

DRAFT
IFQ Implementation Committee
March 26, 2012

The IFQ Implementation Team convened at 6 pm on Monday, March 26, 2012 at the Anchorage Hilton and by teleconference (for committee members and agency staffs). Dan Hull (Chair), Bob Alverson, Julianne Curry, Dave Little, Jeff Kaufmann, Paul Peyton, Jeff Stephan, Kris Norosz, and Phil Wyman attended in person. Tim Henkel, Don Lane, and Rick Berns attended via teleconference.

Staff included Jane DiCosimo (NPFMC), Jon McCracken (NPFMC), Rachel Baker (NMFS –SF), Ken Hansen and Guy Holt (NOAA OLE), LT Tony Kenne (USCG), and Brad Robbins (ADF&G). Heather Gilroy (IPHC) and Jessie Gharrett (NMFS-RAM) attended via teleconference. Eight members of the public attended.

Agenda The team approved the agenda.

2009 Proposals

Chair Dan Hull reviewed the action for the committee: to recommend whether to proceed with further analysis of four discussion papers tasked to staff in 2010, given the amount of time that has passed since the committee made its original recommendations in 2009. The chair took the committee through each proposal for questions and clarifications. And then the committee went back through the proposals for discussion and recommendations.

Public testimony: Linda Behnken noted that other halibut management issues, specifically, the halibut Catch Sharing Plan and Gulf of Alaska halibut bycatch reduction should be prioritized over any IFQ actions.

1. Develop a discussion paper to allow the retention of 4A halibut incidentally caught while targeting sablefish in the Bering Sea and Aleutian Island regulatory areas. Included in the discussion paper is the premise that this action has the objective of not increasing halibut bycatch levels.

The committee discussed the area for which the proposed action should be considered. While the proposal was specific to Area 4A because that is where the halibut predation occurred then, the committee noted that the same whale depredation problem also occurs in Area 4B. Heather Gilroy noted that the IPHC supported considering the proposed action in Area 4A, but not expanding the geographic range further. IPHC would need to collect new selectivity data if the area for the action was expanded. Heather reminded the committee that the proposed action is under IPHC authority to define legal gear for the retention of Pacific halibut, but that the IPHC wished to consult with the Council, as the proposed action would affect management of the sablefish IFQ fishery. Jane DiCosimo noted that the staff analysis would not be in the form of an RIR/IRFA because no regulatory action would be needed, so that minimized the distinction between a discussion paper and an analysis. Depending on other Council tasking priorities, she could bring back an analysis for the Council to consider recommending the proposed action in either October or December, so that the IPHC could take action at its next annual meeting in January 2013.

The committee recommended moving forward with an analysis of the proposed action, but requested that staff identify the latitude and longitude for the geographic boundaries for which: 1) Area 4A only, and 2) Area 4A and 4B overlap the Bering Sea management area and the Aleutian Island management area for sablefish. Bob Alverson noted similar concerns about pot configurations, pot storage, deadloss, etc. that are also identified under Proposal 2.

2. Develop a discussion paper to explore the implications of using pots for the Gulf of Alaska sablefish fishery, and address [the following] issues

Don Lane spoke in favor of analyzing this proposal due to whale depredation, as recommended by his organization. He recommended adding a line of longitude (perhaps 147° or 148°) in addition to the 200 fathom curve or by management area. His organization did not provide a rationale for the significance of the longitude or which gear type would be allowed on which side of the line. It was observed that 1/3 of

sablefish IFQ permits are for pot gear. Don responded that pot storage was the greatest concern. Rick Berns recommended drawing on ongoing Pacific cod experiences with gear separation in state water fisheries. Jessie Gharrett noted that grounds preemption was the biggest issue back when the Council prohibited the use of pots in the Gulf of Alaska. Tim Henkel noted that whale depredation is not the only issue; gear issues related to pots may grow in future. There was general consensus that this proposal could be controversial and stir up some of those issues from the past.

Julianne Curry recommended adding a 5th bullet for consideration in the planned discussion paper.

#5. Information on Bering Sea and west coast pot fisheries (i.e., pot designs, general characteristics).

The committee recommended that the Council proceed with a discussion paper for Proposal #2, but with a lower priority than Proposal 1. The committee recommended that the Council convene a Gear Committee first to assist in the development of the discussion of the long list of issues to be addressed in the discussion paper before tasking staff with a timeline for completion.

3. Develop a discussion paper to assess whether the problem of unharvested halibut IFQ in Area 4 is attributable to the current vessel IFQ cap or are there other factors that could be identified as contributing to unharvested halibut in Area 4.

Bob Alverson and Dave Little questioned whether the proposed action related to vessel or individual/collective use caps. Jeff Kaufman clarified that the proposal language is correct: the intent is to amend the vessel cap in Area 4. He observed that so few boats are fishing in the area, that each vessel needs a higher cap to accommodate all Area 4 IFQ fishermen who do not own their own vessels.

Phil Wyman asked about how fish up or fish down figured into this proposed action and Jessie Gharrett and Jane DiCosimo responded by identifying that fish down applies to all areas, while fish up is allowed in Area 3B and Area 4C, and the Council is scheduled for final action to allow fish up in Area 4B, and possibly Area 4A.

Jeff Kaufman asked Jessie what the percent of unharvested Area 4 IFQs. Jessie responded that the 2011 Area 4-D halibut IFQ harvest was 5.7 Mlb of the 6.2 Mlb catch limit, or 92%. Jeff felt the problem was real for individual IFQ holders to find a platform to fish their IFQs, which has contributed to lower QS prices. He felt the proposal language should read “increasing the vessel cap in Area 4,” which more closely aligns with the original proposal.

Bob spoke against the proposal because many fishermen feel that there is a reduced halibut stock in Area 4. The boats that Jeff represents have both IFQ and CDQ, which put them at an economic advantage. Bob added that another vessel in Area 4 would add jobs, but that the proposal has the potential to consolidate QS contrary to the Council’s original goals. Don Lane concurred with Bob, that his group did not feel there was a great need for the proposed action to catch that last 8%. Area 4A caught 97% of TAC in 2010, while it was 81%, in Area 4B (the area with the largest underharvest). He suggested that the dynamics of the proposal could affect the GOA, because poundage is down.

The committee agreed to move the proposal forward with a discussion paper, as outlined by the Council language. The committee identified that it had a lower priority after resource issues addressed in the first two proposals.

4. Initiate a discussion paper for removal of the block system for sablefish A shares and increase in the sablefish A share only cap. The A share exemption, would be from the overall sablefish use cap (no catcher vessel QS onboard) and regardless of whether the sablefish harvest was processed. The discussion paper should explore adding a use cap increase to the BSAI.

Dave Little clarified that his intent is to amend the vessel cap, not the individual use (or “ownership”) cap. He identified economic efficiency as the management issue. He felt that the proposal language that addressed increasing A share block caps could be dropped, as it seemed to confuse the issue. Tim Henkel asked if the proposal addressed the block cap, but noted that individuals are capped on blocks and not the vessels. Dave clarified that this was for IFQs only; the proposed action does not address CDQ A shares (which have no cap). Bob suggested that prices could be driven up.

Jane clarified that the vessel cap is not by vessel category. Jane offered the committee some clarifying language for the proposal, which it accepted to recommend to the Council as a low priority. The committee identified that it had a lower priority after resource issues addressed in the first two proposals.

Discussion paper to exempt A shares from the current vessel cap and set a separate sablefish A share vessel cap (for all areas).

Prioritization

- 1) Proposal #1, for analysis (to recommend to the IPHC for action).
- 2) Proposal #2 for discussion paper, following gear committee formation, but after Proposal #1.
- 3) Proposal #3 and #4, for discussion papers, after Proposals #1 and #2 are prepared.

Finally, committee members asked if a new call for IFQ proposals was imminent. Dan responded that the committee could make recommendations to the Council to initiate another round of IFQ/CDQ proposals, but noted that the current discussion papers already were identified as low priorities relative to other higher halibut management priorities. Jane added that at least one IFQ action from the 2006 IFQ cycle and three (possibly four after this meeting) IFQ/CDQ actions from the 2009 cycle have yet to be implemented by NMFS. And then these four discussion papers are tasked. Any new IFQ proposals would have to be prioritized relative to the current list, and the committee has already commented that some of the proposals were “stale,” but was unwilling to block any of them from further discussion.

Vessel Monitoring Systems

The intent of the committee review is to provide depth to the discussion paper, specifically on implementation issues associated with the potential for VMS requirements in the halibut and sablefish IFQ fisheries. Jon McCracken summarized the VMS discussion paper and described the general nature of the paper relative to VMS programs in other parts of the country, in order for the Council to determine how to apply VMS requirements in the North Pacific.

The committee directed questions to staff (Jon McCracken, Ken Hansen, Guy Holt, and LT Tony Kenne). Bob Alverson noted that some of the fleet may be fishing only in PWS or SEO, and asked if there could be an exemption for state waters or state fisheries. Ken Hansen responded that OLE staff could draft criteria to meet Council policies. He noted that the VMS application for Steller sea lion measures in the Atka mackerel, pollock, and Pacific cod fisheries allow a federal fisheries permit holder to “unendorse” the permit in order to be exempt from VMS requirements. Dave Little asked for clarification about unendorsing a federal fisheries permit for fisheries affected by Steller sea lion requirements versus surrendering a FFP.

Paul Peyton identified an Area 4E CDQ halibut fishery that only targets halibut, and wondered if that fleet could be exempt. LT Kenne stated the discussion paper identified what the VMS capabilities are, such that other areas of the country require VMS on very small boats, should the Council wish to make that policy (i.e., require VMS on small boats).

Dan Hull asked about VMS reimbursement program funding in other areas of the country. LT Kenne responded that all areas of the country are funded from a single source through Pacific States Marine Fisheries Commission (through 2013, at least, but likely in perpetuity).

Don Lane noted that the paper addressed the benefits of VMS but did not address the burdens on the fleet. He asked about the penalty phase, and the time enforcement personnel spends on verifying VMS equipment and pursuing violations. Ken Hanson responded that OLE does a fair amount of compliance monitoring for vessels that are required to use VMS. Guy Holt added that VMS data only triggers an investigation and is not the sole source used to determine a violation.

Public testimony: Linda Behnken and Dan Falvey identified that it was unclear what action should be taken from the discussion paper. She noted that the paper identified a solution in search of a problem. She said that a lot of cameras could be put on vessels for the same money. Dan Falvey noted that the next draft of the paper should identify a problem in the fishery. He noted that electronic logbooks combined

GPS and harvests data to address additional monitoring requirements and what is needed above and beyond the Research Plan.

The committee started to discuss recommendations to the Council. Bob Alverson reported to the committee that on behalf of FVOA, he wrote a letter in support of VMS to ensure that fishermen are fishing in the area where their QS are designated. He supported exempting Area 4E, and other specific waters from VMS requirements.

Julianne Curry encouraged the federal agencies to identify the best electronic monitoring approaches, and does not believe the current VMS model is sufficient or appropriate for North Pacific fisheries. Given all higher priority management issues (e.g., Restructured Observer Program, Halibut CSP, Halibut Bycatch Reduction, etc.) she did not feel that VMS is a high management priority.

Jeff Stephen asked what the action and context for the paper was. He agreed with Linda Behnken that a problem has yet to be identified, and that economic burdens are piling up on the fleet and have not been sufficiently identified in the paper.

Bob added that the absence of VMS or electronic logbook enables a large portion of the under 60 ft sablefish fleet, which is not required to have a logbook, to misreport. Bob believed the need for VMS is to enforce requirements to fish in regulatory areas where fishermen hold quota.

Don Lane described the cost/benefit relationship and the need to better describe that relationship for the small boat, inshore fleet for whether it really needs to have VMS. He identified two different levels of enforcement requirements that would be a significant burden to the small boat fleet.

Dave Little does not support moving forward with VMS in the North Pacific. He noted that misreporting is a felony, and a recent, high profile case is having the desired effect on the fleet.

Rick Berns wondered if VMS can be cheaper than observers. Others suggested cameras also could replace observers. Julianne noted that the two tools collect different data, and VMS could not replace observers.

Jeff Stephan clarified that this is often perceived to be a small boat problem, but it could also be a large boat problem, depending on the fishery. Unanswered questions remain about how the restructured observer program and electronic monitoring requirement interface with interest in expanding VMS requirements. The Council should detail the costs and all the tools to address whatever problem in the fishery it identifies, including current monitoring and enforcement fees that are required of every IFQ holder.

Dan summarized the discussion and identified that there was no consensus to move forward with VMS requirements or further consideration of VMS. Paul Peyton noted that in order to move forward, the Council should identify a problem, which could be that some fishermen are motivated to misreport the area in which they fish. Some committee members believed that if it desired to move this issue forward, the Council should:

- 1) Identify the problem;
- 2) Identify the best management tool, and
- 3) Exempt certain areas where the problem does not exist (e.g., Cook Inlet, PWS, SE inside, Area 4E).
- 4) Consider costs to affected fishermen, in addition to the costs of other program requirements, such as Observer fees, and IFQ fees, and new USCG safety regulations

Adjourn The meeting adjourned at 9:35 pm.