

**Draft Minutes of the IFQ Industry Implementation Team  
May 11-12, 1994**

In attendance were:

Committee Members:

Kris Norosz, Chair, PVOA  
John Bruce, DSFU  
Linda Kozak, KLVOA  
Jake Phillips, ALFA  
Perfenia Pletnikoff, CBSFA  
John Woodruff, Icicle

Participating Agency Personnel:

Jessie Gharrett, NMFS  
CAPT Bill Anderson, USCG  
Elaine Dinneford, CFEC  
Heather Gilroy, IPHC  
Jay Ginter, NMFS  
Marcus Hartley, NPFMC  
LCDR Walt Hunnings, USCG  
John Lepore, NMFS  
Jeff Passer, NMFS  
Phil Smith, NMFS

**Overage/Underage Program.** The Committee emphasized their support of the concept of an overage and underage program and underage/overage percentages (10% or 400 lbs whichever is greater) for an experimental three-year period. The overage percentage applies only to the last trip of the year. The underage percentages apply to the year's total IFQ. It is the Committee's intent that the underage program not be used to exceed the 1% vessel cap in the next year. It is also the Committee's recommendation that any overage or underage that occurs must be rectified in the calendar year following the overage/underage.

**Hailing In Requirements.** When a vessel with IFQ species on board notifies NMFS that they will be making a landing, they need to declare the following four items: 1) vessel and operator identification, 2) harvest regulatory area, 3) estimated hail weight, and 4) location and name of the intended registered buyer. There was considerable discussion with regard to identifying the registered buyer. It was felt that many vessels may be able to identify the buyer until they get into port. The Committee did not take any action on this issue, but indicated that it was their intent that the identification of the registered buyer not be binding.

**Hail Weight for Landing Outside Alaska.** The Committee recommends that the accuracy of the hailed weight for landings outside Alaska should be within 10% of the actual weight on board. There was discussion with regard to making this a 5% standard, but the Committee felt that with shrinkage of perhaps 3% on a trip to the lower 48, the 5% standard would be impossible to meet.

**Hail Out Requirements.** The Committee recommends that vessels with valid IFQs using longline gear have a hail out requirement similar to Canada's. This would be required to be made 24 hours prior to setting gear. Notification to NMFS may be made by phone, fax, radio, etc., and should include vessel ID, regulatory area, and expected landing port. The intent of the motion is to exclude jig and troll vessels with valid IFQs from the hail out requirements.

The Committee recognized this as a good enforcement tool to anticipate landings. This information is made public in the Canadian system, however a similar public disclosure provision is not included in the Committee's recommendation at this time.

**Bellingham Clearance Issue.** The Committee approved the following motion: Industry is prepared to have vessel clearance requirements for vessels leaving the US EEZ with IFQ products on board. The committee noted that the enforcement plan puts four uniformed officers in Bellingham. The motion is consistent with what is desired for vessels returning from Russian waters. The Committee also voiced its frustration in waiting four months with no advice forthcoming from NOAA GC.

**Canadian Delivery Ports.** The committee recommends that Port Hardy, Prince Rupert, and Vancouver be the sole ports of delivery in Canada, at this time, for US IFQ product. The Committee believes that the motion will benefit enforcement and monitoring. Further, it was noted that the IPHC has staff in these three ports, and they would be able to conduct data collections on such landings.

**Allowing Fishing in Only One Regulatory Area Per Trip.** The IPHC believes that with the many small allocations of QS, particularly those due to the CDQ compensation program, there may be a tendency to misreport harvest areas which could affect stock assessments. Although the IPHC recognized this as their most important request, the Committee did not concur. The Committee noted that only 2% of the entire halibut quota would be redistributed via the CDQ compensation program, and that these small allocations would quickly be consolidated. The Committee recognizes that this issue may need to be revisited in a few years after allowing initial transactions to occur.

**Fishing Outside the EEZ.** The Committee noted that this problem is not specific to the IFQ program and that it is being considered for all groundfish fisheries under NMFS jurisdiction. NMFS staff is preparing a discussion paper on the issue and the Committee decided to defer action until they had an opportunity to review the paper. Neither NMFS or the Committee necessarily wants to discourage fishing outside the EEZ, but is only interested in preventing fishers from claiming that fish was caught outside the EEZ if in fact it was caught within the EEZ.

**Delete the Longline PSC cap in the GOA.** The Committee reiterated its prior position to support the elimination of the halibut PSC cap in the GOA as it applies to hook and line vessels. The Committee believes that in the GOA the longline PSC cap for halibut will not be necessary because almost all Gulf longline participants will be able to use their halibut IFQs to retain and sell their bycatch. If the caps are left in place, the race for fish will continue and PSC will be a driving force in the fishery.

The discussion also dealt with the difficulty of enforcement of PSC caps on vessels without IFQs. Further, it was pointed out that the elimination of the PSC cap in the BSAI is inappropriate because BSAI Pacific cod vessels did not have a history in halibut, and would not receive adequate IFQs to cover their bycatch. The Committee reiterated their desire that NMFS continue to track PSC bycatch in the GOA.

**Partnerships.** The Committee discussed the issue of whether the definition of partnership pertained to the ownership of the operation or the ownership of the vessel, and which of these would be considered eligible to receive initial allocations of IFQs under the final rule. An example of the former would be a partnership whereby one person owned the vessel and another owned the gear and together they fished. An example of the latter would be a partnership whereby the partnership is the legal owner of the vessel. The Committee voiced its frustration that they had not received guidance from NOAA GC. No action was taken.

**Sales of Corporations and Partnerships or Portions Thereof.** This item was on the agenda only to apprise the Committee of the situation which exists with corporations and partnerships which have been

sold but which are still in existence. Do the QS get issued to the owner(s) of the corporation at the time of the accrual of catch history and/or qualification, or does the QS get issued to the present owners of the corporation or partnership? Phil Smith has requested clarification from NOAA GC on this issue. Further discussion on this item will await the NOAA GC clarification.

**BSAI Halibut Ownership and Vessel Cap.** After reviewing the DSFU, KLVOA, FVOA letter regarding the halibut ownership (QS use) and vessel caps in the Bering Sea, it was decided that there doesn't appear to be a problem for initial recipients; the current regulations allow initial recipients to exceed both use and vessel caps, i.e., they are grandfathered. There was some concern that the caps may be considered overly constraining for "second generation" owners. The Committee reserved the right to revisit this issue when actual quota share pools are known or if a problem actually materializes.

**Season Length and Open Date for BSAI Sablefish.** The Committee recommends that the sablefish opening date and duration be the same as now written in the regulation for the IFQ program. The Committee felt that the issue was a market oriented situation, and that all sablefish and halibut market conditions are likely to change dramatically with the advent of the IFQ program.

**Freezer Issues.** The Committee discussed the Council's April action (or lack thereof), and noted that the Council did not heed their earlier recommendation to allow the use of halibut catcher shares on freezer vessels, and that the Council's December action would create discards and waste. The issue now has the group divided, and therefore, no action was taken at this time. The Committee would like the opportunity to comment when the analysis for the plan amendment (resulting from the December action) becomes available.

**CBSFA Letter Asking for Changes in the CDQ Regulations for the Sablefish and Halibut IFQ Program.** The Committee approved a motion as follows: For those vessel owners or lease-holders who receive CDQ compensation, a one time trade (or paired transfer) of QS between the CDQ areas and non-CDQ areas will be allowed. Vessel category restrictions will not apply for transactions under this provision. This provision will sunset after a one-year period following its effective date. QS transfers under this provision will be exempt from the block restrictions that otherwise might apply. The intent is that the person who makes such transactions will not be stuck with two blocks of QS.

The problem was described as follows by representatives of CBFSA and KLVOA: Fishers residing in Bering Sea communities (generally fishing on vessels less than 35 feet) would like to consolidate their QS/IFQ holdings by transferring their CDQ compensation shares with fishers residing in Gulf communities whose QS will be in larger vessel classes. In turn, the Gulf residents would like to consolidate by transferring their regular Bering Sea QS to Bering Sea community residents. However, because of the vessel size class restrictions these transfers are impossible. The only small boat QS will already be owned by the Bering Sea residents.

The Committee approved a motion which "recognizes that the CDQ fishery for halibut and sablefish will be significantly different than the pollock CDQ program, and recommends that a discussion paper be developed to see if the program needs some changes specific to the nature of these fisheries. In particular the paper should discuss:

- 1) the transition and/or phasing of CDQ to IFQs or some other form of harvest rights,
- 2) possible sunset provisions for the CDQ program,

- 3) the fact that the pollock fishery and sablefish and halibut fisheries are very different and therefore it may not be absolutely necessary that the two programs be identical, and
- 4) an explicit recognition that the focus of the sablefish and halibut IFQ program has always been on a owner operated fishery and this is at odds with the CDQ program as currently depicted in the regulations."

**Request by the Klawock Cooperative Association.** Since there was no specific proposal before the Committee, it was impossible to make a recommendation on this issue. However, the committee noted that communities in the GOA and in particular in Southeast are in a fundamentally different situation than are Western Alaskan Communities in the CDQ program; the difference being that Klawock has had access to the sablefish and halibut fisheries, transportation, and markets.

**Block Plan.** The Committee was informed that the analysis is currently under review by the region, and therefore, the group chose not to comment on the plan without first seeing the document.

**Administrative Issues.** These were strictly informational for the Committee and for the staff and no recommendations were made. Discussion points included the availability of transfer and crew-member verification forms, that there would be no cost to fishers for transfers, of the investigation into NMFS registry of titles and liens, and the feasibility of in-season transfers.

**New Hardship Provisions.** The Committee approved unanimously a motion rejecting the Council's April 1994 action. The Committee discussed the fact that hardships were already accounted for in the current program under both the catch history and qualifying periods. Further, the Committee believed that allowing a single hardship case in the door was inappropriate, and that if new hardships were to be discussed then all hardships should be reconsidered. The Committee believes it is imperative that arbitrary and capricious situations, and those that are discriminatory in nature be avoided when considering hardships.

**Request For Meeting between NMFS and Registered Buyers.** The Committee noted that NMFS has had many discussions with IFQ fishers, but that there also needed to be some discussions between NMFS and Registered Buyers.

**Schedule for Enforcement Start-up.** The Committee was informed that NMFS Enforcement Program for IFQs may be difficult to have in place by March 1, 1995. This is because of the amount of time needed for the training of uniformed officers to be stationed in primary ports.