

D3 IFQ/CQE Motion

AP Motion

The AP recommends the Council adopt a Purpose and Need and the following suite of alternatives for initial review. The Purpose and Need could include these recommendations:

- Commercial fisheries have long served as the cultural, social, and economic foundation for coastal Alaska communities, providing jobs and income, food security, and multi-generational knowledge and cultural transfer.
- While the CQE program was designed to create greater access for GOA communities, over the past two decades, the high cost of halibut IFQ and administrative burden of starting and managing a CQE has limited its success.
- The CQE program intended to maintain commercial fishing opportunities in rural coastal Alaskan communities to revive economic opportunity and rebuild infrastructure essential to the harvesting, processing, and marketing of seafood, the local employment and economy, the generations of connections to the sea, and the long-term viability of the community itself.
- These actions intend to help enhance access to the halibut and sablefish resource by residents of fishery dependent communities.

Alternative 1: No Action

Alternative 2: Modify the following provisions of the IFQ and CQE programs:

Element 1. Allow time tendering in any US federal or state commercial fishery to count towards the 150-day eligibility requirement to receive IFQ or QS by transfer (TEC).

Element 2. Replace the existing NMFS interim policy with a regulation to establish a minimum age to be eligible to receive IFQ or QS by transfer:

- a. 11
- b. 14
- c. 16

Element 3. Allow a CQE to assign and manage quota in-season through the use of the hired master system.

- a. Waive minimum eligibility requirements (TEC) for eligible fishermen fishing CQE quota similar to the regulations for hired masters.
- b. Allow QS or IFQ transfers to persons under 18 years of age.

Element 4. Increase the amount of quota an individual GOA CQE can hold. (No change to the overall cap for the entire program: 21% of the total halibut QS and 21% of the total sablefish QS in each IFQ regulatory area in which CQEs are eligible to hold QS)

- a. Area 2C (per community)
 - i. 1% (status quo)
 - ii. 1.5%
 - iii. 2%
- b. Area 2C, 3A,3B combined (per community)
 - i. 0.5% (status quo)
 - ii. 1%
 - iii. 2%
- c. Recommend changes to the CQE regulations to allow a regional CQE to hold up to the community level cap for each individual community it represents.

Element 5. Waive the prior notice of landing requirement and restricted unload hours for small IFQ deliveries. Analysis should include consideration of Element 6 and the ability of tenders to receive IFQ delivery at an amount sufficient to service a remote CQE community without a currently operational processor.

- a. 1000 lbs
- b. 1500 lbs
- c. 2000 lbs

Element 6. Expand IFQ unloading areas by:

- a. Adding All GOA CQE communities listed in table 21 to Part 679 in 50 CFR
- b. Provisions to tie Element 5 and 6 together
- c. Allowing IFQ to be received by a tender vessel for delivery to a buying station or registered buyer in a port.

None of these elements are mutually exclusive and may be selected in combination.

Motion passes 17-0

Rationale in Support of Motion

- *The motion is responsive to the majority of oral and written public testimony received by the AP. However, the motion maker did clarify that while these alternatives and elements do not address some issues specific to the community of Adak, that omission should not be interpreted as action not being necessary. Rather, the motion maker felt there were larger nuances specific to Adak that were challenging to fit into this action and that the AP should defer to the Council taking those into consideration as to how to address them.*

Specific to Element 1:

- *This expansion would help broaden access to a TEC without eroding the initial premise to make IFQ available to crew members from fishing vessels by providing additional opportunities for deckhands to accrue days towards their TEC requirements. Tendering is an entry level position into the commercial fishing industry, many tender crew go on to also work on harvesting vessels, sometimes even the tender vessel also prosecutes fisheries outside of their tendering season.*
- *The motion maker noted that Element 1 was modeled after a similar change made in the Crab Rationalization Program.*

Specific to Element 2:

- *The AP heard public testimony that CQE's have youth under 18 who have interest in fishing the CQE quota. Across Alaska and especially in rural coastal communities, fishing families raise their kids on their commercial fishing boats and start crewing with their parents. Some have even gone on to their own quota by the ages of 10, 12, 14 and CFEC limited entry permits by the age of 16.*
- *The AP noted that although the discussion paper indicated potential legal issues with contracts and responsibilities associated with IFQ transfer and ownership, parental consent or co-signature is commonplace and could easily replace these concerns.*

Specific to Element 3:

- *The AP noted that administrative work for the CQE is heavy, especially when working with larger volumes of fishermen which equates to larger volumes of paperwork and reporting. The current QS transfer system for the CQE is burdensome and troublesome from an administrative perspective.*
- *The AP heard testimony that when managing A shares or hired masters with the hired master system under eFish, the administrator is able to assign quota to the fishermen as*

needed as well as track landings and progress throughout the season. However, when the CQE program was developed, using a similar system for eligible community member use was an oversight. The CQE quota is always owned by the community CQE, and only temporarily/seasonally transferred to the eligible community member. But the current transfer system treats this quota like regular quota and it is transferred to the community member, but then cannot be tracked or differentiated from other quota owned or used by this individual. In addition to challenges for the CQE and community members using, the lack of tracking has also posed problems for enforcement and the agency when looking at landings, vessel use caps and individual use caps.

- *The AP noted that the inability to both track and differentiate the CQE quota is more than just a CQE administrative problem. We highly recommend addressing this issue now rather than waiting for the IFA to be developed. The AP felt that the Agency can use the current hired master system and create a mechanism to designate the CQE quota to this system. This would decrease the overall burden on both the CQE administration, RAM/NMFS staff as well as enforcement.*

Specific to Element 4

- *The AP noted that IFQ ownership caps in the sablefish and halibut fisheries are important to preserve a larger, diversified fleet of vessels. This action has potential to provide more economic benefits to be distributed in the communities and allow CQE's to provide larger blocks of quota to eligible community members. The overall CQE program cap of 21% would remain unchanged and increases should still be tied to abundance, measured as a percentage of the IFQ and vary annually with TAC setting.*
- *A regional CQE that represents multiple communities is currently held to the same individual community cap. When quota is purchased for the CQE it is designated to the community it will be used in. It cannot be easily transferred or sold and is held by that community and made accessible to only residents of that community. The regional model is allowed under current regulations, but as written, the regulations do not provide the same opportunity for the regional model CQE communities as a single community CQE.*
- *Many CQE's feel the current cap levels are constricting, especially when looking for long term funding and investment in the program. To make a true economic impact on a community, the more quota made available to the residents, the better.*

Element 5

- *There are numerous small boat fishermen who target small amounts of IFQ on shoulder seasons or between openers for state fisheries. These vessels are largely restricted in their ability to go out in unfavorable weather conditions and utilize short weather windows to prosecute their fishery. The PNOL is required for any targeted IFQ landing and between enforcement, call center and processors this restricts offload hours from 6 am to 6 pm. It also requires a vessel to call in their landing 3 hours prior to the offload beginning. For most small vessels, they will not have the ability to make that call until they are back in cell service, near town which often leads to a delay in delivery that can add an extra day to a vessel's ability to turn around and leave the dock again.*
- *The analysis notes that these deliveries make up 46-50% of total deliveries but only 6.8-11% of the total halibut IFQ landed weight. We would encourage further analysis to include a cost analysis of monitoring this level of catch. There is a potential that a disproportionate amount of money is being spent for a modest return in data.*
- *Removing the PNOL would not necessarily mean that 46-50% of these landings would go unmonitored, it would mean that enforcement would not have 3 hours notice prior to the landing. Most enforcement offices are located within minutes of the dock and offloads can still be monitored during normal operating hours or as needed.*
- *The PNOL was intended to allow enforcement the opportunity to access remote or unmanned ports throughout Alaska.*

- *We would encourage further analysis to also show how many of these landings are occurring in remote, unmanned ports versus ports with enforcement offices where landings can easily be audited without the 3 hour notice needed to transit to a remote port.*
- *This element pairs with Element 6 because it would allow tenders to receive deliveries in remote ports.*

Rational Specific to Element 6:

- *Many CQE communities do not have an operational processor, nor easy access to a processor. They are also not all on the list of designated ports for offload regardless of their history as commercial fishing ports. This creates large barriers to participating fishermen and limits participation to community residents with a larger vessel that can access the processors in other communities. In the summer months when most CQE fishing activity is occurring there are a large number of tender vessels operating and transiting in many GOA regions, especially in SE Alaska. This request for analysis is to increase opportunities for communities which were once thriving fishing communities with active processors to rebuild their fleets and provide market access for their fish that does not require potentially dangerous and long distance transit to the nearest larger community with an active processor.*
- *This action would be best combined with the request in Element 5 to remove the PNOL to allow the vessels the flexibility to work with the tenders schedules. This would also be largely utilized for deliveries under 2000lbs and the AP would recommend them being analyzed together.*
- *A registered buyer permit is not as simple as it sounds; it requires permitting from the State of Alaska department of revenue, ADFG, DEC and other equipment constraints. Tenders are operating for processors which hold these permits for their facilities. It would be helpful if this requirement could be waived or if a tender could act as a buyer for their employer who holds the Registered Buyer Permit.*