

Alaska Department of Fish and Game
Halibut Charter Management
IFQ Options

As part of its December 2005 action, the Council rescinded its previously adopted halibut charter Quota Share (QS) program for Areas 2C and 3A. There were several reasons for this, most significant of which included:

- Legal concerns resulting from the delay in implementation which resulted in many current participants being excluded from the fishery.
- Concern by recreational anglers that charter services remain available where they fish and that cost of participation remains affordable.
- Concern raised by communities with small or underdeveloped charter industries regarding economic impact due to either migration of shares from their communities or inability to develop industries.

Assuming these concerns could be addressed, the Council chose to include a QS option for consideration as a long-term solution to the fishery. Various proposals have been forwarded to address the recency issue, including one by Goodhand that involves “leveling” of issued QS (refer to attachment #1). Under any program, new criteria for issuance of QS shares would need to be developed that considered recent participation in the fishery. Limited halibut landing data by individual operator or vessel is available; therefore criteria based on other information would need to be developed.

Another option to be considered is developing a QS program based on trips or seats rather than poundage of fish. This has been used in fisheries along the east coast (refer to attachment #2). This has been raised as an option to address concerns expressed over questions regarding ownership of fish under a QS program.

Other considerations that need to be addressed is whether there is a need to sub-divide Areas 2C and 3A charter QS allocation into separate areas and issue QS by these sub-areas. Limiting transferability between areas would assure that growth in one area does not affect availability of charter services in other areas (i.e., under-capitalized areas or areas not currently experiencing growth) or result in economic harm to smaller coastal communities.

Common Goals/Principles

One of the primary reasons the Council voted to revisit options for the long-term management of the Alaskan halibut charter fishery was a failure to address the concerns of all affected parties. Specifically, the concerns of the recreational angler that uses charter boats to access the halibut resource and the numerous small coastal communities whose economies partially rely on the charter halibut fishery were not adequately addressed by the previously adopted charter boat IFQ fishery.

Therefore, one of the first charges of the stakeholder work group will be to define common goals and principles for the long term management of the Alaskan halibut charter boat fishery. Based on public testimony, the following principles have been identified:

All parties agree that the first and primary principle is that halibut continue to be managed for their long-term conservation and sustained yield. All parties also agree that bycatch and wastage must be reduced in all fisheries to the extent practicable.

Commercial IFQ holders:

- *Protection of commercial IFQ allocations from growth of charter harvests*
- *Charter harvests are linked to changes in abundance*
- *If relocation between sectors occurs, it occurs with compensation*

Charter boat operators:

- *A stable and predictable regulatory and operating environment*
- *A healthy and economically viable industry*

Recreational anglers:

- *Access to the halibut resource occurs where anglers live or visit*
- *Reasonable price of participation*

Alaska coastal communities:

- *existing charter operations and their associated economic benefits remain in their communities*
- *growth of charter boat industries in underdeveloped areas can occur.*

Alaska Department of Fish and Game
Halibut Charter Update
February 15, 2006

Agency Players

International Pacific Halibut Commission (IPHC)

- Established by treaty between the US and Canada.
- Responsible for determination of sustained yield

North Pacific Fishery Management Council (NPFMC or Council)

- Established via Magnuson-Stevens Fishery Conservation and Management Act
- Responsible for allocation of halibut within US waters off Alaska.

Alaska Department of Fish and Game (ADFG or Department)

- Responsible for management of fisheries within state waters
- Responsible for regulatory control of charter vessels operating out of Alaskan ports.

Main Affected Groups

Charter operators

Charter clients

Commercial IFQ holders

Coastal communities

Current GHL Overages

The Council has established guideline harvest levels for the halibut charter fisheries operating in southeast (Area 2C) and southcentral (Area 3A) Alaska. These GHLs were adopted to address concern over the growth in the charter halibut harvest and related impacts to the commercial IFQ fishery.

Area 3A GHL:	3.650
2004 Charter harvest	3.668 (1% overage)
2005 Estimated Charter harvest	3.414 (6% underage)
Area 2C GHL	1.432
2004 Charter harvest	1.750 (22% overage)
2005 Estimated Charter harvest	1.639 (14% overage)

Interim process in place to bring fishery under their respective GHLs (until long-term solution is identified)

- Non-retention of skipper and crew fish (Board of Fisheries)
- Limit on number of lines fished to number of clients (Board of Fisheries)
- Annual limits (NMFS)
- Per-day trip limits (NMFS)

Final action is expected to take place on these items at March 2006 Board of Fisheries meeting and April 2006 North Pacific Fishery Management Council meeting. Actions by BOF would be implemented during the 2006 fishing season

Time delay in implementation is of concern to all users and managers.

Halibut Reporting

As part of its December 2005 action, the Department committed to improve logbook reporting for the halibut charter fishery. Specifically, the Department committed to:

- Reporting of kept and released halibut for Pacific halibut at the level of the individual client (angler).
- Collection of unique identification information for each client.
- Mandatory recording of all information for each chartered trip BEFORE clients and harvest are offloaded at the end of the trip.
- Return of completed logbooks on a weekly basis.
- On-site verification of logbook information.
- Increased enforcement.
- Post season cross-verification of logbook information by follow-up surveys of chartered anglers.

These changes will be in effect beginning with the 2006 fishery. Modified logbooks are currently at the printers and will be available for issue in early March.

Reasons for repeal of previously adopted charter QS program

- Legal issues associated with delay in implementation. This resulted in many current operators (about 40-50%, depending upon port) not being eligible for QS.
- Recreational groups expressed concern over the potential for lack of access at ports where they fished.
- Recreational anglers expressed concern over cost of chartering
- Alaska Coastal communities expressed concern related to loss of economic benefit if charter operations left their communities or they were unable to develop charter services.

Formation of Stakeholder Group to evaluate long-term options

The Stakeholder group was formed to make recommendations to the Council for the long-term management of the Alaska charter fishery. Various options are being considered, including:

- An allocation based fishery that would float with abundance. This alternative would include the following options:
 - Sub-divide the allocation within Areas 2C and 3A.
 - Development of a management plan that could be used to manage the fisheries within their allocations. One option would be to delegate to the state the management of any allocation. This would allow greater flexibility and more timely action. We are exploring legal options at this time.
- A modified QS program. This alternative would include the following options:
 - Addresses recency issues.
 - An effort-based QS program.
 - Sub-divide the QS program within Areas 2C and 3A.
- Use of moratoriums/limited entry/super-exclusive registration to limit effort within areas or sub-geographies.
 - Moratoriums and limited entry could be done by the Council based on criteria that would need to be determined and analyzed. Legal advice would suggest all recent participants would need to be included. Also, transferability of issued permits would need to be addressed.
 - For the state to implement moratoriums or limited entry, legislation would be needed.
 - Super-exclusive registration could be implemented to limit charters from operating in only specified waters.

Development of Local Area Management Plans (LAMP)

Some of the issues regarding management of halibut fisheries in the North Gulf of Alaska are best faced by the Council while others are better faced by the Alaska Board of Fisheries using the Local Area Management Plan (LAMP) process. Such issues include, but are not limited to: overcapitalization, private boat angler opportunity, local depletion, and user conflict issues. Since the development of the protocol only one LAMP has been developed (Sitka).

One of the main reasons for the failure to establish more LAMPS was overlapping use and a resultant inability to develop LAMP boundaries. To re-energize this effort the State will work with the Alaska Board of Fisheries Local Advisory Committees to establish LAMP boundaries and develop appropriate regulatory recommendations for each LAMP on a time certain deadline. It is our hope to have geographic boundaries established by November 2006 and corresponding regulatory recommendations developed over the next three Board cycles.

Orderly, compensated reallocation

Demand for charter services is projected to increase. Since the halibut resource is fully allocated, if demand is to be met, reallocation must occur. All sectors agree that an orderly, compensated reallocation is desirable. Economics also suggest charter fleets may not be capable of purchasing commercial QS. Various options are being considered to allow for an orderly, compensated shift:

- Reduction of bycatch and waste in all fisheries
- Development of a fee by charter clients to generate funds to purchase commercial QS. Models being examined include a charter stamp or a charter taxing authority.
- Ownership of purchased shares is of question. It would also require modification of the commercial IFQ regulations.

Alaska Department of Fish and Game Halibut Charter Management Logbook Reporting

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- Collection of unique identification information for each client.
- Mandatory recording of all information for each chartered trip BEFORE clients and harvest are offloaded at the end of the trip.
- Return of completed logbooks on a weekly basis.
- On-site verification of logbook information.
- Increased enforcement.
- Post season cross-verification of logbook information by follow-up surveys of chartered anglers.

These changes will be in effect beginning with the 2006 fishery. Modified logbooks are currently at the printers and will be available for issue in early March.

**Alaska Department of Fish and Game
Halibut Charter Management
LAMP Option**

The North Pacific Fishery Management Council is facing many issues regarding management of halibut fisheries in the North Gulf of Alaska. Some of these issues are best faced by the Council while others are better faced by the Alaska Board of Fisheries using the Local Area Management Plan (LAMP) process. Such issues include, but are not limited to: overcapitalization, local depletion, user conflict issues, and providing opportunity for residents with small boats close to communities. Since the development of the protocol only one LAMP has been developed (Sitka).

One of the main reasons for the failure to establish more LAMPS was overlapping use and a resultant inability to develop LAMP boundaries. To re-energize this effort the State will work with the Alaska Board of Fisheries Local Advisory Committees to establish LAMP boundaries and develop appropriate regulatory recommendations for each LAMP on a time certain deadline. It is our hope to have geographic boundaries established by November 2006 and corresponding regulatory recommendations developed by over the next three Board cycles.

**Alaska Department of Fish and Game
Halibut Charter Management
Linkage of GHL to Abundance**

The current GHL represents a guideline harvest limit for the halibut charter fisheries operating in Alaska IPHC Regulatory Areas 2C and 3A. For Area 2C the GHL is 1,432,000 lb net weight; for Area 3A it is 3,650,000 lb net weight.

Some have advocated linking the GHL to abundance so that it floats up and down annually with some index of biomass. Various mechanisms have been suggested including, but not limited to:

- A percentage based allocation that would float annually up and down with abundance.
- A stair-step based allocation that would adjust to gross changes in abundance.

When linking to abundance it is important to define what index of abundance will be used as abundance is a relative term. For halibut various terms are used:

- **Exploitable biomass:** It is calculated by regulatory area. Exploitable biomass in a regulatory area is estimated by the annual assessment data from that area by fitting to detailed population models.
- **Exploitation rate:** A variable harvest rate that is applied to the exploitable biomass to calculate a constant exploitation yield (CEY). In recent years this has been between 20-25%. The rate is set to assure a relatively constant yield from the halibut resource.
- **CEY:** The catch limit of halibut that can be removed by all fisheries in an area.
- **Fishery CEY:** In Areas 2C and 3A, this represents the amount of halibut available to the IFQ setline fishery after other removals (bycatch, wastage, personal use, unguided sport, and guided sport) are subtracted.

Annually, the IPHC makes staff recommendations regarding each of these. However, final adopted catch limits may be higher or lower depending upon a number of statistical, biological, and policy considerations.

Most proposals to link allocation to abundance would link the charter harvest to either the CEY or the Fishery CEY. In either case, a management plan would need to be developed to assure the fishery could be managed to stay within its allocation.

Another consideration that needs to be addressed is whether there is a need to sub-divide Areas 2C and 3A's GHL's into separate allocations to assure that growth in one area does not affect availability of charter services in other areas (i.e., under-capitalized areas or areas not experiencing growth) or result in economic harm to smaller coastal communities.

Alaska Department of Fish and Game Halibut Charter Management Moratoriums/Limited Entry/Super-Exclusive Registration

As part of its December 2005 action, the Council set a control date of December 9, 2005 to notice the halibut charter industry operating in Southeast (Area 2C) and Southcentral (Area 3A) Alaska that a moratorium and/or limited entry program may be implemented for these fisheries. The control date notices participants in these fisheries that businesses or guides not participating in these fisheries by this date may not be eligible for future access and/or quota in these fisheries.

Moratoria: A moratorium is a tool used to stop new participants from entering a fishery. A set of qualifying criteria is developed to lock in current participants and lock out new participants. Moratoriums have been used to lock participation while a longer-term solution (e.g., limited entry or a rationalized fishery) is identified. The Council could adopt a moratorium for the halibut portion of the charter fishery. To do so, it would need to develop and analyze criteria as to who would be issued a moratorium permit. It would also need to determine transferability of permits. Legislation would be needed for the State to adopt a moratorium on sport charter vessels.

Limited Entry: A limited entry program grants a limited number of licenses to participate in a select fishery. A set of qualifying criteria is developed to issue licenses to participants in a fishery based on past involvement (e.g., registration, landing history, etc). In this way, a limited entry system determines who's in and who's not. The Council could adopt a limited entry program for the halibut portion of the charter fishery. To do so, it would need to develop and analyze criteria as to who would be issued a limited entry permit. It would also need to determine transferability of permits. Legislation would be needed for the State to adopt a limited entry program on sport charter vessels.

Super-Exclusive Registration: A super-exclusive registration program requires participants to exclusively register to fish in a fishery or sub-unit of a fishery and disallows registrants' participation in other fisheries or sub-units. Super-exclusive registration would be useful in limiting participation in sub-units of fishery that might be fully capitalized. The State could develop a super-exclusive registration under existing statutes.

In all cases a set a criteria would need to be developed. Courts have ruled that current participants in a fishery should not be excluded. Also, transferability of issued permits would need to be determined.

Alaska Department of Fish and Game Halibut Charter Management State Delegation Option

The State of Alaska is seeking a delegation of certain aspects of the management of the Alaskan halibut charter fishery. Specifically, the Department is seeking a delegation to manage the halibut charter fishery within biological guidelines established by the IPHC and allocation guidelines established by the NPMC.

The Department is seeking this authority in order to:

- Quicken management response time.
- Be more flexible in implementation of regulatory tools.
- Lessen impact on state-managed species.
- Lessen impacts of AK coastal communities.

At the request of the Department, lawyers from the NMFS and the State are examining whether such a delegation is possible, and if so, how it could be accomplished. A past legal opinion issued by NMFS suggested that certain aspects of halibut management could not be delegated. However, recent discussions suggest that so long as the State remained more restrictive than general IPHC and federal rules a limited delegation may be possible.

If a limited delegation were possible it is the State's intent to develop a halibut charter management plan modeled after the Southeast Alaska king salmon management plan. This management plan gives the Commissioner of ADFG the authority to establish, by emergency order, necessary management measures to assure the Southeast Alaska sport fishery remains within biological and allocations limits established by the Pacific Salmon Treaty and the Alaska Board of Fisheries. The Department would go to the Board of Fisheries to adopt a Halibut Charter Boat Management Plan.

Alaska Department of Fish and Game Halibut Charter Management BOF Options

During the December 2005 Council meeting Commissioner Campbell told the Council that the Department would request the Board of Fisheries to consider two proposals at their March 2006 statewide meeting to reduce the halibut harvest within the charter sectors of IPHC Regulatory Areas 2C and 3A. If adopted, these restrictions could go into effect during the 2006 fishing season to slow down the charter harvest until any restrictions adopted by the Council became effective.

Specifically, the department has requested the Board to adopt a regulation for area 2C that would allow the Commissioner to prohibit charter operators and crew from retaining any fish while paying clients are onboard. It is our best estimate that if implemented this restriction will result in a harvest reduction of approximately 4%.

In area 3A the department will request the Board to adopt a regulation for area 3A that allows the Commissioner to prohibit charter operators and crew from retaining any fish while paying clients are onboard and limit the number of fishing lines to equal the number of paying clients onboard the vessel. If implemented, these restrictions will result in a harvest reduction of approximately 9%.

The Department has received legal advice from both State and NOAA attorneys that since the proposal deals with all species the action would apply to halibut.

Alaska Department of Fish and Game Management of GHL

The current GHL represents a guideline harvest limit for the halibut charter fisheries operating in Alaska IPHC Regulatory Areas 2C and 3A. For Area 2C the GHL is 1,432,000 lb net weight; for Area 3A it is 3,650,000 lb net weight. In the event the GHGs in either area were exceeded in either area, the Council identified a suite of management measures that could be employed to bring the fishery under the GHGs. The measures were meant to be employed the year following the year that they were exceeded. Measures specified were:

Area 2C <u>Required</u> <u>Reduction</u>	<u>Management Tool</u>	Area 3A <u>Required</u> <u>Reduction</u>	<u>Management Tool</u>
<10%	Trip Limit	<10%	Trip Limit
10%-15%	Trip Limit No harvest by skipper and crew	10%-15%	Trip Limit No harvest by skipper and crew
15%-20%	Trip Limit No harvest by skipper and crew Annual limit of 7	20%-30%	Trip Limit No harvest by skipper and crew Annual limit of 7
20%-30%	Trip Limit No harvest by skipper and crew Annual limit of 6	30%-40%	Trip Limit No harvest by skipper and crew Annual limit of 6
30%-40%	Trip Limit No harvest by skipper and crew Annual limit of 5	40%-50%	Trip Limit No harvest by skipper and crew Annual limit of 5
40%-50%	Trip Limit No harvest by skipper and crew Annual limit of 4	>50%	Trip Limit No harvest by skipper and crew Annual limit of 4 1 fish bag limit in August
>50%	Trip Limit No harvest by skipper and crew Annual limit of 4 1 fish bag limit in August		

For legal reasons these measures were not adopted into regulation. As such, a new regulatory action is required each time a GHG is exceeded.

Current Status

At its October 2005 meeting, the Council reviewed final 2004 halibut charter harvest estimates. These data indicated that the GHLs were exceeded by 22% in IPHC Regulatory Area 2C and by less than 1% in IPHC Regulatory Area 3A. For this reason the Council initiated an analysis of measures that could be employed to bring halibut charter harvests below the GHLs. For each area, the Council is currently considering 3 alternatives to bring the halibut charter fisheries under their GHLs. For Area 2C:

- Alternative 1: No action
- Alternative 2: Limit vessels to one trip per day, prohibit harvest by skippers and crew, and set an annual limit of five fish
- Alternative 3: Limit vessels to one trip per day, prohibit harvest by skippers and crew, and set an annual limit of six fish

For Area 3A

- Alternative 1: No action
- Alternative 2: Limit vessels to one trip per day
- Alternative 3: Limit vessels to one trip per day and prohibit harvest by skippers and crew

At its February 2006 meeting, the Council reviewed the initial review draft of the EA/RIR/IRFA for a regulatory amendment to implement GHL measures in the halibut charter fisheries in IPHC Regulatory Areas 2C and 3A. It also heard a report of a GHL committee formed to review these alternatives and make recommendations regarding them. The Council decided to proceed forward with the listed alternatives with the following additions:

- Include an analysis of using an average weight to calculate the GHL.
- Include an analysis of developing a separate accountability process that would apply the GHL “allocation” directly to a combined fishery CEY rather than having it “taken off the top” as is currently done.
- Improve the analysis of projected economic impacts to all sectors.

The Council also recommended that the newly formed stakeholder group consider:

- establishment of a moratorium program for halibut charters operating in IPHC Regulatory Areas 2C and 3A
- sub-division of IPHC Regulatory Areas 2C and 3A into smaller sub-regions for management purposes.
- Options for linking the GHL to abundance.

The Council has scheduled final action on this issue for its April 2006 meeting. Any actions taken would be effective for the 2007 fishery.

ESTIMATED CHARTER HALIBUT HARVESTS IN 2C AND 3A

AREA 2C **THE CHARTER HALIBUT GHL ADOPTED BY THE COUNCIL IN FEBRUARY, 2000 IS 1.432 MILLION POUNDS, NET WEIGHT.**

Year	No. Fish	Avg. Net Wt.	Biomass	Deviation from GHL
1999	52,696	17.8	.938	-34%
2000	57,208	19.8	1.132	-21%
2001	66,435	18.1	1.202	-16%
2002	64,614	19.7	1.275	-11%
2003	73,784	19.1	1.412	-1%
2004	84,327	20.7	1.750	+22%
2005*	87,424	18.8	1.639	+14%

AREA 3A **THE CHARTER HALIBUT GHL ADOPTED BY THE COUNCIL IN FEBRUARY, 2000 IS 3.650 MILLION POUNDS, NET WEIGHT.**

Year	No. Fish	Avg. Net Wt.	Biomass	Deviation from GHL
1999	131,726	19.2	2.533	-31%
2000	159,609	19.7	3.140	-14%
2001	163,349	19.2	3.133	-14%
2002	149,608	18.2	2.723	-25%
2003	163,629	20.7	3.382	-7%
2004	197,208	18.6	3.668	+1%
2005*	191,424	17.8	3.414	-6%

*projected based on estimated numbers harvested and observed mean weight in each area

Alaska Department of Fish and Game
Halibut Charter Management
Buy-Back Option

All sectors agree that the North Pacific halibut resource is fully allocated. As such, growth in any sector comes at the expense of other sectors. Growth is projected to occur in the charter sector, which if accommodated, would require reallocation. All sectors wish to assure reallocation occurs in an orderly and compensated fashion. There is also a question as to whether charter operators could finance the purchase of commercial quota if growth occurred in this sector.

One option being considered to accomplish this is developing a buy-back program where charter operators or clients are charged a fee which in turn can be used to buy commercial quota for use in the charter fishery. This would require several actions:

- Legislation establishing a revenue generating mechanism. Various options are being explored including, but not limited to, a charter stamp anglers would need to purchase to participate in charter fisheries or the establishment of a regional taxing authority similar to the one used to pay for operational costs for the PNP hatchery program.
- Changes to the commercial IFQ program to allow the purchase of shares for reallocation.
- Decision as to who would hold purchased shares.

The State is currently working with the Department of Law to evaluate revenue generating options. If this proves feasible we will work with affected sectors on other actions.