SUBJECT: Area 4 Halibut Leasing Options for CDQ Vessels - Discussion Paper

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ACTION REQUIRED: Review discussion paper and take action as necessary

BACKGROUND:
This discussion paper examines a proposal to allow Community Development Quota (CDQ) groups to lease halibut Individual Fishing Quota (IFQ) from private entities in Areas 4B, 4C, and 4D, (where the groups currently hold halibut CDQ), in years with low halibut catch limits. This proposal, in effect, would allow IFQ to be leased by a CDQ group to be added to their available halibut CDQ, for use by residents (with a halibut CDQ permit and a CDQ hired master permit), subject to the group's internal halibut management. Halibut landed would be identified as either accruing the CDQ or IFQ that a CDQ group has leased. Therefore this proposal would not necessitate changes to vessel IFQ caps in the IFQ program.

Creating this opportunity for CDQ residents, in years of low halibut abundance, would require two major exemptions. In particular, this practice is not permitted under status quo, as CDQ groups are not eligible to purchase or lease halibut or sablefish QS/IFQ, with the expectation of A shares. Additionally under current regulations, a halibut QS holder, including initial QS recipients, cannot use a hired master to harvest IFQ derived from their catcher vessel QS on any QS acquired after February 12, 2010. Therefore in many cases, under status quo, the QS holder would need to be on board the vessel with the CDQ hired master.

This discussion paper presents relevant background information on the CDQ groups and the halibut CDQ, as well as highlighting a number of Council considerations and decision points relevant for any continued Council action of this proposal.