

ADVISORY PANEL Motions and Rationale December 3-6, 2024 - Anchorage, AK

D5 IFQ Program Review

Motion 1

The AP recommends the Council accept the 2024 IFQ Program Review with the following changes:

- Revise tables on p. 131 and update tables 46-49
- Revise tables 57 and 58
- Incorporate recommendations from the IFQ committee

The AP recommends that the Council initiate a discussion paper considering the following items:

1. Mechanism for timely in-season transfer of CQE IFQ between members of a CQE.
2. Changes to the Transfer Eligibility Certificate
 - a. Waive or reduce the Transfer Eligibility Certificate Requirement for CQE eligible community residents fishing CQE quota share
 - b. Allow time tendering to count toward the 150 days of commercial fishery participation required for a Transfer Eligibility Certificate. Example language to regulation change could include:
 - i. For transfer of IFQ/QS require that an individual must be a U.S. citizen with at least 150 days of sea time as part of a harvesting crew in any U.S. commercial fishery or on a tender vessel operating in support of a **U.S.** commercial fishery managed by the State of Alaska or in a Federal commercial fishery in the EEZ off Alaska. Individuals may combine their participation as crew on a tender vessel in State and Federal commercial fisheries to meet this requirement.
 - c. Consider a range of options for the Transfer Eligibility Certificate Minimum Age Policy
3. Consider changes to the survivorship transfer privilege regulations at 50 CFR 679.41(k) to determine what happens to QS held by a beneficiary beyond the 3-year period.

Amendment 1 passed unanimously: (add U.S. and strike managed by the State of Alaska..)

Main motion passed: 15/1

Rationale in Favor of Motion

- *The AP thanks Northern Economics and Council staff for a very thorough review of the IFQ program and especially including the socio/economic impacts of the program as well as the detailed data compiled in Appendix 1.*

- *During the AP presentation the presenter and AP members noted some problems with data on some specific figures in the document and recommended that the changes be made to update the data and subsequent findings based on that data.*
- *The IFQ committee made a number of recommendations and requests for clarifications and the AP would encourage the document to be updated with that information.*
- *The IFQ problem is not a perfect system and current economic conditions as well as recent fatalities and safety concerns mirror the fishery prior to rationalization. Vessels are going without necessary maintenance, it's hard to find crew, let alone experienced crew, the cost of operations are starting to outweigh the price of fish and it's become hard to make a living as an IFQ sablefish/halibut fisherman. When a fishery is not economically stable, it's hard to expect a new generation to come into it or allow those who are heavily invested in it to get out.*
- *After IFQ program implementation in 1995, some of the inequities caused by the initial allocation became visible and by 1998, almost a quarter of quota share that was issued to small coastal communities had been transferred away, or the person owning the quota share had moved away. This led to the CQE program formation in 2003, but the CQE program has not been very successful with very few communities owning quota.*
- *Many communities post IFQ saw large changes, Angoon, for example, started with 29 vessels and 33 quota-holders for both halibut and sablefish in 1995. By 2004, both numbers hit 0. As of 2024, there are now four quota-holders who own, in total, about 10,000 pounds of halibut, representing a 91% loss in halibut quota since 1995 in terms of pounds and a 100% loss of sablefish.*
- *AP members noted confidence in the CQE program as a viable program but some changes to relieve the administrative burden as well as the ability for residents to fish quota need to be addressed. For a CQE eligible community resident to receive quota share transfer they need to qualify for a Transfer Eligibility Certificate (TEC). The TEC requires a fisherman to demonstrate 150 days of commercial fishing experience. If you live in a community like Angoon, that no longer has any commercial fishing vessels, it's impossible to gain this experience, let alone exposure to the industry*
- *Many of the CQE eligible communities are predominantly Alaska Native and the traditional home of people who have relied on the sea for thousands of years for food and culture, many of whom practice subsistence fishing for halibut. The AP motion reflects options for reducing or suspending the TEC requirements for residents of CQE communities applying to fish CQE quota. If a fisherman in one of these communities wanted to receive QS transfer other than CQE quota, they would still need a TEC and days towards fishing the CQE quota can apply to these requirements.*
- *Quota share is transferred from the CQE to the fishermen and in the event that they are unable to catch the fish, transfer to another individual is not an easy process. Mechanisms for timely in-season transfer of CQE IFQ between members of a CQE should be considered. This was discussed at the IFQ committee and is noted in both written and public comment from the IFQ committee meeting and this meeting.*
- *The concept of allowing time tendering to count toward the 150 days of commercial fishery participation for quota share transfer eligibility was discussed during agenda item D3. Often tendering is an entry level job in the industry and allows a person to gain on-vessel experience and exposure to a number of commercial fisheries. Many tendermen also fish or go on to participate in other commercial fisheries. The AP recommends considering this for applicability to the TEC requirement for IFQ quota share transfer.*
- *Also noted in the IFQ committee and by NMFS were the TEC Minimum Age Policy and the Beneficiary Transfer Provision, and the AP encourages the Council to task staff with looking into the range of options for both of these regulations.*

Motion 2

The AP requests the council initiate a discussion paper to explore the increase in discards and discard rates of groundfish species in the halibut IFQ fleet since the previous review. Identify whether the level of monitoring during that time period has exacerbated the discard rate, whether there are conservation concerns around the increase in discards and what incentives currently exist to minimize these discards moving forward.

Motion passed: 13/4 (one abstention)

Rationale in Favor of Motion 2

- *The first motion focuses on economic and social follow-on actions from the IFQ program review, but did not address an important objective related to bycatch which is not being met, specifically:
 - *Estimated discards and discard rates of FMP groundfish in the halibut IFQ fleet have increased since the previous review, 2023 reported the highest discard rate of FMP groundfish (55%) since observer data began to be used to estimate discard rates in 2013**
- *This fleet has some of the highest discard rates combined with the lowest observer coverage and it is important to understand why these discards are occurring. Most fishermen are generally not supportive of regulatory and other discards, and are always looking to improve the regulatory process.*
- *The objective related to bycatch is clearly not being achieved under the IFQ program and consideration should be given to why and whether there are adjustments to the program that could be made- improved observer coverage or EM monitoring or other management tools.*
- *MSA National Standard 9 requires that bycatch be minimized to the extent practicable. This is a timely motion since the IFQ review showed that the goal to reduce bycatch was not met. Waiting two more years to see the impact of ODDS changes to improve monitoring in the HAL sector is too long to wait, since the review noted the increase in groundfish discards since the last review. We all have a responsibility to improve retention and reduce discards.*

Rationale in Opposition to Motion

- *An AP member voiced opposition to the motion at this time, but supported the motion in the future. Citing the new ODDS deployment system will lead to more vessels providing data to inform the analysis.*