

North Pacific Fishery Management Council

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North Pacific Fishery Management Council Recreational Quota Entity Committee meeting December 7, 2015 Anchorage, AK

The North Pacific Fishery Management Council's Recreational Quota Entity Committee met on December 7, 2015 to review the initial review draft of the Halibut Charter Recreational Quota Entity and Charter Halibut Permit Recency Action RIR/IRFA/EA. The purpose of the meeting was to review the initial review draft, and provide comments to the Council. Council staff presented each chapter to the committee, after which the committee discussed each chapter and provided comments for presentation to the Council. Committee recommendations are reported in **bold** below when they represent consensus recommendations.

At the first RQE Committee meeting, the committee voted to limit their discussion to the development of an RQE, and specifically excluded discussion of permit latency. However, because latent permits were included in the Council motion, as Alternative 3, the committee chose to discuss latency at this meeting, as reported below.

1) Purpose and Need

Sarah Marinnan, council staff, provided an overview of the statement of Purpose and Need developed by the Council, and provided a history of the action to date. There was discussion about the purpose and need statement, and specifically the statement referencing ensuring "long-term planning and stability in regulations for all guided anglers". The committee felt that the goal of a RQE program is the opportunity for the charter sector and commercial sector to exchange QS, not developing stability for one sector at the expense of the other. **The RQE committee recommends that the council remove references to "long-term planning and stability in regulations for all guided anglers" from the Purpose and Need statement.**

2) Description of Alternatives

After staff presentation, the committee made no recommendations.

3) Regulatory Impact Review with focus on sections 4.7-4.10

After staff presentation, the committee made several recommendations to clarify the description of potential effects of the alternatives:

Because it was noted that an RQE entity may not use all of the QS that it has acquired in any one season, **the RQE committee recommends the Council replace references to "use cap" with "annual transfer cap" in the analysis.**

The committee also recommended, but did not seek consensus on the recommendation, that future analyses consider the impacts of quota acquisition on each class of QS, if certain classes of QS are precluded from acquisition. For example, what would be the effects on each QS class, and the total QS market, of acquiring 10-40% of available quota, if acquisition of D class or A class shares were prohibited? It was also suggested by one committee member that future iterations should investigate the assumption that D class QS are “entry shares” and the effects of reduced market opportunity if a RQE was prohibited from acquiring D class QS.

After discussion about the provision in the analysis that would permit the RQE to lease “excess quota” to the commercial sector in the event that RQE holdings are more than required to meet their harvest goals, **the RQE committee recommends striking leasing as an available alternative for “surplus quota” held by the RQE.**

The committee then briefly discussed the overage/underage rollover provisions in the analysis, and **recommended that future iterations of the analysis should expand the analysis of overage/underage rollover provisions.**

There was committee discussion about the cost-recovery provision analysis. Some committee members felt that as a revision to the IFQ program, all changes would require cost-recovery to be implemented. Others suggested that because the MSA references commercial fisheries and ex-vessel values as metrics to determine cost recovery fees, the “non-commercial” charter sector would be exempt from cost-recovery. **The RQE committee recommends that future iterations of the analysis should expand the second on cost recovery to include costs to the RQE and the commercial sector.**

Sarah Marinnan informed the committee that the analysis erroneously used “charter trips” to analyze latency for Option 1, rather than “angler days” as identified by the Council. The results of the analysis, therefore, would be different than those presented in the initial review draft. Committee discussion focused on the applicability of the latent permit retirement provisions to the Purpose and Need statement developed by the Council. Some felt that Alternative 3 was not response to the P&N developed by the Council, and suggested that the Council should either remove Alt 3 from the analysis or revise the P&N statement to define a need. Others felt that addressing the latent permit issues are necessary to fully address the opportunities and efficacy of a RQE. All committee members were in general agreement that consideration of retiring latent permits (however latency is defined) should not delay or derail consideration of development of a RQE. **The RQE committee recommends that the Council remove the permit latency action from the RQE analysis, and encourages the Council to begin a separate action to review the Charter Halibut Permit Program, including the latency assessment, as a high priority.**

The committee heard public testimony from Tom Gemmell (Halibut Coalition), Nathan Smith (3A charter), James Akana (3A charter), and Mark Clemens (3A charter).

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Recreational Quota Entity Committee meeting
12.7.15

Committee in attendance: Andy Mezirow (Chairman), Richard Yamada, Ricky Gease, Bruce Gabrys, Martin Spargo, Duncan Fields, Ryan Littleton (via phone), Steve MacLean (Council staff), Sarah Marinnan (Council staff)

Others in attendance: Tom Gemmell, Stan Malcom, Doug Makinster, Jonathan King, James Akana, Mark Clemens, Tom Brooklever, Jeff Farvour, Nathan Smith, Chance Mallet, Jim Hasbrouck, Nicole Kimball, Julie Scheurer, Eric Higbee, Daniel Donich, Ken Newman, Rachel Baker.