

DRAFT

**TO:** MCRC COMMITTEE  
**FROM:** CHRIS MEANEY  
**SUBJECT:** FINAL REFERENDUM - REQUIRED RETURN VOTE ANALYSIS  
**DATE:** 9/13/2006  
**CC:**

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This analysis is designed to assist the Ctte in determining whether 50% or 66.7% of the final referendum total votes must be in favor of the Buyout in order for it to proceed.

Basically, because we don't know how people are going to vote, we created a model voting scenario. The voting constituencies were divide into three primary voting blocs: (1) C-DAS only permit holders, (2) A-DAS permit holders bought out (or highly likely to be bought out), and (3) A-DAS permit holders not bought out (or unlikely to be bought out). We first assumed that two thirds of the C-DAS only permit holders would submit a vote, and that 50% of them would vote 'yes'. Using an Alternative 2 situation where the 25% minimum capacity reduction is required, 289 permits are retired. We that assumed 100% of these permit holders would vote, and that 85% of them would vote in favor of the Buyout. This leaves 719 boats with A & B DAS permits remaining in the fishery who will be repaying the Buyout loan. We don't know how, or even if, these permit holders will vote. But we can try to simulate the possibilities.

We constructed a figure showing the impact on the total number of votes in favor of the buyout when we vary both the percentage of fee-paying (those remaining in the fishery) permit holders who vote, and the percentage who vote in favor (Figure 1).

In the case that 50% of total returned votes must be in favor for the program to go ahead, a situation where between 15% and 45% of those remaining submitting a 'yes' vote could result in the Buyout proceeding. That means 55% to 85% of those remaining who submitted votes were opposed to the program, and paying the fee (saying nothing of those who didn't vote).

However, when 66.7% of the total votes are required for the buyout to proceed, according to this model a minimum of 51% of those remaining who submit a vote must vote 'yes' in order for the buyout to proceed—and this is only for extremely low voter turnout. A more likely scenario is that closer to 60% of those paying the fee will need to vote 'yes' to reach this threshold.

In conclusion, aside from being a good example of why people should vote, analysis indicates that if 50% of returned votes be in favor is required; there is a greater chance that individuals will be repaying the loan despite their opposition to the buyout. Requiring 66.7% of returned votes to be in favor decreases the likelihood of emerging from the buyout proceedings with a majority of surely permit holders.

Figure 1 – Simulating the impact on total “yes” votes by varying both the percentages of fee-payers submitting votes, and voting in favor of the buyout



