

C3 INITIAL REVIEW: AREA 4 VESSEL USE CAPS

COUNCIL MEETING JUNE 2024

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VESSEL CAPS

Vessel limitations 50 CFR § 679.42(h)(1)

(1) **Halibut.** No vessel may be used, during any fishing year, to harvest more IFQ halibut than one-half percent of the combined total catch limits of halibut for IFQ regulatory areas 2C, 3A, 3B, 4A, 4B, 4C, 4D, and 4E, except that:

- (i) In IFQ regulatory area 2C, no vessel may be used to harvest more than 1 percent of the halibut catch limit for this area.
- (ii) No vessel may be used, during any fishing year, to harvest more than 50,000 lb (22.7 mt) of IFQ halibut derived from QS held by a CQE, and no vessel used to harvest IFQ halibut derived from QS held by a CQE may be used to harvest more IFQ halibut than the vessel use caps specified in paragraphs (h)(1) introductory text and (h)(1)(i) of this section.

2024 Vessel IFQ Caps

	Vessel Use Cap %	Annual IFQ TAC	Vessel Use Cap
Halibut	1% OF 2C HALIBUT IFQ TAC	3,500,000 net pounds	35,000 net pounds
	.5% OF ALL HALIBUT IFQ TAC	17,296,000 net pounds	86,480 net pounds



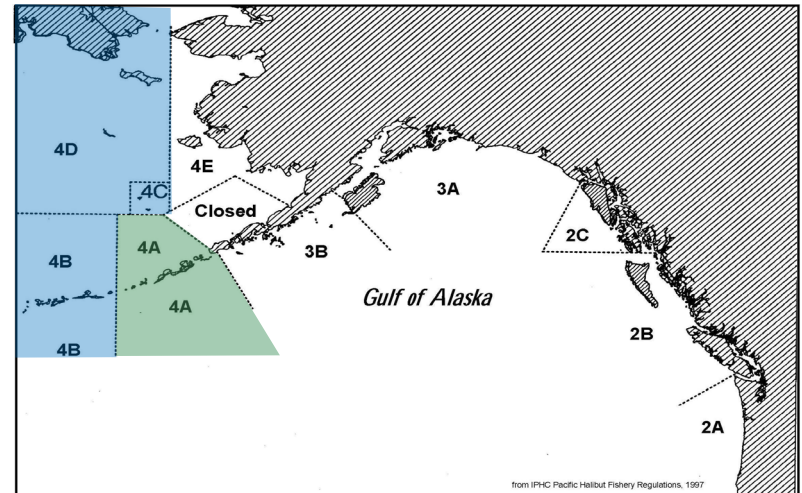
VESSEL CAPS

- Limit the overall harvest on a single vessel
- To prevent large amounts of IFQ from being fished on only a few vessels.
- To protect small producers, part-time and entry-level participants who may otherwise be eliminated from the fisheries because of potential excessive consolidation of harvesting privileges under the IFQ program
- Exception if an individual IFQ holder receives IFQ allocation in excess of the vessel cap they may harvest their allocation on one vessel



RECENT VESSEL CAP ACTIONS

- Detailed in section 1.2.1
- Vessel caps removed in Areas 4B, 4C, 4D in 2020
- Vessel caps removed in Areas 4A, 4B, 4C, 4D in 2021-2027 (or until this action implemented)



- Rationale 2020-22: Impacts on harvesters, processors, and communities as a result of travel restrictions, health mandates, and operational challenges directly attributable to the global pandemic.
- Rationale 2023- 2027: To provide continued flexibility to IFQ participants in IPHC Area 4 while the Council analyzes options for a long-term adjustment to the vessel use caps. In recent years, utilization of halibut quota in Area 4 has declined and conditions including limited local markets, increases in operating costs, and reductions from historical TACs have all contributed to fewer vessels participating in the Area 4 fisheries.



PURPOSE AND NEED STATEMENT

In recent years, utilization of halibut quota in Area 4 has declined and conditions including lack of processing capacity, COVID-19 concerns in communities with limited medical infrastructure, increased killer whale predation, increases in operating costs, and reductions from historical TACs have all contributed to fewer vessels participating in the Area 4 fisheries. The council is considering adjusting the vessel cap for Area 4 halibut to recognize these conditions and increase utilization of quota in the region.



ALTERNATIVES

Alternative 1- No Action

Vessel use caps would remain removed in Area 4 through the 2027 IFQ season. They would go back into effect beginning in the 2028 IFQ fishing season as 0.5% of the combined total catch limits of halibut for IFQ regulatory areas 2C, 3A, 3B, 4A, 4B, 4C, 4D, and 4E.

Alternative 2- create a halibut vessel cap for Area 4 of:

Option 1a- 4% of the Area 4 halibut TAC

b- 5% of the Area 4 halibut TAC

c- 6% of the Area 4 halibut TAC

Option 2- 150% of the coastwide halibut vessel cap (.75% combined TAC)

Sub-options (can apply to either option):

1- Specify that halibut IFQ held by an Area 4B CQE does not accrue towards the Area 4 vessel cap.

2- This action will be reviewed (a. three or b. five) years after implementation or this action will be included in the next halibut/sablefish IFQ Program Review



ALTERNATIVES

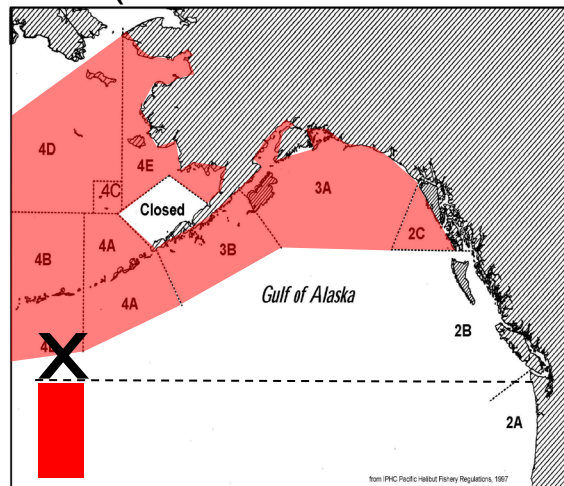
Table 3 Potential vessel cap calculations based on 2023 catch limits

2023 Catch Limit (TAC)		Vessel Cap in Area 4					
Total	Area 4	Alternative 1		Alternative 2			
		through 2027 No cap in Area 4	2028 onward 0.5% of Total TAC	option 1a 4% of Area 4 TAC	option 1b 5% of Area 4 TAC	option 1c 6% of Area 4 TAC	option 2 150% of coastwide vessel cap
17,806,000	3,466,000	NA	89,030	138,640	173,300	207,960	133,545
Calculations based on 2024 catch limits (not in RIR)							
17,296,000	3,256,000	NA	86,480	130,240	162,800	195,360	129,720



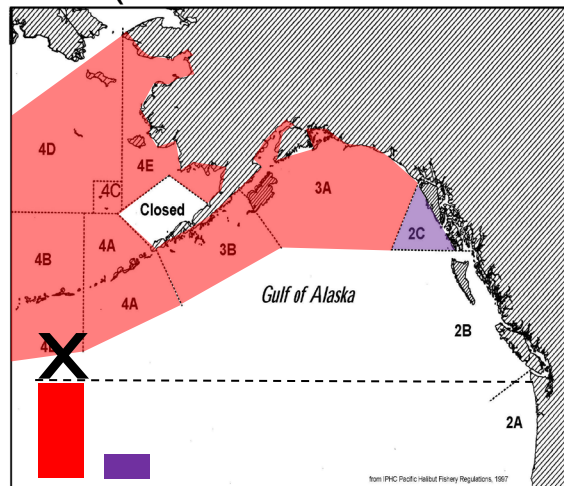
- Alt 1 (Pre 2020 and 2028 on)- Coastwide vessel cap limits the total coastwide harvest by a vessel regardless of where it was caught.

Alt 1 (Pre 2020 and 2028 on)



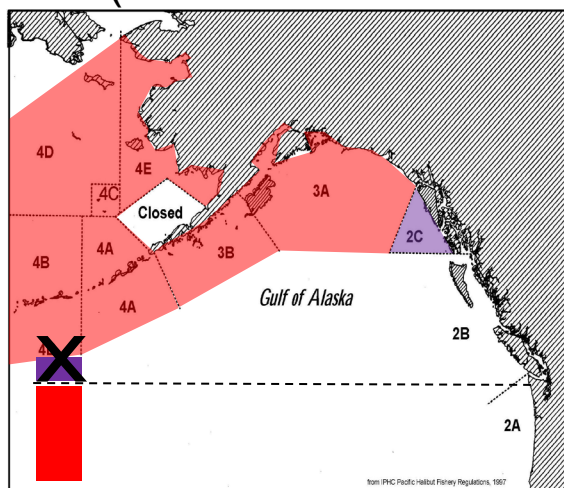
- Alt 1 (Pre 2020 and 2028 on)- Coastwide vessel cap limits the total coastwide harvest by a vessel regardless of where it was caught.
 - Smaller limit in 2C

Alt 1 (Pre 2020 and 2028 on)



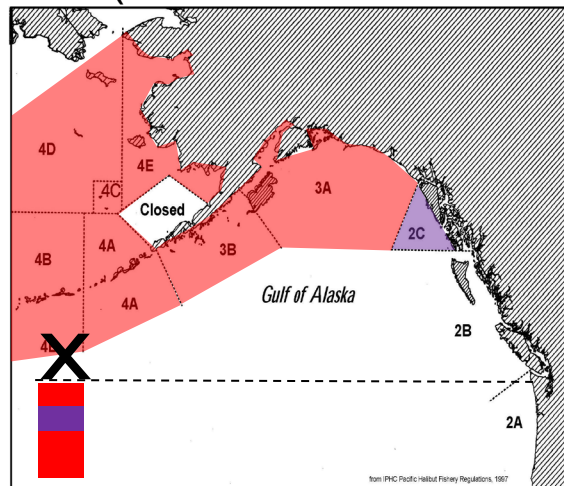
- Alt 1 (Pre 2020 and 2028 on)- Coastwide vessel cap limits the total coastwide harvest by a vessel regardless of where it was caught.
 - Smaller limit in 2C
 - Catch in 2C counts toward the Coastwide cap

Alt 1 (Pre 2020 and 2028 on)



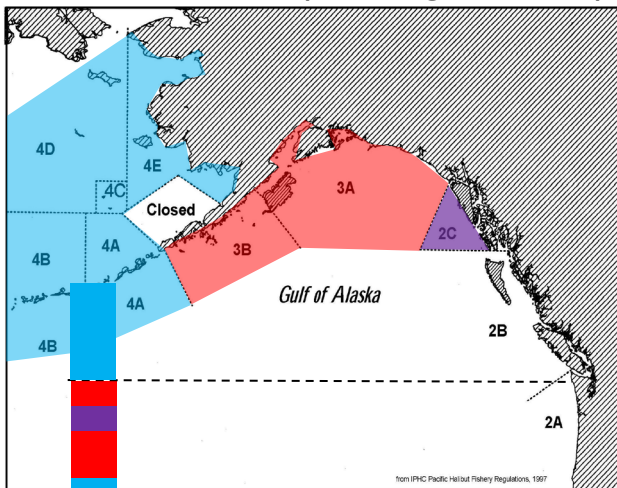
- Alt 1 (Pre 2020 and 2028 on)- **Coastwide vessel cap limits the total coastwide harvest by a vessel regardless of where it was caught.**
 - **Smaller limit in 2C**
 - Catch in 2C counts toward the Coastwide cap
 - Catch in other areas does not count toward lower 2C limit. Different than description in analysis where catch in other areas counts toward 2C limit

Alt 1 (Pre 2020 and 2028 on)

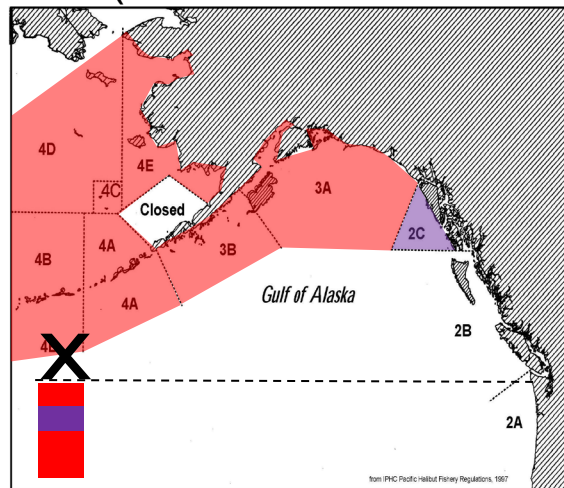


- Alt 1 (Pre 2020 and 2028 on)- **Coastwide vessel cap limits the total coastwide harvest by a vessel (regardless of where it was caught).**
 - **Smaller limit in 2C**
 - Catch in 2C counts toward the Coastwide cap
 - Catch in other areas does not count toward lower 2C limit. Different than description in analysis where catch in other areas counts toward 2C limit
- **Alternative 1 (through 2027)- Temporary exemptions in Area 4, no vessel cap in Area 4 and catch in Area 4 does not accrue towards coastwide cap**

Alternative 1 (through 2027)

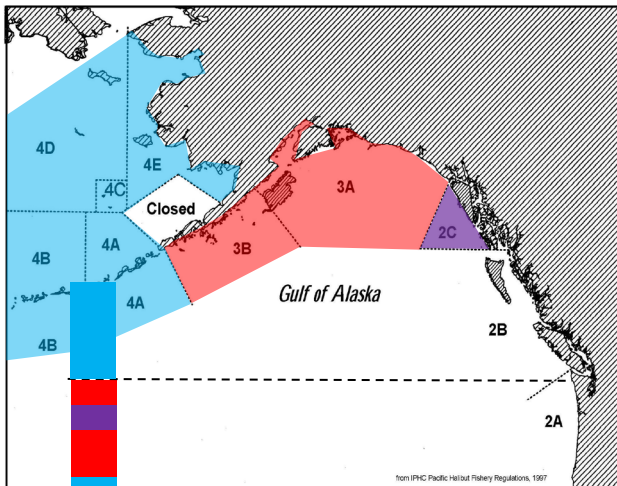


Alt 1 (Pre 2020 and 2028 on)

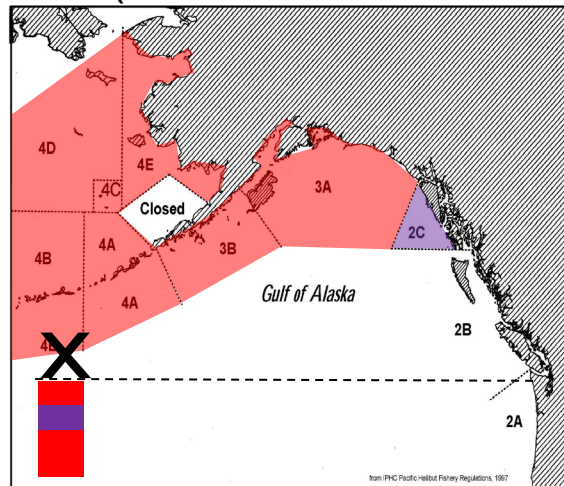


- Alt 1 (Pre 2020 and 2028 on)- **Coastwide vessel cap limits the total coastwide harvest by a vessel (regardless of where it was caught).**
 - **Smaller limit in 2C**
 - Catch in 2C counts toward the Coastwide cap
 - Catch in **other areas** does not count toward lower **2C limit**. Different than description in analysis where catch in other areas counts toward 2C limit
- Alternative 1 (through 2027)- **Temporary exemptions in Area 4**, no vessel cap in Area 4 and catch in Area 4 does not accrue towards coastwide cap
- Alternative 2- **Different (larger) limit in Area 4**

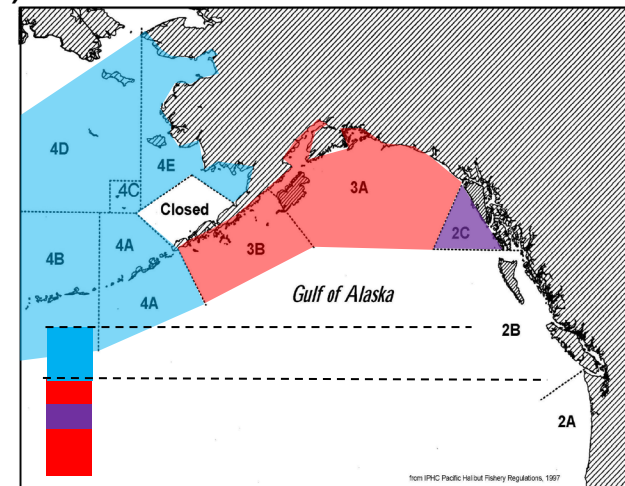
Alternative 1 (through 2027)



Alt 1 (Pre 2020 and 2028 on)

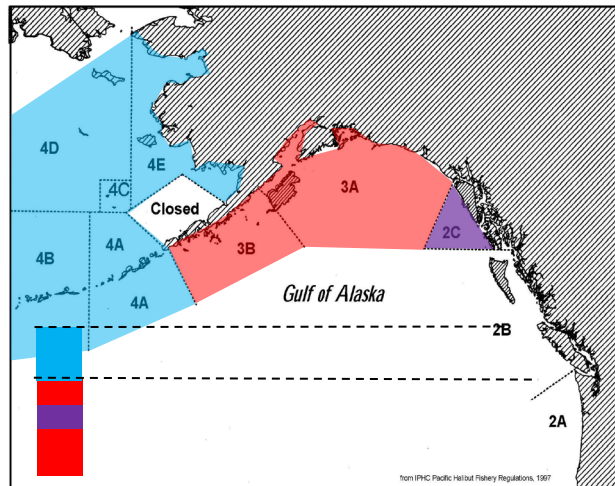


Alternative 2



Clarification and Assumptions

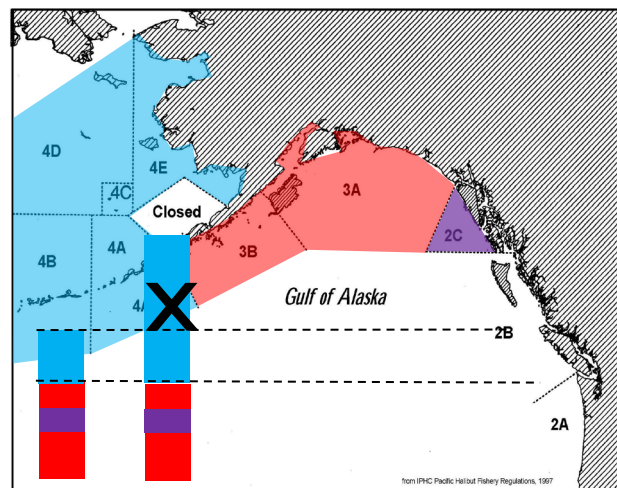
Alternative 2



Clarification and Assumptions

- Area caps are not additive

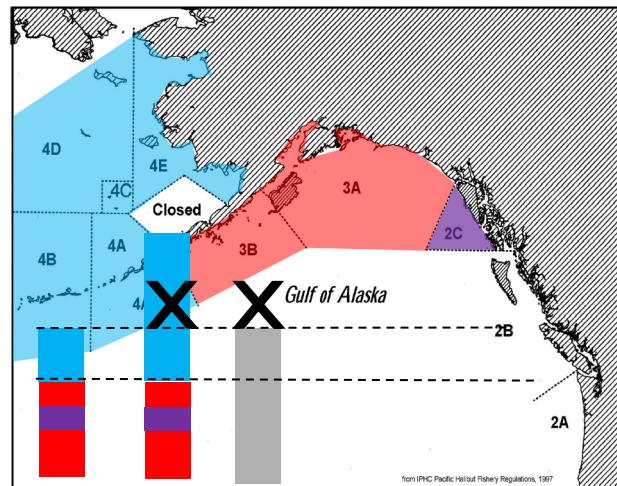
Alternative 2



Clarification and Assumptions

- Area caps are not additive
- The overall catch from any single vessel could not be greater than the largest area cap

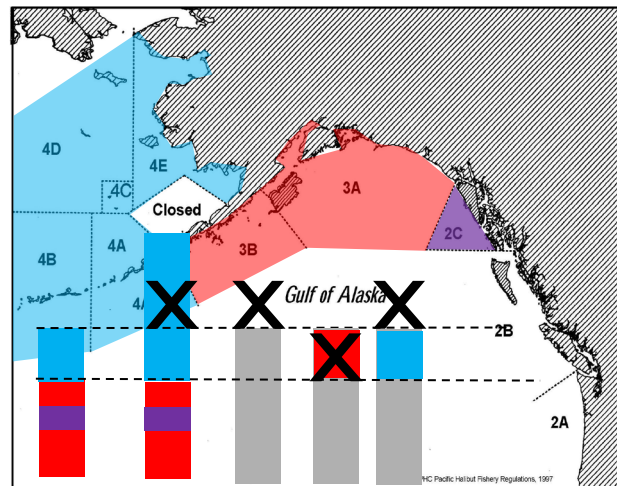
Alternative 2



Clarification and Assumptions

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- The overall catch from any single vessel could not be greater than the largest area cap
- To operate in an area, a vessel's overall annual catch to date must be less than that area's cap

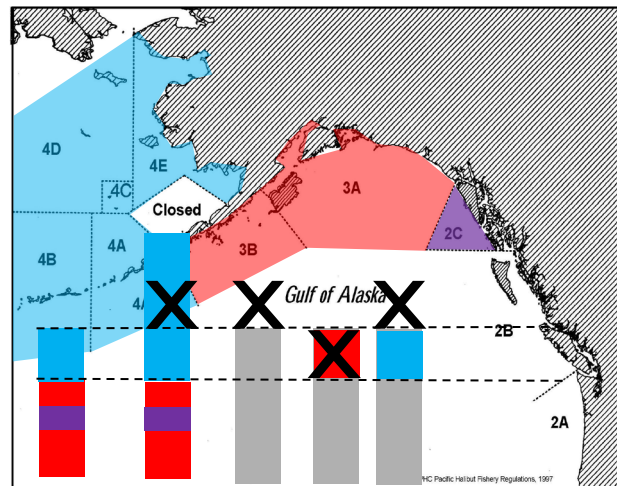
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- To operate in an area, a vessel's overall annual catch to date must be less than that area's cap
- **A vessel's total harvest applies to the cap in each area it operates, regardless of where the harvest was caught. Therefore Area 4 harvests would count towards the Area 4 specific cap as well as caps in other areas.**

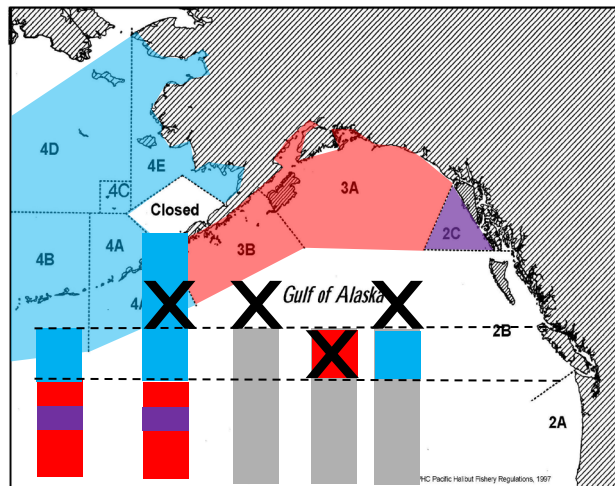
Alternative 2



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 - Consistent with regulatory definition of vessel caps
 - May affect the order of areas in which a vessel can harvest catch, if catching up to Area 4 cap.
 - Can result in different overall limits for a vessel based on the order of areas in which they fish.

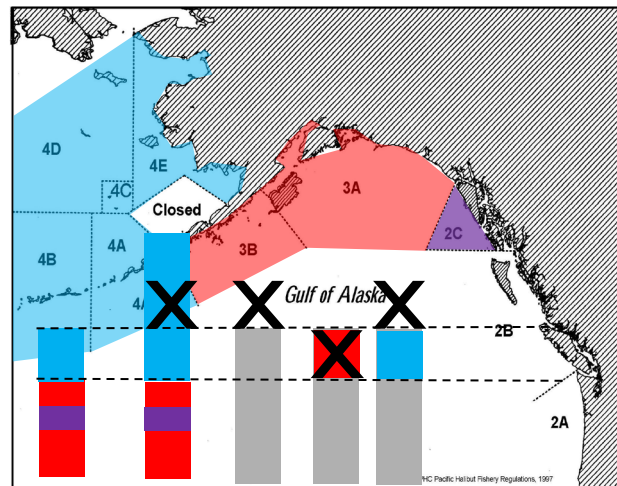
Alternative 2



Clarification and Assumptions

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 - Consistent with regulatory definition of vessel caps
 - May affect the order of areas in which a vessel can harvest catch, if catching up to Area 4 cap.
 - Can result in different overall limits for a vessel based on the order of areas in which they fish.
- **It may be more straightforward to treat limits as additive or only applicable to area harvest however this could result in effectively larger limits and has not been analyzed.**

Alternative 2



COUNCIL CLARIFICATIONS

- Area 4 includes Areas 4A, 4B, 4C, 4D **and 4E**
- Alternative 2, sub-option 1, IFQ halibut derived from QS held by a CQE in area 4B would not accrue towards the Area 4 vessel cap.
 - Analysts assume that IFQ halibut derived from QS held by a CQE in area 4B would still accrue towards the vessel cap in other areas.
 - A vessel that has harvested CQE in area 4B could harvest additional IFQ in Area 4, up to the Area 4 cap.
 - That vessel must have headroom under other area caps (including the Area 4B CQE harvests) to harvest IFQ in other areas.



OTHER IFQ RESTRICTIONS

- The proposed action would not modify other aspects of the IFQ program
- Other restrictions intended to prevent excessive consolidation of harvesting privileges and maintain the diversity of the IFQ fleets are unchanged

Transfer restrictions

- Transfers, or leasing, of CV IFQ has generally been prohibited except under a few specific conditions.
- Temporary transfers of halibut and sablefish IFQ permitted for all QS holders for the 2020 and 2021 fishing seasons. Medical transfer flexibility

Vessel class

- Harvesting vessel size is limited by quota class category
- “Fish up” (landing of IFQ derived from smaller class QS on larger class vessels) and “fish down” (landing of IFQ derived from larger class QS on smaller class vessels) provisions in area 4 mean these limitations are less constraining

Quota use caps

- Use caps limit the amount of QS that can be held or used by an individual
- Harvesting 100 percent of the TAC will require numerous individuals to hold QS



VESSEL CAPS

Table 8 Annual catch limits and vessel use caps for halibut, 2013-2024 (net pounds)

Year	All Areas		Area 2C	
	Total Catch Limit (lbs)	Vessel Cap (lbs)	Area 2C Catch Limit (lbs)	Vessel use cap (lbs)
2013	21,810,800	109,054	2,970,000	29,700
2014	15,954,370	79,772	3,318,720	33,187
2015	17,136,920	85,685	3,679,000	36,790
2016	17,152,320	85,762	3,924,000	39,240
2017	18,295,400	91,477	4,212,000	42,120
2018	16,630,200	83,151	3,570,000	35,700
2019	17,710,000	88,550	3,610,000	36,100
2020 ¹	16,079,200	80,396	3,410,000	34,100
2021 ²	18,569,600	92,848	3,530,000	35,300
2022 ²	20,298,000	101,490	3,510,000	35,100
2023 ²	17,806,000	89,030	3,410,000	34,100
2024 ²	17,296,000	86,480	3,500,000	35,000

Source: NMFS Restricted Access Management (RAM).

¹ In 2020 vessel caps were waived for vessels fishing in Areas 4B, 4C, and 4D.

² In 2021-2024 vessel caps were waived for vessels fishing in Areas 4A, 4B, 4C, and 4D.



VESSEL CAPS

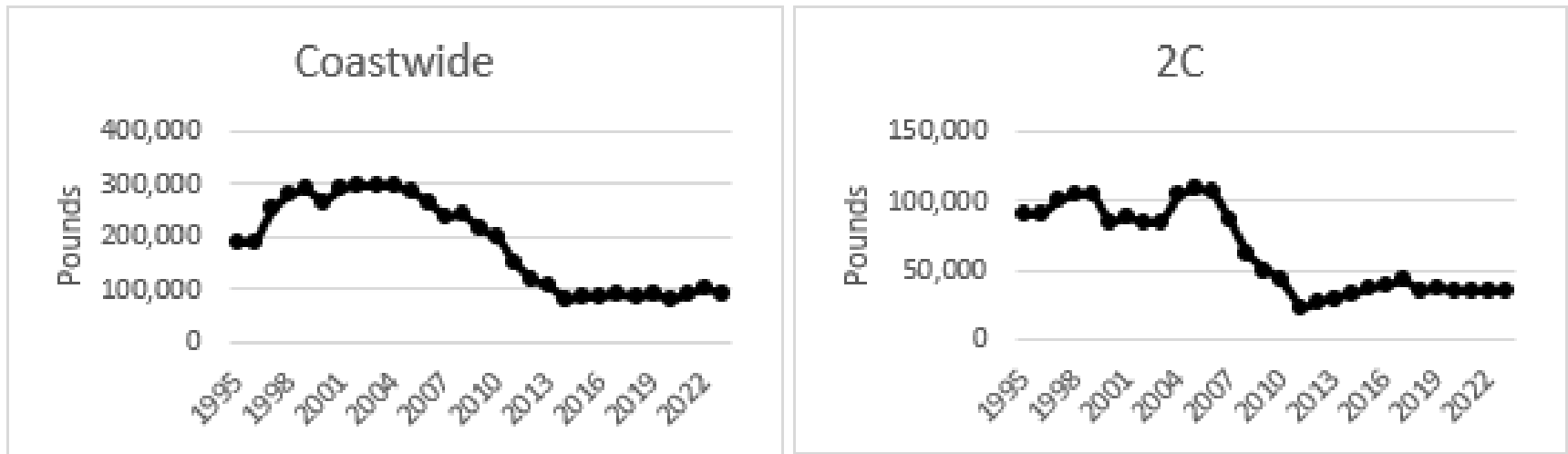


Figure 3 Vessel caps 1995-2023



TAC AND HARVEST

Area	Year	Allocation (pounds)	Minimum no. of vessels	No. of vessels harvesting IFQ	Percent of TAC landed
2C	2015	3,679,000	100	439	96%
	2016	3,924,000	100	433	97%
	2017	4,212,000	100	423	96%
	2018	3,570,000	100	401	95%
	2019	3,610,000	100	405	94%
	2020	3,410,000	100	376	94%
	2021	3,530,000	100	363	93%
	2022	3,510,000	100	368	92%
	2023	3,410,000	100	351	88%
	2024	3,500,000	100		
3A	2015	7,790,000	91	441	99%
	2016	7,336,000	86	431	99%
	2017	7,739,000	85	415	98%
	2018	7,350,000	89	399	98%
	2019	8,060,000	92	406	98%
	2020	7,050,000	88	374	97%
	2021	8,950,000	97	385	97%
	2022	9,550,000	95	381	92%
	2023	7,840,000	89	385	91%
	2024	7,560,000	88		
3B	2015	2,650,000	31	196	98%
	2016	2,710,000	32	194	97%
	2017	3,140,000	35	192	96%
	2018	2,620,000	32	182	93%
	2019	2,330,000	27	169	94%
	2020	2,410,000	30	144	93%
	2021	2,560,000	28	148	94%
	2022	3,350,000	34	155	86%
	2023	3,090,000	35	159	91%
	2024	2,980,000	35		

- Decline in number of harvesting vessels
- More vessels participating than minimum required
- Slight decline in % of TAC landed



TAC AND HARVEST

Area	Year	Allocation (pounds)	Minimum no. of vessels	No. of vessels harvesting IFQ	Percent of TAC landed
4A	2015	1,390,000	17	68	95%
	2016	1,390,000	17	69	97%
	2017	1,390,000	16	65	91%
	2018	1,370,000	17	67	89%
	2019	1,650,000	19	63	83%
	2020	1,410,000	18	58	81%
	2021*	1,660,000	18	59	86%
	2022*	1,760,000	18	59	73%
	2023*	1,410,000	16	51	66%
2024*	1,280,000	15			
4B	2015	912,000	11	33	93%
	2016	912,000	11	34	94%
	2017	912,000	10	30	91%
	2018	840,000	11	27	98%
	2019	968,000	11	24	76%
	2020*	880,000	11	23	78%
	2021*	984,000	11	19	63%
	2022*	1,024,000	11	16	50%
	2023*	976,000	11	14	40%
2024*	872,000	11			
4C/D	2015	715,920	9	38	96%
	2016	880,320	11	36	96%
	2017	902,400	10	38	96%
	2018	880,200	11	38	90%
	2019	1,092,000	13	42	82%
	2020*	919,200	12	33	99%
	2021*	885,600	10	27	93%
	2022*	1,104,000	11	20	84%
	2023*	1,080,000	13	21	76%
2024*	1,104,000	13			

- Decline in number of harvesting vessels
- More vessels participating than minimum required
- Larger relative decline in % of TAC landed- even in years with no vessel cap

*Years and Areas where vessel caps were removed.

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



VESSEL HARVEST

Table 10 Number of vessels harvesting greater than 0%, 50%, 75% or 90% of the vessel cap by area 2015-2022.

Year	2C				3A				3B			
	> 90%	>75%	>50%	>0%	> 90%	>75%	>50%	>0%	> 90%	>75%	>50%	>0%
2015	7	22	55	461	40	65	116	458	34	54	88	199
2016	7	21	55	460	36	63	112	450	34	54	91	199
2017	11	25	57	449	37	62	110	432	36	56	90	195
2018	11	22	59	424	43	73	115	414	40	63	92	185
2019	11	23	54	427	45	65	117	418	36	53	86	172
2020	12	22	57	399	43	63	109	383	33	46	81	148
2021	11	20	61	381	47	76	115	394	38	57	80	152
2022	13	25	63	385	37	65	102	392	30	52	73	157
Year	4A				4B				4CD			
	> 90%	>75%	>50%	>0%	> 90%	>75%	>50%	>0%	> 90%	>75%	>50%	>0%
2015	26	32	46	68	14	20	25	33	14	18	23	38
2016	28	37	50	69	15	21	26	34	16	20	25	36
2017	22	31	45	65	14	19	23	30	15	20	25	38
2018	22	34	45	67	16	20	24	27	11	19	22	38
2019	24	31	46	63	14	15	21	24	15	16	21	42
2020*	21	24	42	58	16	17	20	23	17	18	21	33
2021*	22	27	41	59	12	13	17	19	12	13	18	27
2022*	16	25	37	59	8	12	16	16	10	16	18	20

*In 2020-2022 vessel caps were waived for vessels fishing in Areas 4B, 4C, and 4D and in 2021-22 for Area 4A.



COMMUNITIES

- Fewer vessels and communities of ownership since 2019



Table 16 Community of Vessel Ownership by Address for Vessels Harvesting Halibut IFQ in 4ABCD, 2015-2022 (number of vessels)

Geography	2015	2016	2017	2018	2019	2020	2021	2022	Annual Average 2015-2022 (number)	Annual Average 2015-2022 (percent)
Adak	1	1	1	1	1	1	0	1	0.9	1.04%
Akutan	3	3	1	1	2	0	1	0	1.4	1.64%
Anchorage	4	3	2	2	3	2	2	2	2.5	2.98%
Atka	4	3	3	0	0	0	0	0	1.3	1.49%
Cordova	2	2	2	1	1	1	1	1	1.4	1.64%
Craig	1	1	1	0	0	0	0	0	0.4	0.45%
Delta Junction	3	3	3	2	3	3	3	3	2.9	3.42%
Dutch Harbor	1	2	2	3	2	3	3	3	2.4	2.83%
Gambell	0	0	0	0	0	1	0	0	0.1	0.15%
Homer	9	11	13	15	13	12	13	13	12.4	14.73%
Juneau	3	2	2	3	1	1	1	2	1.9	2.23%
Ketchikan	1	1	0	0	0	0	0	0	0.3	0.30%
Kodiak	10	12	10	10	11	8	7	5	9.1	10.86%
Petersburg	1	1	2	1	1	1	0	1	1.0	1.19%
Port Lions	0	0	0	0	0	1	0	1	0.3	0.30%
Saint George Isl	1	1	1	2	1	0	0	0	0.8	0.89%
Saint Paul	8	6	9	10	8	1	1	0	5.4	6.40%
Savoonga	0	0	0	0	9	9	7	0	3.1	3.72%
Seward	1	1	1	2	1	0	0	1	0.9	1.04%
Sitka	3	3	3	3	3	2	3	3	2.9	3.42%
Soldotna			1	1	1	1	1	1	1.0	1.19%
Unalaska	5	4	3	4	4	4	5	2	3.9	4.61%
Wasilla	3	3	3	3	2	2	1	2	2.4	2.83%
Yakutat	1	1	1	1	1	1	1	1	1.0	1.19%
Alaska Total	65	64	64	65	68	54	50	42	59.0	70.24%
All Other States Total	26	27	25	26	24	24	25	23	25.0	29.76%
Grand Total	91	91	89	91	92	78	75	65	84.0	100.00%

NMFS Restricted Access Management (RAM) division IFQ landings database sourced through AKFIN.

COMMUNITIES

- Fewer communities processing halibut in Areas 4A, 4B, 4CD since 2019

Table 21 Communities processing Area 4A IFQ

Community	2015	2016	2017	2018	2019	2020	2021	2022
Adak	x	x	x	x	x			
Akutan	x	x	x	x	x	x	x	x
Atka	x		x					
Dutch Harbor	x	x	x	x	x	x	x	x
False Pass	x							
Homer	x	x	x	x	x	x	x	x
King Cove	x	x	x	x	x	x	x	x
Kodiak	x	x	x	x	x	x	x	x
Sand Point	x	x	x	x	x	x	x	x
Seward				x	x		x	
St Paul	x	x	x	x	x			

Table 22 Communities processing Area 4B IFQ

Community	2015	2016	2017	2018	2019	2020	2021	2022
Adak	x	x	x	x	x	x		
Akutan	x	x	x	x	x	x	x	x
Atka	x	x	x					
Dutch Harbor	x	x	x	x	x	x	x	x
Homer					x		x	
King Cove	x	x	x	x	x	x	x	x
Kodiak	x	x	x	x	x			
Sand Point		x						
St Paul			x					

Table 23 Communities processing Area 4C/4D IFQ halibut

Community	2015	2016	2017	2018	2019	2020	2021	2022
Akutan	x	x	x	x	x	x	x	x
Dillingham							x	
Dutch Harbor	x	x	x	x	x	x	x	x
False Pass	x							
Homer		x		x	x	x	x	
King Cove		x	x	x	x	x	x	x
Kodiak	x	x	x			x		x
Sand Point	x			x		x		
Savoonga			x		x	x	x	
Seward					x		x	
St Paul	x	x	x	x	x			
St George	x	x	x		x			

Source: NMFS Restricted Access Management (RAM) division IFQ landings database sourced through AKFIN, updated 1.4.23



PROCESSING

- Fewer processors, deriving less revenue from halibut in recent years



Table 24 The number of processors processing halibut in BSAI and percent of revenue derived from halibut

% Revenue from halibut	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<1%	2	2	1	1	1	1	1	3	4	8
1-10%	5	5	5	6	6	4	4	3	2	
10-20%			1		1	2	1			
20-30%							1			
30-40%				1						
40-50%									1	
50-60%										
60-70%	1							1		
70-80%		2	1							
80-90%			1		1					
90-100%	2	1	1	2	1	1	1	1	1	
Any	10	10	10	10	10	8	8	8	8	8

Table 25 The number of processors processing halibut in BSAI and percent of revenue derived from crab

% Revenue from crab	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<1%	6	5	6	5	4	3	3	2	4	1
1-10%						1	1	1		2
10-20%	1	1		1	2	2	2	2	1	
20-30%	1	1	2	1	1				1	
30-40%										
40-50%										
50-60%							1			
60-70%										
70-80%										
80-90%		1	1		2	2				
90-100%	2	1	1	3	1		1			1
Any	10	9	10	10	10	8	8	5	6	4



EX-VESSEL VALUES

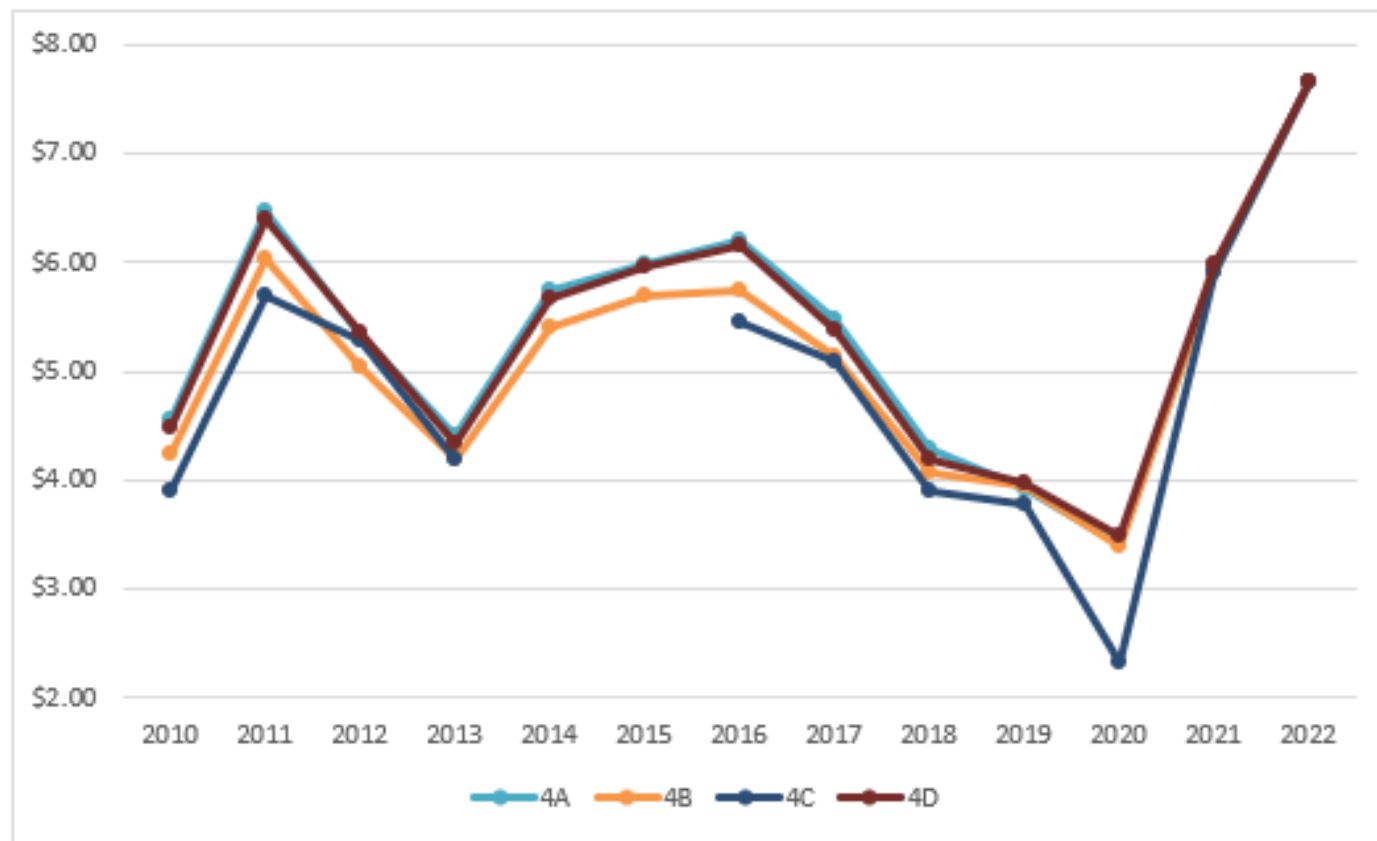


Figure 7 Area 4 halibut estimated ex-vessel prices 2010-2022



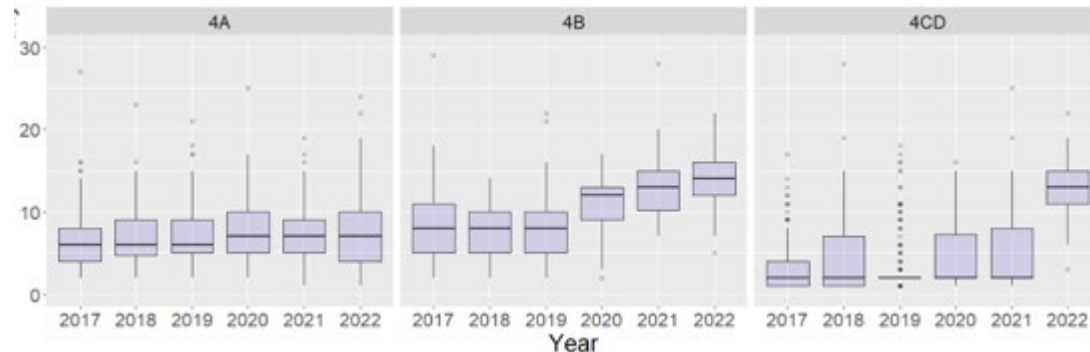


Figure 8 Trip duration (days) by IFQ Area 2017-2022

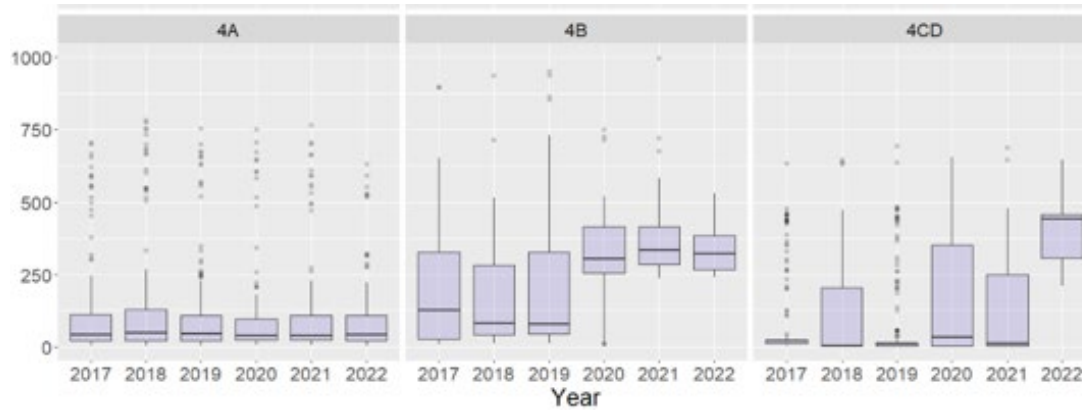


Figure 9 Average distance (nm) per trip from stat area(s) fished to port of landing by IFQ Area 2017-2022

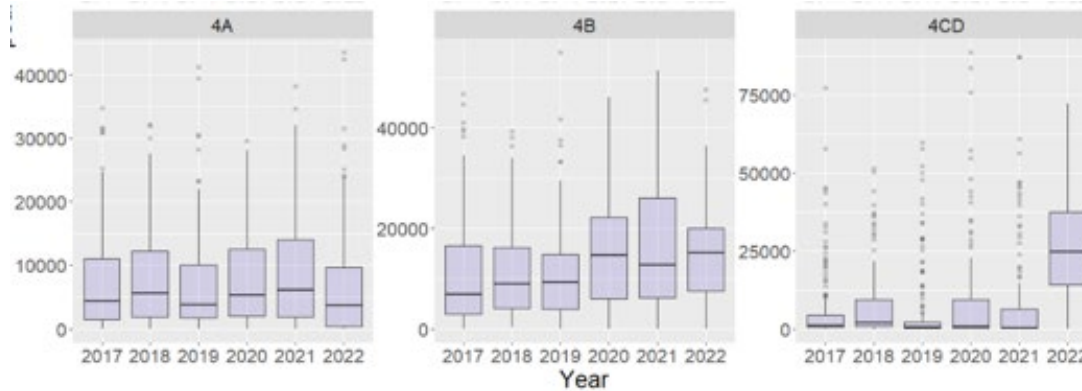


Figure 10 Pounds of IFQ halibut landed per trip by IFQ Area 2017-2022



POTENTIAL IMPACTS

	Alternative 1	Alternative 2
Prior to 2028	Less Restrictive More Flexibility	More Restrictive Less Flexibility
2028 and after	More Restrictive Less Flexibility	Less Restrictive More Flexibility



POTENTIAL IMPACTS

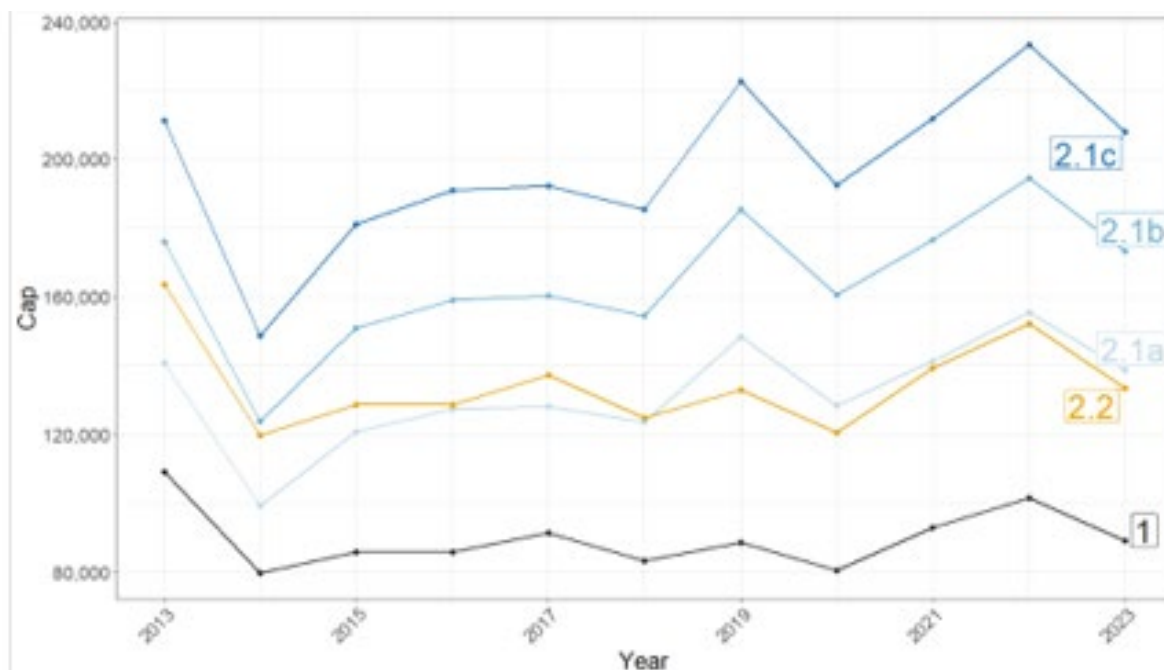
	Alternative 1	Alternative 2
Prior to 2028	Less Restrictive More Flexibility	More Restrictive Less Flexibility
2028 and after	More Restrictive Less Flexibility	Less Restrictive More Flexibility

- Implementation timing unknown
- Analysis focuses on impacts that would occur from 2028 on, after the current vessel cap removal has expired
- Alternative 1 represents a vessel cap that is more restrictive in Area 4 than those proposed under Alternative 2



POTENTIAL IMPACTS

- The specific limit in pounds of each vessel cap in any given year will depend on the annual Area IFQ TACs.
- The differences in caps between Alternatives and options depends on the percentage selected and the relative changes of coastwide TAC and area 4 TACs.



Alt 1= 0.5% of coastwide TAC (2C, 3A, 3B, 4A, 4B, 4C, 4D, and 4E)

Alt 2.1a=4% Area 4 TAC

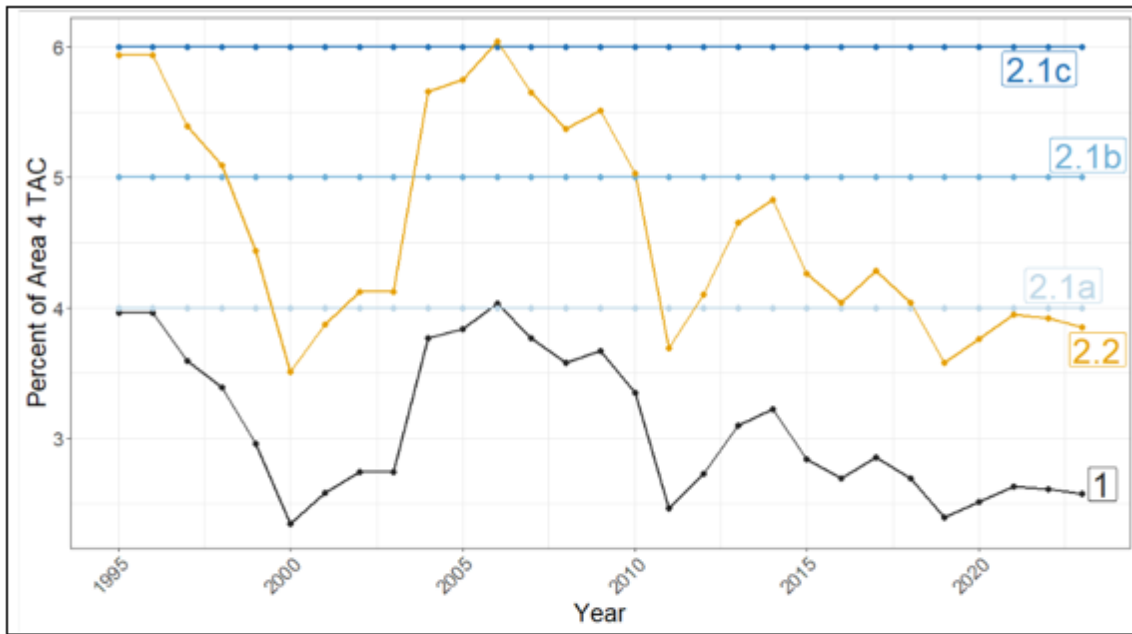
Alt 2.1b=5% Area 4 TAC

Alt 2.1c=6% Area 4 TAC

Alt 2.2=150% coastwide cap (0.75% combined TAC)

Figure 12 Back-calculated vessel cap lbs by Alternative and option 2013-2023





Alt 1= 0.5% of coastwide TAC (2C, 3A, 3B, 4A, 4B, 4C, 4D, and 4E)

Alt 2.1a=4% Area 4 TAC
 Alt 2.1b=5% Area 4 TAC
 Alt 2.1c=6% Area 4 TAC

Alt 2.2=150% coastwide cap (0.75% combined TAC)

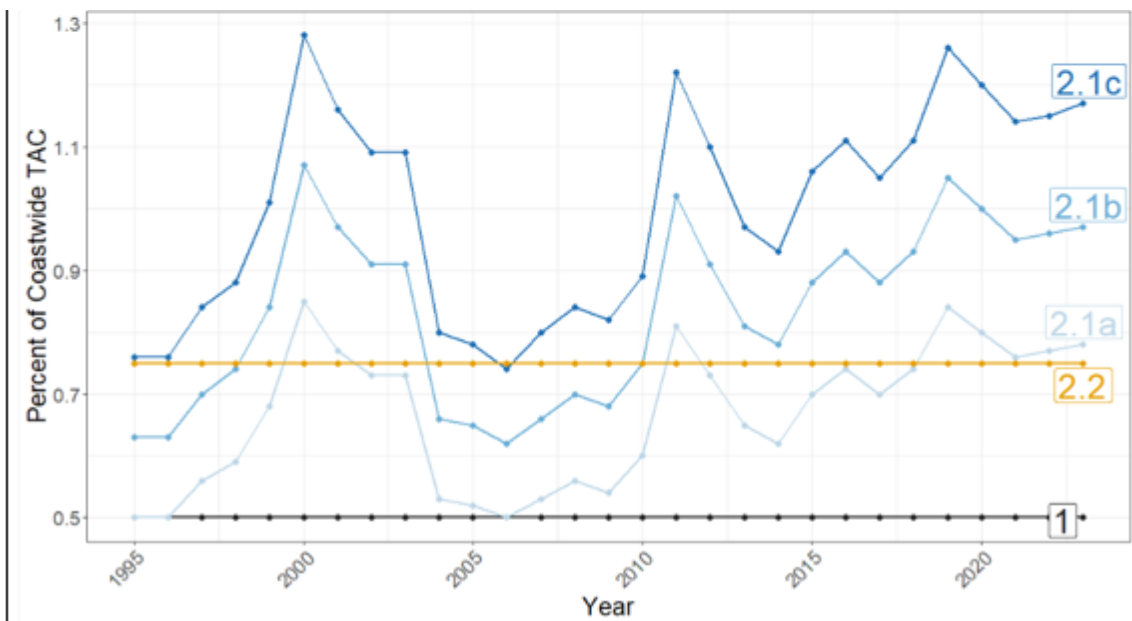


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Table 27 Number of vessels harvesting IFQ in Area 4A, 4B, 4CD, and minimum number required to harvest all of each Area TAC under potential vessel caps

Area	Year	No. of vessels harvesting IFQ	Minimum no. of vessels to harvest 100% of TAC with cap				
			Alt 1	Alt 2.1a	Alt 2.1b	Alt 2.1c	Alt 2. 2
4A	2015	68	17	12	10	8	11
	2016	69	17	11	9	8	11
	2017	65	16	11	9	8	11
	2018	67	17	12	9	8	11
	2019	63	19	12	9	8	13
	2020	58	18	11	9	8	12
	2021*	59	18	12	10	8	12
	2022*	59	18	12	10	8	12
	2023*		16	11	9	7	11
4B	2015	33	11	8	7	6	8
	2016	34	11	8	6	5	8
	2017	30	10	8	6	5	7
	2018	27	11	7	6	5	7
	2019	24	11	7	6	5	8
	2020*	23	11	7	6	5	8
	2021*	19	11	7	6	5	8
	2022*	16	11	7	6	5	7
	2023*		11	8	6	5	8
4C/D	2015	38	9	6	5	4	6
	2016	36	11	7	6	5	7
	2017	38	10	8	6	5	7
	2018	38	11	8	6	5	8
	2019	42	13	8	6	5	9
	2020*	33	12	8	6	5	8
	2021*	27	10	7	6	5	7
	2022*	20	11	8	6	5	8
	2023*		13	8	7	6	9



POTENTIAL IMPACTS

Table 28 Number of vessels that would have been over the proposed cap in Area 4A, 4B and 4CD in years the vessel cap was removed

Area	Year	Alt 1	Alt 2.1a	Alt 2.1b	Alt 2.1c	Alt 2.2
4A	2021	15	2	1	0	2
4A	2022	13	2	0	0	2
4B	2020	11	3	0	0	4
4B	2021	9	2	2	0	2
4B	2022	7	2	0	0	3
4CD	2020	10	2	0	0	4
4CD	2021	10	2	1	0	2
4CD	2022	9	3	0	0	4



POTENTIAL IMPACTS

- Changing regulatory environment makes it difficult to predict likely impacts
- Challenging to isolate the evidence of the impacts of vessel caps from the impacts of other management, environmental, and market factors in the fisheries
- What would have occurred without the recent harvest flexibility? (temporary transfer flexibility and the exemption from the vessel use cap in Area 4)
- Many factors influence participation decisions Participation and harvest patterns in 2020-2022 do not clearly identify the direct impact of an Area 4 vessel use cap exemption
- Extent to which these trends are due to limited vessel and processor capacity and other underlying conditions or the increased flexibility from the temporary removal of regulatory restrictions in recent years is unknown.



POTENTIAL IMPACTS

Alternative 1-No Action

- The most flexibility for vessels in Area 4 in the near term (through 2027)
- The least amount of flexibility overall in the long term (2028 and beyond) as it represents the lowest limit of the proposed Alternatives and options.
 - May limit IFQ consolidation on vessels
 - Maintains a larger minimum number of vessels to prosecute the fishery and may preserve opportunities for smaller operations, crew and new entrants
 - May not ensure additional opportunity for vessels and crew
 - Due to potential changes in the fishery after four years of exemptions from vessel caps and other underlying conditions particularly in remote Area 4 halibut IFQ fisheries.
 - May limit opportunities for efficiency and increase the likelihood that annual allocation is left unharvested
 - If the supply of vessels is low enough that the entire allocation cannot be spread out amongst participating vessels while meeting lowest vessel caps
 - Depends on how many vessels do not operate because individual operators cannot justify the costs to operate a vessel given increases in costs or other changes in profitability and processing capacity



POTENTIAL IMPACTS

Alternative 2-

- The specific impacts of Alternative 2 depend on the option selected, future TACs and subsequent vessel caps.
- Larger vessel caps provide increased flexibility to vessels that operate in Area 4
 - May be particularly useful given recent decline in TAC utilization and number of communities processing IFQ in Area 4
- Unclear if increasing the vessel caps will increase TAC utilization
 - Generally, when TAC is not constraining factor, larger vessel caps are likely to increase utilization rates relative to more constraining caps.
 - Even with the removal of vessel caps TAC utilization rates in Area 4 decreased in recent years
- Implementing different vessel caps in different areas may increase the complexity of operations
 - Operators will have to plan and track their vessel harvest patterns to efficiently harvest the most IFQ possible while not going over limits in more constraining areas.
- Allowing larger caps in Area 4 may lead to friction with users in other areas who will be required to operate under the same vessel caps as status quo in an environment of declining TACs



POTENTIAL IMPACTS

Alternative 2 sub-option 1

- If sub-option 1 is selected, IFQ halibut derived from QS held by a CQE in area 4B would not accrue towards the Area 4 vessel cap, however the 50,000lb vessel cap for CQEs would still apply (in 2028 and beyond when the vessel caps go back into effect).
- Provide more flexibility to vessels harvesting IFQ in Area 4 that may also want to harvest Area 4B CQE, which may increase the pool of vessels available to harvest Area 4B CQE.
- However, it will not provide any additional flexibility to the CQE in Area 4B in terms of the number of vessels required to harvest their total QS holdings.
- This sub-option is applicable only to the CQE in 4B, thus QS held by CQEs in other IFQ Areas (the Gulf of Alaska) continue to count toward all vessel caps.



POTENTIAL IMPACTS

Alternative 2 sub-option 2

- Under sub-option 2, the Council can identify a timeline for review of this action of either three or five years after implementation or specify that this action be included in the next halibut/sablefish IFQ Program Review.
- Selecting a specified review timeline may help alleviate concerns from some stakeholders regarding what may be perceived as a permanent change to a fundamental aspect of the IFQ Program.
- It is likely that any future IFQ Program review would include an analysis of the impacts of vessel limitations.
- Requiring review at a specific date allocates staff resources to that review regardless of Council priorities at that time.
- Regardless of whether or not the Council selects this sub-option, the Council could choose to review the outcome of this action at any time during a regularly scheduled meeting.



MANAGEMENT AND ENFORCEMENT

- Vessel use caps are enforced at the point of landing.
- Vessels must have enough available IFQ in the area in which they are fishing so Alternative 2 may impact the order in which vessels harvest different IFQ Areas.
- Management and enforcement of vessel caps would become more complex under Alternative 2 because it would require tracking separate limits for separate areas.
- Permanently modifying the landings programming would require NMFS developers approximately four weeks of dedicated time to determine the business requirements, modify existing (antiquated) code, and implement the changes to ensure participants could land IFQ without reporting errors.
- Sub-option 1 may require additional complexity in enforcement, however RAM already tracks CQE landings separately, given different vessel limitation for IFQ and CQE.
- Any action to modify the IFQ Program recommended by the Council would be subject to cost recovery under the MSA



IFQ COMMITTEE REPORT

- The IFQ Committee met online, March 28, 2024, to provide recommendations on the Area 4 Vessel Cap analysis for Initial Review.



QUESTIONS?

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