

STRAWMAN ALTERNATIVE LANGUAGE FOR COMMITTEE MOTION
RELATED TO LEASING OF PARTIAL LAGC IFQ

2.6.6 Allow leasing of partial general category IFQ allocations during the fishing year (See page 30 of FW21 EA)

The Scallop Committee passed a motion at the November 3, 2009 Committee meeting that the Council consider the motion below.

Motion 5. Preble/Cunningham

Add an alternative in FW21 that would allow leasing of partial allocations (in amounts equal to or greater than 100 pounds) throughout the fishing year with existing applications and protocols. It is understood that the intention is not to slow down the implementation of FW21.

Vote: 7:0:1, motion carries.

Rationale/Discussion: A member of the audience explained that this FW already includes several measures to adjust the IFQ program to make it more workable, and this request is in line with that (*A15 is actually the action that includes several measures to address IFQ issues*). He explained that this was discussed at the last AP meeting and it was supported. The Committee agreed that increased flexibility in lease amounts would be helpful for the IFQ program. Before this can be added in FW21 NMFS must look into why the current increments exist and what it would take to change them, may need an amendment depending on the reason the restriction was put in place in A11.

Strawman Alternative for Leasing Partial IFQ Allocations

1.1 NO ACTION

Amendment 11 allowed for temporary and permanent IFQ transfers between permitted vessels but required that vessels transferring IFQ must transfer that allocation **in full prior to any fishing activity** (50 CFR 648.53(h)(5)) by the vessel transferring IFQ to another vessel. Under No Action, IFQ permitted vessels that do not have a limited access days-at-sea (DAS) permit will still be allowed to transfer only entire IFQ allocations.

1.2 ALLOWING FOR PARTIAL IFQ ALLOCATION TEMPORARY TRANSFERS

This alternative would allow for partial allocation transfers that would be leased from one vessel to another during a single fishing year and would not be carried over into a subsequent fishing year. A vessel could complete multiple leases of portions of its IFQ. This alternative would only apply to temporary transfers (leases) and not permanent transfers, which would still require the entire IFQ allocation to be transferred to a vessel permanently.

The Council should determine the most appropriate minimum allocation amount.

Current IFQ allocations issued to vessels will be rounded up to 10 pounds.

The following provisions would not be changed by this alternative:

- 1) The lessor must not fish any of its IFQ allocation prior to transfer to another vessel. With the absence of true real-time monitoring of IFQ allocations, NMFS wants to take precaution with allowing for vessels to fish prior to leasing out IFQ allocation. In addition, this first year of IFQ implementation will be complicated by the delay in Framework 21 and will require NMFS to apply new IFQ allocations after the start of the fishing year. A vessel that has leased IFQ to another vessel may fish its remaining IFQ after the lease, but may not lease the remainder of its IFQ once it has began fishing under its IFQ.
- 2) This alternative will not change the end-of-year deadlines for when applications must be received. Completed transfer applications must be submitted to NERO at least 30 days before the date on which the applicants desire to have the IFQ effective on the receiving vessel. Applications for temporary transfers should be submitted at least 45 days prior to the end of the fishing year (i.e., mid-January) so that they will be processed in time for a vessel to use the transferred IFQ before the end of the fishing year in which the IFQ transfer was approved.
- 3) Partial IFQ leasing will still be subject to the 2 percent and 5 percent caps for total allowable catch and ownership, respectively.
- 4) Limited access days-at-sea vessels that also possess IFQ permits may not participate in temporary or permanent transfers.
- 5) Cost recovery for the transferred IFQ will be applied to the vessel that lands the transferred IFQ allocation.

If a vessel (lessor) leases its entire IFQ allocation to one or more vessels, any overages over the amount of the individual IFQ transfers would be the responsibility of the appropriate leasee. If a lessor transfers part of its IFQ allocation to either one or more vessels but retains some of its allocation, any overages of that vessel's remaining IFQ allocation would be the responsibility of the lessor.

Rationale: This alternative would allow for more flexibility to the IFQ program while also meeting the needs of the current monitoring system that will be used for the first time in the 2010 fishing year.