



NORTH PACIFIC FISHERY MANAGEMENT COUNCIL

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Legislation Details (With Text)

File #: Catch 18-006 **Version:** 1 **Name:**
Type: Catch Shares/Allocation Issue **Status:** Action Item
File created: 8/24/2018 **In control:** North Pacific Council
On agenda: 10/1/2018 **Final action:**
Title: IFQ Transfer Provisions - Initial review
Sponsors:
Indexes:
Code sections:
Attachments: 1. C8 Action Memo, 2. C8 IFQ Transfer Provisions Initial Review, 3. Public Comment, 4. MOTION: C8

Date	Ver.	Action By	Action	Result
10/1/2018	1	North Pacific Council		

William Tweit, Interim Chair
David Witherell, Executive Director

SUBJECT:

IFQ Transfer Provisions - Initial review

STAFF CONTACT: Stephanie Warpinski (NMFS), Darrell Brannan and Sam Cunningham (NPFMC)

ACTION REQUIRED:

- Review Initial Review draft of analysis
- Consider whether to select a preliminary preferred alternative and release document for final review

BACKGROUND:

The Council is considering amendments that would modify the medical and beneficiary transfer provisions in the Pacific Halibut and Sablefish Individual Fishing Quota (IFQ) Program. Alternatives developed by the Council at its February 2018 meeting have been analyzed and are scheduled to be presented for initial review.

Medical Transfer

Temporary medical transfers were not included in the original halibut and sablefish program, because the Council's intent was to have an owner-onboard fishery in the catcher vessel sectors, as well as concerns that they would be difficult to regulate. However, after reports of injured or ill IFQ holders being transported on and off fishing vessels to meet owner-onboard requirements, the Council recommended, and NMFS approved, the temporary medical transfer provision late in the 2007 fishing year. In recommending the medical transfer provision, the Council attempted to balance its objective to limit long-term leasing of quota share (QS) to promote an owner-onboard fishery with its recognition that a medical transfer provision would provide a mechanism for QS holders to retain their QS during bona fide medical temporary hardships.

Because of concerns that a small group of catcher vessel QS holders are using the medical transfer provision to circumvent the owner-onboard requirements, the Council proposed modifications to the program. The first modification would more tightly limit the number of years a QS holder could use the temporary medical transfer by changing the language from "for the same medical condition" to "for any medical condition". This change would prevent persons from applying for a temporary medical transfer for more than 2 of 5 years by

slightly altering the description of the condition that prevents him/her from fishing that year. A second proposed modification would change the number of years the medical transfer provision could be used from 2 of the 5 most recent years to 3 of the 7 most recent years. A third modification would impose a lifetime limit on the number of years a QS holder could use the temporary medical transfer provision. A range of 5 to 10 years is considered for the lifetime limit. After a QS holder reaches the limit, their application would be denied by NMFS, but he/she would still have the opportunity to appeal the decision through the normal appeals process. A fourth proposed modification would change the definition of the time period (year) that a medical transfer would be in effect from a calendar year to 365-days. NMFS does not support changing the definition of year to 365-days because IFQ is issued for the calendar year and using a 365-day period would require substantial changes to tracking and management of IFQ that is leased. Finally, the Council is considering broadening the definition of a “certified medical professional” that may attest to medical conditions on the medical transfer form. The proposed changes would allow commonly used medical professionals (e.g. chiropractors) that are currently excluded to attest to medical conditions. The definitions under consideration would broaden the current definition and may or may not include medical professionals that are licensed and practicing outside the U.S.

Beneficiary Transfer

Beneficiary transfers were established to allow the quota shares held by a person that had recently died to be leased for up to three years while the estate is being settled. The IFQ program includes provisions that allow for temporary leasing of catcher vessel IFQ under a survivorship transfer privilege that is limited to the surviving spouse or designated “immediate family member.” Because the transfer privilege is limited, stake holders and NMFS would benefit from clarifying who has the authority to lease IFQ derived from the decedent’s QS. The Council proposed adding “estate” to the list of persons that can hold QS and would provide the representative of the estate the authority to lease the IFQ derived from those QS for up to three years. The action alternatives would also define “immediate family member” in regulation using a definition currently used by other federal agencies. Defining “immediate family member” in regulation with a broad definition would allow NMFS to approve transfers by persons that may fall outside of the traditional definition of an “immediate family member”. NMFS would prefer to rely on a clear definition instead of their interpretation of Council’s intent regarding who should be considered an “immediate family member”.