



Gulf of Alaska Coastal Communities Coalition (GOAC3)
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May 27, 2009

TO: ERIC OLSON, CHAIRMAN
NORTH PACIFIC FISHERY MANAGEMENT COUNCIL
605 West 4th Ave., Suite 306
Anchorage, AK 99501

RE: Proposed Amendments for Halibut and Sablefish IFQ CQE Program

Dear Chairman Olson:

Please find enclosed three proposed amendments to the Halibut and Sablefish IFQ Program. These proposed amendments are specific to the CQE (Amendment #66) program. The GOAC3 has been requested to submit these to the North Pacific Council on behalf of CQE communities that attended a 2-day workshop in February 2009.

- (1) Change in residency requirements for CQEs
- (2) Change in CQE eligibility to purchase all vessel category shares
- (3) Request to eliminate vessel limitations for CQEs

I believe the changes are self-explanatory. Please contact us for any clarification needed.

Thank you for your consideration.

Sincerely,

Freddie Christiansen, Chairman
Gulf of Alaska Coastal Communities Coalition (GOAC3)

Gale K. Vick, Executive Director
Gulf of Alaska Coastal Communities Coalition (GOAC3)

CC: GOAC3 BOARD OF DIRECTORS
GDFDC BOARD OF DIRECTORS
CQEs

**HALIBUT AND SABLEFISH IFQ PROGRAM
AMENDMENT PROPOSAL
North Pacific Fishery Management Council
Fax: (907) 271-2817**

Name of Proposer:

Gulf of Alaska Coastal Communities Coalition (GOAC3)

Date: 5/27/09

Address:

P.O. Box 201236, Anchorage AK 99520

Telephone:

907-561-7633

Brief Statement of Proposal: CHANGE IN RESIDENCY REQUIREMENTS FOR CQES

At a February 2009 two-day workshop in Anchorage, various CQEs (community quota entities), created by Amendment #66 to the Halibut and Sablefish Program, requested that the Gulf of Alaska Coastal Communities Coalition (GOAC3) petition the North Pacific Fishery Management Council to consider a minor change in the CQE regulation to allow CQEs more flexibility in attracting residents back to their CQE community.

For individuals who sign affidavits to their intent to reside permanently in a CQE community a 36 month exemption from the 12 month residency requirement should be granted. But if an individual leases CQE quota share and after 36 months still has not achieved at least 12 consecutive months of residency in the CQE community then they should forfeit any future leasing opportunities and other CQE mandated penalties may also apply. CQEs could also establish criteria that, with all things considered, would give first leasing priority to existing residents.

Objectives of Proposal (What is the problem?):

The primary objective of the CQE program is to enhance or bring back opportunity for employment and fishing effort to the CQE communities that have seen a steady out-migration of both halibut and sablefish quota share and qualified fishermen. Many CQE communities want to attract some of their lost residents back to their communities and want their CQE programs to help serve that goal. The current rules erect an unreasonable barrier to those who are not current CQE community residents but would move back to the community if adequate fisheries opportunities were available. This creates a chicken and egg problem regarding residency and CQE programs offering fishing opportunities to residents. The prospect of having to move back to the community and then reside there for 12 months before they can take advantage of the economic opportunity that theoretically enables them to make the move is an empty promise.

While the economic data and tools are lacking that could measure the 'height' of the economic barrier or predict how many people might move back to the CQE community as a response to this rule change, it is clear that the current 12 month residency requirement presents a real barrier

to a displaced 'lost' CQE community resident who wants to move back to community as soon as the right combination of fishing opportunities are available.

There was a consensus agreement among community representatives from CQE communities that attended the two day CQE workshop that the 12 month residency requirement did present a real barrier to attracting new and lost residents to their communities and that a solution that enhanced the long term population of their community should be sought through amending the residency requirement.

CQE community residents have expressed concern over the ability to even train younger members of the community without attracting back more experienced fishermen.

Need and Justification for Council Action (Why can't the problem be resolved through other channels?):

Any changes to the CQE program must first go through the NPFMC.

Foreseeable Impacts of Proposal (Who wins, who loses?):

CQE communities, the local community region, the local hub community, and the State of Alaska all benefit when CQE communities are healthy, vital, socio-economic places and this proposal will promote that end.

There would be no person or group who suffer a loss with this action.

Are there Alternative Solutions? If so, what are they and why do you consider your proposal the best way of solving the problem?

There is no alternative solution.

Supportive Data and Other Information (What data are available and where can they be found?):

This discussion will appear in upcoming proceedings of the CQE February 2009 workshop, co-sponsored by the Rasmuson Foundation, The Alaska Sea Grant Program, the North Pacific Fisheries Trust, and the Gulf of Alaska Coastal Communities Coalition.

Proceedings are expected to be published in August of 2009.

Signature:



Fred Christiansen, Chairman, GOAC3

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Brief Statement of Proposal: TO ALLOW CQE COMMUNITIES TO PURCHASE QUOTA SHARE IN ALL VESSEL CATEGORIES

At a February 2009 two-day workshop in Anchorage, various CQEs (community quota entities), created by Amendment #66 to the Halibut and Sablefish Program, requested that the Gulf of Alaska Coastal Communities Coalition (GOAC3) petition the North Pacific Fishery Management Council to consider a change in the CQE regulation to allow CQEs to have the same ability to purchase quota share in all vessel categories as the regular IFQ program.

Objectives of Proposal (What is the problem?):

The CQE program was designed to bring some economic stability back to communities that lost a considerable amount of fishing effort as the result of the IFQ program and subsequent impacts on “combination” fishing.

The CQE limitations on quota share categories does not address that problem. There is loss of opportunity both now and in the future.

For instance, most of the “inactive” quota that might be available for purchase by a CQE are in small blocks of “D” class shares and a significant amount is in or near a CQE community.

Residents of CQE communities who own small amounts of D share quota and would like to transfer their D shares do not have the option of benefiting the community by transferring the quota to the CQE.

Additionally, many CQE communities have former crew members that do not have the ability to purchase D shares except through a CQE lease arrangement.

Some CQE communities have expressed concern over inability to buy future “A” shares.

Need and Justification for Council Action (Why can't the problem be resolved through other channels?):

Any changes to the CQE program must first go through the NPFMC.

Foreseeable Impacts of Proposal (Who wins, who loses?)

Non-CQE crew members may object to CQE ability to purchase "D" shares.

Are there Alternative Solutions? If so, what are they and why do you consider your proposal the best way of solving the problem?

There are no alternatives.

Supportive Data and Other Information (What data are available and where can they be found?):

This discussion will appear in upcoming proceedings of the CQE February 2009 workshop, co-sponsored by the Rasmuson Foundation, The Alaska Sea Grant Program, the North Pacific Fisheries Trust, and the Gulf of Alaska Coastal Communities Coalition. Proceedings are expected to be published in August of 2009.

Further data can be obtained from each CQE.

Signature:

A handwritten signature in black ink, reading "Fred Christiansen". The signature is written in a cursive, flowing style.

Fred Christiansen, Chair, Gulf of Alaska Coastal Communities Coalition (GOAC3)

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Brief Statement of Proposal: ELIMINATE VESSEL LIMITATIONS FOR CQES

At a February 2009 two-day workshop in Anchorage, various CQEs (community quota entities), created by Amendment #66 to the Halibut and Sablefish Program, requested that the Gulf of Alaska Coastal Communities Coalition (GOAC3) petition the North Pacific Fishery Management Council to consider a change in the CQE regulation that would eliminate the 50,000# vessel caps for both halibut and sablefish.

Objectives of Proposal (What is the problem?):

Currently, vessels within CQE communities that fish *any* amount of CQE quota share have an aggregate limitation of 50,000# per year per species on the vessel regardless of where that quota share originated. As example: A vessel that fishes 40,000# of non-CQE quota cannot accommodate a CQE lessee fishing any more than 10,000#. This places a severe burden on entry level opportunities for CQE residents who do not yet own vessels or whose vessels are too small to ensure safely harvesting their entire quota. Entry level fishermen and fishermen with small vessels need the flexibility to fish their CQE IFQ from the deck of community vessels regardless of how much quota is fished on the vessel. The proposed change is to eliminate the vessel cap. The individual cap should remain so that the sum of owned and leased IFQ cannot be more than 50,000 pounds for any individual if they have any leased CQE quota whatsoever. The individual cap alone, without the vessel cap, will serve the purpose of the CQE program to encourage CQE policies that spread the benefits of the program appropriately.

When an entry level fishermen or a small boat fishermen needs to fish their quota from a larger vessel they may have few available options. CQE communities often have a very limited number of vessels that can long line. There was a consensus agreement among community representatives from CQE communities that attended the two day CQE workshop that the vessel cap of 50,000 pounds posed a real and serious barrier to the success of the CQE program for some CQE communities. As CQEs develop their business plans, many are already facing this problem. CQE communities typically have "combination" boats and may alternate a long-line season with a salmon season, as an example. Vessel use may be restricted by the vessel owner's need to alternate gear types and this would result in further restrictions on vessel availability. Under this rule, retrofitting or building new vessels would be unfeasible. If CQE quota is fished on too small a boat safety becomes an issue. Sometimes the best option for the CQE, the CQE

community, and the lessee of CQE quota might be to fish all or a portion of the CQE IFQ from the deck of a vessel that may be fishing more than 50,000 pounds of quota.

Need and Justification for Council Action (Why can't the problem be resolved through other channels?):

Any changes to the CQE program must first go through the NPFMC.

Foreseeable Impacts of Proposal (Who wins, who loses?):

Entry level fishermen that do not yet own their own vessels would benefit by being able to fish on vessels that, in their judgment, best enable them to successfully achieve their long range business goals, training and safety needs. The CQE and CQE community would benefit by having more flexibility in encouraging entry level fishermen and small boat fishermen to grow their businesses to the benefit of themselves and their community. When the community has more successful resident fishermen the nearby regional hub community benefits as does the State of Alaska.

There are no losers if this rule change is enacted. It should also be noted that since CQE quota is leased on an annual basis only, CQEs can set the internal rules that would prevent the consolidation of too much CQE quota with one vessel or one individual.

Are there Alternative Solutions? If so, what are they and why do you consider your proposal the best way of solving the problem?

There is no alternative for a CQE community with limited long line vessels. If the intent of the CQE program is to help local economies, this problem must be fixed.

Supportive Data and Other Information (What data are available and where can they be found?):

This discussion will appear in upcoming proceedings of the CQE February 2009 workshop, co-sponsored by the Rasmuson Foundation, The Alaska Sea Grant Program, the North Pacific Fisheries Trust, and the Gulf of Alaska Coastal Communities Coalition. Proceedings are expected to be published in August of 2009.

In addition, the *Federal Register* Vol. 69, No. 84/ Friday, April 30, 2004, which published the Final Rule of Amendment #66, notes in the comments objection to the 50,000# limitation on vessels, particularly as it affects the purchase of sablefish.

It is suggested that a poll of CQE communities be conducted to determine the extent of this problem.

Signature:



Fred Christiansen, Chairman, GOAC3