

New requirements of the MSA Reauthorization Act of 2006 may impact some Amendment 11 alternatives (**in boldface**)

### 3.1.2 LIMITED ENTRY

#### 3.1.2.4 Allocation of access for general category limited access qualifiers

##### 3.1.2.4.1 Individual allocation

**Option A: in pounds**

Option B: in trips

##### 3.1.2.4.2 Individual allocation - two permit types

**Option A: in pounds**

Option B: in trips

##### 3.1.2.4.3 Individual allocation – equal allocation for three permit types

**Option A: in pounds**

Option B: in trips

#### **3.1.2.4.4 Stand alone - individual transferable quota**

##### 3.1.2.4.5 Stand alone – quarterly hard TAC

##### 3.1.2.4.6 Fleetwide hard-TAC

##### 3.1.2.4.7 Fleetwide hard-TAC by quarter

### 3.1.3 HARD TAC

#### 3.1.3.1 Fleetwide hard-TAC

#### **3.1.2.4 Allocation of access for general category limited access qualifiers**

Once the universe of vessels is identified, and their individual qualification is determined the Council recommends that several alternatives be considered for allocation. The first system is an individual allocation; an individual amount in pounds or total number of trips would be awarded to individuals vessels that qualify. The second system would also be an individual allocation, but there would be two permit types (part-time and full-time). The part-time permit would have a reduced possession limit of 200 pounds, and the full-time permit category would have a possession limit of 400 pounds. All vessels that qualify would receive an equal allocation in pounds or total number of trips depending on which tier they qualify for. The third alternative is a tiered permit system; all vessels that qualify for each tier would receive an equal allocation in pounds or total number of trips, all with a 400 pound possession limit. A fourth stand alone alternative was developed, which is also an individual allocation but access is in quota and is transferable. In addition, all vessels that had a permit before the control date would be given a permit, not just vessels that had landings during the qualification time period. However, a permit that did not have landings history would not be allocated specific access to the fishery, but would be permitted to lease or buy quota from another vessel. Lastly, the Council recommends that an alternative that allocated a fleetwide hard TAC be analyzed, rather than an individual based system. The Scallop Committee also recommends consideration of a seasonal TAC alternative (Alternative 3.1.2.4.7).

*Rationale:* The Council is considering several different strategies of access to the general category fishery in combination with limited access. One alternative is an individual allocation for each qualifying vessel. An individual poundage or number of trips would be allocated to each qualifying vessel. This alternative was included as a strategy that would provide flexible access to the fishery for varying levels of participation; every vessel would be allocated access based on their individual level of effort during the qualification time period selected. Under this alternative there is an option to modify the possession limit to 2,000 pounds rather than 400 pounds per trip. This option was included to consider an option that increases flexibility for participants in terms of landings per trip. It may be more cost effective for a vessel to harvest their individual allocation in more than 400 pound trips, so this option was added for consideration. The Council did want to include some possession limit to keep this permit type separate from the existing limited access permit type, where there is no daily possession limit.

There are two additional individual allocation alternatives with different permit types and tiers. One alternative has both a full time and part time permit with different possession limits; this alternative was developed to have one permit type for vessels that have more investment and dependence on the general category fishery, and the second permit type was intended to be for qualifiers that land scallops more incidentally while fishing for other species. The third alternative is also an individual allocation alternative, but there would only be three different allocation amounts (in pounds or number of trips) based on tiers, rather than individual access levels per vessel. This alternative was developed to consider an option that allocated access on an individual basis, but reduced the variation

in allocation among qualifiers; only three different allocations would be granted under this alternative, full-time, part-time and occasional, similar to how the limited access scallop fishery. The poundage or number of trips would be the same for all vessels in each tier or permit category.

There are two stand alone allocation of access alternatives. Alternative 3.1.2.4.4 is an individual based allocation, but the intent of this alternative is to award a limited access general category permit to all vessels that had a general category permit from fishing year 2000 through the control date, regardless of landings history. However, specific access to the fishery would be based on historical landings, but if a vessel did not fish and did not land scallops during the qualification time period it would be given a permit and the right to lease or purchase quota from another qualifying vessel. This alternative is more of an individual *transferable* quota system open to all vessels that had a permit from 2000 through the control date. Alternative 3.1.2.4.5 is also a stand alone alternative with specific qualification criteria, and it is intended to be an alternative that uses limited entry, but does not allocate access on an individual basis, rather a fleetwide TAC is set on a quarterly basis and all qualifiers have equal access to the resource until the TAC is reached.

Lastly, there are two hard TAC alternatives that use limited entry but similar to Alternative 3.1.2.4.5 described above, access is not allocated on an individual basis. One alternative is a fleetwide hard TAC for the entire fishing year, and one alternative is a fleetwide hard TAC broken down by quarter. These two alternatives were considered to utilize limited entry but not allocation on an individual or tiered permit system, all qualifying vessels would have the same access rights to the general category TAC.

#### **3.1.2.4.1 Individual allocation for all qualifiers**

Every vessel that qualifies for a permit based on the qualification criteria, time period, and determination approach would be allocated an individual allocation in pounds (**Option A**) or total number of trips (**Option B**). The allocation would be scaled depending on estimated projected yield and the percent that is allocated to the general category sector in this action. It is possible that all qualifiers could receive a different amount. Furthermore, depending on the qualification criteria, qualification time period and which determination of qualification amount alternative is selected, the number of vessels and individual percent allocations will vary.

For example, if individual allocation were based on the average pounds from the best three years for each vessel from the last 5 fishing years (2000-04, up to the control date), the sum of shares for the qualifiers would be around 2.0 million lbs. In this case, minimum allocation would vary between 35 lb. to 1,696 lb. depending on the qualification criteria (100 pound trip or 5,000 annual pounds) and the maximum allocation would be around 43,000 lb for all three qualification amount alternatives, based on a 2.0 million pound overall allocation.

#### **3.1.2.4.1.1 Modify the 400 pound possession limit to 2,000 pounds per trip**

This alternative is only being considered if individual allocations are allocated for limited access general category qualifiers. Any vessel that qualifies would be permitted to land up to 2,000 pounds per trip, regardless of trip length. For clarification, if Alternative 3.1.2.4.1 is selected but allocation is granted in number of trips (Option B) rather than poundage (Option A) and this option is selected, a vessel would be permitted to land up to 2,000 pounds per trip and it would only be charged one trip. Each trip would count as one trip regardless of the total landings up to 2,000 pounds. But if Option A was selected (in pounds) a vessel could be charged up to 2,000 pounds per trip depending on what the vessel landed.

#### **3.1.2.4.2 Individual allocation for two permit types (part-time and full-time)**

Every vessel that qualifies for a permit based on the qualification criteria, time period, and determination approach would be allocated an individual allocation in pounds (**Option A**) or total number of trips (**Option B**). The major difference between this alternative and the previous one is that under this alternative there would be two permit types. A vessel would qualify for a full-time permit if they had landings of 5,000 pounds or more in one fishing year during the qualification time period. If Option A is selected, a vessel would be permitted to catch that amount in as many trips as they want with a maximum possession limit of 400 pounds per trip if allocated in pounds. If allocated in number of trips, those vessels would only be allowed to fish up to the total number of trips allocated per vessel in that tier (with a 400 pound maximum per trip).

Another permit type would exist for vessels that meet the criteria to get a limited access permit, but have not had more than 5,000 pounds of scallops in one year. These vessels would get a part-time general category permit and would be allocated individual poundage or number of trips based on their historical activity, but would be restricted to a 200 pound possession limit. Again, these vessels could land as much as they want on any one trip, but not in excess of 200 pounds.

The final allocation in pounds or trips to all vessels in either tier would be scaled depending on estimated projected yield and the percent that is allocated to the general category sector in this action. Furthermore, depending on the qualification criteria, qualification time period and which determination of qualification amount alternative is selected, the number of vessels and individual percent allocations will vary.

#### **3.1.2.4.3 Individual allocation – equal allocation for three tiered permits**

Every vessel that qualifies for a permit based on the qualification criteria, time period, and determination approach would be allocated access to the fishery, but their allocation would be based on a tiered permit system. A tiered permit system would be developed based on annual landings from the qualification time period for vessels that had a permit before the control date. In order to qualify for a certain tier a vessel would have to show landings within that tier for one year only during the qualification time period. Three tiers would be considered:

- Tier 1:** 20,000 pounds;
- Tier 2:** 5,000 – 19,999 pounds;
- Tier 3:** 100 – 4,999 pounds

For example, Table 1 summarizes the average pounds per vessel and estimated allocation per vessel based on a general category overall allocation of 4.0 million pounds. The variables included in this example are: all three qualification alternatives (100 pound trip, 1,000 pounds and 5,000 pounds), the five year qualification time period (FY2000-control date) and the “best year” alternative for determining a vessels contribution. The only difference between the qualification alternatives is the number of Tier 3 vessels that would qualify. The 100 pound trip alternative would qualify about twice as many Tier 3 vessels as compared to the 1,000 annual pound alternative, thus the estimated scallop pounds allocated per vessel for that tier would be half for the 100 pound trip alternative compared to the 1,000 pound alternative (1,414 versus 2,394 pounds). Section ??? will include examples of all the possible combinations of qualification alternatives with estimated allocations per permit tier.

**Table 1 - Allocation for vessels with a three tiered permit system (Based on best-year of landing)**

Qualification Criteria/Time period	Qualification amount	(TIER 1) 20,000 lb. or higher	(TIER 2) 5,000-19,999 lb.	(TIER 3) 100-4,999 lb.	All Tiers
5 year period: from 2000 - 2004 (on or before CD)					
100 lb. Criteria 550 vessels qualify	Number of vessels	63	123	364	550
	Pounds per vessel (best year unscaled, total 3.9 mil. lb.)	33320	10508	1376	7078
	Allocation per vessel (scaled average, TAC=4 mill. lb.)	34239	10798	1414	7273
	Number of trips per vessel (at TAC of 4 million lb.)*	85.6	27.0	3.5	18.2
1000 lb. Criteria 370 vessels qualify	Number of vessels	63	123	184	370
	Pounds per vessel (best year unscaled, total 3.8 mil. lb.)	33320	10508	2282	10301
	Allocation per vessel (scaled average, TAC=4 mill. lb.)	34968	11028	2394	10811
	Number of trips per vessel (at TAC of 4 million lb.)*	87.4	27.6	6.0	27.0
5000 lb. Criteria 186 vessels qualify	Number of vessels	63	123	0	186
	Pounds per vessel (best year unscaled, total 3.8 mil. lb.)	33320	10508	0	18235
	Allocation per vessel (scaled average, TAC=4 mill. lb.)	39296	12393	0	21505
	Number of trips per vessel (at TAC of 4 million lb.)*	98.2	30.9	0	54.7

\* Number of trips=Allocation per vessel/400 lb.

**Option A – Allocation in equal pounds per tier**

Each vessel that qualifies for a certain tier would get an equal allocation in pounds. That allocation would be based on the average pounds per vessel in the tier, but scaled, depending on estimated of projected yield and the percent that is allocated to the general category sector in this action. The percent of the total general category allocation that each tier would receive would depend on their historical share of total general category landings.

### **Option B – Allocation in equal number of trips per tier**

Each vessel that qualifies for a certain tier would get an equal allocation in number of trips. That allocation would be based on the average pounds per vessel in the tier, but access would be allocated based on the number of 400 pound trips that average is closest to. For example, if the average for tier 3 is 2,500 pounds that would equal 6 trips (400 pounds X 6 trips = 2,400). A vessel would be permitted to land up to 400 pounds per trip, but each trip would count as 400 pounds; the vessel would not be permitted to land part of 400 pounds on more than one trip. The total number of trips allocated would be scaled, depending on estimated of projected yield and the percent that is allocated to the general category sector in this action. The percent of the total general category allocation that each tier would receive would depend on their historical share of total general category landings.

#### **3.1.2.4.4 Stand alone alternative - Individual transferable quota**

The Scallop Committee developed a stand alone qualification and allocation alternative. The intent of this alternative is to award a limited access general category permit to all vessels that had a general category permit from fishing year 2000 through the control date, regardless of landings history. However, specific access to the fishery would be based on historical landings, but if a vessel did not fish and did not land scallops during the qualification time period it would be given a permit and the right to lease or purchase quota from another qualifying vessel. The specifics of the alternative are described in the bullets below:

- Any vessel that held a general category permit in any year between 2000 and the control date (November 1, 2004) would qualify for a limited access general category permit.
- Quota would be allocated on an individual basis using any of the qualification amount strategies (best year or best year indexed by years active).
- Quota may be leased or sold to another qualified limited access general category permit.
- Consolidation will be capped at (1%-5%) of quota (in pounds) per vessel.
- Retaining a 400 pound possession limit for all vessels that qualify.
- All purchases and sales of quota need to be in writing and within a fully automated system. Also any leases or purchases of quota must be between vessels within the same vessel baseline (if that measure is approved).

This alternative only has two variations depending on how individual qualification amounts are determined (best year or best year indexed by years active). The qualification criteria and time period are defined in the alternative (permit in any one year between FY2000 and the control date, November 1, 2004).

#### **3.1.2.4.5 Stand alone alternative - Quarterly hard TAC with limited entry**

This alternative would include a limited entry program for vessels with a general category permit before the control date and some level of landings that would determine which permit they qualify for. A vessel would qualify for a 200 pound permit if they landed 100-5,000 pounds in any fishing year from March 1, 1994 – November 1, 2004. A vessel would qualify for a 400 pound permit if they landed over 5,000 pounds in any

one fishing year from 1994-2004. Qualifying vessels in either category could possess up to 200 or 400 pounds per trip (depending on the category they qualify for) and fish under a quarterly hard TAC. All vessels would have equal opportunity to fish, no individual or tiered allocation would be awarded.

Once the TAC is reached in that quarter all vessels can only possess up to 40 pounds of scallops per trip. This alternative was developed at the September 13 Committee meeting as an alternative that would combine limited entry but would not allocate access in pounds or trips to each qualifying vessel. Rather the fishery would be managed under a quarterly hard TAC, and vessels would be limited to the possession limit of their permit category. Once the quarterly hard TAC is reached, the fishery would close for both permit types, except for incidental catch. Table 2 describes the seasonal distribution of scallop landings by general category vessels from 2000 through 2005. The average for the years combined is roughly 24% for Quarter 1, 39% for Quarter 2, 23% for Quarter 3 and 14% for Quarter 4. Similar percentages could be considered for the quarterly hard TACs under this alternative. Once a quarterly hard TAC is reached, all vessels (current limited access and limited access general category vessels) could possess scallops under incidental rules.

#### **3.1.2.4.6 Fleetwide hard-TAC under limited entry**

A hard TAC would be developed for the general category sector of the fishery. Under this alternative, only vessels that qualify for a limited access general category permit would be permitted to fish for scallops up to 400 pounds per trip. Based on the criteria and time period selected, a specific universe of vessels would qualify for a limited access general category permit. Those vessels would then have equal access to the resource; no individual or tiered allocations would be awarded. When the Regional Administrator projects that TAC is going to be reached, the fishery would close. All vessels (current limited entry and limited entry general category vessels) would be permitted to land scallops under incidental rules after the hard TAC is reached.

#### **3.1.2.4.7 Fleetwide hard-TAC by quarter under limited entry**

A hard TAC would be developed for the general category sector of the fishery. Under this alternative, only vessels that qualify for a limited access general category permit would be permitted to fish for scallops up to 400 pounds per trip. A quarterly TAC would be set using data from FY2000-FY2005 to identify the appropriate percentage that should be allocated for each quarter. That percent per quarter would be applied to the total TAC awarded to the general category fishery. Unused TAC from one quarter would roll-over to a later quarter in the same fishing year, similar to what is done in the squid fishery (i.e. if quota from the first quarter is not caught, the remaining quota would roll over into the third quarter; if there is unused TAC at the end of the fishing year it does NOT roll-over into the next fishing year). Similarly, if there are any overages, they will be reduced in subsequent quarters and the TAC for the following year will be reduced by that amount the following fishing year if the fishery exceeded the annual TAC. The first quarter would start on March 1 (unless this action changes the start of the fishing year). When the Regional Administrator projects that the quarterly TAC is going to be reached, the fishery would close until the start of the next quarter. Once a quarterly hard TAC is

reached, all vessels (current limited access and limited access general category vessels) could possess scallops under incidental rules.

Based on preliminary analysis of all general category landings from the VTR database, landings from Quarter 1 and 3 are similar, Quarter 2 is the highest and Quarter 4 is significantly lower. Table 2 describes the seasonal distribution of scallop landings by general category vessels from 2000 through 2005. The average for the years combined is roughly 24% for Quarter 1, 39% for Quarter 2, 23% for Quarter 3 and 14% for Quarter 4. The percent of landings from each quarter is relatively consistent since 2001, but there seems to have been a shift toward Quarter 2 (June to August) in recent years as compared to landings from 1994 through 1999, and the high landings during Quarter 4 for FY2000 are rare. The DSEIS will include a range of percentages to consider once landings from dealer data as well as landings from just qualifying vessels are examined.

**Table 2 - Seasonal distribution of landings by general category vessels (VTR data 2000 to 2005 fishing years)**

FISHYEAR	QTR 1 Mar. to May	QTR 2 June to Aug	QTR 3 Sept. to Nov.	QTR 4 Dec. to Feb.	Grand Total
2000	9.67%	10.69%	16.09%	63.56%	100.00%
2001	29.43%	31.83%	17.09%	21.65%	100.00%
2002	36.65%	31.32%	17.55%	14.48%	100.00%
2003	31.54%	38.15%	19.50%	10.82%	100.00%
2004	19.86%	40.74%	26.81%	12.60%	100.00%
2005*	20.97%	46.19%	26.21%	6.64%	100.00%
Grand Total	23.53%	39.38%	23.33%	13.76%	100.00%

\*Note: 2005 fishing year data is preliminary.