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IFQ Cost Recovery Revisions

Prepared for the North Pacific Fishery
Management Council
June 2026

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Alaska Regional Office and NPFMC

Presentation Overview

- Introduction and Background (Chapter 1)
- IFQ Program and Cost Recovery Annual Process (Chapter 3)
- Alternative 1 - Description and Impacts (2.1 and 5.1)
- Alternative 2 - Description and Impacts (2.2 and 5.2)
- Comparison of Alternatives (5.2.4)
- Golden King Crab Season Start Time (Appendix 1)



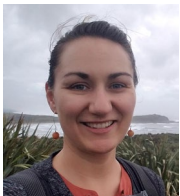
Introduction

(Section 1.3, pg 8)

December 2024 - After receiving the IFQ Program review, the Council initiated a discussion paper to inform options to adjust the annual timing and processes for all of the Council's cost recovery and fee collection programs.

April 2025 - NMFS presented a draft discussion paper identifying a range of inefficiencies and challenges and solicited input on the range of issues that could be analyzed, highlighting IFQ as the most urgent need. Council requested NMFS further evaluate options presented in the paper.

June 2026 - NMFS developed a problem statement and alternatives for analysis in this initial review draft analysis to address the timing challenges with Halibut and Sablefish IFQ cost Recovery.

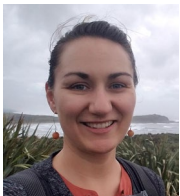


Action at this meeting

- Provide feedback, input or recommendations on the range of alternatives and analysis presented.
- Consider next steps - potentially identifying a preliminary preferred alternative, and
- Consider releasing the analysis for final action

Regarding Golden King Crab season start date-

- consider next steps

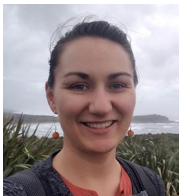


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Problem Statement

(Section 1.2, pg 8)

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.



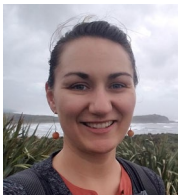
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IFQ Program Snapshot - 2025

(Section 4, pg 25)

Fishery Value \$158.6 million, \$3.7m in direct program costs, 2.4% cost recovery fee percentage.

	Halibut	Sablefish
Permit Holders	1,254	482
Vessels	624	241
Percent Utilization	64%	61.5%
Registered Buyers	87	55
Average Price per lb.	\$7.54	\$1.89



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Cost Recovery Annual Process

(Section 3, pg 16)

- Compile and validate program specific landings by species and month;
- Validate volume and value report submissions;
- Calculate and validate standard ex-vessel prices;
- Apply standard ex-vessel prices;
- Derive and validate the total fishery ex-vessel value;
- Compile and review the incremental agency costs;
- Calculate the annual fee percentage;
- Publish notice of standard ex-vessel prices and fee percentage in the Federal Register;
- Apply the fee percentage and calculate fees;
- Generate and validate invoices; and
- Mail invoices to permit holders, track payments, and send notices for nonpayment



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Alternatives

(Section 2, pg 11)

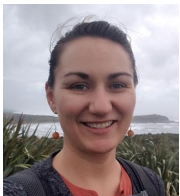
Alternative 1. Status Quo.

Alternative 2. Revise the Halibut and Sablefish IFQ cost recovery Annual Process.

Element 1. Federal Register regulatory deadline and fee payment due date

Element 2. Modify the date range of IFQ landings used to calculate annual cost recovery fee liabilities.

Element 3. Modify the submission of volume and value reports



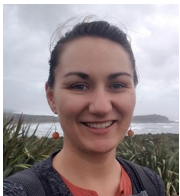
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Alternative 1

(Section 2.1, pg 11)

Alternative 1. Status Quo regulations specified at § 679.45.

- IFQ fishing season established annually by the IPHC and NMFS mid March through early December, varies annually.
- Registered buyer volume and value reports are due by October 15
- Regulatory deadline to publish standard prices and fee percentage in the Federal Register in the last quarter of the calendar year, no later than December 31.
- Fee liability invoices are mailed to IFQ holders by December 31 annually.
- Fee payments are due by January 31 the following year.
- Unpaid fees at time of permit issuance result in withholding of IFQ permits, which are annually issued in late February or early March.



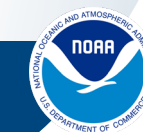
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Alt 1: Impacts

(Section 5.1 pg 34)

- IFQ season end date has been Dec 7 since 2021.
- Calculation of fishery value cannot happen until all landings are recorded ~1 week after season end (around Dec 15).
- Each year there is some level of reporting non-compliance.
- Regulatory deadline to publish the fee notice and issue invoices by Dec 31 provides ~ 10 business days to complete the entire process.
- IFQ Cost recovery invoices issued to 1,402 permit holders in 2025.

Pacific Halibut and Sablefish IFQ Program	Oct	Nov	Dec	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	April	May	June		
Fishing Year						Fishing: ~ Mar 15 - Dec 7																	
Landings - Standard prices	Volume and Value: Oct 1 - Sep 30																						
Landings - Fishery value						Fishery Value: ~ March 15 - Dec 7																	
Landings - Fee assessed						Fee Assessed: ~ March 15 - Dec 7																	
Notice																Notice: By Dec 31,							
Invoice																Invoices: By Dec 31							
Payment Due																Payment Due: Jan 31							
Permit Issuance																					Permits: Mar		



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Alt 1: Impacts; Season timing

(Section 5.1 pg 34)

Table 19 (Page 34) - Season dates, Notice publication date, and invoice date

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.

2016-2020: ~ 15 to 26 days between end of season and invoice date.

2021-2025: ~ 10 - 14 days between end of season and invoice date.

An error in 2024 resulted in issuing a corrected invoices and correcting the fee notice.

Additional risk if season date is set later than Dec 7.



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Alt 1: Impacts; Registered Buyer Reports (Section 5.1 pg 35)

- IFQ Registered Buyer volume and value reports are due October 15 and include data from Oct 1 (previous year) through Sept 30 (current year).
- Data for landings occurring Oct - Dec of the previous year are not used because each year, NMFS applies the September standard prices to landings occurring in Oct, Nov, and Dec of the current year.
- Processor consolidation and non-compliance with registered buyer reporting requirements has contributed to fewer port-specific prices being non-confidential (e.g. Sitka conf. prices April – July in Table 15 on pg 30)
- NMFS receives approximately 69 volume and value reports annually (64 through eFish and 5 paper forms). Reporting burden is estimated at ~1 min to file eFish reports, and ~ 2 hours to complete a paper form costing industry an estimated \$266 annually.



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Alternative 2

(Section 2, pg 11)

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)



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Alternative 2

(Section 2.2.1, pg 12)

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.

- Notice would continue to be published in the Federal Register, however the publication deadline would be removed from the regulations.
- Fee liability payment due date would be a month later.

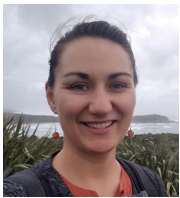


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Impacts of Alt 2, Element 1

(Section 5.2.1, pg 37)

- Removing the regulatory deadline for publishing the notice of standard prices and fee percentage in the Federal Register would provide NMFS with additional flexibility on the timing of publication.
- NMFS would continue to publish the notice as soon as possible after the data is available.
- Moving the fee payment due date from January 31 to February 28 would provide additional time for NMFS to calculate fee liabilities and issue invoices to IFQ permit holders.
- IFQ permit holders could have less time overall to pay fees or request use of actual prices prior to the start of the next fishing season. At a minimum, NMFS would issue invoices 30 days prior to the fee payment due date.
- If the change in the due fee payment date affects permit holders ability to pay fees ontime, this could result in more IFQ permits being withheld at the start of the season.



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Impacts of Alt 2, Element 2

(Section 5.2.2, pg 37)
Figure 3, pg 39

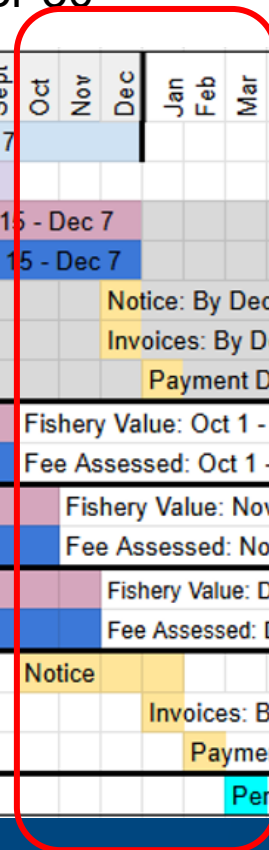
Modify the Date Range for Landings

Option 1. October 1 through September 30

Option 2. November 1 through October 31

Option 3. December 1 through November 30

Pacific Halibut and Sablefish IFQ Program	Oct	Nov	Dec	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	April	May	June	July		
Fishing Year																								
Landings - Standard prices				Volume and Value: Oct 1 - Sep 30																				
Landings - Fishery value (Status quo)																								
Landings - Fee assessed (Status quo)																								
Notice (Status quo)																								
Invoices (Status quo)																								
Payment Due (Status quo)																								
Landings - Fishery value (Alt 2. E2.Optn1)																								
Landings - Fee assessed (Alt 2. E2.Optn1)																								
Landings - Fishery value (Alt 2. E2.Optn2)																								
Landings - Fee assessed (Alt 2. E2.Optn2)																								
Landings - Fishery value (Alt 2. E2.Optn3)																								
Landings - Fee assessed (Alt 2. E2.Optn3)																								
Notice (Alt 2. E1)																								
Invoices (Alt 2. E1)																								
Payment Due (Alt 2. E1)																								
Permit Issuance																								



Impacts of Alt 2, Element 2

(Section 5.2.1, pg 37)

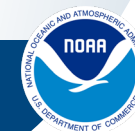
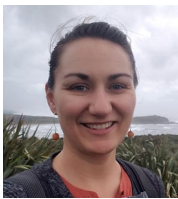
Any option under Alt 2 Element 2 would enable NMFS to process the IFQ cost recover process regardless of the season dates established by the IPHC.

Pacific Halibut and Sablefish IFQ Program	Oct	Nov	Dec	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	April	May	June	July		
Fishing Year																								
Landings - Standard prices																								
Landings - Fishery value (Status quo)																								
Landings - Fee assessed (Status quo)																								
Notice (Status quo)																								
Invoices (Status quo)																								
Payment Due (Status quo)																								
Landings - Fishery value (Alt 2. E2.Optn1)																								
Landings - Fee assessed (Alt 2. E2.Optn1)																								

Option 1 (Oct 1 - Sept 30):

- provides the most additional time (9 weeks)
- 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.

result in the highest amount of fee liabilities being delayed until the next billing cycle. Approx 15% halibut and 20% of Sablefish landings annually.



Impacts of Alt 2, Element 2

(Section 5.2.1, pg 37)

Pacific Halibut and Sablefish IFQ Program	Oct	Nov	Dec	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	April	May	June	July		
Fishing Year																								
Landings - Standard prices				Volume and Value: Oct 1 - Sep 30																				
Landings - Fishery value (Status quo)																								
Landings - Fee assessed (Status quo)																								
Notice (Status quo)																								
Invoices (Status quo)																								
Payment Due (Status quo)																								
Landings - Fishery value (Alt 2. E2.Optn2)																								
Landings - Fee assessed (Alt 2. E2.Optn2)																								
Landings - Fishery value (Alt 2. E2.Optn3)																								
Landings - Fee assessed (Alt 2. E2.Optn3)																								

Option 2 (Nov 1 - Oct 31):

- provides ~ 5 weeks of additional time
- delay billing of approx 5% of halibut and 9% of sablefish landings

Option 3 (Dec 1 - Nov 30):

- provides the least amount of additional time ~ one week.
- result in the lowest amount of fee liabilities being delayed until the next billing cycle. Approx 1% halibut Sablefish landings annually.



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Alt 2, Element 3

(Section 2.2.3 pg 13)

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).



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Impacts of Alt 2, Element 3 41)

(Section 5.2.3 pg

Option 1: Issuance of a registered buyer permit would be contingent upon paying all fees and completion of the registered buyer volume and value report. Non-compliance could result in administrative action to deny a request to issue a registered buyer permit the next year.

- This option could create an incentive to comply in a timely manner, however due to the consequence being delayed until permit issuance (nearly 5 months after the report is due) could have limited effect.

Option 2: Modify reporting deadline to Oct 15 or 2 weeks after last IFQ delivery.

- Buyers who receive landings throughout the fishing year would still be held to the Oct 15 deadline.
- Buyers who receive landings for a portion of the year would have a variable deadline depending upon their operations. There could be some level of uncertainty about the timing of their last IFQ delivery if a processors continues to process catch from a different fishery.
- Registered buyer reports can be modified, so any uncertainty could result in additional reporting to ensure compliance.



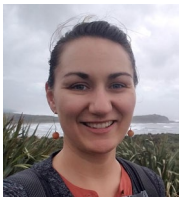
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Impacts of Alt 2, Element 3

(Section 5.2.3 pg 41)

Option 3: Increase the frequency of reporting to quarterly or twice per year.

- more frequent reporting requirement would increase reporting burden, currently estimated at \$266 per year.
- more frequent reporting could make this report more routine, therefore increasing compliance.

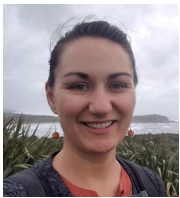


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Impacts of Alt 2, Element 3

(Section 5.2.3 pg 43)

- Options under element 3 could improve reporting compliance.
- The data NMFS receives would be the same under the action alternative as it is under the status quo and the same result (more complete data) could be achieved with improved compliance under the status quo requirements.
- Improving compliance with registered buyer reporting requirements would reduce the risk of data gaps that increase confidentiality of port specific standard prices.



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Comparison of Elements under Alt 2

(Section 5.2.4 pg 44)

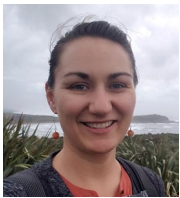
- Elements 1 would shift the fee payment due date and remove the deadline for publishing the fee percentage and standard prices in the Federal Register
- Element 2 would establish a fee year independent of the fishing year. Landings made after the fee year would be billed in the subsequent cost recovery cycle.
- Element 3 could improve compliance, and reporting burden would be increased under Option 3 and could be increased under Option 2.



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Summary and Next Steps

- Input and feedback from the public, AP, and the Council.
- NMFS is soliciting input on the specific combinations of the elements and options or the range of alternatives that should be analyzed in the next iteration of this analysis.
- Consideration of the next steps - potentially identifying a preliminary preferred alternative.
- Consider if the analysis is ready to release for final action at an upcoming Council meeting.



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Appendix A: Aleutian Island Golden King Crab Season Start Time

June 2021 Council motion:

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.



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Appendix A: AIGKC Season Timing Considerations

- AIGKC season timing is unique—opens before all other crab fisheries
 - Open by State regulation on August 1
 - Can open by State emergency order as early as July 15, to accommodate survey & stock assessment needs
 - ADF&G can modify opening/closing dates within the bounds of the Federal crab year (July 1 to June 30)
- Stakeholders in the AIGKC fishery have repeatedly sought modifications to season dates
 - Early openings provide additional opportunity to fish in favorable weather conditions
 - Early openings also allow more landings to occur prior to processor ramp-downs in Nov-Jan



Appendix A: Issues Associated with Shifting AIGKC Season Opening Dates

- Crab fishing seasons are structured with summer gap between the last closing date & first opening date to allow adequate time to complete stock assessments, cost recovery processes, and issue IFQ
- ADF&G opens AIGKC season early in years where the AIGKC cooperative survey is administered
 - In most years, only CDQ fishery was opened early—no associated administrative issues
 - All AIG fisheries (CDQ, IFQ, & Adak Community Allocation) were opened on 7/15 in 2019/2020 crab year—early IFQ fishery openings create issues with timing of administrative process
- Many administrative processes are tied to regulatory 8/1 opening date
 - Cost recovery payments are due 7/31; early openings create mismatch in timing
 - Permit holders who do not pay their fees prior to the season start date are flagged, and not included in the QS calculation pool—causing inaccurate share-matching calculations
 - Unlikely that NMFS would be able to issue IFQ permits before 8/1 in the future without a regulatory change



Appendix A: Potential Regulatory Approaches

1. Modify the crab fishing year for AIGKC, or for all CR Program fisheries

- **NMFS does not recommend this solution:**
 - ‘Crab fishing year’ regulatory definition is foundational in nature; changing the crab fishing year for all CR program fisheries would require extensive review & could require numerous regulatory changes
 - Creating parallel regulatory program/crab fishing year for AIGKC alone would create substantial inefficiencies, would be costly for fishery participants, and would be inconsistent with cost tracking process

2. Create an exception for AIGKC permit issuance, to allow issuance of AIG IFQ/IPQ permits prior to fee payment due date

- Problem appears to be limited to specific timing of AIGKC permit issuance relative to cost recovery fee payment due date
- Currently, if payments are not received by 7/31, no IFQ/IPQ permit is issued to that permit holder; **Council could consider exception for AIGKC**
- **NMFS recommends consideration of this option**
 - Maintaining some type of administrative consequence for non-payment of annual fees is also recommended; even if consequence is delayed until subsequent crab fishing year



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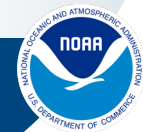
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