

ADVISORY PANEL MINUTES
North Pacific Fishery Management Council
February 6-10th Seattle Doubletree Hotel, SEATAC

The following members were present for all or part of the meeting:

Al Burch	Bob Jacobson
Lisa Butzner	Simon Kinneen
Joe Childers	Kent Leslie
Cora Crome	Matt Moir
Craig Cross	John Moller
Tom Enlow	Jeb Morrow
Duncan Fields	Ed Poulsen
Bob Gunderson	Jim Preston
John Henderschedt	Michelle Ridgway
Jan Jacobs	Lori Swanson

The AP unanimously approved the minutes from their previous meeting.

C-1 IRIU

The AP recommends that the Council not take final action on Amendment 80 at this meeting. However, in light of the need to make progress on this important package, the AP recommends that refinements to components of the preferred alternative be incorporated into the analysis for final action in April. (The AP worked from the Council's October 2005 motion which is attached to the minutes.)

The AP recommends the following refinements:

Component 2 - No changes. *Motion carried 19/0*

Component 3 - Under 3.1, add language regarding soft cap management of an ICA that applies only to fixed gears. *Motion carried 19/0*

Move the section regarding catcher vessel eligibility out of Amendment 80 to the trailing amendment package (as identified in the development of Amendment 85) that will address this issue comprehensively. *Motion carried 20/0*

Component 4 – No changes. *Motion carried 19/0*

Component 6 - Add the following sub-option that could be applied to 6.1.1, 6.1.2 or 6.1.3:

The allocation of halibut associated with the yellowfin sole and cod fisheries may fluctuate with changes in TAC, except that under no circumstances will allocations associated with those species be reduced by more than 10% of the average use by the non-AFA trawl CP sector for the chosen suite of years.

Further, the following language should be added to the preamble in Section 6.2:

Any reduction in the non-AFA catcher processor sector should not result in an increase in PSC allocation to any other sector.

Motion carried 12/6

Minority Report

The undersigned members of the AP voted in favor of a substitute motion to add “rolling average” sub-option to the Amendment 80 analysis as described below:

Rate-based Rolling Average PSC Allocations

The actual distribution of trawl PSC would follow the following procedure:

- 1. At the end of each year, the three-year trawl fleet-wide average bycatch rates for each prohibited species in each of the Amendment 80 target species fisheries (plus cod) are computed: that is, the sum of each of the prohibited species used by the trawl fleet for the last three years in each target fishery is divided by the target catch in each of those fisheries over the last three years.*
- 2. Expected usage of a prohibited species in a particular target fishery for the following year is determined by multiplying this fleet-wide average bycatch rate by the most recent year’s catch or the next year’s TAC, whichever is lower.*
- 3. Once expected usage amounts have been determined for each target fishery, they are scaled either up or down proportionately so that the sum of all amounts equals the trawl allocation of that prohibited species.*
- 4. Sub-option – Establish a floor and ceiling for these distributions within the range of PSC allocation presently analyzed.*

We believe that this sub-option may provide an effective means of accommodating the dynamics of fluctuating TACs and the resultant changes in trawl fishery requirements.

As addressed in the February, 2006 discussion paper provided by staff, it may prove difficult to establish fixed PSC allocations to the non-AFA trawl catcher processor sector that fully accommodate potential changes in TACs and the amount of PSC required to fund the associated fisheries. On response to this challenge, the undersigned minority supports a method of PSC allocation to the non-AFA trawl catcher processor sector that projects future PSC needs based on recent trawl fleet-wide bycatch averages applied to the next year’s TACs, allowing the “best fit” of current TACs and PSC sector allocations.

The minority does not believe that the rolling average PSC sector allocation is a disincentive to reduce bycatch rates. Rather, it is an incentive to reduce rates whenever possible, as PSC saving resulting in reduced bycatch rates in one fishery may result in additional PSC being assigned to other fisheries where, due to increased TACs, additional PSC may be needed.

The minority recognizes the fact that the current analysis contains a broad range of possible PSC sector allocations, and it supports the establishment of “floors” and “ceilings” within the context of a rolling average sub-option to insure some long-term certainty and stability for both the non-AFA trawl catcher processor and limited access sectors.

John Henderschedt, Tom Enlow, Craig Cross, Kent Leslie, Simon Kinneen, Jan Jacobs, Al Burch

Component 7

Add language to the end of the last sentence in Component 7 so that it reads:

Restrict LLPs that are used for eligibility in Amendment 80 (either to be included in the non-AFA CP sector or to be used in Amendment 80 co-op formation) from being used outside of the amendment 80 sector), except that any eligible vessel which is authorized to fish pollock under the AFA would still be authorized to fish under the statute. *Motion carried 20/0*

Add the following language:

Only history from eligible vessels will be credited in the program. The catch history credited to an eligible vessel will be catch history of that vessel. The catch history credited to an eligible vessel for the first license assigned to that vessel will only be the catch history of the eligible vessel. Any additional license assigned to an eligible vessel will be credited with the catch history during the Component 10 period of the eligible non-AFA trawl CP from which the license arose, except that no history can be assigned to more than one vessel at a given time. The catch history of any eligible vessel which has sunk, is lost or becomes inoperable, or becomes otherwise ineligible during or after the qualifying period will be credited to the license of that vessel.

Motion carried 20/0

Component 8

In the description, change the second sentence to read: "Component 8 also establishes the number of vessels required..."

After the description, add the following:

A cooperative endorsement will be assigned to one license for each vessel meeting the qualification of Component 7. Additional licenses assigned to a vessel will not count toward the coop formation threshold, but will receive a cooperative endorsement provided that:

Remove 8a.1 and 8a.2 from Alternative 4.

In the 8b options, change "licenses" to "vessels"

Motion carried 20/0

Component 9 - Remove 9.2 from Alternative 4. Add the following language:

Assign PSC within the sector to allocated target species and Pacific cod based on the average use of PSC in each target species from the years 1998-2004, expressed as a percent of the total PSC allocation to the sector.

Each eligible vessel will then receive an allocation percent of PSC for catch allocated target species and Pacific cod equal to its proportion of the catch history of the allocated fishery.

This PSC allocation will not change from year to year (i.e., will not fluctuate annually with the TAC.)

Motion carried 19/1

Component 10 - In each option, substitute "license holder" with "vessel".

Remove options other than 10.8 from Alternative 4.

Add option 10.9 -

Select the highest percentage allocation by species, for each company using total catch of the vessel over the total catch of the sector for the following four suites of years: 1997-2003, drop 2; 1997-2004, drop 2; 1997-2004, drop 3; 1998-2004, drop 2. Different year scenarios may be chosen for different species. Add all of the percentages together and then adjust proportionally to 100%.

In the event that the non-AFA trawl CP sector receives an exclusive allocation of Pcod, that allocation will be divided between cooperatives and the sector's limited access fishery in the same manner (and based on the same history) as the division of the other allocated species within the sector.

Motion carried 19/1

Component 11 - Add 40% to Option 11.2 *Motion carried 20/0*

Component 12 - Maintain the existing preamble but delete the parenthetical.

Add a new 12.3 to Alternative 4—

In the BSAI, Pacific cod will be managed under existing sector apportionments, with rollovers, until new Pacific cod sector allocations are implemented. Pacific cod will be allocated between the cooperative and non-cooperative sub-sectors based on the same formula as Component 10.

In the BSAI, management of unallocated species should remain status quo.

GOA Sideboard Provisions

Strike “transferable” from preamble to GOA provisions.

In GOA Sideboard provision 1, place 10 in the place of the X.

Strike “[Component] 4” under GOA Sideboard Provisions 1, 3.A, 3.B, and 4.

Under Provision 2, the history of this vessel will not contribute to the non-AFA trawl sideboards and its catch will not be subtracted from these sideboards.

Add the following language:

Each coop contract will include a provision that that coop will not exceed its aggregate coop sideboard. The co-operative contract should also include third party enforceability provisions.

Note that the intent of the third-to-last point (“Sideboards apply to vessels (actual boats) and LLPs used to generate harvest shares that resulted in allocating a percentage of the amendment 80 species TACs to the non-AFA trawl CP sector.”) is to prevent double-dipping with respect to GOA history related to sideboards.

Delete the last point – this information has been included in the analysis.

Motion carried 19/0

Remove Gulf of Alaska provisions 3A and 3C from Alternative 4. *Motion carried 20/0*

Component 13

The AP recommends the Council add the following sub-option that would apply to all of the existing options under Component 13:

In order to allow the AFA catcher vessel fleet to use their PSC savings in traditional fisheries to fund participation in the yellowfin sole limited access and threshold fishery, the AFA catcher vessel PSC sideboards should be applied in the aggregate, rather than by specific fishery categories as they are presently structured. *Motion carried 19/1*

A motion to add 13.5 – 175,000 mt and add Sub-option 2 – 50% Non-AFA Trawl CP sector and 50% limited access fishery – to Alternative 4 failed on a vote of 10/10

The AP recommends making the following revisions to the Amendment 80 problem statement-

The Council’s primary concern is to maintain a healthy marine ecosystem to ensure the long-term conservation and abundance of the groundfish and crab resources. To this end, the Council is committed to reducing bycatch, minimizing waste, and improving utilization of fish resources to the extent

practicable in order to provide the maximum benefit to present generations of fishermen, associated fishing industry sectors, **including the CDQ sector**, communities, and the nation as a whole, while at the same time continuing to look for ways to further rationalize the fisheries. Focusing on reduction of bycatch and the attendant benefits of cooperatives in meeting bycatch reduction objectives, **as well as increased CDQ allocation and the benefits associated with CDQ resources and bycatch management, are initial steps** towards rationalization of the BSAI groundfish fisheries. Bycatch reduction measures for the Non-AFA Trawl Catcher Processor sector is a priority focus in this step toward rationalization given this sector's historical difficulty in achieving acceptable bycatch levels. Allocations to this sector associated with cooperative management of catch and bycatch provide the opportunity for participants in this sector to mitigate the cost, to some degree, associated with bycatch reduction. In addition to reducing bycatch in one sector, assurance should be provided to minimize negative impacts on others.

Motion carried 20/0

Atka Mackerel and AI POP –

Establish two options – one to allocate these species equally by area, the other to allocate these species based on historical catch by area.

Include in the analysis the use of an inter-cooperative agreement to address the daily catch restrictions of Atka mackerel in critical habitat without triggering SSL consultation.

Motion carried 20/0

Clarify in the 6th and 7th point under Other Elements to read:

Annual allocations to the cooperative would be transferable among **non-AFA trawl catcher processor** cooperative members

Motion passed 20/0

C-2 Crab Arbitration

The AP recommends the Council adopt Alternative 2.

Motion carried 19/0

C-3 BSAI P.cod sector allocations

The AP recommends the Council release the document for public review with the following additions/changes: *Motion passed 20/0*

Alternative 2

Component 2

The AP recommends that the sector catch data for the BSAI, BS, and AI 2004 and 2005 be included in the discussion of Component 2. *Motion carried 19/0*

Component 3

Upon determination of the new overall allocations to the trawl and fixed gear sectors, maintain the current percentage of the ITAC allocated to the A season for trawl gear. Provided that any reduction in the overall trawl allocation resulting from the options would first be applied in the C season and then in the B season for trawl gear. Any reallocation to fixed gear would be applied to the A season.

Any redistribution of trawl allocation in the B or C seasons will be made proportionally between the AFA CP, non-AFA CP, and AFA CV, non-AFA CV sectors based on their new allocation percentages.

In the event that this reallocation exceeds the 70/30 SSL seasonal apportionment, the Hook and Line Catcher Processors A season allocation will be adjusted as necessary by shifting A season allocation to the B season.

Delete suboptions 1 and 2.

Motion carried 20/0

Component 7

The AP recommends adopting language recommended by staff regarding Options 7.1 and 7.2 on page 222. *Motion carries 20/0*

The AP also recommends Council request staff examine methods for allowing PSC savings in P. cod AFA CV sector to be used to harvest other groundfish species (specifically the YFS threshold fishery) by AFA CV sector vessels. *Motion carries 18/2*

Shoreside landings made by pot CPs are assigned to the pot CV sector allocation for 2003. The AP recommends that the associated table in the analysis include a caveat to this effect.

Motion carried 15/1/4

The AP recommends that the catch accounting system be modified such that future shoreside landings by pot CPs are counted against the pot CP allocation.

Motion carried 20/0

Part 2

The AP recommends adding under Alternative 6:

Option 6.4: 2002-2003. *Motion carried 18/0*

C-5 Observer Program

The AP recommends the following revised language for Alternative 2:

1. Under this alternative, the 2007 sunset date for the existing program would be removed-
2. The AP recommends identifying Alternative 2 as the preferred alternative. The AP would note that Alternative 2 is not responsive to the problem statement.
3. The AP recommends that due to the continued need to restructure the observer program, a new amendment package modifying alternative 2 be identified. The focus of the new amendment package would be the Council's request to NMFS to construct an intra-agency process for developing use protocols for video monitoring equipment and recommendations for the implementation of video monitoring equipment in the Alternative 2 service delivery model.
4. The AP recommends that a new amendment proposing restructuring alternatives for the observer program should be considered by the Council at such time that 1) legislative authority is established for fee-based alternatives, 2) the FLSA issues are clarified (by statute, regulation or guidance) such that it is possible to estimate costs associated with the fee based alternatives; and/or 3) the Council requests reconsideration in response to changes in conditions that cannot be anticipated at this time. All subsequent amendment packages regarding the observer program should include an option for the federal funding of observers.

Motion passed 20/0

C-6 Halibut GHL

The AP recommends the Council send out the analysis for final review with the following revisions:

Enhance the analysis of the economic effects of the alternatives on the commercial sector, charter boat sector and support services within coastal communities. As well, the analysis should note the impact of the GHL overages, the potential impact if GHL control measures prove to be inadequate, and the potential benefits of adequate GHL measures.

Clarify that the Council may select any or all of the measures in the alternatives (i.e., the measures are not a “package deal” within the alternatives);

Add the option of using the 5-year average weight for calculating charter harvests.

As well, the AP recommends that the Council consider, as part of the GHL amendment package, sending a letter to the IPHC that would request the creation of a separate accountability system for guided sport and commercial harvests of halibut. This would remove the guided sport harvest from the “other removals” line item in the IPHC calculation, and apply the GHL allocation directly to the net CEY of each area. The AP believes that the alternatives for keeping the guided sport halibut catch within the GHL and the process used to account for that catch are linked and need to be decided concurrently at final action.

Motion carried 20/0

The AP recommends that the Council initiate a new amendment package to address regulatory issues associated with the Charter halibut harvest. The package may include additional elements and options as recommended by the Stakeholder committee but at a minimum should include the following:

1. A list of options for implementation of a moratorium on new entrants into the charter halibut fishery with a December 9, 2005 control date and with consideration of communities that may not have mature charter halibut businesses or histories.

2. A list of options to subdivide current halibut management areas 2C and 3A into sub-regions for halibut charter management purposes.

3. A list of options for linking the GHL to the annual IPHC harvest level for each management area—the so called stair stepping options that would change the GHL up and down as TAC changes.

Motion passed 20/0

D-1 (a) and (b) Experimental Fishing Permits.

The AP approves the Chiniak Gully Experiment final review of the EA. *Motion passed 20/0*

The AP recommends the Council approve EFP for AI pollock hydroacoustic assessment. *Motion passed 20/0.*

**Gulf of Alaska Groundfish Rationalization AP motion
February 11, 2006**

G-2. Species

Primary species by gear (allocated based on individual catch history):

Trawl:	Longline:
pollock	Pacific cod
Pacific cod	pelagic shelf rockfish
deepwater flatfish	Pacific ocean perch
rex sole	WGOA deep water flatfish (if turbot is targeted)
shallow water flatfish	
flathead sole	northern rockfish
arrowtooth flounder	arrowtooth flounder —Motion passed 19/0
northern rockfish	Pot:
Pacific ocean perch	Pacific cod
pelagic shelf rockfish	Jig:
Pacific cod	

For purposes of caps, use the following species aggregations:

Pollock, pcod, aggregate rockfish and aggregate flatfish

(from 2.2.3.1 and 3.2.3 and 3.3.2)

Entry Level Fishery: POP, Northern Rockfish and pelagic shelf rockfish for non-trawl catcher vessels

- An annual set aside for CV non-trawl gear capped at 2-5% of each of these target rockfish species
- The set aside will begin at 1% of the annual TAC
- The set aside amount will increase by one percentage point the following year in which the set aside quota is reached.

Secondary species by gear (allocated based on average sector/gear catch history):

Trawl:	Longline:	Pot:—
Thornyhead	Thornyhead	—Thornyhead
Rougheye	Rougheye	Rougheye
Shortraker	Shortraker	Shortraker
other slope rockfish	other slope rockfish	other slope rockfish
Atka mackerel	Atka mackerel	Atka mackerel
Sablefish		

(from 2.2.4 and 3.2.4)

Unallocated species will be managed under the existing MRA system and will be accommodated in the annual TAC-setting process.

Motion passed 19/0

G-3. State and Parallel Fishery Allocation

A portion of the TAC will be allocated to fisheries inside of 3 nm and will be subject to State management:

- Option 1. An amount equivalent to the total annual catch (for each groundfish species/group) from state waters (inside of 3 nautical miles [e.g., parallel and 25% Pacific cod fishery]) by all vessels will be managed directly by the State of Alaska Board of Fisheries as a TAC/GHL equivalent to:
- a. Highest amount taken in state waters by area
 - b. Highest amount taken in state waters by area plus 15%
 - c. Most recent four-year average harvest from state waters
- Option 2. All catch inside of 3 nautical miles by non-federally permitted vessels fishing the parallel fishery plus all catch under the 25% state water cod fishery and the PWS Pollock fishery remains under the authority of the State of Alaska Board of Fisheries.

Option 3. Only the catch associated with the 25% state water cod fishery and the PWS Pollock fishery remains under the authority of the State of Alaska Board of Fisheries.
(from 2.2.2.3 and 3.3.1.1)

The AP recommends that individual catch history harvested in the state waters parallel fishery be credited to eligible individuals in determining their proportional share of primary and secondary species allocated by the Council as part of the Gulf of Alaska federal fisheries management. It is the intent of the AP that stakeholders parallel fishery history be counted for both sector splits and individual allocations in the federally managed fisheries. *Motion passed 20/0*

G-4. Sector/Gear Designations

C/P trawl	CV trawl
C/P longline	CV longline
C/P pot	CV pot
	jig

Option: Separate low producing CV longline and CV pot into high producing vessels and low producing vessels

Low producing catcher vessel sector is

Suboption 1. fixed gear catcher vessels less than average qualified harvest history by gear and area

Suboption 2. fixed gear catcher vessels that are below the 75th percentile in qualified harvest history by gear and area

Suboption 3. **(applicable only to Alternative 3)** fixed gear catcher vessels under 60 feet that are below the 75th percentile of primary species qualified harvest history by gear and area.

High producing catcher vessels are the remainder and are divided into a catcher vessel longline and catcher vessel pot sector. Sector definitions apply throughout Alternative 3.

(from 2.2.3.1 and 2.2.3.2 and 2.2.3.2.1 and 3.2)

G-5. Catcher Vessel/Catch Processor Designation Criteria

Alternative 2

Harvest share sector designations:

Designate harvest shares (or QS/IFQ) as CV or CP. Annual CV harvest share allocation (or IFQ) conveys a privilege to harvest a specified amount. Annual CP harvest share allocation (or IFQ) conveys the privilege to harvest and process a specified amount. Designation will be based on actual amount of catch harvested and processed onboard a vessel by species.

(from 2.2.3.2.2)

Alternative 3

To be determined as a CP a vessel must have a CP LLP license and process no less than

- a) 90%
- b) 50%
- c) 25%

of its qualifying catch on-board on average over the qualifying period.

Option 1: determined by the aggregate of all species

Option 2: determined by primary species groupings in Section 3.3.5

(from 3.2)

G-6. Sector Allocations - Primary Species

Alternative 2 and 3

No explicit sector allocation calculation. Allocation to the sector is implicitly the sum of individual allocations

Alternative 3

~~Sector allocations will be based on the aggregate history of vessels in each sector during the qualifying period. Sector allocation qualifying periods and landing criteria (same for all gears in all areas).~~

— Option 1. 95-01

— Option 2. 95-02

— Option 3. 98-02

Suboption: for each sector drop the year of lowest tonnage.

(from 3.2.1)

Sector Qualifying landing criteria (same for all gears in all areas)

Landings based on retained catch for each species (includes weekly production report for Catcher/ Processor sector). Total pounds landed will be used as the denominator. Exclude retained catch that is used for meal production.

(from 3.2.2)

The analysis will assess AFA vessels as a group. Motion passed 20/0

G-7. Sector Allocations – Secondary Species

Alternative 2

Allocation to the sector is determined by management at the individual level.

Option 1. Allocation to the sector is based on individual allocations

Suboption 1. Other slope rockfish in the Western Gulf will not be allocated, but will be managed by MRA and will go to PSC status when the TAC is reached.

Suboption 2. Deduct the secondary species catch from fixed gear types from TAC. If deduction is not adequate to cover secondary species catch in fixed gear types, on a seasonal basis, place that species on PSC status until overfishing is reached.

Option 2. Retain these species on bycatch status for all gear types with current MRAs.

(from 2.2.4)

Alternative 3

Option 1: Sector **Individual** allocation for secondary species is based on each sector's average catch during the ~~sector allocation~~ qualifying period by area and primary species target fishery. Motion passed 20/0

Option 2: Maintain current MRA management for secondary species.

(from 3.2.4)

G-8. Sector Allocations – Halibut PSC

Alternative 2

Pot sector

Pot vessels continue their exemption from halibut PSC caps.

Hook and line sector

Option 1. Modeled after sablefish IFQ program (no direct inseason accounting of halibut PSC). Holders of halibut IFQ are required to land legal halibut. Estimates of sub-legal and legal size incidental mortality are accounted for when setting annual CEY.

Option 2. Halibut PSC will be managed through harvest share allocations (sector allocation is sum of allocations to sector members).

Option 3. Continue to fish under halibut PSC caps.

Suboption (to all options): Holders of halibut IFQ are required to land legal halibut. Halibut bycatch occurring without sufficient IFQs would count against halibut PSC allocations.

Trawl Sector

Option 1. Halibut PSC will be managed through harvest share allocations (sector allocation is sum of allocations to sector members)

Option 2. Continue to fish under halibut PSC caps.

(from 2.2.5 and 2.2.5.1)

Alternative 3

Option 1: ~~Sector~~ **Individual** allocation for halibut PSC is based on each sector's average catch during the ~~sector allocation~~ qualifying period by area and primary species target fishery. *Motion passed 20/0*

Option 2: Maintain current halibut PSC allocations.
(from 3.2.4)

G-9. Sector Allocations – Jig Sector

Option 1. The jig fishery would receive an allocation based on its historic landings in the qualifying years

1. 100%
2. 125%
3. 150%
4. 200%

(from 2.2.1 and 3.1)

Option 2. **(Applies only to Alternative 2)** Catch by jig would be accounted for in a manner similar to sport halibut harvests in halibut IFQ fishery.

Suboption: Cap jig harvest at ___% of current harvest of **Pcod** by ~~species and~~ area:

1. 100%
2. 125%
3. 150%
4. 200%

(from 2.2.1) *Motion passed 20/0*

Option 3. % of TAC *Motion passed 14/6*

G-10. Individual Allocations – Eligibility

LLP participation

Option 1. Eligibility to receive catch history is any person that holds a valid, permanent, fully transferable LLP license.

Basis for the distribution to the LLP license holder is: the catch history of the vessel on which the LLP license is based and shall be on a fishery-by-fishery basis. The underlying principle of this program is one history per license. In cases where the fishing privileges (i.e., moratorium qualification or LLP license) of an LLP qualifying vessel have been transferred, the distribution of harvest shares to the LLP shall be based on the aggregate catch histories of (1) the vessel on which LLP license was based up to the date of transfer, and (2) the vessel owned or controlled by the LLP license holder and identified by the license holder as having been operated under the fishing privileges of the LLP qualifying vessel after the date of transfer. (Only one catch history per LLP license.)

A person who acquired an LLP license with GQP and EQP qualifications to remain in one or more GOA QS fisheries may obtain a distribution of QS for those fisheries based on the history of either (a) the vessel on which the replacement LLP is based prior to its transfer and any landings made on the vessel for which it was acquired subsequent to its transfer to that vessel, or (b) the vessel for which the LLP was acquired, NOT both. License transfers for the purposes of this provision must have occurred by June 1, 2005.

Option 2. Non-LLP (State water parallel fishery) participation

Suboption 1. Any individual who has imprinted a fish ticket making non-federally permitted legal landings during a State of Alaska fishery in a state waters parallel fisheries for species under the rationalized fisheries.

Suboption 2. Vessel owner at time of non-federally permitted legal landing during a State of Alaska fishery in a state waters parallel fisheries for species under the rationalized fisheries.

It is the intent of the Council that catch history, whether harvested in the state water parallel fishery or the federal fishery, will be credited a single time, either in the state or federal program.

(from 2.2.2.2 and 3.3.3.1)

G-11. Individual allocations – Qualifying landing criteria

Landings based on retained catch for each species (includes weekly production report for Catcher/ Processor sector). Total pounds landed will be used as the denominator. Exclude retained catch that is used for meal production.

(from 2.2.2.1 and 3.3.2.2)

Suboption: **(Alternative 2 only)** catch history for P. cod fisheries determined based on a percentage of retained catch per year (does not include meal)

(from 2.2.2.1)

G-12. Individual Allocations – Qualifying periods

Qualifying periods (same for all gears in all areas) for allocations of shares or history

- Option 1. 95-01 drop 1, on a species by species basis
- Option 2. 95-02 drop 1, on a species by species basis
- Option 3. 95-02 drop 2, on a species by species basis
- Option 4. 98-02 drop 1, on a species by species basis
- Option 5. 98-03 drop 1, on a species by species basis

(from 2.2.2 and 3.3.2.2)

Suboption 1: **(Alternative 2 only)** For Pacific cod under all options consider only A season harvests for 2001 and 2002.

Suboption 2: **(Alternative 2 only)** For Pacific cod consider a sector allocation based on specified percentages prior to individual allocations.

(from 2.2.2)

G-13. Individual allocations – Secondary Species

Alternative 2

Under both alternatives, allocations to and management of secondary species for halibut and sablefish IFQ holders would be governed by a separate motion.

Option 1. Share Allocations

Option 1. Allocate shares to all fishermen based on fleet bycatch rates by gear:

Suboption 1. based on average catch history by area and target fishery

Suboption 2. based on 75th percentile by area by target fishery

~~Option 2.~~—Allocation of shares will be adjusted pro rata to allocate 100% of the annual TAC for each bycatch species. *Motion passed 20/0*

Suboption. Allocate these species for one gear type only (e.g., trawl). Deduct the secondary species catch of other gear types from TAC. If deduction is not adequate to cover secondary species catch in other gear types, on a seasonal basis, place that species on PSC status until overfishing is reached.

Option 2. Retain these species on bycatch status for all gear types with current MRAs.

(from 2.2.4)

Alternative 3

Option 1: Allocation of secondary species to and within cooperatives is based on the distribution of primary species history of individual cooperative members and the sector's average catch during the sector allocation qualifying period by area and primary species target fishery.

Option 2: Maintain current MRA management for secondary species.

(from 3.2.4 and 3.3.3)

G-14. Individual allocations – Halibut PSC

Alternative 2

Option 1: Share allocations (if applicable to the sector and gear type)
Each recipient of fishing history would receive an allocation of halibut mortality (harvest shares) based on their allocation of the primary species shares. Secondary species would receive no halibut allocation.

Initial allocation based on average halibut bycatch by directed primary species during the qualifying years. Allocations will be adjusted pro rata to equal the existing halibut PSC cap.

By sector average bycatch rates by area by gear:

- Option 1. Both sectors
- Option 2. Catcher Processor/Catcher Vessel

Option 2. Fleet management, specified in sector allocation of halibut (above)
(from 2.2.2.5)

Alternative 3

Option 1: Allocation of halibut PSC to and within cooperatives is based on the distribution of primary species history of individual cooperative members and the sector's average catch during the sector allocation qualifying period by area and primary species target fishery.

Option 2: Maintain current PSC MPA management for secondary halibut species. *Motion passed 20/0*
(from 3.2.4 and 3.3.3)

G-15. Individual allocations – Halibut PSC reductions outside of cooperatives

Alternative 2

Non-members of cooperatives would have halibut PSC reduced by:

- i 5%
- ii 15%
- iii 30%

Halibut PSC reduction will not apply to low-producing fixed gear participants.

All halibut PSC reductions under this section will remain unfished (in the water).
(from 2.2.5.3.1)

Alternative 3

Halibut PSC allocated to the limited access fishery for non-members of cooperatives will be reduced by:

Option 1:

- a. 0 percent
- b. 10 percent
- c. 20 percent
- d. 30 percent

Option 2:

- a. 0 percent
- b. 5 percent beginning on the date of program implementation;
an additional 5 percent beginning on the second year of program implementation;
an additional 10 percent beginning on year 5 of program implementation; and

Note: this reduction may differ by sector
(from 3.6, Issue 1)

G-16. Transferability - Gear Restrictions

Alternative 2

Harvest gear restrictions apply to primary species only.

Primary species allocations may be used by other gear types except that:

- Option 1: No restrictions
- Option 2: Fixed gear allocations may not be harvested using trawl gear
- Option 3: Pot gear allocations may not be harvested by longline or trawl gear

(from 2.2.3.2.4)

Alternative 3

Option: Trawl GQ may be fished using fixed gear, if yes – appropriate mechanism to transfer GH/GQ across sectors needed.

(from 3.3.2, Option 1)

CP provision: Allow leasing within cooperative or pursuant to an inter-co-op agreement within CP sectors (no CP leases allowed across gear types.)

(from 3.4.7.3)

G-17. Transferability - Vessel Type Restrictions

Alternative 2

Restrictions on transferability of CP harvest shares

CP harvest shares maintain their designation when transferred to persons who continue to catch and process CP harvest shares at sea, if CP harvest shares are processed onshore after transfer, CP harvest shares convert to CV harvest shares.

When CP shares are redesignated as CV shares

CP harvest shares retain their gear designation upon transfer.

Purchaser must further identify which processing provision and regionalization provision apply to the shares, consistent with the gear type.

(from 2.2.3.3.2 and 2.2.3.3.3)

Alternative 3

Option 1. Restrictions on transferability of CP harvest shares:
 CP GH may be converted to CV GH. Once it is converted, it cannot be changed back to CP GH. CP GH maintains its designation when transferred to a person that continues to catch and process the resulting GQ at sea (within a cooperative or in open access.)

~~Option 2: Re-designate CP GH as CV GH upon transfer to a person who is not an initial issuee of CP shares:~~

~~Suboption 1. all CP shares~~

~~Suboption 2. trawl CP shares~~

~~Suboption 3. longline CP shares~~ Motion passed 16/4

(from 3.4.7 and 3.4.7.1 and 3.4.7.2)

Minority Report

We, the minority of the AP, believe that Option 2 to re-designate CPGH upon transfer should continue to be an option for the Council's consideration and that, as a matter of public policy, the Council should work toward moving the GOA CPGH ashore. Signed: Matt Moir, Tom Enlow, Michelle Ridgway, Duncan Fields.

G-18. Transferability – Secondary Species

Permit transfer of secondary species QS

Option 1. Primary species shares and secondary species shares are non-separable and must be transferred as a unit.

Option 2. Primary species shares and secondary species shares are separable and may be transferred separately; they are fully leasable across gear type and sector and are allocated annually based on primary species allocation. Motion carries 19/0

(from 2.2.4 and 3.3.3.3)

Option for trawl sablefish shares (**applies to Alternative 2 only**)

Allow trawl sablefish catch history to be issued as a new category of sablefish harvest shares ("T" shares) by area. "T" shares would be fully leasable, exempt from vessel size and block restrictions, and retain sector designation upon sale.

Suboption. These shares may be used with either fixed gear or trawl gear.

(from 2.2.4)

G-19. Transferability – Halibut PSC – Long term transfers

Option 1. Groundfish primary species QS/history and Halibut PSC QS/history are non-separable and must be transferred as a unit

Suboption. exempt Pacific cod

Option 2. Groundfish primary species harvest shares (QS) and Halibut PSC QS/history are separable and may be transferred separately

(from 2.2.5.4 and 3.3.3.3)

G-20. Transferability – Halibut PSC – Annual transfers

Alternative 2

Option A: Halibut PSC annual allocations are separable from primary groundfish annual allocations and may be transferred independently within gear types. When transferred separately, the amount of Halibut PSC allocation would be reduced, for that year, by:

Suboption 1. 0%

Suboption 2. 5%

Suboption 3. 7%

Suboption 4. 10%

Suboption 5: Exclude any halibut PSC transferred for participation in the incentive fisheries (includes transfers outside the cooperative).

Suboption 6: Exclude any halibut PSC transferred within a cooperative.

Option B: No leasing/annual transfer of halibut PSC outside of cooperatives.

All halibut PSC reductions under this section will remain unfished (in the water).

(from 2.2.5.3)

G-21. Retention requirements (rockfish, sablefish and Atka mackerel)

Alternative 2

Option 1. no retention requirements

Option 2. require retention (all species) until the annual allocation (or IFQ) for that species is taken with discards allowed for overages

Option 3. require 100% retention (all species) until the annual allocation (or IFQ) for that species is taken and then stop fishing

(from 2.2.3.3.9)

G-22. Limited processing for CVs

Alternative 2

Limited processing of groundfish species by owners of CV harvest shares of groundfish species not subject to processor landing requirements are allowed up to 1 mt of round weight equivalent of groundfish per day on a vessel less than or equal to 60ft LOA. (consistent with LLPs - 679.4(k)(3)(ii)(D))

(from 2.2.3.3.10)

G-23. Processing by Catcher Processors

Alternative 2

Option 1. CPs may buy CV share fish not subject to processor landing requirements.

- Suboption. 3 year sunset
- Option 2. CPs would be prohibited from buying CV fish.
- Option 3. CPs may buy incentive fish and incidental catches of CV fish not subject to processor landing requirements.
- Option 4. CPs may buy delivery restricted CV fish, if they hold a processing license.

A CP is a vessel that harvests CP shares under the program in a year.
(from 2.2.3.3.11)

G-24. Regionalization
Alternative 2

Catcher vessel harvest shares are regionalized based on the landings history during the regionalization qualifying period, not where it was caught.

If issued, all processing licenses (for shore-based and floating processors) will be categorized by region. Processing licenses that are regionally designated cannot be reassigned to another region. **(Applies to Alternatives 2A and 2B)**

Catcher processor shares and any incentive fisheries are not subject to regionalization.

In the event harvest shares are regionalized and the processor linkage option is chosen, a harvester's shares in a region will be linked to the processor entity in the region to which the harvester delivered the most pounds during the qualifying years used for determining linkages.

The following describes the regions established and fisheries that would be subject to regionalization:

- Central Gulf: Two regions are proposed to classify harvesting shares: North - South line at 5851.10' North Latitude (Cape Douglas corner for Cook Inlet bottom trawl ban area) extending west to east to the intersection with 140° W long, and then southerly along 140° W long.).

The following fisheries will be regionalized for shorebased (including floating) catch and subject to the North-South distribution:

- CGOA Pollock (area 620 and 630)
- CGOA aggregate flatfish,
- CGOA aggregate rockfish and
- CGOA Pacific cod.

CGOA trawl sablefish will be regionalized based on all landing of primary species in the CGOA associated with the license during regionalization qualifying period.

~~Secondary species shares~~

~~Secondary species shares would not be subject to regionalization~~ Motion passed 20/0

Qualifying years to determine the distribution of shares between regions will be:

- Option 1. the preferred individual allocation qualifying period
- Option 2. 1999 – 2002

(from 2.2.9.1. and 2.2.9.1.1 and 2.2.9.1.2)

Alternative 3

If adopted, history will be categorized by region (for the fisheries identified below).

History that is regionally designated cannot be reassigned to another region.

Catcher vessel history is regionalized based on where the catch was processed, not where it was caught.

Catcher processor history is not subject to regionalization.

The history associated with a license would be regionalized based on the landings history associated with that license during the regionalization qualifying period.

The following describes the regions established and fisheries that would be subject to regionalization:

Central Gulf: Two regions are proposed to classify harvesting shares: North - South line at 5851.10' North Latitude (Cape Douglas corner for Cook Inlet bottom trawl ban area) extending west to east to the intersection with 140° W long, and then southerly along 140° W long.).

The following fisheries will be regionalized for shorebased (including floating) catch and subject to the North-South distribution:

- CGOA Pollock (area 620 and 630),
- CGOA aggregate flatfish,
- CGOA aggregate rockfish, and
- CGOA Pacific cod.

CGOA trawl sablefish will be regionalized based on all landing of primary species in the CGOA associated with the license during regionalization qualifying period.

In the event GH is regionalized, a harvester will be eligible to bring its history in a region to a cooperative associated with the processor in the region to which the harvester delivered the most pounds during the cooperative formation qualifying period using species aggregations (i.e., pollock, Pacific cod, aggregate rockfish, and aggregate flatfish) and:

- Option 1. the cooperative/processor association period or
- Option 2. the individual allocation qualifying period.

(from 3.7.1)

Qualifying years to determine the distribution of GH between regions will be:

- Option 1. the years 1999-2002.
- Option 2. consistent with the qualifying period under cooperative formation in Section 3.3.5

(from 3.7.1.1)

G-25. Skipper/Crew

The AP requests Council direct staff to draft a discussion paper examining the structure and effects of skipper/crew provisions that:

- a. allocate a certain amount of quota to qualified skipper/crew
- b. requires that qualified skipper/crew be on board during the harvest of a percentage of a vessel's allocation.
- c. provide that, upon transfer of quota share/history, a percentage of the quota and/or transfer price is reserved for crew/skippers. *Motion carries 19/0*

A skipper is defined as the individual owning the Commercial Fishery Entry Permit and signing the fish ticket.

Option 1. No skipper and/or crew provisions

Option 2. Establish license program for certified skippers. For initial allocation Certified Skippers are either:

- i. Vessel owners receiving initial QS or harvest privileges; or
- ii. Hired skippers who have demonstrated fishing experience in Federal or State groundfish fisheries in the BSAI or GOA for 3 out of the past 5 years as documented by a CFEC permit and signed fish tickets and/or appropriate NMFS documentation (starting date for five years is 2003).

Suboption 1. include crew in the license program.

Suboption 2. require that new Certified Skippers licenses accrue to individuals with demonstrated fishing experience (Groundfish – BSAI/GOA, state or federal waters) similar to halibut/sablefish program.

Under any alternative that establishes QS and annual harvest privileges, access to those annual harvest privileges is allowed only when fishing with a Certified Skipper onboard. Certified Skipper Licenses are non-transferable. They accrue to an individual and may not be sold, leased, bartered, traded, or otherwise used by any other individual.

- Option 3. (**Applies to Alternative 2 only**) Allocate to skippers and/or crew
- Suboption 1. Initial allocation of 5% shall be reserved for captains and/or crew
 - Suboption 2. Initial allocation of 10% shall be reserved for captains and/or crew
 - Suboption 3. Initial allocation of 15% shall be reserved for captains and/or crew

Defer remaining issues to a trailing amendment and assumes simultaneous implementation with rationalization program. (from 2.2.8 and 3.5)

G-26. Incentive species

Alternative 2 and Alternative 3 Motion passed 19/0

Incentive species are:

Arrowtooth flounder, deepwater flatfish, flathead sole, rex sole, shallow water flatfish.

- Option. The portion of historic unharvested West Yakutat Pacific cod TAC will be made available as an incentive fishery, subject to provision of incentive fisheries.

Allocation of incentive species

Allocations of incentive species groundfish primary species harvest shares (QS) will be made to historical participants using the following threshold approach:

Allocate harvest shares as a fixed allocation in metric tons. The threshold is set as:

- Option 1. Total retained catch of the participants divided by the number of years in the qualifying period.
- Option 2. Total retained catch of the participants plus 25% divided by the number of years in the qualifying period.
- Option 3. Total catch of the participants divided by the number of years in the qualifying period.

If available TAC is less than the total fixed allocation in metric tons, then reduce allocations pro-rata amongst shareholders. If available TAC is greater than the threshold, available incentive fishery quota is amount by which the TAC exceeds the threshold.

Eligibility to fish in the incentive fisheries

- A. The unallocated QS for the incentive fisheries are available for harvest, providing the vessel has adequate halibut PSC and secondary species.
 - Suboption: vessels must be a member of a GOA fishing cooperative to fish in the incentive fishery.
- B. Any holder of halibut or sablefish IFQ that has adequate IFQ or halibut PSC and secondary species.

Catch accounting for and entry to the incentive fisheries

Use of allocated QS and incentive fishery quota

Owners of shares must utilize all their shares for an incentive species before participating in incentive fishery for that species.

- Option 1. The individual co-op member's apportionment of the allocated incentive species QS must be used prior to the individual gaining access to the incentive fishery unallocated portion.
 - The co-op will notify NMFS when a vessel enters the incentive fishery quota pool.
- Option 2. The co-op's allocation of incentive species QS must be fished before gaining access to the unallocated portion of the incentive species quotas. The co-op members through a contractual coop agreement will address catch accounting amongst the co-op members.
- Option 3. For shareholders not participating in co-op, the unallocated incentive species are available for harvest once the individual IFQ holder's allocation of the incentive species has been used.

(from 2.2.6 and 2.2.6.1 and 2.2.6.2 and 2.2.6.3)

G-27. Sideboards

GOA Groundfish sideboards under the crab rationalization plan, under the AFA, and the CGOA rockfish pilot project would be superseded by the GOA rationalization program allocations upon implementation.

On completion of a rationalization program in the BS, any sideboards from the GOA rationalization under this section will be superseded for the fleet subject to rationalization.

Participants in the GOA rationalized fisheries are limited to their aggregate historical participation based on GOA rationalized qualifying years in BSAI and SEO groundfish fisheries.

Alternative 2

Vessels (Steel) and LLPs used to generate harvest shares used in a co-op may not participate in other federally managed open access fisheries in excess of sideboard allotments.

The Council should consider adding sideboards for the GOA jig fishery, which will not be included in the rationalization program.

Staff analysis of sideboard issues should examine the potential consequences of the creation of a double set of sideboards relating to BSAI fisheries for vessels already subject to AFA sideboards in BSAI fisheries.

(from 2.2.2.12)

Alternative 3

Vessels (actual boats) and LLPs used to generate harvest shares used in a Co-op unless specifically authorized may not participate in other state and federally managed open access fisheries in excess of sideboard allotments.

(from 3.9)

G-28. Program Review and Data Collection

Data collection

A mandatory data collection program would be developed and implemented. The program would collect cost, revenue, ownership and employment data on a periodic basis to provide the information necessary to study the impacts of the program for this and other Management Councils. Details of this program will be developed in the analysis of the alternatives.

Program Review

Preliminary program review at the first Council Meeting in the 3rd year and formal review at the Council meeting in the 5th year after implementation to objectively measure the success of the program, including benefits and impacts to harvesters (including vessel owners, skippers and crew), processors and communities, by addressing concerns, goals and objectives identified in the problem statement and the Magnuson Stevens Act standards. This review shall include analysis of post-rationalization impacts to coastal communities, harvesters and processors in terms of economic impacts and options for mitigating those impacts. Subsequent reviews are required every 5 years.

(from 2.2.10 and 2.2.10.1 and 2.2.10.2 and 3.8 and 3.8.1 and 3.8.2)

Trawl Gear Alternatives

T-1. Transferability - Leasing

Alternative 2 and 3

Active participation requirements for trawl CVs (leasing restrictions):

1. For initial issuants of trawl QS/GH who receive initial allocations of Pcod, pollock, or aggregate rockfish primary species less than:

- a. 65th percentile
- b. 70th percentile
- c. 75th percentile

Their initial allocation of primary species trawl QS/GH can be leased freely for the first 3 years of the program.

2. For initial issuants of trawl QS/GH who receive initial allocations greater than the amount established above in 2 of 3 most recent years:

- a. 30%

A motion to add a range 30%-90% failed 5/13/2

- b. 40%
- c. 50%

of their aggregate primary species trawl QS/GH for Pcod, pollock, and aggregate rockfish must either (a) be fished by a vessel which the trawl QS/GH holder owns at least 20% of or (b) fished on a vessel with the trawl QS/GH holder on board.

3. After 3 years from the start of this rationalization program, the above option 2 applies to all QS/GH holders.

(i.e. 75th percentile represents the amount of harvest shares that is greater than the amount of harvest shares for which 75% of the fleet will qualify.)

Leasing requirements imposed on cooperative members will be monitored by the cooperative. Compliance will be reported in the cooperative annual report.

Option 1: ——— Apply leasing limitation only outside of cooperatives

Option 2: ——— Apply leasing limitation inside and outside of cooperatives

Leasing of QS is defined as the transfer of annual IFQ permit to a person who is not the holder of the underlying QS for use on any vessel and use of IFQ by an individual designated by the QS holder on a vessel which the QS holder owns less than 20% — same as “hired skipper” requirement in halibut/sablefish program.

For trawl catcher vessels

Option 1. ——— No leasing of CV QS (QS holder must be on board or own at least 20% of the vessel upon which a designated skipper fishes the IFQ).

——— Suboption: ——— Allowing leasing by initial recipients of QS (grandfather clause)

Option 2. ——— Allow leasing of CV QS, but only to individuals and entities eligible to receive QS/IFQ by transfer.

Option 3. ——— For individuals and entities with CV QS, no leasing restrictions for the first three years. After this grace period, leasing will be allowed in the following calendar year if the QS holder is on board or owns 20 percent or greater of a vessel on which 30 percent of the primary species shares held by the QS holder in at least 2 of the most recent 4 years were harvested.

For trawl catcher processors

Allow leasing of CP QS, but only to individuals and entities eligible to receive QS/IFQ by transfer.

(from 2.2.3.3.5)

Alternative 3

Leasing of history is defined as the use of the resulting annual allocation by a person who is not the holder of the underlying history on any vessel and use of that annual allocation by an individual designated by the history holder on a vessel which the history holder owns less than 20%—same as “hired skipper” requirement in halibut/sablefish program.

For trawl catcher vessels

Option 1. — No leasing of CV history (history holder must be on board or own at least 20% of the vessel upon which a designated skipper fishes the annual allocation).

— Suboption: Allowing leasing by initial recipients of history (grandfather clause)

Option 2. — Allow leasing of CV history, but only to individuals and entities eligible to receive history by transfer.

Option 3. — For individuals and entities with CV history, no leasing restrictions for the first three years. After this grace period, leasing will be allowed in the following calendar year if the history holder is on board or owns 20 percent or greater of a vessel on which 30 percent of the primary species history held by the history holder in at least 2 of the most recent 4 years were harvested.

For trawl catcher processors

Allow leasing of CP history, but only to individuals and entities eligible to receive history by transfer.

Motion passed 15/2/2

T-2. Share Use – Owner on board

Alternative 2

Option 1: — Apply owner on board requirements only outside of cooperatives

Option 2: — Apply owner on board requirements inside and outside of cooperatives

For trawl catcher vessels

A range of 0-70% of the trawl quota shares initially issued to fishers/harvesters would be designated as “owner on board.”

All initial issues (individuals and corporations) would be grandfathered as not being required to be aboard the vessel to fish shares initially issued as “owner on board” shares. This exemption applies only to those initially issued quota shares

In cases of hardship (injury, medical incapacity, loss of vessel, etc.) a holder of “owner on board” quota shares may, upon documentation and approval, transfer/lease his or her shares a maximum period of 3 years out of any 10 year period.

(from 2.2.3.3.7)

T-3. Excessive share caps – individual caps on use and holdings

Alternative 2

Caps will be expressed as QS units indexed to the first year of implementation.

Option 1. — Caps apply to all harvesting categories by species with the following provisions:

1. — Apply individually and collectively to all harvest share holders in each sector and fishery.

2. — Percentage caps by species and management area are as follows (a different percentage cap may be chosen for each fishery):

Trawl CV and/or CP (can be different caps)

Use cap based at the following percentile of catch history for the following species (i.e., 75th percentile represents the amount of harvest shares that is greater than the amount of harvest shares for which 75% of the fleet will qualify) pollock, Pacific cod, deepwater flatfish, rex sole, shallow water flatfish, flathead sole, Arrowtooth flounder, northern rockfish, Pacific ocean perch, pelagic shelf rockfish

Suboption 1. — 75 %

~~Suboption 2. 85%~~

~~Suboption 3. 95%~~

~~Option 2. Caps equal to a percentage that would allow contraction of QS holders in the fishery by 20%, 30% or 50% of the number of initially qualified QS recipients by species and sector.~~

Application of caps to intercooperative transfers

~~To effectively apply individual ownership caps, the number of shares or history that each cooperative member could hold and bring to cooperatives would be subject to the individual ownership caps (with initial allocations grandfathered). Transfers between cooperatives would be undertaken by the members individually, subject to individual ownership caps.~~

CP QS/IFQ conversion to CV QS/IFQ

~~CP shares converted to CV shares will count toward CV caps~~

~~Caps will be applied to prohibit acquisition of shares in excess of the cap. (from 2.2.3.3.6)~~

Alternative 2 and 3

History holdings of a co-op member **to an individual** shall be capped at:

Option 1. 1% of the history by area, sector and species groups (pollock, Pacific cod aggregate rockfish, aggregate flatfish)

Option 2. 3% of the history by area, sector and species groups

Option 2.3 5% of the history by area, sector and species groups

Option 3.4 20% of the history by area, sector and species groups

Option 3-5 30% of the history by area, sector and species groups

Option 4-6 no cap

Allocations to original issues would be grandfathered at the original level of history.

Apply individually and collectively to all harvest share holders in each sector and fishery.

Different caps can be chosen in the CV sector and the CP sector.

(from 3.4.3)

Motion passed 20/0

CP history conversion to CV history

CP history and annual allocations converted to CV history and annual allocations will count toward CV caps

Caps will be applied to prohibit acquisition of history in excess of the cap. Conversion of CP history or annual allocations to CV history or annual allocations alone will not require a CP history holder or cooperative to divest CP history and annual allocations for exceeding CP caps.

(from 3.4.7.4)

T-4. Excessive share caps – vessel use caps

Alternative 2 and 3

Individual vessel use cap **applies within coops**

Vessel use caps on harvest shares harvested on any given vessel shall be set at

- i. 100%
- ii. 150%
- iii. 200%

the individual use cap for each species. Initial issues that exceed the individual or vessel use caps are grandfathered at their current level as of a control date of April 3, 2003, including transfers by contract entered into as of that date.

(from 2.2.3.3.6)

Cooperative vessel use cap

Co-op use caps for harvest shares on any given vessel shall be:

- Option 1. ~~Set at the same level as the individual vessel level.~~
- Option 2. ~~3 times individual vessel use cap.~~
- Option 3. ~~No use caps~~

(from 2.4.4.2)

Alternative 3

Vessel use caps on harvest shares harvested on any given vessel shall be set at

- i. 100%
- ii. 150%
- iii. 200%

the individual use cap for each species. Initial issues that exceed the individual or vessel use caps are grandfathered at their current level as of a control date of April 3, 2003, including transfers by contract entered into as of that date-

Motion passed 19/0

T-5. Excessive share caps – vertical integration caps

Alternatives 2A High and 2B High

Harvest shares initial recipients with more than 10% limited threshold ownership by licensed processors are capped at 115-150% of initial allocation of harvest CV shares.

(from 2.2.3.3.4)

Alternative 2C

Up to 30% of CV shares shall be designated as “CVP” shares and eligible to be held by processors and CV recipients.

(from 2.3.2)

Alternative 3

Any processor holdings of history, using the 10% limited threshold rule, are capped at:

- Option 1. initial allocation of harvest CV and CP shares
- Option 2. 115%-150% of initial allocation of CV history
- Option 3. 115%-150% of initial allocation of CP history
- Option 4. no cap

(from 3.4.5)

T-6. Excessive share caps – cooperative use caps

Alternative 2

Set co-op use caps at 25 to 100% of total TAC by species

(from 2.4.4.1)

Alternative 2 and 3

Control of history or use of annual allocations by a co-op shall be capped at:

- Option 1. 15% by area, sector and species groups (pollock, Pacific cod aggregate rockfish, aggregate flatfish.
- Option 2. 25% by area, sector and species groups
- Option 3. 45% by area, sector and species groups
- Option 4. no cap

(from 3.4.4)

Separate caps can be chosen for the CV and CP sector

Motion passed 18/0

T-7. Overage Provisions

Alternative 2

A 7 day grace period after an overage occurs for the owner to lease sufficient IFQ to cover the overage. Failure to secure sufficient IFQ would result in forfeiture of the overages and fines.

- Option 1. Overage up to 15% or 20% of the last trip will be allowed— greater than a 15% or 20% overage result in forfeiture and civil penalties. An overage of 15% or 20% or less, results in the reduction of the subsequent year's annual allocation or IFQ. Underages up to 10% of harvest shares (or IFQ).
- Option 2. Overage provisions would not be applicable in fisheries where there is an incentive fishery that has not been fully utilized for the year. (i.e., no overages would be charged if a harvest share (or IFQ) holder goes over his/her annual allocation (or IFQ) when incentive fisheries are still available).

(from 2.2.3.3.8)

T-8. Transferability – Eligibility to Receive

Alternative 2

Persons eligible to receive harvest history or shares by transfer must be:

For CP history/shares:

- 1) Entities eligible to document a vessel
- 2) Initial recipients of CV or C/P harvest shares
- 3) Community administrative entities eligible to receive shares/history by transfer
- 4) Individuals eligible to document a vessel with at least 150 days of sea time

For CV history/shares:

- 1) Individuals eligible to document a vessel with at least 150 days of sea time
- 2) Initial recipients of CV or C/P harvest shares
- 3) Community administrative entities eligible to receive shares/history by transfer.

Definition of sea time:

Sea time in any of the U.S. commercial fisheries in a harvesting capacity.

(from 2.2.3.3 and 2.2.3.3.1)

Alternative 3

Persons qualified to receive history by transfer include:

- 1) processors that associate with initial cooperatives and
- 2) for CP/CV history/shares:
 - a. entities eligible to document a vessel
 - b. initial recipients of CV or CP harvest shares
 - c. community administrative entities eligible to receive shares/history by transfer
 - d. individuals eligible to document a vessel with at least 150 days of sea time

Motion passed 19/0

- 3) ~~Option 1. US citizens who have had at least 150 days of sea time.~~
- ~~Option 2. Entities that meet U.S. requirements to document a vessel.~~
- ~~Option 3. Initial recipients of CV or C/P history~~
- ~~Option 4. individuals who are U.S. citizens.~~

Definition of sea time:

Sea time in any of the U.S. commercial fisheries in a harvesting capacity.

(from 3.4.2.1 and 3.4.2.2)

Alternative T2A – IFQ/Cooperatives with Processor License Limitation

T2A-1. Voluntary Cooperatives

Cooperative membership is not required to receive an annual harvest share allocation. (i.e., IFQ will be allocated to non-members) (from 2.4.1)

T2A-2. Cooperative formation

Co-ops can be formed between

- 1) holders of trawl catcher vessel harvest shares in an area
- 2) holders of catcher/processor harvest shares in an area

Cooperatives are required to have at least 4 distinct and separate harvesters (using the 10% threshold rule)
(from 2.4.2.1)

T2A-3. Cooperative/processor affiliations

Option 1. No association required between processors and co-ops

Option 2. CV cooperatives must be associated with

- a) a processing facility
- b) a processing company

The associated processor must be:

- a) any processor
- b) a limited entry processing license holder

Processors can associate with more than one co-op

Note: A processor association will not be required for a C/P cooperative.
(from 2.4.2.1.1)

T2A-4. Movement between cooperatives

Harvesters may move between cooperatives at:

- Option 1. the end of each year.
- Option 2. the expiration of the cooperative agreement.
- Option 3. no movement in the first two years

(from 2.4.5)

T2A-5. Duration of cooperative agreements

- Option 1. 1 year
- Option 2. 3 years
- Option 3. 5 years

Suboption 1: Duration is minimum.

Suboption 2: Duration is maximum.

(from 2.4.2.3)

T2A-6. Rules Governing Cooperatives

- Annual allocations of cooperative members would be issued to the cooperative.
- Co-op members may internally allocate and manage the co-op's allocation per the co-op membership agreement. Subject to any harvesting caps that may be adopted, member allocations may be transferred and consolidated within the co-op to the extent permitted under the membership agreement.
- Monitoring and enforcement requirements would be at the co-op level. Co-op members are jointly and severally responsible for co-op vessels harvesting in the aggregate no more than their co-op's allocation of primary species, secondary species and halibut mortality, as may be adjusted by inter-co-op transfers.
- Co-ops may adopt and enforce fishing practice codes of conduct as part of their membership agreement. Co-ops may penalize or expel members who fail to comply with their membership agreement.
- Coop membership agreements will specify that processor affiliated harvesters affiliates cannot participate in price setting negotiations except as permitted by general antitrust law.
- Co-ops may engage in inter-cooperative transfers to the extent permitted by rules governing transfers of shares among sectors (e.g., gear groups, vessel types).

- Require that a cooperative accept membership of any eligible participant subject to the same terms and conditions that apply to other cooperative members.
- The cooperatives formed under this program are harvest associations that are intended only to conduct and coordinate harvest activities of their members and are not FCMA cooperatives. Processor affiliated vessels will be permitted to join harvest cooperatives.

Motion passed 18/0

(from 2.4.3.1)

T2A-7. Harvest Share Allocations – A share/B share allocations

If a processor limited entry alternative is chosen, CV primary species harvest shares will be issued in two classes. Class A shares will be deliverable to a licensed processor. Class B shares will be deliverable to any processor as authorized under this program. Only the annual allocations will be subject to the Class A/Class B distinction. All long term shares or history will be of a single class.

~~Suboption : Processor affiliated vessels to receive entire allocation as A shares.~~ *Motion passed 19/0*

(from 2.2.3.2.5)

T2A-8. Provisions for Processor License Limitation

Apply processor provisions generally at the company level.

50-100% of CV harvest share allocation will be reserved for delivery to any licensed trawl processor

The Council requests that staff provide a discussion paper addressing the effect of a use cap on the number of processors in a region.

(from 2.3.1.1.1)

T2A-10. Processor License Qualifications

To qualify for a processor license, a processor must have purchased and processed a minimum amount of groundfish by region as described below in at least 4 of the following years:

- Option 1. 1995-2001
- Option 2. 1995-2002
- Option 3. 1998-2003
- Option 4. 2000-2004
- Option 5. 1995-2003

Eligible Processors – minimum annual processing

Trawl

- Suboption 1. 2000 mt
- Suboption 2. 1000 mt
- Suboption 3. 500 mt

Trawl and fixed gear eligible processors

Processors that meet criteria for both the trawl processor license and fixed gear processor licenses will be issued a single trawl/fixed gear license

Processor history would be credited to (and licenses would be issued to):

Operator – must hold a federal or state processor permit.

Custom processing history would be credited to the processor that purchased the fish as indicated on the fish ticket and paid for processing

(from 2.3.1.2.1 and new from December 2005 meeting)

A licensed processor may operate an unlimited number of facilities under one license. *Motion passed 19/0*

T2A-11. Transferability of eligible processor licenses

Processor licenses can be sold, leased, or transferred.

Within the same region

(from 2.3.1.2.3)

T2A-12. Processing Use Caps

Processing caps apply **at the entity level** by processor license type (by CGOA and WGOA regulatory areas) on A share landings:

- Option 1. Range 70% to 130% of TAC processed for all groundfish species for the largest licensed processor
- Option 2. Processing use caps would be equal to a percentage that would allow contraction of processing companies in the fishery by 20%, 30%, or 50% of the number initially qualified processing companies

(Note: There is no limit on the amount of fish licensed processor can buy from the open B share classed fish)

Processing caps apply at the entity level.

Initial issues that exceed the processor use cap are grandfathered at their current level Motion passed 19/0

(from 2.3.1.2.4)

T2A-13. License ownership restrictions on processors

(Applies at the entity level) by region

- ~~Option 1. No restrictions~~
- ~~Option 2. Trawl/fixed license holders cannot hold any additional fixed gear only licenses~~

(from 2.3.1.2.6)

Processors may acquire additional licenses so that they hold a combination of licenses allowing them to process 'A' shares from both the fixed gear and trawl gear sectors. Owners of fixed licenses can buy trawl/fixed licenses, owners of trawl/fixed may not buy additional licenses. Motion passed 19/0

Alternative T2B – IFQ/Cooperatives with Processor Linkages

T2B-1. Voluntary Cooperatives

Cooperative membership is not required to receive an annual harvest share allocation. (i.e., IFQ will be allocated to non-members)

(from 2.4.1)

T2B-2. Cooperative formation

Co-ops can be formed between

- 1) holders of trawl catcher vessel harvest shares in an area
- 2) holders of catcher/processor harvest shares in an area

Cooperatives are required to have at least 4 distinct and separate harvesters (using the 10% threshold rule)

(from 2.4.2.1)

T2B-3. Cooperative/processor affiliations

Option 1. No association required between processors and co-ops

Option 2. CV cooperatives must be associated with

- a) a processing facility
- b) a processing company

The associated processor must be:

- a) any processor
- b) a limited entry processing license holder
- c) a limited entry processing license holder to which the share holder's shares are linked

Processors can associate with more than one co-op

Note: A processor association will not be required for a C/P cooperative.
(from 2.4.2.1.1)

T2B-4. Duration of cooperative agreements

- Option 1. 1 year
- Option 2. 3 years
- Option 3. 5 years

Suboption 1: Duration is minimum.

Suboption 2: Duration is maximum. (from 2.4.2.3)

T2B-5. Movement between cooperatives

Harvesters may move between cooperatives at:

- Option 1. the end of each year.
- Option 2. the expiration of the cooperative agreement.
- Option 3. no movement in the first two years

(from 2.4.5)

T2B-6. Rules Governing Cooperatives

- Annual allocations of cooperative members would be issued to the cooperative.
- Co-op members may internally allocate and manage the co-op's allocation per the co-op membership agreement. Subject to any harvesting caps that may be adopted, member allocations may be transferred and consolidated within the co-op to the extent permitted under the membership agreement.
- Monitoring and enforcement requirements would be at the co-op level. Co-op members are jointly and severally responsible for co-op vessels harvesting in the aggregate no more than their co-op's allocation of primary species, secondary species and halibut mortality, as may be adjusted by inter-coop transfers.
- Co-ops may adopt and enforce fishing practice codes of conduct as part of their membership agreement. Co-ops may penalize or expel members who fail to comply with their membership agreement.
- **Coop membership agreements will specify that Processor processor affiliates affiliated harvesters cannot participate in price setting negotiations except as permitted by general antitrust law.**
- Co-ops may engage in inter-cooperative transfers to the extent permitted by rules governing transfers of shares among sectors (e.g., gear groups, vessel types).
- Require that a cooperative accept membership of any eligible participant subject to the same terms and conditions that apply to other cooperative members.
- **The cooperatives formed under this program are harvest associations that are intended only to conduct and coordinate harvest activities of their members and are not FCMA cooperatives. Processor affiliated vessels will be permitted to join harvest cooperatives.** Motion passed 19/0

(from 2.4.3.1)

T2B-7. Harvest Share Allocations – A share/B share allocations

If a processor limited entry alternative is chosen, CV primary species harvest shares will be issued in two classes. Class A shares will be deliverable to a licensed processor **to which the shares are linked**. Class B shares will be deliverable to any processor as authorized under this program. Only the annual allocations will be subject to the Class A/Class B distinction. All long term shares or history will be of a single class.

~~Suboption : Processor affiliated vessels to receive entire allocation as A shares.~~ Motion passed 19/0
(from 2.2.3.2.5)

T2B-8. Provisions for Processor License Limitation

Apply provisions generally at the facility (plant) level.

50-100% of CV harvest share allocation will be reserved for delivery to the linked licensed closed class trawl processor.

The Council requests that staff provide a discussion paper addressing the effect of a use cap on the number of processors in a region.

(from 2.3.1.1.1)

T2B-9. Processor License Qualifications

To qualify for a processor license, a processor must have purchased and processed a minimum amount of groundfish by area and region as described below in at least 4 of the following years:

- Option 1. 1995-2001
- Option 2. 1995-2002
- Option 3. 1998-2003
- Option 4. 2000-2004
- Option 5. 1995-2003

Motion passed 17/0

Eligible Processors – minimum annual processing

- Suboption 1. 2000 mt
- Suboption 2. 1000 mt
- Suboption 3. 500 mt

Processor history would be credited to (and licenses would be issued to):

- Operator – must hold a federal or state processor permit.
- Custom processing history would be credited to the processor that purchased the fish as indicated on the fish ticket and paid for processing

If a processor meets the threshold for total purchased and processed groundfish for all their facilities combined, but does not meet the threshold for any one facility then the processor would be issued a license for the facility in which it processed most fish.

(from 2.3.1.2.1)

T2B-10. Linkage (Linkages apply by area)

~~A harvester's processor linked shares are associated with the licensed trawl processor to which the harvester delivered the most pounds of groundfish during the last ___ years of prior to 2004.~~

- ~~i. 1~~
- ~~ii. 2~~
- ~~iii. 3~~

A harvester's processor linked shares are associated with the licensed fixed or trawl processor to which the harvester delivered the most pounds of primary groundfish species by area (Western Gulf, Central Gulf & West Yakutat (combined)) and region (North/South) during the

- a) qualifying years.
- b) most recent 1, 2, or 3 years from the qualifying years.
- c) last ___ years of prior to 2004.

- i. 1
- ii. 2
- iii. 3

Suboption:

A harvester is initially eligible to join a cooperative in association with a processor who processed

- a) 80% or b) 90%

of the harvesters eligible history. If no processor processed this percentage of a harvester's eligible history, the harvester linked shares are with the processor that processed the most qualified landings and the processor that processed the second most qualified landings on a pro rata basis

Processors with history at multiple facilities in a community may aggregate those histories for determining associations.

Option 1: If the processing facility with whom the harvester is associated is no longer operating in the community, and another processing facility within the community has not purchased the history, the harvester is eligible to deliver to ~~develop a new association in the following order:~~

- 1) The licensed processor to whom the harvester delivered the second most pounds in the community as long as that processor accounts for at least 20% of harvester's history
- 2) Any licensed processor in the community
- 3) The licensed processor to whom the harvester delivered the second most pounds in the region
- 4) Any licensed processor in the region
 - i. ~~any licensed processor~~
 - ii. ~~any licensed processor in the community~~
 - iii. ~~the licensed processor to whom the harvester delivered the second most pounds~~

Option 2: If the processing facility with whom the harvester is associated is no longer operating in the community, the harvester is eligible to deliver to ~~develop a new association in the following order:~~

- 1) The licensed processor to whom the harvester delivered the second most pounds in the community as long as that processor accounts for at least 20% of harvester's history
- 2) Any licensed processor in the community
- 3) The licensed processor to whom the harvester delivered the second most pounds in the region
- 4) Any licensed processor in the region
 - i. ~~any licensed processor~~
 - ii. ~~any licensed processor in the community~~
 - iii. ~~the licensed processor to whom the harvester delivered the second most pounds~~

Motion carries 15/2/2

~~The AP recommends Council request staff provide a discussion paper addressing the effect of a use cap on the number of processors in a region.~~ *Motion passed 19/0*
(from 2.3.1.1.2)

T2B-11. Movement between linked processors

Any vessel that is linked to a processor, may with the consent of that processor, deliver A shares to another plant.

In the absence of consent, when a harvester moves from a linked processor, the harvesters shares are reduced 10% - 20% for a period of:

- i. 1 year
- ii. 2 years
- iii. 4 years

Suboptions:

- i. Penalty applies to A shares only.
- ii. Penalty applies to both A and B shares.
 - A. Full penalty applies to each move
 - B. Full penalty applies to the first move, subsequent moves are penalized at half of that rate.
 - C. Full penalty applies only to the first transfer (*A motion to strike "C" failed 6/11*)

Minority Report

Alternative 2B is a linkage program that includes perpetual linkages between processors and vessels. If no penalty is imposed when a vessel moves between processors after the first move, then alternative 2B will become similar to the 2A alternative over time. Each alternative should be distinct from one another to meet the NEPA process requirements. The linkage requirement is intended to allow vessels and processors to manage their operations in a more economically efficient manner, balance the price negotiating leverage between sectors, and stabilize the distribution of landings amongst processors. We believe option C (Full penalty applies only to the first transfer) should be removed. Signed: Kent Leslie, John Henderschedt, Matt Moir, Bob Gunderson, Tom Enlow, and Al Burch.

The share reduction shall be redistributed to the shareholders associated with the processor that the shareholder left (if it continues to exist).

(from 2.3.1.1.3)

T2B-12. Transferability of eligible processor licenses

Processor licenses can be sold, leased, or transferred.

Within the same region

If the license is transferred outside the community of origin, then vessel linkages are broken and vessels are allowed to develop a new association with any licensed processor within the same community or, if no processor exists in the community, within the same region, deliver to any licensed processor. Motion passed 17/0

(from 2.3.1.2.3)

T2B-13. License Transfers Among Processors in the same community

Option 1. any share association with that license will transfer to the processor receiving the license. All harvest share/history holders will be subject to any share reduction on severing the linkage, as would have been made in the absence of the transfer.

Option 2. any share associated with the license will be free to associate with any licensed processor. Harvest share/history holders will be free to move among processors without share/history reduction.

Option 2. Any share association with that license will transfer to the processor receiving the license. All harvest share/history holders will be subject to any share reduction at the full penalty for movement the first year; for the second year, half penalty applies to change the processor association. Harvest share holders would be allowed to develop a new association with a licensed processor within the same community if another processor is in the community or if no processor in the community within the same region.

Option 3. Any share association with that license will transfer to the processor receiving the license. All harvest share/history holders will be subject to any share reduction at the full penalty for the first year; for the second year, no penalty applies to change the processor association. Harvest share holders would be allowed to develop a new association with a licensed processor within the same community if another processor is in the community or if no processor in the community within the same region.

Motion passed 17/0

(from 2.3.1.2.3.1)

T2B-14. Processing Use Caps

Processing caps apply at the entity level by processor license type (by CGOA and WGOA regulatory areas) on A share landings:

Option 1. Range 70% to 130% of TAC processed for all groundfish species for the largest licensed processor

Option 2. Processing use caps would be equal to a percentage that would allow contraction of processing companies in the fishery by 20%, 30%, or 50% of the number initially qualified processing companies

(Note: There is no limit on the amount of fish licensed processor can buy from the open B share classed fish)

Initial issues that exceed the processor use cap are grandfathered at their current level.

Motion passed 17/0
(from 2.3.1.2.4)

2B-15. License ownership restrictions on processors

Applies at the entity level by region

_____ Option 1. _____ No restrictions

_____ Option 2. _____ Trawl/fixed license holders cannot hold any additional fixed gear only licenses

Option 1. A maximum of one facility license

Option 2. A maximum of two facility licenses

Option 3. A maximum of three facility licenses

Option 4. An unlimited number of facility licenses

Initial issues that exceed the license ownership cap are grandfathered at their current level. Motion passed 17/0

(from 2.3.1.2.6)

Alternative T2C – IFQ/Cooperatives with Harvest Share Allocations to Processors

The AP made no changes to T2C

Alternative T3 – Cooperatives/Limited Access with Processor Associations

T3-1. Voluntary Cooperatives

Voluntary cooperatives may form between eligible harvesters in association with processors. Harvesters may elect not to join a cooperatives, and continue to fish in the LLP/Limited Access fishery.

(from 3.3)

T3-2. Allocations to Individuals and Cooperatives

On joining a cooperative that complies with all requirements for an initial cooperative, an individual will be allocated catch history as generic Gulf History (GH).

Each cooperative will receive an annual allocation of Gulf Quota (GQ) based on the GH of its members.

(from 3.3.1 and 3.3.2)

T3-3. Cooperative Eligibility - Catcher Vessel Cooperatives

Catcher vessel co-ops may be established within sectors between eligible harvesters in association with an eligible processor. A harvester is initially eligible to join a cooperative in association with the processor to which the harvester delivered the most pounds of primary species by area (Western Gulf, Central Gulf, & West Yakutat combined) and region (North/South) during the

- a) qualifying years.
- b) most recent 1, 2, or 3 years from the qualifying years.
- c) last 4 years prior to 2004

Provisions applied to a, b, and c:

For the following species groups:

- Pollock
- Pacific cod
- Aggregate rockfish
- Aggregate flatfish
- All groundfish

Suboption for All groundfish: A harvester is initially eligible to join a cooperative in association with a processor who processed a) 80% b) 90%

of the harvesters eligible history. If no processor processed this percentage of a harvester's eligible history, the harvester can enter into initial cooperatives with the processor that processed the most qualified landings and, the processor that processed the second most qualified landings on a pro rata basis.

*Motion passed 16/0
(from 3.3.5)*

T3-4. Cooperative Formation - Catcher Vessel Cooperatives

Cooperatives are required to have at least:

- Option 1. 4 distinct and separate harvesters (using the 10% threshold rule)
- Option 2. 50-75 percent of the eligible GH for each co-op associated with its processor
Applies to CVs for processor associated cooperatives, if less than 4 distinct and separate harvesters are available to associate with the processor.
- Option 3. Any number of eligible harvesters within the sector (allows single person co-op)

(from 3.3.7)

T3-5. Initial Cooperative Agreement Requirements

Catcher vessel co-ops may be formed by eligible harvesters (the co-op) subject to the terms and conditions of a co-op membership agreement. In order to receive an allocation of GH under this program, co-ops must enter into a duly executed contractual agreement (Contract) with the processor the harvester is initially eligible to join a cooperative in associate with.

Contracts established under this section shall specify the terms and conditions for transferring GQ or GH from the cooperative, including mechanisms whereby a member exiting the co-op (or transferring GH from the co-op) compensates the remaining co-op members and/or the associated processor for exiting the co-op (or transferring GH from the co-op). Compensation can take on any form agreed to by the members and the associated processor, including permanent transfer of some or all GH generated by the existing participant to the remaining co-op members and/or the associated processor.

Following the initial co-op period, new GH can be generated by eligible harvesters that have never been co-op members only by joining a co-op in association with the eligible processor pursuant to the terms of an agreement that meets the requirements for an initial co-op. *(from 3.3.11)*

T3-6. Duration of Initial Cooperative Agreements

Duration of initial cooperative agreements:

- Option 1. 1 year
- Option 2. 2 years
- Option 3. 3 years
- Option 4. Any length agreed between the co-op participants.

Different options may apply to CV and CP coops *Motion passed 16/0
(from 3.3.8)*

T3-7. Catcher Vessel - Cooperative/processor associations

Option 1: If the processing facility with whom the harvester *would be initially* associated is no longer operating in the community, and another processing facility within the community has not purchased the history, the harvester is eligible to deliver to **in the following order**

- ~~i. any licensed processor~~
- ~~ii. any licensed processor in the community (If there are no eligible processors in that community, the harvester may join a co-op in association with any eligible processor within the region.)~~
- ~~iii. the licensed processor to whom the harvester delivered the second most pounds~~

- 1) The licensed processor to whom the harvester delivered the second most pounds in the community as long as that processor accounts for at least 20% of harvester's history
- 2) Any licensed processor in the community
- 3) The licensed processor to whom the harvester delivered the second most pounds in the region
- 4) Any licensed processor in the region

Option 2: If the processing facility with whom the harvester *would be initially* associated is no longer operating in the community, the harvester is eligible to deliver to **in the following order**

- ~~i. any licensed processor~~
- ~~ii. any licensed processor in the community (If there are no eligible processors in that community, the harvester may join a co-op in association with any eligible processor within the region.)~~
- ~~iii. the licensed processor to whom the harvester delivered the second most pounds~~
 - 1) The licensed processor to whom the harvester delivered the second most pounds in the community as long as that processor accounts for at least 20% of harvester's history
 - 2) Any licensed processor in the community
 - 3) The licensed processor to whom the harvester delivered the second most pounds in the region
 - 4) Any licensed processor in the region

Motion passed 16/0

CV cooperatives must be associated with an eligible processing facility
Processors can associate with more than one co-op.

Processors with history at multiple facilities in a community may aggregate those histories for determining associations.

The eligible processor is:

- 1) prior to satisfying an exit requirement, a processor that the harvester is initially eligible to associate with in a cooperative, and
- 2) after satisfaction of an exit requirement, any processor

(from 3.3.9)

T3-8. Cooperative Eligibility - Catcher Processor Cooperatives

Catcher processor co-ops may be formed by eligible CPs within each CP sector. No processor affiliation is required for CP co-op formation. *(from 3.3.6)*

T3-9. Cooperative Formation - Catcher Processor Cooperatives

Cooperatives are required to have at least:

- Option 1. 4 distinct and separate harvesters (using the 10% threshold rule)
- Option 2. 50-100 percent of the GH of its sector.
- Option 3. Any number of eligible harvesters within the sector (allows single person co-op)

(from 3.3.7)

T3-10. Movement between cooperatives

An initial cooperative formation period shall be established beginning with year one of program implementation and extended for the period identified below.

- Option 1. period is 1 year
- Option 2. period is 2 years
- Option 3. period is 3 years

Different options may apply to CV and CP sectors *Motion passed 16/0*

After the initial cooperative formation period, a holder of GH that meets the requirements of an initial cooperative agreement for exiting a cooperative may leave an initial cooperative and join a cooperative in association with any processor pursuant to a Contract that meets the requirements of rules governing cooperatives.
(from 3.3.12)

T3-11. Rules Governing Cooperatives

The following provisions apply to all cooperatives:

- a. The harvesters that enter into a co-op membership agreement shall be the members of the co-op. The processor will be an associate of the cooperative but will not be a cooperative member.
- b. Except for CP cooperatives, a pre-season Contract between eligible, willing harvesters in association with a processor is a pre-requisite to a cooperative receiving an allocation of GQ. For an initial co-op, the Contract must meet the *initial cooperative agreement requirements*.
- c. The co-op membership agreement and the Contract will be filed with the RAM Division. The Contract must contain a fishing plan for the harvest of all co-op fish.
- d. Co-op members shall internally allocate and manage the co-op's allocation per the Contract.
- e. Subject to any harvesting caps that may be adopted, GH or GQ may be transferred and consolidated within the co-op to the extent permitted under the Contract.
- f. The Contract must have a monitoring program. Monitoring and enforcement requirements would be at the co-op level. Co-op members are jointly and severally responsible for co-op vessels harvesting in the aggregate no more than their co-op's allocation of primary species, secondary species and halibut PSC mortality, as may be adjusted by inter-cooperative transfers.
- g. Co-ops may adopt and enforce fishing practice codes of conduct as part of their membership agreement. Co-ops may penalize or expel members who fail to comply with their membership agreement.
- h. Co-op membership agreements will specify that processor affiliated vessels harvesters cannot participate in price setting negotiations concerning price setting, except as permitted by general antitrust law, code of conduct, mechanisms for expelling members, or exit agreements.
- i. Co-op membership agreements shall allow for the entry of other eligible harvesters into the co-op under the same terms and conditions as agreed to by the original agreement. Harvesters that have never been a member of a cooperative must enter an agreement that meets all requirements for an initial co-op, as specified under *initial cooperative agreement requirements*.
- j. The cooperatives formed under this program are harvest associations that are intended only to conduct and coordinate harvest activities of their members and are not FMCA cooperatives. Processor affiliated vessels will be permitted to join harvest cooperatives. *Motion passed 16/0*

(from 3.4.1)

T3-12. General Provisions Concerning Transfers of GH and GQ.

Co-ops may engage in inter-cooperative transfers (leases) of GQ during and after the initial co-op formation period.

During the initial cooperative formation period, GH transfers will be permitted between members of the same cooperative, but not between members of different cooperatives.

Following the initial co-op formation period, members of a co-op may transfer GH to members of other co-ops.

All transfers will be subject to such terms and conditions as may be specified in the applicable Contract and any ownership or use caps or other conditions as may be established pursuant to this program.

For persons that join cooperatives for the first time after the initial cooperative formation period, the limits on transfers shall apply for the same period of time as the initial cooperative formation period.

(from 3.4.2)

T3-13. Transfers by catcher processors

Transfers of GH or leases of GQ across CP gear types is

- a) not permitted
- b) permitted. (from 3.3.10)

T3-14. Use of Annual Allocations

Any holders of history and cooperatives under this program are intended to comply with all existing laws concerning the documentation of vessels and entry of vessels to U.S. fisheries in fishing under the program. Holders of history unable to enter a vessel into U.S. fisheries may lease holdings or use holdings through cooperative membership to the extent permitted by the program, but not in contravention of current law pertaining to entry of vessels in U.S. fisheries. (from 3.3.11)

T3-15. LLP/Limited Access Fishery

The allocation for each sector of primary species, secondary species, and halibut PSC to the LLP/Limited Access fishery will be those amounts remaining after allocation to the co-ops. Harvesters that choose not to participate in a co-op may continue to fish in the LLP/Limited Access fishery.

In the limited access fishery directed fishing will be permitted for primary species only. The current system of MRAs will be used for managing catch of secondary species and unallocated species. (from 3.6)

T3-16. Movement from a Cooperative to the LLP/Limited Access Fishery

The LLP of any vessel that has entered a co-op and generated GH pursuant to this program may not be subsequently used, or transferred to another vessel, to fish in the LLP/Limited Access fishery for any primary *and* secondary species identified under this program unless all GH initially associated with the LLP is held by the LLP holder and is allocated to the LLP/Limited Access fishery.

Note: The intent of this provision is to prevent a vessel from entering a co-op, transferring its GH to the co-op and then subsequently taking its LLP and re-entering the open access fishery or transferring its LLP to another vessel to fish in the LLP/Limited Access fishery. (from 3.6, Issue 2)

T3-17. Processing Use Caps

Processors shall be capped at the entity level.

No processor shall process more than:

- Option 1. 25% of total harvest by area and primary species groups in Section 3.3.5
- Option 2. 50% of total harvest by area and primary species groups in Section 3.3.5
- Option 3. 75% of total harvest by area and primary species groups in Section 3.3.5
- Option 4. no cap

Processors eligible *to associate with an initial cooperative* will be grandfathered.

There is no limit on the amount of fish that an eligible processor can buy from the open access fishery. Motion passed 17/0/1 (from 3.4.6)

The AP request that Council staff provide:

- 1) Distributions of Quota share by Area and Sector for aggregate rockfish and aggregate flatfish species groups for LLP catch history from 3 to 200 miles (EEZ, excludes parallel fish catch) for purposes of excessive share caps.
- 2) Distributions of Quota share by Area and Sector for pollock, Pacific cod, aggregate rockfish and aggregate flatfish species groups for LLP catch history from 0 to 200 miles (includes parallel fish catch) for purposes of excessive share caps.
- 3) Provide the number of potentially qualifying licenses by processing entity for 2A
- 4) Provide the number of potentially qualifying facility licenses by processing entity for alternative 2B
- 5) Potential Association combinations between processors and vessels for alternative 2 & 3

Motion passed 17/0

The AP requests staff separate CV and CP alternatives. Motion passed 18/0

Fixed Gear Alternatives

The AP recommends the Council request staff split the fixed gear sector into two distinct but parallel sectors, longline and pot. *Motion passed 17/0*

NOTE: THE FOLLOWING CHANGES TO THE "F" SECTION APPLY TO THE POT SECTOR ONLY.

It is the intent of the AP that should the fixed gear longline sector and or the fixed gear jig sector wish to modify current alternatives for GOA Groundfish rationalization that they provide direction to the AP and Council. It is not the AP's intent to have these sectors impact the timeframe for decision regarding rationalization of the pot and trawl sectors. *Motion passed 19/0*

F-1. Transferability - Leasing

Alternative 2 and 3

Active participation requirements for pot CVs (leasing restrictions):

1. For initial issuants of pot QS/GH who receive initial allocations of Pacific cod less than:
 - a. The 65th percentile
 - b. The 70th percentile
 - c. The 75th percentile

Their initial allocations of pot p. cod QS/GH can be leased freely for the first 3 years of the program.

2. For the initial issuants of pot QS/GH who receive initial allocations greater than the amount established above in 2 of 3 most recent years:

- a. 30%
- b. 40%
- c. 50%

of their pot QS/GH for pacific cod (a) be fished by a vessel which the pot QS/GH holder owns at least 20% of, or (b) fished on a vessel with the pot QS/GH holder onboard.

3. After 3 years from the start of this rationalization program the above option 2 applies to all QS/GH holders.

(i.e., the 75th percentile represents the amount of harvest shares that is greater than the amount of harvest shares for which 75% of the fleet will qualify.)

Motion: Leasing requirements imposed on cooperative members will be monitored by the cooperative. Compliance will be reported in the cooperative annual report.

For fixed gear catcher processors

Allow leasing of CP history, but only to individuals and entities eligible to receive history by transfer.

Motion passed 15/2/2

F-3. Excessive share caps – individual caps on use and holdings

(from 2.2.3.3.6)

Alternative 2 and 3

History holdings of a co-op member shall be capped at:

- | | |
|-----------|---|
| Option | .5% of the history by area, sector and species |
| Option 1. | 1% of the history by area, sector and species groups |
| Option 2. | 3% of the history |
| Option 3. | 5% of the history by area, sector and species groups |
| Option 4. | 20% of the history by area, sector and species groups |
| Option 5. | 30% of the history by area, sector and species groups |

Fixed Gear provisions
GOA Groundfish Rationalization
AP Minutes February 11, 2006

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Deleted: Option 1: Apply leasing limitation only outside of cooperatives¶
Option 2: Apply leasing limitation inside and outside of cooperatives¶

¶
Leasing of QS is defined as the transfer of annual IFQ permit to a person who is not the holder of the underlying QS for use on any vessel and use of IFQ by an individual designated by the QS holder on a vessel which the QS holder owns less than 20% -- same as "hired skipper" requirement in halibut/sablefish program. ¶

¶
For fixed gear catcher vessels¶

Option 1. No leasing of CV QS (QS holder must be on board or own at least 20% of the vessel upon which a designated skipper fishes the IFQ).¶

Suboption: Allowing leasing by initial recipients of QS (grandfather clause)¶

Option 2. Allow leasing of CV QS, but only to individuals and entities eligible to receive QS/IFQ by transfer.¶

Option 3. For individuals and entities with CV QS, no leasing restrictions for the first three years. After this grace period, leasing will be allowed in the following calendar year if the QS holder is on board or owns 20 percent or greater of a vessel on which 30 percent of the primary species shares held by the QS holder in at least 2 of the most recent 4 years were harvested.¶

¶
For fixed gear catcher processors¶

Allow leasing of CP QS, but only to individuals and entities eligible to receive QS/IFQ by transfer.¶
(from 2.2.3.3.5)¶

¶

... [1]

Deleted: F-2. Share Use – Owner-on-board¶

Alternative 2¶

Option 1: Apply owner-on-board ... [2]

Deleted: Alternative 2¶

Caps will be expressed as QS units indexed to the first year of implementation. ¶

... [3]

Deleted: (pollock, Pacific cod aggregate rockfish, aggregate flatfish

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Option 6, no cap

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Allocations to original issuees would be grandfathered at the original level of history.

Apply individually and collectively to all harvest share holders in the pot p. cod sector.

Motion passed 19/0
(from 3.4.3)

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CP history conversion to CV history

CP history and annual allocations converted to CV history and annual allocations will count toward CV caps

Caps will be applied to prohibit acquisition of history in excess of the cap. Conversion of CP history or annual allocations to CV history or annual allocations alone will not require a CP history holder or cooperative to divest CP history and annual allocations for exceeding CP caps.

(from 3.4.7.4)

F-4. Excessive share caps – vessel use caps

Alternative 2 and 3

Individual vessel use cap (applies within coops)

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Vessel use caps on harvest shares harvested on any given vessel shall be set at

- i. 100%
- ii. 150%
- iii. 200%

the individual use cap for each species. Initial issuees that exceed the individual or vessel use caps are grandfathered at their current level as of a control date of April 3, 2003, including transfers by contract entered into as of that date.

(from 2.2.3.3.6)

(from 2.4.4.2)

Deleted: Cooperative vessel use cap¶
 Co-op use caps for harvest shares on any given vessel shall be:¶
 Option 1. Set at the same level as the individual vessel level.¶
 Option 2. 3 times individual vessel use cap.¶
 Option 3. No use caps

Motion passed 18/0

F-5. Excessive share caps – vertical integration caps

Alternatives 2A High and 2B High

Harvest shares initial recipients with more than 10% limited threshold ownership by licensed processors are capped at 115-150% of initial allocation of harvest CV shares.

(from 2.2.3.3.4)

Alternative 2C

Up to 30% of CV shares shall be designated as “CVP” shares and eligible to be held by processors and CV recipients.

(from 2.3.2)

Alternative 3

Any processor holdings of history, using the 10% limited threshold rule, are capped at:

- Option 1. initial allocation of harvest CV and CP shares
- Option 2. 115%-150% of initial allocation of CV history
- Option 3. 115%-150% of initial allocation of CP history
- Option 4. no cap

(from 3.4.5)

Deleted: Alternative 3¶
 Vessel use caps on harvest shares harvested on any given vessel shall be set at ¶
 i. 100%¶
 ii. 150%¶
 iii. 200%¶
 the individual use cap for each species. Initial issuees that exceed the individual or vessel use caps are grandfathered at their current level as of a control date of April 3, 2003, including transfers by contract entered into as of that date.

F-6. Excessive share caps – cooperative use caps

Deleted: Alternative 2¶
 Set co-op use caps at 25 to 100% of total TAC by species

(from 2.4.4.1)

Alternative 2 and 3

Control of history or use of annual allocations by a co-op shall be capped at:

- Option 1. 15% by area, sector and species groups (~~pollock, Pacific cod aggregate rockfish, aggregate flatfish.~~)
- Option 2. 25% by area, sector Pcod
- Option 3. 45% by area, sector Pcod
- Option 4. no cap

Different caps can be chosen for CPs and CV

Motion passed 19/0

(from 3.4.4)

F-7. Block Program

Alternative 2

Preserving entry level opportunities for P. cod

Each initial allocation of P.cod harvest shares based on the final year of the qualifying period to fixed gear catcher vessels below the block threshold size would be a block of quota and could only be permanently sold or transferred as a block.

- Option 1 10,000 pounds constitutes one block
- Option 2 20,000 pounds constitutes one block
- Option 3 No Block Program

Suboption. Lowest producer harvest shares earned as a bycatch in the halibut sablefish ITQ program would be exempt from the block program

Eligible participants would be allowed to hold a maximum of:

- Option 1 1 block
- Option 2 2 blocks
- Option 3 4 blocks

Any person may hold:

- Option 1 One block and any amount of unblocked shares
- Option 2 Two blocks and any amount of unblocked shares
- Option 3 Four blocks and any amount of unblocked shares

(from 2.2.7.1 and 2.2.7.2 and 2.2.7.3)

A motion to delete F-7 failed 15/4

FP-8. Overage Provisions

Alternative 2

A 7 day grace period after an overage occurs for the owner to lease sufficient IFQ to cover the overage. Failure to secure sufficient IFQ would result in forfeiture of the overages and fines.

- Option 1. Overages up to 10% of the last trip will be allowed with rollover provisions for underages up to 10% of harvest shares (or IFQ).
- Option 2. Overages would not be applicable in fisheries where there is an incentive fishery that has not been fully utilized for the year. (i.e., no overages would be allowed if a harvest share (or IFQ) holder goes over his/her annual allocation (or IFQ) when incentive fisheries are still available).

(from 2.2.3.3.8)

Motion passed 19/0

F-10. Transferability – Eligibility to Receive

Alternative 2

Persons eligible to receive harvest history or shares by transfer must be:

For history/shares:

- 4) Entities eligible to document a vessel
- 5) Initial recipients of CV or C/P harvest shares
- 6) Community administrative entities eligible to receive shares/history by transfer
- 7) **Individuals eligible to document a vessel with at least 150 days of sea time**
- 4)

Definition of sea time:

Sea time in any of the U.S. commercial fisheries in a harvesting capacity.

(from 2.2.3.3 and 2.2.3.3.1)

Alternative 3

Persons qualified to receive history by transfer include:

- 4) processors that associate with initial cooperatives and
- 5) **For CP/CV history shares:**
 - a) **Entities eligible to document a vessel**
 - b) **Initial recipients of CV or CP harvest shares**
 - c) **Community administrative entities eligible to receive shares/history by transfer**
 - d) **Individuals eligible to document a vessel with at least 150 days of sea time**

Definition of sea time:

Sea time in any of the U.S. commercial fisheries in a harvesting capacity.(from 3.4.2.1 and 3.4.2.2)

Motion passed 19/0

Alternative F2L – Fixed Gear Low Producer – IFQ/Cooperatives

- Applies only to low producing fixed gear vessels
- Apply to all pot vessels
- Apply to all longline vessels

Low producing vessels are exempt from delivery requirements (from 2.3.1.1.1)

Motion passed 16/3

Minority Report

It is inappropriate to add a new alternative to the fixed gear sector that would create a one pie IFQ program alternative for all vessels. According to the purpose and need statement: “The proposed action is to create a management program that improves conservation, reduces bycatch, and provides greater economic stability for harvesters, processors and communities.” A one-pie IFQ alternative includes no protection for processors or communities and thus does not meet the intended goals of the program. The Council at one time considered a one-IFQ alternative and discarded it, because this alternative did not meet the intended goals of the program. Signed: John Henderschedt, Matt Moir, Tom Enlow.

The AP made no additional changes to the other Fixed gear sector alternatives

Deleted: F-9. Retention of halibut out of-season¶
Alternative 2¶
Halibut incidentally caught may be retained outside the halibut season from Jan. 1 to start of commercial fishery. Any person retaining halibut must have adequate halibut IFQ to cover the landing. Retention is limited to (range 10-20%) of primary species.¶
¶
Option 1: In all GOA areas.¶
Option 2: Limited to Areas 3A, 3B, and 4A.¶
The Council requests that staff notify the IPHC concerning these provisions.¶
(from 2.2.5.5)

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Deleted: For CV history/shares:¶
<#>Individuals eligible to document a vessel with at least 150 days of sea time¶
<#>Initial recipients of CV or C/P harvest shares¶
Community administrative entities eligible to receive shares/history by transfer.

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Deleted: <#>Option 1. US citizens who have had at least 150 days of sea time.¶
Option 2. Entities that meet U.S. requirements to document a vessel.¶
Option 3. Initial recipients of CV or C/P history¶
Option 4. individuals who are U.S. citizens

- Option 1: Apply leasing limitation only outside of cooperatives
Option 2: Apply leasing limitation inside and outside of cooperatives

Leasing of QS is defined as the transfer of annual IFQ permit to a person who is not the holder of the underlying QS for use on any vessel and use of IFQ by an individual designated by the QS holder on a vessel which the QS holder owns less than 20% -- same as "hired skipper" requirement in halibut/sablefish program.

For fixed gear catcher vessels

- Option 1. No leasing of CV QS (QS holder must be on board or own at least 20% of the vessel upon which a designated skipper fishes the IFQ).
Suboption: Allowing leasing by initial recipients of QS (grandfather clause)
- Option 2. Allow leasing of CV QS, but only to individuals and entities eligible to receive QS/IFQ by transfer.
- Option 3. For individuals and entities with CV QS, no leasing restrictions for the first three years. After this grace period, leasing will be allowed in the following calendar year if the QS holder is on board or owns 20 percent or greater of a vessel on which 30 percent of the primary species shares held by the QS holder in at least 2 of the most recent 4 years were harvested.

For fixed gear catcher processors

Allow leasing of CP QS, but only to individuals and entities eligible to receive QS/IFQ by transfer.

(from 2.2.3.3.5)

Alternative 3

Leasing of history is defined as the use of the resulting annual allocation by a person who is not the holder of the underlying history on any vessel and use of that annual allocation by an individual designated by the history holder on a vessel which the history holder owns less than 20% -- same as "hired skipper" requirement in halibut/sablefish program.

For fixed gear catcher vessels

- Option 1. No leasing of CV history (history holder must be on board or own at least 20% of the vessel upon which a designated skipper fishes the annual allocation).
Suboption: Allowing leasing by initial recipients of history (grandfather clause)
- Option 2. Allow leasing of CV history, but only to individuals and entities eligible to receive history by transfer.
- Option 3. For individuals and entities with CV history, no leasing restrictions for the first three years. After this grace period, leasing will be allowed in the following calendar year if the history holder is on board or owns 20 percent or greater of a vessel on which 30 percent of the primary species history held by the history holder in at least 2 of the most recent 4 years were harvested.

F-2. Share Use – Owner-on-board

Alternative 2

- Option 1: Apply owner-on-board requirements only outside of cooperatives
Option 2: Apply owner-on-board requirements inside and outside of cooperatives

For fixed gear catcher vessels

A range of 0-80% of the fixed gear quota shares initially issued to fishers/harvesters would be designated as "owner on board."

All initial issues (individuals and corporations) would be grandfathered as not being required to be aboard the vessel to fish shares initially issued as "owner on board" shares. This exemption applies only to those initially issued quota shares.

In cases of hardship (injury, medical incapacity, loss of vessel, etc.) a holder of "owner on board" quota shares may, upon documentation and approval, transfer/lease his or her shares a maximum period of 3 years out of any 10 year period.

(from 2.2.3.3.7)

Alternative 2

Caps will be expressed as QS units indexed to the first year of implementation.

- Option 1. Caps apply to all harvesting categories by species with the following provisions:
1. Apply individually and collectively to all harvest share holders in each sector and fishery.
 2. Percentage-caps by species and management area are as follows (a different percentage cap may be chosen for each fishery):

Longline and Pot CV and/or CP (can be different caps)

based on the following percentiles of catch history for the following species:

Pacific cod, pelagic shelf rockfish, Pacific ocean perch, deep water flatfish (if Greenland turbot is targeted), northern rockfish

Suboption 1. 75 %

Suboption 2. 85%

Suboption 3. 95 %

- Option 2. Caps equal to a percentage that would allow contraction of QS holders in the fishery by 20%, 30% or 50% of the number of initially qualified QS recipients by species and sector.

Application of caps to intercooperative transfers

To effectively apply individual ownership caps, the number of shares or history that each cooperative member could hold and bring to cooperatives would be subject to the individual ownership caps (with initial allocations grandfathered). Transfers between cooperatives would be undertaken by the members individually, subject to individual ownership caps.

CP QS/IFQ conversion to CV QS/IFQ

CP shares converted to CV shares will count toward CV caps

Caps will be applied to prohibit acquisition of shares in excess of the cap.