

# PUBLIC TESTIMONY SIGN-UP SHEET

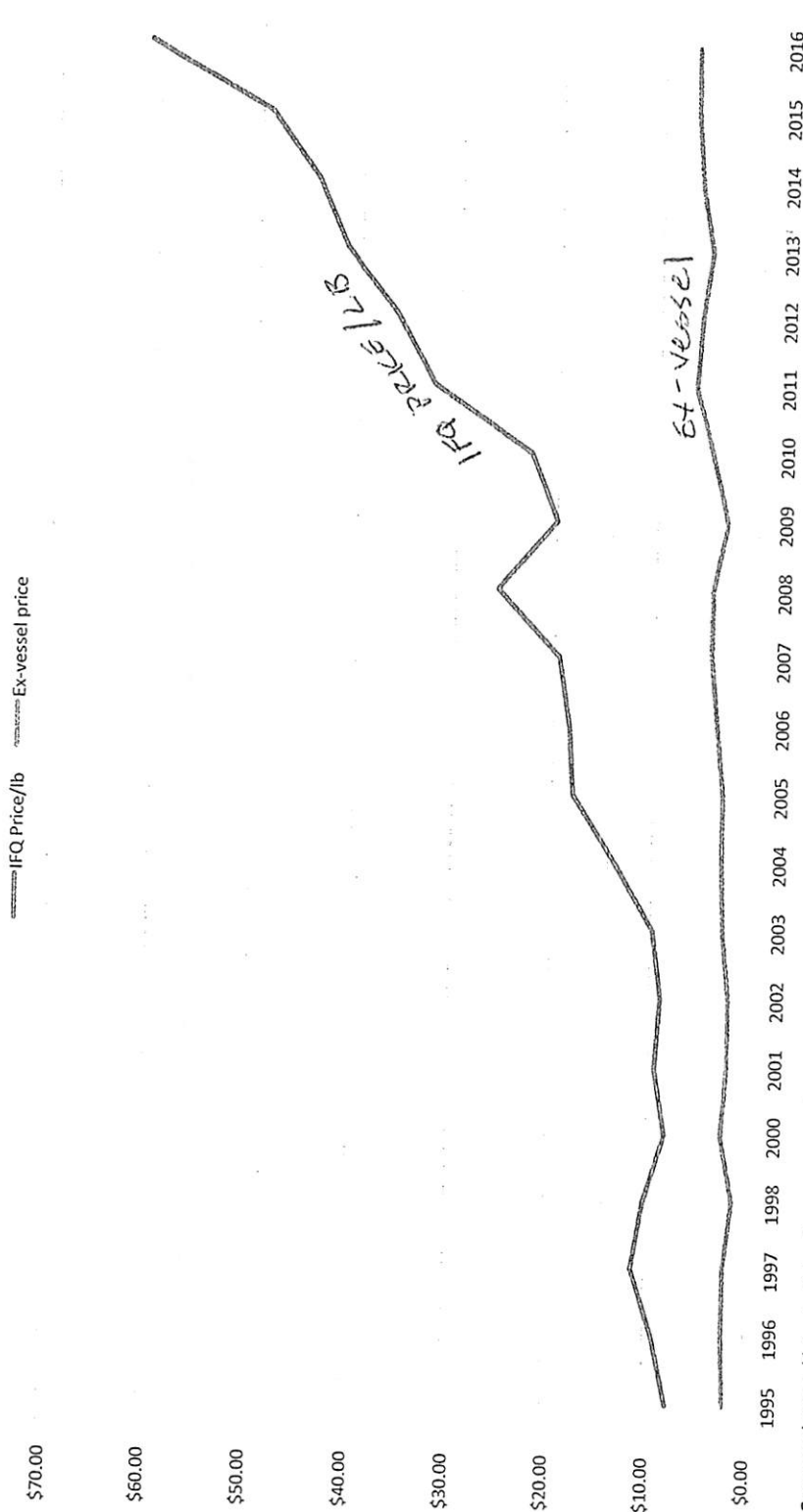
Agenda Item: C-4 IFQ, CHe Report  
~~ANNA GILBERT MURDER HALIBUT~~

	NAME (PLEASE PRINT)	TESTIFYING ON BEHALF OF:
1	C-4 IFQ COMMITTEE	
2	<del>XXXXXXXXXXXX</del>	
3	Clem Tillison	Alut. Ent. Corp
4	ALEXUS KWACHKA	SELF
5	Bob Alverson / Mike Oefferman	FUWA - Seattle - FV Kristina
6	Shawn McManus	Deep Sea Fishermen's Union
7	Jan Standaart	Self
8	Natasha Hayden HO	Native Village of Afoghet
9	Gus Linville HO	Me & my community
10	JEFF FALKNER HO	Self
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NOTE to persons providing oral or written testimony to the Council: Section 307(1)(I) of the Magnuson-Stevens Fishery Conservation and Management Act prohibits any person "to knowingly and willfully submit to a Council, the Secretary, or the Governor of a State false information (including, but not limited to, false information regarding the capacity and extent to which a United State fish processor, on an annual basis, will process a portion of the optimum yield of a fishery that will be harvested by fishing vessels of the United States) regarding any matter that the Council, Secretary, or Governor is considering in the course of carrying out this Act.

2C Average IFQ \$/pound and ex-vessel price over time



Source: <https://alaskafisheries.noaa.gov/sites/default/files/reports/halibut-transferfrpt2015.pdf>, except 2015-16 IFQ broker personal communication

Jeff Favour  
C4 Public Comment

# IFQ cost recovery notes

Program landing to create a standard ex- vessel value for each landing. These values are summed to calculate the total ex-vessel value of the IFQ fisheries for that year.

Figure 2.11-1 shows the direct program cost and fishery ex-vessel value calculated for the purposes of cost recovery from the beginning of the cost recovery program in 2000 until 2015. These values were adjusted for inflation using the Bureau of Labor Statistics' Consumer Price Index. Figure 2.11-1 demonstrates that there was an increase in management costs for 2015. As described in the previous section, this increase was the result of the addition of staff in OLE, additional costs to maintain the interagency Internet-based landings system used for the IFQ Program, and increased costs for the IPHC port sampling program. Figure 2.11-1 also shows that the

fishery ex-vessel value generally increased from 2000 to 2011, with some inter-annual variability. From 2011 to 2013, the ex-vessel value of the IFQ Program fisheries was in decline, but the value has since held steady, with a slight increase in 2015. This decline was due to reduction in TACs in both fisheries as discussed in Section 2.1 of this review.

Table 2.11-5 Incremental IFQ management costs by agency and division (2015\$)

Year	RAM	ISD	SF	FSD	OMD	RAO/OAA & GC & OLE	IPHC	ADF&G	TOTAL
2000	\$1,556,827	\$0	\$84,239	\$0	\$0	\$2,979,680	\$161,038	\$0	\$4,781,784
2001	\$1,944,008	\$0	\$107,110	\$0	\$0	\$2,341,262	\$198,546	\$0	\$4,590,926
2002	\$1,900,779	\$0	\$85,626	\$0	\$0	\$2,448,297	\$194,740	\$0	\$4,629,442
2003	\$1,684,986	\$0	\$91,504	\$0	\$0	\$2,145,700	\$466,640	\$0	\$4,388,830
2004	\$1,417,909	\$0	\$106,385	\$0	\$0	\$2,444,957	\$190,740	\$0	\$4,159,991
2005	\$983,631	\$0	\$93,519	\$0	\$104,857	\$3,000,974	\$360,306	\$0	\$4,543,287
2006	\$506,001	\$0	\$64,715	\$0	\$79,604	\$2,274,465	\$354,240	\$0	\$3,279,025
2007	\$492,438	\$0	\$54,651	\$0	\$138,959	\$2,216,157	\$229,490	\$0	\$3,131,695
2008	\$438,878	\$0	\$133,336	\$210,441	\$59,519	\$2,616,262	\$359,972	\$0	\$3,818,408
2009	\$377,423	\$282,387	\$190,757	\$266,667	\$54,454	\$3,168,326	\$412,792	\$0	\$4,752,806
2010	\$374,239	\$559,845	\$260,217	\$265,312	\$106,116	\$3,563,848	\$441,155	\$85,143	\$5,655,875
2011	\$408,247	\$580,116	\$360,673	\$187,704	\$96,329	\$3,113,763	\$432,871	\$158,048	\$5,337,751
2012	\$504,762	\$231,980	\$627,113	\$180,187	\$113,123	\$2,781,448	\$404,697	\$211,220	\$5,054,530
2013	\$592,136	\$342,361	\$464,008	\$172,185	\$101,764	\$2,761,058	\$461,521	\$111,526	\$5,006,559
2014	\$353,659	\$403,840	\$404,219	\$175,872	\$79,668	\$2,514,337	\$532,727	\$71,626	\$4,535,948
2015	\$342,523	\$549,549	\$445,830	\$165,139	\$65,270	\$3,379,543	\$539,832	\$105,919	\$5,593,605

Source: Halibut/Sablefish IFQ Cost Recovery Reports

Gus Linville

C4 Public  
Comment

### OWNER/OPERATOR HALIBUT QUOTA PROGRAM, 2/3/17

1. Owner/Operator definition: (a) An individual person operating as a sole proprietor and being the only documented owner of the fishing vessel upon which his or her Owner/Operator halibut quota will be fished, (b) A sole member LLC with one individual person as full owner of the LLC and who also is the on board operator of the vessel and owns the owner/operator IFQ, or (c) An LLC with no more than two individual person members, each member owning exactly 50 percent of the LLC, only one member is allowed to own and fish owner/operator quota and that member must operate the vessel while the quota is fished..
2. Beginning in year one of the program and for 15 years thereafter, one percent of none owner/operator IFQ vessel class size B, C, and D halibut quota share will be transferred into the Owner/Operator Halibut Quota Program.
3. All units transferred under the program each year will then be immediately compiled into 5000 lb blocks and made ready to transfer. Any leftover units after the 5000 lb blocks are compiled will also be utilized to create a small block ready to transfer.
4. All newly created 5000 lb blocks and the smaller block are then put up for sale immediately, but only those persons defined as having met the definition of Owner/Operator are eligible to buy own and fish this Owner/Operator IFQ.
5. **Once every block is sold, all funds received will be pooled, calculated on per quota share unit basis, and returned to the halibut quota holders which each unit came from that year.**
6. Other than for existing medical and surviving spouse lease provisions, Owner/Operator quota can only be fished by the Owner/Operator as defined in #1 above.
7. Once quota shares are compiled and sold under the Owner/Operator Halibut Quota Share Program, they can not go back into the non-Owner/Operator pool. When an existing Owner wishes to transfer quota share, it can only be sold to another Owner/Operator who meets the definition above.

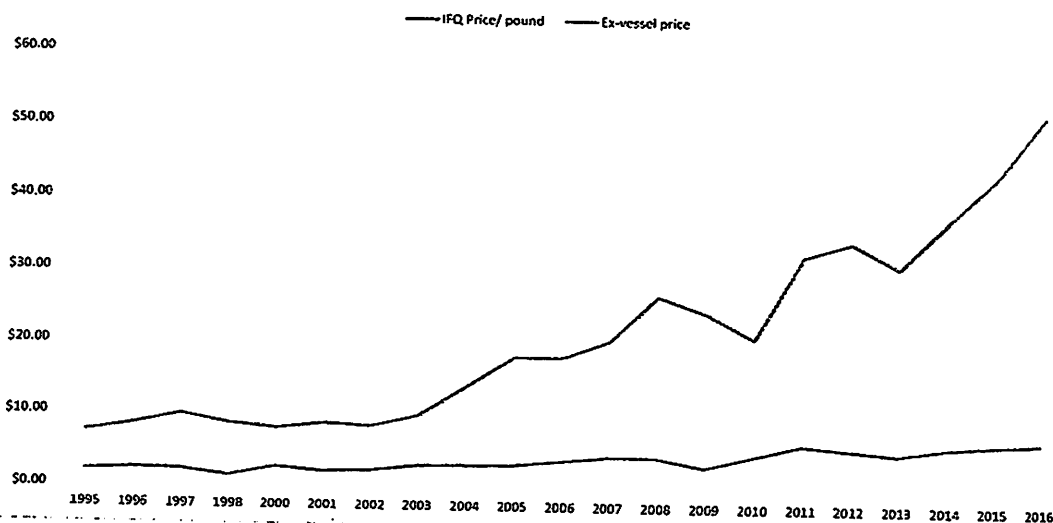
The whole idea here is to create a market for halibut fishing rights where the value of the right is tied to the value of the fish. This change is needed because the IFQ program as originally created does not prevent a non fishing individual or entity from sitting on the beach while collecting the line share of the revenue right off the top for the landings. Second, third, fourth and so on generation transfers don't fix the problem because Owner On Board means "ride along" which means the rest of the boat and crew are left to starve. The current arrangement puts an investment/retirement incentive into quota ownership which is in direct conflict with the intent stated in the original IFQ program and which has made quota unavailable. The existing rules have caused coastal Alaskan communities to lose the right to fish halibut which also is in direct conflict with National Standard #8.

Any Area or Vessel Class can utilize the above model, but I propose it to start with Area. 3A, Vessel Class sizes D, C, and B.

C4 Public Comment

	1995	1996	1997	1998	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
3-A Avg. \$	\$7.37	\$8.40	\$9.78	\$8.55	\$7.94	\$8.63	\$8.35	\$9.81	\$13.88	\$18.07	\$18.09	\$20.53	\$26.83	\$24.47	\$21.06	\$32.46	\$34.41	\$30.99	\$37.58	\$43.70	\$52.00
3-A Ex Ves	\$1.99	\$2.24	\$2.16	\$1.36	\$2.60	\$2.03	\$2.23	\$2.89	\$3.04	\$3.07	\$3.78	\$4.40	\$4.40	\$3.11	\$4.73	\$6.32	\$5.74	\$5.10	\$6.14	\$6.58	\$6.90

3A Average IFQ \$/pound and ex-vessel price over time



Source: <https://alaskafisheries.noaa.gov/sites/default/files/reports/halibut-transferfrpt2015.pdf>, except 2015-16 IFQ broker personal communication

Another illustration of the above cart

- a good NOAA IFQ Loan right now would be for 20 years at 5%
- pencil it out and that's ~~is the~~ a 24.7% lease to the boat if you can get the loan or find the quota to buy
- In 1995 buying the same quota with the same loan would be equal to a 63% to the boat

Gus Linville

Gus Linville

C4 HO  
Natasha Hayden

**Kodiak Archipelago Rural Regional Leadership Forum**

**RESOLUTION 2017 - 01**

**WHEREAS**, the Kodiak Archipelago Rural Leadership Forum is a consortium of municipal, tribal Alaska native corporation and other community leaders from the coastal communities of Akhiok, Larsen Bay, Old Harbor, Ouzinkie and Port Lions; and

**WHEREAS**, fish and access to marine resources have always been a foundational resource for these island communities; and

**WHEREAS**, sustainable fisheries and maritime skills form the economic basis, the cultural foundation and livelihood of fishery dependent coastal communities in the Gulf of Alaska (GOA); and

**WHEREAS**, Kodiak's current fishing economy is directly influenced by this maritime history and the traditions that grew in close connections with the marine resource; and

**WHEREAS**, the North Pacific Fishery Management Council (NPFMC), is currently reviewing the Halibut/Sablefish Individual Fishing Quota (IFQ) Program; and

**WHEREAS**, a major impact of the IFQ program has been the large outflow of fishing rights from the smallest historic fishing communities; and

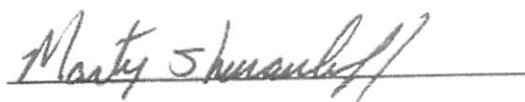
**WHEREAS**, Kodiak's small coastal communities are facing an economic crises resulting from lost fisheries access. This loss of the human right to fish impacts has resulted in the degradation of our marine based cultural and community traditions, and

**WHEREAS**, within one generation, there's been a 70% decrease in individual halibut IFQ holdings and a 100% decrease in individual sablefish IFQ holdings,

**THEREFORE, BE IT RESOLVED**, that because Kodiak's small rural communities depend on the right to access fish for their livelihood the NPFMC must take measures to mitigate the negative impacts the halibut and sablefish IFQ program has had on Kodiak Island smaller coastal communities.

**PASSED AND ADOPTED** by the 53 leaders attending the Kodiak Archipelago Rural Regional Leadership Forum on January 27<sup>th</sup>, 2017.

IN WITNESS THERETO:



Marty Shuravloff, Chairman