


MEMORANDUM

TO: Council, SSC and AP Members

FROM: Chris Oliver 
Executive Director

DATE: March 26, 2009

SUBJECT: Amendment 80 Cooperative Formation

ESTIMATED TIME 4 HOURS

ACTION REQUIRED

- a) Review annual cooperative report
- b) Final action of Amendment 80 cooperative formation

BACKGROUND

At the February 2009 meeting, the Council conducted an initial review on an action to modify Amendment 80 cooperative formation. The following are the alternatives recommended by the Council and addressed in the analysis:

- **Alternative 1:** (Status quo) – A minimum of three unique quota share holders holding at least nine quota share permits are required to form a cooperative.
- **Alternative 2:** Reduce the number of unique quota share holders required to form a cooperative from three to two or one unique quota share holder.
- **Alternative 3:** Reduce the number of quota share permits required to form a cooperative from the existing 9 permits to some lower range. (e.g., three permits to the existing 9 permits)
- **Alternative 4:** Reduce both the number of unique quota share holders and the number of quota share permits required to form a cooperative (combination of Alternatives 2 and 3).
- **Alternative 5:** Allow a cooperative to form with a minimum of three unique QS holders holding at least nine QS permits (status quo), or a single or collective group of entities that represent 20%, 25%, or 30% of the sector quota share.
 - GRS Suboption (Applicable to all Alternatives): The GRS shall be applied in aggregate to all cooperatives if this calculation meets or exceeds the GRS requirement.

At this meeting, the Council is scheduled to review the annual cooperative report and take final action on Amendment 80 cooperative formation amendment. The analysis for this amendment was mailed out on March 11, 2009; an executive summary of that analysis is attached **(Item C-4(a))**.