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Rural access and entry opportunities in the halibut and sablefish IFQ fisheries

Presentation for the IFQ Outreach Meeting in Kodiak
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Overview of IFQ Program

- Intended to address overcapacity
- Includes numerous provisions to protect small boats, AK coastal communities, and new entrants
 - Block program and sweep-ups
 - QS vessel classes
 - Fish down provision
 - Vessel and QS holder use caps
 - No leasing
 - Limits on hired master use



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Big changes since IFQ

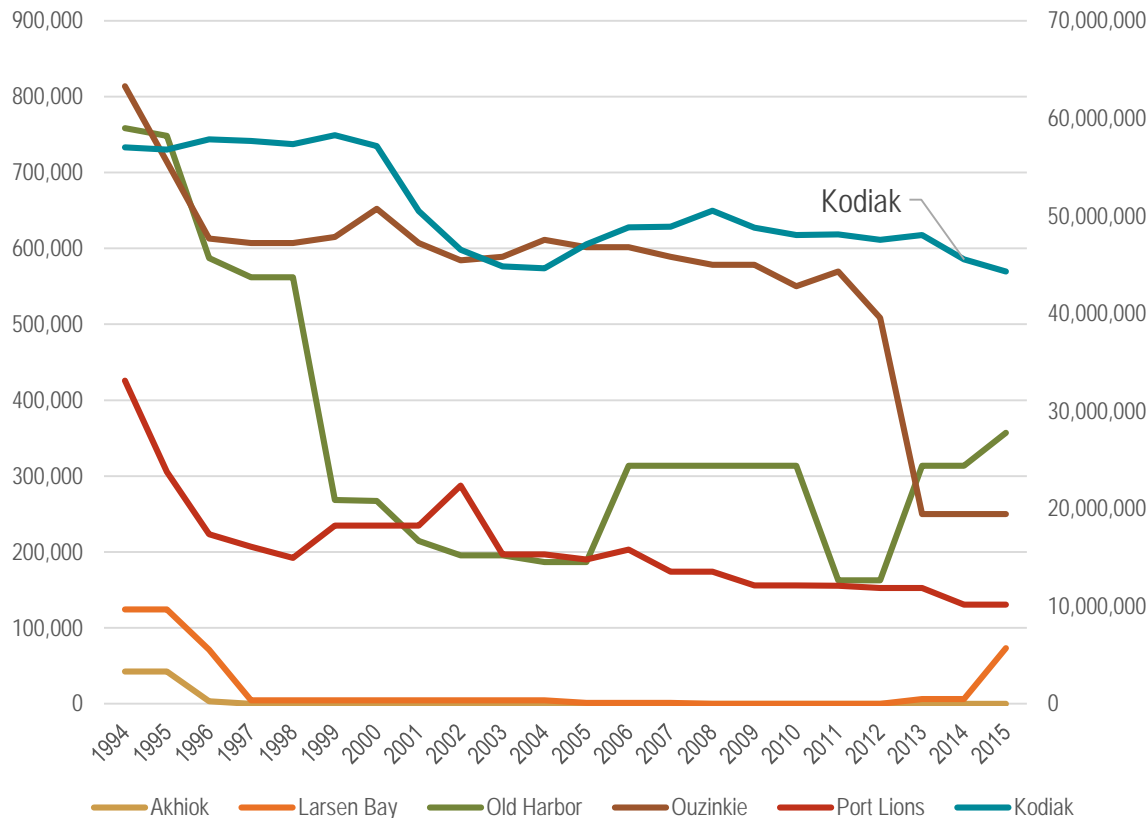
- Longer fishing season
- Consolidation
- Changes in crew employment
- Frozen to fresh halibut and product improvements
- Changes in the processing sector
- Increased fish prices and vessel revenues
- Increased QS prices
- Increased use of hired masters and leasing

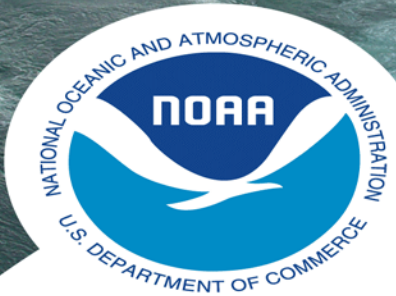


How has *rural* access changed

- QS holdings and landings stable for the category of rural communities (<2500)
 - But QS and landing migration between rural communities
- What's going on? (applies to halibut)
 - Transportation and having a fish buyer are drivers
- Definition of *rural* matters

Halibut QS holdings over time



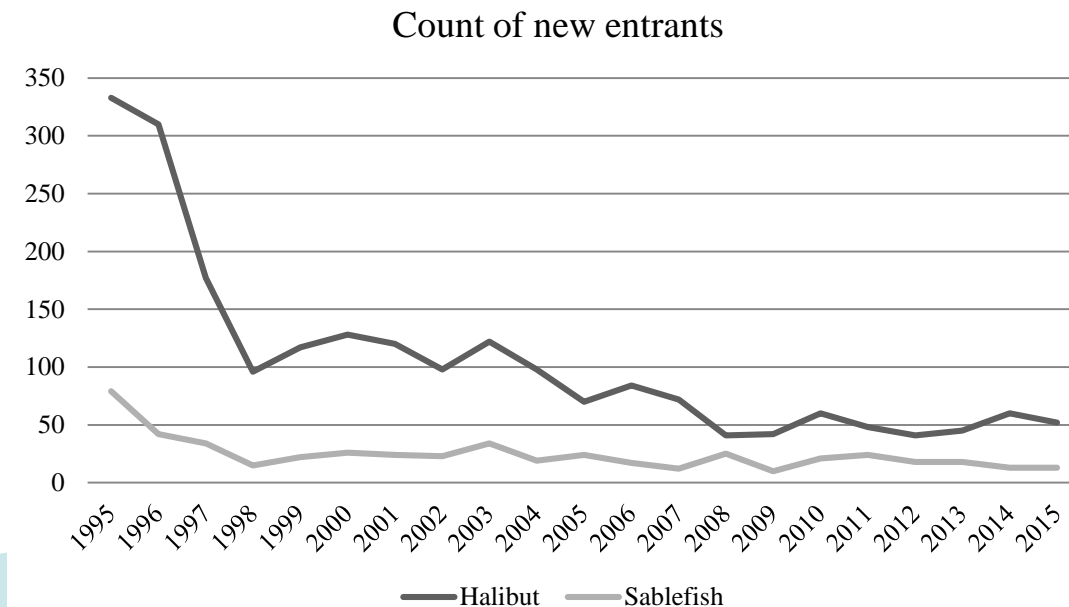


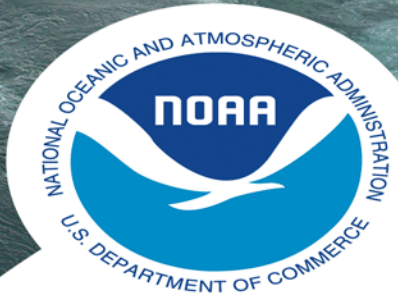
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Alaska Region

New entry opportunities

- New entrants are now the majority QS holders
- 23-29% of initially allocated QS still held by initial recipients
- Rate of entry declining over time
 - Uncertainty about TACs, rising QS prices, sector allocations, and operating costs
- Lender concerns
- Capital gains tax concerns
- Rise of gift & family transfers





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Summary

- For the smallest and most remote AK communities participation in IFQ fisheries has decreased
- New entry has also declined and is facing obstacles
- Changes post IFQ were anticipated
- Effects of IFQ Program without protection provisions are unknown

Community Quota Entities (CQE)



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- 46 eligible communities
 - Population < 1,500; lack of road access; historical participation
 - Examples: Akhiok, Karluk, Old Harbor, Ouzinkie
- Buy halibut/sablefish QS; get non-trawl Pacific cod licenses; get charter halibut permits
- CQE is self-funded
- 4 hold quota share (3 in Gulf of Alaska only have halibut)
 - The CQEs on Kodiak hold ~17,500 lbs. & 9,000 lbs. of halibut for 2018



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NPFMC – IFQ Committee

- Established in 2017
- Help the Council translate findings of the 20 Year Review into appropriate actions
- Members
 - Vessel owners
 - Crew
 - Processors
 - CDQ
 - CQE
 - Tribal (e.g., Afognak)
 - Fishermen's associations (e.g., KVOA & HANA)



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NPFMC – Upcoming Agendas

- Area 3A CQE “Fish Up”
 - Fish small-boat halibut quota on larger boats after a date in the Fall
 - Why? Stranded quota due to vessel operability and weather
- Eligibility Requirements for Quota Share Holders
 - Consider an *ongoing* sea-time requirement to retain QS ownership (replacing the 150-day rule)
 - Why? Promote an owner-operator fleet; Keep the benefits of the fishery within the set of people who are actively engaged
- Hired Master Rules
 - Consider changes to rules about which QS owners can use a hired skipper
 - Why? Promote an owner-operated fleet; Need to pay close attention to how this might affect who can afford QS, and how this affects existing arrangements that are working well for owners/masters/crew in some cases



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