



IFQ Committee REPORT

December 2, 2024; NPFMC Office and Zoom

The IFQ Committee met to provide feedback on the IFQ Program Review and the Committee Draft Terms of Reference

Committee Members in attendance:

Karla Bush (chair), Brian Dafforn, Craig Evens, Jeff Farvour, Dave Fraser, Natasha Hayden, Jeff Kauffman, Linda Kozak, Buck Laukitis, David Little, Michael Offerman, Peggy Parker, Shawn McManus, Erik Velsko

Others in attendance:

Marcus Hartley, Anna Henry, Taylor Holman, Michael Fey, Maria Davis, Kelci Geary, Alaina Plauche, Brian Brown, Tom Meyer, Alicia M. Miller, Caleb Taylor, Robert Alverson, Paul Clampitt, Marc Carrel, Nels Evens, Tom Gemmell, Karli Tyance Hassell, Lauren Howard, Maddie Lightsey, Connie Melovidov, Lynn Langford Walton, Michelle Quillin, Don Schug, Rebecca Skinner, Rob Wurm, Matt, Jim

The Chair opened the meeting with approval of the agenda and introductions.

IFQ Program Review

Marcus Hartley, Northern Economics, presented the IFQ Program Review Report. This is the second Limited Access Privilege Program (LAPP) Review of the Pacific Halibut and Sablefish IFQ Program. The previous LAPP Review summarized impacts from implementation in 1995 through 2015 and also included data from an aggregated baseline period (1992–1994). The current review has a focus on more recent years (2016–2023) although many of the tables and figures show data back to 1991 or 2000. Mr. Hartley provided background on the requirements for Program reviews and the goals and objectives of the IFQ Program as well as FMP Amendments, Regulatory Amendments, and Emergency Orders that have occurred since the previous program review. The summary of the analytical section included annual catch limits and landings (noting that halibut has seen declines in recent years while sablefish has increased), allocation and distributions of QS (highlighting increased consolidation of allocation and harvests for both fisheries), increased season length, and reduced harvesting and processing capacity. The presentation also covered sections on participation and revenue in the fisheries, owner-operated characteristics of the fleet, new entry opportunities and transferability of QS and IFQ, and community impacts.

Caleb Taylor, NMFS AKRO, presented subsection 2.12 In-Season Management, which covered monitoring updates, enforcement, IFQ Cost Recovery, IFQ transfer administration, and administrative challenges. Mr. Taylor highlighted three NMFS recommendations from the report:

- Interim Transfer Eligibility Certificate (TEC) Minimum Age Policy: NOAA Fisheries established an allowable minimum age policy for the issuance of an IFQ transfer eligibility certificate at 18 years old in 2022 and is recommending initiating a regulatory change to establish a minimum age to be eligible to receive IFQ or QS by transfer based on all applicable laws. This would allow the

Council and NMFS to consider a range of options for what the minimum age should be for an individual to receive IFQ or QS by transfer under the IFQ Program.

- **Beneficiary Transfer Provision:** Under regulation (§ 679.41(k)(3)), following a QS holder's passing, the NMFS Regional Administrator will approve an application for transfer of IFQ for a period of 3 calendar years following the date of death of an individual to a designated beneficiary. In practice, NMFS has been approving transfers beyond the 3-year cutoff. Beginning with the 2025 IFQ fishing season, NMFS will no longer issue IFQ to beneficiaries that have exceeded the 3-year beneficiary window unless they hold a valid TEC. However, there is no regulatory guidance specifying what happens to QS that is held by a beneficiary without a TEC after the 3-year window in which IFQ may be issued to that beneficiary. NMFS recommends that the Council consider if changes to the survivorship transfer privilege regulations at 50 CFR 679.41(k) are necessary to govern what happens to QS held by a beneficiary beyond 3-years.
- **Extended Season:** In recent years the fishing year has begun in early to mid March and ended on December 7th. As the season length has increased, NMFS has less time to complete the end of year annual process to calculate the total value of the fishery and publish the IFQ fee percentage in the Federal Register by December 31. NMFS now has approximately 2 weeks to complete tasks that have historically been completed in 6 weeks. NMFS recommends initiating a regulatory change to adjust the timing of the annual cost recovery process to address the current time limitation for this annual process.

Committee discussion and recommendations

The Committee expressed appreciation to the authors for all the work that went into the document and for providing a complete program review. The Committee had comments or requests for clarity on the following specific issues:

- Questions about product form and surprising trends in recent years from 100% headed and gutted to gutted only for halibut and a larger portion of whole fish or headed and gutted for sablefish.
- Suggestion to look at effort (fishing days) in relation to catch or pounds landed and to display these trends by area. This may reflect trends that harvesters have experienced recently in fishing harder and longer for a smaller amount of catch in the halibut fishery, while for some areas in the sablefish fishery it is easier to catch more with less effort. Analysts noted that data on days fished are only reliably available since 2009.
- Request for clarity regarding definitions of crew members as a crew member can be thought of in many different ways including someone who is not an initial issuee but has a TEC and has purchased QS, someone who has a TEC, someone who is eligible for a TEC, or anyone who is working on a vessel but is not the captain.
- Expanded discussion of the processor participation section 2.6 to more thoroughly address the recent declines in processing and the implications for a program that is designed for owner-onboard catcher vessels to deliver onshore for community benefits.
- Expanded discussion of the HHI and Gini Coefficient.
- Concern regarding the substantial loss of QS holdings in CQE Communities and how this aligns with the program goals and objectives and the conclusion in the report that the review did not identify any unexpected effects (positive or negative) which do not fall under the program's goals and objectives. Although consolidation may have been expected when the program was implemented, some Committee members expressed that this loss of access in small communities was larger than expected and should be noted as such in the report.

The Committee had the following discussion regarding the NMFS recommendations:

- Minimum age policy: the Committee expressed concern that an 18 year minimum age requirement could present a challenge to people who may gift QS to their children or raise their kids on their boats and that it is more restrictive than other age requirements for state permits. The Committee supported NMFS request for guidance to consider a range of options for what the minimum age should be.
- Beneficiary Transfer Provision: one Committee member supported returning QS held by a beneficiary beyond 3-years to the overall QS pool.
- Extended Season: the Committee suggested that a representative from NMFS attend the IPHC conference board and processor advisory board meetings and explain the administrative challenges associated with the length of the fishing season. One member noted that the IPHC has received a proposal for a year-round season and will be considering that proposal at their upcoming annual meeting. Other members noted that there may be other solutions outside of limiting the length of the fishing season which would be particularly challenging considering full catch limits are currently not being harvested. Shortening the season length for halibut may be more possible if the halibut and sablefish seasons were not linked. A shorter season would be especially difficult for the sablefish fishery as TACs have been increasing in recent years.
- The Committee also noted that in an environment with limited capacity for development of Council analyses and regulatory packages, these more policy-oriented issues may not be the highest priority for regulatory work.

The Committee supported further work to address the following proposals for changes to the IFQ Program:

- Allow freezing on board vessels. Given the decline in processor participation and subsequent challenges finding buyers throughout the season, the ability to freeze product on board vessels would allow operators more flexibility and market opportunities.
- Allow targeting of halibut with pots in the Gulf of Alaska (GOA). Fishermen are experiencing more whale depredation in the GOA and the ability to retain halibut when using pots could potentially reduce whale depredation of halibut from hook-and-line gear and would be consistent with regulations in the BSAI. Currently vessel operators must retain legal size halibut (32 inches or greater) caught in longline pot gear while fishing for IFQ sablefish in the GOA if any IFQ permit holder on board the vessel has sufficient unused halibut IFQ for the IFQ regulatory area fished and IFQ vessel category.
- Allow the harvest of 4D IFQ in Area 4C. Since 2005 Area 4C IFQ harvest has been allowed in area 4D, however the reverse is not allowed. The Committee expressed concern that given current issues with whale depredation along the Bering Sea shelf edge, a majority of fishing effort in 4D occurs off St. Matthew Island leading to a high concentration of vessels in a small area and the potential for localized depletion.
- Consistent gear tending requirements in all GOA regulatory areas. Current gear tending requirements are seven days in the Central Gulf and Western Gulf and five days in S.E. Alaska and West Yakutat. Committee members supported this proposal from public comment to promote consistent gear tending requirements in all areas in the GOA.
- Greater in-season flexibility for CQE IFQ transfer between community residents. There was a lot of discussion regarding challenges facing CQE communities and the Committee supported this proposal from public comment as a method to facilitate improved utilization of CQE IFQ.

- Reducing the TEC requirement from 150 days. The current requirement of 150 days of experience working in a commercial fishing harvesting capacity is difficult to acquire given reductions in harvesting opportunities in numerous fisheries. A member of the public noted that the 150 day requirement is a very high bar for CQE community participants. The Committee supports the TEC requirement for harvesting experience but was interested in the potential to reduce the required days from 150.

The Committee did not feel it was appropriate to prioritize these issues as additional proposals may be considered at the AP or Council so this may not be a complete list. However, general Committee discussion highlighted the importance of any solutions related to the reduction in processing capacity, the ability to target halibut with pots in the Gulf of Alaska, and increased flexibility to meet the goals of the CQE program.

Draft Terms of Reference

Anna Henry, Council staff, presented the Committee's draft Terms of Reference (TOR). The Council is requesting that every Committee adopt a TOR to provide clarity and transparency to Committee operations. Committee discussion focused on the expectation that Committee members attend all meetings and that repeated absences may be cause for dismissal and replacement. There was some concern from members that it is often challenging for active fishermen to participate when meetings occur during the fishing season. The Committee recommended that the TOR language reflect an expectation that members communicate their availability and notice staff if they are unable to attend scheduled meetings. The Committee did not support any specific requirement for rate of attendance at meetings. Some members also expressed the desire to have proxies or substitutes when they are unable to attend meetings but noted that the Council has consistently opposed substitute or proxy participation. The Committee encouraged meetings to be scheduled outside or on the "shoulder" of the fishing season when possible but recognized that the timing of Council review of analyses related to the IFQ Program often dictates the timing of Committee meetings and there are few Council meetings that occur outside of the IFQ fishing season. The Committee also agreed with testimony received regarding the ability to participate remotely and suggested the TOR include language specifying that meetings are facilitated to allow virtual attendance.

Public Comment

The Committee received public comment on the draft TORs from Rebecca Skinner and on the IFQ Program Review from Bob Alverson (Fishing Vessel Owners Association) and Linda Behnken (Alaska Longline Fishermen's Association). There were also written comments from Linda Behnken and Natasha Hayden (Kodiak Island Tribal Coalition) that are linked on the [eAgenda](#).