

Advisory Panel

D3 Motion

April 2021

**ADVISORY PANEL**  
**Motions and Rationale**  
**April 6-10, 2021 - Anchorage, AK**

**D3 RQE funding**

The AP recommends the Council adopt the following Purpose and Need Statement and Alternatives for initial review.

**Purpose and Need**

In 2016 the Council took final action to create a Recreational Quota Entity (RQE) as a market-based solution to the allocation conflict between the charter and commercial halibut sectors. This market-based solution authorizes commercial halibut quota share transfers between the RQE and willing sellers of commercial quota shares. The Council's Preferred Alternative and Final Rule establishing the RQE did not define the RQE's funding mechanism (NPFMC 2017; 83 FR 47819). Recently Senator Sullivan proposed an amendment to the Magnuson Stevens Fishery Conservation Act. This amendment will likely be approved by the US Congress and will grant the Council the authority to develop the funding mechanism for the RQE. Once this bill passes Congress, the Council can take action to require charter operators to purchase stamps from NMFS Alaska Region for each client that intends to retain halibut. These funds would be used by the RQE to fund RQE administrative costs and enforcement and to purchase halibut quota share as specified in the RQE program.

Without this action there will be no mechanism to fund the RQE and no legal requirement for charter anglers to have the described stamps.

**Alternatives:**

Alternative 1: No action (Status quo).

Alternative 2: Direct the NMFS Alaska region to work with Council Staff and the RQE to develop a fee collection mechanism to supply halibut stamps to charter operators and subsequently distribute funds generated to the Recreational Quota Entity. Once completed this framework would be described in a draft Regulatory Impact Review.

*Motion passed 19-0*

*Rationale in Favor:*

- *The Council's Preferred Alternative and Final Rule establishing the RQE did not define the RQE's funding mechanism. Further, the Council did not establish its jurisdiction over any funding avenues considered by charter stakeholders. Responsibility for finding a funding mechanism was left to the RQE.*
- *A funding mechanism utilizing "halibut stamps" similar to the King Salmon stamps implemented by the Alaska Department of Fish and Game has been identified as a preferred method of fee collection. The duration of individual stamp eligibility should be 1,3, or 5 days.*

*Enforcement of stamp utilization by charter halibut operators and anglers should mirror that of the ADFG King Salmon Stamp, though fee collection may be primarily electronic (exceptions will occur), and NMFS Alaska Region would be responsible for initial issuance and fee collection from stamps.*

- *The regulatory language Congress is considering for the RQE currently includes that fees collected will be subject to the appropriations process. It follows that NMFS should be central in the development of the stamp program and in the collection of potential fees. For enforcement purposes the legal relationship to ensure that each charter halibut angler has a stamp is between NMFS and the charter operator the angler is with.*
- *In the commercial IFQ fishery, fees collected cover administrative costs of the program and enforcement. For the RQE, cost recovery will go toward similar processes since the RQE is currently required to pay cost recovery at standard ex-vessel value for all annual quota applied to the annual guided allocation in each year.*