



NORTH PACIFIC FISHERY MANAGEMENT COUNCIL

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Action Memo

File Number: HAL 16-007

Agenda Date 4/4/2016

Agenda Number: C9

Dan Hull, Chairman
Chris Oliver, Executive Director

SUBJECT:

Charter Halibut Recreational Quota Entity (RQE) - Initial Review

STAFF CONTACT: Sarah Marrinan

ACTION REQUIRED:

Initial review of analysis and action as necessary.

BACKGROUND:

The Catch Sharing Plan (CSP) was implemented in 2014 for two halibut users groups, the charter sector and commercial setline sector, in regulatory Areas 2C and 3A. The Council developed this management strategy in order to resolve conservation and allocation concerns that resulted from increased harvest in the charter halibut fishery in both Area 2C as well as 3A, and decreased catch limits in the commercial setline fisheries. The CSP establishes a process for determining the annual management measures for each regulatory charter area based on an annual Combined Catch Limit (CCL) for both the charter and commercial sectors in each area.

Based on a proposal, described to the Council in 2014 by charter representatives, the Council took action to begin examining the impacts of allowing a non-profit recreational quota entity (RQE) (or entities) be established to represent the common pool of charter anglers in each regulatory Area 2C and 3A for the potential compensated reallocation of commercial halibut quota share.

The Council received a staff discussion paper in October 2014 that highlighted some of the key questions for this proposal moving forward. At this meeting, the Council established a purpose and need, and set of alternatives to consider in an Initial Review Analysis. The Council also established a committee workgroup to contribute to the development of a RQE program structure for analysis and review by the Council.

The first Initial Review Analysis was made available for the December 2015 Council meeting. Based on extensive discussion and input from stakeholders and its advisory bodies, the Council amended the purpose and need statement of action, as well as some of the alternatives and options, and requested another Initial Review Draft.

This draft of the Initial Review Analysis addresses the changes and the additional specificity in the Council's motion. The first action alternative would establish an RQE(s) to be an eligible entity to purchase and hold commercial halibut quota share. The ranges of transfer restrictions in the motion were lowered and truncated based on public comments in December 2015. Further analysis was dedicated to understanding the impact these transfer restrictions would have on liberalizing management measures in several example scenarios for Area 2C and Area 3A. This alternative also includes an element that considers what would happen to halibut IFQ should the charter sector reach the least stringent management measures for a season (two fish of any size). This motion considers regulating what RQE funds could be used for in addition to purchasing halibut QS,

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and it specifies an organizational structure for such an entity. The second action alternative, modified from the previous Initial Review document, would allow an RQE the ability to use funds to purchase a certain level of the charter sector's Charter Halibut Permits. The intent behind this alternative would be to provide an outlet to mitigate sudden spikes in angler effort.

The Council also requested analysis of a few elements that it deemed important, but in need of further investigation before they could be identified as an option within the current proposal. These areas for additional consideration are included in the appendices of the analysis. Appendix A describes how an RQE may interact with the pre-existing Guided Angler Fish program. It investigates how regulations might be set to establish a cumulative transfer limit between both programs which would provide "sliding" opportunity for access to additional halibut. Appendix B considers the potential impact of an RQE on the observer program.

An addendum to the analysis was posted on March 22nd, 2016. This addendum describes a correction to the interpretation of some of the analysis regarding an RQE's ability to liberalize management measures in Area 3A.

Additionally, it should be noted that *Alternative 2, Element 3, Option 1* is mis-specified in both the Executive Summary (on page 10) and in the Description of Alternatives and Options (on page 23). This Option is correctly specified in the introduction of the RIR (on page 28).