



## C3 Charter Halibut Recreational Quota Entity Funding Mechanism Initial Review

October 2021

### Action Memo

Council Staff: Sarah Marrinan  
Other Presenters: Kurt Iverson (NMFS)  
Action Required: 1. Review analysis  
2. Determine any additional action or points of consideration before it this issue is reviewed by the Charter Halibut Management Committee

### BACKGROUND

In December 2016, the Council took final action to approve a regulatory program that would authorize a charter halibut Recreational Quota Entity (RQE) to purchase and hold commercial halibut quota share on behalf of the charter halibut anglers in IPHC regulatory Areas 2C and 3A. Specifically, halibut quota share purchased by a RQE would augment the apportioned pounds of halibut for the charter catch limit for that area, which could be used to relax the annual charter management measures (e.g., bag limits and size restrictions) up to the allowance for the unguided recreational sector. These management measures would apply for all charter halibut anglers in the corresponding IPHC areas. In other words, there would not be an option for certain anglers or certain operators to opt out. The Council's Preferred Alternative and the Final Rule establishing the RQE did not dictate the RQE's method of funding itself or any halibut quota share purchases.

At this meeting, the Council is reviewing analysis of options to establish a fee collection program for charter vessel operators to fund the RQE. In April 2021 when the Council initiated this analysis, the Council clarified that it wished to consider a fee collection program with National Marine Fisheries Service (NMFS) as the primary fee collection agency for whatever type of program was developed. Based on discussion at the Council in April 2021, the expectation is that the fee collection would occur from charter operators and to NMFS. NMFS would submit the funds to the Federal government who would in turn provide the funds back to the agency through annual appropriations to then distribute the funds back to the RQE. **All options that consider a fee being collected by NMFS from charter operators would require U.S. Congressional action to provide this authority as well as allowing for the authority for the appropriation of funds back to the RQE.** This action is currently being considered in Congress under Senate Bill S.273. It passed in the Senate on 9/14/21 and will next be considered by the U.S. House of Representatives.

The Council's alternative set established in April 2021 did not dictate the specific mechanism that would be used to collect fees from charter operators. The Council determined that it would be advantageous to allow flexibility in concept as the NMFS AK Region and RQE stakeholders collaborate in consideration and design of a workable mechanism. Two mechanisms are considered in this paper: 1) a charter halibut stamp mechanism and 2) an annual operator fee mechanism.

A **charter halibut stamp mechanism** would require charter operators to purchase a halibut stamp for each guided angler, for each day that the charter angler is on a charter vessel that intends to harvest

halibut operating in IPHC regulatory areas 2C and 3A. While operators would be liable for obtaining a stamp for each halibut angler, the Council would need to determine who was included in the term “operator”. This mechanism would benefit from having an online platform for stamp sales and distribution. If a system is developed that allows for quick and easy digital access to halibut stamps, it may be reasonable to request operators to pay at the time when they obtain the halibut stamps, or to pay at a point when the stamp is validated. This mechanism would require on-the-water enforcement and cooperation with the Alaska Wildlife Troopers.

An **annual operator fee mechanism** could be an administrative action tied to the renewal of a Charter Halibut Permit (CHP). It may not require an on-the-water enforcement component. CHP holders would be billed annually, and their CHP would not be renewed until payment was submitted. This mechanism would be administered similar to the NMFS Cost Recovery Programs, with paper invoices distributed and payments could be made electronically through eFish. If fees are not paid, or not paid in full, the CHPs could be flagged and may not be issued by RAM until payments are fully received. The fee could be uniform across all CHP holders or, due to the wide variation in use of CHPs, tied to halibut angler effort associated with each CHP (in either a tier form or as a per angler fee). In order for NMFS to design an annual fee that is scaled to an operator’s associated angler effort, the agency would likely need to rely on ADF&G saltwater logbook data as a primary data source. The paper highlights some drawbacks and obstacles to the use of these data in assessing angler effort associated with CHPs. Under this option, it would be necessary to include a process for formal appeals if an operator wished to dispute the halibut angler-days associated with their fee.

### **Upcoming Charter Halibut Management Committee**

This action is unique from other Council actions in that the ability for a federal fee collection to be a viable option hinges primarily on the practical elements of developing a functional and efficient mechanism that minimizes the burden to charter operators, anglers and managing agencies. Some of the obstacles highlighted in the paper may require additional discussion and collaboration between RQE stakeholders, NMFS, OLE, and ADF&G staff. Thus, the mechanisms in this analysis have also been scheduled to be discussed at the upcoming Charter Halibut Management Committee meeting (October 26-27<sup>th</sup>, 2021).

At this meeting, the AP and Council should consider the proposed mechanisms, their advantages and challenges. Given the upcoming work scheduled from the Charter Halibut Management Committee, the AP and Council may choose to take this opportunity to identify any information gaps, suggestions for other mechanisms for Committee consideration, and/ or provide any other comments or guidance to inform the discussion at the Charter Halibut Management Committee.

Although not required, the AP and Council could still also choose to recommend a preliminary preferred alternative (PPA) at this time if it felt there was sufficient information.