

**C-9 Charter Recreational Quota Entity
Council Motion April 10, 2016**

The Council recommends the analysis be released for public review. The Council’s preliminary preferred alternative is shown in **bold** and changes from the December 2015 motion are indicated (deletions are ~~struck out~~ and additions are underlined).

Purpose and Need Statement

Alaska’s guided halibut anglers have seen recent increases in regulatory restrictions due to declining halibut stocks and guided recreational allocations. A market-based mechanism for the guided halibut recreational sector may be an effective means to supplement their annual allocations. Allowing an RQE (Recreational Quota Entity) to hold a limited amount of commercial halibut QS on behalf of guided recreational halibut anglers under a “willing seller and willing buyer” approach may result in less restrictive annual harvest measures for guided recreational anglers in times of low halibut abundance, while complying with total halibut removals under the guided halibut catch limits determined by the International Pacific Halibut Commission. The guided recreational halibut allocation under the Halibut Catch Sharing Plan would be combined with the halibut quota share held by the RQE to determine the annually adjusted total guided halibut allocation. The total allocation would be the basis for the determination of appropriate management measures for the guided halibut sector each year. The intent is to consider such a mechanism without undermining the goals of the halibut IFQ Program or significant adverse impacts to other halibut sectors.

Alternative 1. No Action

Alternative 2. Establish a Recreational Quota Entity (RQE) as a qualified non-profit entity to purchase and hold commercial halibut QS for use by the guided halibut sector

Element 1. Number of entities

Option 1. Two entities, one for each IPHC Regulatory Area 2C and 3A

Option 2. One entity with two area quota pools, Area 2C and Area 3A

Element 2. Restrictions on transfers. Two-way transfers are allowed. Quota class and block designation is retained if the quota is transferred back to the commercial sector. (Options below are not mutually exclusive)

Option 1. No restrictions

Option 2. Annual limit on transfers to the RQE in each regulatory area (Area 2C and 3A) of ~~1%~~ 0.5 - 5% of commercial QS units in each area (2015)

Option 3. Total (cumulative) limit on amount held by RQE by regulatory area (Area 2C and 3A)

Sub-option 1. 5% - 20% of commercial QS units (2015)

Sub-option 2. 5% - 20% of each class of QS units (2015)

Option 3A: Total (cumulative) limit on amount of commercial quota share held by RQE and leased under GAF.

10% of the 2015 commercial QS pool may be held as RQE and GAF combined in Area 2C and 15% of the 2015 commercial QS pool may be held as RQE and GAF combined in Area 3A.

The cumulative cap will be managed annually on a sliding scale between RQE and GAF, with GAF transfers restricted to accommodate RQE QS holdings.

Sub-option 1. GAF shall not be reduced below a range of 1% - 3% of the 2015 commercial QS pool for Area 2C or 3A.

Sub-option 2. GAF shall not be reduced below 1.15 times the previous year's GAF transfers for either Area 2C or 3A.

Option 4. Restrictions on RQE quota share purchases (in either or both areas)

Sub-option 1. Restrict purchase of D class quota share (limits selected under Option 2 and Option 3 are calculated excluding D class QS)

Sub-option 2. Restrict purchase of blocked QS by class that equates to (\leq 1,500 lbs or \leq 2,000 lbs in 20165 lbs)

Sub-option 3. Prohibit an RQE from purchasing a percent of blocked QS above the \leq 1,500 lbs or \leq 2,000 lbs in 2015 lbs for each class of QS for each of the Area 2C and 3A, 50%, 75%, 100%

Element 3. Setting of annual charter management measures. Use RQE quota share holdings as of October 1 each year as the basis to estimate IFQ pounds to add to the estimated guided recreational allocation under the catch sharing plan for the upcoming year. This amount must be maintained for the following fishing year. This estimated combined allocation would be used to recommend the guided recreational harvest measures for the following year. The procedural process steps and timeline would remain unchanged.

Option 1. If the RQE holdings provide a charter harvest opportunity greater than the unguided recreational bag limit in either area, NMFS would not issue annual IFQ in excess of the amount needed for the charter sector to obtain the unguided recreational bag limit to the RQE for that area. Unallocated RQE IFQ would be reallocated as follows:

Sub-option 1. Equally to all catcher vessel QS holders which hold not more than 1,500 to 3,000 pounds in 20165 pounds (by area, proportional to QS holdings)

Sub-option 2. Equally to all catcher vessel QS holders (by area, proportional to QS holdings and based on the percent of each class of QS purchased by the RQE)

Sub-option 3. Equally to all CQEs actively participating in Area 2C/Area 3A

Sub-option 4. Unallocated RQE IFQ would not be allocated (left in the water)

Sub-option 5. 50% equally to all CQEs actively participating in Area 2C/Area 3A and either 1) 50% equally to all catcher vessel QS holders which hold not more than 1,500 to 3,000 pounds in 2016 2015 pounds (by area, proportional to QS holdings); or 2) equally to all catcher vessel QS holders (by area, proportional to QS holdings and based on the percent of each class of QS purchased by the RQE)

Element 4. Limit on use of RQE funds. RQE funds are limited in their use to acquisition of commercial halibut quota; acquisition of charter halibut permits; halibut

conservation/research; promotion of the halibut resource; and administrative costs. RQE funds shall not be used directly or indirectly to lobby local, state or federal officials.

Option 1. RQE will be responsible for associated IFQ Program fees (Observer fees and administrative fees) and fish taxes that are collectible.

Element 5. RQE Organizational Structure. The RQE shall consist of a board of ~~seven~~ eleven people and shall include the following: 4 ~~6~~ 6 CHP holders, 3 ~~from each halibut management area (2C/3A)~~; + 2 commercial halibut quota share holders, one from each halibut management area (2C/3A); + 2 community representatives (not a holder of a CHP or commercial QS), one from each management area (2C/3A); and the Commissioner of Alaska Department of Fish and Game, or designee.

Option 1. A representative of the Alaska Department of Revenue shall sit as an ex-officio member of the RQE board.

Option 2. RQE board terms shall be for [Options: 3 or 5 years].

Option 3. The RQE shall hold no less than two board meetings annually.

Option 4. The RQE shall file an annual report to NMFS detailing RQE activities during the prior year.

~~Alternative 3. RQE purchase of charter halibut permits. The RQE shall be limited in the purchase of charter halibut permits to [options: 10% - 30%] of the permits in each area.~~