

C3 Area 4 Vessel Caps

The AP recommends the Council moves forward with further analysis on Area 4 Vessel Caps with the following changes to the alternatives and recommendations for further analysis (Changes are underlined):

Revise last sentence of purpose and need to include: The Council seeks to increase halibut catch limit utilization in Region 4 areas without undermining other Council and IFQ program objectives, including providing entry level opportunities and sustaining participation by fishery dependent communities.

Alternative 1, No Action

Under the no action alternative, the vessel use caps for IFQ halibut in Area 4 as defined under 50 CFR § 679.42(h)(1) would go back into effect for the 2028 IFQ fishing season. The applicable vessel use caps (discussed more thoroughly in section 3.2.1.4) read as follows:

(h) Vessel limitations —

(1) Halibut. No vessel may be used, during any fishing year, to harvest more IFQ halibut than one half percent of the combined total catch limits of halibut for IFQ regulatory areas 2C, 3A, 3B, 4A, 4B, 4C, 4D, and 4E, except that:

(i) In IFQ regulatory area 2C, no vessel may be used to harvest more than 1 percent of the halibut catch limit for this area.

(ii) No vessel may be used, during any fishing year, to harvest more than 50,000 lb (22.7 mt) of IFQ halibut derived from QS held by a CQE, and no vessel used to harvest IFQ halibut derived from QS held by a CQE may be used to harvest more IFQ halibut than the vessel use caps specified in paragraphs (h)(1) introductory text and (h)(1)(i) of this section.

Alternative 2

Create a halibut vessel cap for Area 4 of:

Option 1: 4% of the Area 4 halibut TAC

Option 2: 5% of the Area 4 halibut TAC

Option 3: 6% of the Area 4 halibut TAC

~~Option 4: 150% of the coastwide halibut vessel cap~~

Sub-options: (Can apply to either option)

1. Exclude Area 4A from area 4 vessel cap increases and increased cap calculations

2. Specify that halibut IFQ held by an Area 4B CQE does not accrue towards the Area 4 vessel cap.

3. This action will be reviewed (a. three or b. five) years after implementation of this action or in the next halibut/sablefish IFQ Program Review whichever is sooner.

³⁴4. Vessels may harvest up to the area specific cap in 2C and coast wide cap in 3 and/or 4. Any further harvest over the coastwide cap must be harvested in area 4.

¹Alternative 3

Create a halibut vessel use cap for Area 4 of 150% of the coast wide halibut vessel cap (three-quarters percent (0.75%) of the combined total catch limits). "

The AP recommends that the document come back for initial review after the following clarifications and additions:

1. Additional clarification and update of the purpose and need;
2. Additional narrative to explain the current accessibility and fishing opportunities within the different region 4 areas (4A,4B,4CD) to demonstrate impacts to communities and whether or not there is a need to include all or some,
3. Additional information about the current restrictions in place for quota share transfer and the restrictions they currently imposed on a vessels ability to harvest quota ;
4. ~~²Any alternative recommendations to increase catch limit utilization in Area 4 in light of the continuing decrease in harvest after 4 years of no vessel caps in the region. Ideas include:
 - a. ~~Emergency Rule exemptions~~
 - b. ~~Exempted fishing permits~~
 - c. ~~Onboard processing allowances~~~~

4. ²The AP also recommends that the Council as the IFO committee have a discussion to explore any alternative recommendations to increase catch limit utilization in Area 4 in light of the continuing decrease in harves after 4 years of no vessel caps in the region. Ideas include:

- a. Temporary Rule**
- b. Exempted fishing permits**
- c. Onboard processing allowances**

Amendment¹ (Add Alternative 3)

Amendment 1 passed: 19/0

Amendment² (strike #4 and replace with a new option #4)

Amendment 2 passed: 20/0

Amendment³ (add suboption 4 under Alternative 2)

Amendment 3 passed: 19/1

Main motion as Amended: passed 20/0

Rationale in favor of Amended Main Motion

- *This action was initiated by the community of St. Paul in light of the closure of their processing plant and there continues to be issues of a lack of processing in Area 4B and 4CD. Even prior to the Covid pandemic, Alaska's current industry-wide seafood market collapse, and processor stability issues, Area 4 has always been more expensive and difficult to operate in. When considering changes to vessel caps in Area 4, it is important to remember that its remoteness presents challenges of a scale beyond what other small coastal IFQ-dependent communities face, necessitating continued consideration.*
- *It was expressed in public testimony and at the AP that it is important to maintain the following provisions of the IFQ program: maintaining an owner operating fleet, limiting consolidation and maintaining entry level opportunity.*
- *While the goals of the IFQ program should continue to be met and all IFQ holders may be currently struggling regardless of the area in which they operate, all subareas of Area 4 including Area 4a have always experienced operational difficulty beyond that. Area 4A has processing capacity in the middle of the region and is not experiencing the same hardships in processing as other Area 4 areas. It is important for the analysis to explain the available fishing infrastructure and services available to facilitate fishing in each sub area as the purpose and need states lack of processing capacity as a main driver of this action.*
- *It is important for the next analysis to include information on the limitations currently in regulation prohibiting leases and unlimited transfers of quota and how this could provide further barriers to getting the fish harvested. These regulations are important pillars of the IFQ program and concern was expressed around the potential for further relaxing of regulations which could continue to drive consolidation in the fishery.*
- *Starting on p. 42 in the analysis are a series of graphs broken down by subarea 4A, 4B, 4CD. There is very little narrative to accompany these very informative graphs and it would be helpful to have more information broken down by subarea for analysis.*
- *The issue of getting quota onto a vessel was not discussed in the analysis but is an important part of the working aspect of this action and should be included in the next iteration.*
- *After four years without vessel caps, Area 4 has seen a continued decline in halibut harvest. The IFQ committee, public testimony, and AP members expressed concerns that given current challenges in the fishery, vessel caps may not be the only adjustment necessary to increase harvest in Area 4. There may be other ideas that are more responsive to changing conditions year over year, or other alternatives that may lead to an overall better solution. The IFQ committee is an appropriate venue to facilitate this discussion and the AP hopes that there could be further options for Area 4 halibut harvest increase if it decided that raising vessel caps is not the solution.*

Rationale in Favor of Amendment 1

- *There was interest from public testimony to include a third alternative that creates an Area 4 cap that is 150% of the coastwide TAC. Continuing to consider an alternative that represents 150% of the coastwide TAC also makes the motion more in line with NEPA and MSA requirements.*

Rationale in Favor of Amendment 2

- *There was concern and need for clarifying language that would not restrict fishing practices in the case that vessel caps in Area 4 are raised in the future. This was heard in written and oral testimony as well as raised by conversations with stakeholder groups. There was a concern from the most recent analysis that fishermen would have to harvest their Area 3 fish and then go into Area 4 to harvest the “overage”, or higher cap level that is available in Area 4. In the most recent analysis, the alternatives could be interpreted that if you harvest over the coast wide cap while in Area 4, you could not go back and harvest in Area 3, even if you had remaining quota in Area 3. The intention and goal of the original motion was to create greater access to the Area 4 halibut resource to those that operate out there, not to make them choose whether to harvest in different areas based on restrictive language in regulation.*