



NORTH PACIFIC FISHERY MANAGEMENT COUNCIL

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Action Memo

File #: HAL 17-010, **Version:** 1

Dan Hull, Chairman
Chris Oliver, Executive Director

SUBJECT:
Halibut IFQ Leasing by CDQ groups in Area 4 - Final action

STAFF CONTACT: Sarah Marrinan

ACTION REQUIRED:
Review analysis and take final action as necessary

BACKGROUND:

This RIR/IRFA examines a proposal to allow Community Development Quota (CDQ) groups lease halibut Individual Fishing Quota (IFQ) from private quota share (QS) holders in IPHC regulatory Areas 4B, 4C, and 4D, in years with low halibut catch limits in Area 4B and 4CDE. The purpose of this action is to keep CDQ residents fishing in years where the halibut CDQ may not be large enough to present a viable fishery for participants. The Council may choose to take final action at this meeting.

Under this proposed action, any leased halibut IFQ would be available for use by the halibut CDQ fleet on vessels less than or equal to 51 feet length overall, subject to the group's internal halibut management. Landed halibut would be identified as either accruing the CDQ or IFQ that a CDQ group has leased. This proposal would not change vessel IFQ caps in the IFQ program, nor would it change allocations in the IFQ or CDQ Programs; it would allow leasing of Area 4B, 4C, and 4D IFQ in limited situations subject to existing IFQ regulations. Proposed options under consideration are intended to focus the benefits of the proposed action to the residents of CDQ communities, while mitigating possible negative distributional impacts on existing user groups and communities. Options in this analysis include: (1) establishing a 'low catch limit' threshold to determine leasing opportunity, (2) allowing harvest transferability of leased 4D IFQ into Area 4E, (3) establishing a 'cooling off period' in which newly acquired QS could not be leased to a CDQ group, (4) establishing a maximum consecutive duration for leasing, (5) limiting leasing eligibility to QS holders with small holdings in Area 4B, and (6) establishing an annual reporting requirements.

During its last evaluation of this proposal in February 2017, the Council made a few changes to Alternative 2 (the action alternative). Specifically, the Council added two new sub-options under Option 2. These sub-options consider allowing harvest transferability of leased 4D IFQ into Area 4E for A class QS. The Council also added Sub-option 4 under Option 5, creating a distinction between setting Area 4B QS holder leasing eligibility requirements in pounds versus QS units. Finally, the Council added the new option of a reporting requirement (Option 6). In addition to these changes, there has been expanded analysis on the distributional benefits and costs to different communities and stakeholders.