DRAFT FOR INITIAL REVIEW

**Regulatory Impact Review
for Proposed Regulatory Amendment
to**

Revise the Annual IFQ Cost Recovery Process

May 11, 2026

For further information contact: Taylor Holman, North Pacific Fishery Management Council
1007 West Third Avenue, Suite 400, Anchorage, AK 99501
(907) 271-2809

Alicia M Miller, National Marine Fisheries Service, Alaska Region
P. O. Box 21668, Juneau, AK 99802-1668
(907) 586-7221

Abstract: This regulatory impact review (RIR) analyzes the impacts of proposed regulatory amendments to modify administrative provisions of the Halibut and Sablefish Individual Fishing Quota (IFQ) cost recovery program. This action considers modifying the timing of calculating IFQ fee liabilities, the payment due date, publication of the notice in the Federal Register to announce the fee percentage and standard prices, and IFQ volume and value reporting requirements. Action is needed to revise the Halibut and Sablefish IFQ cost recovery administrative process to accommodate later fishing season end dates in December.

For definition of acronyms and abbreviations, see online list: https://www.npfmc.org/library/acronyms

Table of Contents

1 Introduction *7*
1.1 Statutory Authority 7
1.2 Need for the Regulatory Action 8
1.3 History of this Action at the Council 8
1.4 RIR requirements 9

2 Description of Alternatives *11*
2.1 Alternative 1, No Action 11
2.2 Alternative 2. Revise the Halibut and Sablefish IFQ Cost recovery Annual Processes 12
2.2.1 Element 1. Remove publishing deadline and change fee payment due date 12
2.2.2 Element 2. Modify the date range of landings 13
2.2.3 Element 3. Modify Volume and Value Report Submission 13
2.3 Comparison of Alternatives 14
2.4 Alternatives Considered but not Analyzed Further 14

3 The Cost Recovery Annual Process *16*
3.1 Compiling and validating program specific landings 17
3.2 Validating volume and value submissions 17
3.3 Timing of the Pacific Halibut and Sablefish IFQ Cost Recovery Annual Processes 19
3.4 Calculating and validating standard ex-vessel prices 20
3.4.1 Calculating Port-specific Standard Prices 21
3.5 Applying standard ex-vessel prices 22
3.6 Deriving and validating the total ex-vessel value for the Cost Recovery program 22
3.7 Compiling and reviewing incremental agency and partner agency costs 23
3.8 Calculating the annual fee percentage 23
3.9 Generating and validating invoices 24
3.10 Mailing invoices, tracking payments, and sending notices for non-payment 24

4 Description of Fisheries *25*
4.1 The IFQ Program 25
4.2 IFQ Participants 25
4.3 Allocations and Landings 26
4.4 Registered Buyers 29
4.5 Standard prices 30
4.6 Fishery Value, Program Costs, and Fee Percentage 33

5 Impact Analysis *34*
5.1 Alternative 1, No Action 34
5.2 Alternative 2, Revise the Halibut and Sablefish IFQ Cost Recovery Annual Process 36
5.2.1 Element 1. Revise the notice and fee due dates 36
5.2.2 Element 2. Modify the Date Range of Landings 37
5.2.3 Element 3: Modify Volume and Value Report Submission 41
5.2.4 Comparison of Elements 1 through 3 44
5.3 Affected Small Entities (Regulatory Flexibility Act Considerations) 44
5.4 Alternatives with Respect to Net Benefit to the Nation 45

6 Magnuson-Stevens Act and FMP Considerations *46*
6.1 Magnuson-Stevens Act National Standards 46
6.2 Pacific Halibut Act Considerations 46

7 Preparers and Persons Consulted *48*

Appendix A Golden King Crab Season Start Time *49*

Executive Summary

This regulatory impact review (RIR) analyzes the impacts of proposed regulatory amendments to modify administrative provisions of the Halibut and Sablefish Individual Fishing Quota (IFQ) cost recovery program. This action considers modifying the timing of calculating IFQ fee liabilities, the payment due date, publication of the notice in the Federal Register to announce the fee percentage and standard prices, and IFQ volume and value reporting requirements. Action is needed to revise the Halibut and Sablefish IFQ cost recovery administrative process to accommodate later fishing season end dates in December.

Need for Action

NMFS drafted the following need statement based on the information presented in the April 2025 discussion paper:

Since 2021, the International Pacific Halibut Commission (IPHC) has extended the halibut fishing season dates to end in December. Annually NMFS establishes the sablefish IFQ season dates based on the season dates established by the IPHC for halibut. This extended season has reduced the amount of time NMFS has to perform administrative tasks necessary to calculate the IFQ cost recovery fee percentage and determine individual fee liabilities under regulations at § 679.45. The administrative steps necessary to assess fees for the halibut and sablefish IFQ fisheries have been programmed to run concurrently for all IFQ holders and therefore the sablefish IFQ process is dependent upon the halibut IFQ process. Action is needed to revise the Halibut and Sablefish IFQ cost recovery administrative process to accommodate later fishing season end dates in December.

Alternatives

The alternatives were designed to revise the Halibut and Sablefish IFQ cost recovery administrative process to accommodate later fishing season end dates in December and address administrative issues.

NMFS drafted the following alternatives for analysis based on the information presented in the April 2025 discussion paper.

Alternative 1. Status Quo.

Alternative 2. Revise the Halibut and Sablefish IFQ Cost recovery Annual Processes.

> **Element 1.** Remove the regulatory deadline for publishing the notice of standard prices and fee percentage in the Federal Register and revise the fee payment due date from January 31 to February 28.
>
> **Element 2.** Modify the date range of IFQ landings used to calculate annual cost recovery fee liabilities. The annual billing year would include IFQ landings from:
>
> > **Option 1.** October 1 through September 30
> >
> > **Option 2.** November 1 through October 31
> >
> > **Option 3.** December 1 through November 30
>
> **Element 3.** Modify the submission of volume and value reports
>
> > **Option 1.** Create an administrative consequence for registered buyers who fail to submit volume and value reports.
> >
> > **Option 2.** Require submission of volume and value reports within 2 weeks of the processor's final IFQ landing of the season or October 15th, whichever is earlier.

Option 3. Increase frequency of volume and value data submission to quarterly. (Quarterly or twice per year)

This document also includes a discussion of the Aleutian Island golden king crab (AIGKC) start date, initiated within a Council motion in June 2021. The AIGKC start date action was combined and included within this cost recovery analysis per NMFS AKR recommendation from June 2025, given the alignment of the issue with the Council's cost recovery process action. The discussion of the AIGKC start date is included separately, within Appendix A (Chapter 8) of this document.

Impacts

Alternative 1 - No Action

Under Alternative 1, the IFQ cost recovery timeline would remain unchanged. If the IPHC continues to establish commercial halibut fishing periods that extend into December, the annual cost recovery process would continue to be executed on a very short timeline occurring over the holidays with publication of the notice and issuance of fee liability statements on or very near the regulatory deadline.

NMFS applies the September standard prices calculated from the last month of Registered Buyer report data to any landings occurring in October, November, or December of the current fishing year. This results in decreased accuracy of the fees assessed on late-year landings, and likely increases requests for actuals because it is less reflective of any changes to market conditions occurring within the last three months of the year.

Alternative 2 - Revise the Halibut and Sablefish IFQ Cost Recovery Annual Process

The elements under Alternative 2 address individual constraining aspects of the IFQ cost recovery timing, in response to changing seasonal dynamics in the halibut fishery. The IFQ cost recovery process was not designed in a way to accommodate a fishing season that could remain open through December, and discrete changes are presented in elements below to accommodate for a mid-December closure. As previously described, setting the halibut season start and end dates is under the authority of the IPHC; therefore the elements and options focus on ways to address Federal IFQ cost recovery regulations under the Council and NMFS's authority to accommodate the longer season dates.

Element 1 - Revise the notice and fee due dates

Element 1 would remove the regulatory deadline for publication of the IFQ standard prices and fee percentage, established under 679.45(b)(3)(iii) and 679.45(d)(3). The requirement to publish the information in the Federal Register would remain in regulation under this element. In conjunction with the removal of the regulatory deadline for fee notice, this element would also modify the cost recovery fee payment due date from January 31st to February 28th. This would provide additional time between the end of the fishing season, and issuance of the fee liability invoices.

Element 2 - Modify the Date Range of Landings

The regulatory and administrative processes for the IFQ cost recovery program are structured to include all landings made during the fishing year in the end-of-year fee calculation process. Because of this, under Alternative 1 the calculation of the fee percentage cannot begin until all landings from the fishing season have been completed. Element 2 would modify the date range of landings used to calculate fishery value and assess fees. There are three options under Element 2:

Option 1. October 1 through September 30

Option 2. November 1 through October 31

Option 3. December 1 through November 30

Under Element 2, **the billing year would be independent of the fishing season and could include IFQ landings from more than one fishing year depending on the season dates and the fee year selected. By setting the date range for the annual fee billing process in regulations, the timing of the annual cost recovery process would no longer be dependent upon the variable fishing season dates and would allow NMFS to proceed at consistent times of the year no matter when the fishing season ends. NMFS could start compiling and reviewing landings data after the last landings occurred within the "fee year," rather than being beholden to wait until the fishing season ends.** For all the options considered under this element, NMFS would have some amount of additional time to complete the annual cost recovery process than under the status quo December 7 season end date. The amount of additional time varies depending on the option selected from 2+ months additional time (Option 1) to approximately a week of additional time (option 3). **The changes contemplated under this element would require programming changes to the electronic systems used to generate fee liabilities and invoices.**

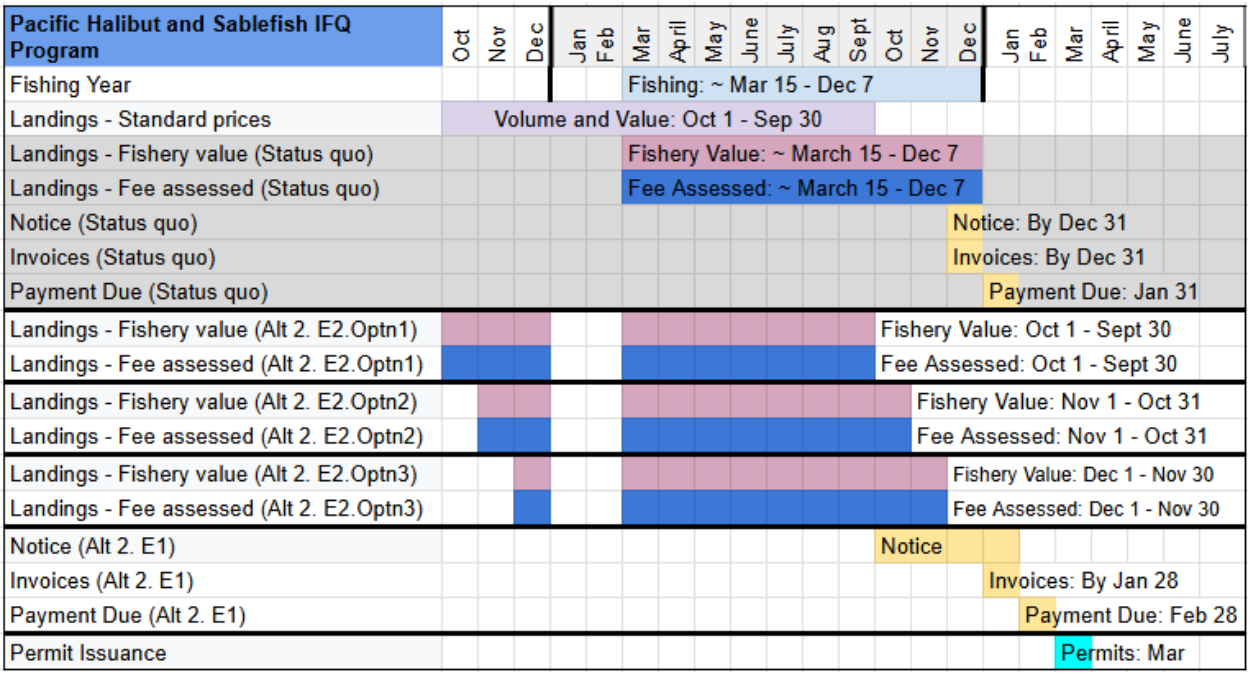

Figure 1 Comparison of the timing of the IFQ Program fishing year, landings used to calculate standard ex-vessel prices, landings used to estimate the total fishery value, and landings used to calculate cooperative fee liabilities.

Table 1 Percentage of halibut and sablefish IFQ landings for which cost recovery billing would be delayed until the following billing cycle under the options included in Element 2.

	Halibut	Sablefish
Option 1: October 1 through September 30	15%	20%
Option 2: November 1 through October 31	5%	9%
Option 3: December 1 through November 30	1%	1%

Element 2, Option 1 would result in the highest amount of fee liabilities being delayed until the next billing cycle. Option 2 would result in lower amounts of fee liabilities being delayed until the next billing cycle than Option 1, but more than Option 3. Under a December closure date however, a small amount of additional time would be provided for cost recovery processes, and a small amount of landings from the current fishing year would be billed in the next fishing year. In years where the fishing season closes in December, Option 3 would provide NMFS with a little over three weeks to calculate and validate both the

ex-vessel value, and calculate individual fee liabilities, prior to the regulatory deadline to publish the fee notice in the Federal Register on December 31st.

Element 3 - Modify Volume and Value Report Submission

IFQ Registered Buyer ex-vessel volume and value data are required to be submitted annually by October 15 for the previous reporting period, September 30 through October 1 (§ 679.5(l)(7)(i)). Volume and value data completeness and cost recovery fee calculation accuracy is dependent on all processors providing IFQ buyers reports. Three options are considered under this element to improve compliance with this reporting requirement. The options analyzed include creating an administrative consequence for registered buyers who fail to submit the volume and value report, modifying the due date to be dependent upon the processors operating status, or increasing the frequency of reporting.

Comparison of Alternatives for Decision-making

Table 2 Summary of the impacts of the alternatives on IFQ participants and NMFS.

Alternative	Impact on Industry	Impact on NMFS
Alt 1. No Action	Fee percentage and standard prices published in Federal Register by December 31. Fee liability payments due January 31. Typically provides more than 30 days between payment due date and permit withholding in the instance of non-payment.	Very tight turnaround to compute fee percentage, standard prices, and fee liabilities after end of fishing season (Dec 7) and before publication and invoice mailing due date (Dec 31). Increased likelihood of errors.
Alt 2. Element 1 - Remove publishing deadline and change fee payment due date	Fee percentage and standard prices would continue to be published in the Federal Register, but less time certain. Fee liability payments due February 28. This would mean less than 30 days between due date and permit withholding for non-payment.	More time and flexibility to publish the notice in the Federal Register. More time to calculate and mail fee liability statements. Less time between payment due date and permit issuance.
Alt 2. Element 2 - Modify the date range of landings	Billing delay for landings occurring after the cutoff date. Potential for earlier receipt of annual fee liability statements (depending on the option).	Time certain annual process - independent of fishing year. Increased potential for non-payment of delayed fee liabilities.
Alt 2. Element 3 - Modify Volume and Value Report Submission	Opt1. Create admin consequence for non-reports such as withholding registered buyer permit. Opt 2. Modify due date to be within 2 weeks of last delivery, or Oct 15, whichever is earlier. Opt 3. Increase reporting frequency (increasing reporting burden)	Potential for improved compliance.

1 Introduction

This RIR analyzes proposed management measures that would modify the annual Halibut and Sablefish IFQ cost recovery process. The measures under consideration include alternatives that would modify the timing of the following: 1) fee billing and fee due date, 2) date range of landings used to calculate fishery value, and 3) submission of volume and value reports. The purpose of this action is to address adjusting the timing of the cost recovery administrative process to accommodate later fishing season end dates in December.

A RIR provides assessments of the benefits and costs of the alternatives, the distribution of impacts, and identification of the small entities that may be affected by the alternatives. This RIR addresses the statutory requirements of the Magnuson-Stevens Fishery Conservation and Management Act (Magnuson-Stevens Act) (16 U.S.C. 1801, *et seq*.), Northern Pacific Halibut Act of 1982 (Halibut Act), Executive Order 12866, and some of the requirements of the Regulatory Flexibility Act. A RIR is a standard document produced by the North Pacific Fishery Management Council (Council) and the National Marine Fisheries Service (NMFS) Alaska Region to provide the analytical background for decision-making.

1.1 Statutory Authority

Under the Magnuson-Stevens Act (16 U.S.C. 1801, et seq.), the United States has exclusive fishery management authority over all marine fishery resources found within the exclusive economic zone (EEZ). The management of these marine resources is vested in the Secretary of Commerce (Secretary) and in the regional fishery management councils. In the Alaska Region, the Council has the responsibility for preparing Fishery Management Plans (FMPs) and FMP amendments for the marine fisheries that require conservation and management, and for submitting its recommendations to the Secretary. Upon approval by the Secretary, NMFS is charged with carrying out the Federal mandates of the Department of Commerce with regard to marine and anadromous fish.

The sablefish IFQ fishery in the EEZ off Alaska is managed under the FMP for Groundfish of the Gulf of Alaska (GOA) and under the FMP for Groundfish of the Bering Sea and Aleutian Islands (BSAI). The Council prepared the FMPs under the authority of the Magnuson-Stevens Act, 16 U.S.C. 1801 et seq. Regulations governing U.S. fisheries and implementing the FMPs appear at 50 CFR parts 600 and 679.

The International Pacific Halibut Commission (IPHC) and NMFS manage fishing for Pacific halibut through regulations established under the authority of the Northern Pacific Halibut Act of 1982 (Halibut Act). The IPHC develops regulations governing the halibut fishery under the Convention between the United States and Canada for the Preservation of the Halibut Fishery of the Northern Pacific Ocean and Bering Sea. The IPHC's regulations are subject to approval by the Secretary of State with the concurrence of the Secretary. NMFS promulgates the IPHC's regulations as annual management measures pursuant to 50 CFR 300.62. The final rule implementing the 2026 annual management measures published March 25, 2026, (91 FR 14464).

The Halibut Act, 16 U.S.C. 773c (a) and (b), provides the Secretary with general responsibility to carry out the Convention and the Halibut Act. In adopting regulations that may be necessary to carry out the purposes and objectives of the Convention and the Halibut Act, the Secretary is directed to consult with the Secretary of the department in which the U.S. Coast Guard is operating, currently the Department of Homeland Security.

The Halibut Act, 16 U.S.C. 773c (c), also provides the Council with authority to develop regulations, including limited access regulations, that are in addition to, and not in conflict with, approved IPHC regulations. Regulations developed by the Council may be implemented by NMFS only after approval by the Secretary. The Council has exercised this authority in the development of the IFQ Program for the commercial halibut and sablefish fisheries, codified at 50 CFR part 679, under the authority of section 5

of the Halibut Act (16 U.S.C. 773c (c)) and section 303(b) of the Magnuson-Stevens Act (16 U.S.C. 1853(b)).

Under section 304(d) of the Magnuson-Stevens Act, NMFS established regulations to implement cost recovery for the IFQ Program on March 20, 2000 (65 FR 14924). Under the IFQ cost recovery program, NMFS collects fees to recover actual costs incurred for Federal management and enforcement of these IFQ fisheries. The IFQ cost recovery program has been modified several times since implementation. Table 3 summarizes the substantive changes.

Table 3 Summary of changes to IFQ cost recovery regulations at § 679.45.

Final rule citation	Summary of Changes
65 FR 14919, 14924, Mar. 20, 2000	Implementation of IFQ cost recovery.
67 FR 4100, Jan. 28, 2002	Nonsubstantive record keeping and reporting change to update the payment address.
71 FR 44231, 44232, Aug. 4, 2006	1) Established the equation and all factors used to calculate the fee percentage; 2) modified the calculation of direct program costs (DPC) through a new, independently-developed timekeeping system; and 3) Established the process of publishing the annual fee percentage by **Federal Register** notice, rather than by proposed and final rulemaking. The fee percentage would be determined annually rather than periodically changing the default percentage.
76 FR 40628, 40633, July 11, 2011	Recordkeeping and Reporting change to update the NMFS Alaska Region website.
78 FR 75844, 75893, Dec. 12, 2013	Implemented the Catch Sharing Plan including adding landings of GAF to the cost recovery program and made nonsubstantive clarifications to IFQ cost recovery regulations.
81 FR 23645, 236459, Apr. 22, 2016	Implementation of electronic payment requirements.
83 FR 47819, 47833, Sept. 21, 2018	Authorized the formation of the Recreational Quota Entity (RQE) and incorporated the RQE and landings as RFQ to the IFQ cost recovery program.

1.2 Need for the Regulatory Action

NMFS drafted the following need statement based on the information presented in the April 2025 discussion paper:

Since 2021, the IPHC has extended the halibut fishing season dates to end in December. Annually NMFS establishes the sablefish IFQ season dates based on the season dates established by the IPHC for halibut. This extended season has reduced the amount of time NMFS has to perform administrative tasks necessary to calculate the IFQ cost recovery fee percentage and determine individual fee liabilities under regulations at § 679.45. The administrative steps necessary to assess fees for the halibut and sablefish IFQ fisheries have been programmed to run concurrently for all IFQ holders and therefore the sablefish IFQ process is dependent upon the halibut IFQ process. Action is needed to revise the Halibut and Sablefish IFQ cost recovery administrative process to accommodate later fishing season end dates in December.

1.3 History of this Action at the Council

This action was initiated at the December 2024 Council meeting after receiving a report reviewing the Pacific Halibut and Sablefish IFQ Program. In that report, the NMFS recommended initiating a regulatory change to adjust the timing of the annual cost recovery process to address and remedy current time constraints for this annual process. The Council then requested preparation of a discussion paper to inform options to adjust the annual timing and administrative processes for all of the Council's cost recovery and fee collection programs.

In April 2025, NMFS provided a draft discussion paper. That paper addressed the Council's request for a discussion paper and identified inefficiencies and challenges faced by stakeholders and NMFS as well as opportunities to improve clarity, consistency, and efficiency within the cost recovery processes administered by NMFS' Alaska Regional Office (AKR). The April 2025 document provided information for the Council and the public to begin to understand the data, timing, process complexities and challenges with the multiple annual cost recovery programs and identified potential solutions for additional analysis. At that meeting, the Council requested that NMFS further evaluate options for the cost recovery changes proposed in the April 2025 discussion paper for future Council consideration.[1] **Based on the guidance provided by the Council in April 2025, NMFS prioritized the development of solutions to the highest priority problems and developed the purpose and need and suite of alternatives analyzed in this document.**

In June 2025, NMFS AKR staff recommended that the Council's Aleutian Island golden king crab (AIGKC) start date action, initiated in June 2021, be combined and included within the Council's cost recovery action. Within an expanded discussion paper[2] that reviewed regulations to identify potential changes that would reduce regulatory burdens and optimize seafood production, NMFS identified the Council's AIGKC start date action as an ongoing action responsive to E.O. 14276. **Given the alignment with the Council's ongoing cost recovery process action, and the AIGKC start date action's alignment with E.O. 14276, NMFS AKR staff have included an assessment of the AIGKC start date within this initial review draft of the Cost Recovery Process Streamlining analysis.**

1.4 RIR requirements

The preparation of an RIR[3] is required under Presidential Executive Order (EO) 12866 (58 FR 51735, October 4, 1993). The requirements for all regulatory actions specified in EO 12866 are summarized in the following Statement from the E.O.:

> *In deciding whether and how to regulate, agencies should assess all costs and benefits of available regulatory alternatives, including the alternative of not regulating. Costs and benefits shall be understood to include both quantifiable measures (to the fullest extent that these can be usefully estimated) and qualitative measures of costs and benefits that are difficult to quantify, but nevertheless essential to consider. Further, in choosing among alternative regulatory approaches agencies should select those approaches that maximize net benefits (including potential economic, environmental, public health and safety, and other advantages; distributive impacts; and equity), unless a statute requires another regulatory approach.*

EO 12866 requires that the Office of Management and Budget review proposed regulatory programs that are considered to be "significant." A "significant regulatory action" is one that is likely to:

- Have an annual effect on the economy of $100 million or more or adversely affect in a material way the economy, a sector of the economy, productivity, competition, jobs, the environment, public health or safety, or State, local, territorial, or tribal governments or communities;

[1] The Final Council motion dated April 6, 2025 is available at: https://meetings.npfmc.org/CommentReview/DownloadFile?p=4b9b944d-1de8-4516-9733-77346713c2a6.pdf&fileName=D1%20MOTION%201%20Cost%20Recovery%20FINAL.pdf.
[2] Available at B1 EO14276 NMFS Regulatory Review Discussion Paper
[3] This action, if recommended by the Council for NMFS's consideration for implementation, may fall within a category of actions that NMFS has determined normally does not significantly affect the quality of the human environment within the meaning of Section 102(2)(C) of the National Environmental Policy Act (NEPA). To qualify for a categorical exclusion from the requirement for further NEPA review, NMFS must determine that the action is not part of a larger NOAA action and can therefore be reviewed independently from other actions under NEPA and that there are no extraordinary circumstances that preclude the application of a categorical exclusion. NMFS will determine whether a categorical exclusion can be applied to this action after the Council makes its recommendation to NMFS, and NMFS's determination will be subject to further review and public comment during NMFS's rulemaking and/or FMP amendment process.

- Create a serious inconsistency or otherwise interfere with an action taken or planned by another agency;
- Materially alter the budgetary impact of entitlements, grants, user fees, or loan programs or the rights and obligations of recipients thereof; or
- Raise novel legal or policy issues arising out of legal mandates, the President's priorities, or the principles set forth in this Executive order.

2 Description of Alternatives

The alternatives in this chapter are crafted to accomplish the stated need for regulatory action. The alternatives would revise provisions of the Halibut and Sablefish IFQ cost recovery administrative process to accommodate later fishing season end dates in December and address administrative issues.

NMFS drafted the following alternatives for analysis based on the information presented in the April 2025 discussion paper.

Alternative 1. Status Quo.

Alternative 2. Revise the Halibut and Sablefish IFQ Cost recovery Annual Processes.

> **Element 1.** Remove the regulatory deadline for publishing the notice of standard prices and fee percentage in the Federal Register and revise the fee payment due date from January 31 to February 28.
>
> **Element 2.** Modify the date range of IFQ landings used to calculate annual cost recovery fee liabilities. The annual billing year would include IFQ landings from:
>
> > **Option 1.** October 1 through September 30
> >
> > **Option 2.** November 1 through October 31
> >
> > **Option 3.** December 1 through November 30
>
> **Element 3.** Modify the submission of volume and value reports
>
> > **Option 1.** Create an administrative consequence for registered buyers who fail to submit volume and value reports.
> >
> > **Option 2.** Require submission of volume and value reports within 2 weeks of the processor's final IFQ landing of the season or October 15th, whichever is earlier.
> >
> > **Option 3.** Increase frequency of volume and value data submission to quarterly. (Quarterly or twice per year)

2.1 Alternative 1, No Action

Under the no action alternative, regulations at § 679.45 governing the IFQ Cost Recovery Program would remain unchanged. Section 3 of this Analysis further summarizes the administrative steps in the cost recovery process. The description of Cost Recovery Annual Process generally describes the status quo processes for all cost recovery programs. This section describes the relevant provisions of the IFQ cost recovery process necessary to understand the action Alternative elements and options.

Under Alternative 1, regulatory deadlines for publishing standard prices and fee percentages would remain unchanged, and fee payments would continue to be due on January 31 annually. Per regulations at § 679.45(d)(2)(ii), NMFS would continue to be required to tabulate all landing data for catch through the end of the fishing season; since 2021, closure dates have been set by the IPHC as December 7th. After landing data has been tabulated, NMFS must calculate the fee percentage, and publish a notice in the Federal Register. Per § 679.45(d)(3)(i), NMFS is required to publish the IFQ standard prices and fee percentage through a notice in the Federal Register during the last quarter of the calendar year, with an effective deadline of December 31 annually.

Fee payment due dates are established in regulation at § 679.45(a)(4)(i), which stipulate fee payments must be submitted to NMFS by January 31 of the year following the calendar year in which the IFQ or Guided Angler Fish (GAF) landings were made or the Recreational Fishing Quota (RFQ) was issued to

the RQE. Under the current due date of January 31, NMFS aims to mail invoices to the IFQ permit holders by December 31 to provide at least 30 days notice of their fee cost recovery bills.

Data within the IFQ Registered Buyer ex-vessel volume and value reports is used to calculate total fishery value and fee liabilities in the cost recovery program. The reporting period runs from October 1 through September 30 annually (§ 679.5(l)(7)(i)(E)), and data for the previous reporting period are required to be submitted by October 15 (§ 679.5(l)(7)(i)(B)). However, processors often submit the report after all landings are completed, rather than by the October 15 deadline. Landings conclude at the end of the fishing season established by the IPHC, which has been extended to December 7th annually since 2021. Under Alternative 1, the date range of IFQ landings used to calculate cost recovery fee liabilities would remain unchanged.

Upon receipt of all Registered Buyer ex-vessel volume and value reports, NMFS staff must validate the data in the volume and value reports and use these validated data to generate standard prices as applicable for the program. Volume and value data completeness and cost recovery fee calculation accuracy is dependent on all processors providing IFQ buyers reports, however under Alternative 1 there is no administrative consequence established for registered buyers who fail to submit volume and value reports.

The regulatory and administrative processes for the IFQ cost recovery program are structured to include all landings made during the fishing year in the end-of-year fee calculation process. Because of this, the calculation of the fee percentage cannot begin until all landings from the fishing season have been completed. Per regulations at § 679.45(d)(2)(ii), NMFS would continue to be required to tabulate all landing data for catch through the end of the fishing season. The fishery ex-vessel value used in calculating the IFQ fee percentage would continue to be determined for IFQ landed as commercial catch, RFQ, or GAF subject to the IFQ fee liability for the current fishing year. The landings subject to IFQ Cost recovery fees are further described in Section 3.1.

2.2 Alternative 2. Revise the Halibut and Sablefish IFQ Cost recovery Annual Processes

Alternative 2 includes three options that would modify specific provisions of the annual Halibut and Sablefish IFQ Cost recovery processes. The options are not mutually exclusive and can be selected in combination. The options and suboptions (as applicable) are described in the following sections.

2.2.1 Element 1. Remove publishing deadline and change fee payment due date

> *Element 1. Remove the regulatory deadline for publishing the notice of standard prices and fee percentage in the Federal Register and revise the fee payment due date from January 31 to February 28.*

Element 1 would remove the regulatory deadline for publication of the IFQ standard prices and fee percentage, as well as modify the cost recovery fee payment due date.

Regulations at §§ 679.45(b)(3)(iii) and (d)(3) state that each year the Regional Administrator will publish a list of IFQ standard prices and notice of the fee percentage in the Federal Register, during the last quarter of the calendar year. Under Alt 2, Element 1, the phrase "during or before the last quarter of each calendar year" would be removed. This would remove the time limit for publishing the standard prices and fee percentage, however it would not remove the requirement to publish the information in the Federal Register. NMFS would continue to publish notice of the standard prices and fee percentage in the Federal Register, however the exact timing of the notice publication would not be stated in regulation.

Element 1 would also modify the fee payment due date established in regulations at § 679.45(a)(4)(i) from January 31 to February 28.

2.2.2 Element 2. Modify the date range of landings

Element 2 would modify the date range for landings used in the annual cost recovery process to calculate total fishery value and fee liabilities. The steps in the cost recovery process that would be affected by this element are described in Section 3.

In cost recovery fee calculations, annual IFQ landings are tabulated to calculate total fishery value, and are used to calculate individual liabilities for each IFQ holder. Current regulations align the billing year with the IFQ fishing year (typically ~March 15 to December 7). The options under Element 2 would establish date ranges for the billing year that differ from the IFQ fishing year; date ranges under consideration are shown below:

> *Element 2. Modify the date range of IFQ landings used to calculate annual cost recovery fee liabilities. The annual billing year would include IFQ landings from:*
>
> > *option 1. October 1 through September 30*
> >
> > *option 2. November 1 through October 31*
> >
> > *option 3. December 1 through November 30*

Option 1 would align the landings date range with the fiscal year, which is already used to tabulate recoverable costs. Option 2 would establish a landings date range of November 1 through October 31, and Option 3 would establish a date range of December 1 through November 30.

Under any of Element 2's options, the billing year would include IFQ landings across multiple fishing years. Therefore, landings made within the fishing year, but after the fee cutoff date, would be billed during the following year's annual cost recovery process. This would allow the cost recovery process to begin earlier, before the end of the current fishing year. For example, under Option 1, 2026 cost recovery fee liabilities would be calculated based on landings occurring between October 1, 2025, through September 30, 2026. Landings that occurred at the end of the season would be included in the subsequent cost recovery process.

2.2.3 Element 3. Modify Volume and Value Report Submission

Alternative 2, Element 3 would modify the submission of the IFQ registered buyer ex-vessel volume and value report (IFQ Buyer Report specified at § 679.5(l)(7)(i)) through the mechanisms specified in options 1 through 3. The options are not mutually exclusive.

> *Element 3. Modify the submission of volume and value reports*
>
> > *Option 1. Create an administrative consequence for registered buyers who fail to submit volume and value reports.*
> >
> > *Option 2. Require submission of volume and value reports within 2 weeks of the processor's final IFQ landing of the season or October 15th, whichever is earlier.*
> >
> > *Option 3. Increase frequency of volume and value data submission to quarterly. (quarterly or twice per year)*

Element 3, Option 1 would create an administrative consequence for registered buyers who fail to submit volume and value reports, by adding submission of the IFQ buyer report as a requirement for issuance of an IFQ registered buyer permit[4]. Issuance of a registered buyer permit is already contingent upon

[4] A Registered Buyer permit (679.4(d)(3)) authorizes the person identified on the permit to receive and make an IFQ landing by an IFQ permit holder or IFQ hired master permit holder, or to receive and make a Western Alaska Community Development Quota (CDQ) halibut landing by a CDQ permit holder or CDQ hired master permit holder, at any time during the fishing year for which it is issued. This authorization continues until the Registered Buyer permit expires, or is revoked, suspended, or surrendered.

complete payment of applicable fees. Under Option 1, submission of the IFQ buyer reports would also be required in order for Registered Buyer permits to be issued.

Element 3, Option 2 would modify the due date for the submission of IFQ buyer report to within 2 weeks of the registered buyer's final IFQ landing in a fishing year or October 15, whichever is earlier. IFQ buying operations cease operating in the fishery at different times of the year, depending on each individual's business model. Rather than requiring reports to be submitted on October 15, which may occur far outside normal operational seasons, Option 2 would require buyer's reports to be submitted more closely in time to when the IFQ registered buyer stops operation for the year.

Element 3, Option 3 would increase the frequency for submitting IFQ buyers report. Instead of submitting the IFQ Buyer report annually (as specified at § 679.5(l)(7)(i)), volume and value data would be required to be submitted quarterly or twice annually.

2.3 Comparison of Alternatives

Table 4 Comparison of the program elements under each alternative.

	Program Element	Alternative 1. Status Quo	Alternative 2. Review the IFQ Cost Recovery Process
Element 1	Notice published in Federal Register	Last quarter of the calendar year (Oct 1 - Dec 31)	None
	Fee payments due to NMFS	January 31	February 28
Element 2	Landings used to calculate annual fee liabilities	Jan 1 - Dec 31	Optn 1: Oct 1 - Sept 31 Optn 2: Nov 1 - Oct 31 Optn 3: Dec 1 - Nov 30
Element 3	Volume and value report submission due date and frequency; consequence for failing to submit	Submitted annually by (date); enforcement action	Optn 1. Administrative consequence (e.g. withholding subsequent RB permit) Optn 2. Submitted annually within 2 weeks of accepting final IFQ landing of the year. SubOptn 3. Quarterly or twice annually on a specific date.

2.4 Alternatives Considered but not Analyzed Further

In April 2025, NMFS identified a wide range of administrative challenges and potential solutions related to the ongoing administration of existing Cost Recovery Programs.[5] These challenges and potential solutions are detailed in Section 3.1 of that discussion paper. NMFS considered, but did not recommend continued evaluation of challenges identified in the BSAI Crab Rationalization, American Fisheries Act, Amendment 80, and Western Alaska Community Development cost recovery processes. The April 2025 discussion paper also considered broad options to streamline the overall administrative processes for all cost recovery programs. AKR evaluated these options and determined that the evaluation of the narrow range of alternatives presented in this analysis would result in the most impactful efficiencies to address the end of season timing challenges in the IFQ program with the least amount of impact or changes for the regulated public.

[5] Annual Cost Recovery Discussion Paper, available under agenda item D1, April 2025: https://meetings.npfmc.org/Meeting/Details/3080.

In considering options to address the IFQ season timing challenges, AKR considered but did not recommend further analysis of the following options:

- changing the port specific groupings of standard ex-vessel prices; and
- changing the fee payment due date from January 31 to February 15.

In developing Alternative 2, Element 1, NMFS considered establishing a fee payment date of February 15. However, two other fee program payments are due on February 15 each year (Observer fees and Rockfish Program Cost Recovery) and by staggering the fee payment due dates, it would reduce the administrative burden on NMFS staff to issue invoices and assist payers with questions. This is especially true for programs with large numbers of payers such as Observer fee and the IFQ Cost Recovery Program. Because IFQ cost recovery includes a large number of permit holders, all administrative staff are necessary to assist with mailing invoices when they are ready.

3 The Cost Recovery Annual Process

The Magnuson-Stevens Fishery Conservation and Management Act (Magnuson-Stevens Act) authorizes and requires the collection of cost recovery fees for the Western Alaska Community Development Quota (CDQ) Program and limited access privilege programs (LAPPs). Cost recovery fees recover the actual costs directly related to the management, data collection, and enforcement of each of each cost recovery program fishery.

AKR currently administers eight cost recovery programs and two monitoring fee collection programs. Six of the cost recovery programs and the two monitoring fee programs have been implemented since 2010. AKR administers the following 8 cost recovery programs:

- Crab Rationalization (CR) Program – Bering Sea and Aleutian Islands (BSAI) crab fisheries.
- Rockfish (RP) Program – Central Gulf of Alaska rockfish fisheries.
- Amendment 80 (A80) Program – BSAI non-pollock trawl catcher/processors.
- American Fisheries Act (AFA) Program – Bering Sea directed pollock fishery.
- Western Alaska Community Development Quota (CDQ) Program – Allocates a portion of total allowable catch to eligible Western Alaska communities.
- Pacific Halibut and Sablefish Individual Fishing Quota (IFQ) Program – Pacific halibut and sablefish fixed-gear fisheries.
- Pacific Cod Trawl Cooperative (PCTC) Program - BSAI trawl catcher vessel Pacific cod fishery during the A and B seasons.
- Aleutian island Pollock (AIP) - Aleutian Islands Pollock fishery allocated to the Aleut Corporation

Each program has unique features and timing developed to meet the specifics needs for each fishery. Additional background information on the cost recovery programs is included in the 2024 Consolidated Cost Recovery Report for Alaska.[6]

There are similarities across the numerous sequential steps in the annual cost recovery process for each program. These annual processes require coordination among AKR divisions (Sustainable Fisheries, Restricted Access Management, Operations and Management, and Information Services) and with partners (Alaska Department of Fish and Game, Commercial Fisheries Entry Commission, International Pacific Halibut Commission, Alaska Fisheries Science Center, Pacific States Marine Fisheries Commission, and NOAA Office of Law Enforcement). The cost recovery process is described in detail in Section 3 of the 2024 Cost Recovery Report for Alaska and the general sequence of steps is summarized here:

- Compiling and validating program specific landings by species and month;
- Validating volume and value report submissions
- Calculating and validating standard ex-vessel prices;
- Applying standard ex-vessel prices;
- Deriving and validating the total fishery ex-vessel value;
- Compiling and reviewing the incremental agency costs;
- Calculating the annual fee percentage;
- Publishing notice of standard ex-vessel prices and fee percentage in the Federal Register
- Applying the fee percentage and calculating fees;

[6] The 2024 and 2025 Consolidated Cost Recovery Reports are available on the NMFS Alaska Region Website at: https://www.fisheries.noaa.gov/alaska/commercial-fishing/cost-recovery-programs-fee-collection-and-fee-payment-alaska.

- Generating and validating invoices;
- Mailing permit holders or cooperatives invoices, tracking payments, and sending notices for non-payment.

3.1 Compiling and validating program specific landings

Reports in the catch accounting system and quota debits are checked in season against landing reports in eLandings and any discrepancies are corrected as soon as possible. Once a season is complete, a final check is done on overall pounds landed under a program as recorded in eLandings, transmitted to the catch accounting system and compared to total quota share (QS) debits. While ensuring catch has been correctly attributed to a management program is necessary regardless of the existence of an LAPP or CDQ program, catch share programs are inherently more complex. Therefore, this is considered an incremental cost. Tracking this task specifically to each LAPP would be extremely time consuming; therefore, this is billed under a formula that is updated annually.

3.2 Validating volume and value submissions

Once the due date for volume and value submissions has passed, NMFS staff must first validate that all required submitters have submitted a report. Validation is done by comparing the submissions to the landing reports attributed to the program. This can be done electronically for most fisheries; volume and value reports must be submitted via eFISH for all fisheries except IFQ. Only the IFQ Register Buyer Ex-vessel Volume and Value Report has an option to submit by mail or fax. To submit this report by mail or fax, a fillable PDF form is available on the NMFS Alaska Region website.[7]

Once NMFS has completed submission validation, non-submitters are contacted and requested to complete their submission immediately. Continued failure to submit may be forwarded to OLE for enforcement action. Since this task is specific to a LAPP, it is considered an incremental cost.

NMFS staff must also validate that submitted reports are reasonable. For example, if the majority of reports indicate a price of $0.25/pound and one submitter indicates a price for the same species of $2.50, NMFS staff will contact the outlier to request they check their report for data entry errors. The overall volume reported on all volume and value reports is also checked against the total volume reported through eLandings and any significant discrepancies are investigated and resolved before generating standard prices. This task is specific to a LAPP and is considered an incremental cost.

Various data sources are used to calculate standard ex-vessel prices required to estimate total fishery value including buying information required to be submitted by the State of Alaska from shoreside processors and motherships. Additional data reports are required by federal regulations, which may be combined with data submitted to the State of Alaska. Federal reporting requirements include data submitted by various operations at differing times for variable reporting periods. Table 5 and Table 6 summarize the volume and value reports used by each program and the relative timing of the fee calculation process (i.e., before fishing occurs vs. after).

[7] https://media.fisheries.noaa.gov/dam-migration/ifq-registered-buyer-ex-vessel-value-and-volume-report.pdf

Table 5 Summary of Volume and value reports, respondents, and timing of data submission used in AKR cost recovery and fee collection programs.

Report Name	Submitted By:	Reporting period	Due Date
CR Registered Crab Receiver Ex-vessel Volume and Value Report § 680.5(m)	RCR that operates as a shoreside processor or stationary floating crab processor and receives and purchases landings of CR crab for each reporting period in which the RCR receives CR crab	Aug 1 - May 31	May 31
IFQ Registered Buyer Ex-vessel Volume and Value Report (IFQ Buyer Report) § 679.5(l)(7)(i)	IFQ Registered Buyers that operate as shoreside processors and receive and purchase IFQ landings of sablefish or halibut or CDQ landings of halibut	Oct 1 - Sept 30	Oct 15
Pacific Cod Ex-vessel Volume and Value Report § 679.5(u)(1)	Shoreside processor designated on an FPP or a mothership designated on an FFP and that processes landings of either CDQ Pacific cod or BSAI Pacific cod harvested by a vessel using trawl gear for each reporting period for which received Pacific cod A PCTC processor (as defined at 50 CFR 679.2) that receives and purchases landings of PCTC CQ for each reporting period for which the PCTC processor receives PCTC CQ	Jan 1 - Oct 31	Nov 10
First Wholesale Volume and Value Report § 679.(5)(u)(2)	An Amendment 80 vessel owner that harvests groundfish species, other than Pacific cod	Jan 1 - October 31	Nov 10
Rockfish Ex-vessel Volume and Value Report § 679.5(r)(10)	Shoreside processors that receive Rockfish Program CQ groundfish	April 1 - Nov 15	Dec 1
Commercial Operator's Annual Report (COAR) § 679.5(p), 5 AAC 39.130	Motherships, C/Ps with an FFP, and shoreside processors	Jan 1 - Dec 31	April 1

The same data source that is used to calculate the standard prices for the purpose of the IFQ Program cost recovery are also used to calculate the Observer Program standard prices; however, the fishing year to which the calculated standard prices are applied differ and the calculation methods have differences. In the case of observer fees, the standard prices are calculated and published before fishing occurs (prospective) and for IFQ cost recovery, the standard prices are calculated and published after fishing occurs (retrospective). The standard prices for observer fees are annual prices and for cost recovery are

monthly. The composition of the ports in some port groupings, used to meet confidentiality standards, also have slight differences between the two programs.

Table 6 Summary of Cost Recovery and Fee collection Programs, year of implementation, data sources used to calculate volume and value of the fishery, and how the resulting fee percentage is applied to landings in the fishery for the purpose of fee liability.

Program	Year Implemented	Type of LAPP or permit	Volume and Value Report used to calculate standard prices	Fee percentage applied (Retrospective/ Prospective)[1]
IFQ	2000	Individual	IFQ Buyer Report	Retrospective
CR	2005	Individual	CR Registered Crab Receiver Ex-vessel Volume and Value Report	Prospective
RP	2011	Cooperative	Rockfish Ex-vessel Volume and Value Report	Retrospective
CDQ	2016	Cooperative	Pacific Cod Ex-vessel Volume and Value Report, First Wholesale Volume and Value Report, IFQ Buyer Report, and COAR[2]	Retrospective
AFA	2016	Cooperative	COAR[2]	Retrospective
AIP	2016	Cooperative	COAR[2]	Retrospective
A80	2016	Cooperative	Pacific Cod Ex-vessel Volume and Value Report and First Wholesale Volume and Value	Retrospective
PCTC	2023	Cooperative	Pacific Cod Ex-vessel Volume and Value Report	Retrospective
Observer Fee	2012	FPP	**Groundfish:** COAR[2], and Shoreside processor, SFP, or CQE floating processor landing report (50 CFR 679.5(e)(5)). **Fixed gear halibut and Sablefish:** IFQ Registered Buyer Ex-vessel Volume and Value Report (IFQ Buyer Report)	Prospective
Trawl EM fee	2024	Approval of placement in the Trawl EM Category	COAR[2]	Retrospective

[1]Retrospective means fee percentage is established at the end of the fishing season after landings have occurred. Prospective means the fee percentage is established before the fishing season begins.
[2]The State of Alaska Commercial Fisheries Entry Commission (CFEC) compiles COAR data and landing reports to produce the CFEC gross earnings data which are shared with AKR and used in the annual cost recovery process to produce standard prices.

3.3 Timing of the Pacific Halibut and Sablefish IFQ Cost Recovery Annual Processes

This section outlines the annual timing and administrative processes for the Council's IFQ cost recovery program. The administrative steps necessary to assess fees for the halibut and sablefish IFQ fisheries have been programmed to run concurrently for all IFQ holders and therefore the sablefish IFQ process is dependent upon the halibut IFQ process.

By regulation, the fee notice must be published in the last quarter of the calendar year by December 31, and fee payments are due no later than January 31. Additionally, all fee invoices must be paid in full before any IFQ can be issued for the next season opening in March.

Prior to 2021, the IFQ Program closed by November 18, allowing for all landings to be reported by December 1, and allowing NMFS one month to conduct the necessary calculations for fee issuance by December 31. However, in 2021, the IPHC extended the season, resulting in a longer IFQ season that does not close until December 7. Figure 2 describes the timing of the IFQ program fishing year, reflecting a December 7 closure date.

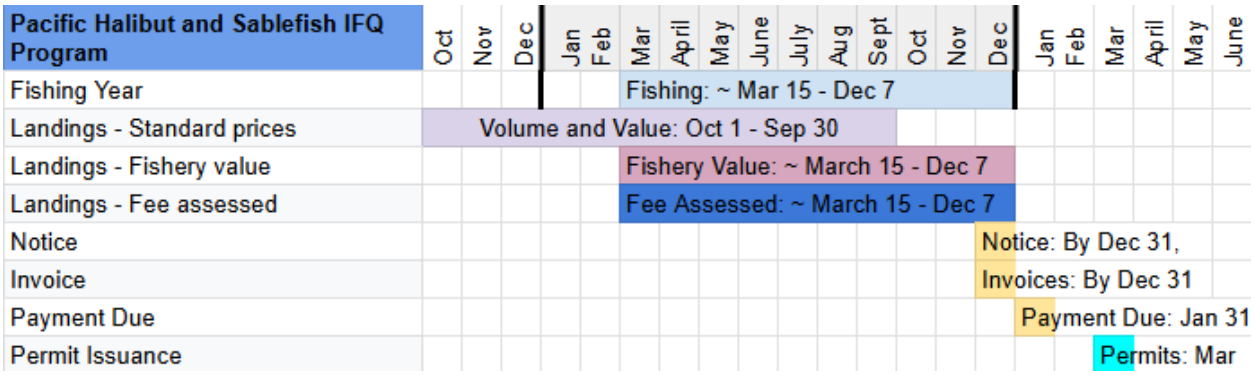

Figure 2 Timing of the IFQ Program fishing year, landings used to calculate standard ex-vessel prices, landings used to estimate the total fishery value, and landings used to calculate cooperative fee liabilities.

3.4 Calculating and validating standard ex-vessel prices

The IFQ Registered Buyer Ex-Vessel Volume and Value reports are required to be submitted annually, and contain information based on the September 30 through October 1 reporting period established at § 679.5(l)(7)(i). Since it is offset from the fishing year by a few months, the reporting period captures the prices paid in the majority of the current fishing year, and in the last few months of the previous fishing year (Oct-Dec).

The IFQ Register Buyer Ex-vessel Volume and Value Report form collects the following information:

Identification of Registered Buyer

- Check yes or no if performed any shoreside activity this IFQ fishing year. If no, the report is not required.
- Registered Buyer name, permit number, NMFS person ID number, taxpayer ID number, and date of birth or incorporation
- Facility or vessel location (port location)
- Business mailing address: check if permanent or temporary
- Business telephone number, fax number, and email address

Non-Electronic Certification

- Printed name and signature of IFQ Registered Buyer Representative (attach authorization)
- Date signed

Pounds Purchased and Value Report

- For each period for IFQ halibut, CDQ halibut, and sablefish, list pounds purchased, and total gross ex-vessel value paid

Processors are required to submit IFQ buyers reports by October 15 each year, as cost recovery fee calculation accuracy is dependent on all processors providing timely and complete reports. However, processors often submit the report after all landings are completed, rather than by the October 15 deadline. After reports are received, NMFS staff must validate the data in the volume and value reports, and use these validated data to generate standard prices as applicable for the program. Once the prices have been generated, those prices are compared to the volume and value reports, landing reports and prior

seasons to ensure those prices were generated correctly. Discrepancies or large differences as compared to prior seasons are investigated and resolved.

The IFQ program has separate prices per month and port of landing. Other fisheries have monthly prices per species, or single prices per species for the year. Annual prices by species can be easily checked against the average price for all landing reports attributed to that program to determine if the price generated correctly.

3.4.1 Calculating Port-specific Standard Prices

In the cost recovery process for the IFQ program, determining ex-vessel prices for halibut and sablefish depends on the number of registered buyers receiving the species in a given port. When three or more processors receive landings of an IFQ species at a specific port within a month, the reported price is port-specific. However, if fewer than three processors report receiving the species, confidentiality requirements dictate that the price is aggregated into the broader category like Southeast Alaska (SEAK) regional pricing.

Statewide consolidation in the processing sector has made it increasingly difficult to establish port-specific pricing. Fewer processors operating in each port mean that, in many cases, the threshold for confidential data is not met, resulting in most ports defaulting to the regional price. In the 2024 IFQ standard prices and fee percentage notice (89 FR 105006, 12/26/2024), Table 15 shows that Sitka port specific sablefish prices are confidential in all but one month. Petersburg and Cordova have only 2 months shown for halibut only. This does not mean the port did not receive IFQ fish, just that the port had less than 3 operators in that month. As a result, for Sitka and Petersburg, the Southeast Alaska grouping was used for prices and overall fishery value. Additionally, whole ports have dropped out of the notice entirely, notably Yakutat and Ketchikan.

Evaluating whether a port meets the confidentiality standard and subsequently adjusting price calculations is a complex programming task requiring staff time and effort during the cost recovery process. This step is essential to ensure accurate fee assessments and protect confidential data, but as more ports fail to meet the confidentiality threshold, the workload associated with price determinations increases. These pricing structures have created very complex programming that is problematic to troubleshoot and verify.

A review of recent pricing data highlights this trend and also that there is a narrow range of pricing between months. In Sitka, halibut prices were reported only for July through December, with a narrow range between months of $5.44 to $5.46 per pound. For March through June, the port did not meet the confidentiality threshold, so the overall average Southeast Alaska price, which ranged between months from $5.48 to $5.99, was applied. Similarly, in Petersburg, halibut prices were reported only for May and August, ranging from $5.73 to $5.88 per pound, with all other months using the overall average Southeast Alaska price.

Fishermen do have the option to submit actual ex-vessel prices received for their landings. This allows them to adjust for discrepancies where the standard price used for cost recovery may not reflect the exact value they received. The posted prices are averages across all processors, meaning that an individual fisherman who received a lower price than the calculated standard would have the opportunity to provide documentation of their actual transaction.

There are both advantages and disadvantages to the current pricing structure. One significant advantage is that using broader regional averages simplifies the cost recovery process and ensures a more uniform assessment across different ports. It also mitigates the influence of outlier transactions—where one processor paying significantly higher prices could skew the port-specific average, potentially leading to inflated cost recovery fees. A regional price smooths these variations and provides a more stable valuation framework. Another benefit is that a regional pricing structure may provide opportunity to provide these

data more frequently, especially when combined with a more frequent reporting of value and volume data that allows for more robust data quality confirmation.

However, a downside is that broader regional pricing may not accurately capture the variability in local market conditions. Some ports or individual fishermen may consistently receive higher or lower prices than the Southeast Alaska average, leading to discrepancies in cost recovery fees that do not fully reflect their financial reality. For example, in Petersburg, the port specific price is more than the regional average; however, for Sitka the port specific price is less than the regional average. Additionally, with fewer processors, the data used to determine these averages becomes more sensitive to small fluctuations in reported prices, potentially impacting the precision of the cost recovery assessment for individual permit holder. Port specific prices have been affected by non-reporting in recent years and those data are usually, but not always found in quality control checks. Missing or outlier data issues, which are occurring with greater frequency due to constricted timelines, can create further problems and can affect the overall fee percentage.

Ultimately, as processor consolidation continues, the cost recovery process will increasingly rely on broader regional pricing rather than port-specific values. While this shift reduces administrative complexity, it also means that fishermen will need to carefully review their fee assessments and, where necessary, provide actual price documentation to ensure accuracy. The ongoing challenge remains balancing the efficiency of standardized regional pricing with the need for fair and representative cost assessments that reflect actual market conditions.

3.5 Applying standard ex-vessel prices

Once the standard prices have been validated, they are applied to each landing associated with the program. This process is largely automated, but NMFS staff conduct reviews to ensure the correct application of prices. For programs with a limited number of participants or landings, this review can be comprehensive. However, for programs with a high volume of landings such as the Halibut and Sablefish IFQ Program, NMFS primarily conducts spot checks within specific groups of landings. If the spot-checked landings are accurate, it is assumed that the rest of the group is also correct.

3.6 Deriving and validating the total ex-vessel value for the Cost Recovery program

Starting in 2025, NMFS has added a step to the cost recovery review process. This change came about as a result of an issue that arose in December 2024 when NMFS sent invoices to halibut and sablefish IFQ permit holders and a technical issue affected certain fee liability statements. Due to an error, the value of some landings were incorrectly calculated as zero, leading to an undervaluation of the IFQ fishery and omissions in the fee liability statements. Staff resolved this issue and resent corrected statements.

Going forward, a step to derive and validate the total ex-vessel value has been implemented as a safeguard and will be done in future years for all cost recovery programs. The issue in the 2024 IFQ cost recovery process was not due to inaccuracies in the volume or standard price calculations themselves, as each of these components passed all validation checks and quality assurance methods. The issue arose only when the system aggregated these individual values to generate the total ex-vessel value for landings across the program and a system malfunction resulted in many landings being assigned a value of zero. The complexity of the IFQ program, the fragility of the legacy IFQ IT systems, and short-timelines for agency review caused significant discrepancies in total ex-vessel value calculations. The error highlighted the need for a more rigorous review of landing values and a systematic comparison to historical data at this step to detect anomalies before finalizing assessments. By instituting this additional step, NMFS aims to prevent similar issues, ensuring accurate valuation of landings and reliable cost recovery calculations in future cycles.

3.7 Compiling and reviewing incremental agency and partner agency costs

Compiling and reviewing costs is a structured and collaborative process involving multiple internal and external partners. The NMFS AKR collects cost submissions not only from its own operational units but also from partner agencies that incur incremental costs associated with managing and enforcing LAPPs. These costs are gathered in a centralized system, allowing for efficient comparison across prior years, different agencies, and various cost categories. This centralized approach ensures transparency, consistency, and a structured method for identifying trends, anomalies, or areas requiring further explanation.

The AKR cost recovery coordinator plays a key role in validating these cost submissions through ongoing back-and-forth communication with each agency. This process involves reviewing the submitted figures, requesting additional details, and seeking clarification on how specific costs were determined to be valid under cost recovery guidelines. The coordinator ensures that costs are directly attributable to the management and enforcement of the program and that they align with historical trends and established agency policies. If any discrepancies or significant changes in cost categories are identified, the program manager works closely with agency representatives to resolve questions before moving forward in the review process.

Validation of agency costs is not limited to document review alone; it also involves formal discussions through scheduled meetings with key program management and finance staff. These meetings provide a forum for NMFS to review cost submissions, compare expenditures across multiple years, and ensure consistency in reporting. Depending on the nature of the questions raised during these discussions, partner agencies may be required to provide additional justification for specific costs, particularly if they deviate significantly from prior year expenditures.

At the conclusion of this process, each partner agency is required to sign an affidavit affirming that the costs they have submitted comply with agency policies regarding cost recovery. This affidavit serves as a formal acknowledgment that the reported costs are accurate, justified, and consistent with regulatory guidelines. By requiring this final certification, the agency reinforces accountability and ensures that all cost recovery fees are based on verified, documented, and defensible expenditures.

As outlined in the Draft Discussion paper to be presented to the Council in April 2025, the time limitations due to changing fishery seasons impose significant constraints on the NMFS review process, requiring staff to work within tight deadlines to compile, validate, and evaluate cost submissions. To meet regulatory deadlines, the review process is often strained as agencies and program management must quickly address inquiries, provide additional documentation, and resolve discrepancies before NMFS must finalize the cost recovery calculations. When time runs short, NMFS must ultimately proceed with the information available, even if some details remain unresolved, underscoring the need for efficiency and proactive communication throughout the process.

3.8 Calculating the annual fee percentage

The annual fee percentage is calculated using direct program costs and total fishery value with the following formula:

$$[100 \times (DPC/V)]$$

NMFS divides the direct program cost (DPC) by the total fishery value (V) of the program, and then multiplies by 100 to calculate the fee percentage. If this fee percentage is greater than the statutory cap of 3.0 percent, the actual percentage is overridden and invoices are generated based on an adjusted fee percentage of 3.0 percent.

Publishing notice of standard ex-vessel prices and fee percentage in the Federal Register

The process of publishing the notice of standard ex-vessel prices and the fee percentage begins with drafting the notice, which includes how the standard prices and fee percentage were calculated for the cost recovery program. The draft undergoes internal review to ensure accuracy and compliance with regulatory requirements. Once reviewed and approved within the agency, it is submitted to the Federal Register, where it is officially published, providing public notice of the fee percentage and standard prices.

Applying the fee percentage and calculating fees

Once the fee percentage has been published, NMFS applies it to the verified total ex-vessel values for each entity to determine their individual cost recovery fee. This calculation ensures that fees are proportionate to the value of landings within the program. The resulting fee amounts are reviewed for accuracy and consistency before being used to generate invoices.

3.9 Generating and validating invoices

Once the fee percentage is applied to the cost recovery process, cost recovery fees are calculated, invoices are generated based on the prior steps completion. In order to mitigate issues that have occurred, improvements have been proposed to the cost recovery process. NMFS will implement a new step to ensure the accuracy of invoices before issuance. This process validates total ex-vessel values, ensuring that all cost recovery fees are correctly calculated and align with actual landings and historical trends.

While it is not feasible to review every invoice individually, NMFS will select a portion at random for validation prior to issuance. This review involves cross-checking fee calculations against verified ex-vessel values, individual landing reports, and partner agency records. Any discrepancies identified will trigger a secondary review before invoices are finalized. Additionally, a structured review period allows internal program management to assess fee consistency across permit holders and cost recovery programs, with further validation if unexpected variances arise.

3.10 Mailing invoices, tracking payments, and sending notices for non-payment

Invoices are printed and mailed to the address of the permit holder or cooperative manager as listed in the official record. Permit holders log into eFISH to see their fee liabilities and make payment through Pay.gov. For the IFQ and Crab programs, permit holders are able to submit Fee Calculation Forms up until the payment due date if they disagree with the values identified in their Fee Liability Summary. Adequate documentation must be provided to support the actual value(s) and if accepted, the fee liability amount will be modified to reflect the new balance due. Validating these submissions and adjusting fee liabilities where warranted require staff time and is an incremental cost.

Initial Agency Determination (IAD) letters are generated on or after the missed payment due date. After 30 days the IAD becomes the Final Agency Action for the fee liability and every 30 days notices are sent outlining the balance due to include interest, fees, and penalties. After 181 days, the outstanding debt will be referred to the Department of Treasury Debt Management Services.

4 Description of Fisheries

4.1 The IFQ Program

The fixed gear halibut and sablefish fisheries off Alaska are managed under the IFQ and CDQ programs. The 20-year review of the IFQ program was published in 2016 and provides a detailed description of the IFQ fisheries, their history, and management. The IFQ Program was again reviewed in 2025 with a focus on the time period from 2016 through 2023.[8] The cost recovery fee program for CDQ groundfish and halibut is administered separately from the IFQ cost recovery program in accordance with regulations at § 679.33 and the CDQ cost recovery program is not affected by the alternatives under consideration in this action. This section summarizes participation in the IFQ Program. Additional detail and descriptive information is available in the 2025 IFQ Report to the Fleet.[9]

The Council and NMFS developed the IFQ Program to resolve the conservation and management challenges commonly associated with open access fisheries. The Council recommended a LAPP for the fixed gear halibut and sablefish fisheries off Alaska in 1992. NMFS approved the halibut IFQ and sablefish IFQ Programs in 1993 and implemented them on November 9, 1993 (58 FR 59375). Fishing under the IFQ Program began on March 15, 1995. The preamble to the proposed rule, published on December 3, 1992 (57 FR 57130), describes the issues leading to the Council's recommendation for the IFQ Program to the Secretary. The Council and NMFS designed the IFQ Program to provide economic stability to the commercial halibut and sablefish fixed gear fisheries and intended the IFQ Program to improve the long-term productivity of the halibut and sablefish fisheries by promoting the conservation and management objectives of the MSA and the Halibut Act; while retaining the character and distribution of the fishing fleets as much as possible. Sablefish and halibut IFQ seasons are typically set simultaneously to reduce waste and discards. The season dates are summarized in Table 19 and vary year to year based on the season dates established by the IPHC for the commercial halibut IFQ fishery.

The IFQ Program is a catch share program where participants are given a proportional annual allocation based on the amount of QS they hold and the catch limit set by the IPHC for halibut or by the Secretary for sablefish. There are eight halibut IFQ regulatory areas in Alaska as specified in Figure 15 to part 679; Areas 2C through 4E. For the sablefish IFQ fishery, sablefish regulatory areas are specified in Figure 14 to part 679 and span two FMP areas: BSAI and GOA. Only sablefish harvested in the EEZ are managed under the IFQ Program. State water sablefish fisheries are managed by the State of Alaska. QS was originally issued to participants based on participation in the fisheries during historical qualifying periods in the BSAI and GOA and is generally restricted to use on the size class of vessel it was originally earned on.

4.2 IFQ Participants

Active permit holders in the IFQ program, within both the halibut and sablefish fisheries, have declined over time. As described in the 2025 IFQ Program Review[10], the majority of consolidation in permit holders occurred at the start of the IFQ program. Within the last five years, the number of permit holders by fishery has remained comparatively stable.

Table 7 below describes the number of IFQ TAC permit holders, by area and year. Totals across areas and fisheries are not additive, because permit holders may hold IFQ for multiple areas, or for both the halibut

[8] Limited Access Privilege Program reviews are available on the Council's website at: https://www.npfmc.org/allocation-and-program-review/.
[9] The 2025 IFQ Report to the Fleet is available under Agenda Item B1 on the February 2026 Council eAgenda at: https://meetings.npfmc.org/Meeting/Details/3116.
[10] Available at https://files.npfmc.org/halibut/IFQProgramReview_082225.pdf

and sablefish fisheries. Both the halibut and sablefish fisheries follow similar trends over time; within the last five years, there were the highest number of permit holders in 2022. The highest proportion of halibut IFQ fishery participants hold quota in the Area 3A fishery (57%, in 2025). Very few individuals hold quota in the halibut fisheries in regulatory areas 4A, 4B, and 4C/4D. In the sablefish IFQ fishery, the CG and SE regulatory areas have the highest number of permit holders.

Table 7 Halibut and Sablefish IFQ TAC Permit Holders by Area and Year

		2021	2022	2023	2024	2025
Halibut	2C	557	610	571	537	531
	3A	714	801	761	736	722
	3B	276	288	283	269	253
	4A	101	105	90	68	64
	4B	37	36	30	15	14
	4C/4D	31	44	44	27	20
	All Areas	1,287	1,448	1,371	1,285	1,254
Sablefish	AI	22	25	19	10	8
	BS	41	53	46	30	21
	CG	229	232	214	203	208
	SE	221	259	262	245	245
	WG	85	88	70	71	72
	WY	152	151	144	127	134
	Sablefish All Areas	495	547	522	480	482
	Total Unique Permit Holders	1,416	1,608	1,522	1,424	1,402

Source: NMFS Restricted Access Management (RAM) division sourced through AKFIN.

4.3 Allocations and Landings

Table 8 and Table 9 present the participation and harvest for halibut and sablefish IFQ. The number of vessels and permits active in the halibut IFQ fishery decreased in 2025 to the lowest level of participation on record. The percent of IFQ harvested for halibut IFQ was 64%, also the lowest utilization on record. The total harvest was 11.2 million pounds in 2025, the lowest amount on record. All areas had the lowest harvest on record. Due to TAC declines, the percent harvested increased for 3A and 4A, both had the highest percent harvested since 2022. All areas had declining vessel participation except for 4B which remained constant at 9 vessels. In 2024 the overall sablefish utilization was at 61.5%, an increase from 2024 but still at historic lows. The Aleutian Islands utilization fell 3.5% and reached the lowest point for any area on record at 1.7% while the Western Gulf increased 9.7% to 79.9%. The number of vessels decreased from 2024 while the number of permits issued increased. All areas had fewer vessels participating in 2025. Total harvest of sablefish increased in 2025 and was the second highest amount on record next to 2022. The Western Gulf and Southeast both had the highest harvest on record. Additional detail is presented in the IFQ report to the fleet (NPFMC, 2026).

Table 8 Total Halibut IFQ Landings and Participation 2021-2025.

Year	Total Harvest	TAC	%Harvested	Vessels	Permits
2025	11,262,227	14,049,993	64.0%	624	1639
2024	14,022,113	17,295,931	66.0%	639	1689
2023	15,125,658	17,805,947	75.5%	690	1791
2022	17,573,383	20,297,912	79.4%	729	1725
2021	17,253,108	18,569,500	87.8%	729	1725
Source: NMFS Restricted Access Management (RAM) division sourced through AKFIN.					

Table 9 Total Sablefish IFQ Landings and Participation 2021-2025.

Year	Total Harvest	TAC	%Harvested	Vessels	Permits
2025	38,576,015	61,029,935	61.5%	241	606
2024	36,526,971	60,790,486	59.0%	255	600
2023	37,436,394	62,040,419	61.9%	275	644
2022	42,108,671	56,401,864	74.4%	273	685
2021	32,715,915	43,444,034	72.6%	271	625
Source: NMFS Restricted Access Management (RAM) division sourced through AKFIN.					

Table 10, Table 11, Table 12, and Table 13 provide information about IFQ landings by month. The number of unique halibut and sablefish landing events are shown in Table 10 and Table 12. Because halibut and sablefish may be landed at the same time, a single landing may show up in both tables and the number of landings should not be added together. The total amount of halibut (in net pounds) and sablefish IFQ (in round pounds) are shown in Table 11 and Table 13. These tables include the amount of halibut or sablefish landings that are sold and does not include landings that were retained for personal use and not sold. Landings are summed by month based on the landing date.

Table 10 Number of unique IFQ halibut landings by month 2021-2025.

Year	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2025	123	284	418	380	334	506	365	278	104	46
2024	176	316	364	351	388	607	461	286	157	42
2023	188	301	473	380	428	614	532	350	124	21
2022	178	342	491	363	461	644	550	359	198	61
2021	177	301	443	403	456	577	538	379	202	58

Source: NMFS Restricted Access Management (RAM) IFQ landing data.

Table 11 Sold IFQ halibut, in net pounds (headed and gutted), by month 2021-2025.

Year	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2025	683,780	1,241,504	1,675,238	1,588,935	1,361,663	1,838,497	1,418,290	962,088	331,125	156,306
2024	918,672	1,748,302	1,758,826	1,447,095	1,552,461	2,584,240	1,929,696	1,301,889	558,522	152,290
2023	737,562	1,422,024	2,055,264	1,738,763	1,755,219	2,628,525	2,539,352	1,702,824	416,490	52,366
2022	788,310	1,624,413	2,524,444	2,114,003	1,665,703	3,061,733	2,921,730	1,800,726	788,860	216,449
2021	874,242	1,562,992	2,687,569	2,204,856	1,862,537	2,582,300	2,287,834	1,959,216	992,256	167,592

Source: NMFS Restricted Access Management (RAM) IFQ landing data.

Table 12 Number of unique IFQ sablefish landings by month 2021-2025.

Year	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2025	101	277	290	181	134	183	164	235	97	17
2024	125	293	275	154	144	214	266	229	122	24
2023	163	291	371	207	142	224	239	249	69	6
2022	142	346	382	201	133	185	294	245	206	50
2021	103	281	359	207	144	156	254	320	206	44

Source: NMFS Restricted Access Management (RAM) IFQ landing data.

Table 13 Sold IFQ sablefish, in round pounds, by month 2021-2025.

Year	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2025	2,624,241	6,844,104	7,717,073	3,864,109	2,692,075	4,101,514	3,588,174	4,943,063	1,977,164	229,304
2024	2,796,342	6,559,260	5,615,219	2,814,656	2,531,471	3,899,771	5,416,066	4,042,567	2,118,278	630,020
2023	4,095,832	6,431,654	7,324,494	3,351,898	2,528,000	4,184,367	4,199,496	3,734,232	1,472,715	31,051
2022	2,799,799	7,719,718	7,289,882	3,700,673	2,995,015	3,576,598	4,969,196	3,400,712	4,524,690	1,089,100
2021	1,574,114	5,204,056	5,777,789	3,619,510	2,546,506	2,244,758	3,516,612	3,822,168	3,676,182	693,998

Source: NMFS Restricted Access Management (RAM) IFQ landing data.

When the IFQ landing system was designed, hook and line was the only gear permitted by regulations. The landing system was therefore designed with a core assumption that there would only ever be one gear type per landing. With the addition of pot gear, this requires processors to complete a manual landing report (MLR) each time a vessel delivers a mixed gear trip. Each MLR must be completed on paper, signed by the processor's representative and the permit holder and faxed to the data techs for data entry. If a vessel has multiple permit holders aboard, this may require multiple MLRs for a single landing.

The IFQ landing system also was designed with a core assumption that all fishing activity would be completed prior to fee processes being run. Beginning the fee process closes out the fishing year and no further quota debits can occur until the next fishing year begins. Since this is a core assumption of the programming, it would require extensive development effort to change this.

The fishery ex-vessel value used in calculating the IFQ fee percentage would continue to be determined for IFQ landed as commercial catch, RFQ, or GAF subject to the IFQ fee liability for the current fishing year. For halibut, IFQ may be used by the recreational fishing sector as GAF or by an RQE as RFQ. In both cases, the cost recovery fees for IFQ landed as RFQ and/or GAF are calculated using the IFQ standard prices. In both cases, these standard prices cannot be challenged by submitting a request for use of actual ex-vessel values as described at § 679.45(b)(2). The process to request use of actual prices is only available to IFQ holders who land IFQ as commercial catch.

The IFQ cost recovery fees would continue to be billed to the person the IFQ was issued to at the beginning of the season and would not transfer, even if the IFQ is transferred to someone under the GAF program, temporarily transferred to another IFQ permit holder, or the QS is sold mid-season.

In 2025, 55 permit holders requested adjustments to cost recovery fees billed based on actual prices. Of those submissions, 53 were either fully or partially approved. In the cases where NMFS did not approve the use of actual prices, the request was fully or partially related to landings made as GAF.

4.4 Registered Buyers

The number of registered buyers and the number of active buyers is presented in Table 14 for 2021-2025. An active buyer is identified by a registered landing associated with the buyer. The number of active buyers increased in 2025 becoming the highest number since 2022 for halibut and the highest number since 2019 for sablefish.

Registered Buyer permits are issued on an annual cycle, defined as March 1 through the end of February of the next calendar year, to persons that have a Registered Buyer application approved by the Regional Administrator. For the Registered Buyer application to be considered complete, all fees due to NMFS under § 679.55 at the time of application must be paid. A Registered Buyer permit is in effect from the first day of March in the year for which it is issued or from the date of issuance, whichever is later, through the end of the current annual cycle, unless it is revoked, suspended, surrendered.

A variety of different registered buyer operation types operate in the IFQ fishery including buyer-brokers, catcher-processors, catcher-sellers, motherships, restaurant, retailers, shoreplants, and tenders, and others. Table 14, summarizes the total number of registered buyers, active buyers in the IFQ fishery, and the number of registered buyers receiving halibut IFQ and sablefish IFQ.

Table 14 Registered Buyers of Halibut and Sablefish IFQ 2021-2025.

	Buyers	Active Buyers	Halibut Buyers	Sablefish Buyers
2025	**200**	**96**	**87**	**55**
Buyer-Broker	71	43	42	24
Catcher-Processor	23	13	6	11
Catcher-Seller	39	10	10	1
Mothership	1	0	0	0
Other	16	7	7	5
Restaurant	2	1	1	0
Retail	10	4	4	1
Shoreplant	34	18	17	13
Tender	4	0	0	0
2024	**217**	**85**	**80**	**47**
Buyer-Broker	78	35	35	19
Catcher-Processor	24	9	6	5
Catcher-Seller	56	13	13	2
Mothership	1	0	0	0
Other	15	7	5	5
Restaurant	1	1	1	0
Retail	7	3	3	1
Shoreplant	33	17	17	15
Tender	2	0	0	0

	Buyers	Active Buyers	Halibut Buyers	Sablefish Buyers
2023	**199**	**79**	**69**	**50**
Buyer-Broker	79	33	32	18
Catcher-Processor	22	12	4	9
Catcher-Seller	44	7	7	1
Other	12	4	3	4
Retail	7	3	3	1
Shoreplant	33	20	20	17
Tender	2	0	0	0
2022	**230**	**98**	**89**	**54**
Buyer-Broker	76	36	35	18
Catcher-Processor	27	12	5	8
Catcher-Seller	60	13	13	2
Mothership	2	2	2	1
Other	12	5	4	1
Retail	10	3	3	1
Shoreplant	41	27	27	23
Tender	2	0	0	0
2021	**218**	**87**	**77**	**49**
Buyer-Broker	77	37	35	17
Catcher-Processor	27	12	5	9
Catcher-Seller	53	15	15	3
Mothership	2	1	1	1
Other	19	5	5	5
Retail	10	2	2	2
Shoreplant	30	15	14	12

Source: NMFS Restricted Access Management (RAM) division sourced through AKFIN.

4.5 Standard prices

NMFS annually publishes the IFQ standard prices and fee percentage for cost recovery for the IFQ Program. These notices are intended to provide holders of halibut and sablefish IFQ permits with the standard prices and fee percentage to calculate the required payment for IFQ cost recovery fees due on or before the date in the notice. NMFS posts these annual notices on the NMFS Alaska Region website at: https://www.fisheries.noaa.gov/action/halibut-and-sablefish-individual-fishing-quota-cost-recovery-program-standard-prices-and-fee.

Table 15 Registered Buyer Standard Ex-Vessel Prices by Landing Location for the 2025 IFQ Season[1]

LANDING LOCATION	PERIOD ENDING	*HALIBUT* STANDARD EX-VESSEL PRICE	*SABLEFISH* STANDARD EX-VESSEL PRICE
CORDOVA	March 31	-	-
	April 30	-	-
	May 31	-	-
	June 30	-	-
	July 31	-	-

LANDING LOCATION	PERIOD ENDING	*HALIBUT* STANDARD EX-VESSEL PRICE	*SABLEFISH* STANDARD EX-VESSEL PRICE
	August 31	-	-
	September 30	-	2.19
	October 31	-	2.19
	November 30	-	2.19
	December 31	-	2.19
HOMER	March 31	6.58	-
	April 30	7.06	2.14
	May 31	8.28	-
	June 30	8.48	2.39
	July 31	8.4	-
	August 31	8.4	3.00
	September 30	8.6	-
	October 31	8.6	-
	November 30	8.6	-
	December 31	8.6	-
KETCHIKAN	March 31	-	-
	April 30	-	-
	May 31	-	-
	June 30	-	-
	July 31	-	-
	August 31	-	-
	September 30	8.22	-
	October 31	8.22	-
	November 30	8.22	-
	December 31	8.22	-
KODIAK	March 31	11.33	-
	April 30	6.88	-
	May 31	8.01	-
	June 30	7.97	-
	July 31	8.24	-
	August 31	8.16	-
	September 30	8.19	1.93
	October 31	8.19	1.93
	November 30	8.19	1.93
	December 31	8.19	1.93
PETERSBURG	March 31	-	-
	April 30	6.63	-
	May 31	6.16	-
	June 30	8.45	-
	July 31	-	-
	August 31	-	-
	September 30	-	-
	October 31	-	-
	November 30	-	-
	December 31	-	-
SITKA	March 31	6.71	-
	April 30	-	-
	May 31	-	-
	June 30	-	-
	July 31	-	-
	August 31	7.60	2.07
	September 30	7.66	-
	October 31	7.66	-
	November 30	7.66	-
	December 31	7.66	-

LANDING LOCATION	PERIOD ENDING	*HALIBUT* STANDARD EX-VESSEL PRICE	*SABLEFISH* STANDARD EX-VESSEL PRICE
BERING SEA[2]	March 31	-	-
	April 30	-	-
	May 31	-	1.6
	June 30	6.00	2.01
	July 31	6.40	2.04
	August 31	6.59	-
	September 30	6.72	1.94
	October 31	6.72	1.94
	November 30	6.72	1.94
	December 31	6.72	1.94
CENTRAL GULF OF ALASKA[3]	March 31	7.44	2.19
	April 30	6.94	2.14
	May 31	8.04	1.77
	June 30	8.19	1.63
	July 31	8.2	1.94
	August 31	8.25	2.14
	September 30	8.33	1.94
	October 31	8.33	1.94
	November 30	8.33	1.94
	December 31	8.33	1.94
SOUTHEAST ALASKA[4]	March 31	7.2	1.66
	April 30	6.58	1.74
	May 31	7.29	1.75
	June 30	4.21	1.92
	July 31	7.84	2.01
	August 31	7.98	2.06
	September 30	8.01	2.10
	October 31	8.01	2.10
	November 30	8.01	2.10
	December 31	8.01	2.10
ALL-ALASKA	March 31	7.26	1.81
	April 30	6.67	1.83
	May 31	7.62	1.71
	June 30	6.06	1.88
	July 31	7.60	1.99
	August 31	7.77	2.10
	September 30	7.97	1.99
	October 31	7.97	1.99
	November 30	7.97	1.99
	December 31	7.97	1.99
ALL[5]	March 31	7.26	1.81
	April 30	6.67	1.83
	May 31	7.62	1.71
	June 30	6.06	1.88
	July 31	7.60	1.99
	August 31	7.80	2.10
	September 30	7.97	1.99
	October 31	7.97	1.99
	November 30	7.97	1.99
	December 31	7.97	1.99

1. Note: In many instances, prices are not shown in order to comply with confidentiality guidelines when there are fewer than three registered buyers operating in a location during a month. Additionally, landings at different harbors in the same general location (e.g. “Juneau, Douglas, and Auke Bay”) have been combined to report landings to the main port (e.g., “Juneau”).
2. Landing Locations Within Port Group - Bering Sea: Adak, Akutan, Akutan Bay, Atka, Bristol Bay, Chefornak, Dillingham, Captains Bay, Dutch Harbor, Egegik, Ikatan Bay, Hooper Bay, King Cove, King Salmon, Kipnuk, Mekoryuk, Naknek, Nome, Quinhagak, Savoonga, St. George, St. Lawrence, St. Paul, Togiak, Toksook Bay, Tununak, Beaver Inlet, Ugadaga Bay, Unalaska.

3. Landing Locations Within Port Group - Central Gulf of Alaska: Anchor Point, Anchorage, Alitak, Chignik, Cordova, Eagle River, False Pass, West Anchor Cove, Girdwood, Chinitna Bay, Halibut Cove, Homer, Kasilof, Kenai, Kenai River, Alitak, Kodiak, Port Bailey, Nikiski, Ninilchik, Old Harbor, Palmer, Perryville, Sand Point, Seldovia, Resurrection Bay, Seward, Valdez, Whittier.
4.Landing Locations Within Port Group - Southeast Alaska: Angoon, Baranof Warm Springs, Craig, Edna Bay, Elfin Cove, Excursion Inlet, Gustavus, Haines, Hollis, Hoonah, Hyder, Auke Bay, Douglas, Tee Harbor, Juneau, Kake, Ketchikan, Klawock, Metlakatla, Pelican, Petersburg, Portage Bay, Port Alexander, Port Graham, Port Protection, Point Baker, Sitka, Skagway, Tenakee Springs, Thorne Bay, Wrangell, Yakutat.
5. Landing Locations Within Port Group - All: For Alaska: All landing locations included in 1, 2, and 3. For California: Eureka, Fort Bragg, Other California. For Oregon: Astoria, Aurora, Lincoln City, Newport, Warrenton, Other Oregon. For Washington: Anacortes, Bellevue, Bellingham, Nagai Island, Edmonds, Everett, Granite Falls, Ilwaco, La Conner, Port Angeles, Port Orchard, Port Townsend, Rainier, Fox Island, Mercer Island, Seattle, Standwood, Other Washington. For Canada: Port Hardy, Port Edward, Prince Rupert, Vancouver, Haines Junction, Other Canada.

4.6 Fishery Value, Program Costs, and Fee Percentage

The combined IFQ and halibut fishery value fluctuates year to year as do the direct program costs. Table 16 summarizes the annual IFQ direct program costs, fishery value, and cost recovery fee percentage from 2021 through 2025. The information provided in this section is summarized from the NMFS annual cost recovery process. information used in the Additional detail is provided in the 2025 Consolidated Cost Recovery Report and not duplicated here.

Table 16 Annual IFQ direct program costs, fishery value, and cost recovery fee percentage from 2021 through 2025.

	2021	2022	2023	2024	2025
Total Direct Costs	$3,978,894.00	$4,223,487.00	$4,856,041.00	$4,275,244.00	$ 3,741,968
Fishery Value	$171,017,323.00	$216,771,279.00	$144,038,414.00	$125,153,355.00	$158,559,852
Fee Percentage	2.3	1.9	3.4*	3.4*	2.4

Source: NMFS Operations Management Division Cost Recovery fee calculations.
*These billed percentages were limited by the MSA statutory 3% cap of the ex-vessel value of the fishery in any Program year.

Table 17 Annual IFQ halibut total pounds landed, value and average price/pound, 2021 through 2025.

Halibut	Total Pounds Landed	Total Value	Ave. price/pound
2025	11,324,278	$ 85,381,422	$ 7.54
2024	14,022,113	$ 73,952,373	$ 5.27
2023	15,125,587	$ 82,092,717	$ 5.43
2022	17,573,383	$ 127,008,338	$ 7.23
2021	17,252,749	$ 109,129,240	$ 6.33

Source: NMFS Operations Management Division Cost Recovery fee calculations.

Table 18 Annual IFQ sablefish total pounds landed, value and average price/pound, 2021 through 2025.

Sablefish	Total Pounds Landed	Total Value	Ave. price/pound
2025	38,636,654	$ 73,178,430	$ 1.89
2024	36,526,971	$ 51,200,982	$ 1.40
2023	37,436,394	$ 61,945,697	$ 1.65
2022	42,093,690	$ 89,762,941	$ 2.13
2021	32,703,024	$ 61,888,083	$ 1.89

Source: NMFS Operations Management Division Cost Recovery fee calculations.

5 Impact Analysis

5.1 Alternative 1, No Action

Since the program's implementation in 1995 and until 2021, the IFQ season has not extended beyond November 18. Since 2021, the IPHC has extended the fishing season dates for the IFQ Program, reducing the amount of time NMFS has to calculate the fishery ex-vessel value used to generate the fee percentage and determine individual fee liabilities. As long as the IPHC continues to establish commercial halibut fishing periods that extend into December, without Federal regulatory changes the annual cost recovery process will continue to be executed on a very short timeline.

The IFQ cost recovery process is not designed in a way to accommodate a fishing season that could remain open through December. By regulation, the fee notice must be published in the last quarter of the calendar year by December 31, and fee payments are due no later than January 31. Additionally, all fee invoices must be paid in full before any IFQ can be issued for the next season opening in March.

In years when the season ended by mid-November, all landings would be recorded by December 1, allowing NMFS time to check the data for quality control, calculate the fee percentage, and issue invoices in early December. Table 19 shows the timing of publishing the fee notice in the Federal Register and the date of invoice mailing.

Table 19 Season dates, Publication date of the Standard Prices and fee Percentage, and date invoices generated 2010 through 2024.

Year	Season end date	Notice publication date	Invoice date*
2010	Nov 15	Dec 10, 2010	-
2011	Nov 18	Dec 12, 2011	-
2012	Nov 7	Dec 4, 2012	-
2013	Nov 7	Dec 4, 2013	-
2014	Nov 7	Dec 9, 2014	-
2015	Nov 7	Dec 16, 2015	-
2016	Nov 7	Dec 13, 2016	Nov 30, 2016
2017	Nov 7	Dec 20, 2017	Nov 29, 2017
2018	Nov 7	Dec 12, 2018	Nov 26, 2018
2019	Nov 14	Dec 20, 2019	Nov 29, 2019
2020	Nov 15	Dec 18, 2020	Dec 11, 2020
2021	Dec 7	Dec 29, 2021	Dec 21, 2021
2022	Dec 7	Dec 28, 2022	Dec 20, 2022
2023	Dec 7	Dec 28, 2023	Dec 27, 2023
2024	Dec 7	Dec 26, 2024	Dec 18, 2024
2025	Dec 7	Dec 31, 2025	Dec 17, 2025

*Date invoices generated is not available prior to 2016.

As shown in Table 19, season closures have extended into December in recent years. Extended seasons have resulted in the compression of the cost recovery timeline beyond what was originally intended. This is exacerbated by multiple regulatory timelines and deadlines, including the following:

1) The fee notice deadline is stipulated in regulation, and was based on the assumption of a mid-November closure date. Halibut season closure dates are set annually by the IPHC, and have been extended in recent years to December 7th. Stipulating the fee notice deadline in regulation affords NMFS no flexibility to accommodate for changes to season closure dates.

2) Registered Buyer ex-vessel volume and value reports are based on a 10/1–9/30 data year, and are due annually on 10/15. However, reports are frequently submitted after all landings from the current fishing year are completed, and there is no administrative consequence for late

submissions, or Registered Buyers who neglect to submit reports. Because reports are often submitted late, post-fishery closure, a December 7th fishery closure compresses the time afforded to NMFS to confirm receipt of all reports, validate data for completion and accuracy, and ensure confidentiality standards are met, before then calculating the IFQ cost recovery fees and publishing the notice by the 12/31 deadline.

3) In cost recovery fee calculations, the billing year is aligned with the IFQ fishing year. Therefore, NMFS must wait until the current fishing season ends before tabulating landing data. A December 7th fishery closure date creates a compressed time window afforded to NMFS to apply the fee percentage, calculated via the Registered Buyer reports, to the sum of the prior fishing year's landings.

4) Fee payments must be submitted to NMFS by January 31 of the following year. NMFS aims to mail invoices to IFQ holders by December 31 to provide at least 30 days notice of their fee cost recovery bills. Invoices are typically generated and sent out prior to the fee notice being published in the Federal Register, as shown in Table 19. After 2021, invoices have been delayed, which compresses the timeline for fee payment and subsequent IFQ issuance. All fee invoices must be paid in full before any IFQ can be issued for the following season.

An example of what occurs under these time constraints arose in December 2024, when NMFS published a fee notice with incorrect information and sent invoices to halibut and sablefish IFQ permit holders impacted by a technical issue affecting certain fee liability statements. Due to an error, the value of some landings were incorrectly calculated as zero, leading to an undervaluation of the IFQ fishery and omissions in the fee liability statements. The error was discovered and resolved before December 31 and AKR issued corrected fee liability statements as well as a correction to the fee notice published in the Federal Register. The fee percentage did not change as a result of the error and continued to be capped at 3% after the fishery value was corrected.

As described in Section 3.6, starting in 2025 NMFS added additional steps for validating fishery value and invoices. This will reduce the risk of erroneous invoices being sent out in the future, however it also adds additional steps to the constraining schedule.

Under Alternative 1, the IFQ cost recovery timeline would remain unchanged. Many of the Federal regulations around IFQ cost recovery timing were based on the assumption of a mid-November IFQ season closure date. As long as the IPHC continues to establish commercial halibut fishing periods that extend into December, the annual cost recovery process would continue to be executed on a very short timeline. When the IFQ season end date is December 7, the calculation process typically cannot begin until at least December 14 (7 days after the last landing date), leaving NMFS with two weeks or less to calculate and validate both the ex-vessel value and calculate individual fee liabilities. This delay results in a later publication of the fee notice and a later issuance of fee liability statements. This condensed timeline also occurs over the holidays with fewer actual work days to finish these complex issues and staff availability becomes a concern. When issues are noticed, there are limited staff with the expertise necessary to address these issues before publication and invoicing must occur per regulation.

Another issue with the current cost recovery process and timeline arises because the "fee year" used to calculate fishery volumes and values does not align with the data year used to calculate standard prices. Volumes and values from landings within the entire current fishing year are used within fee assessment calculations, meaning the "fee year" is aligned with the fishing year; however the standard prices are calculated using data within the IFQ Registered Buyer Ex-Vessel Volume and Value Reports, which only runs through September 30 of the current fishing year. NMFS must apply the September standard prices calculated from the last month of Registered Buyer report data to any landings occurring in October, November, or December of the current fishing year. This results in decreased accuracy of the fees assessed on late-year landings, and likely increases requests for actuals because it is less reflective of any

changes to market conditions occurring within the last three months of the year. Another issue with the misalignment between the "fee year" and the report year is that the October, November, and December data from the prior fishing year is collected and included in the Registered Buyer reports, but ultimately is not used in the cost recovery process. Under Alternative 1, these years would remain out of alignment, and both issues would continue: Registered Buyers would continue to submit data from the prior fishing year that ultimately goes unused in the cost recovery process, and NMFS would continue to apply September standard prices to October, November, and December landings.

Regarding the burden of IFQ Registered Buyer report – This report is filled out by the processor representative. NMFS received approximately 69 (64 through eFISH and 5 non-electronic submissions) responses per year. Under status quo, each respondent fills this out once per year. In eFish, it takes approximately 1 min to fill out the form and approximately 2 hours for non-electronic submissions. Total annual burden is estimated at 11 hours (1 hour for eFISH users, and 10 hours for others). Using an average wage rate of $24.21 per hour, burden cost estimate totals approximately $266 per year.

5.2 Alternative 2, Revise the Halibut and Sablefish IFQ Cost Recovery Annual Process

The elements under Alternative 2 address individual constraining aspects of the IFQ cost recovery timing, in response to changing seasonal dynamics in the halibut fishery. The IFQ cost recovery process was not designed in a way to accommodate a fishing season that could remain open through December, and discrete changes are presented in elements below to accommodate for a mid-December closure. As previously described, setting the halibut season start and end dates is under the authority of the IPHC; therefore the elements and options focus on ways to address Federal IFQ cost recovery regulations under the Council and NMFS's authority to accommodate the longer season dates.

Collectively, the changes contemplated under this alternative would modify, remove, or restructure regulatory due dates, which would provide more time for NMFS to complete cost recovery administrative processes than under the status quo.

5.2.1 Element 1. Revise the notice and fee due dates

Element 1 would remove the regulatory deadline for publication of the IFQ standard prices and fee percentage, established under 679.45(b)(3)(iii) and 679.45(d)(3). The requirement to publish the information in the Federal Register would remain in regulation under this element.

Removal of Regulatory Fee Notice Deadline

Removing the required timeframe for publishing the cost recovery notice in the Federal Register would provide the Agency flexibility to publish notices after December 31st. NMFS would continue to publish the notice as soon as possible after the necessary information becomes available. The fee notice would continue to announce the fee percentage and standard prices used to calculate fee liabilities. This element would provide additional time for NMFS staff to compile and review landings data necessary to calculate the fee percentage and issue invoices after the end of the season. Rather than modifying the regulatory deadline, which may require future modifications, removing the deadline entirely would provide the most flexibility for potential future changes to season closure dates. Opening and closing dates of the halibut fishery are set by the IPHC, and have frequently varied (as shown in Table 19). Should seasons extend further into December in the future, removing the regulatory date would eliminate the need for subsequent regulatory amendments to occur in the future. This would accommodate any season changes in the future, rather than simply shifting the deadline back to reflect recent December 7th closure dates. It would afford maximum flexibility to NMFS, and the additional time afforded in the cost recovery process could lead to more accurate fee percentage calculations, reduced risk of error, and reduced management costs overall.

Modification of Fee Due Dates

In conjunction with the removal of the regulatory deadline for fee notice, this element would also modify the cost recovery fee payment due date from January 31st to February 28th. This would provide additional time between the end of the fishing season, and issuance of the fee liability invoices. NMFS issues invoices no later than 30 days prior to the fee payment due date, so the timing shift would give NMFS up to an additional 28 days compared to the status quo deadline of December 31. Shifting the payment due date to the end of February would impact fishery participants by providing less overall time from the time they receive their annual cost recovery bill, and the issuance of IFQ permits for the subsequent fishing year or, in the case of non-payment of fees, the administrative consequence of withholding IFQ for non-payment of fees. As described in Section 3.10 an IAD letter is generated on or after the missed payment due date and that IAD becomes the final Agency Action 30 days after it is issued. Under this element, if an IAD were generated the day after the payment due date, on March 1, for non-payment of fees, this IAD would not become the final Agency action prior to the issuance of IFQ. This could result in additional IFQ being sequestered upon IFQ issuance. IFQ must be sequestered in these situations, because any IAD is subject to possible appeals, and if an appeal is submitted and granted, then NMFS would need to be able to issue that IFQ in these instances.

Cost recovery fee payments must retain a due date in regulation, due to the requirement for NMFS to verify payments and issue permits before the fishery begins in March. Under current regulation, this process occurs between January 31st, and the season start date in mid-March. Permits are typically issued in late February or early March. Under Alternative 2, Element 1, this process would occur between February 28 and the mid-March season start date, and could result in later permit issuance dates versus the timing under Alternative 1. NMFS would not issue IFQ permits prior to the revised fee payment date of February 28 and permit holders would likely continue to receive their IFQ permits closer to the season start date as they have in recent years.

Compressing the timeline between the payment deadlines and IFQ permit issuance may make it difficult for NMFS to verify that payments have been made prior to issuing IFQ Permits for the subsequent fishing year. As described above, Element 1 could result in delays in IFQ permit issuance, compared to the no action alternative. This would also impact permit holders, since the administrative consequence for failure to pay IFQ fees is the withholding of IFQ permits for the next fishing year. Under Element 1 NMFS would have less time between fee payment due date and the annual IFQ permit issuance to settle appeals which may result in increases in IFQ permit withholdings, or delays in issuing IFQ permits. A permit holder has the time between invoices being mailed and the fee payment due date, at least 30 days, to request reconsideration and use of actual prices in lieu of the standard prices. NMFS would review and recalculate fee liabilities during this same timeframe, that would just occur closer to permit issuance under Element 1.

5.2.2 Element 2. Modify the Date Range of Landings

The regulatory and administrative processes for the IFQ cost recovery program are structured to include all landings made during the fishing year in the end-of-year fee calculation process. Because of this, under Alternative 1 the calculation of the fee percentage cannot begin until all landings from the fishing season have been completed. Element 2 would modify the date range of landings used to calculate fishery value and assess fees. There are three options under Element 2:

Option 1. October 1 through September 30

Option 2. November 1 through October 31

Option 3. December 1 through November 30

Under Element 2, **the billing year would be independent of the fishing season and could include IFQ landings from more than one fishing year depending on the season dates and the fee year selected.**

Landings totals used to calculate fee percentages would include a small proportion of landings from the prior fishing year, so long as the IPHC set the halibut season closure date after the end of the "fee year." The volume of landings that would be attributable and billed within the next cost recovery year differs by option, therefore impacts of delayed billing for these landings are discussed separately within discussion of the separate Options in below subsections. Generally, Option 1 would delay billing to the next cost recovery year for landings occurring in October, November, and December, and would result in the highest amount of billing delays of the options under Element 2. Option 3 would result in the lowest amount of billing delays, delaying billings only for landings occurring in December.

By setting the date range for the annual fee billing process in regulations, the timing of the annual cost recovery process would no longer be dependent upon the variable fishing season dates and would allow NMFS to proceed at consistent times of the year no matter when the fishing season ends. NMFS could start compiling and reviewing landings data after the last landings occurred within the "fee year," rather than being beholden to wait until the fishing season ends. **The changes contemplated under this element would require programming changes to the electronic systems used to generate fee liabilities and invoices.** NMFS currently processes these steps in ALDERS. This software is at the end of its life and AKR is in the planning phase of developing the programming necessary to re-implement the IFQ Program in the ongoing development of the Integrated Fisheries Application (IFA) project.

Under Element 2, NMFS would be able to start compiling and reviewing landings data 7 days after the last landings in the "fee year" occur. This 7-day delay occurs because landing reports must be finalized within 7 days of the date of landing, therefore fee processes can begin 7 days after the last day landings occur. Under Alternative 1, the last landings in the "fee year" occur through the end of the fishing season. Under Element 2, the "fee year" would no longer be tied to the fishing year. Fee processes could occur before the fishing season ended, if the fee year ended prior to the end of the fishing year. NMFS could begin the compilation and review of landings data 7 days after the last landings in the "fee year" are made, which may occur either 7 days after the end of the "fee year," *or* 7 days after the last day of the fishing season–whichever comes first. A "fee year" end date of September 30 or October 30 (under Option 1 or 2, respectively) would likely occur prior to the season closure date in all future years. However, under a November 30 fee year end date (Option 3), the fishing season may close before the end of the fee year. In this scenario, NMFS would retain the ability to begin the compilation and review process 7 days after the season end date, as is true under the status quo. Waiting until the end of the "fee year" would be unnecessary, since no additional landings would occur. Therefore, Option 3 would provide additional time to the cost recovery process, over the status quo, if fishing seasons continued to end in December, and would not impact the timing of the cost recovery process in any future years where fishing seasons end in November.

The timeline for the annual cost recovery process would be more consistent year-to-year under Element 2, since it would be set in regulation rather than being solely tied to season closure dates. Additional consistency and time in the annual cost recovery process may help avoid issues similar to the one that arose in December 2024, when NMFS published a fee notice with incorrect information and sent invoices to halibut and sablefish IFQ permit holders impacted by a technical issue affecting certain fee liability statements. As described in Section 3.6, starting in 2025 NMFS will add additional steps for validating fishery value and invoices. This will reduce the risk of erroneous invoices being sent out in the future, however it also adds additional steps to the cost recovery process. By providing additional time, and a safeguard against constraints that arise under December season closure dates, Element 2 may aid in improving accuracy by allowing additional time for reviews and quality control processes to happen. This may positively impact the accuracy of future IFQ fee percentage calculations.

The exact amount of time provided to NMFS staff for the cost recovery process varies by option and is described further in subsections below. Figure 3 shows how the timing of the annual IFQ cost recovery process would change under the options considered under Element 1 and Element 2.

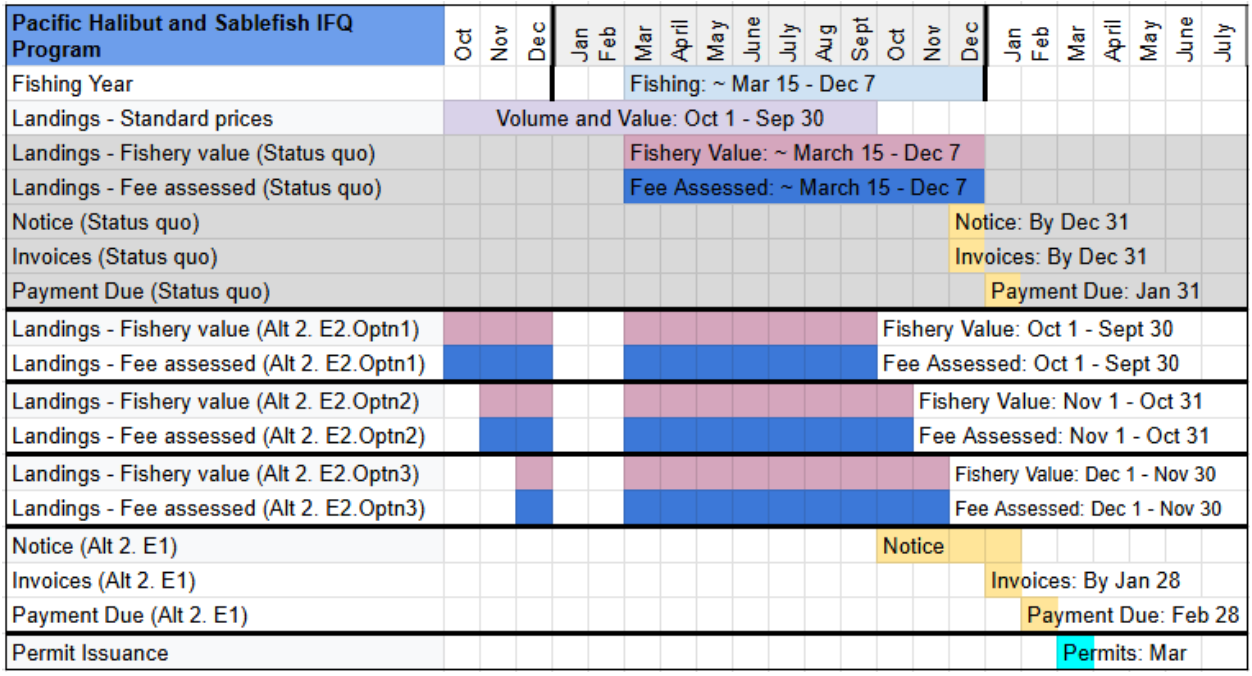

Figure 3 Comparison of the timing of the IFQ Program fishing year, landings used to calculate standard ex-vessel prices, landings used to estimate the total fishery value, and landings used to calculate cooperative fee liabilities.

Option 1: October 1 through September 30

Under Option 1, the "fee year" would run from October 1 to September 30. This option would allow NMFS staff to begin the compilation and review of landings data as early as October 7: landing reports must be finalized within 7 days of the date of landing, therefore fee processes could begin 7 days after the last day landings could occur. As shown in Table 19, within the last 15 years, the IPHC has not historically closed the fishing season prior to September 30th. Therefore implementing a September 30 end date for the "fee year" would provide the most additional time for NMFS staff to compile and review landings data in all future years. As an example, in years with 12/7 season closure dates, Option 1 would provide NMFS more than two months of additional time for compiling and reviewing landings over the status quo.

Option 1 would align the fee year with the fiscal year used to tabulate recoverable costs, as well as the landings year used within IFQ Registered Buyer Ex-Vessel Volume and Value Reports. Aligning the landings date range used in the billing year with the landings date range used within the Ex-Vessel Volume and Value reports would create alignment across the cost recovery regulations. Streamlining these regulations may help reduce confusion, which may help facilitate the timely submission of Ex-Vessel Volume and Value Reports. Additionally, alignment between the "fee year" and the Registered Buyer report year would simplify the fee assessment process. Landings from October through December would simply be included in the next year's cost recovery process, and NMFS would no longer have to apply September standard prices to landings occurring after the end of the Registered Buyer report year. This would result in increased accuracy of fees assessments, because NMFS have data available to calculate standard prices for all months of landings data included in the fee assessment. Requests for actuals would likely decrease compared to the status quo, since data used in cost recovery calculations would be reflective of actual market conditions occurring in all months of the "fee year". Additionally, all data collected and submitted by Registered Buyers would be used in the cost recovery process, which is not true under Alternative 1.

Of the options under Element 2, Option 1 would result in the highest amount of fee liabilities being delayed until the next billing cycle. The last landings of the "fee year" would occur on September 30, and billing for any landings occurring in October, November, or December would be delayed until the next cost recovery billing cycle. Within the last five years, 15% of total annual IFQ halibut volumes and 20% of IFQ sablefish volumes are landed in November and December (Section 4.3). Annual trends in the proportion of volumes caught between October and December are likely to continue in future years, considering factors such as the seasonality of processing and harvesting operations statewide, weather considerations, and typical ramp-down towards the end of the season that occurs across many fisheries.

Option 2: November 1 through October 31

Under Option 2, the "fee year" would run from November 1 through October 31. This option would allow NMFS staff to begin the compilation and review of landings data as early as November 7, since fee processes can begin 7 days after the last day in the fee year. Option 2 would extend the cost recovery timeline and allow for data compilation and review to begin a month earlier than under status quo. Implementing an October 31 end date for the "fee year" would provide additional time for NMFS staff to compile and review landings data in all future years when compared to the status quo. However in the unlikely scenario that season closures were set before October 31 in future years, NMFS would simply calculate the landings data using landings from the entire fishing year, effectively retaining the current full-fishing-season date range of landings.

Generally, Option 2 would extend the cost recovery timeline in all future years, because the fee year in these options ends earlier than historic IPHC fishing season closure dates. The last landings of the fee year would occur on October 31 under Option 2, and NMFS could begin compiling and reviewing data as early as November 7th. As an example, under the December 7th closure date implemented in the 2021 - 2025 fishing seasons, Suboption 2 would provide NMFS more than an additional month of time for compiling and reviewing landings over the status quo. This would provide meaningful relief to the compressed timeline of the annual cost recovery process, which may result

Option 2 would result in lower amounts of fee liabilities being delayed until the next billing cycle than Option 1, but more than Option 3. The last landings of the "fee year" would occur on October 31, and billing for any landings occurring in November, or December would be delayed until the next cost recovery year. Within the last five years, 5% of total annual IFQ halibut volumes and 9% of IFQ sablefish volumes are landed in November and December (Section 4.3). Annual trends in the proportion of volumes caught in November and December are likely to continue in future years, considering factors such as the seasonality of processing and harvesting operations statewide, weather considerations, and typical ramp-down towards the end of the season that occurs across many fisheries.

Option 3: December 1 through November 30

When considering only this element, Option 3 provides the least relief to the currently truncated cost recovery annual process. This option would only delay billing to the next cost recovery year for landings occurring in December, and would result in the lowest amount of billing delays of the options under Element 2. Option 3 would provide additional time for NMFS staff to compile and review landings data necessary to calculate the fee percentage in years where the IPHC set the halibut season closure date after the end of the "fee year," but the existing cost recovery timeline would be retained in future years where season closures occur prior to 11/30.

Uniquely under Option 3, additional time in the cost recovery process would only be afforded if the IPHC continued to set the halibut season closure date in December. Given that seasons have ended in mid-November in the past, it is reasonable to assume that the fishing season may end prior to the "fee year" end date under Option 3. Therefore, the impacts of Option 3 vary, and are dependent on how the IPHC structures future seasons. Under a mid-November season closure date, Option 3 would not provide additional time in the cost recovery process, and no landings from the current fishing year would be billed

in the next fishing year. If the IPHC set the halibut season closure date before the end of the "fee year" on November 30, the cost recovery process timeline in that year would remain as it would have under status quo. Landings from the entire fishing season would be used within fee assessment calculations, and the timeline of the cost recovery process would not differ from Alternative 1. As an example, in the 2020 fishing year, the IPHC set the season closure date as 11/15. Under Option 3, the fee year end date of 11/30 occurs after the season closure date of 11/15. The cost recovery process could start 7 days after the season closure, as they could under Alternative 1, and all landings from the 2020 fishing year would be included and billed within the 2020 annual cost recovery process.

Under a December closure date however, a small amount of additional time would be provided for cost recovery processes, and a small amount of landings from the current fishing year would be billed in the next fishing year. In scenarios where the IPHC season closure date is set in December, fee processes could begin on December 7th under Element 2 Option 3 (since landing reports must be finalized within 7 days of the date of landing). Within years where seasons extended into December (2021-2025), only 1% of total annual IFQ halibut and sablefish volumes are sold in December (Section 4.3). Trends of low December volumes are likely to continue in future years, considering factors such as the seasonality of processing and harvesting operations statewide, weather considerations, and typical ramp-down towards the end of the season that occurs across many fisheries.

In years where the fishing season closes in December, Option 3 would provide NMFS with a little over three weeks to calculate and validate both the ex-vessel value, and calculate individual fee liabilities, prior to the regulatory deadline to publish the fee notice in the Federal Register on December 31st. Based on recent December 7th season closures, Option 3 would allow one additional week to review and quality control data compared to the status quo. This additional week may provide limited relief and additional time, however the timeline would still be condensed over a short period over the holiday season. In mid-to late-December, there are fewer actual work days to finish complex issues, and staff availability becomes a concern. When issues are noticed, there are limited staff with the expertise necessary to address these issues before publication and invoicing must occur per regulation. Therefore, Option 3 may not provide impactful relief to the condensed cost recovery process, unless other Elements were chosen in combination.

This option would only delay billing to the next cost recovery year for landings occurring in December, and would result in the lowest amount of billing delays of the options under Element 2. In this scenario, if Option 3 is not also paired with a change to the fee payment date (Alt 2. Element 1), this would not provide NMFS more time to compile and review data for the cost recovery process.

5.2.3 Element 3: Modify Volume and Value Report Submission

IFQ Registered Buyer ex-vessel volume and value data are required to be submitted annually by October 15 for the previous reporting period, September 30 through October 1 (§ 679.5(l)(7)(i)). Volume and value data completeness and cost recovery fee calculation accuracy is dependent on all processors providing IFQ buyers reports. These reports are described further in Section 3.2.

Element 3 would modify regulations relating to the submission of volume and value reports, through one or more of the methods described in the options below. Options 1-3 are not mutually exclusive.

Element 3. Modify the submission of volume and value reports

Option 1. Create an administrative consequence for registered buyers who fail to submit volume and value reports.

Option 2. Require submission of volume and value reports within 2 weeks of the processor's final IFQ landing for the fishing year or October 15, whichever is earlier.

Option 3. Increase frequency of volume and value data submission to quarterly. (Quarterly or twice per year)

Option 1: Create an administrative consequence for registered buyers who fail to submit volume and value reports.

Under Option 1, registered buyers would face an administrative consequence if they failed to submit an IFQ Register Buyer Ex-vessel Volume and Value Report annually (as specified at § 679.5(l)(7)(i)). If buyers neglected to submit volume and value reports, NMFS would have the authority to withhold issuance of their Registered Buyer permit (§ 679.4(d)(3)) for the following year.

A Registered Buyer permit (§ 679.4(d)(3)) authorizes the person identified on the permit to receive and make an IFQ landing by an IFQ permit holder or IFQ hired master permit holder, or to receive and make a CDQ halibut landing by a CDQ permit holder or CDQ hired master permit holder, at any time during the fishing year for which it is issued. This authorization continues until the Registered Buyer permit expires, or is revoked, suspended, or surrendered. Under current regulation, issuance of a registered buyer permit is already contingent upon complete payment of applicable fees. Option 1 would retain the current fee payment requirement, and add the requirement of submission of IFQ buyer reports in order for Registered Buyer permits to be issued.

Not all registered buyers are required to submit volume and value reports–only those that operate as a shoreside processor. As shown in Section 4.4, there are ~100 active registered buyers annually, and only ~20 are shoreplants. Shoreplants would be subject to this administrative consequence, as all shoreplants operate as shoreside processors and are therefore required to submit the report. Registered buyers in other categories (other than catcher-sellers) may also operate as a shoreside processor, and would also be subject to the administrative consequence outlined in Option 1.

IFQ Registered Buyer ex-vessel volume and value data would continue to be required to be submitted annually by October 15 for the previous reporting period, September 30 through October 1 (§ 679.5(l)(7)(i)). Landings conclude at the end of the fishing season established by the IPHC, which has been extended to December 7th annually since 2021. Processors often submit the report after all landings are completed for the fishing season, rather than by the October 15 deadline.

Adding an administrative consequence through Element 3, Option 1 may facilitate compliance in annual submission of IFQ buyer reports. Volume and value data completeness and cost recovery fee calculation accuracy is dependent on all processors providing IFQ buyers reports.

Requiring reports to be submitted in order for IFQ Registered Buyer permits to be issued is an administrative consequence that may facilitate increased compliance. However, the consequence is tied to whether or not buyers submitted reports–not the timely submittal of these reports by the October 15 deadline. In effect, Element 3 requires buyers to submit reports before IFQ Registered Buyers permits are issued in March of the next year. Though the October 15 deadline would remain in regulation, the administrative consequence is not tied to compliance with this deadline. Therefore, delays in data submissions may still occur under this Option. Delays in data submission require staff time to attempt to remedy and reduce the time for NMFS staff to evaluate the validity of the data for use in fishery value, a key part of the calculation of the fee percentage. Data that is incorrect can have large impacts on the calculation of the fee percentage.

Option 2: Require submission of volume and value reports within 2 weeks of the processor's final IFQ landing for the fishing year or October 15, whichever is earlier.

Rather than requiring all registered buyer volume and value reports to be submitted on October 15, Option 2 would require the submission of the volume and value report within two weeks of the last IFQ landings or October 15, whichever is earlier. For processors who may only operate at peak fishing seasons, the October 15 deadline may occur far outside normal operational seasons, increasing the

likelihood that this report may not be submitted to NMFS. Option 2 would require buyer's reports to be submitted more closely in time to when the IFQ registered buyer stops operation for the year.

IFQ buying operations vary in size and operation type from high volume shoreside processing facilities to low volume specialty producers that direct market their products to consumers. This means that IFQ buying operations cease operating in the fishery at different times of year depending upon each individual's business model. If a processor ceases operations prior to submitting the IFQ buyers report, then NMFS has difficulty contacting these operations and often results in less information to base its calculation of standard prices on. With consolidation of processing activity into fewer processing entities, this has created more confidential prices over time and if a substantial amount of landings are not reported, this could influence the standard price calculations resulting in either a higher or lower standard price than would have been calculated had more landings been included in the calculation. Similar challenges exist in other cost recovery programs, however with fewer participants required to submit volume and value, it is administratively easier to track down incomplete information and verify accuracy.

Under Option 2, IFQ Registered Buyer ex-vessel volume and value data would continue to be required to be submitted annually for the previous reporting period, September 30 through October 1 (§ 679.5(l)(7)(i)). Buyers would be required to submit reports either on October 15, or within 2 weeks of their final IFQ landing for the season; whichever is earlier. Buyers that receive landings throughout the fishing year would, in effect, not be impacted by this option; the current October 15 deadline would still apply. However, buyers that only receive IFQ landings for a portion of the year would be required to submit the IFQ buyer report to NMFS within 2 weeks of their final IFQ landing for the season. For these buyers, the report submittal deadline would be closer in time to when they stop operations for the year. This may increase NMFS's ability to contact the buyer after report submission, if reports were incomplete or information needed to be confirmed. However it may be difficult to determine non-compliance under Option 2, should buyers stop receiving landings early in the season, and resume operations after a period of inactivity. Processing operations have variable operating plans ranging from continuous operation throughout most of the year to targeted operations during a discrete portion of the year. Determining the right time to submit this report could be most challenging for operations that process intermittently at different times throughout the year. However, because a processor can modify a previously submitted their volume and value report up until October 15, it would be possible for a processor that doesn't know for sure if they will resume processing activity at some point later in the year to submit the required information, and then, if they open back up, to submit a revised report after completion of processing activity. This is also an option under the status quo.

Option 3: Increase frequency of volume and value data submission to quarterly. (Quarterly or twice per year)

Option 3would require submission of volume and value data more frequently than once annually. This could include a quarterly or twice annual submission. Submitting volume and value reports more frequently than is required in regulation is currently allowed under Alternative 1–Option 3 would make this a requirement for all registered buyers. By increasing the frequency of reporting, it is more likely that any reminders from NMFS about this reporting requirement would be received during a time when the processor is operating (rather than after the season has fished and operations are closed).

Interim due dates throughout the fishing season could increase compliance by making this a more routine report, however it would increase the frequency of submission and therefore increase the total amount of time it takes for regulated processors to comply with this reporting requirement. It would also increase the time required of NMFS staff to contact and facilitate submission of reports multiple times a year.

Option 3 would not substantively impact standard price calculations; however it would reduce the risk of data gaps occurring due to non-compliance with current volume and value report submission requirements. Under the status quo, if processors fail to submit these reports, there is a one-year data gap.

Under Option 3, data gaps would be more limited in scope, and could be more easily filled in with comparable data from the remainder of the year.

Though Option 3 would reduce the risk of data gaps that arise due to non-compliance, NMFS has not identified an administrative consequence that would ensure full reporting compliance. The options analyzed could increase compliance when compared to the status quo, but because the administrative consequence would occurs after the calculation of the cost recovery fee percentage (when the data is used), there could still be some level of non-compliance, or late compliance that would affect the data available at the time of cost recovery fee calculations. As described under Element 3 Option 1, there is currently no administrative consequence for registered buyers who fail to submit annual reports–the same would be true under Option 3 if not paired with Option 1. Further, the administrative consequence proposed for consideration in Option 1 would not be complete solution if Option 3 was also selected, because it is an annual consequence rather than a consequence tied to the more frequent submissions that would be required under Option 3.

5.2.4 Comparison of Elements 1 through 3

The purpose of this action is to revise the Halibut and Sablefish IFQ cost recovery administrative process to accommodate later fishing season end dates in December. The elements under Alternative 2 would affect different elements of the annual administrative process and the options considered under Elements 2 and 3 would result in variable impacts on the annual process depending upon the season dates selected by the IPHC in future years. Each element includes tradeoffs between providing the Agency with additional time, and balancing that with how those changes will impact IFQ fishery participants.

Element 1 would shift the payment due date, providing additional time for NMFS and shortening the timeframe between the fee payment due date and the administrative consequence for non-payment of those fees at permit issuance. Element 2 would establish a fee year which would function as a cut-off for landings that would be subject to the fee each billing cycle. The options considered vary depending upon the date that would serve as this cutoff (Sept 30, Oct 31, or Nov 30) after which the fees for landings would be included in the subsequent cost recovery cycle. The earlier the cutoff date, the more time NMFS would have to complete the administrative process, however that would also increase the amount of landings and corresponding fee liabilities that would be rolled into the next annual cycle. If paired with a shift in the fee payment due date to Feb 28, the combination of additional time with a Nov 30 end of the fee year would be approximately equivalent to a cut off of Oct 30 without the adjustment of the fee payment due date.

Modifications considered under Element 3 would not have a direct impact on the amount of time available to Agency staff under different season date scenarios; however, the changes considered could improve compliance with volume and value data reporting and data completeness. Improvements in compliance and data completeness would reduce the Agency workload and improve the precision of the cost recovery fee calculation.

5.3 Affected Small Entities (Regulatory Flexibility Act Considerations)

Section 603 of the Regulatory Flexibility Act (RFA) requires that an initial regulatory flexibility analysis (IRFA) be prepared to identify whether a proposed action will result in a disproportionate and/or significant adverse economic impact on the directly regulated small entities, and to consider any alternatives that would lessen this adverse economic impact to those small entities. NMFS prepares the IRFA in the classification section of the proposed rule for an action. Therefore, the preparation of a separate IRFA is not necessary for the Council to recommend a preferred alternative. This section provides information about the directly regulated small entities that NMFS will use to prepare the IRFA for this action if the Council recommends regulatory amendments.

This section also identifies the general nature of the potential economic impacts on directly regulated small entities, specifically addressing whether the impacts may be adverse or beneficial. The exact nature of the costs and benefits of each alternative is addressed in the impact analysis sections of the RIR and is not repeated in this section, unless the costs and benefits described elsewhere in the RIR differs between small and large entities.

A discussion of the impacts to small entities will be prepared for final action.

5.4 Alternatives with Respect to Net Benefit to the Nation

A brief discussion of this action with respect to the Net Benefits to the Nation will be prepared for final action.

6 Magnuson-Stevens Act and FMP Considerations

6.1 Magnuson-Stevens Act National Standards

Below are the 10 National Standards as contained in the Magnuson-Stevens Fishery Conservation and Management Act (Magnuson-Stevens Act). In recommending a preferred alternative at final action, the Council must consider how to balance the national standards.

A brief discussion of this action with respect to each National Standard will be prepared for final action.

National Standard 1 — Conservation and management measures shall prevent overfishing while achieving, on a continuing basis, the optimum yield from each fishery for the United States fishing industry.

National Standard 2 — Conservation and management measures shall be based upon the best scientific information available.

National Standard 3 — To the extent practicable, an individual stock of fish shall be managed as a unit throughout its range, and interrelated stocks of fish shall be managed as a unit or in close coordination.

National Standard 4 — Conservation and management measures shall not discriminate between residents of different states. If it becomes necessary to allocate or assign fishing privileges among various United States fishermen, such allocation shall be; (A) fair and equitable to all such fishermen, (B) reasonably calculated to promote conservation, and (C) carried out in such a manner that no particular individual, corporation, or other entity acquires an excessive share of such privileges.

National Standard 5 — Conservation and management measures shall, where practicable, consider efficiency in the utilization of fishery resources, except that no such measure shall have economic allocation as its sole purpose.

National Standard 6 — Conservation and management measures shall take into account and allow for variations among, and contingencies in, fisheries, fishery resources, and catches.

National Standard 7 — Conservation and management measures shall, where practicable, minimize costs and avoid unnecessary duplication.

National Standard 8 — Conservation and management measures shall, consistent with the conservation requirements of this Act (including the prevention of overfishing and rebuilding of overfished stocks), take into account the importance of fishery resources to fishing communities by utilizing economic and social data that meet the requirements of National Standard 2, in order to (A) provide for the sustained participation of such communities, and (B) to the extent practicable, minimize adverse economic impacts on such communities.

National Standard 9 — Conservation and management measures shall, to the extent practicable, (A) minimize bycatch, and (B) to the extent bycatch cannot be avoided, minimize the mortality of such bycatch.

National Standard 10 — Conservation and management measures shall, to the extent practicable, promote the safety of human life at sea.

6.2 Pacific Halibut Act Considerations

The fisheries for Pacific halibut are governed under the authority of the Northern Pacific Halibut Act of 1982 (Halibut Act, 16 U.S.C. 773-773k). For the United States, the Halibut Act gives effect to the Convention between the United States and Canada for the Preservation of the Halibut Fishery of the

North Pacific Ocean and Bering Sea. The Halibut Act also provides authority to the Regional Fishery Management Councils, as described in § 773c:

> *(c) Regional Fishery Management Council involvement*
> *The Regional Fishery Management Council having authority for the geographic area concerned may develop regulations governing the United States portion of Convention waters, including limited access regulations, applicable to nationals or vessels of the United States, or both, which are in addition to, and not in conflict with regulations adopted by the International Pacific*
>
> *Halibut Commission (IPHC). Such regulations shall only be implemented with the approval of the Secretary, shall not discriminate between residents of different States, and shall be consistent with the limited entry criteria set forth in section 1853(b)(6) of this title. If it becomes necessary to allocate or assign halibut fishing privileges among various United States fishermen, such allocation shall be fair and equitable to all such fishermen, based upon the rights and obligations in existing Federal law, reasonably calculated to promote conservation, and carried out in such manner that no particular individual, corporation, or other entity acquires an excessive share of the halibut fishing privileges.*

The Halibut Act states that the Council may develop regulations, including limited access regulations, to govern the fishery, provided that the Council's actions are in addition to, and not in conflict with, regulations adopted by the International Pacific Halibut Commission (IPHC). Adherent to the Halibut Act, the proposed action is not in conflict with any existing regulations adopted by the IPHC. In addition, consistent requirements under the Halibut Act, this action does not discriminate by residents of different states.

A brief discussion of this action with respect to the Halibut Act will be prepared for final action.

7 Preparers and Persons Consulted

Preparers

Taylor Holman, NPFMC

Alicia M. Miller, NMFS AKRO

Contributors and Persons Consulted

Josh Keaton, NMFS AKRO

Joel Kraski, NMFS AKRO

Amy Hadfield, NMFS AKRO

Gretchen Harrington, NMFS AKRO

Alex Hildebrand, NOAA GC

Tristan Mandeville, NMFS AKRO

Caleb Taylor, NMFS AKRO

Cathy Tide, NMFS AKRO

Dana Whiteley, NMFS AKRO

Appendix A Golden King Crab Season Start Time

In June 2021, the Council reviewed several public comment letters proposing changes in the Aleutian Islands golden king crab (AIGKC) fishery. In response, the Council initiated a discussion paper to address the two issues raised:

> 1) Identify potential regulatory or administrative changes that would allow Eastern Aleutian Islands golden king crab (EAG) and Western Aleutian Islands golden king crab (WAG) IFQ to be issued or fished prior to August 1. Changes could include regulatory changes to the crab fishing year for golden king crab or other administrative or regulatory changes that would allow golden king crab IFQ to be issued or fished earlier in the year. The paper should include potential impacts on other Crab Rationalization program fisheries including cost recovery fees.
>
> 2) Review current EAG facility use caps and discuss impacts of removing or changing them to recognize custom processing arrangements. The paper should include the history and intent of facility use caps and a discussion of the current processing conditions related to facility use caps in the EAG fishery.

In October 2022, the Council bifurcated these issues into separate discussion papers. In October of 2025, NMFS prepared an expanded discussion paper[11] that reviewed regulations to identify potential changes that would reduce regulatory burdens and optimize seafood production while maintaining sustainability in Alaska's fisheries under Executive Order (E.O.) 14276, "Restoring American Seafood Competitiveness." The Council's AIGKC (AIG) start date motion was identified as an ongoing action responsive to E.O. 14276. **Given the alignment with the Council's ongoing cost recovery process action, and the AIG start date action's alignment with E.O. 14276, NMFS AKR staff have included an assessment of the AIG start date within this initial review draft of the Cost Recovery Process Streamlining analysis.**

The analysis within this appendix addresses the proposal[12] to identify potential regulatory or administrative changes that would allow EAG and WAG IFQ to be issued or fished (a term which includes deploying baited gear) prior to August 1. The Council's 2021 motion on this issue was initiated in response to public comment that highlighted timing issues relating to the AIG season, IFQ issuance, and pre-season cooperative survey efforts. The commenters did not include a desired date in their proposal, but the issue was described as 'making up for lost time'.

A.1 Background on the AIGKC Fisheries

The CR Program is a "voluntary three pie cooperative" program which allocates BSAI crab resources among harvesters, processors, and coastal communities. Program components include QS allocations, processor quota share (PQS) allocations, IFQ and individual processing quota (IPQ) issuance, quota transfers, use caps, crab harvesting cooperatives, protections for Gulf of Alaska groundfish fisheries, an arbitration system, monitoring, economic data collection, and Federal cost recovery fee collection.

One of the main components of the CR Program was establishing both harvester QS and PQS, which are revocable privileges that allow the holder to harvest or process a specific percentage of the annual TAC in a CR Program fishery.

[11] Provided via B1 EO14276 NMFS Regulatory Review Discussion Paper, available at https://meetings.npfmc.org/CommentReview/DownloadFile?p=6140d18b-feed-4319-944c-4c3a8daae438.pdf&fileName=B1%20EO14276%20NMFS%20Regulatory%20Review%20Discussion%20Paper.pdf

[12] Available on the June 2021 Council eAgenda at: E1 Staff Tasking: Aleutian Island Golden Crab Harvesters Comment Letter. Available at https://meetings.npfmc.org/CommentReview/DownloadFile?p=4ee4a1df-c50d-4641-927d-97e1bc31c796.pdf&fileName=Golden%20Crab%20Start%20Date.pdf

Individual fishing quota (IFQ) allocations to catcher vessel owners (CVO) and catcher vessel crew (CVC) comprise 90% of the TAC allocations, at proportions of 97% and 3%, respectively. Catcher vessel owner IFQ are issued in two classes, Class A IFQ and Class B IFQ. Crab harvested using Class A IFQ are required to "share-match" with IPQ. This means crab harvested using Class A IFQ must be delivered to a processor holding unused IPQ. In addition, most Class A IFQ are subject to regional delivery requirements, whereby harvests are required to be delivered within an identified region.

The other 10% of crab TACs are allocated to CDQ groups and the community of Adak. The community of Adak portion (the Adak Community Allocation; ACA) is allocated from the WAG fishery in an amount equal to the unused resource during the qualifying period (capped at 10% of the total fishery allocation). The CDQ and ACA allocations are intended to further facilitate fishing activity and economic development in rural Western Alaska communities.

The CDQ fishery and the ACA fishery are managed by ADF&G and are typically prosecuted concurrently with the IFQ fishery. Because CDQ & ACA are managed independently from the CR Program, they are not subject to IPQ and regional landing requirements.

Table 20 describes the CDQ and ACA group allocations for EAG and WAG. EAG is allocated to all six CDQ groups, with the largest proportion of allocations going to CBSFA and NSEDC. WAG is not allocated to any CDQ groups; the 10% TAC set-aside is solely allocated to the community of Adak.

Table 20 CDQ and ACA group allocations for EAG and WAG.

Fishery	Group Allocations (as a % of program allocation)						Adak Community Allocation	Program allocation (% of TAC)
	APICDA	BBEDC	CBSFA	CVRF	NSEDC	YDFA		
EAG	8%	18%	21%	18%	21%	14%	0%	10%
WAG	0%	0%	0%	0%	0%	0%	100%	10%
Fishery	**Group Allocations (in pounds based on the 2021/22 TAC)**						**Adak Community allocation**	**Total pounds by fishery**
	APICDA	**BBEDC**	**CBSFA**	**CVRF**	**NSEDC**	**YDFA**		
EAG	28,880	64,980	75,810	64,980	75,810	50,540	0	361,000
WAG	0	0	0	0	0	0	232,000	232,000

Source: NMFS 2021 CDQ Program quota categories, target and non-target CDQ reserves, allocation percentages, and group quotas https://www.fisheries.noaa.gov/alaska/commercial-fishing/fisheries-catch-and-landings-reports-alaska#bsai-crab

A.1.1 EAG/WAG Harvesting Characteristics

In recent years, 2-3 vessels annually have participated in the EAG and WAG fisheries, respectively. Since 2013/14, AIGKC harvesting vessels have all been catcher vessels, with processing occurring on shore (Garber-Yonts & Lee 2022). These vessels typically harvest all of the EAG and WAG TAC; for most years 100% of the TAC, within rounding error, is harvested annually. This includes IFQ, CDQ, ACA and estimated deadloss.[13] Harvest IFQ and CDQ crab typically occur simultaneously through consolidation of harvests onto a smaller number of harvesting vessels.

[13] Deadloss is the amount of dead crab landed at the dock, and includes those crab that by regulation cannot be processed or sold, such as certain crab species, females, and undersized male crab. This includes sub-industry preferred size crab that are of legal size, "dirty crab" (very old shell, barnacles, etc.), and contaminated crab (paint chips, diesel). Crab deadloss is required to be retained and is deducted from the TAC and IFQ allocations. Once

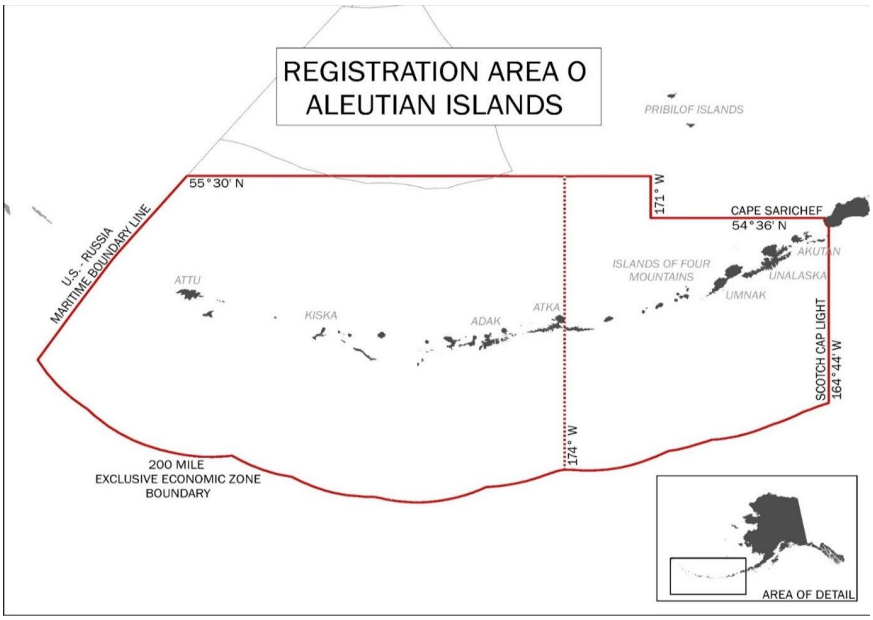

Figure 4 Map of the Aleutian Islands Registration Area (O), divided in to WAG and EAG subdistricts at 174◦ west longitude.

Fishing effort in AIG fisheries generally takes place from August to December in the EAG fishery, and August to May in the WAG fishery.

A.1.2 AIGKC Cooperative Pot Survey

The Council's 2021 motion on this issue was initiated in response to public comment that highlighted timing issues relating to the AIG season, IFQ issuance, and pre-season cooperative survey efforts done by ADF&G. The Aleutian King Crab Research Foundation, formed in 2012 by QS holders in the AIG fishery, has promoted the development of a fishery-based cooperative survey for the AIG stock and red king crab in the waters of the Adak District. The main purpose of the survey is to generate a cost-effective data stream available to the stock assessment that is spatially representative and less susceptible to hyperstability than fishery catch-per-unit-effort (CPUE). Stakeholders are more incentivized to ensure information is available to understand the fisheries when they have a greater stake in the fishery.

Pilot surveys for golden king crab began in the EAG and WAG in 2014. In August 2015, a fully developed stratified random survey design was successfully implemented in the EAG fishery, and has continued every year since with the exception of 2020. The survey was extended to the WAG fishery, with pilot surveys beginning in 2016 and a more fully developed survey in 2018. Survey data is available for 2015- 2022 in the EAG and 2018 and 2019 in the WAG.

accounted for, it is discarded because it is no longer marketable. Thus, deadloss which is properly accounted for is not a biological concern; however, it can be an economic one.

Table 21 Number of strings and pots sampled, total number of male crab measured, and proportion of legal and sublegal crab measured (of total caught per category) per survey in the EAG

				Proportion Measured	
Suvrey Year	Strings Sampled	Pots Sampled	Males Measured	Legal	Sublegal
2015	63	339	5,089	0.34	0.44
2016	62	304	3,998	0.33	0.27
2017	47	212	3,849	0.40	0.33
2018	48	235	3,323	0.26	0.18
2019	47	293	6,190	0.68	0.60
2021	46	298	6,665	0.81	0.85
2022	55	374	10,276	0.72	0.88

Source: AIGKC 2024 SAFE, Appendix C: AIGKC Cooperative Pot Survey, November 2023.

Surveys occur during the first month of each fishing season with one to two ADF&G biologists onboard the fishing vessel to collect fishery and biological data. Participating vessels set pot strings at pre-determined stations and later pick strings with ADF&G staff on board. Fishing operation takes place in a randomly selected set of grids in each stratum with long-line pots. As described in the 2021 public comment, and within a 2019 report to the Crab Plan Team (Siddon, 2019), the survey is shown to be logistically feasible, covers nearly the entire fishing area, and is cost effective ($150,000-$200,000 for the EAG+WAG, as of 2019). It was recognized that the survey does increase costs to the fleet due to the additional run time (fuel costs) and days fishing. Anecdotally, some skippers have indicated that they have observed excellent fishing in areas that they would not have fished if there was no survey, and will likely fish these areas in the future.

There has been much effort to make cooperative survey data available to the assessment process, however these data have not yet been utilized in final stock assessment models. In the 2024 stock assessment cycle, multiple model iterations were drafted to try to incorporate cooperative survey data (presented as 25.1 and 25.1b of Jackson 2024b). As noted in these documents, these data were ultimately not used in the final 2024 stock assessment model, in part due to data limitations resulting from logistic constraints in the 2024 survey effort[14]. There was no 2025 cooperative survey. Models utilizing survey CPUE and size composition data were not recommended by the CPT and SSC for the 2025 final assessment due to unresolved misspecification associated with fishery CPUE index data. However within Section H of the 2025 SAFE document, continuation of the pot survey was noted as a research priority.

Analyses and summaries of cooperative survey data can be found in Appendix A of the 2024 SAFE Report (Jackson et. al, 2024).

A.2 History of AIGKC Season, and Season Timing Considerations

The BSAI Crab FMP authorizes the State to make in-season adjustments to fishing period lengths, so long as opening and closing dates remain within the bounds of the federal crab year (spanning July 1 to June 30). By State regulation, the first crab fishery (Aleutian Islands golden king crab) opens on August 1 and the last crab fishery (Bering Sea snow crab) closes on May 31.

Regulation (5 AAC 34.610(b)) sets the commercial fishing season for golden king crab in the Aleutian Islands Area as opening on 8/1 and closing on 4/30. The three-month gap between closing and opening dates was structured to provide maximum fishing opportunity under the CR Program while allowing ADF&G adequate time to analyze stock assessment data collected during the crab fishing year.

[14] Additional detail available in Sept. 2024 CPT documents, at https://meetings.npfmc.org/Meeting/Details/3055

Historically, the AIG fisheries are the first CR Program fisheries to open. AIG season timing is unique from other CR program fisheries due to the asynchronous nature of golden king crab life history events. Molting and mating behavior occurs year-round, and there is no clearly defined seasonality to biological rhythms. As a result, AIG season dates are flexible relative to other crab stocks and can be structured to primarily suit stakeholder preference. The fishery is uniquely able to occur during summer months due to the favorable weather conditions.

A.2.1 AIG Season Changes Considered or Adopted by BOF

Over the past two decades, stakeholders in the AIG fishery have periodically submitted proposals to the BOF and the Council seeking modifications to season start and end dates. Only one proposal was ultimately passed by the BOF, which modified the regulatory season from 8/15–5/15 to the 8/1–4/30 season in current regulation. That change became effective in 2015/16[15]. The underlying problem remains: increasing operating costs for processing plants makes landing golden king crab during the traditionally slow periods in November, December, and January cost-prohibitive.

All proposals submitted to the BOF, or the Council, to consider modifications to AIGKC season timing are summarized below.

1) **2011, BOF Proposal 299 (FAILED): Extend EAG/WAG season past regulatory closure date (5/15) if TAC left unharvested.**

Proposed by the Golden King Crab Harvesters Association, which held the majority of federal IFQ in both the EAG & WAG fisheries. Proposed due to issues utilizing full GHL due to problems surrounding regional delivery requirements & limited regional processing capacity. **ADF&G opposed the proposal because it would not afford [ADF&G] adequate time to assess stock conditions,** and would truncate the time available to the CPT to compile and analyze data needed to recommend OFLs/ABCs. **Proposal was not passed by BOF.**

2) **2014, BOF Proposal 349 (PASSED)**
   a) **Version A (FAILED) Change AIG season to 5/15–2/15.**

Proposed by Chad Hoefer. Proposed due to issues with processing plant closures in the winter months, which limit delivery options for AIG CVs. Proposer also noted that opening the AIG fishery during summer months would allow for harvest to occur during optimal weather conditions, and would increase safety and efficiency. **ADF&G opposed the 5/15-2/15 proposal,** noting multiple issues with changing season opening and closing dates outside of the federal crab fishing year.

   b) **Version B (PASSED): Change AIG season to 8/1–4/30**

Substitute proposal submitted in response to ADF&G considerations. This two-week shift avoided administrative issues associated with the original proposal. It also retained the 3-month closure window necessary to complete stock assessments, cost recovery processes, and issue IFQ. **ADF&G supported this proposal, and the BOF adopted this regulatory change. Implementation was delayed until the 2015/16 crab year, which allowed NMFS time to implement regulatory revisions that would accommodate the season change.** The new season dates required changes to the RCR reporting period and deadline, and to the IFQ application deadline and process. These changes were implemented in March of 2015 via 80 FR 15891, in conjunction with Amendment 31.

[15] The shift to an August 1st start date was implemented by the BOF in response to a proposal highlighting issues with AIG fishery timing. The BOF shifted the season dates from 8/15-5/15 to 8/1-4/30 in response to a 2014 proposal. Additional detail on the history of AIGKC season considerations and prior proposals to change the season dates are included in Section 8.2.2 below.

3) 2020, BOF Proposal 266 (WITHDRAWN): Change AIG season dates to 3/1–10/31

Proposed by Mark Henkel. Proposer described issues, similar to those in the 2014 proposal, with processing timing, efficiency, and closures occurring between November and early January. According to the proposal, a significant portion of AIG quota is landed during this period, and there are limited options for AIG CVs to offload deliveries to processors.

ADF&G opposed implementation due to the administrative issues highlighted in their opposition of 2014 Proposal 249. [ADF&G] also noted that CDQ is regulated by [ADF&G], and issuance of CDQ is largely independent of federal application, permitting, data reporting, and cost recovery processes. NMFS also submitted public comment, describing in detail the regulatory and administrative challenges that would arise if AIG seasons moved outside the bounds of the federal crab year. After these oppositions were submitted, the proposal was withdrawn, and proposer recommended the BOF take no action.

A.2.2 AIG Season Changes Implemented via State Authority

Outside of setting new regulations via the BOF, the State has the authority to open a crab fishing season by emergency order on or after July 15, to accommodate survey and stock assessment needs (5 AAC 34.610(b)(2)). The AIG opens via regulation on August 1, but the State used its emergency order authority to open the season early in five of the last seven years (2019, 2021, 2022, 2023, and 2024). The AIG seasons opened on the regulatory 8/1 date in 2020 and 2025, corresponding with years in which the AIGKC cooperative survey was not administered.

In most years with early AIG fishery openings, the State opened the EAG CDQ fishery on 7/1, and opened the remaining AIG fisheries (EAG/WAG IFQ fisheries and WAG ACA fishery) on 8/1. As noted in ADF&G's opposition letter to BOF Proposal 266, CDQ is regulated by ADF&G, and issuance of CDQ is largely independent of federal application, permitting, data reporting, and cost recovery processes. Therefore, opening only the CDQ fishery early avoided many of the regulatory and administrative issues associated with pre-8/1 fishery openings.

However, in the 2019/20 crab year the State used their authority under 5 AAC 34.610(b)(2) to open all AIG fishery seasons on July 15 to accommodate survey and stock assessment needs. In that year, NMFS struggled to issue IFQ/IPQ in time for the opening of the fishery because numerous processors had not paid their fees, which were not due until July 31. Because some fees were not paid by July 15 (two weeks earlier than outlined in regulation), some permit holders were flagged and not included in the QS calculation pool which caused share-matching calculations to be inaccurate. To correctly issue IFQ/IPQ in time for the July 15 season opening, development staff had to modify database tables each time an entity paid their fees, which took time and resources.

Should the State's fishing season change to a timeframe outside of the federal crab year, participants in the AIGKC fishery would still need to adhere to all deadlines currently in federal regulation, unless corresponding federal regulatory amendments are made. Due to the issues with opening the AIGKC season on July 15, it is unlikely that NMFS will be able to issue IFQ permits before August 1 in the future without a regulatory change and modifications being made to the software system NMFS uses to administer CR Program fisheries permits (ALDERS). If the season is set to begin before payment of cost recovery is due on July 31, this discrepancy could cause administrative difficulties with preseason IFQ issuance, and IFQ issuance could be delayed if payment of fees is not received before the regulatory due date. In addition, NMFS would be unable to issue permits outside of the timeframes currently in regulation. The federal system assumes that there is no CR fishing in June or July, the timeframe NMFS uses to calculate and determine cost recovery.

A.3 Administrative Challenges due to Shifting Seasonal Timing

The federal system assumes that there is no CR fishing in June or July, the timeframe NMFS uses to calculate and determine cost recovery fee liabilities, standard prices, and the fee percentage applicable to the following crab fishing year. The three-month gap between closing and opening dates was also structured to provide maximum fishing opportunity under the CR Program while allowing ADF&G adequate time to analyze stock assessment data collected during the fishing season.

The regulatory process to establish harvest limits and allocate quota is complex, and compressed into a relatively tight and coordinated schedule during the 3-month closure. In general, the annual stock assessment process begins each winter, yielding abundance estimates used to inform state and federal harvest control rules for the following season. The NPFMC Crab Plan Team recommends an ABC and OFL each May, and the NPFMC sets them during scheduled June meetings. After federal harvest limits are adopted, ADF&G computes and sets annual TACs during mid to late June. After TACs are announced, NMFS determines and collects the required cost recovery fees for the upcoming federal fishing year, issues permits, and facilitates price arbitration. Once all fees are collected, NMFS issues AIG quota shares and ADF&G opens the fishery on August 1.

Invoices are then issued at the end of the crab fishing year, and must be paid prior to the start of the next. This timing constraint adds additional complexity to the cost recovery process. The timing of the annual cost recovery process has, at times, constrained when vessels could begin fishing in the AIG fishery because all fees must be paid prior to NMFS issuing IFQ permits.

The timing of the CR program and the cost recovery deadlines are outlined in Figure 5. As shown in the figure below, the fee percentage is calculated based on the program costs and fishery value for the previous crab fishing year. That percentage is applied to landings that occur during the crab fishing year. To administer BSAI rationalized crab quota distribution and fee collection programs, federal regulations (50 CFR 680.2) define the crab year as spanning July 1 through June 30 of the following calendar year. In other words, fees are based on the standard prices and fishery value of landings from the prior fishing year, but are applied to the landings of the current year. This creates a one-year offset in the fee liabilities.

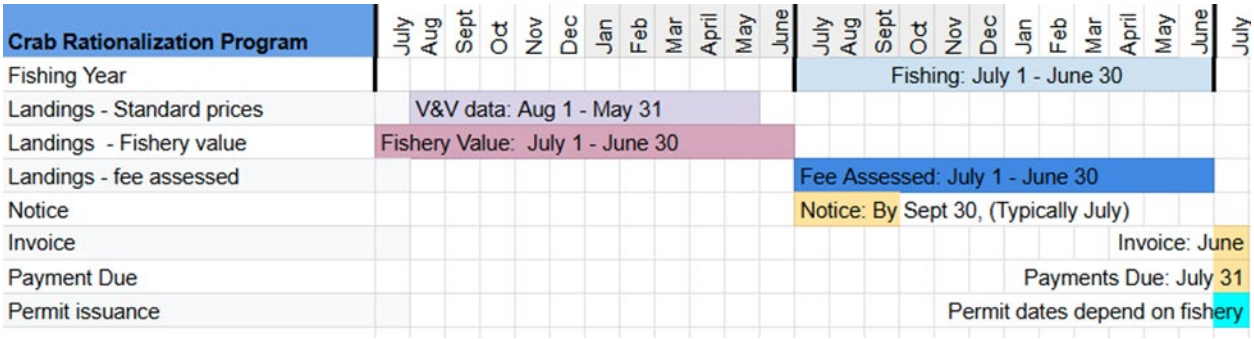

Figure 5 Timing of the Crab Rationalization Program, landings used to calculate standard ex-value prices, landings used to estimate total fishery value, and landings used to calculate fee liabilities.

The early AIG season start dates are just one of several shifting seasonal dynamics occurring in the BSAI CR Program. For example, the 2011/12 BSS season was extended to June 15 via ADF&G Emergency Order due to extensive sea ice on prime fishing grounds. In years without season extensions, deliveries for some crab species may occur into June. State regulations for Tanner crab species taken in Registration Area J (Bering Sea) or a portion of that area allow vessels a buffer of 24 to 72 hours to land crab after the season closure, depending on the port of delivery (5 AAC 35.556). BSS deliveries occurred in early June for the 2020/21 and 2021/22 seasons due to some vessels fishing up to, and delivering past, the state regulatory closure of May 31.

Shifting seasonal dynamics in the BSAI Crab Rationalization Program create challenges for both industry and managers with respect to cost recovery. IFQ can only be issued after all involved QS holders have paid all associated cost recovery fees; therefore issues arise via both the earlier AIG season start dates (requiring earlier issuance of IFQ), and seasonal extensions (delaying submission of key data reports that feed into cost recovery calculations).

Historically, cost recovery processes assumed a two-month off-season during a period of no fishing between June 1 and August 1, allowing time for data reconciliation and fee assessments. The shifting seasonal dynamics require that NMFS now manage the cost recovery processes on tight timelines, straining resources.

A.4 Regulations Tied to Crab Fishing Year

The crab fishing year is referenced throughout federal regulation to describe the time period for many actions: calculating the crab cost recovery fee liability, the timeframe for which federal permits (IFQ, IPQ, Registered Crab Receiver, and federal crab vessel permits) are valid; the amount of time records must be kept; participation requirements to be eligible to hold IFQ; harvest limitations for vessels that participate outside of a cooperative; arbitration agreements; the effective dates for a Western AIGKC exemption from the west regional delivery requirement; timeframe for the eligible crab community organization (ECCO) annual report; and calculating catcher/processor (CP) ex-vessel value. These reports, applications, and fees apply to all crab fisheries in the CR program, including AIGKC.

A.4.1 Registered Crab Receiver (RCR) Reporting Requirements & Considerations

Regulations at § 680.5(m) require a RCR that also operates as a shoreside processor or stationary floating crab processor and receives and purchases landings of CR Program crab to submit annually to NMFS a complete Ex-vessel Volume and Value Report for each reporting period in which the RCR receives CR Program crab. Under current regulations[16] the RCR reporting period spans from 8/1 to 5/31, and reports are due on 5/31 (50 CFR 680.5(m)(3)). The 3-month window between the closure and start date was structured to provide maximum fishing opportunity under the CR program while allowing ADF&G adequate time to assess fishery data after the fisheries close. The RCR reports include identifying information, location of facility or vessel, CR crab program, CR crab pounds purchased and the ex-vessel value of catch. All information within these reports must undergo rigorous reviews for accuracy and completeness by NMFS immediately after receipt, since the data is used to calculate invoice amounts that must be paid prior to the start of the next fishing season.

This report is due by May 31 and is used to calculate the annual cost recovery fee percentage. Invoices are generated and mailed to RCR permit holders and payment is due by July 31. If fees for RCRs are not paid before the annual IFQ process takes place, processor quota shares (PQS) cannot be issued. If PQS is not issued for all processors, crab cooperative representatives are unable to correctly determine share matching between IFQ and IPQ.

After Amendment 31 was implemented, CR program seasonal timing has continued to shift. Some crab fisheries now extend into and through May, which reduces the window available for rigorous reviews of RCR information prior to its use in cost recovery invoicing. This has made it challenging to meet cost recovery deadlines. Though the 5/31 deadline still encompasses all regulatory seasons for all CR program

[16] The current reporting period and regulatory deadline for RCR Ex-vessel Volume and Value Reports was implemented through Amendment 31 in 2015 in response to an AIG season change implemented by the BOF (80 FR 15891, 03/26/2015). After the BOF moved the AIG start date to 8/1, NMFS noted that the RCR reporting period (8/15 to 4/30) would no longer cover all crab fishing seasons, and any deliveries of CR Program crab prior to August 15 and after April 30 would not be included in the report. NMFS noted in the Proposed Rule that the adjusted reporting period would allow the RCR to capture any deliveries that occur from the start of the season and any deliveries that occur shortly after the season has closed.

fisheries, deliveries can occur post-closure for some fisheries via 5 AAC 35.556, and seasons can be extended via emergency order. As described earlier, both cases have only occurred in the BSS fishery thus far. However, additional flexibility in volume and value report due dates may be one path to alleviate administrative issues caused by vessel deliveries past May 31.

A.4.2 IFQ/IPQ Permit Issuance

Per regulations at § 680.4(f), an IFQ/IPQ permit application is due to NMFS by June 15 each year. For an application to be considered complete, all fees required by NMFS must be paid, and any EDR required under § 680.6 must be submitted to the data collection agent. Applications not entered in ALDERS by the due date are flagged for untimely submission; they are not included in the quota share (QS) pool calculation and the applicant cannot be issued permits until the flags are manually removed.

The cost recovery/IFQ issuance timeframe is uniquely constraining for the issuance of AIG IFQ due to the early opening dates of these fisheries. Between the 5/31 RCR volume and value report due date and the 8/1 regulatory AIG fishery opening date, NMFS staff verify and assess all data submissions, calculate and issue bills, then collect bills before issuing IFQ. Adequate time must be built in between issuing bills and the 7/31 collection deadline; delays in issuing invoices can truncate IFQ holders' ability to pay bills before issuance of IFQ for the upcoming season. If any invoices are outstanding before the season starts, NMFS staff contact individual QS holders and acquire all relevant information and bill payments before any Crab IFQ is issued. The 3-month window established via Amendment 31 has historically been sufficient for all these processes to occur. However, the issuance of AIG IFQ can be delayed if the late submission or non-submission of RCR volume and value reports delays the cost recovery process, or by fee payment delays if there is an early AIG season opening.

As described earlier, the BOF's 2015 season opening modification was the impetus for revising the timeline of the entire RCR process in Amendment 31. Since then, additional proposals have been submitted and considered to revise the AIGKC start date, including the Council's 2021 motion initiating this discussion.

A.4.3 Economic Data Report (EDR)

This report is due July 31 and is submitted to Pacific States Marine Fisheries Commission for review. If these have not been submitted by the due date, the annual IFQ process will flag any of the associated permit holders, cooperatives, or processors and prevent them from being included in the QS calculation pool. However, in October 2025, the Council recommended removing the requirement to submit EDRs under the CR Program, and NMFS is in the process of evaluating that recommendation and developing a proposed rule to implement it..[17]

A.4.4 Recent Participation Requirements

The due date for reporting of recent participation is June 15. Applicants must provide proof of recent participation in the crab fisheries for at least one of the three previous crab years. If this is not provided by June 15, NMFS notifies the individual and provides them with an opportunity to submit it within 30 days. If the applicant wants to join a cooperative but does not provide recent participation proof before the fishery opens, they are excluded from the cooperative QS pool, and share matching between IFQ and IPQ will not be correctly calculated.

[17] Motion for Council final action to revmoe EDRs is available under Agenda Item C6 on the October 2025 Council eAgenda: https://meetings.npfmc.org/Meeting/Details/3095

A.5 Potential Regulatory or Administrative Changes

This section describes the potential regulatory or administrative changes that could be analyzed to allow fishing in July.

The current structure of the CR cost recovery process is one administrative process that applies to all of the CR Program fisheries, including that all fees must be paid prior to issuance of IFQ or IPQ permits.

In April 2025, NMFS provided information in a draft discussion paper (Cost Recovery Process and Timing[18]) that considered broad changes to the crab cost recovery process to design a more efficient process that is more similar to the administrative process for other cost recovery programs. This approach included the potential for wholesale revisions to the entire CR Program cost recovery process, which would result in changes that affect all CR Program fishery participants. At that meeting, the Council recommended further analysis of the issues presented in the paper, however did not provide specific direction that indicated support for wholesale revisions. Therefore, this document focuses on a narrower range of potential solutions to allow the AIGKC fishery to begin in July.

Potential regulatory approaches that could allow the AIGKC fisher to operate in the month of July include:

1) Modify the Crab Fishing Year for AIGKC.
2) Modify the crab fishing year for all CR Program fisheries.
3) Create an exception to allow the issuance of AIGKC IFQ and IPQ permits prior to the fee payment due date.

Modify the Crab Fishing Year for AIGKC or All CR Program Fisheries

The June 2021 Council motion explicitly requested information on changes to the crab fishing year for golden king crab. The crab fishing year is defined in regulations at § 680.2 and means the period from July 1 of one calendar year through June 30 of the following calendar year. The "crab fishing year" is referenced 124 times in part 680. If there were to be a new or separate crab fishing year established for only the AIGKC fishery, the following list of regulations would need to be reviewed to evaluate if changes are necessary:

- definitions at § 680.2 relevant to the cost recovery process such as "CP standard price" and "crab fee percentage,"
- duration of CR Program permits (Crab QS permit at § 680.4(b), crab IFQ permit at § 680.4(d), crab IPQ permit at § 680.4(e), RCR permits at § 680.4(i), and Federal crab vessel permits at § 680.4(k). Currently there is one annual application for for all crab IFQ and IPQ permits specified at § 680.4(f). This application is due to NMFS by June 15 each year.
- Regional delivery requirements at § 680.4(p) reference the crab fishing year.
- Recordkeeping and reporting requirements reference the crab fishing year in terms of the duration of retention of records, and the period of reporting (such as for annual reporting requirements)
- Certain provisions of the arbitration process are based on the crab fishing year such as the limitation on joining an arbitration organization, and the submission of an annual report (§ 680.20(d).

Due to the foundational nature of the crab fishing year definition and the number of CR Program provisions that are based on the crab fishing year, NMFS recommends honing in on a solution that better fits the scope of the problem.

[18] Available under Agenda item D1 on the April 2025 eAgenda at: https://meetings.npfmc.org/Meeting/Details/3080.

An alternative approach could be to establish a separate crab fishing year for just the AIGKC fishery. This approach would necessitate creating a separate cost recovery cycle for the AIGKC fishery. Again, **NMFS does not recommend this approach, because creating a parallel regulatory program for a single crab fishery would create substantial inefficiencies.** This would also not be consistent with how NMFS currently tracks costs (combined for all CR Program fisheries), and it would likely be costly for both the AIGKC fishery participants, and participants in other CR Program fisheries.

Create an exception for AIGKC permit issuance

As described in Section 8.4.2, regulations at § 680.4(f) state that in order for annual applications for crab IFQ and IPQ permits to be considered complete, all fees required by NMFS must be paid. The problem seems to be limited to the specific timing of issuing AIGKC permits relative to the cost recovery fee payment due date. However, the Council could consider options to provide an exception to the regulatory requirement specified at § 680.4(f) to allow issuance of AIGKC IFQ and IPQ permits prior to the payment of the current year's cost recovery fees. Currently, the administrative consequence of not receiving an IFQ or IPQ permit for the subsequent fishing year is quite effective in ensuring cost recovery fees are paid for the previous fishing year. NMFS would recommend maintaining some type of administrative consequence for the AIGKC fishery, however it could be possible to continue to maintain some type of administrative consequence for non-payment, even if that means delaying the consequence until the subsequent crab fishing year.

Additionally, regulations at § 680.41(i)(6) and (k)(6) restrict the transfer of crab permits if there are unpaid fees. This prevents the transfer of QS/IFQ and PQS/IPQ if there are outstanding fee liabilities that are due to NMFS.

If the Council wishes to continue to analyze options that allow the issuance of AIGKC IFQ permits in the month of July, NMFS recommends consideration of an option that would **create an exception to allow the issuance of AIGKC IFQ before the fee payment due date and maintain an administrative consequence for non-payment of annual fees.**

Below are the regulations relevant to the administrative consequences for non-payment of CR Program cost recovery fees:

> § 680.4(f) *Contents of annual applications for crab IFQ and IPQ permits.*
>
> (1) A complete application must be received by NMFS no later than June 15 (or postmarked by this date, if sent via U.S. mail or a commercial carrier) for the upcoming crab fishing year for which a person is applying to receive IFQ or IPQ. If a complete application is not received by NMFS by this date, or postmarked by this date, the person will not receive IFQ or IPQ for the upcoming crab fishing year. In the event that NMFS has not received a complete and timely application by June 15, NMFS will presume that the application was timely filed if the applicant can provide NMFS with proof of timely filing.
>
> (2) **For the application to be considered complete, all fees required by NMFS must be paid,** and any EDR required under § 680.6 must be submitted to the DCA. In addition, the applicant must include the following information:
>
> (i) *Applicant information.*
>
> (ii) *Crab IFQ or IPQ permit identification.*
>
> (iii) *Identification of ownership interests.*
>
> (iv) *Certification of ROFR contract for crab IPQ permit.*
>
> (v) *Documentation of affiliation.*
>
> (vi) *Certification of applicant.*
>
> * * * * *

§ 680.41(i) *Approval criteria for an Application for transfer of crab QS/IFQ or PQS/IPQ.* Except as provided in paragraph (f) of this section, an application for transfer of QS/IFQ or PQS/IPQ will not be approved until the Regional Administrator has determined that:
* * *
(6) **The person applying to make or receive the QS, PQS, IFQ or IPQ transfer has paid all IFQ or IPQ fees described under § 680.44; or has timely appealed the IAD of underpayment as described under § 680.44;**
* * *
§ 680.41(k) Application for transfer of crab QS/IFQ to or from an ECCO.
* * *
(4) *Attachments to the application and other conditions to be met.*
(i) Indicate whether the person applying to make or receive the QS, PQS, IFQ or IPQ transfer has submitted an EDR, if required to do so under § 680.6, **and paid all fees, as required by § 680.44.**
* * *

A.6 References:

2024 Sept. CPT report: https://meetings.npfmc.org/CommentReview/DownloadFile?p=43429e8a-cbba-4ff6-a954-ba1ccdefdafc.pdf&fileName=C1%20CPT%20report%20.pdf

2025 AIGKC SAFE: https://meetings.npfmc.org/CommentReview/DownloadFile?p=8f50bcad-8229-43cb-a2c9-2a23cd2201fd.pdf&fileName=C2%20AIGKC%20SAFE%20.pdf