

**IFQ Committee
Anchorage, Alaska
December 9, 2013**

The IFQ Committee convened at 8:30 am on Monday, December 9, 2013. Dan Hull (Chair), Bob Alverson, Bryan Lynch, Dave Little, Jeff Kaufmann, Jeff Stephan, Jeff Farvour, Tim Henkel, Don Lane, Paul Peyton, and Rick Berns attended. Kris Norosz was absent. Bryan Lynch and Jeff Farvour were welcomed as new members.

Staff included Jane DiCosimo (NPFMC), Gregg Williams and Heather Gilroy (IPHC), Peggy Murphy, Sally Bibb, and Rachel Baker (NMFS-SF), Nathan Lagerwey and Alicia Miller (OLE). Linda Kozak and Nick Delaney attended.

Agenda

The team approved the agenda. The committee reviewed each of the four proposals that the Council tasked for review: 1) revise sablefish A share cap; 2) revise when maximum retainable amounts (MRAs) are applied; 3) revise all vessel caps; and 4) allow clean-up fishing across multiple regulatory areas.

Revise MRA application

PVOA submitted a proposal to the Council in May 2013 to revise when MRAs are applied in all groundfish and halibut/sablefish IFQ fisheries. The proposal was sent to the IFQ Committee for comment. The committee observed and OLE staff confirmed that the proposal better conforms to NMFS Office of Law Enforcement (OLE) and USCG practice of enforcing MRAs at offload, rather than during a fishing trip as specified in Federal regulations. Potential consequences remain under the status quo for directed fishing violations, if the incidental catch of non-target species happens to exceed the MRA or incidental catch percentage limit on the first set or day of a fishing trip, and the vessel is boarded and the catch inspected. The proposed change is not intended to protect fishermen who are topping off on incidental species at the beginning of the trip and not able to cover the bycatch with basis species, . The proposed regulatory amendment would reduce differences in enforcement practices between OLE and the USCG.

The proposal also would address conservation by decreasing discard mortality of incidentally caught species (e.g., rockfish) when insufficient instantaneous basis species have not yet been harvested; these fish otherwise would need to be discarded so as not be in violation of current regulations at every point in the fishing trip. A proposal to revise similar state regulations submitted by the proposed to the Alaska Board of Fisheries will be taken up at its statewide meeting in March 2014. The question of accounting for differential limits on incidental species retention by vessels fishing in both State and Federal waters on a single trip will have to be considered.

This proposal addresses a reexamination of Council policy, when the MRAs originally were implemented, to avoid targeting of bycatch species, or “topping off.” Observer coverage for previously unobserved fleets has raised greater awareness of differences among the MRA regulations, enforcement capabilities, and fishing practices.

There was committee consensus to move this proposal for both catcher vessels and catcher processors forward for a regulatory amendment (without a discussion paper).

Clean-up fishing in multiple IFQ areas

The committee reviewed an excerpt of the minutes of the September 2013 Observer Advisory Committee (OAC) and current NMFS and IPHC regulations for IFQ fishing in multiple areas. IFQ fishing in multiple regulatory areas in Areas 2 and 3 is allowed if the vessel does not possess more halibut than the available IFQ for the area being fished at any time and the halibut are identified by regulatory area (by individual marking or storage in separate areas. IFQ fishing in multiple regulatory areas in Area 4 is allowed if an observer is on board; or the vessel carries either VMS and does not possess at any time more halibut than the IFQ for the area being fished. In both cases for Area 4, the halibut need to be identified by regulatory area (by individual marking or separation). For all regulatory areas, vessel operators may retain IFQ *exceeding* the amount available in the area being fished if they have an observer onboard the vessel.

The restructured Observer Program placed most IFQ vessels in the partial observer coverage category where observers are deployed randomly by NMFS. NMFS regulations do not authorize voluntary observer coverage. Vessel owners are not prohibited from hiring someone to act as an observer, but that observer is not deployed under the protections of the Magnuson-Stevens Act and NMFS regulations. Therefore, due to observer restructuring, IFQ permit holders are limited in their ability to retain IFQ that exceeds IFQ available in a particular regulatory area to trips on which they have been selected for observer coverage.

Industry requested relief from this unintended consequence of observer restructuring through either an allowance to take observers voluntarily or through a regulatory amendment. The OAC recommended and the Council agreed to ask the IFQ Implementation Committee to review this issue.

Voluntary observer coverage in the partial coverage category creates the potential for data quality problems (fishing behavior may change if observers can be taken voluntarily on selected trips, the need to identify these trips separately in observer data, and the need to re-program the catch accounting system to exclude these data for catch estimation). In addition, NMFS requirements for safety, support, and assistance to observers do not apply for observers taken voluntarily. OLE staff noted that the proposed change would implement a unique application of observers for enforcement/compliance purposes only.

Because these regulations are in both Federal fishery regulations and IPHC regulations, implementation of a proposed change would require a complementary IPHC action for halibut.

Council and NMFS staff plan to further scope a number of proposed revisions to the Observer Program at the February 2014 Council meeting, and this proposal could be included in that report.

The committee discussed the following issues:

- NMFS OLE recommended that VMS alone is not an adequate tool to monitor IFQ fishing in multiple areas for vessels retaining more IFQ than is available in the area being fished.
- The allowance should be available for only the “last” IFQ trip?
- Unharvested IFQs in relation to the OY will be exacerbated as halibut and sablefish catch limits decline.
- Unintended competitive disadvantage on some user groups, with a lack of ability to correct that disadvantage.
- Whether voluntary observer coverage would be supplied from the partial coverage observer pool (paid for by observer fee) or contracted directly from observer providers (paid for by vessel owner in addition to observer fee for that trip).
- A proposal to allow owners of Bering Sea Pacific cod trawl catcher vessels to select whether to be in full coverage or partial coverage is under consideration as part of a suite of potential amendments that will be scoped in February 2014. Vessel owners currently are allowed to voluntarily take full coverage, but they are required to make this choice for the full year. In addition, in this circumstance, data collected by observers is used by NMFS and the fleet to manage prohibited species catch, so the observer is not operating in strictly a compliance monitoring role.

The committee identified that the only solution to the problem in the fishery is to be allowed to voluntarily take an observer and through consensus recommended that the Council request NMFS to prepare a discussion paper. It recommended that the following issues be addressed.

- Whether a) this proposed regulatory change is feasible from the IPHC’s perspective and b) the economic costs of an observer for the small boat fleet warrant continued efforts for a regulatory fix.
- Whether there are other electronic monitoring tools to replace an observer to verify IFQ fishing locations.

- Voluntary Observer program (see BS cod trawl fleet)
- Logbook and VMS (with sanctions) (but would not provide the same compliance tool as an observer)
- Competitive disadvantage for small businesses in coastal communities.

The committee recommended that this proposal be a standalone paper, rather than included under a planned report on proposed revisions to the Observer Program in February 2014.

Vessel caps

The committee combined its review of two proposals to revise IFQ caps. A discussion paper on one proposal to increase the Sablefish A share use (understood by the fleet as “ownership”) cap was reviewed by the Council at its June 2013 meeting and referred back to the committee for further guidance. The proposer noted that his intent was to set a *vessel* cap for sablefish A shares therefore the committee agreed to drop its support for the proposed use cap action in favor of consideration of a new sablefish A share vessel cap proposal. The committee discussed whether to combine the above new proposal and the KVOA proposal to revise vessel caps for all vessel categories in the halibut and sablefish IFQ fisheries.

The committee discussed the following issues that were common to both proposals:

- Reduced profits cause inefficiencies in the fleet
- If halibut and sablefish catch limits continue to decline, QS holders may decide to sell smaller blocks that are uneconomical to harvest on their own vessels, possibly increasing consolidation in the fleet.
- Lower vessel cap leads to lower profits and lower maintenance on vessels
- Interest in analysis of a matrix of vessel categories and species for proposed alternatives
- Main problem with vessel caps is in the BSAI; there are not as many vessels that are capable to operate there, resulting in a lot of stranded quota.

The committee did not have consensus to move these proposals forward to revise vessel caps however it did identify topics for a discussion paper if the Council recommends one. The committee recommended that both proposals be considered as separate alternatives to the status quo.

- 1) KVOA proposal for all IFQ species/areas/vessel categories; options would include doubling the caps and three tiers of caps at different levels of catch limits (caps would revert back to their original levels when catch limits rebound to levels when the caps were set)
- 2) Clipper proposal for a sablefish A share vessel cap for all areas (hold catcher vessel shares harmless); options would range up to 2 percent for analysis.

Other business

Jane DiCosimo informed the committee that NMFS RAM staff has transferred responsibilities for the Annual IFQ Report to the Fleet to NMFS SF. She was relaying a request for feedback to NMFS on the contents and frequency of future reports, noting that the data will continue to be collected and available for analysis as required by the managers. She asked that committee members and the public provide comments to NMFS SF staff directly for consideration for future reports.

Chair Dan Hull responded to a question about a future call for IFQ proposals by reporting that the Council continues to consider actions from the 2009 call for IFQ proposals, as well as ongoing work by staff on actions taken by the Council but not yet approved by the Secretary.

Adjourn

The meeting adjourned at noon.