

CHARTER HALIBUT RECREATIONAL QUOTA ENTITY (RQE) FUNDING MECHANISM

OCTOBER 2021

Presentation to the Charter Halibut
Management Committee



Sarah Marrinan, NPMFC Staff

RQE- HISTORY OF ACTION

December 2016

- Council took final action to approve an RQE as an eligible entity to purchase and hold halibut QS to be used on behalf of charter halibut anglers

October 2018

- RQE program final rule becomes effective

March 2020

- NMFS approved RQE application



RQE FUNDING - HISTORY OF ACTION

April 2021

- Discussion paper examined the concept of a charter halibut stamp
- The Council initiated an Initial Review Analysis for broadly considering a federally-facilitated funding mechanism for the RQE



FEDERAL FEE COLLECTION AUTHORITY

S.273 - Driftnet Modernization and Bycatch Reduction Act

117th Congress (2021-2022) | [Get alerts](#)

BILL

Hide Overview ✕

Sponsor: [Sen. Feinstein, Dianne \[D-CA\]](#) (Introduced 02/08/2021)

Committees: Senate - Commerce, Science, and Transportation

Latest Action: House - 09/17/2021 Held at the desk. ([All Actions](#))

Tracker:

Introduced

Passed Senate

Passed House

To President

Became Law

Source: <https://www.congress.gov/bill/117th-congress/senate-bill/273>

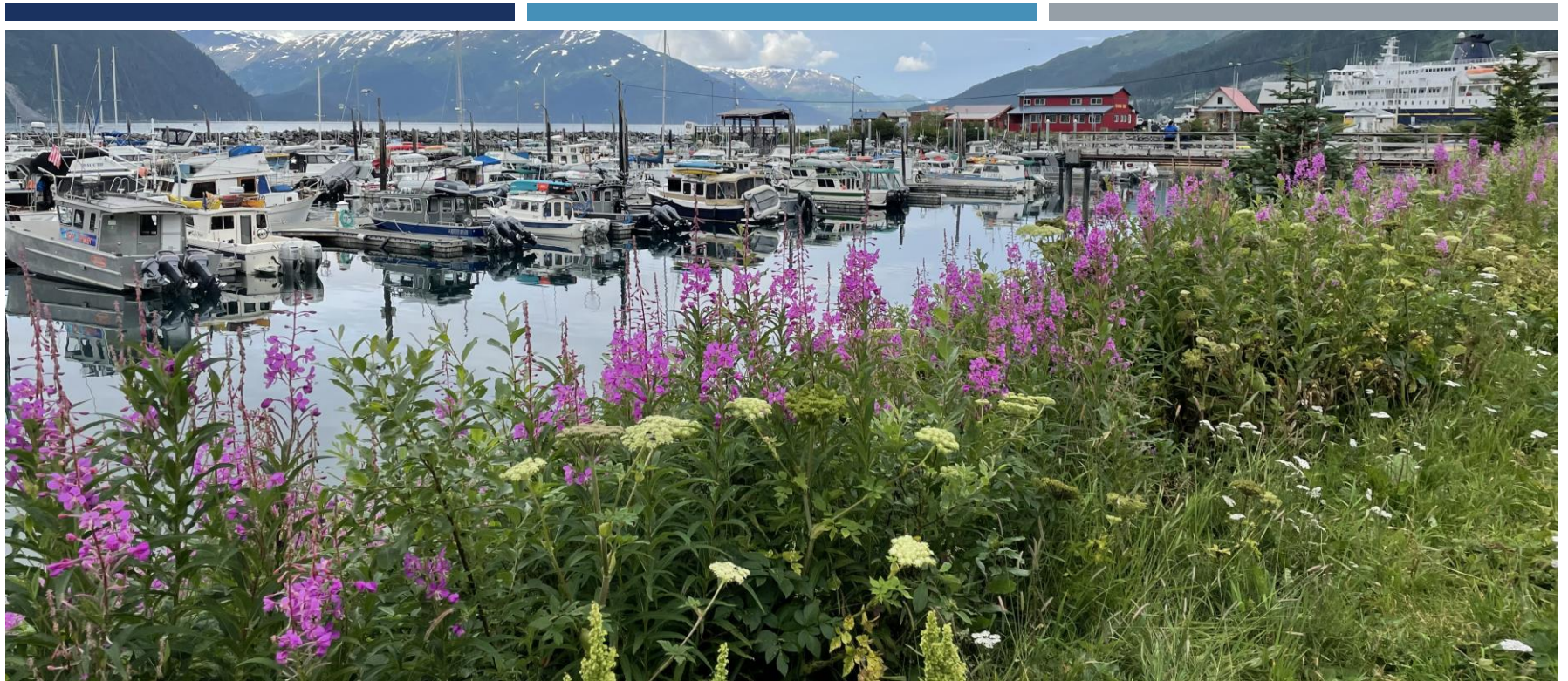


RQE FUNDING - HISTORY OF ACTION

October 2021

- Initial Review Analysis on fee collection program with NMFS as the primary fee collection agency.
 - Option 1. Charter halibut stamp
 - Option 2. Annual operating fee
 - *There could be other options!*
- Council choose a PPA (charter halibut stamp) and asked for Committee input





RQE Funding – What's next?

COMMITTEE CONSIDERATION AND RECOMMENDATIONS

- **DP = decision point**, if the Committee wishes to recommend a stamp mechanism, additional points for consideration and possible recommendation
- **CP = challenge point**, not something that the Committee necessarily needs to address, but important for consideration



OPTION 2: ANNUAL OPERATOR FEE

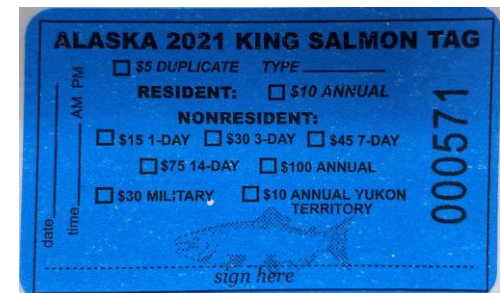
- Tied to the renewal of a Charter Halibut Permit (CHP)
- Managed similar to Cost Recovery (using existing infrastructure)
- Administrative enforcement
- Uniform fee or fee based on angler effort associated with a CHP (per angler fee or tiered fee)
- Fee based on angler effort would need to rely on ADF&G saltwater logbooks as a data source of charter halibut angler effort.
 - There are some challenges to using these data in this way

OPTION I: CHARTER HALIBUT STAMP

- Would require a charter operators to purchase a halibut stamp for each guided angler, for each day that the charter angler is on a charter vessel that intends to harvest halibut
 - **DP:** *intent to harvest halibut or when halibut was retained?*
 - **DP:** *who is liable as “operator”?*
 - **DP:** *what to call it?*
 - **DP:** *would this include CQE permits and U.S. Military Morale, Welfare, and the Recreation Program?*



This is an example of a king salmon stamp purchased online.



CHARTER HALIBUT STAMP PLATFORM

- Online sale and stamp distribution platform
 - **CP:** *Substantial agency costs to develop and implement*
 - **CP:** *No existing NMFS infrastructure for implementing the program or providing user support*
 - **DP:** *Could this system be completely digital?*
- Operators could purchase (or cache) stamps once a season, multiple times and season or even every day
- Includes a system to validate stamps when used
- Pay either when stamps are obtained or when they are validated



CHARTER HALIBUT STAMP ENFORCEMENT

- Requires on-the-water enforcement and Alaska Wildlife Trooper cooperation
 - **CP:** *Additional costs to OLE for enforcement, particularly in the case of violations which involves GC*
 - **CP:** *Would the State of Alaska agree to joint enforcement from Troopers?*



CHARTER HALIBUT STAMP FEE

- **DP:** *Where should the fee be set at? Should there be multi-day discounts?*
- **DP:** *How often and what is the process for reevaluating the fee if needed?*
- **DP:** *Where else might it be useful to build in flexibility?*

ADF&G king salmon stamp fee structure

Resident annual	Nonresident 1-day	Nonresident 3-day	Nonresident 7-day	Nonresident 14-day	Nonresident annual	Nonresident military annual
\$10	\$15	\$30	\$45	\$75	\$100	\$30

Source: Table 1 in the Appendix of the from RQE Funding Discussion Paper, page 21



POTENTIAL REVENUE BASED ON DIFFERENT STAMP PRICES

2C	Angler Days	\$10	\$15	\$20
High year (2018)	108,700	\$1,087,000	\$1,630,500	\$2,174,000
Low year (2011)	72,934	\$729,340	\$1,094,010	\$1,458,680
Average (2009-2019)	89,434	\$894,344	\$1,341,515	\$1,788,687
3A	Angler Days	\$10	\$15	\$20
High year (2013)	119,078	\$1,190,780	\$1,786,170	\$2,381,560
Low year (2017)	101,463	\$1,014,630	\$1,521,945	\$2,029,260
Average (2009-2019)	110,282	\$1,102,823	\$1,654,234	\$2,205,645

Source: Table 19 from RQE Funding Initial Review Analysis, page 63



AREA 2C REVENUE WHEN DISCOUNT RATE IS APPLIED

Year	Days Fished				Total Anglers
	1	2	3	4+	
2019	51%	14%	22%	13%	49,930
2010-2019 Average	45%	15%	24%	17%	39,343

Stamp	Estimated 2019 Sales	Daily discount rate	Price structure based on daily stamp price					
			Price	Revenue	Price	Revenue	Price	Revenue
1-day	25,510	0%	\$10	\$255,100.00	\$15	\$382,650.00	\$20	\$510,200.00
3-day	17,752	33%	\$20.10	\$356,815.20	\$30.15	\$535,222.80	\$40.20	\$713,630.40
7-day	6,668	57%	\$30.10	\$200,706.80	\$45.15	\$301,060.20	\$60.20	\$401,413.60
Total potential revenue				\$812,622.00		\$1,218,933.00		\$1,625,244.00
2019 revenue from non-discounted stamp fee				\$1,067,530.00		\$1,601,295.00		\$2,135,060.00
Difference in potential revenue				\$254,908.00		\$382,362.00		\$509,816.00

Source: Table 20 and 23 from RQE Funding Initial Review Analysis, page 64 & 66



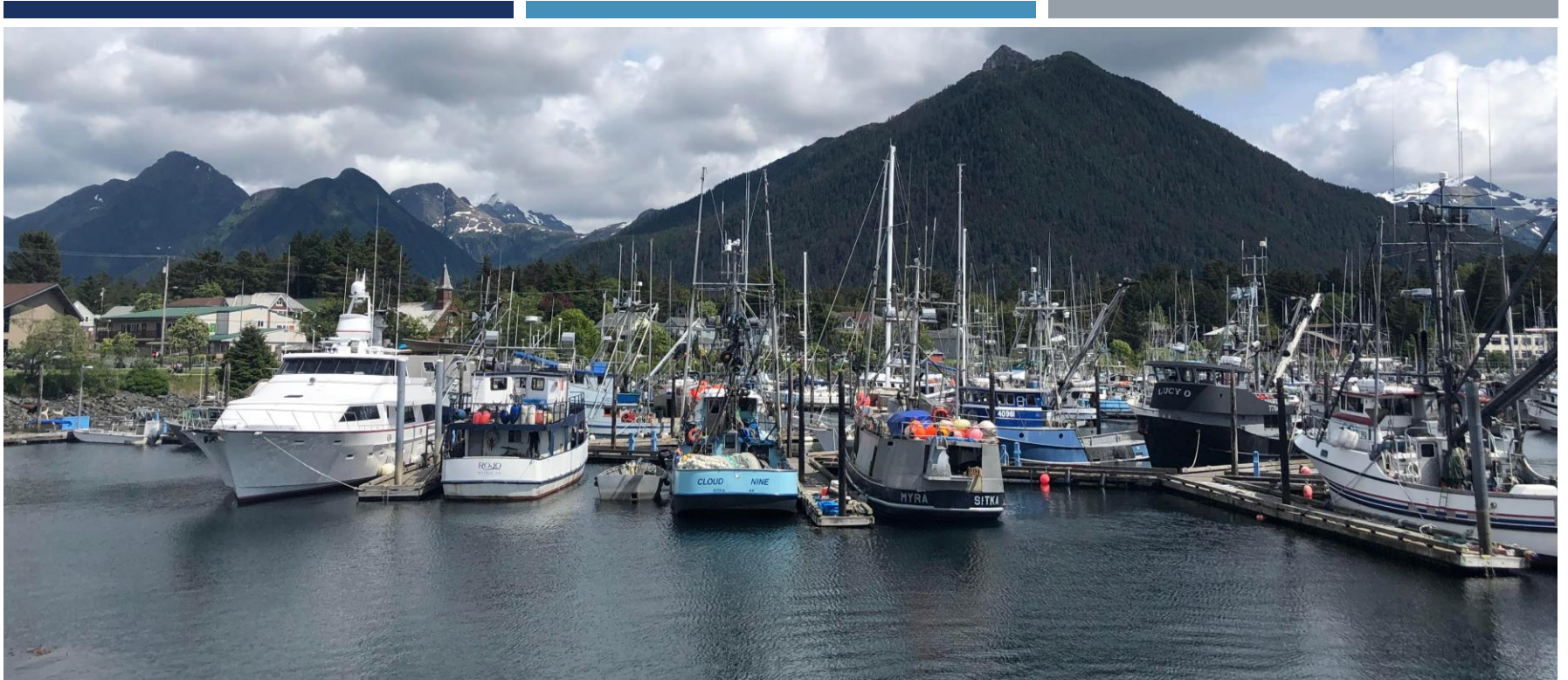
AREA 3A POTENTIAL REVENUE WHEN DISCOUNT RATE IS APPLIED

Year	Days Fished				Total Anglers
	1	2	3	4+	
2019	78%	16%	4%	2%	74,357
2010-2019 Average	77%	16%	5%	3%	76,719

Stamp	Estimated 2019 sales	Daily discount rate	Price structure based on daily stamp price					
			Price	Revenue	Price	Revenue	Price	Revenue
1-day	57,878	0%	\$10	\$578,780.00	\$15	\$868,170.00	\$20	\$1,157,560.00
3-day	15,017	33%	\$20.10	\$301,841.70	\$20.10	\$452,762.55	\$40.20	\$603,683.40
7-day	1,462	57%	\$30.10	\$44,006.20	\$45.15	\$66,009.30	\$60.20	\$88,012.40
Total potential revenue			\$924,627.90		\$1,386,941.85		\$1,849,255.80	
2019 revenue from non-discounted stamp fee			\$1,035,910.00		\$1,553,865.00		\$2,071,820.00	
Difference in potential revenue			\$111,282.10		\$166,923.15		\$222,564.20	

Source: Table 21 and 24 from RQE Funding Initial Review Analysis, page 64 & 67





Additional information needed for the next round of consideration at the Council?