

DRAFT LEGISLATION
FOR PERMIT REDUCTION
WITHOUT A BUY-BACK PROGRAM
23-L-S0324/H

TRANSFER SEQUENCE

1. Convert existing permit to permit shares
2. Permit shares may be:

(1)	(2)	(3)	(4)	(5)
converted to new permit	combined for joint permit	sold	held for two years	transferred to commission
3. At the end of the first two years unused permit shares revert to the commission, except for shares held by joint permit holders.
4. During the third, fourth and fifth years permit shares may be:

(1)	(2)	(3)	(4)
converted to new permit	combined for joint permit	sold	transferred to commission
5. After five years all outstanding permit shares revert to the commission to be sold.
6. One additional year may be granted for good cause.

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CONVERSION FORMULA

OLD ENTRY PERMIT--PERMIT SHARES--NEW ENTRY PERMIT

If the optimum number is 80 and
if the number of permit holders is 100

$$80 \times 100 = 8,000 \text{ permit shares}$$

The number of permit shares needed is 100 and
the optimum number is 80

$$100 \times 80 = 8,000 \text{ permit shares}$$

1. Each existing permit holder is issued 80 shares: If the optimum number is 80 and there are 100 permit holders then the number of permit shares to be issued is 8,000 to the existing permit holders.
2. In order to obtain a new entry permit each permit holder must present 100 shares: If the number of permit shares needed to obtain a new permit is 100 and the optimum number is 80 then 8,000 permit shares are required by the new permit holders.