AGENDA C-2
APRIL 2011

MEMORANDUM

TO: Council and AP Members

FROM: Chris Oliver
Executive Director

ESTIMATED TIME
8 HOURS

DATE: March 21, 2011

SUBJECT: Halibut/Sablefish IFQ Program

ACTION REQUIRED

Final action on Hired Skipper Prohibition

BACKGROUND

In February 2010, the Council approved a problem statement and alternatives for analysis of a stakeholder proposal submitted to the Council during its 2009 call for IFQ proposals. The Council expressed its concern about apparent consolidation and reduced opportunities for new entrants/second generation fishermen to enter the halibut and sablefish IFQ fisheries. This action would promote an owner/operator catcher vessel fleet in the halibut and sablefish fixed gear fisheries by capping the amount of QS that can be used by hired skippers.

This analysis considers two alternatives. Alternative 1 is the No Action Alternative. Alternative 2 would prohibit the use by a hired skipper for QS transferred after February 12, 2010. Alternative 2 would apply to all (individual and non-individual) initial recipients. For non-individual (corporate) QS holders (who must hire a skipper), the effect of the proposed action would be a prohibition on transfers of additional QS, as NMFS would not process transfers that would be prohibited for use, except by operation of law. No change would occur for QS held before the control date. For individual initial recipients (who may hire a skipper), the effect of the proposed action would be a requirement that the QS holder fish the IFQs themselves or transfer them to another QS holder (who also would be required to fish them). For crew/second generation QS holders, the effect may be increased opportunities to transfer (purchase) QS, possibly at lower prices. Hired skippers would have less IFQ to lease from QS holders, but may have the opportunity to purchase more QS at lower prices.

During initial review of the analysis in February 2011 the Council added two complementary options to address disposition of QS transfers after the control date and requested additional information (**ItemC-2(a)**). The analysis was distributed on March 21, 2011. The alternatives are listed below.

Alternative 1. No action

Alternative 2. Prohibit use of hired skippers of halibut and sablefish B, C, and D class QS transferred after February 12, 2010.

Option 1. Allow the hired skipper provision to be retained for those QS swept up into blocks after the February 12, 2010 control date and before the effective date of the amendment.

Option 2. Allow initial QS holders after the effective date to sweep up additional QS units to the amounts they own, with the provision that the new swept up blocks would not retain the hired skipper privilege.

The Council is scheduled to take final action at this meeting.

North Pacific Fishery Management Council
C-1(a) Halibut/Sablefish Hired Skipper Motion
February 3, 2011

Release the amendment to prohibit the use of hired skipper privileges for future transfer of halibut and sablefish B, C, and D class quota shares after the control date of February 12, 2010 for public review and final action at the April Council meeting with the following revisions.

1. Add the word "transferred" to Alternative 2 as follows:
   Alternative 2. Prohibit use of hired skippers of halibut and sablefish B, C, and D class QS transferred after February 12, 2010.

2. Add an option under Alternative 2 to allow the hired skipper provision to be retained for those QS swept up into blocks after the February 12, 2010 control date and before the effective date of the amendment.

3. Add an option under Alternative 2 to allow initial QS holders after the effective date to sweep up additional QS units to the amounts they own, with the provision that the new swept up blocks would not retain the hired skipper privilege.

4. Add data tables that show changes in QS owned by hired skippers by area for B, C, and D shares over the years 2000-2010, for individual initial recipients, and for 2nd generation QS holders.

5. Add data tables that show changes in the amount of individual IFQ (initial recipients and 2nd generation QS holder) that is harvested on a vessel of which that individual is not listed as an owner at the "first level", by area and year, for B, C and D shares over the years 2000-2010.

6. Add data tables that show the average QS holdings of individual and non-individual initial QS holders compared to 2nd generation QS holders by area, for B, C and D shares over the years 2000-2010.

7. Add data tables that show the annual transfers of QS holdings by area for B, C and D shares over the years 2000-2010.

8. Expand discussion of the effects of Alternative 2 on non-individuals.

9. Expand discussion of the comparison of the attrition rate of initial recipients of halibut and sablefish QS in 2C and SE where hired skipper privileges are allowed only for non-individuals, against the attrition rate in other areas.