency represented by the highly latent permits and the lack of concern among industry members bearing the responsibility for repaying the industry loan that largely funded the buyback program. Further, the Council stated that moving forward with the IFQ project was a better solution to the permit latency and overcapacity issues.

At the June 2003 Council meeting, members of the groundfish trawl industry approached the Council, requesting that the Council put consideration of a trawl IFQ program on the September 2003 Council agenda. At its September 2003 meeting, the Council chair authorized its Chair to appoint the TIQC. The Council heard at its November 2003 meeting that individual quota programs have been identified as a management tool that could potentially do more than any other management tool to permanently resolve various problems in the trawl fishery, including bycatch and other conservation concerns, safety, and industry economic viability. The Council concurred and:

- Recommended November 6, 2003 be published as a control date for IFQ and individual processing quota (IPQ) programs (Appendix F).
- Identified that additional resources would be required for consideration of a trawl individual quota program.
- Tasked the staff with preparing a detailed draft plan for individual quota program development, identifying the necessary budget, and pursuing funding options.

NMFS published an advance notice of proposed rule making (ANPR) announcing November 6, 2003 as a control date notice for IFQ on January 9, 2004 (69 Federal Register (FR) 1563.) In that notice, NMFS indicated a broad range of persons or entities who could be eligible for future ownership of any quota shares that might be issued under an IFQ program. The agency did not, however, publish a notice of control date for an IPQ program. In its letter to the Council Chair explaining this omission, NMFS indicated that it had "...Removed all references to processor quotas in the *Federal Register* notice on the control date because the Magnuson-Stevens Act does not authorize or address the use of IPQs. Further, section 804 of the Consolidated Appropriations Act of 2004 (PL 108-199,) passed on January 23, 2004, states that 'A Council or Secretary may not consider or establish any program to allocate or issue an individual processing quota or processor share in any fishery of the United States other than the crab fisheries of the Bering Sea and Aleutian Islands'. Although this provision had not been enacted in the appropriations language at the time the ANPR [*Federal Register* notice] was published, it had been adopted by the House of Representatives and in conference, and it was anticipated that it would be included if any appropriations Bill were enacted in January . . . However, the ANPR and control date notice does not preclude the Council from developing an individual quota program that allows processors to own quota or includes other provisions that take into account the needs of fishing communities, including processors." On May 24, 2005 NMFS published another notice clarifying that the control date does not preclude processor ownership of IFQs (70 FR 29713-29714).

1.4 Public Scoping and the Environmental Review Process

Although formally announced public scoping on a potential trawl IFQ EIS did not begin until May 24, 2004, the Council has been conducting scoping on the issue of reducing harvest capacity and bycatch in the trawl fisheries since September 2003.^{2/} The fishery management council process, under the Magnuson-Stevens Act, is somewhat unusual in that most federal agencies do not have advisory bodies composed of mixed state, tribal, and public representatives who meet in a public forum to develop policy recommendations for the agency. To prepare for and participate in the NEPA process, most federal agencies have both an internal scoping period when they are developing proposals for public review and an external public scoping period during which time those proposals are sent out for public review and discussed in public fora. In the fishery management council process, these internal and external scoping exercises are combined and public. Following the September 2003 meeting, the Council Chair appointed the TIQC from a broad range of constituencies. The names of TIQC members and their affiliations are provided in Appendix E.

The TIQC has essentially served as the Council's initial scoping vehicle, where that committee has looked at the question of what elements it would like to see in a trawl individual quota program, if such a program were implemented. It is the Council's role to consider the advice of the TIQC, its other advisory bodies, and the public, to determine whether to proceed with developing a trawl IFQ

2/ IFQs were also an alternative under the 1991 Amendment 6 groundfish license limitation program and have been a management alternative raised in Council discussions before and since that time.

program or some other DAP or catch control program and, if so, what alternatives to analyze for public review. In its role as a body for initial scoping on trawl catch control alternatives, the TIQC has met to discuss and develop proposed alternatives on: October 28-29, 2003; March 17-18, 2004; October 26-27, 2004; February 23-24, 2005; and May 10-11, 2005.

The Council staff identified the need for a number of committees to support this process and included those committees in its work plan. In addition to the TIQC, the Council has appointed several other ad hoc groups; the Enforcement Group, Analytical Team, and Independent Experts Panel. The Enforcement Group developed enforcement program alternatives during meetings on May 25-26, 2004, and September 28, 2004. Analytical Team members from NMFS and California Department of Fish and Game staff, supported by Council staff, have worked with private contractors to support the analytical needs of the Council and its advisory bodies through the scoping period. They met June 8-9, 2004; July 1-2, 2004; September 7-8, 2004; and November 16-17, 2004.

Independent Experts Panel (IEP):

During the analysis development process, Council staff was approached by scientists from academia who had long been associated with the Council and its SSC about how they might be helpful to the program and analysis development process. To take advantage of their offer, the Council formed the IEP. The IEP met jointly with the Analytical Team June 8-9, 2004 and on their own September 22-23, 2004. Additional, review and comment has been provided via e-mail. IEP members are: Christopher DeWees, California SeaGrant; Robert Francis, University of Washington; Susan Hanna, Oregon State University; Daniel Huppert, University of Washington; Gilbert Sylvia, Oregon State University.

In addition to the meetings of the TIQC and the Enforcement Group, trawl IFQ program issues were discussed by the Council's Allocation Committee at several of its public meetings between September 2003 and June 2005. The Allocation Committee is particularly interested in this issue because implementing an IFQ program for the trawl fleet would require the Council to allocate catch of various groundfish species and species complexes between the limited entry trawl fleet and other directed and non-directed groundfish fishing fleets.

Meetings of the TIQC, Enforcement Group, Analytical Team, Independent Experts Panel, Allocation Committee, and the Council have served as vehicles for internal yet public NEPA scoping for the proposed action. These meetings were held in preparation for and response to the formally announced NEPA scoping period. NMFS published a notice of intent to develop an EIS and formally initiate scoping on May 24, 2004 (69 FR 29482, Appendix G). The Council's formally announced NEPA public scoping period ran from May 24, 2004 through August 2, 2004. The Council held scoping hearings: June 13, 2004 in Foster City, California; July 20, 2004 in Seattle, Washington; and July 27, 2004 in Newport, Oregon. Council staff provided a summary of verbal public scoping comments received, plus copies of written public scoping comments received, to the public at the September and November 2004 Council meetings, (November Meeting agenda item E.6.a, Attachment 6). These comments are provided as Appendix I to this scoping summary document.

1.5 Summary of End-of-Scoping Decisions and Next Steps

Having received the results from public scoping and comments from Council advisory bodies, the Council worked through the decisions listed in Figure 1.5-1 and voted unanimously to send forward

for analysis in a draft EIS a TIQ alternatives covering harvest of West Coast groundfish, including Pacific whiting. This action was also unanimously requested by the Council's Ad Hoc Trawl Individual Quota Committee which includes representation of whiting and nonwhiting sectors, shoreside and at-sea processors, communities, and environmentalists.

Goals and objectives were also adjusted and adopted, as reflected in Section 1.2.3 (Task I, Figure 1.5-1).

The alternatives adopted for analysis (Tasks II through IV of Figure 1.5-1) include IFQs but not individual processing quotas:

Alternative 1: Status Quo

Alternative 2: IFQs for Trawl Target Species and Species for Which Allocations Exist

Alternative 3: IFQs for All Groundfish Except the "Other Fish" Category of Groundfish **with** Adjustments at Low Harvest Levels

Alternative 4: IFQs for All Groundfish Except the "Other Fish" Category of Groundfish **without** Adjustments at Low Harvest Levels

Alternative 5: IFQs for All Groundfish

Alternative 6: IFQs for Overfished Species Only

Alternative 7: Permit Stacking (one cumulative limit for each permit associated with a vessel)

See Section 2.4 for additional details on Council actions with respect to these alternatives. The Council deferred action on considering the possible need for increased area management under an IFQ program until later in the process, when more information will be available. The Council did not identify any new categories of impacts that should be included in the analysis (Task V).

In related actions the Council:

- Directed staff to announce the Council's intent to prepare an EIS on intersector allocation as soon as possible. Such allocations would be necessary to support the TIQ program as well as to implement recent Council policy decisions on bycatch control and as support the Biennial management process (Task VI of Figure 1.5-1).
- Asked that the Secretary of Commerce be notified of the Council's desire that its deliberations not be interrupted by any Congressional action that would pre-empt the cooperative process and progress made to date or otherwise usurp in any fashion the Council's development of an IFQ program.

The timeline for progressing on the draft EIS will depend on available funding. Council resources for continuing with these deliberations in a timely fashion have been essentially exhausted. NMFS provided supplemental funding that enabled the Council to bring this matter to a decision point at its June 2005 Council meeting. Absent additional resources, the completion of documentation of the June Council decision will substantially end Council progress on this matter until additional funding is available. The only other significant activity anticipated to occur subsequent to the June 2005 action and the onset of additional funding is an effort by NMFS personnel on the Council's Ad Hoc TIQ Analytical Team to examine design options to take into account community concerns.

1.6 References

Commission on Ocean Policy. 2004. "An Ocean Blueprint for the 21st Century: Final Report of the U.S. Commission on Ocean Policy", Chapter 19, "Achieving Sustainable Fisheries".

NMFS (National Marine Fisheries Service). August 2004. United States Plan of Action for Management of Fishing Capacity. http://www.nmfs.noaa.gov/sfa/reg_svcs/npoa.capacity.8.4.04.pdf

NMFS (National Marine Fisheries Service). September 2004. Bycatch Mitigation Program FEIS. http://www.nwr.noaa.gov/1sustfsh/groundfish/eis_efh/pseis/

Pacific Fishery Management Council. October 2000. Pacific Fishery Management Council Groundfish Fishery Strategic Plan: Transition to Sustainability. Portland, OR.

Table 1.2-1. Goals and objectives from November 2003 and changes recommended by the IEP.

As Stated October 2004	IEP Recommended Revision
<p>Goals</p> <ol style="list-style-type: none"> 1. Provide for a well managed system for protection and conservation of groundfish resources. 2. Provide for a viable and efficient groundfish industry. 3. Increase net benefits that arise from the fishery. 4. Provide for a fair and equitable distribution of fishery benefits. 5. Provide for a safe fishery. 6. Capacity rationalization through market forces. <p>Objectives</p> <ol style="list-style-type: none"> 1. Takes into account structure of the stocks. 2. Minimize ecological impacts while taking the available harvest. 3. Reduce bycatch and discard. 4. Encourage sustainable fishing practices. 5. Account for total groundfish mortality. 6. Promote individual accountability - responsibility for landed catch and bycatch. 7. Avoid provisions where the primary intent is a change in marketing power balance between harvesting and processing sectors. 8. Avoid excessive quota concentration. 9. Provide certainty/stability for economic planning. 10. Provide operational flexibility. 11. Minimize adverse effects on fishing communities to the extent practical. 12. Promote economic and employment benefits through the seafood catching, processing, and distribution elements of the industry. 13. Provide efficient and effective monitoring and enforcement. 14. Design a responsive review and modification mechanism. 	<p>Goals</p> <ol style="list-style-type: none"> 1. Increase regional and national net benefits including improvements in economic, social, environmental, and fishery management objectives. <ul style="list-style-type: none"> <i>This goal subsumes the previous very general goal of "providing for a well managed system" and other broad goals (goals 2, 3, 4, and 5 from October 2004).</i> <i>Most of these more specific goals are reflected in Magnuson-Stevens Act national standards and other guiding legislation and executive orders. More specific interpretation and statement of this goal is also provided through the associated objectives. Improved conditions should be considered to include conditions for harvesters, processors, crew, support industries, and communities (i.e., all of those with a stake in the industry) as well as the nation as a whole (improved net social benefits).</i> 2. Achieve capacity rationalization through market forces and create an environment for decision making that can rapidly and efficiently adjust to changing conditions. <ul style="list-style-type: none"> <i>This goal is intended to address both private and public decision making.</i> <p>Objectives</p> <ol style="list-style-type: none"> 1 Provide for a viable, profitable, and efficient groundfish fishery (previously Goal 2, with addition of the word of "profitable"). 2 Minimize <u>negative</u> ecological impact (previously Obj 2). <i>(The panel's perspective is that the clause "while taking the available harvest" can be assumed.)</i> 3. Reduce discard mortality (previously Obj 3). <i>(Under the MSA, bycatch is discarded catch so the terms are redundant. Additionally, through this recommended change in wording the panel is suggesting that perhaps the issue of greatest concern is discards that die rather than total discards.)</i> 4. Objective 4 deleted. <i>This objective seemed vague and is addressed under mandates of the Magnuson-Stevens Act and other law.</i> 5. Promote individual accountability - responsibility for <u>catch</u> (landed catch and discards.) (previously Obj 6). 6. <u>Increase</u> stability for <u>business</u> planning (previously Obj 9). 7. <u>Increase</u> operational flexibility (previously Obj 10). 8. Minimize adverse effects <u>from IFQs</u> on fishing communities to the extent practical (previously Obj 11) 9. Objective 12 deleted. <i>Remove as an objective and address as narrative under the goal.</i> <p>Constraints and Guiding Principles</p> <ol style="list-style-type: none"> 1. Take into account the biological structure of the stocks including such factors as populations and genetics (expansion of Obj 1). 2. Take into account the needs to ensure that the total OYs and ABC for the trawl and all other sectors are not exceeded (expansion of Obj 1). 3. Account for total groundfish mortality (previously Obj 5). 4. Avoid provisions where the primary intent is a change in marketing power balance between harvesting and processing sectors (previously Obj 7). 5. Avoid excessive quota concentration (previously Obj 8). 6. Provide efficient and effective monitoring and enforcement (previously Obj 13). 7. Design a responsive review evaluation and modification mechanism (previously Obj 14).
<p>The TIQC recommended accepting the IEP recommendations with the following changes:</p> <ul style="list-style-type: none"> • Restore the deleted clause in Objective 2 "while taking the available harvest". • Restore Objective 9 (previously Objective 12) with the following changes: change "catching" to "harvesting", insert "measurable" as the second word in the sentence, and add "support sectors" to the list of sectors covered by the objective. 	
<p>Council Action from November 2004: Change Objective 3 to read: "Reduce bycatch and discard mortality".</p>	

Figure 1.1-1. Trawl IFQ and Intersector Allocation Processes

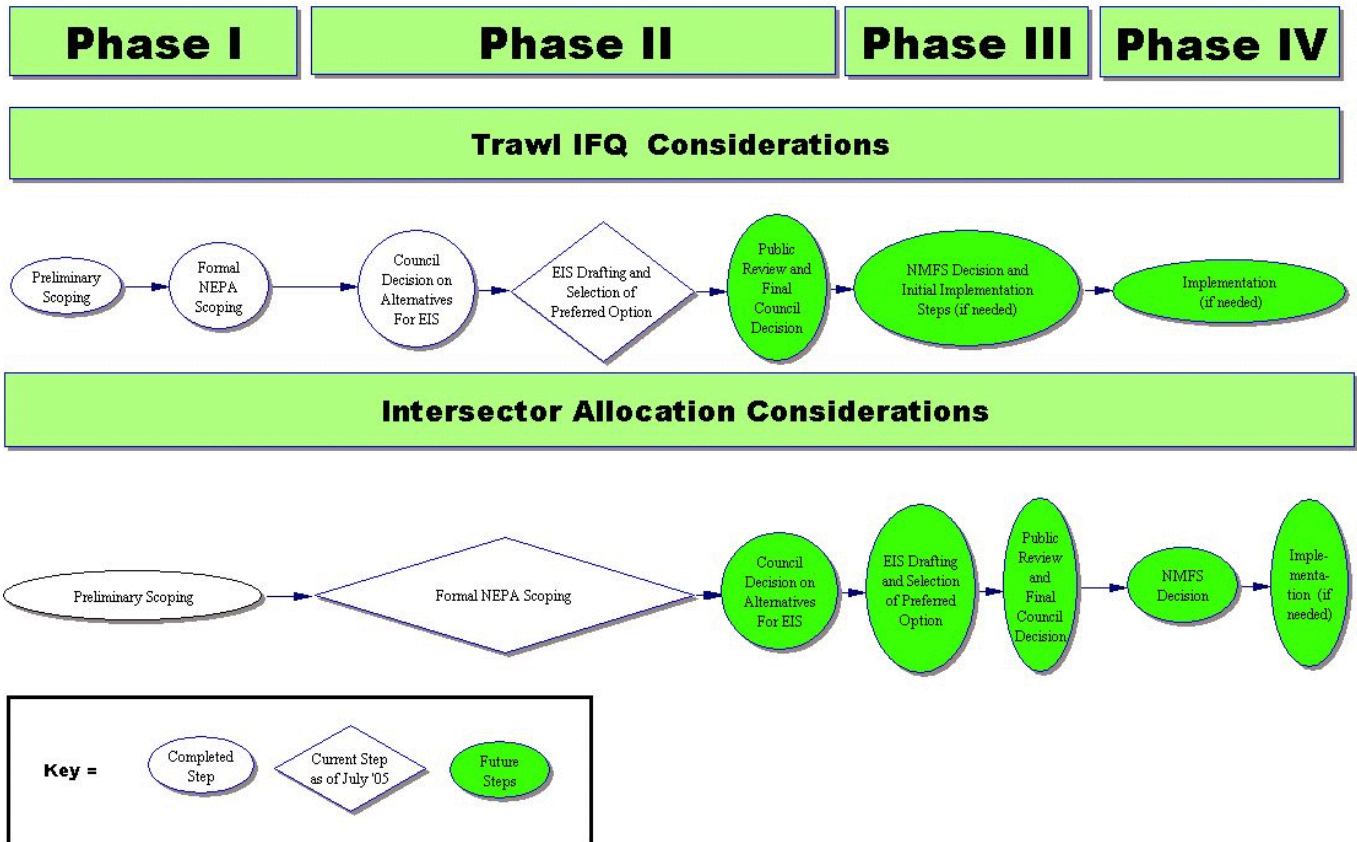
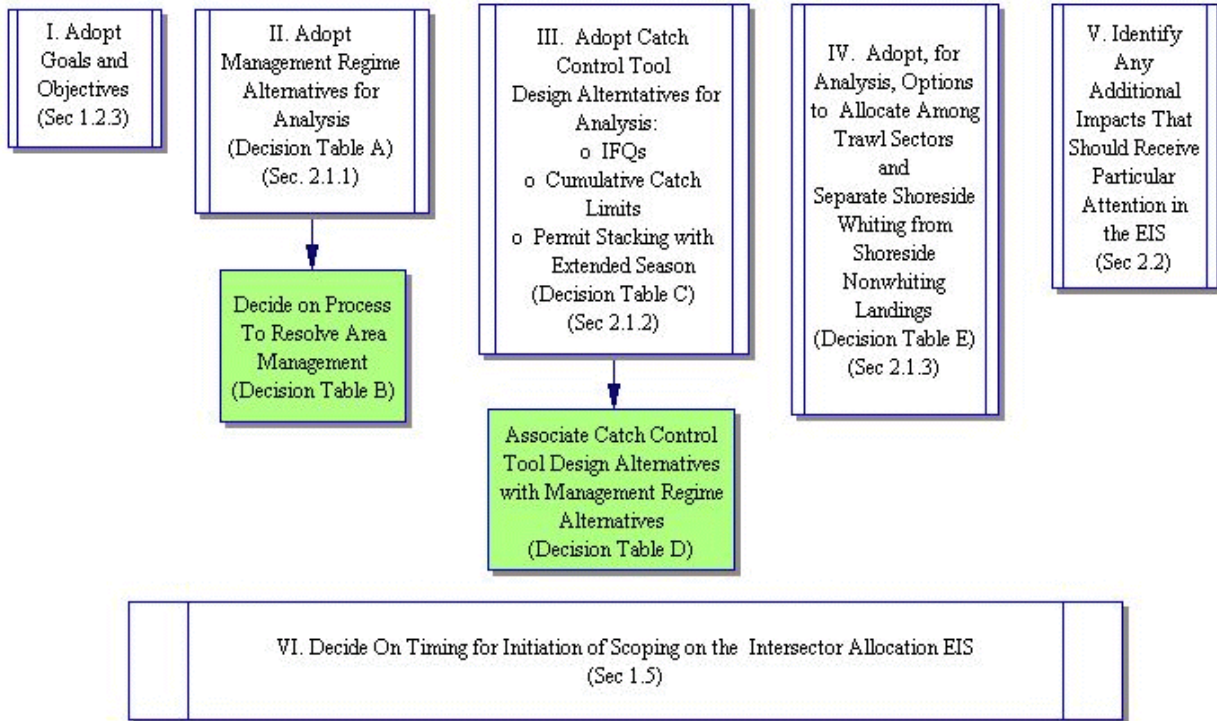


Figure 1.5-1. Decision tasks (June 2005).



2.0 ALTERNATIVES AND IMPACTS

The primary subject of this scoping process is consideration of DAP programs, and in particular IFQ programs, for the nontribal, Pacific Coast groundfish trawl fishery. Based on the goals and objectives, a determination will be made as to whether status quo, IFQs, or some other management tools provide the best means to control total catch.

Section 1.2.3 identifies goals and objectives associated with the purpose for action (Task I for the June 2005 Council meeting). Chapter 2 of this scoping summary report identifies a set of alternatives developed to address those goals and objectives and topics to address in the analysis. Section 2.1 describes three issues related to development of a trawl IFQ program (Tasks II, III, and IV for the June 2005 Council meeting). For each of these issues, the alternatives on the table going into the June 2005 Council meeting are described. The issues are covered in the following subsections:

- Section 2.1.1 Specify the structure of the catch control management regime (Task II).
- Section 2.1.2 Specify the design of each tool to be employed (Task III).
- Section 2.1.3 Resolve allocation issues among trawl sectors (Task IV).

Note: Initial IFQ allocations are addressed as part of the design issues of Section 2.1.2, allocations among trawl sectors are addressed in Section 2.1.3, and allocation between trawl and other sectors would be addressed as part of a separate but related intersector allocation process.

Section 2.2 discusses the types of environmental impacts that would be evaluated in an EIS for the proposed action (Task V for the June 2005 Council meeting).

Section 2.3 provides a preliminary assessment of a few of the main impacts expected under the alternatives.

Section 2.4 summarizes the Council's June 2005 actions pertaining to Tasks II through IV, the adoption of a set of alternatives for analysis in an EIS, and Task V, scoping the impacts to be evaluated.

An overview of all Council actions from its June 2005 meeting is provided in Section 1.5.

2.1 Description of the Alternatives

2.1.1 Management Regime Decisions

- Task II (from June 2005 Council meeting, see Section 1.2.3 for Task I)
- Adopt management regime alternatives for analysis in the draft IFQ EIS. **Decision Table A (page 2-1)**, see following page for a summary of the table).
 - Decide on a process for considering area subdivisions for some species or species groups. **Decision Table B (page 2-6)**

In this section the management regime is considered at a general level so that preliminary decisions can be made on its structure. Two management regime decision tables (A and B) are provided for consideration before addressing the catch control tool design elements covered in Section 2.1.2. There are seven management regime alternatives in Decision Table A (which starts on page 2-1). Changes recommended in the final TIQC report (Appendix J) are noted in the table. The following is the general structure of the management regime alternatives covered in Decision Table A, with respect to the catch control tools employed. For each alternative, the primary catch control tools included in the alternative are noted.

Overview of Management Regime Alternatives							
Primary Catch Control Tool Alternatives	Alt 1 Status Quo	Alt 2 IFQ for Trawl Target Species	Alt 3 IFQ for Groundfish (Except "Other Fish")	Alt 4 IFQ for All Groundfish	Alt 5 Cumulative Catch Limits	Alt 6 Cumulative Catch Limits & Stacking	Alt 7 Cumulative Catch Limits, Stacking, & Extended Cumulative Limit Periods
Cumulative Landing Limits	Included	-	-	-	-	-	-
Season Closures ^{a/}	Included	*	*	*	Included	Included	Included
IFQ Program	-	Included	Included	Included	-	-	-
Cumulative Catch Limits	-	Included	Included (for low OY conditions)	-	Included	Included	Included
Permit Stacking	-	-	-	-	-	Included	Included
Extended Cumulative Limit Periods	-	-	-	-	-	-	Included

a/ Season closures are the primary tool used to control catch in the whiting fishery. While season closures sometimes occur for some species in the nonwhiting fishery, it is the Council's general policy to use cumulative limits to try to maintain year round opportunities in the nonwhiting groundfish fisheries.

* In order to limit impacts on ESA listed salmon stocks there may be seasons for whiting, but season closures would not be the primary whiting catch control tool under an IFQ program.

The above alternatives are displayed in Decision Table A as follows:

- Alternative 1 is status quo (column 2 of Decision Table A)
- Alternatives 2 through 4 are IFQ program alternatives (columns 3-5 of Decision Table A)
- Alternatives 5 through 7 are nonIFQ alternatives (shown at the bottom of Decision Table A)

Decision Table A: Accept or modify the following seven management regimes, see end of table for Alternatives 5-7 (Section 2.1.1). (Page 1 of 4)

Species Groups and Management Tools				
Alt 1 - Status Quo	Alt 2 - IFQs for Trawl Target Groundfish	Alt 3 - IFQs for All Groundfish Except "Other Fish"^{a/}	Alt 4 - IFQs for All Groundfish^{b/}	
NonWhiting Fishery Management Tools and Species (Sections 2.1.1.1 - 2.1.1.3)				
Primary Management Tools	-	Manage with IFQ for target species and species for which there is a trawl allocation.	Manage with IFQ for all groundfish except the "Other Fish" category of groundfish and except in situations in which the OY for the species is very low (see below).	Manage with IFQ for all groundfish. ^{b/}
	Cumulative landing limits for nonwhiting species/species groups.	Transferable cumulative catch limits for other groundfish species managed with cumulative landing limits under status quo. ^{c/}	-	-
	Monitoring only for other species.	Monitoring only for other species.	Monitoring only for other species.	-
Adjustments for Low Harvest Levels	The Council may suspend intersector allocations when a species is overfished.	Low OY Management: Same as status quo plus. For IFQ species, management does not change with low OYs. If the OY for a nonIFQ species becomes extremely low (such as for a rebuilding species) manage with nontransferable cumulative catch limits. ^{d/e/f/} Low OY Threshold: Establish a threshold at which point a species would switch from incidental catch management to "Low OY management" (e.g., B _{25%}).	Low OY Management: Same as status quo plus. If the OY for any species becomes extremely low, switch from IFQs for that species and instead manage the sector allocation as a pool using nontransferable cumulative catch limits to control catch. ^{g/f/} Decide on whether or not to use "Low OY management" as part of the biennial specifications process.	Same as status quo.
Prohibited Species	Trawl prohibited species - monitoring only.	Trawl prohibited species: monitoring only.	Trawl prohibited species: monitoring only.	Trawl prohibited species: monitoring only except IBQ for Pacific halibut or sector caps. Suboptions - Pacific halibut retention: 1: none. The TIQC has recommended elimination of the following halibut retention suboptions, previously listed as part of Alternative 4: Pacific halibut retention allowed 2: when LE TWL vessel use longline & IBQ. 3: when any vessel uses longline & IBQ (acquired from LE TWL). 4: when LE TWL vessel uses groundfish trawl.

Decision Table A: Accept or modify the following seven management regimes, see end of table for Alternatives 5-7 (Section 2.1.1). (Page 2 of 4)

Species Groups and Management Tools				
	Alt 1 - Status Quo	Alt 2 - IFQs for Trawl Target Groundfish	Alt 3 - IFQs for All Groundfish Except "Other Fish"^{a/}	Alt 4 - IFQs for All Groundfish^{b/}
Whiting Fishery Management Tools and Species (Sections 2.1.1.1 - 2.1.1.3)				
Primary Management Tools	No IFQ.	IFQ for whiting.	IFQ for whiting and all incidentally caught groundfish except the "Other Fish" category of groundfish.	IFQ for whiting and all incidentally caught groundfish species. ^{b/}
	Sector allocation with catch limited by season closure.	Possible continuation of seasons to control impacts on ESA listed salmon stocks.	Possible continuation of seasons to control impacts on ESA listed salmon stocks.	Possible continuation of seasons to control impacts on ESA listed salmon stocks.
	Possible season constraints to protect overfished species.	Sector catch caps for other incidentally caught nonwhiting groundfish species for which allocations have been established. No cumulative catch limits. Season closes when fleet catch cap is reached.	-	-
	Other species managed with monitoring only.	Monitoring only for other species.	Monitoring only for other species.	-
Prohibited Species	Trawl prohibited species - monitoring only.	Trawl prohibited species: monitoring only.	Trawl prohibited species: monitoring only.	Trawl prohibited species: monitoring only except IBQ for Pacific halibut or sector caps. Suboptions - Pacific halibut retention: 1: none. The TIQC has recommended elimination of the following halibut retention suboptions, previously listed as part of Alternative 4: Pacific halibut retention allowed 2: when LE TWL vessel use longline & IBQ. 3: when any vessel uses longline & IBQ (acquired from LE TWL). 4: when LE TWL vessel uses groundfish trawl.

Decision Table A: Accept or modify the following seven management regimes, see end of table for Alternatives 5-7 (Section 2.1.1). (Page 3 of 4)

Species Groups and Management Tools				
Alt 1 - Status Quo	Alt 2 - IFQs for Trawl Target Groundfish	Alt 3 - IFQs for All Groundfish Except "Other Fish"^{a/}	Alt 4 - IFQs for All Groundfish^{b/}	
Trawl Sectors and Intersector Transfers (Section 2.1.1.4)				
Sectors	<p>Three Sectors:</p> <ul style="list-style-type: none"> • shoreside deliveries, • mothership deliveries, and • catcher-processor deliveries 	<p>Four Sectors:</p> <ul style="list-style-type: none"> • shoreside whiting deliveries, • shoreside nonwhiting deliveries, • mothership deliveries, and • catcher-processor deliveries <p style="text-align: center;">(FROM 2.1.1.4 Option 3)</p>	<p>Three Sectors:</p> <ul style="list-style-type: none"> • shoreside deliveries, • mothership deliveries, and • catcher-processor deliveries <p style="text-align: center;">(FROM 2.1.1.4 Option 2)</p>	<p>One Sector</p> <p style="text-align: center;">(FROM 2.1.1.4 Option 1)</p>
Intersector Transfer/ Trading	<p><u>Whiting:</u> Sector allocations fixed by formula with procedure for midseason transfer of unused allocation.</p> <p><u>Nonwhiting species:</u> There is no inseason transfer of catch opportunity between trawl sectors except through Council inseason management.</p>	<p><u>Whiting:</u></p> <p>Option 1: IFQ nontransferable between trawl sectors.</p> <p>Option 2: IFQ nontransferable between trawl sectors with procedure for midseason rollover of unused IFQ to another sector.</p> <p><u>Nonwhiting species:</u> Sector catch cap roll-over: Roll-over any unused incidental catch from one whiting sector to the next as the year progresses.^{h/} Allow purchase of nonwhiting species IFQ from the nonwhiting sector. Such IFQ would be placed in the pool for vessels operating in the whiting sector.</p>	<p><u>Whiting:</u> IFQ nontransferable between trawl sectors.</p> <p><u>Nonwhiting species:</u> Do not allow transfer of nonwhiting IFQ from one trawl sector to another.</p>	<p>No subdivision of whiting sectors (there may or may not be a subdivision for purposes of initial allocation).</p>

Decision Table A: Accept or modify the following seven management regimes, see end of table for Alternatives 5-7 (Section 2.1.1). (Page 4 of 4)

Species Groups and Management Tools				
Alt 1 - Status Quo	Alt 2 - IFQs for Trawl Target Groundfish	Alt 3 - IFQs for All Groundfish Except "Other Fish"^{a/}	Alt 4 - IFQs for All Groundfish^{b/}	
Groundfish Catch of Limited Entry Trawl Vessels Using Gears Other Than Groundfish Trawl (Section 2.1.1.5) (Options are Relevant for IFQ Catch Control Only)				
<p>Trawl Vessel Exempted Gear Quota Accounting and Catch Control (Includes Exempted Trawl and Exempted Nontrawl Gears)</p>	<p>Exempted gear -catch by LE trawl vessels counts against LE allocation (trawl and fixed gear)* but is subject to open access trip limits.</p> <p>*With the exception of sablefish for which there is a separate LE trawl allocation against which such catch is counted.</p>	<p>Exempted gear - IFQ is not required.</p> <p>Catch counts against the OA allocation and is managed as part of the OA fishery. Some catch will be allocated from the LE trawl to OA fishery.</p> <p>(From 2.1.1.5 Opt 2C)</p> <p>The TIQC has recommended elimination of the following options which might otherwise be included as part of Alternative 2: IFQ is not required. Catch counts against a subquota of the LE trawl allocation, managed without IFQ. (From 2.1.1.5 Opt 2A) OR . . . the OA allocation and is managed as part of the OA fishery. (From 2.1.1.5 Opt 2B)</p>	<p>Exempted gear - IFQ required.</p> <p>Catch counts against LE Trawl. Open access catch control regulations apply.</p> <p>(From 2.1.1.5 Option 1A)</p>	<p>Exempted gear - IFQ required.</p> <p>Catch counts against LE Trawl. Open access trip limits do not apply.</p> <p>(From 2.1.1.5 Option 1B)</p>
<p>Trawl Vessel Longline and Fish Pot Without LE Endorsement (Fixed Gear Gear Quota Accounting and Catch Control)</p>	<p>Longline and fishpot - Catch by LE trawl vessels counts against LE allocation (trawl and fixed gear)* but is subject to open access trip limits.</p> <p>*With the exception of sablefish for which there is a separate LE trawl allocation against which such catch is counted.</p>	<p>Longline and fishpot - IFQ required.</p> <p>Catch counts against LE Trawl. LE fixed gear catch control regulations apply.</p> <p>(From 2.1.1.5 Option 1A)</p> <p>The TIQC has recommended elimination of the following options which might otherwise be included under an alternative: IFQ is not required. Catch counts against a subquota of the LE trawl allocation, managed without IFQ. (From 2.1.1.5 Opt 2A) . . . an LE fixed gear allocation and is managed as part of the LE fixed gear fishery. (From 2.1.1.5 Opt 2B) . . . [same as 2B except some catch will be allocated from the LE trawl to the LE fixed gear fishery]. (From 2.1.1.5 Opt 2C)</p>	<p>Longline and fishpot - IFQ required.</p> <p>Catch counts against LE Trawl. LE fixed catch control regulations do not apply.</p> <p>(From 2.1.1.5 Option 1B)</p>	<p>Longline and fishpot - IFQ required.</p> <p>Catch counts against LE Trawl. LE fixed catch control regulations do not apply.</p> <p>(From 2.1.1.5 Option 1B)</p>
Alternative 5:	Cumulative Catch Limits - same as status quo except replace cumulative landing limits with cumulative catch limits. Continue season management for whiting and incidental catch species. (TIQC recommends Alt 5 be eliminated.)			
Alternative 6:	Cumulative Catch Limits and Permit Stacking - same as Alternative 5, but add permit stacking. (TIQC recommends Alt 6 be eliminated).			
Alternative 7:	Cumulative Catch Limits, Permit Stacking, and Extended Periods - same as Alternative 5, but add permit stacking and extend the cumulative limit period.			

- a/ "Other Fish" is a groundfish category that includes sharks, skates, rays, rattfish, morids, genadiers, kelp greenling, and Pacific cod.
- b/ The TIQC final recommendations would not use IFQs to manage the "Other Fish" groundfish category but would use IBQs or sector caps to manage Pacific halibut.
- c/ NonIFQ Species - Trawl share based on biennial Council decision. 1. Transferable cumulative catch limit between vessels within period (full or partial limit transfers, depending on length of limit period). 2. Any transfers between vessels are temporary.
- d/ Eliminate the transferability of cumulative catch limits and implement season closure for the affected species on reaching the fleet limit for that species.
- e/ Retention allowances within the catch limits may vary based on annual management measure decisions.
- f/ Other measures to keep bycatch rates low may stay in place (e.g., RCAs).
- g/ Implement season closure for the affected species on reaching the fleet limit for that species.
- h/ There would not be a rollover from the nonwhiting to whiting sector.

Aspects of Decision Table A are described in more detail in the following subsections.

- the general structure of Decision Table A alternatives Sec 2.1.1.1
- the catch control tools (IFQ and others) used in the alternatives Sec 2.1.1.2
- species and species groups with to be covered with IFQs and sector allocations Sec 2.1.1.3
- subdivision within the trawl sector Sec 2.1.1.4
- trawl vessel groundfish catch taken with other than groundfish trawl and retention of prohibited species catch Sec 2.1.1.5

West Coast groundfish fishery managers, under the measures specified for the alternatives of Decision Table A, would continue to have other FMP management tools available to address the FMP’s broad goals. For example, whiting fisheries managed under an IFQ program might continued to operate within a spring-summer season in order to reduce incidental catch of Pacific salmon.

Consideration of IFQs brings up one issue not currently reflected in Decision Table A: ***whether or not IFQs would increase the need for additional subdivision of regional management area units to mitigate potential biological and socioeconomic impacts.*** The Council has historically managed several groundfish species or species groups by fishery management area. For most of these, the area divisions are 40° 10' N. lat, or near the northern boarder of the Conception management area. Additional regional management area divisions may be warranted if analysis determines that new catch control tools, such as IFQs, might result in geographic shifts in harvest that have adverse biological or socio-economic effects. This issue is addressed in Section A.1 of Appendix A.

Regional management area provisions will likely be implemented first as modifications to the OY table adopted as part of the annual specifications (e.g., Table 2.1-1). When such adjustments are made, corresponding changes would be required for the IFQ issued (see Section B.1.8). The management decisions made here will not preclude future development of new regional management areas, though such specifications may become more complex once an IFQ program is implemented. The following are the regional management area process options for Council consideration at the June 2005 meeting:

Decision Table B: Decide on a process for addressing regional management area issues.

- | | |
|------------------|--|
| Process Option 1 | Plan to establish additional regional management areas as needed at a later time.
<i>(TIQC recommendation: Area restrictions should be based solely on the need to address stock conservation concerns.)</i> |
| Process Option 2 | Task a group to immediately begin considering the need for additional regional management areas (biological or socioeconomic) and potential boundaries along with a process for identifying and responding to regional management area issues that may develop or become more apparent in the future. |
| Process Option 3 | If an IFQ Program is adopted, task a group with considering the need for additional regional management areas (biological or socio-economic) and potential boundaries along with a process for identifying and responding to regional management area issues that may develop or become more apparent in the future. |

Summary of Comments Received on Management Regime Decisions

During the May 24 through August 2, 2004 formally-announced, NEPA public scoping period, the Council received the following comments from the public on management regime alternatives:

Management regime comments received during public scoping period.	
Comments received on management tools	Source of comment
Community Development Quotas (CDQs)	
Supported	CJC, POORT, ED, Survey (ED)
Opposed	Individual (1)
Individual Processor Quotas (IPQs)	
Opposed	Individual (1)
Vessel Cumulative Limits with Extended Periods (3, 4, or 6 months)	PMCC
Reduce Season Length	Individual (1)
Consider Marine Reserves and Reduce Quotas (50% in first year and 10% in each year thereafter)	Individual (1)
Bycatch Caps for Overfished Species	ED, PMCC
IFQ for All Species	WCSPA
Comments received on bycatch cap design elements The following comments are likely using the term “bycatch” to refer to incidental catch, rather than only discards (bycatch as defined under the Magnuson-Stevens Act.)	
Sector Bycatch Caps for Overfished Species <ul style="list-style-type: none"> ● Caps for the trawl fleet or possibly subdivisions of the trawl fleet (explicit allocation of an amount of overfished species) ● Sector stops fishing on attainment of the cap ● Adequate monitoring (not necessarily 100% monitoring) ● No action recommended with respect to nonoverfished species 	PMCC
Sector Bycatch Caps - Nontransferable	PMCC
Sector Bycatch Caps - Transferable	ED

2.1.1.1 Catch Control Management Regime Alternatives - Description and Rationale

The following general specifications are included as part of Decision Table A.

- Alternative 1: Status Quo** - All species are managed under one of the following: cumulative limits, season closures (Pacific whiting), catch monitoring only.
- Alternative 2: IFQ for Trawl Targets** - IFQ for groundfish species that are primarily trawl targets with minimal harvest by other sectors (dover sole, thornyhead, and trawl-caught sablefish complex (DTS), slope rockfish, nearshore flatfish, whiting split by sector) and target species that already have a trawl allocation, i.e., sablefish (with separate types of IFQ for each trawl sector). Transferable, cumulative

catch limit management or monitoring only for all other groundfish, and status quo management for prohibited species.

Alternative 3: IFQ for All Groundfish Except “Other Fish” - IFQ for all groundfish species except “Other Fish” (with separate types of IFQ for each trawl sector). Status quo management for “Other Fish” and prohibited species.

Alternative 4: IFQ for All Groundfish - All groundfish species would be covered by an IFQ, (with no division of the trawl sectors). Individual bycatch quotas (IBQ) (for halibut. Status quo for other prohibited species.

Alternative 5: Cumulative Catch Limits - Cumulative catch limits for all species currently managed with cumulative landing limits (season management for the whiting fishery, including incidental catch species).

Alternative 6: Cumulative Catch Limits and Permit Stacking - Same as Alternative 5 but add permit stacking.

Alternative 7: Cumulative Catch Limits, Permit Stacking and Extended Periods - Same as Alternative 5, but add permit stacking and extend the cumulative limit period.

The TIQC initially recommended some other design elements for the management regime under these alternatives, also shown in Decision Table A:

- when OYs for species managed with cumulative limits are set very low due to rebuilding schedules, switch from transferable cumulative limits to nontransferable cumulative limits (Alternative 2),
- when OYs are set very low due to rebuilding schedules, a provision to switch from IFQs to sector caps with catch rates controlled by nontransferable cumulative catch limits (Alternative 3), and
- use of sector caps with no cumulative limits for bycatch species in the whiting fishery (Alternative 2).

Options for trawl sector division, the management of trawl vessel catch taken with other than groundfish trawl gear, and retention of prohibited species are also incorporated into the IFQ management regime alternatives in Decision Table A (Alternatives 2, 3 and 4). These options are described in more detail in Section 2.1.1.4 and 2.1.1.5.

The alternatives listed above describe general rules for determining the management tools which would be applied to each groundfish species or species group and prohibited species. Table 2.1-1 lists the species and species groups for which the Council currently sets OYs and controls harvest (in 2004), along with three prohibited species (Pacific halibut, Pacific salmon, and Dungeness crab).

Individual quotas for prohibited species are termed IBQ. Each column in Table 2.1-1 specifies the implementation of an alternative from the columns of Decision Table A by indicating the management approach that would be used for each species or species group, based on the above guidelines. There are multiple rows for species or species groups that either have regional management areas or for which harvest is divided among trawl sectors (e.g., Pacific whiting). During each management cycle, adjustments might be made to the rows in Table 2.1-1 as a result, for example, of first-time stock assessments, newly created regional management areas or division of a trawl allocation among sectors of the trawl fishery. If such adjustments result in the subdivision

of a species or species group already managed under IFQs, the process for adjustments are described in Section B.1.8.

The TIQC spent an extensive amount of time discussing a system under which some species would be managed using IFQ and others would be managed with more traditional management measures. The primary concern was the control of harvest of the non-IFQ species. In discussing the non-IFQ management measures to be used, it was agreed the principle of individual accountability and responsibility should guide the design of management measures. On this basis, the TIQC found it appropriate to support a regime that focuses on catch limits rather than landing limits, such that individuals are held accountable for their landings and discards, for example, vessel cumulative landing limits.

Managing catch of non-IFQ species with vessel cumulative catch limits could lead to difficult situations for some vessels, therefore consideration of transferable cumulative catch limits is recommended by the TIQC. Concern was expressed over the effect of “disaster tows”. Cumulative catch limits would likely be based on incidental catch rates that are derived from averages reflecting fleet performance. However, individual vessel performance is likely to vary from the average, to some degree on the basis of operator skill but also on the basis of chance. Under vessel catch limits, vessels unlucky enough to experience a high bycatch tow could be forced to stop fishing (under the current landing limits system, vessels continue to fish but discard catch in excess of landing limits). Transferability of catch opportunity (cumulative catch limits) might allow a vessel to acquire an additional limit and continue fishing while still limiting catch of the entire fleet to the desired level.

For the whiting fishery, the potential for a disaster tow led to consideration of management of nonwhiting species with sector caps controlled through season closures rather than cumulative limits. The concern was that a vessel may have a disaster tow and be forced to stop fishing as other vessels may be unwilling to sell IFQ or transfer cumulative limits until sure they could take their quota of target species without encountering a disaster tow of their own. The situation in the whiting fishery is different from the nonwhiting fishery in that, for the whiting fishery, all vessels within a whiting sector use essentially the same targeting strategy and have similar probabilities of encountering a high bycatch tow. Under an IFQ program that covers incidental catch species, there would be an opportunity for vessels to privately form a cooperative insurance pool to which they would turn over their IFQ for incidental catch species.

2.1.1.2 Catch Control Tools

The catch control tools being considered for use in the management regime alternatives include:

- vessel cumulative landing limits (this is the primary status quo catch control tool for nonwhiting species),
- season closures (this is the primary status quo catch control tool for whiting),
- trawl individual quotas (TIQs),
- vessel cumulative catch limits, and
- permit stacking and extended cumulative limit periods.

Note: Changes in the tools currently used to influence the mix of species, size, or age composition of the catch (e.g., conservation areas and mesh size restrictions) are not being considered at this time.

Catch control tools such as those identified above, are used to keep the fleet within sector catch caps. Most of the catch control tools being considered do not necessarily require a sector allocation. The exception is trawl-specific IFQs, the implementation of which requires the prior development of sector specific caps.

The alternatives to the status quo management focus on control of total catch, not just on landed catch. As described in Section 1.1, the Council adopted a preferred alternative for a Final EIS on a groundfish bycatch mitigation program in September 2004. The Council is now using the guidance it provided through that preferred alternative to develop Amendment 18 to the FMP. Draft Amendment 18 reaffirms the Council's policy of managing the fisheries to total catch mortality, such that management measures are intended to constrain both landed groundfish catch and discard within groundfish OYs. The TIQC also supports a management regime that focuses on catch limits rather than landing limits, such that individuals are held accountable for their discards. The TIQC agreed that the principle of individual accountability and responsibility should guide the design of management measures, regardless of whether a species is managed with quota shares or other more traditional management measures.

Cumulative Landing Limits (Primary Status Quo Catch Control Tool for the Nonwhiting Fishery)

Cumulative Landing Limits: Limits on landings per time period per vessel or permit; for example: no more than 1000 pounds of canary landed per two month period south of Cape Mendocino (no limit on discards).

Vessel cumulative landing limits directly control amounts landed and indirectly control catch. To be effective as a catch management tool, cumulative landing limits must be combined with accurate estimates of bycatch. These bycatch estimates are used to set fleet landings targets such that landings plus estimated bycatch do not exceed the fleet's catch limit. Vessel landing limits are then set and adjusted as necessary inseason to ensure that fleet landings do not exceed target levels. While season closures sometimes occur for species in the nonwhiting fishery, it is the Council's general policy to use cumulative limits to try to maintain year round opportunities in the nonwhiting groundfish fisheries.

Season Closures (Primary Status Quo Catch Control Tool for the Whiting Fishery)

Managing total catch with season closures requires either complete observer coverage or the use of estimated bycatch to derive total catch estimates. Using either method, seasons can be closed when it is estimated that total catch limits are reached. The whiting fishery has generally been controlled using season closures with trip limits in place outside each sector's main whiting seasons. Prior to 2004, whiting fishery season closures were based on controlling whiting catch. In 2004, for the first time, the whiting season was constrained by the need to control catch of nonwhiting species.

Trawl Individual Quotas

Individual Fishing Quotas: a portion of the available catch exclusively allocated as a privilege for use by an individual fisherman, community, or other entity.

There are many types of individual quota tools, and individual quotas, in turn, are one of a variety of different types of DAP systems. At present, the Council is focusing on individual fishing quotas (IFQ). In this section, a general description is provided of the type of IFQ program being considered. Specific design elements for an IFQ program are addressed in Section 2.1.2 and Appendix B.

Under IFQs, total harvest is controlled by assigning an amount of quota to individual fishermen and holding those individuals responsible for ensuring that their harvest does not exceed the amount they are assigned. The Magnuson-Stevens Act defines IFQs as “a Federal permit under a limited access system to harvest a quantity of fish expressed by a unit or units representing a percentage of the total allowable catch of a fishery that may be received or held for exclusive use by a person” [Sec 3(21)]. IFQs differ from cumulative limits in that, in general, they may not be infringed upon by the harvest of others participants in the IFQ system. In contrast, with cumulative limits or season closures, increased participation by other fishermen can cause inseason reduction in the cumulative limits or reduction in the season length. Typically IFQs also allow fishermen the greatest flexibility in determining (1) the time and area of harvest, and (2) where IFQs are transferable, the scale of their harvest operation.

For the purpose of the program being considered by the Council, the “harvest” controlled by IFQs is defined as catch (independent of whether or not the catch is discarded). In contrast, the trawl IFQ program in British Columbia is based on harvest mortality (some discarded fish are assumed to survive and IFQ need not be used to cover those discarded fish that survive). Other systems around the world use IFQ to control a vessel’s landings (independent of the amount of discards). Because this Council’s IFQ program is being developed within the context of the programmatic bycatch EIS, control of total catch is the focus, and therefore the IFQ program design elements in Section 2.1.2 focus on catch.

Two other key characteristics of the type of IFQ program being considered by the Council are transferability and divisibility. Transferable and divisible IFQs are being considered as a means of facilitating more complete harvest of the fish available under catch limits and enhance efficiency. A vessel reaching its limit for one species may continue to fish if it can acquire IFQ from another IFQ holder. The opportunity for adjustment provided by transferability also reduces the incentive for cheating and, importantly, may enhance economic efficiency.

The term IFQ is generally used to refer to the management of species that may be caught and legally retained. Another term, individual bycatch quotas (IBQ), is sometimes used for individual quotas covering the catch of species that cannot be retained. For example, Pacific halibut, a trawl prohibited species, is one for which IBQ might be specified. Under IBQs, vessels may still be required to discard prohibited species caught while using trawl gear, but would have to stop fishing if they did not have IBQ to cover their bycatch. Suboptions are being considered that would provide some retention options for Pacific halibut catch covered by IBQ but these suboptions are not part of the TIQC’s final recommendations (see Section 2.1.1.5 for discussion).

Other types of DAP systems that might be considered include individual processing quota (IPQ) and community quotas. The Council began work on an IPQ program but discontinued that effort when a moratorium on such considerations was included in a Congressional spending bill. Community quotas have been identified during the public scoping process as a possible tool.

Cumulative Catch Limits

Cumulative Catch Limits: Limits on catch per time period per vessel or permit; for example: no more than 1,000 pounds of canary landed or discarded per two month period south of Cape Mendocino.

Cumulative catch limits apply to the vessel and are like cumulative landing limits, except they apply to catch (landings plus discards) rather than only landings. When the cumulative catch limit for a particular species is reached, a vessel would have to cease operations in those segments of the fishery where that species is caught. This differs from vessel landing limits, under which vessels are allowed to keep fishing but must discard fish caught in excess of the landing limit. Cumulative catch limits might or might not be temporarily transferable between vessels within the designated period to which they apply. It is also proposed that if the cumulative catch limit period is extended beyond 2 months, consideration should be given to allowing partial transfer of cumulative catch limits.

Permit Stacking and Extended Cumulative Limit Periods

Permit Stacking: Vessels with more than one groundfish trawl LE permit may catch additional cumulative limits for each permit registered for the vessel; for example, a vessel with three permits might receive a cumulative limit of 1,000 pounds of canary for each of its permits for a total of 3,000 pounds during a two month cumulative limit period.

Extended Period Length: The cumulative limit periods would be longer than the typical two month periods currently used; for example, a vessel might have six months to catch its canary limit and the canary limit would be substantially larger than for the two month period (e.g., 6,000 pounds per permit per six month period).

Permit stacking is the practice of registering multiple groundfish limited entry permits for a single vessel. Vessels that stack permits would be allowed some portion of an additional cumulative limit for each trawl endorsed permit that is stacked. Cumulative limits are generally set at levels which anticipate that many vessels will not catch their available limit. If a full cumulative limit were allowed for each permit stacked, it is likely that a greater percentage of the cumulative limits would be fully caught. Therefore, cumulative limits per permit would need to be reduced, and vessels not stacking permits could see their limits decline. If vessels with stacked permits were only given a partial cumulative limit for each stacked permits, then the stacking of permits might not change the basic cumulative limit for vessels with only a single permit.

The second part of this proposal would extend the cumulative limit period from the current duration of two months to a duration of up to 12 months. A 12 month cumulative limit would either be an annual vessel quota, or, if cumulative limits were set such that if every vessel takes its limit the fleet catch targets would be exceeded, the fishery would be managed as a derby or Olympic fishery (i.e., vessels would race to take their allotted catch before the fishery is closed due to attainment of the fleet's aggregate catch limit).

2.1.1.3 Species and Species Groups to be Covered by IFQs and Sector Allocations

An IFQ can only be established for species or species groups for which a trawl allocation/target/limit/cap^{3/} is established. However, even if an allocation is established, the trawl sector's access to that allocation is not necessarily guaranteed.

The following reflects the need for intersector allocations under each IFQ alternative (*these alternatives are included as part of Decision Table A*).

Alt 2: Trawl Target IFQs -	Whether an IFQ is used to control harvest of a particular species or species group would be based on whether or not other sectors have more than an incidental harvest of the species or species group and, if so, whether a trawl allocation has been established. If there is competition between sectors and no trawl allocation has been established, there is no mandate to establish one. Trawl allocations could be established for the long-term or as part of a biennial allocation process.
Alt 3: All Groundfish Species Except "Other Fish" -	A trawl allocation would have to be established for every groundfish species or species group for which there is more than a small amount of incidental trawl harvest, except "Other Fish", and for which there is competition between the trawl and other sectors.
Alt 4: All Species IFQs -	Trawl targets or limits would be established for all species or species groups and IFQ used to ensure that limits are not exceeded.

Under Alternative 2, if for a particular species a trawl allocation is not established, cumulative catch limits and season closures would be considered for use to keep the trawl fishery within levels anticipated in the preseason planning process (cumulative catch limits might possibly be combined with permit stacking and extended cumulative limit periods). If an allocation is established and the trawl sector appeared to be on a trajectory that would result in catch in excess of the level planned for it during the preseason process, the Council would make an inseason decision as to whether to further constrain the trawl sector, other sectors, or make no changes (if some fisheries were catching less than expected). On the other hand, if another fishery was over its limit the Council might choose to apply an inseason constraint to the trawl fishery to ensure that the overall OY is not exceeded.

Trawl sector catch caps, whether managed with IFQs or any other catch control tool, would not necessarily preclude the possible constraint of the trawl fishery as a result of an overage in another sector. The effect of an overage by one sector on the harvest opportunity of another needs to be

3/ Various names have been applied to the type of sector catch caps including pooled species caps and incidental catch allowances (ICAs). All are sector level catch limits. Sector caps differ from sector landings quotas in that they apply to catch rather than landings.

evaluated in the context of the structure of management of the entire fishery and practical implications. Exceeding the ABC constitutes overfishing. The OY is generally a catch mortality target which we are trying to achieve over the long-term. The status of overages and response to them may vary depending on whether the OY is set at or below ABC, and whether the stock is under a rebuilding plan. The Council and NMFS should not intentionally allow overfishing. Overfishing (exceeding ABC) is based on a one year criteria, not a long-term average. Therefore, the management system should not allow harvest in excess of the ABC in any one year. If OY is set at ABC there may be little opportunity to allow a sector to exceed its cap, as a response to unexpected circumstances in a particular year. For healthy stocks for which OY is set below ABC, there may be more ability to allow overages for a sector so long as the system is designed to achieve the OY on average over the long-term. However, for stocks that are being rebuilt, the OY may be considered a harder cap than for healthy stocks. For rebuilding stocks any provisions that might allow harvest to exceed OY in a given year, but achieve it on average, would need to be accounted for as part of the rebuilding plan. It may be possible to set up a system under which each sector has its own amount of fish to harvest and the overharvest by one sector would not affect the other, however, the process would have to show that the system would not adversely affect stock rebuilding plans, result in overfishing, or lead to a stock being classified as overfished.

2.1.1.4 Subdivision Within the Trawl Sector

The following options for potential subdivision of the trawl sector were developed by the TIQC and have been incorporated into Decision Table A:

Division of Trawl Sectors (Incorporated in Decision Table A)				
Option 1 (Used in Alternative 4)	One Trawl Sector			
Option 2 (Used in Alternative 2)	Shoreside Deliveries		Mothership Deliveries	Catcher-Processor Deliveries
Option 3 (Used in Alternative 3)	Shoreside Nonwhiting Deliveries	Shoreside Whiting Deliveries	Mothership Deliveries	Catcher-Processor Deliveries

(Note: the same divisions need not apply to all species)

For the purpose of defining the at-sea processing sector (motherships and catcher-processors) fish dressed and iced at-sea would **not** be considered processed at-sea, and fish frozen at-sea would be considered processed at-sea.

Division of the trawl sector under Options 2 or 3 implies that transfers of IFQ between subdivisions would be limited or prohibited. Currently, only whiting is explicitly allocated between catcher-processors, vessels delivering shoreside, and vessels delivering to motherships. Under Options 2 or 3, it may be necessary to make additional explicit allocations among these sectors for groundfish species other than whiting^{4/} (Section 2.1.3). Under Option 3, an allocation of whiting between shoreside-whiting and shoreside-nonwhiting vessels would be needed. Subdivision of the trawl sector is discussed in more depth in Section A.2.

4/ An allocation for whiting already exists.

The trawl sector divisions specified in Options 2 and 3 do not distinguish between nonwhiting IFQ for the at-sea whiting fishery (deliveries to motherships and catcher-processors) and nonwhiting IFQ that could be delivered at-sea independent of the at-sea whiting fishery. If the at-sea sectors are allocated only enough nonwhiting IFQ to prosecute the whiting fishery, development of at-sea processing for fisheries targeted on nonwhiting groundfish species would be unlikely. This would maintaining shoreside processing for all or nearly all nonwhiting trawl fisheries (i.e. status quo). Under Option 1, there is no division of the trawl sector and so there would be opportunity for development of a fishery for nonwhiting species delivered to at-sea processors.

2.1.1.5 Trawl Vessel Groundfish Catch Taken with Other Than Groundfish Trawl Gear and Retention of Prohibited Species Catch

This section concerns trawl vessel catch other than groundfish taken with groundfish trawl gear, i.e., groundfish taken by trawl vessels with other than groundfish trawl gear and prohibited species caught by groundfish trawl vessels. Additional discussion and analysis is provided in Section A.3.

Trawl Vessel Catch of Groundfish with Gears Other than Groundfish Trawl

Gears other than groundfish trawl include open access gears and limited entry fixed gear. Both of these categories include longline and fishpot gear. Vessels with limited entry permits endorsed for longline and fishpot gear use those gears in the limited entry fishery and have access to larger amounts of groundfish. Vessels without such permits may use longline and fishpot gears in the open access fishery. The open access fishery is composed of vessels using exempted gears (gears other than groundfish trawl, longline, or fishpot) and vessels using longline or fishpot gear without an endorsement for those gears.

Trawl vessels may use any open access gear. If an IFQ system is established for the LE trawl fleet, should IFQ be required when a limited entry trawl vessel uses open access gear to take groundfish? If not, how will open access gear catch by limited entry trawl vessels be managed? The Amendment 6 license limitation program is the status quo with respect to permits required to use certain gears and the allocations against which the catch of permitted vessels counts. Under the Amendment 6 license limitation program, all groundfish caught by limited entry trawl vessels counts against the harvest of the limited entry fleet (limited entry trawl, longline, and fishpot vessels) regardless of the gear used. The limited entry allocation of sablefish has been subdivided such that sablefish catch by trawl vessels counts against a limited entry trawl allocation, separate from the limited entry fixed gear sablefish allocation. The following options have been identified for addressing trawl vessel use of gears other than groundfish trawl. One table is provided for exempted gear and another for fishpot and longline gear. Differences between the tables are highlighted.

EXEMPTED GEAR OPTIONS: Application of IFQs to Limited Entry Trawl Vessels Using **Exempted Gear (e.g., vertical hook-and-line, shrimp trawl, California halibut trawl, salmon troll gear).** *(Incorporated in Decision Table A)*

Option 1: Require IFQ for Catch by Limited Entry Trawl Vessels Using **Exempted Gear**: IFQ tracking and monitoring rules would apply to limited entry trawl vessels even when using **an exempted gear**.

SubOption 1A Vessel catch would be limited by **open access** fishery catch control regulations.

SubOption 1B Vessel catch would be allowed in excess of **open access** fishery catch control regulations, so long as landings are completely covered by trawl IFQ.

Option 2: Require IFQ Only for Groundfish Trawl Catch by Limited Entry Trawl Vessels. IFQ tracking and monitoring rules would not apply to limited entry vessels using an **exempted gear**.

Suboption 2A

- Split the trawl groundfish allocation between IFQ and non-IFQ harvest.
- Maintain the Amendment 6 accounting system and use nonIFQ management measures to control catch taken by trawl vessels with **exempted gears**.

Suboption 2B

- Maintain the same limited entry allocation.
- Change the accounting system such that catch of limited entry trawl vessel's using **exempted gears** counts against **the open access** allocation and apply **open access** catch control regulations.

Suboption 2C

- Same as Suboption 2B except reallocate a portion of the limited entry allocation to the open access sector.

LONGLINE AND FISHPOT OPTIONS: Application of IFQs to Limited Entry Trawl Vessels Using **Longline and Fishpot (Fixed Gears) Without a Fixed Gear Endorsement.** *(Incorporated in Decision Table A)*

Option 1: Require IFQ for Catch by Limited Entry Trawl Vessels Using **Longline or Fishpot Gear Without a Fixed Gear Endorsement**: IFQ tracking and monitoring rules would apply to limited entry trawl vessels even when using **longline or fishpot gear without an endorsement**.

SubOption 1A Vessel catch would be limited by **limited entry fixed gear** fishery catch control regulations.

SubOption 1B Vessel catch would be allowed in excess of **limited entry fixed gear** fishery catch control regulations, so long as landings are completely covered by trawl IFQ.

Option 2: Require IFQ Only for Groundfish Trawl Catch by Limited Entry Trawl Vessels. IFQ tracking and monitoring rules would not apply to limited entry vessels using an **longline or fishpot gears without an endorsement**.

Suboption 2A

- Split the trawl groundfish allocation between IFQ and non-IFQ harvest.
- Maintain the Amendment 6 accounting system and use nonIFQ management measures to control catch trawl vessel catch taken with **longline or fishpot gears but no fixed gear endorsement**.

Suboption 2B

- Maintain the same limited entry allocation.
- Change the accounting system such that catch of limited entry trawl vessel's using **fixed gears without a fixed gear endorsement** counts against **a limited entry fixed gear** allocation and apply **limited entry fixed gear** catch control regulations.

Suboption 2C

- Same as Suboption 2B, except reallocate a portion of the limited entry **trawl sablefish** allocation to the **limited entry fixed gear** sector and **take into account trawl vessel harvest with fixed gear when establishing limited entry trawl/fixed gear allocations**.

Some vessels are combination limited entry trawl and limited entry fixed gear vessels (longline and/or fishpot). A determination may be needed as to how nontrawl catch by such combination vessels would be managed. One option for such vessels would be to apply the same rules for their

open access gear catch (exempted and longline or fishpot without an endorsement) that would apply to limited entry trawl vessels that do not hold multiple gear endorsements.

Trawl Vessel Catch of Trawl Prohibited Species Using Nontrawl Gear

In Decision Table A, options are provided for the management of halibut bycatch with IBQ (options for management of salmon and Dungeness crab bycatch with IBQ have tentatively been set aside as outside the range of reasonable alternatives, see Appendix A). Suboptions are being considered which would provide some Pacific halibut retention opportunity when a limited entry trawl vessel uses gear legal for the species and the landing is covered by IBQ. Additionally, there is an option that would allow retention of halibut caught with trawl gear. Retention opportunities do not necessarily mean the Pacific halibut would be sold. The retained prohibited species might be contributed to food banks.

The following IBQ options are being considered:

IBQ Retention Options for Pacific Halibut

IBQ Retention SubOption 1	No change in the retention rules.
IBQ Retention SubOption 2	Allow LE trawl vessels to retain Pacific halibut when covered by trawl IBQ for Pacific halibut and caught with longline or other legal gear . Adjust trawl Pacific halibut IBQ to account for 100% mortality.
IBQ Retention SubOption 3	Same as Option 2 plus, allow trawl IBQ for Pacific halibut to be transferred to vessels outside the LE Trawl fleet. (These nontrawl vessels would be allowed to retain Pacific halibut when covered by trawl IBQ for Pacific halibut and caught with legal halibut gear.) Adjust trawl Pacific halibut IBQ to account for 100% mortality.
IBQ Retention SubOption 4	Allow trawl vessels the opportunity to retain Pacific halibut caught with trawl gear and covered by trawl IBQ for Pacific halibut. Adjust trawl Pacific halibut IBQ to account for 100% mortality.

In suboptions 2 and 3, the retention would be in addition to that allowed while a vessel fished in common with other vessels using legal gear during Pacific halibut openings. A determination would be needed as to how that additional opportunity would be provided (through higher vessel limits or through retention opportunities outside the Pacific halibut openings.)

2.1.2 Catch Control Tool Design Elements

TASK III (from June 2005 Council meeting):

- Adopt catch control tool design alternatives for IFQs, cumulative catch limits, and permit stacking with extended cumulative limit periods (*Decision Table C*).
- Associate catch control tool design alternatives with management regime alternatives from Decision Table A (*Decision Table D, Page 2-19*).

The catch control tools being considered are those that place a direct limit on the amount of catch a vessel or the fleet may take (including season closures, which upon implementation limit harvest to zero). Changes to tools that influence the mix of species or size and age composition of the catch are not being considered. Such tools include mesh size regulations and area or depth restrictions.

Section 2.1.1.2 provided a list and brief description of each of the catch control tools that are being considered. More detailed information is provided in this section and, as appropriate, options are provided for choosing the design elements for each tool.

The choices that were before the Council at its June 2005 meeting pertaining to catch control tool design are summarized in the following decision table.

Decision Table C - Adopt catch control tool design element alternatives for analysis (Section 2.1.2)

Status Quo - Cumulative Landing Limits and Season Closures (Section 2.1.2.1).

No decisions needed

Trawl Individual Quotas (Section 2.1.2.2) -
Table of options provided starting on page 2-25 of this document (Options Table C-1).

A narrative of the IFQ program design elements is provided starting on page 2-21. A complete list of options, elements,^{a/} and public comment is provided in Appendix B along with some preliminary analysis.

The Council should:

adopt trawl IFQ programs to be included for full analysis in the EIS (Option Table C-1) and make adjustments to the programs, as it deems appropriate.

Cumulative Catch Limits (Section 2.1.2.3) -
Table of options provided on page 2-30 of this document (Options Table C-2).

The Council should:

adopt cumulative catch limit design alternatives to be included for full analysis in the EIS (Option Table C-2) and make adjustments to the alternatives, as it deems appropriate, **(if cumulative catch limit alternatives were included as part of decisions made on Decision Table A).**

Permit Stacking and Extended Limit Periods (Section 2.1.2.4) -
Table of options provided on page 2-32 of this document. (Options Table C-3).

The Council should:

adopt permit stacking and extended limit period design alternatives to be included for full analysis in the EIS (Option Table C-3) and make adjustments to the alternatives as it deems appropriate, **(if permit stacking alternatives were included as part of decisions made on Decision Table A).**

a/ The term "element" is used for design provisions that are not mutually exclusive (several elements from a list may be adopted). The term "option" is used when a choice must be made between design elements.

After selecting a set of catch control tools, these tools need to be associated with the management regime alternatives from Decision Table A. Decision Table D provides an example/worksheet to use in completing the specification of these alternatives.

Decision Table D - Create main analytical alternatives for the EIS by associating the catch control tool design alternatives from Decision Table C with the management alternatives from Decision Table A.

This table is provided as an example and work sheet. Note that in Decision Table A, the differences in IFQ program species coverage between Alternatives 2 and 4 are likely to swamp any differences between the IFQ program design alternatives from Decision Table C. Therefore, in this example it is suggested that one management regime alternative be selected (Alternative 3) and matched with each IFQ program design alternative, such that differences between the IFQ program design elements can be more readily illustrated. Also, this example contains only one cumulative catch limit design alternative (Alternative 5). This was done in order to limit the number of alternatives. Other cumulative catch limit design alternatives are on a continuum between cumulative catch limits and a full IFQ program and can be discussed as part of the analysis. The Council may also choose to deviate substantially from this example. **The TIQC report recommends modification of Alternative 4 such that it covers “IFQ for Groundfish Except ‘Other Fish’ and IBQ for Pacific Halibut” and elimination of Alternatives 5 and 6.**

Catch Control Tool Alternatives (From Decision Table C)	Management Regime Alternatives from Decision Table A								
	Alt 1 Status Quo	Alt 2 IFQ for Target Spp	Alt 3-A IFQ for Groundfish Except “Other Fish”	Alt 3-B	Alt 3-C	Alt 4 IFQ for All Groundfish	Alt 5 Cumulative Catch Limits	Alt 6 Cumulative Catch Limits & Stacking	Alt 7 Cumulative Catch Limits, Stacking & Extend Periods
Cumulative Landing Limits	Included	-	-	-	-	-	-	-	-
Season Closures ^{a/}	Included	*	*	*	*	*	Included	Included	Included
IFQ Program A Program B Program C	-	Program C	Program A	Program B	Program C	Program C	-	-	-
Cumulative Catch Limits (CC - Alt 1)	-	-	Included (low OYs)	Included (low OYs)	Included (low OYs)	-	Included	Included	Included
Cumulative Catch Limits (CC - Alt 2)	-	Included	-	-	-	-	-	-	-
Cumulative Catch Limits (CC - Alt 3)	-	-	-	-	-	-	-	-	-
Permit Stacking (PS - Alt 1)	-	-	-	-	-	-	-	Included	-
Permit Stacking & Extended Cumulative Limit Periods (PS - Alt 2)	-	-	-	-	-	-	-	-	Included

* In order to limit impacts on ESA listed salmon stocks there may be seasons for whiting, but season closures would not be the primary whiting catch control tool under an IFQ program.

a/ Season closures are the primary tool used to control catch in the whiting fishery. While season closures sometimes occur for some species in the nonwhiting groundfish fishery, it is the Council's general policy to use cumulative limits to try to maintain year round opportunities in the nonwhiting groundfish fisheries.

2.1.2.1 *Status Quo Catch Control Tools*

Current catch control tools for the trawl fishery are generally characterized as cumulative landing limits for the shoreside nonwhiting sector and season management for the Pacific whiting fishery. These measures are designed to utilize the species or species group OYs set by the Council during its multiyear groundfish management process. Some expected changes under status quo management are discussed at the start of Section 2.2.

Status Quo Measures Remaining In Place Under All Alternatives

Certain status quo management tools are likely to remain in place regardless of which alternatives are adopted in this decision document (Table 2.1-2). The list of status quo management measures for the trawl and other fisheries that are expected to continue includes closed areas, partial observer coverage, management areas, bycatch caps in EFP fisheries, gear restrictions, VMS, and sorting requirements. It is also anticipated that the current process of setting OYs during the multiyear groundfish management process will continue. The middle of Table 2.2-1 lists measures likely to be implemented under the bycatch mitigation EIS/Amendment 18 decision.

Cumulative Landing Limits (Cumulative Limits)

Cumulative limits are a kind of trip limit. Trip limits have been a feature of groundfish management since the fall of 1982. Trip limits were used, instead of season closures, as an industry stabilization measure intended to maintain year round fishing opportunities and product flow. Over time the regime has become more complex, covering a wider range of species and fishery sectors. The basic concept is to set a limit on the how much of a given species (or multi-species complex^{5/}) an individual vessel may land during a fixed time period. Trip limits, as currently implemented, are retention or landing limits. Any groundfish captured beyond the specified limit are classified as bycatch (if discarded) or a violation (if retained). As long as a vessel does not retain more fish than the limit, additional fishing is allowed. Originally these were per trip limits. Later, in order to reduce the likelihood of regulatory discards, limits were set for a two-month periods (cumulative limits), during which vessels are allowed to make as many individual trips as desired. In general, separate limits are established for U.S. waters north and south of 40° 10' N. lat. (approximately Cape Mendocino, California). The Pacific whiting fishery is a significant exception to trip limit management.

Seasons

Most groundfish fisheries are managed to achieve a year round season. In fact, this is one of the key objectives expressed in the groundfish FMP because buyers and processors want a continuous and consistent supply of fish to maintain markets. In the last few years, managing fisheries to prevent

5/ Many commercially less important or less frequently caught species are combined in multi-species complexes for the purposes of management. Reported landings may not differentiate between these species, and most have not been assessed. These factors make it impossible to manage the species individually. Multi-species complexes currently used include the minor rockfish (separated into several sub-categories), other flatfish, and other fish categories.

OYs from being exceeded has become increasingly difficult because of the low OYs for some overfished species. As a result, some fisheries have been closed prior to the end of the year.

Only one groundfish trawl fishery is currently managed primarily with a season closure, the Pacific whiting fishery. The length of the whiting season is determined by how quickly the OY is taken. A formula is used to allocate the OY between the tribal fleet, at-sea catcher-processors, catcher vessels delivering to shore-based processors, and catcher vessels delivering to motherships. Seasons for sectors of the nontribal fishery are staggered, usually beginning on April 1 for shoreside deliveries in California. Each sector's season runs until the allocation for that sector has been caught. Before and after the seasons there is also some opportunity to retain whiting under a 10,000-20,000 pound two month cumulative landing limit.

2.1.2.2 Trawl Individual Quota Management

The trawl individual fishing quota design alternatives developed by the TIQC are provided in Option Table C-1 which starts on page 2-[25](#).

The Council is considering transferable and divisible individual fishing quotas for trawl vessel catch of groundfish (Section 2.1.1.2 provides a general description and rationale). A particularly important aspect of the specification of trawl IFQs is their application to catch rather than landings or fishing mortality. A special type of IFQ, individual bycatch quotas (IBQs) may be designated for some prohibited species.

The following is a description of the IFQ program including the main design element choice points (**in bold**) within the program. There are generally a number of different ways to specify each design element. The term "design option" is being used to refer to the different ways to specify design elements (e.g., a 5% cap on ownership vs. a 10% on ownership). Each design element is discussed and analyzed in detail in Appendix B. The term "alternative" is being reserved for reference to an IFQ program constructed from a set of design element options (e.g., a program composed of a 5% ownership cap, a 10% rollover provision, a 1999-2003 qualifying period, etc.). The TIQC has arrayed the design element options into IFQ program alternatives for Council consideration (Option Table C-1). The Council may make changes as a result of public comment and the comments of other Council advisory bodies.

Initial IFQ Allocation (Appendix B, Section B.1.0)

IFQ would be allocated to the following groups in the following proportions: . . . [**e.g., groundfish trawl permit owners (xx%); groundfish trawl vessel owners (xx%); processors (xx%)**]. Processors would be defined as... [FMP definition/alternative definition]. (*Section B.1.1*)

In order to qualify for an initial allocation the applicant would . . . [**have to/not have to**] . . . demonstrate recent participation. If recent participation is required, the recent participation requirement for each group would be as follows: make/receive at least . . . [**X deliveries – number of deliveries to be determined**] . . . of trawl caught groundfish from . . . [**1998-2003 or 2000-2003**]. (*Section B.1.2*)

Those eligible for an initial allocation will be allocated quota shares based on the following formula: [**0-100%**] of the quota share issued for the group would be issued based on history of catch/landings/processing;

[0-100%] of the quota share issued for the group would be issued based on equal sharing; and [0-100%] of the quota share issued for the group would be allocated through an auction. (Formulas may vary among groups, *Section B.1.3*)

For IFQ allocated based on delivery history, the applicant's . . . **[total groundfish; total for each IFQ species or species group; or total for each species, species group, or proxy species]** . . . **[caught; landed; or processed]** (*Section B.1.4*) . . . will be calculated for . . . **[1994-2003, 1994-1999, 2000-2003, 1998-2003, or 1999-2004]** . . . , less . . . **[0, 1, 2 or 3]** . . . of the applicant's worst years. The calculation will be based on the applicant's . . . **[pounds, percent of total]** . . . for the relevant species/species group in each year. (*Section B.1.5*)

Permit history for combined permits would include the history . . . **[for all the permits that have been combined; for the permit originally associated with the permit number of the combined permit]**. Illegal deliveries would not count toward history. Catch in excess of trip limits, as authorized under an EFP and compensation fish . . . **[would/would not]** . . . count toward history. (*Section B.1.6*)

There would be no appeals process on the initial issuance of IFQ, other than that provided by NMFS and consistent with the Administrative Procedures Act. Any proposed revisions to fishtickets would undergo review by state enforcement personnel prior to finalization of the revisions. (*Section B.1.7*)

When a management unit is subdivided, quota shares for that unit will be subdivided by issuing quota share holders amounts of shares for the subdivisions equivalent to their holdings of the shares being subdivided. If a new management unit is established that is not a subset of an existing unit managed with IFQ, the Council will need to take action at that time to develop criteria for quota share allocation. (*Section 1.8*)

Holding Requirements and Acquisition Transfer (Appendix B, Section B.2.0)

In order to be used, IFQ representing quota pounds would need to be registered for use with a particular vessel (deposited to the vessel's quota pound account). Only LE trawl vessels would be allowed to participate in the IFQ fishery. A vessel would need to acquire quota pounds to cover the catch for a particular trip. . . **[by the time of landing; no more than 24 hours after landing, no more than 30 days after landing]**. A vessel . . . **[would not need to hold quota pounds; would need to hold at least xxx quota pounds]** . . . before leaving port on a fishing trip. An LE permit may not be transferred from any vessel for which there is deficit in the vessel's quota pound account for any species or species group (i.e., if the vessel has caught IFQ species not covered by quota pounds). A vessel with a deficit in its quota pound account could not leave port. (*Section B.2.1*)

Each year quota pounds would be issued to quota share holders based on the amounts of quota shares they hold. (*Section B.2.2.1*) For species that are not overfished, a vessel . . . **[would/would not]**. . . be able to roll-over . . . **[up to . . . 5%, 10%, 20%, 30% . . . of its]** . . . unused quota pounds or cover an overage . . . **[of . . . 5%, 10%, 20%, 30%]** . . . with quota pounds from the following year. For overfished species, . . . **[a full; a partial; no]** . . . rollover allowance would be provided. (*Section B.2.2.2*)

Quota share use would be monitored as part of the TIQ program review process. **[Quota shares not used in at least one of three years would be revoked . . . OR . . . During program review processes, if it is determined that significant portions of the available quotas shares are not being used (catch is not being recorded against quota pounds issued for those shares), use-or-lose or other provisions will be considered to encourage more complete utilization]**. (*Section 2.2.3*)

There are many program features that would facilitate new entry and participation by small fishing operations (e.g., highly divisible access privileges as compared to limited entry licenses). Additional provisions for such purposes could include . . . **[none; a low interest loan program; provisions for new entrants to qualify for revoked shares being reissued (the latter two options are not mutually exclusive)]**. (*Section B.2.2.4*)

A percentage of the quota pounds each year . . . **[would/would not]** . . . be held back from that allocated to quota share holders . . . **[up to 25%; based on analysis]**. The amount held back would be awarded to proposals from fishermen and processors working together to benefit the local community. (*Section 2.2.5*)

[Anyone eligible to own a US documented fishing vessel; Anyone eligible to own or operate a US documented fishing vessel; Stakeholders] . . . would be eligible to own or otherwise control IFQ (quota shares or quota pounds). (*Section B.2.3.1*) Leasing . . . **[would/would not]** . . . be allowed. (*Section B.2.3.2*) Quota pounds could be transferred any time during the year. Quota shares would be transferrable . . . **[any time during the year/only at the end of the year]**. (*Section B.2.3.3*) There would be no limit on the divisibility of quota shares for purpose of transfer. Quota pounds could be transferred in as little as single pound units. (*Section B.2.3.4*) Liens on IFQ are a matter of private contract and would not be specifically limited by this program. A central registry might be created as part of the program administration. (*Section B.2.3.5*) There . . . **[would/would not]** . . . be accumulation limits on the amounts of quota shares or pounds owned, controlled, or used on a vessel. The definition of control may extend beyond ownership and leasing. The range of limits being considered **varies from 1% to 50% to no cap**. The limits may **vary by species, segment of the fleet, or type of entity (e.g., vessel owner, permit owner, processor)**. Accumulation limits for groundfish in aggregate may also be different than limits for individual species or species group. (*Section B.2.3.6*) There would be no direct limits on vertical integration. (*Section B.2.3.7*)

Program Administration (Appendix B, Section B.3.0)

Enforcement for the IFQ program may include one or more of the following elements:

- onboard compliance monitors;
- dockside compliance monitors (20%-100%);
- hailing requirements, small vessel exemptions for onboard compliance monitors;
- video monitoring systems;
- full retention requirements;
- a vessel-specific bycatch reporting system;
- electronic landings tracking system;
- limited delivery ports;
- limited delivery sites;
- electronic IFQ tracking systems; and
- VMS.

These measures have been arrayed into the enforcement and monitoring programs provided in Table B.3-1 (Appendix B). While some likely specifics are identified to facilitate program design and impact analysis, the FMP amendment language on this issue may be general, specifying that the Secretary will promulgate regulations to establish an adequate monitoring and enforcement regime. Strong sanctions may be recommended along with provisions specifying that illegal overages be forfeited and debited against the vessel's account (*Section B.3.1*). A part of the program administration, a centralized publicly accessible registry for liens against quota shares would be requested with . . . **[all related ownership information/essential ownership information]**. (*Section B.3.1*, also see *Section B.3.4*, Data Collection).

Landings fees would be charged to cover program costs (up to MSA limits) and, over time, some elements of the program may be privatized, as appropriate. (*Section B.3.2*)

The IFQ program would not have a built-in sunset provision nor would quota shares be issued for fixed terms (i.e., IFQs would not expire after a certain number of years). The program would be revised as necessary through standard FMP and regulatory amendment processes. Information on certain aspects of program performance would be compiled annually and a program review would be conducted every 4 years. (*Section B.3.3*)

The data collection program . . . **[would/would not]** . . . be augmented to include the . . . **[expanded and mandatory; expanded voluntary]** . . . provision of economic data from the harvesting and processing industry. All data collected would be maintained in a confidential manner. Aspects of these provisions would

require modification of the MSA. A central registry of IFQ shareholders and transactions would be maintained and include market value information. Government costs would also be tracked. (*Section B.3.4*)

One issue that will need to be settled as part of the design of the IFQ alternatives is the date after which qualifying activities (such as landings) might not count toward an initial allocation of IFQ. To this end, a control data of November 6, 2003 has been published (Appendix F).

Another issue that comes up anytime IFQs are discussed is whether or not the IFQs constitute a property right. IFQs do not change the basic ownership of the resource. The resource is a public resource managed by the government as a public trust. Under the current management system, the government manages the resource to the public benefit by controlling catch (directly or indirectly) and allowing catch taken under the management rules to be converted to private property sometime between when it is caught and when it is sold to a fish buyer. An IFQ system would not change the current public ownership of the resource and would likely make little change in the determination of when particular catch would be considered private property. IFQs are an alternative way for the government to control and organize harvest activity. IFQs do so by creating a catch privilege. A catch privilege is different from ownership of the resource. The following Magnuson-Stevens Act language pertains to the limits on this catch privilege:

Sec. 303(d)(2) No provision of law shall be construed to limit the authority of a Council to submit and the U.S. Secretary of Commerce to approve the termination or limitation, without compensation to holders of any limited access system permits . . . or regulations that provides for a limited access system, including an individual quota program.

Sec. 303(d)(3) “An individual fishing quota...
(B) May be revoked or limited at any time in accordance with the Magnuson-Stevens Act.
(C) Shall not infer any right of compensation to the holder of such individual fishing quota, if it is revoked or limited.
(D) Shall not be construed to create, any right, title , or interest in or to any fish before the fish is harvested...”

Option Table C-1. IFQ program design alternatives recommended by the TIQC for analysis (Section 2.1.2.2). (Page 1 of 5)

	IFQ Program A	IFQ Program B	IFQ Program C
B.1.0 IFQ Allocation			
B.1.1 Eligible Groups	Allocate 50% of quota shares to current permit owners and 50% to processors. (Option 3b)	Allocate 100% of quota shares to current permit owners. (Option 1)	Allocate 75% of quota shares to current permit owners and 25% to processors. (Option 3a)
<i>Processor Definition</i>	Use special IFQ Program definition (processors: receive and process unprocessed fish; or catch and process). (Option 1)	Use FMP definition (processors: process unprocessed and already processed fish or receive live fish for resale). (Option 2)	Same as Program A.
B.1.2 Qualifying Criteria: Recent Participation	<p>Harvesters (including catcher-processors): 1998-2003 participation required in order to qualify for an initial allocation of quota shares (number of trips or years to be specified). (Option 2)</p> <p>For shoreside processors and motherships: 1999-2004 recent participation requirement (number of trips or years to be specified). (Option 4)</p>	<p>All Members of Eligible Groups: No recent participation required in order to qualify for an initial allocation of quota shares. (Option 1)</p> <p>OR</p> <p>All Members of Eligible Groups: 1998-2003 participation required (one trawl groundfish landing/delivery of any groundfish species) in order to qualify for an initial allocation of quota shares. (Option 2)</p>	Same as Program A.
B.1.3 Elements of the Allocation "Formula"			
<i>Vessel/Permit Related Allocation</i>	<p>Catcher vessel permit owners will receive quota shares based on their permit history plus an equal division of the quota that could be attributed to permit history of bought-back permits (catcher-processors permit owners will not receive a portion of the quota shares distributed on an equal sharing basis). (Option 2)</p> <p>Suboptions for incidentally caught overfished species, either: (a) same as for other species OR (b) equally divide quota for incidentally caught overfished species.</p> <p>For catcher-processors permit owners, use an allocation schedule developed by unanimous consent of that sector (to be provided).</p>	Same as Program A, except no special catcher-processor schedule.	Same as Program A.
<i>Processor Allocation</i>	Processors are allocated quota shares based entirely on the processing of groundfish trawl landings received unprocessed. (Option 1)	No Allocation.	Same as Program A.
B.1.4 History: Species/Species Groups to Be Used for Allocation	Allocate quota shares based on individual species/species groups: Allocate quota shares for each species/species group based on relative amounts of each respective species/species group caught/landed or processed - for permits applies to permit history; for processors applies to amounts processed. (Option 2).	Same as Program A, except applies only to permit catch/landings history (i.e., there is no processor allocation).	Same as Program A.

Option Table C-1. IFQ program design alternatives recommended by the TIQC for analysis (Section 2.1.2.2). (Page 2 of 5)

	IFQ Program A	IFQ Program B	IFQ Program C
B.1.5 History: Allocation Periods			
Periods/Years to Drop	<p>Vessels: 1994-2003 Drop 2 years for whiting sector fishing (applies to incidental harvest and whiting). Drop 3 years for nonwhiting sector fishing. (Option 1, Suboption B)</p> <p>Shore Processors: 1999-2004 Drop 2 years. (Option 5, Suboption B)</p> <p>Motherships: 1998-2003. No opportunity to drop worst year. (Option 4, Suboption A)</p>	Same as Program A for vessels but no allocations for shore processors or motherships.	Same as Program A.
Weighting Among Years	Absolute pounds - no weighting between years. (Suboption (i))	Relative pounds (calculate history based on the entity's percent share of each year's total) . (Suboption (ii))	Same as Program B.
B.1.6 History: Combined Permits and Other Exceptional Situations			
Combined permits	All permits count. History of the permits combined into a single permit goes to the resulting permit. (Option 1)	Same as Program A.	Same as Program A.
Illegal landings/catch:	Don't count.	Same as Program A.	Same as Program A.
Landings in excess of trip limits, as authorized under an EFP	Don't count landings in excess of the cumulative limit in place for the nonEFP fishery.	Same as Program A.	Same as Program A.
Compensation fish	Don't count.	Same as Program A.	Same as Program A.
B.1.7 Initial Issuance Appeals Process	Only one provision has been identified: Appeals would occur through processes developed by NMFS consistent with the Administrative Procedures Act, and any proposed revisions to fish tickets would undergo review by state enforcement personnel prior to finalization of the revisions.		

Option Table C-1. IFQ program design alternatives recommended by the TIQC for analysis (Section 2.1.2.2). (Page 3 of 5)

	<i>IFQ Program A</i>	<i>IFQ Program B</i>	<i>IFQ Program C</i>
B.1.8 Creating New IFQ Species/Species Groups After Initial Implementation	<p><i>Only one practical option has been identified: When a management unit is subdivided, quota shares for that unit will be subdivided by issuing quota share holders amounts of shares for the subdivisions equivalent to their holdings of the shares being subdivided.</i></p> <p><i>If a new management unit is established that is not a subset of an existing unit managed with IFQ, the Council will need to take action at that time to develop criteria for quota share allocation.</i></p>		
B.2.0 IFQ/Permit Holding Requirements and IFQ Acquisition (After Initial Allocation)			
B.2.1 IFQ and LE Permit Holding Requirements	Catch must be covered with quota pounds within 30 days of the landing (Option 3). Only LE trawl vessels would be allowed to participate in the IFQ fishery. For any vessel with an overage (landings not covered by quota) there would be no more fishing by the vessel until the overage is covered. Additionally, for vessels with an overage, the limited entry permit cannot be sold or transferred until the deficit is cleared. A possible suboption would require some amount of quota pounds be held prior to departure from port (to be analyzed).	Same as Program A.	Same as Program A.
B.2.2 Annual IFQ Issuance			
B.2.2.1 Start-of-Year Quota Pound Issuance	Only one practical option has been identified: Quota pounds are issued annually to share holders based on the amount of quota shares they held. (Quota shares are issued at the time of initial IFQ allocation).		
B.2.2.2 Rollover (Carryover) of Quota Pounds to a Following Year			
Nonoverfished	10% rollover for nonoverfished species. (Option 3)	30% rollover for nonoverfished species. (Option 5)	5% rollover for nonoverfished species. (Option 2)
Overfished	5% rollover for overfished species. (Option 3)	Full (30%) rollover allowance for overfished species. (Option 5)	No rollover allowance for overfished species. (Option 2)
B.2.2.3 Quota Share Use-or-Lose Provisions	Include a use-or-lose provision (require use at least once every three years). (Option 1)	Do not include a use-or-lose provision but evaluate need as part of future program reviews. (Option 3).	Same as Program B.
B.2.2.4 Entry Level Opportunities for Acquiring Quota Shares and Low Interest Loan Options	No special provisions.	No special provisions.	Provide new entrants an opportunity to qualify for revoked shares and shares lost due to non-use (if such non-use provisions are created). (Element 2)

Option Table C-1. IFQ program design alternatives recommended by the TIQC for analysis (Section 2.1.2.2). (Page 4 of 5)

	<i>IFQ Program A</i>	<i>IFQ Program B</i>	<i>IFQ Program C</i>
B.2.2.5 Community Stability Hold Back	No special provisions.	No special provisions.	Set aside up to 25% of the nonwhiting shoreside trawl sector allocation each year and allocate that share as quota pounds for joint fishermen/processor venture proposals, ranked on the basis of objective criteria that evaluate benefits to local communities.
B.2.3 Transfer Rules			
B.2.3.1 Eligible Owners/holders (Who May Own/hold)	Any entity eligible to own or operate a US documented fishing vessel. (Option 2) TIQC intent: preserve opportunity for existing participants.	Same as Program A.	Same as Program A.
B.2.3.2 Duration of Transfer - Leasing and Sale	Permanent transfers and leasing of quota shares and quota pounds allowed. (Option 2)	Permanent quota share transfers only--leasing prohibited. Permanent transfers and leasing of quota pounds allowed. (Option 1)	Same as Program A.
B.2.3.3 Limits on Time of Transfer			
Time of Year	Allow transfers of quota shares any time during year. (Option 1)	Same as Program A.	Same as Program A.
Embargo When in Deficit	Provisions prohibiting transfer of quota shares when a vessel makes a landing not covered by quota pounds were eliminated as not being practical due to the difficulty of tracing quota pounds back to quota shares, the ownership of which may not be associated with the vessel. The quota share embargo was replaced with a limit on permit transfers when deficits occur (see Section B.2.1).		
B.2.3.4 Divisibility	Only one practical option has been identified: Quota Shares: nearly unrestricted divisibility - "many decimal points". Quota Pounds: divisible to the single pound		
B.2.3.5 Liens	No options have been proposed to restrict liens. Liens can and should be facilitated through a central lien registry. Options for the central lien registry are covered in Section B.3.1.		
B.2.3.6 Accumulation Limits	50% or No limits. (Option 5)	Consider all limits as suboptions.	Suboption: Most restrictive limits(1% or 5%). Suboption: Intermediate level limits (10% or 25%).
B.2.3.7 Vertical Integration Limit	Only one option has been identified: No additional limits on vertical integration beyond those already provided through accumulation limits.		

Option Table C-1. IFQ program design alternatives recommended by the TIQC for analysis (Section 2.1.2.2). (Page 5 of 5)

	IFQ Program A	IFQ Program B	IFQ Program C
B.3.0 Program Administration			
B.3.1 Tracking IFQ, Monitoring Landings, and Enforcement (see Table B.3-1)	<p>Enforcement Program 2 100% at-sea monitors Discards allowed</p> <p>Upgraded bycatch reporting system needed Electronic landings tracking</p> <p>Shoreside monitoring opportunity Advance notice of landing Licenses for delivery sites Electronic IFQ reporting Unlimited landing hours VMS</p>	<p>Enforcement Program 1 100% at-sea monitors Full retention required</p> <p>No upgraded bycatch reporting system needed Electronic landings tracking</p> <p>100% shoreside monitoring Advance notice of landing Limited ports of landing Electronic IFQ reporting Limited landing hours VMS</p>	<p>Enforcement Program 3 * 100% at-sea monitors or cameras Discards allowed if at-sea monitor is present (otherwise full retention) Upgraded bycatch reporting sys needed Parallel federal electronic landings tracking</p> <p>Shoreside monitoring opportunity* Advance notice of landing Licenses for delivery sites Electronic IFQ reporting Unlimited landing hours VMS *Except change partial to 100% shoreside monitoring</p>
Quota Share Tracking	Create a central lien registry but exclude all but essential ownership information. (Option 2)	Create a central lien registry including all related ownership information. (Option 1).	Same as Program B.
<p>B.3.2 Cost Recovery/Sharing and Rent Extraction</p> <p>The TIQC has not developed options for this issue; however, it has discussed the following elements of a cost recovery/sharing and rent extraction program. Privatization of Elements of the Management System, for example:</p> <ul style="list-style-type: none"> Monitoring IFQ Landings (e.g., industry pays for their own compliance monitors) Fishtickets (industry payment for TrawlIFQprogram landings information to be fed into a federal electronic system) 	<p>Cost recovery for management (not enforcement or science).</p> <p>Up to 3% of exvessel value, the limit specified in the Magnuson-Stevens Act.</p>	<p>Cost recovery for management (not enforcement or science).</p> <p>Up to 3% of exvessel value, the limit specified in the Magnuson-Stevens Act.</p>	<p>Landings fee plus privatization of elements of the management system. In particular, privatization for monitoring of IFQ landings (e.g., industry pays for their own compliance monitors). Stock assessments should not be privatized and the electronic fish ticket system should not be privatized.</p>
B.3.3 Program Duration and Procedures for Program Performance Monitoring, Review, and Revision (Magnuson-Stevens Act (d)(5)(A))	A four year review process is specified along with review criteria. Among other factors, the review would include evaluation of whether or not there are localized depletion problems and whether or not quota shares are being utilized. Standard fishery management plan and regulatory amendment procedures will be used to modify the program.		
B.3.4 Data Collection	Expanded voluntary submission of economic data. (Option 2)	Expanded mandatory submission of economic data. (Option 1)	Expanded mandatory submission of economic data. (Option 1)

2.1.2.3 Cumulative Catch Limits

The following design alternatives have been identified for cumulative catch limits:

Option Table C-2. Cumulative catch limit design alternatives (Section 2.1.2.3)		
CC Alt 1: Nontransferable Cumulative Catch Limits	CC Alt 2: Transferable Cumulative Catch Limits	CC Alt 3: Transferable and Divisible Cumulative Catch Limits
Cumulative limits may not be transferred from one permit to another and permit transfers are only effective at the end of a cumulative limit period.	Temporary transfers between permits are allowed. Cumulative catch limits are period specific. Partial transfers are not allowed.	Same as CC Alt 2 except partial transfers are allowed.
Cumulative limit periods will remain two months long.	Cumulative limit periods will remain two months long.	Cumulative limit periods will be four or six months long.
Full retention and at-sea video camera.	At-sea compliance monitors (100%).	Same as CC Alt 2.
Spot dockside enforcement presence and plant audits.	Dockside compliance monitors (100%).	Same as CC Alt 2.
No change to system for reporting at-sea catch data.	Upgrade at-sea catch data reporting system such that catch data is complete and available at the vessel level in a time frame similar to that for dock receipts and fish tickets.	Same as CC Alt 2.

Note: Provisions below the dashed line may be mixed and matched between alternatives.

Vessel catch caps (referred to here as cumulative catch limits) were adopted along with sector caps for consideration as part of the Council’s final action on the bycatch mitigation EIS. The bycatch mitigation EIS focused on overfished species. Sector catch caps are to be established for overfished species and inseason monitoring (i.e., estimation techniques) is to be upgraded. One of the main tools identified to keep sectors within their catch caps was cumulative catch limits (IFQs are another). This document includes consideration of cumulative catch limits for all groundfish species taken by trawl gear (potentially expanding the application of cumulative catch limits beyond overfished species).

Whereas the traditional cumulative limits used to control West Coast groundfish harvest apply to landings, cumulative catch limits apply to catch rather than landings. Vessel catch limits require 100% accounting of a vessel’s catch. In the programmatic bycatch EIS it is anticipated that observers or other at-sea monitoring systems would be required to ensure compliance with vessel catch limits. Under the current landings limit system, vessels can continue to harvest fish in excess of their landings limits, but must discard all fish taken in excess of the limit. Under vessel catch limits, a vessel would stop harvesting when the limit is reached.

Cumulative catch limits might be constructed to be temporarily transferable between vessels but not be transferred between periods. The cumulative catch limits might be used to manage toward catch quotas or catch based harvest guidelines (as distinct from status quo landing quotas or harvest guidelines).

During the May 24 through August 2, 2004, formally-announced public scoping period, the Council received the following comments from the public on cumulative limit design elements:

Cumulative limit design element comments received during public scoping period.	Source
<p>Opt-out Option: Consider a management system under which vessel catch limits would be available for vessels opting out of fishing under sector caps. Vessels opting out:</p> <ul style="list-style-type: none"> ○ receive a “proportionate” share of the sector cap for overfished species for their individual use. ○ must carry an at-sea compliance monitor or otherwise assure 100% accounting of catch. ○ receive higher cumulative landing limits for nonoverfished species than for other vessels in the sector. ○ can continue fishing even if their sector is shut-down due to exceeding a cap. ○ can pool caps with others who have opted out. 	PMCC

The TIQC recommended against consideration of this “opt-out” option. Cumulative catch limit design elements suggested during public scoping were reviewed. Particular consideration was given to the idea of providing sector limits with an opportunity to opt out, for vessels willing to carry an at-sea observer. Vessels opting out would receive a higher cumulative landing limit for nonoverfished species than would vessels fishing under the sector limit. It was noted that under this system, if everyone opted out no one could have cumulative limits greater than what they would have had if all vessels had fished under the sector limits. If 50% of the vessels opted out of the sector limit, there would be a large incentive for the remaining vessels to do so. This would result in a system with observer costs similar to an IFQ program but without much of the benefit.

2.1.2.4 Permit Stacking and Extended Trip Limit Periods

The following design alternatives have been identified for consideration with respect to use of permit stacking and an extended season to control catch:

Option Table C-3. Cumulative catch limits with permit stacking and extended period design alternatives (Section 2.1.2.4)

PS Alt 1. Stacking With <u>Whole</u> Cumulative Catch Limits for Additional Permits & <u>Status Quo Period Lengths</u>	PS Alt 2. Stacking With <u>Fractional</u> Cumulative Catch Limit for Additional Permits & <u>Extended Period Lengths</u>
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A vessel would receive a full cumulative limit for each trawl endorsed permit stacked (increased utilization of cumulative limits would be expected and would reduce the amount of the cumulative limit associated with each permit).

A vessel would receive a full cumulative limit for its “base” permit and part of an additional cumulative limit for each stacked trawl endorsed permit.

The percentage of an additional limit allowed could be a fixed amount or depend on permit length or recent catch history.

Length Endorsement: The vessel would need to have only one permit with the appropriate length endorsement. Trawl permits with other size length endorsements could be stacked without penalty.

Length Endorsement: Same as PS Alt 1.

Period Length: status quo, 2-month cumulative limit periods.

Period Length: 4-month cumulative limit periods.

A maximum of 3 permits could be stacked.

No limit on the number of permits stacked.

Monitoring and enforcement measure such as those under the cumulative catch limit alternatives (Option Table C-2) would be included as part of the permit stacking alternatives.

Note: Provisions below the dashed line may be mixed and matched between alternatives.

Permit Stacking

A permit stacking program for the trawl limited entry sector of the groundfish fishery would allow a vessel to increase its catch limit by acquiring multiple permits for the same vessel. This voluntary program would allow fishers to acquire fishing opportunity that more closely matches their desired level of operation. Permit stacking would likely reduce the number of vessels operating with trawl limited entry permits and would provide for more catch for some vessels.

As permits are stacked, cumulative limits for a particular species or complex would decline if the cumulative limits for the permits are more completely utilized when stacked than prior to stacking. Underutilization of some of the cumulative limits for a particular permit might occur for a variety of reasons:

- a vessel was not fished full time (as a business choice, due to repairs, or other circumstances)
- a vessel was active in nongroundfish fisheries or other geographic areas for parts of the year
- a vessel participated in some segments of the groundfish fishery but not others (e.g., a whiting vessel that did not participate in the DTS fishery)
- a vessel was active in only one geographic locale (e.g., a vessel fishing north of 40° 10' N latitude may not utilize some of the limits available south of 40° 10' N latitude)

One concern about the stacking of permits is the potential transfer of effort from one segment of the fishery to another segment, for example, the stacking of a permit used exclusively in the whiting trawl fishery onto a vessel mainly used in the DTS fishery. In this situation, the only way to prevent the erosion of the per-permit limit in the DTS fishery would be to allow no additional DTS cumulative limit for the stacked permit. If prevention of such transfers is desirable, then consideration of some kind of a species group endorsement might be appropriate.

In 2002, the Council’s Ad Hoc Trawl Permit Stacking Committee identified four major approaches for permit stacking, two of which consider a permit’s size endorsement and two of which do not. These options are briefly described as follows:

Summarization of Ad Hoc Permit Stacking Committee Options from 2002

	Portion of a Cumulative Limit Provided for Each Stacked Permit	Size Endorsements for Stacked Permits Must Fit the Vessel
Option 1	Whole limit	No
Option 2	Fixed portion (e.g., 50%)	No
Option 3 ^{6/}	Whole limit	Yes
Option 4	Portion based on permit length	No

Note: Under all options, at least one permit must have the appropriate size endorsement.

Options providing whole limits (Options 1 and 3) are simple but with substantial participation would lead to reductions in per-permit limits. Vessels not stacking permits would experience diminishing harvest opportunities. Option 1 is used in permit stacking Alternative 1. Options 2 and 4 are both contained as variations within permit stacking Alternative 2.

Option 2 is simple but does not take into account the relative capacity of vessels of different length. However, the small cumulative limits in the fishery in recent years are generally within the harvest capacity limits of most trawl vessels on the West Coast, regardless of the vessel size.

Option 4 takes into account capacity differences represented by permits of different sizes. The most apparent means of using permit length to adjust cumulative limits would be to utilize the fishing power formula ("points" system) defined in the implementation of Amendment 6. The "points" system could be used in at least two ways to calculate the percentage of a full limit that would be stacked. An approach that could most easily be accomplished involves assigning a standard reference length for all permits with the same gear endorsement. All permits at or above that length would carry a full additional limit when stacked. The percentage of a full limit that would be assigned to a shorter permit is determined by the ratio of points for that permit to the number of

6/ From a regulatory standpoint, Option 3 would likely be the easiest to implement, since limits that are currently specified on a per-vessel basis could be changed to apply per-permit, with no additional changes to the structure of the limited entry program. While a full additional limit would be provided for each stacked permit, substantial participation would likely cause per-permit limits to be reduced.

points corresponding to the reference length. The following table illustrates the percentage of a full limit that would be assigned for nine different permit lengths, and four alternative reference lengths.

Percentage of permit combination "points", for selected lengths, relative to four reference lengths.					
Permit Length	Market "Points"	Percentage of "points" relative to a permit of:			
		75 ft	70 ft	65 ft	60 ft
35	4	15%	18%	21%	26%
40	6	21%	25%	30%	36%
45	8	28%	33%	40%	49%
50	10	36%	43%	52%	63%
55	13	46%	55%	66%	80%
60	16	57%	68%	82%	100%
65	19	70%	83%	100%	100%
70	23	84%	100%	100%	100%
75	27	100%	100%	100%	100%

Extended Trip Limit Period

The current landings limits are for two month periods. The limit periods might be extended to up to 12 months. As the length of the management periods increase, the increased duration of the cumulative limit period will provide vessels with more flexibility to fully take their allowed limits. Increased utilization of the available cumulative limits is likely to drive down the size of per-permit cumulative limits. Additionally, as the limit periods increase, the opportunity to initiate inseason actions that are effective at the start of the subsequent cumulative limit period is reduced. The potential need for mid period correction could lead to more derby type fishing. In the extreme, with a 12 month limit period, cumulative limits either must be set such that they represent vessel quotas (i.e., a less flexible IFQ system), or such that if every vessel took its limit, the allowable harvest would be exceeded (as is the case under the current trip limit system). In the latter case, a derby fishery would be created under which vessels would race to achieve their limit before the fishery is closed through inseason action.

2.1.3 Within Trawl and InterSector Allocations (Excluding Initial IFQ Allocation)

TASK IV (from June 2005 Council meeting): Adopt options for allocating among trawl sectors and separating shoreside whiting from shoreside nonwhiting landings (Decision Table E).

This sections covers allocation among trawl sectors and discusses the decision process for allocation between trawl and nontrawl sectors (as may be needed depending on the management regime alternative selected).

2.1.3.1 Allocation Between and Among Trawl Sectors

Section 2.1.1.4 identifies options for subdivision of the trawl sector:

Sector Option 1: a single trawl sector,

- Sector Option 2: three trawl sectors (vessels delivering shoreside, vessels delivering at-sea, and catcher-processor deliveries), or
- Sector Option 3: four trawl sectors (same as option 2 except split shoreside deliveries into whiting deliveries and nonwhiting deliveries).

Allocation of Nonwhiting Species: Sector Options 2 and 3 may require the allocation of nonwhiting species. It should be noted that if the amounts of nonwhiting species allocated for deliveries at-sea delivery is just sufficient to provide for the incidental catch needs of the whiting directed fishery, then it is likely that the allocations would preclude the development of a significant at-sea processing sector for species other than whiting.

Whiting Allocation: Sector Option 3 would require another split of the existing whiting allocation: a split of the shoreside allocation between whiting targeted trips and nonwhiting trips. In order to make the additional split, a decision rule will be needed for discriminating between shoreside whiting and nonwhiting landings. This decision rule will be needed in order to determine the allocation against which to count a particular shoreside landing and to assess historic landings for the newly specified division in the fleet. Sector Option 2 represents status quo with respect to whiting, whiting is already divided among the three indicated trawl sectors.

Decision Table E - Within Trawl Allocations (Section 2.1.3)

For analysis, adopt options to allocate groundfish between divisions of the trawl sector.

Options: For whatever subdivisions of the trawl sector are established (see Decision Table A: Trawl Sectors and Intersector Transfers—Section 2.1.1.4),

establish the subdivision of the trawl sector allocation based on the relative shares for each sector during the time period used for the initial IFQ allocation.

Options: options will be the same as for the allocation periods considered for the trawl IFQ program (Section B.1.5).

If different periods are used to allocate to different trawl sectors, either use the shortest period common to the allocation of IFQ for all sectors or calculate a sector share of catch based on the IFQ period and adjust the shares proportionally such that they sum to 100%.

When calculating fleet history based on permit history of the individual vessels, a permit formed from the combination of several permits would include the catch history of all of the combined permits.

Suboption a: **A recency requirement would be applied** and the catch history of permits not meeting the recency requirement would not be included as part of the calculation of the relative sector shares. The recency requirement would be the same as that used for the IFQ program.

Suboption b: **No recency requirement.**

For analysis, adopt options to separate shoreside nonwhiting landings from shoreside whiting landings.

Criteria for a Whiting Trip

Classification Option 1 >50% whiting AND >10,000 pounds of whiting

Classification Option 2 >50% whiting OR >10,000 pounds of whiting

Classification Option 3 >50% whiting

The TIQC recommends classification Options 2 or 3, but has requested additional data on the issue.

2.1.3.2 Intersector Allocations to Accommodate Trawl Vessel Use of Nontrawl Gear

As a result of decisions on the management of limited entry trawl vessel use of nontrawl gears (see Decision Table A and Section 2.1.1.5) there may be need for some adjustments to allocations to the trawl and other sectors. The need for such adjustments is discussed here but the amounts of the adjustments will need to be addressed as part of the intersector allocation EIS.

Groundfish limited entry trawl vessels are allowed to use open access gears to take groundfish. Open access gears include longline and fishpot gears used by vessels without a permit for those gears and exempted gears (other legal groundfish gears). When limited entry trawl vessels use such gears:

- catch counts against the limited entry allocation
- open access trip limits restrict vessel landings

If an IFQ program is adopted, in Section 2.1.1, a decision will have been made as to whether trawl vessels are required to cover their open access gear landings with IFQ. Two sets of options are provided in Section 2.1.1.5, one set for exempted open access gear and one set for vessels using longline and fishpot gear in the open access fishery (i.e., using longline or fishpot gear without a limited entry permit endorsed for those gears). The provisions and number systems for each set of options parallel one another. For example, Option 1A for both sets specifies that vessels would be required to hold IFQ for their nontrawl landings with that gear (exempted or open access longline/fishpot) but be subject to catch/landing limits which apply to the gear. If IFQ is not to be required for trawl vessels use of these gears (Option 2), a determination will be needed on how such catch will be managed. Either:

- the trawl allocation can be subdivided to provide for trawl vessel use of nontrawl gears (Section 2.1.1.5, Options 2A), or
- the trawl vessel catch with nontrawl gears can be counted against and managed in common with the allocations for other sectors (Section 2.1.1.5, Options 2B or 2C).

Under Option 2C, there may be a one time reallocation of groundfish from trawl to the other sector (Section 2.1.1.5). Under Option 2B there would be no such reallocation. For trawl vessel use of exempted gear, the sector with which the trawl vessel's exempted gear landings would be merged may be the open access sector. For trawl vessel use of longline and fishpot gear, the sector with which the trawl vessel's nontrawl landings would be merged may be the limited entry fixed gear sector. If the trawl vessel allocation is to be subdivided for separate management (Section 2.1.1.5, Options 2A), a determination will be needed on the amount to be allocated to trawl vessel catch with nontrawl gears. Allocation between trawl and each of these sectors will be addressed as part of the intersector allocation EIS. Additional information on this issue is provided in Section 2.1.1.5 and Appendix A.

2.2 *Types of Environmental Impacts for Consideration in NEPA, E.O. 12866, and RFA Analysis of Proposed Action*

TASK V: Identify impacts that should receive particular attention in the EIS not already identified in Section 2.2.

The alternatives discussed in Section 2.1 would be analyzed within the context of various federal laws. NEPA requires the analysis of the effects of a proposed action on the human environment. Many of the management system elements to be considered would not affect either the physical or biological environment. Some elements of the program that affect only the socio-economic environment may be more appropriately analyzed under the requirements of Executive Order 12866, the Regulatory Flexibility Act (RFA) and the Magnuson-Stevens Act. E.O. 12866 and the RFA together require federal agencies to evaluate the effects of their proposed actions and subsequent regulations on small businesses and other small entities. The Magnuson-Stevens Act requires consideration of fairness and equity, consideration of the effects on communities, and a fishery impact statement, as well as evaluation of a number of other decision criteria. Regardless of the context in which alternatives are analyzed, the analyses will be conducted so that their anticipated effects are compared against the anticipated effects of continued status quo management. Status quo does not necessarily mean that conditions in the fishery remain stable. Rather it is what would

happen if no additional action were taken to change the current fishery management regime. Status quo assumes continuation of existing harvest policies, implementation of prior commitments and the management measures by which those harvest policies are implemented. The definition of status quo will determine which costs and benefits will result from the actions taken under the alternatives in this document, and which costs and benefits would result even if no additional action were taken. Thus, status quo is not the fishery as it exists this year or the next, but rather the projection into the future of current trends and commitments.

For the analysis of the alternatives, the 2004 fishery will likely be used as a baseline against which both status quo and the alternatives to status quo may be measured. Status quo management will also consider management actions that may be expected to flow from Amendment 18 and any implementing measures from the EFH EIS. For example, if the Council implements sector total catch limits, as envisioned in draft Amendment 18, it may also recommend increased monitoring for those fishery sectors with total catch limits. If this is the case, it may not be appropriate to include the all of the cost of additional bycatch monitoring (i.e., the change from current conditions) as part of the cost of a trawl IFQ program. Rather, some increase in monitoring should be included in the definition of status quo, thereby reducing the change from status quo required to implement a trawl IFQ program.

One purpose of the public scoping process is to solicit comment on environmental impacts that should be considered in a NEPA analysis of the proposed actions. The following categories of impacts were identified during the scoping period:

Habitat and Ecosystem

- Changing impact on habitat due to gear changes
- Potential changes in ecosystem dynamics if regional or localized depletion occurs
- Potential changes in the mix of species harvested with changes in fishing tactics, seasonality, or gear types used
- Environmental impacts due to economic, community, and resource management changes

Fishery Resources

Changes in accuracy of total mortality estimates

- Incentives and opportunity for unreported highgrading
- Incentives and opportunity to underreport landings
- Improved monitoring

Changes in total mortality

- Incentives to minimize take of incidental catch species to avoid IFQ costs
- Changes in size and maturity of fish taken
- Direct and indirect impacts on fisheries prosecuted by other gear sectors, including sport

Socioeconomic Environment

Production Value - Harvesters and Processors

- Mix of species and products
- Product quality
- Market timing (special orders)
- Allowable catch (reduced uncertainty about discards with proper monitoring)

Production Costs - Harvesters

- Harvest flexibility (opportunity to better scale harvest activities to improve operational efficiency)
- Gear flexibility
- Timing flexibility
- Opportunity for more efficient investment in capital
- Asset values (permit and vessel)

Production Costs - Buyers and Processors

- Product recovery rates
- Operational planning
- Storage costs
- Opportunity for more efficient investment in capital
- Asset values (facilities)
- Consolidation impacts, loss of infrastructure, and indirect impacts on the businesses (e.g., shifts impacting the operation of existing businesses and their competitiveness)

Safety and Personal Security

- Vessel maintenance, repair, and replacement
- Avoidance of bad weather
- Personal financial and employment security

Community Impacts

- Local income
- Employment
- Tax base and municipal revenues
- Cost recovery for fishery related public works projects
- Cultural heritage
- Business and infrastructure impacts

Fairness and Equity

- Effects on groups involved and dependent on the fishery (income and employment) for crew, skippers, vessel owners, processor labor and management, support industries
- Effects on small entities (businesses (including family businesses), local governments, organizations)
- Effects on low income and minority populations
- Effects on asset value (quotas, permits, vessels)
- Effects on adjacent fisheries (geographically adjacent fisheries, for example Alaskan fisheries)
- Effects on nontrawl gear fisheries on the West Coast including sport fisheries

Nonconsumptive Values

- Nonconsumptive Use
- Existence Value

Initial Program Development and Implementation Costs

Ongoing Administrative Costs

Enforcement and Compliance Monitoring Costs

Research and Performance Monitoring Costs

2.3 Preliminary Assessment of A Few of the Main Effects of the Alternatives

The following is a preliminary assessment of a few of the likely effects of each of the seven management regime alternatives. Some current management programs and needs could be anticipated to continue under any of the alternatives: overfished species rebuilding requirements, including depth-based and gear-restrictive management; prohibition of retention of endangered salmon species and whiting time/area closures intended to protect salmon; and any areas closed for habitat protection arising out of the EFH EIS and its implementing regulations. The current management regime is complex to develop, manage, and enforce, and all of the alternatives other than status quo are likely to increase that level of complexity. Some of the effects will be complex to predict and are not covered in this preliminary assessment. Examples include effects on communities, total employment, and other fisheries.

Alternative 1 (status quo): Under Alternative 1, status quo, the limited entry trawl fishery would continue to be managed with two-month cumulative landing limits for all species and species groups except Pacific whiting. Sablefish is the only species currently allocated between the limited entry trawl and fixed gear sectors. Future commercial sector or commercial-recreational allocations under consideration by the Council's Allocation Committee could occur under any of the alternatives in this document, including status quo. Under this alternative, trawl fishery participants would continue to benefit from the capacity reduction achieved through the buyback program, but would likely not see further reductions in capacity levels. The trawl fishery is not currently under the "race for fish" situation that would occur if it were completely open access or harvest were controlled mainly through season closures; however, participants have less flexibility in when and where they fish and market their catch under a cumulative landing limit system than under an individual quota system. A cumulative landing limit regime in a multi-species fishery may encourage vessels to make regulatory discards, which are discards of fish in excess of the allowed landing limit. Thus, under Alternative 1, regulatory discards of target and non-target species are more likely than under an alternative that gives fishery participants more flexibility in when and where they fish. This alternative may have greater impacts on fish habitat than other alternatives, depending on whether other alternatives are effective at reducing the total number of fleet trawl hours in sensitive habitat areas coastwide. Administrative and enforcement costs are probably lower than for other alternatives, however, the amount and quality of information on trawl catch is also lower than would be expected under alternatives that would entail 100% observer coverage.

Alternative 2 (IFQs for trawl target species): Under this alternative, limited entry trawl fishery participants would operate under individual quotas for traditional trawl target species, under transferable cumulative catch limits for more abundant non-target groundfish species, and under nontransferable cumulative catch limits for overfished species. Alternative 2 includes a somewhat complex set of rules for how overfished species would be handled, depending on their biomass levels relative to B_{MSY} (see Decision Table A). All IFQ species would be allocated between commercial and recreational fisheries and between trawl and non-trawl gears within the commercial

fisheries. Fishery participants would have more flexibility in when and where they fish for target species, but their activities would still be constrained by non-tradeable cumulative catch limits for overfished species and tradeable cumulative catch limits for other incidentally caught species. To the degree that Alternative 2 increases vessel operational flexibility, vessels may individually seek to increase their profits and efficiency. Following the implementation of an IFQ program, a transitional period is expected as vessel owners react to the changes in profit opportunities. Those vessels with relatively low costs of harvesting groundfish may increase activity in the trawl groundfish fishery, choosing to specialize in groundfish harvesting to a greater degree. However, vessels with higher relative costs of trawling for groundfish may either transfer entirely out of the trawl groundfish fishery and into some other fishery, stay in the trawl groundfish fishery but increase activity in other fisheries, or increase their idle time, depending on the preferences and skills of their owners and operators. The length of this transition period will depend on factors such as uncertainty about future quota prices and design elements of the IFQ program (transferability rules, caps on accumulation, etc.). The end result is expected to be less capacity and lower harvesting costs in the trawl groundfish trawl fishery. The extent to which capacity moves from the groundfish trawl fishery to other fisheries will be limited by profitable fishing opportunities in other fisheries. Some capital will not find profitable opportunities in other fisheries, and will be allowed to deteriorate without replacement. Under Alternative 2, regulatory discards of all species would likely decrease because of the change from landing limits to catch limits and the presence of observers. Vessels reaching a limit for a species would no longer be able to continue fishing by discarding additional catch of that species. Increased operational flexibility would also allow vessels more opportunities to affect the mix of species in their catch and to adjust their holdings of harvest privileges to better match their catch. However, the increase in flexibility will be limited by continuation of the two-month cumulative landing limits for incidentally caught species (limiting the vessel's opportunity to make seasonal adjustments to its fishing activity) and the absence of, or limited, transferability of cumulative limits (limiting opportunity to adjust holdings of harvest privileges). Like regulatory discards, economic discards would also be expected to decline. Economic discards are those discards that occur because a vessel has caught more of a particular species than can be sold in available markets or an undesirable size of a species. Increased operational flexibility would provide vessels more opportunities to reduce economic discards by adjusting their fishing activities to change the mix in their catch, and the application of limits to catch rather than landings would provide more incentive to reduce economic discards. If this alternative results in a reduction in total fleet trawl hours in sensitive habitat areas, it could be more beneficial to habitat than Alternatives 1 or 5. Administrative and enforcement costs are likely to be substantially higher than under status quo owing to the need to track discarded catch, landings, and the transfer of quota shares in a fashion timely enough to allow for adequate monitoring and enforcement. It is anticipated that effective implementation of the program will require 100% observer coverage. While these costs are substantial, substantial increases in harvest efficiency are also expected.

Alternative 3 (IFQs for all groundfish except *other fish*): Under this alternative, limited entry trawl fishery participants would operate under individual quotas for all groundfish species except those in the *other fish* category, which currently includes sharks, skates, rays, rattfish, grenadiers, morids, and kelp greenling. Fish in the *other fish* category would continue to be managed via cumulative landing limits. Alternative 3 could also include a set of somewhat complex rules similar to those provided in Alternative 2 for how overfished species would be handled, depending on their biomass levels relative to B_{MSY} (see Decision Table A). All IFQ species would be allocated between commercial and recreational fisheries and between trawl and non-trawl gears within the

commercial fisheries. Because more of the fishery would be under IFQs, operational flexibility would likely be substantially greater than under Alternative 2, so long as vessels are not significantly constrained by cumulative limits for the *other fish* category. This greater flexibility is likely to lead to greater efficiency and capacity reduction than would be expected under Alternative 2. Similarly, the change to vessel limits based on catch and the increased operational flexibility is likely to reduce both regulatory and economic discards to a greater degree than Alternative 2. If this alternative results in a reduction in total fleet trawl hours in sensitive habitat areas, it could be more beneficial to habitat than Alternatives 1 or 5. Administrative and enforcement costs would not vary greatly from Alternative 3.

Alternative 4 (IFQs for all groundfish): This alternative is essentially the same as Alternative 3, except that it would include individual quotas for fish species or species groups in the *other fish* category. The harvest of species in the *other fish* category does not usually constrain trawl fleet activities, so the effects of this alternative are unlikely to be different than those of Alternatives 3. This alternative, however, does not include the complex set of rules provided in Alternatives 2 and 3 for varying how overfished species harvest is controlled depending on their biomass levels relative to B_{MSY} . Additionally, inclusion of all species under the IFQ program obviates the need for concern about future allocation of species under the *other fish* category, spiny dogfish for example.

Alternative 5 (cumulative catch limits): Under this alternative, limited entry trawl fishery participants would be subject to cumulative **catch** limits for all species except Pacific whiting, as opposed to the cumulative **landing** limits regime under Alternative 1. This alternative may or may not require groundfish allocation between commercial and recreational fisheries and between trawl and non-trawl gears within the commercial fisheries. Under Alternative 5, capacity would likely remain level with status quo. Unlike Alternatives 6 or 7, catch limits would not be stackable; therefore, there would be little opportunity or incentive for fishery participants to exit the fishery through trading catch limits. Fishery participants would have essentially the same level of flexibility in when and where they fish for target species as under status quo. Under Alternative 5, regulatory and economic discards would decrease as compared to status quo because all catch would count against the cumulative limit, not just the landed catch. However, as compared to the IFQ alternatives there would be substantially less opportunity to adjust fishing strategies to avoid incidental catch and no opportunity to adjust the mix or amount of harvest privileges held by a vessel. This alternative may result in some reduction of total fleet trawl hours, simply because vessels would be required to cease fishing once their cumulative catch limits for a particular species had been reached, thus it may be more beneficial to habitat than Alternative 1, but probably less beneficial to habitat than either Alternatives 2-4 or 6-7. While administrative and enforcement costs would not change as substantially as for an IFQ program, it is anticipated that effective implementation of cumulative catch limits will require 100% observer coverage. There would be no substantial increase in harvest efficiency to compensate for the higher cost.

Alternative 6 (cumulative catch limits plus permit stacking): Similar to Alternative 5, under this alternative limited entry trawl fishery participants would be subject to cumulative catch limits for all species except Pacific whiting. This alternative differs from Alternative 5 in that permits are stackable and hence the associated cumulative limits. Capacity under Alternative 6 would likely be reduced from status quo by vessels stacking cumulative catch limits to pursue those limits within the traditional six two-month cumulative limit periods. This alternative would increase operational flexibility but the increase would be substantially less than under any of the IFQ alternatives. All

catch limits would be transferred in aggregate with transfer of the permit (catch limits for individual species and species groups could not be transferred separate from the permit) and the two month landing periods would continue to apply, thus not providing an increased opportunity for individual vessels to adjust their seasonal activity. Because of these significant constraints, efficiency increases and capacity reduction would likely be substantially less than under any of the IFQ alternatives. Alternative 6 would perform similarly to Alternative 5 with respect to regulatory and economic discards except vessels that stack permits would have higher catch limits, providing them with opportunity to adjust the mix of their catch over the course of more tows. At the same time, the limits for vessels that do not stack permits will likely decline, potentially making it more difficult for such vessels to match their catch to the mix of cumulative catch limits. The per permit cumulative limits are expected to decline under permit stacking because utilization of underutilized permits is expected to increase. Under cumulative **landing** limits, permit stacking would be expected to reduce regulatory discards as there would be fewer vessels and therefore fewer instances in which vessels approach their bimonthly cumulative limit. However, with cumulative **catch** limits in place and observers present, there would be no opportunity to avoid penalties by discarding catch in excess of the limits, therefore an effect similar to that for stacking cumulative landing limits would not be expected. If this alternative results in a reduction in total fleet trawl hours in sensitive habitat areas, it could be more beneficial to habitat than Alternatives 1 or 5. Administrative and enforcement costs would likely be lower than Alternative 5 because there would likely be fewer vessels in the fishery. Similarly, as compared to Alternative 5, observer costs would be lower and there would be some capacity reduction and efficiency gains from permit stacking to compensate for the increased costs.

Alternative 7 (cumulative catch limits plus permit stacking and extended fishing periods): This alternative is essentially a more time-flexible version of Alternative 6. Because of the increased flexibility in this alternative, it would likely be more effective at reducing capacity and limiting bycatch and habitat effects than Alternatives 5 and 6, which are also cumulative catch limit alternatives. This would likely result in greater efficiency and greater reductions in capacity and discards, as compared with Alternatives 5 and 6. However, the increased flexibility, as compared to Alternative 6, would likely result in greater reductions in cumulative limits for vessels not stacking permits (unless less than full credit is given for each stacked permit). Alternative 7 would be less flexible than the IFQ alternatives (Alternatives 2-4) in terms of the quantities of fish that could be traded, because it would require large blocks of fish pounds to be traded, rather than the small trading quantities envisioned under an IFQ program. Alternative 7 administrative and enforcement costs may be similar to Alternatives 5 and 6 except there may be fewer vessels to monitor. Administrative and enforcement costs would likely be less than for IFQ program based alternatives because whole permits would transfer rather than quota shares and quota pounds. Compared to Alternatives 5 and 6, observer costs may decline if the fleet is able to take the harvest with fewer vessel days-at-sea.

2.4 Alternatives for Analysis in the Draft EIS (Actions through June 2005)

Having received the results from public scoping and comments from Council advisory bodies at its June 2005 meeting, the Council voted unanimously to send forward for analysis in a draft EIS a number of TIQ alternatives covering harvest of West Coast groundfish, including Pacific whiting. This action was also unanimously requested by the Council's Ad Hoc Trawl Individual Quota Committee which includes representation of whiting and nonwhiting sectors, shoreside and at-sea

processors, communities, and environmentalists. The alternatives include IFQs but not individual processing quotas. The timeline for progressing on the draft EIS will depend on available funding. Goals and objectives adopted by the Council are summarized in Section 1.2.3 (Task I).

The following are the main alternatives that will be analyzed:

Alternative 1: Status Quo

Alternative 2: IFQs for Trawl Target Species and Species for Which Allocations Exist

Alternative 3: IFQs for All Groundfish Except the “Other Fish” Category of Groundfish, **with** Adjustments at Low Harvest Levels

Alternative 4: IFQs for All Groundfish Except the “Other Fish” Category of Groundfish, **without** Adjustments at Low Harvest Levels

Alternative 5: IFQs for All Groundfish

Alternative 6: IFQs for Overfished Species Only

Alternative 7: Permit Stacking (one cumulative limit for each permit associated with a vessel)

The Council used as its template for action the TIQC Committee recommendations (contained in Agenda Item C.5.b, TIQC Report; in Appendix J to this document) but made a number of revisions and augmentations before taking final actions to send forward a set of alternatives for analysis. The following is a description of the revisions and augmentations:

TIQC Decision Table A (Task II)

Eliminated individual bycatch quotas for halibut from Alternative 4. After this action, the main feature distinguishing Alternative 3 from Alternative 4 was provisions to provide management tool adjustments at low harvest levels.

Added two additional alternatives to TIQC Decision Table A

Alternative 5: An Alternative that would provide IFQ for all groundfish species (listed as Alternative 4 in Agenda Item C.5.a Attachment 1, not to be confused with Alternative 4 of the Agenda Item C.5.b, TIQC Report).

Alternative 6: An alternative that would provide IFQ only for overfished species.

Revised the permit stacking alternative (Alternative 5 at the bottom of TIQC Decision Table A) such that it is based on Permit Stacking Alternative 1 from TIQC Option Table C-3 rather than Permit Stacking Alternative 2. With Permit Stacking Alternative 1, a vessel receives an entire cumulative limit for each additional permit stacked and with Permit Stacking Alternative 2 a vessel would receive a partial cumulative limit for each additional permit stacked. With the addition of two new IFQ alternatives, the permit stacking alternative now becomes Alternative 7.

TIQC Decision Table B (Task II)

Retained Process Options 1 and 2, and deferred action until such time as additional information is available, such as when the preliminary draft EIS is presented for Council consideration.

Process Option 1 Plan to establish additional regional management areas as needed at a later time.

Process Option 2	Task a group to immediately begin considering the need for additional regional management areas (biological or socio-economic) and potential boundaries along with a process for identifying and responding to regional management area issues that may develop or become more apparent in the future.
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TIQC Decision Table C (Task III)

Concurred with TIQC recommendation to eliminate the cumulative catch limit alternatives. These alternatives will be captured within the range of alternatives by the permit stacking alternative and there is not a need for a separate alternative to address cumulative catch limits alone. Based on the adopted range, it is expected that if the Council so desires, at the time of final action it would have the option of adopting cumulative catch limits alone, without IFQs or permit stacking.

TIQC Option Table C-1 (Task III)

In Section B.1.1, Eligible Groups, added the following suboptions:

- allocate 90% of the trawl quota shares to current permit owners and 10% of the trawl quota shares to processors.
- for whiting, allocate 50% of the trawl quota shares to current permit owners and 50% of the trawl quota shares to processors AND for other species allocate 100% of the trawl quota shares to permit owners.

In Section B.1.7, Initial Issuance Appeals, specified that NMFS develop a proposal for an internal appeals process and bring it to the Council for consideration. This appeals process would apply to more than just the initial issuance of quota shares.

In Section B.2.2.3, Quota Share Use-or-Lose Provisions, eliminated Option 1: “Include use-or-lose option (require use at least once every three years).” After this action, the only option remaining on this design element is as follows: “Do not include use-or-lose provisions but evaluate program performance: Identify the potential nonuse of IFQ as an issue to be evaluated in the program review process. Indicate that, depending on the findings of the evaluation, the program may be modified in the future to create use-or-lose or other provisions to address any concerns.”

In Section B.2.3.3, Limits on Time of Transfer, included an option that would prohibit the transfer of quota shares during the last two months of the year, for purposes of identifying the least cost way of implementing the program.

TIQC Option Table C-2 (Task III)

Concurred with TIQC recommendations to eliminated this table (cumulative catch limit alternatives). See discussion above on TIQC Decision Table C.

TIQC Option Table C-3 (Task III)

Maintained Permit Stacking Alternative 1 and eliminated Permit Stacking Alternative 2 from detailed analysis. See discussion above on TIQC Decision Table A.

TIQC Decision Table D (Task III)

Adopted for analysis, the alternatives in Decision Table D, with the addition of the new alternatives noted for TIQC Decision Table A and the use of Permit Stacking Alternative 1 instead of Permit Stacking Alternative 2.

TIQC Decision Table E (Task IV)

Adopted for analysis the options in Decision Table E, without change.

Other Actions

In related action the Council, tasked its Analytical Team and SSC with drafting options for community involvement in the ITQ program and reporting back to the Council in November 2005.

The Council rejected a motion calling for analysis of mechanisms and the impact of the IFQ alternatives on transferring quota to other fisheries not participating in the IFQ program. In rejecting the motion Council members speaking concurred with the statement that this initiative started as a trawl individual quota program, and while not opposed to transferring IQs to other sectors in the future, the effect of the motion would be to weigh down the current process. If a trawl IFQ program is adopted, at a later point consideration can be given to the additional features such as those proposed in the motion.

The Council did not identify any new categories of impacts that should be included in the analysis (Task V).

References

National Research Council. 1999. "Sharing the Fish: Toward a National Policy on Individual Fishing Quotas." Ocean Studies Board, Commission on Geosciences, Environment, and Resources, National Research Council. National Academy Press. Washington, D.C.

TABLE 2.1-1. Trawl catch, management regime alternatives based on Decision Table A and acceptable biological catches (ABCs) and total catch optimum yields (OYs) (mt) for 2004. (Overfished stocks in CAPS) (Page 1 of 2).

Stock (Overfished stocks in CAPS)	2004 ABCs/OYs (mt)		Alt 1 - Status Quo	Alternative Management Regimes			Deliveries for At-Sea Processing (NOTES 1 & 2)		
	ABC	OY		Alt 2	Alt 3	Alt 4	Alt 2	Alt 3	Alt 4
LINGCOD	1,385	735	CL	CL/SecCap	IFQ	IFQ			IFQ
Pacific Cod (Vanc-Col OY, Eur-Mont-Conc catch counts toward the "Other Fish" OY)	3,200	3,200	No Lim	IFQ	IFQ	IFQ			
PACIFIC WHITING (Coastwide)	188,000	250,000							
Shoreside			Season & CL	IFQ	IFQ	IFQ	IFQ	IFQ	IFQ
Mothership			Season	IFQ	IFQ	IFQ	IFQ	IFQ	IFQ
Catcherprocessor			Season	IFQ	IFQ	IFQ	IFQ	IFQ	IFQ
Sablefish (Coastwide)	8,487	7,786	CL						
North of Conception	8,185	7,510	CL	IFQ	IFQ	IFQ	SecCap	SecCap	IFQ
Conception area	302	276	CL	IFQ	IFQ	IFQ			
PACIFIC OCEAN PERCH	980	444	N-CL; S-CLgrp	IFQ	IFQ	IFQ	SecCap	SecCap	IFQ
Shortbelly Rockfish	13,900	13,900	No Lim	IFQ	IFQ	IFQ	SecCap	SecCap	IFQ
WIDOW ROCKFISH	3,460	284	Closure & CL	IFQ	IFQ	IFQ	SecCap	SecCap	IFQ
CANARY ROCKFISH	256	47	CL	CL/SecCap	IFQ	IFQ	SecCap	SecCap	IFQ
Chilipepper Rockfish	2,700	2,000	N-CLgrp; S-CLgrp	IFQ	IFQ	IFQ	SecCap	SecCap	IFQ
BOCACCIO	400	250	S-Closure	CL/SecCap	IFQ	IFQ	SecCap	SecCap	IFQ
Splitnose Rockfish	615	461	S-CL	IFQ	IFQ	IFQ	SecCap	SecCap	IFQ
Yellowtail Rockfish (north)	4,320	4,320	N-CL; S-CLgrp	IFQ	IFQ	IFQ	SecCap	SecCap	IFQ
Shortspine Thornyhead	1,030	983	CL	IFQ	IFQ	IFQ	SecCap	SecCap	IFQ
Longspine Thornyhead	2,461	2,443	CL	IFQ	IFQ	IFQ			
S. of Pt. Conception	390	195	CL	IFQ	IFQ	IFQ			
COWCOD N. Concep & Monterey	5	2.4	Closure	CL/SecCap	IFQ	IFQ			
S. Concep	19	2.4	Closure	CL/SecCap	IFQ	IFQ			
DARKBLOTCHED	240	240	N-CLgrp; S-CLgrp	IFQ	IFQ	IFQ	SecCap	SecCap	IFQ
YELLOWEYE	53	22	N-CL, CLgrp; S-CLgrp	CL/SecCap	IFQ	IFQ	SecCap	SecCap	IFQ
Nearshore Species									
Black WA	540	540	N-CLgrp; S-CLgrp	CL/SecCap	IFQ	IFQ	SecCap	SecCap	IFQ
Black OR-CA	775	775	N-CLgrp; S-CLgrp	CL/SecCap	IFQ	IFQ	SecCap	SecCap	IFQ
Minor Rockfish North (for management purposes split: nearshore, shelf, and slope)	4,795	2,250 (ns=122, shlf=968, slp=1,160)		ns -CL/SecCap shlf-IFQ slp-IFQ	IFQ-grp	IFQ or IFQ-grp (depending on spp)	SecCap	SecCap	IFQ-grp
Remaining Rockfish North	1,612	-							
Bocaccio	318	-	N-CLgrp	IFQ-grp	IFQ-grp	IFQ or IFQ-grp			
Chilipepper - Eureka	32	-	N-CLgrp	IFQ-grp	IFQ-grp	IFQ or IFQ-grp			
Redstripe	576	-	N-CLgrp	IFQ-grp	IFQ-grp	IFQ or IFQ-grp			

TABLE 2.1-1. Trawl catch, management regime alternatives based on Decision Table A and acceptable biological catches (ABCs) and total catch optimum yields (OYs) (mt) for 2004. (Overfished stocks in CAPS) (Page 2 of 2).

Stock	2004 ABCs/OYs		Alternative Management Regimes				Deliveries for At-Sea Processing (NOTES 1 & 2)		
	ABC	OY (mt)	Alt 1 - Status Quo	Alt 2	Alt 3	Alt 4	Alt2	Alt 3	Alt 4
Sharpchin	307	-	N-CLgrp	IFQ-grp	IFQ-grp	IFQ or IFQ-grp			
Silvergrey	38	-	N-CLgrp	IFQ-grp	IFQ-grp	IFQ or IFQ-grp			
Splitnose	242	-	N-CLgrp	IFQ-grp	IFQ-grp	IFQ or IFQ-grp			
Yellowmouth	99	-	N-CLgrp	IFQ-grp	IFQ-grp	IFQ or IFQ-grp			
Other Rockfish North	2,068	-	N-CLgrp by depth	IFQ-grp	IFQ-grp	IFQ-grp			
Minor Rockfish South (for management purposes split: nearshore, shelf, and slope)	3,506	1,968 (ns=615, shlf=714, slp=639)		ns -CL/SecCap shlf-IFQ slp-IFQ	IFQ	IFQ or IFQ-grp (depending on spp)	SecCap	SecCap	IFQ
Remaining Rockfish South	854	-							
Bank	350	-	S-CLgrp	IFQ-grp	IFQ-grp	IFQ or IFQ-grp			
Blackgill	343	-	S-CLgrp	IFQ-grp	IFQ-grp	IFQ or IFQ-grp			
Sharpchin	45	-	S-CLgrp	IFQ-grp	IFQ-grp	IFQ or IFQ-grp			
Yellowtail	116	-	S-CLgrp	IFQ-grp	IFQ-grp	IFQ or IFQ-grp			
Other Rockfish South	2,558	-	S-CLgrp by depth	IFQ-grp	IFQ-grp	IFQ-grp			
Dover Sole	8,510	7,440	CL	IFQ	IFQ	IFQ			
English Sole	3,100	3,100	CLgrp	IFQ	IFQ	IFQ			
Petrale Sole	2,762	2,762	CL	IFQ	IFQ	IFQ			
Arrowtooth Flounder	5,800	5,800	CL	IFQ	IFQ	IFQ	SecCap	SecCap	IFQ
Other Flatfish	7,700	7,700	CLgrp	IFQ	IFQ	IFQ	SecCap	SecCap	IFQ
Other Fish	14,700	14,700	No Lim	No Lim	CL/SecCap	IFQ			
Halibut			Prohib	Prohib	Prohib	IBQ	Prohib	Prohib	IBQ
Salmon			Prohib	Prohib	Prohib	Prohib	Prohib	Prohib	Prohib
Crab			Prohib	Prohib	Prohib	Prohib	Prohib	Prohib	Prohib

KEY TO CODES FOR ALTERNATIVE MANAGEMENT REGIMES

SecCap=Sector Catch Cap

Prefix N or S = measures used north or south of Cape Mendocino.

CL = species specific cumulative trip limits

-grp = harvest controlled under the IFQ or cumulative limit for a species group.

Season = opening with no cumulative limits

Closure = no retention allowed (any catch must be discarded)

Prohib = prohibited species.

No Lim = harvest monitoring only, other limits have not been necessary to control harvest.

NOTE 1: Substantial dog shark are caught in the whiting fishery (2,269 mt in the at-sea portion from 1992-2002).

NOTE 2: At-sea species for management has not been discussed by the TIQC. The list of potential species provided here is based on a threshold of at-least 3 mt in the estimated at-sea deliveries for 1992-2002.

TABLE 2.1-2. Existing management tools, management tools adopted under the programmatic bycatch EIS, and management tools that would remain in place under IFQs.

Existing Management Tools (Status Quo) and Proposals from Programmatic Bycatch EIS	Possible Adjustment to Tools if Trawl IFQs Are Implemented
Tools Applying to Trawl and, in Some Cases, Other Fisheries	
OY Specifications	No change.
Commercial Trip Limits	None for Trawl Fishery (depending on scope).
Commercial Cumulative Limits	None for Trawl Fishery (depending on scope).
Commercial and Rec Closed Areas (RCAs, CCA, YRCA)	RCAs to protect fleet and other sectors from disaster tows of overfished spp. Habitat protection.
Inseason Adjustments	Disaster tows or overage in other sectors could shut down trawl fishery.
Partial Observer Coverage (NMFS)	Observer coverage increase.
Management Areas (Latitudes)	At least preserve existing areas.
Differential Gear Requirements (exclusion area for lg footrope)	Maintain for habitat and disaster tow protection.
Differential Trip Limits (small, large, midwater)	None for Trawl Fishery (depending on scope).
Bycatch Caps in EFP Fisheries (incl whiting)	Possible for Council to reserve some of the OY for EFP fisheries.
100% Observer Coverage in EFP Fisheries	No reason to change.
Full Retention in EFP Fisheries	No reason to change.
"Hotspot" Closures in EFP Fisheries	No reason to change.
Mesh Size	No reason to change.
Voluntary Areas To Be Avoided (e.g., FG, OA, whiting)	No reason to change.
Sorting Requirements	Sorting requirements to IFQ categories. Spp comp info still required for IFQ spp groups.
VMS	VMS would continue.
Cameras	Might increase in use.
Commercial Seasons (spawning lingcod)	Might have closures requiring discards but any mortality would still count against IFQ.
Fish/Fillet Size Limits	No reason to change.
Preferred Alternative Tools from Bycatch EIS	
<p>All current tools used for bycatch management overfished species sector caps, including:</p> <ul style="list-style-type: none"> monitoring standards full retention programs vessel incentives for exemption from sector caps <p>IFQ program</p>	
Tools Applying Only to Other Sectors	
Sablefish Tier Limits	No change. Possibly allow fixed gear quota to be transferred to trawl (depends on provisions adopted for analysis).
Recreational Bag Limits	No reason to change.
Recreational Seasons	No reason to change.
Tribal Full Retention Programs	No reason to change.
Tribal Time/Area Closures (Bycatch Reduction)	No reason to change.
Number of Hooks	No reason to change.
Hook Size	No reason to change.
Other Commercial and Rec Gear Restrictions	No reason to change.