

ADVISORY PANEL Motions and Rationale April 6-10, 2021 - Anchorage, AK

D2 IFQ Access Opportunities

The AP recommends the Council form an Entry Level Quota Entity (ELQE) Committee to further refine a proposal and assist in the development of elements and options sufficient for the Council to initiate an analysis at a future meeting.

The following elements and options may be used to guide the committee discussion:

ELQE Entity:

- ~~Single non-profit entity holds all quota share and administers entry level enhancement programs for each management area.~~

ELQE Funding Mechanisms:

- ~~ELQE is "funded" with a one-time range of 0.5% - 2% allocation of halibut and sablefish QS pools off the top to create a new category of quota share units. ELQE quota can only be held by the Council designated ELQE entity.~~
- ~~ELQE may be funded with a 0.25 to 0.5 percent per year until the ELQE cap is reached.~~
 - ~~Sub-option: ELQE is funded with a 0.25 to 0.5 percent per year only in years where the quota has increased by 1%, 3% or 5% for each species.~~
 - ~~Increase may be an average of all areas to trigger ELQE funding~~
 - ~~Increase may apply area by area to trigger ELQE funding~~
- ~~ELQE may purchase quota until the ELQE cap is reached.~~
 - ~~Sub-option: Entity may purchase A shares only.~~
 - ~~Sub-option: Entity may be gifted A, B, C and D shares by retiring QS holders (gifted shares would be permanently re-designated as ELQ)~~
- ~~ELQE may be funded by halibut PSC savings.~~

Note: This is not meant to be an exhaustive list of funding mechanisms and other ideas may surface. Multiple funding mechanisms may be used to reach the identified ELQE cap.

Governance: Council may establish designated seats for ELQE Board of Directors. Designated seats may be comprised of elected representatives and appointed representatives.

ELQE Guidelines: Council establishes general guidelines for entry level enhancement programs, ELQE Board designs specific adaptive management program details within Council guidelines. The

Advisory Panel

D2 Motion

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~~ELQE committee may be tasked with review of proposals submitted by stakeholders and program design specifications and next steps outlined on page 25 of the discussion paper.~~

~~The ELQE committee may assess the CQE and RQE management models and consider use of these models as the basis for developing a single ELQE management entity for an entry level quota pool.~~

~~In addition, the committee should receive a report on outcomes from the Norwegian entry level program including current status of the program, funding mechanisms, governance and identified successes and failures of the program.~~

Motion failed 10-10

Rationale in Opposition:

- *It is unclear how this proposal for development of an access pool, as presented in the discussion paper, fits into other Council priorities, as well as other IFQ Committee priorities, when only a small proportion (as stated in the stakeholder proposal) of the 53% eligible QS holders would benefit from this action (i.e., all QS holders would be giving/providing to new entrants potentially without their consent or support). It is also unclear how the proposal provides an equitable pathway/access when only a small proportion of the eligible QS holders would benefit. Equitable access needs to be balanced with the recognition of historical participants.*
- *The IFQ Committee was not unified on prioritization of this issue. It is acknowledged that this motion and subsequent action by the Council would be complicated, requiring resources and time when both are limited.*
- *It is unclear how the proposed ELQE Committee would differ substantially from the IFQ Committee, including both membership and charge as a Council committee. Membership is not defined or suggested and it is unclear what aspects a potential ELQE Committee are supposed to provide refinement or assistance to the detailed proposal laid out in the motion, which is presented like a set of alternatives for analysis (without a Purpose and Need Statement).*
- *Some of the asks in the motion, like a more detailed report on access opportunities in Norway, have already been requested by the IFQ committee. Also, the RQE management model has not been funded nor is it active yet, so it is difficult to base a new entity on the success of an RQE, when it isn't yet fully understood.*
- *Development of a QS access pool based on a tax of all program QS holders could potentially set precedent for other catch share programs, both existing and any new programs developed in the future.*

Rationale in Favor:

- *In June of 2018 the Council initiated a paper exploring global examples of management actions to support entry level opportunity. This action was taken in response to public testimony, community input during a town hall meeting discussing the IFQ program, and issues highlighted in the 20 year IFQ Program Review. In June of 2019, after review of global examples and in response to further stakeholder input, the Council asked for a discussion paper that considered creation of an entry-level halibut/sablefish quota share pool to facilitate entry-level opportunity and assist owner-operators and deckhands with regaining access to*

these fisheries. Development of an access pool was proposed to address the Halibut/Sablefish IFQ program goals of facilitating/maintaining an owner-operator fleet and providing entry-level opportunities for deckhands, coastal community members, and owner-operators, which are not being met. Maintaining the owner-operator nature of the halibut/sablefish fisheries was a founding goal of the program, but currently less than half the sablefish quota and slightly less than half the halibut quota is harvested by “hired skippers.” The lease rates charged by QS holders who do not fish or go on board as non-working “riders” capture over half the ex-vessel revenue, leaving the vessel operator and crew to survive on the remainder.

- *Ensuring that the IFQ program functions well and is meeting its goals and objectives (as well as mitigating any negative consequences from the program) is the burden of the QS holders (those that have, do, and will benefit) and the Council as resource managers. A generation of fishermen without family ties and capital have lost access to the IFQ fisheries, therefore it is time to work on developing and advancing entry level opportunities in this program and to facilitate measures that maintain an owner-operator fleet. The Entry-Level Quota Entity (ELQE) would provide an equitable pathway to meet these two intended goals of the IFQ program by creating a process for continuing the discussion and working out details via the formation of a committee. This motion outlines some basic components the committee may consider along with the recommendation to consider stakeholder comments and next steps identified in the discussion paper. It is reflective of the framework proposal submitted by stakeholders as well as additional ideas that have been generated through the IFQ committee and public comment. This includes input on providing additional funding mechanisms to address concerns of the impacts on current IFQ holders; but the list provided is not meant to be exhaustive.*
- *The recommendation to form a committee is intended to help address concerns regarding the complexity of the issue. It is recognized that a Committee would require substantial time from staff and dedicated effort of the public, but public testimony indicated that there is a group of dedicated stakeholders that want to help move this forward and are willing to continue to work on the issue given the importance of the future health of fishing communities.*
- *While the majority of IFQ Committee members felt this issue is worth considering further, there was a mix of responses in terms of prioritization.*