

PUBLIC TESTIMONY SIGN-UP SHEET

Agenda Item: CLC(C) - NMFS REPORT ON CSP

	NAME (PLEASE PRINT)	TESTIFYING ON BEHALF OF:
1	Robert Adams	Northwest Alaska Fish Producers Assn
2	Linda Behnken	ALFA
3	Ricky Gease	KRSA
4	Tom Ohaus	Self
5	Carolyn Nichol	Self
6	Rhonda Hubbard	Self
7	Bob Ahrens / S Kutin	FVFA Seattle
8	GREG SUTTER	ACA
9	Ken Larson	SELF
10	Jim Norris	Self
11	Bruce Gahrys	3A - SELF
12	Amy Mezrow	SEAMS Charter Assoc.
13	Steve Zernia	Zernia Tent Inc.
14	Cassie Malone	Self
15	Heath Hilyard	SEAGO
16	Wancy H. Strand	Pioneer of Gs Kan Fisheries
17	Jim Matcovsak	SELF
18	GARY ADET	Homer Charter Association
19	Malcolm Milne	NPFA
20	Steve Fish	Self
21	Gerri Martin	Self
22	David Polushkin	K-Bay Fisheries Assoc.
23	Jim Hubbard	Self
24	Stan Malcom	Self
25	Julianne Curry	PVOA

NOTE to persons providing oral or written testimony to the Council: Section 307(1)(I) of the Magnuson-Stevens Fishery Conservation and Management Act prohibits any person "to knowingly and willfully submit to a Council, the Secretary, or the Governor of a State false information (including, but not limited to, false information regarding the capacity and extent to which a United State fish processor, on an annual basis, will process a portion of the optimum yield of a fishery that will be harvested by fishing vessels of the United States) regarding any matter that the Council, Secretary, or Governor is considering in the course of carrying out this Act.

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(page 2)

Agenda Item: B-6(c) - NMFS Report on CSP

NAME (PLEASE PRINT)		TESTIFYING ON BEHALF OF:
1	Tom Gemmell	Halibut Coalition
2	Kathy Hansen	SEAFA
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PUBLIC TESTIMONY SIGN-UP SHEET

Agenda Item: Clb b ^{HALIBUT CHARTER} CSP - Tier 1 MEASURES

NAME (PLEASE PRINT)	TESTIFYING ON BEHALF OF:
1 SEAN MARTIN	NORTH COUNTRY CHARTERS - HOMER
2 GARY AULT	HOMER CHARTER ASSOCIATION
3 Linda Behnken	ACEA
4 Ricky Lease	KRSA
5 Tom Ohaws	Self
6 Carol Nichols	Self
7 GREG SUTTER	ACA
8 KEN LARSON	SELF
9 Jim Norris	Self
10 Bruce Gabrys	3A - SELF
11 Heath Hilvard	SEAGO
12 Nancy Hillstrand	Pioneer Alaska Fisheries
13 TIMOTHY S. CASHMAN	ALASKA COASTAL MARINE (CHARTER)
14 Steve Ash	Self
15 RICHARD YAMADA	CATCH
16 JER HANSON	THE BOAT COMPANY
17 Daniel Donich	Daniel's Personalized Guide Service
18 Bob Lindel	Self
19 Steve Vanderhoren ^{Scott}	
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FOR ANALYSIS: Proposed revisions to 3A charter management matrix. Option: Charter percentage applied before O26/U32 wastage deducted.

3A Combined fishery catch limit (million pounds)	Allocation	If charter harvest is within allocation range (default)	If charter harvest projected to <u>exceed</u> range	If charter harvest projected to be <u>below</u> range
<10	15.4% (range: 11.9% to 18.9%)	One fish	Maximum size limit imposed that brings harvest to 15.4%	One fish
≥10<20	14% (range: 10.5% to 17.5%)	Two fish with 32 inch max size limit on second fish	Two fish with max size limit on second fish that brings harvest to 14%	Two fish
≥20<27	14% (range: 10.5% to 17.5%)	Two fish	Two fish with max size limit on second fish that brings harvest to 14%	Two fish
≥27	14% (range: 10.5% to 17.5%)	Two fish	Two fish with max size limit to bring harvest to 14%	Two fish

ALFA
12/11

GUIDELINE HARVEST LEVEL REALLOCATION

Dec 2011, ALFA

Charter allocation as a percentage of combined charter commercial catch limit under GHL

Year	2C	3A
2003 (Initial GHL 125% of charter historic harvest)	13.05%	14.11%
2011	25%	20%
2012 (staff recommendation)	27%	17%
2012 restrospective mis-estimation (Armageddon)	43%	38%

Commercial catch limit vs charter GHL2004-2012 (based on staff recommendations)

2C commercial catch limit reduced 75%

2C charter allocation reduced 35%

3A commercial catch limit reduced 52%

3A charter allocation reduced 15%

2C commercial catch limit reduced 54 % 2009-2011; charter GHL unchanged.

Staff recommendations for 2012 increase commercial catch limit 13%; charter GHL 17%.

History of Failed Management

Since 1993, the North Pacific Fishery Management Council (Council) has been concerned about the unchecked growth of the charter halibut fishery. In particular, the Council's concerns have been directed toward "local depletion" of halibut in waters near population centers and toward the open-ended reallocation of the resource from the commercial sector to the charter sector. To address these issues, the Council took the following actions:

- 1993, the Council established a Working Group, comprised of representatives of various sectors, to help define the problem and to propose possible management measures. The Council also recommended a "control date" of September 23, 1993 (which was not implemented by NOAA Fisheries.);
- 1995, the Council accomplished a preliminary review of possible management measures;
- 1997, the Council proposed another "control date" of April 1997 for new entrants into the charter fishery (but the control date was again not implemented by NOAA Fisheries).
- 1997, the Council recommended establishing a Guideline Harvest Level (GHL) for the charter sector, based on a percentage of commercial/charter harvests; (which was also not implemented by NOAA Fisheries because it lacked management measures to limit catch)
- 1997, (as required by NOAA Fisheries) the Council began to develop specific harvest restriction measures if the charter sector harvests exceeded the GHL;
- 1998. Council recommends a third "control date" of June 24, 1998.
- 2000, the Council approved a second GHL program, including measures to restrict harvest if the harvest exceeded the GHL levels.
- 2000, the Council directed "fast track" development of other options to effectively address the problem, including a moratorium on new entrants to the charter sector and an IFQ system.
- 2001, in April, after considerable discussion and public input, the Council approved an IFQ option (choosing not to implement a moratorium). The action was approved on reconsideration in October.
- The IFQ option, which was supported by most charter operators and by the commercial fleet, allocated 125% of the average estimated charter harvest (between 1995 and 1999) to the charter sector and, with appropriate checks and balances, allowed the quota to be transferred across sectors. The State of Alaska did not support the program, nor did national sport fishing organizations.
- 2002, Alaska Department of Fish and Game (ADFG) indicated concern with accuracy of logbook data, and discontinued its use, which help sabotage the Council's IFQ action.
- 2003, the Council reviewed the adequacy of logbook data for initial issuance decisions, reviewed an ADFG report and accepted the Scientific and Statistical Committee's determination that the data were adequate to determine initial issuance under the IFQ option; the Council then submitted its analysis to NOAA Fisheries.

- 2003, NOAA Fisheries contracted for recommendations on a new reporting system for the charter sector (including new logbooks); the resulting recommendation was an electronic system that allowed for real-time reporting.
- 2003, NOAA Fisheries approved (published) the second GHL levels, but rejected the harvest restriction measures meant to accompany them.
- 2004, NOAA Fisheries began development of Proposed Rule to implement the IFQ option.
- 2004, the Council resubmitted the (which analysis?) analysis for NOAA Fishery review, in response to review comments.
- 2005, prompted by NMFS Assistant Administrator Bill Hogarth, the Council voted to rescind its recommendation of an IFQ system, opting instead to commit to establishing a Moratorium on new entrants. Council recommends a fourth control date of December 9th 2005.
- 2006, the ADFG re-imposed the logbook requirement for halibut charter operators.
- 2007, noting that the charter halibut harvest had caused their Constant Exploitable Yield (CEY) levels to be exceeded, and absent effective action by the Council or NOAA Fisheries to constrain the harvest, the International Pacific Halibut Commission (IPHC) voted to lower the daily bag limit for charter fishermen during certain periods of time.
- 2007, the Secretaries of State and Commerce opted not to implement the reduced bag limit submitted by the IPHC.
- 2007, while the Council continued to work on the Moratorium on new entrants, NOAA Fisheries drafted and published the current proposal.
- November 2009 - Federal Court argues that the Council's justification of GHL's are tantamount to hard CAPs allocation, but NMFS-Juneau failed to take any action to manage.
- June 23, 2010 - The CSP has not left the Council and NMFS - Juneau, is already worried about NOAA's reaction to it and citing Chinook bycatch, chum bycatch, and Sea Lions as reasons for delay.
- Fall 2011 - Secretary of Commerce fails to adopt Catch Share Plan; objection from State of Alaska, including Senator Begich.

“These attempts to address a specific and growing concern represent a tremendous expenditure of time, resources, and energy on the part of the public. In spite of many creative and thoughtful approaches by the Council (i.e., the IFQ approach to limiting access and the “frameworked” measures to constrain harvest to the GHL), NOAA Fisheries has failed to implement any of these solutions in a timely and effective manner. “ –Halibut Coalition

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

SCOTT VAN VALIN, *et al.*,

Plaintiffs,

v.

GARY LOCKE, Secretary,
Department of Commerce, *et al.*,

Defendants.

Civil Action No. 09-961 (RMC)

MEMORANDUM OPINION

Pacific halibut are a highly desired catch off the coast of Southeast Alaska. This lawsuit pits operators of charter fishing vessels (“Charter Operators”)¹ against the local commercial and subsistence halibut fishermen. Through the National Marine Fisheries Service (“NMFS”), the Secretary of Commerce has issued a formal Rule limiting customers on guided sport boats to a catch of one halibut per calendar day. *See* 74 Fed. Reg. 21194 (adopted May 6, 2009; effective June 5, 2009); 50 C.F.R. § 300.65(d)(2). The Charter Operators contend that the Secretary² failed to explain why limiting the charter sector to a harvest level adopted in 2003 was fair and equitable. The

¹ Plaintiffs are the following Charter Operators in Area 2C of Southeast Alaska: Scott Van Valin, Ken Dole, Rick Bierman, Theresa Weiser, Donald Westlund, and Richard Yamada.

² Defendants are: Gary Locke, Secretary of the Department of Commerce; Dr. Jane Lubchenco, Administrator of the National Oceanic and Atmospheric Administration; and Dr. James Balsinger, Acting Assistant Administrator of NMFS. NMFS is a division of the National Oceanic and Atmospheric Administration, an agency within the Department of Commerce. For ease of reference, Defendants are collectively referred to as “the Secretary.”

Harvests by charter vessel anglers exceeded the GHL in Area 2C each year from 2004 to 2007, and the best available estimates indicate that the 2008 GHL also was exceeded (Table 1 and Figure 1 of this preamble). Harvests of halibut by the charter sector above its GHL reduce the Fishery CEY. By reducing the amount of fish available to the commercial sector, the charter harvests created an allocation concern. Charter removals should be close to the GHL or the methodology used by the IPHC to determine the Fishery CEY is undermined and results in a *de facto* reallocation from the commercial sector in subsequent years.

Id. at 21194. The Secretary intended the Final Rule to “limit the use of halibut by one sector that has grown significantly in proportion to the other sectors that harvest halibut,” that is, to “limit the growth of one sector and the resulting reallocation from other sectors that use the same finite resource.” *Id.* at 21214-15.

In addition to considering the allocation of the halibut harvest, the Secretary evaluated the conservation of the halibut resource. Where multiple user groups are involved, “conservation and allocation cannot be separated.” *Id.* at 21196. The guided sport sector’s overharvesting potentially undermines IPHC’s conservation and management goals for the overall halibut stock. Thus, the Final Rule was based in part, on a conservation concern:

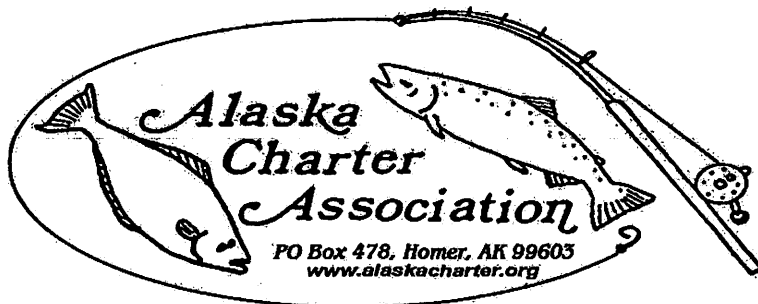
Charter vessel harvests in excess of the GHL also create a conservation concern by compromising the overall harvest strategy developed by the IPHC to conserve the halibut resource. The Total CEY and the Fishery CEY have decreased each year since 2004 reflecting declines in the estimated halibut biomass. As the Total CEY decreases, harvests of halibut should decrease to help conserve the resource. Hence, the GHL is linked to the Total CEY so that the GHL decreases in a stepwise fashion as the Total CEY decreases. Despite a decrease in Total CEY and the GHL in recent years, charter vessel harvests have remained high and in excess of the GHL. As conservation of the halibut resource is the overarching goal of the IPHC, the magnitude of charter vessel harvest over the GHL in Area 2C has raised concern that such excessive harvests by the charter sector pose a conservation risk, with the potential to undermine the IPHC’s conservation and management goals for the overall halibut

stock. Therefore, restraining charter sector harvests to approximately the GHL would contribute to the conservation of the halibut resource.

Id. at 21194-95; *see also* EA at 18. “[A] reduction in the charter vessel harvest should leave more halibut in the water to the benefit of all fisheries now and in future years, as well as benefit the health and reproductive potential of the resource.” 74 Fed. Reg. at 21199; *see also id.* at 21212 (“[L]eaving fish unharvested contributes to biomass and Total CEY in subsequent years.”).

The Charter Operators also contend that the Final Rule is inequitable because the hardship imposed on the guided sport industry is not outweighed by the total benefit received by the commercial industry. The national benefits of an allocation are not judged solely in terms of a cost/benefit analysis between two groups. As explained in detail above, the Secretary properly considered the seven factors set out in the Magnuson Act, 16 U.S.C. § 1853(b)(6), including fairness and equity and National Standard Four, *id.* § 1851(a)(4). And the Secretary considered the economic impact of the one-fish limit on numerous groups, including local residents, consumers, and the public, not just the charter and commercial industries. *See* EA at 31-45; *id.* at 48-49 (Comparative Chart). Furthermore, the Secretary gave little weight to quantitative estimates of the economic impact of the Rule because it is not appropriate to compare the economic impact to the commercial sector with the economic impact to the charter sector when their products are so very different. 74 Fed. Reg. at 21212-13. The charter sector’s product is the “fishing experience” while the commercial sector’s product is “halibut sold in competitive markets.” *Id.* at 21213.

When determining fairness and equity the focus is not on the impact of the regulation, but on its purpose. So long as the motive behind the regulation is justified in terms of the fishery management objective, advantaging one group over another is permissible under Standard Four. 50 C.F.R. § 600.325(c)(3)(i)(A); *see also Alliance Against IFQs*, 84 F.3d at 350. The motive behind



"To Preserve and Protect the Rights and Resources of Alaska's Sport Fishermen"

December 12, 2011

Re: NPFMC/Agenda item C-6(c)/Catch Sharing Plan deficiencies

Dear Mr. Chair,

I am Greg Sutter, president of the Alaska Charter Association (ACA) which is a statewide organization representing over 170 charter and associated businesses. Our mission is to preserve and protect the fishing rights and resources necessary for the Alaskan charter fleet to best serve the recreational angling public.

On November 29, 2011 the ACA in its letter to the Council submitted extensive comments highlighting our concerns with the proposed Catch Sharing Plan. All of the 36 pages cannot be condensed in a six minute brief, but I will touch on areas of greatest concern.

One of our greatest concerns is the allocation comparison between the existing GHL the proposed CSP. As we know the GHL was formally adopted by this Council, endorsed by the Secretary of Commerce, and it was affirmed as a "fair and equitable" allocation by a federal court in the Scott Van Valin vs. Gary Locke case. The CSP is a dramatic reduction in allocation and is inconsistent with the established GHL allocation.

The GAF is highly problematic and creates a host of enforcement issues not adequately addressed in the CSP. It would create three classes of sport anglers that NOAA enforcement would have to monitor: non-guided, guided, and GAF guided--complicating enforcement. In Alaskan waters, unlike other states in the nation, we remain the example of a super clean sport fishery by prohibiting the sale of sport caught fish. At best, the GAF provision would cloud that distinction. Currently, the "sale" of sport caught halibut is prohibited by state, federal and international regulations. The ACA supports the replacement of the GAF with a "pool" concept.

The CSP matrices contain limited, non-discretionary options. More options need to be added to the matrices so harvest targets can be reached while minimizing negative economic impacts on charter and related businesses.

The CSP was originally presented as an interim solution. However, with the number of concerns identified during the public comment period by all participating sectors, those concerns should be properly addressed and incorporated to build a solid foundation for the long-term solution.

The ACA supports the current socio-economic study that has recently been initiated by NOAA. Economic data is important. The ACA also supports enhanced methods of fishery data collection and reporting. NMFS is currently exploring an electronic data reporting system, and we encourage them to work with the state of Alaska. We also encourage the Charter Management Implementation Committee to continue its work to provide direction and assistance with the interim and long-term solutions.



Eric Olson, Chair
North Pacific Fishery Management Council
Attn: Chris Oliver, Executive Director
604 West 4th Avenue, Suite 306
Anchorage, AK 99501
re: Comments on agenda items C-6(b)&(c)

December 11, 2011

Chair Olson and Members of the Council:

On behalf of SEAGO and charter operators throughout Southeast Alaska, I appreciate the opportunity to comment on several of your agenda items. I will attempt to constrain my comments on the above referenced agenda items, in the order of consideration.

C-6(b) – Short Term (2013 and later)

“Trophy fish” annual limit/“minnow rule” daily bag limit – One of the most consistent options, for a workable management measure, endorsed by a number of 2C operators is the concept of an annual limit. Given the diversity of business models in SE, a simple “annual limit” is likely problematic for a straight annual limit. To further explain, a simple “annual limit” would need to allow for more than one fish of an unlimited size. However the combination of a “trophy fish” with a small daily bag limit would likely address a number of problems for Southeast operators.

Following the October 26th meeting of the Charter Management Implementation Committee, SEAGO hosted several conference calls, open to all SE operators, to discuss all the immediate, short-term and long term management measures discussed by the committee. The concept of “annual limits” was roundly supported. At this time, we can’t provide what the “best option” would look like. We are dependent on the necessary analysis to understand how various options would work before coalescing behind one option or another.

What is clear, to restate a memo to Council staff from November 4th, is that Area 2C operators are interested reviewing how an “annual limit” would work in Southeast.

C-6(b) (later management measures) –

There were a number of longer-term management measures forwarded to the Council from individual operators and the joint grant project from ACA and SEAGO. We believe each of these proposals have sufficient merit to warrant further analysis to understand how they may function as part of a suite of management measures that are more responsive to the numerous business models of the Southeast charter fleet.



With regard to the CATCH project, a joint venture between ACA and SEAGO, our respective organizations have invested a significant amount of time and money pursuing the concept of a common-pool compensated reallocation plan to supplement catch limits. I encourage the Council to invite Mr. Richard Yamada, the project director, to provide a status report on the progress of the project.

C-6(c) – CSP

Economics

As SEAGO noted in its formal comments to the National Marine Fisheries Service (NMFS), we believe the CSP, in its current form, is “poorly conceived” while not solving any problem but creating several others.

The essence of our arguments are addressed in Comments 17(a)&(b) of the NMFS responses. We assert that in order to develop a meaningful plan, we must understand the economic picture before selecting the plan components.

Without question, conservation of the resource is the most important interest that must be served, and this is a position that SEAGO and its members fully embrace. We assert, though, that the primary interest of conservation is not mutually exclusive of the interest of economics. We believe that both of these interests can be balanced, but in order to achieve that balance more robust economic analysis is necessary.

GAF

Had that analysis been performed prior to the plan development, it is possible that the GAF provision would considerably differ or not have been included at all. Before addressing some of the identified technical problems, I would offer that the provision generally holds little interest for the Southeast charter fleet. Even if GAF was changed from a lease option to a purchase option, it is questionable whether there would be increased interest—largely due to the lack of quota share to purchase.

With regard to technical problems with GAF, NMFS has identified several significant problems that need to be resolved prior to implementation. Comments 3 & 4 of the NMFS document thoroughly address those technical problems. In the interest of brevity, I won't restate those issues but summarize by saying that the accounting and measurement issues with the current GAF provision are sufficient to warrant eliminating from the CSP or significantly re-writing it.

Lack of urgency

Considering that Area 3A has exceeded GHL only once, Area 2C concluded the 2011 season 51% under GHL and IPHC has reported a slight increase in abundance in 2C, SEAGO does not believe there is urgency to implement the CSP.

This year demonstrated that the 2C charter fleet can fish under its GHL. Granted, this year was an extreme and damaging case that would hope to not repeat, but it can be done. We have worked



through the Charter Management Implementation Committee to provide the council with a number of options that will manage the fleet while mitigating the economic damage caused by management measures that, in the past, have not taken into account the difference in our business model(s) from our counterparts in the commercial fleet.

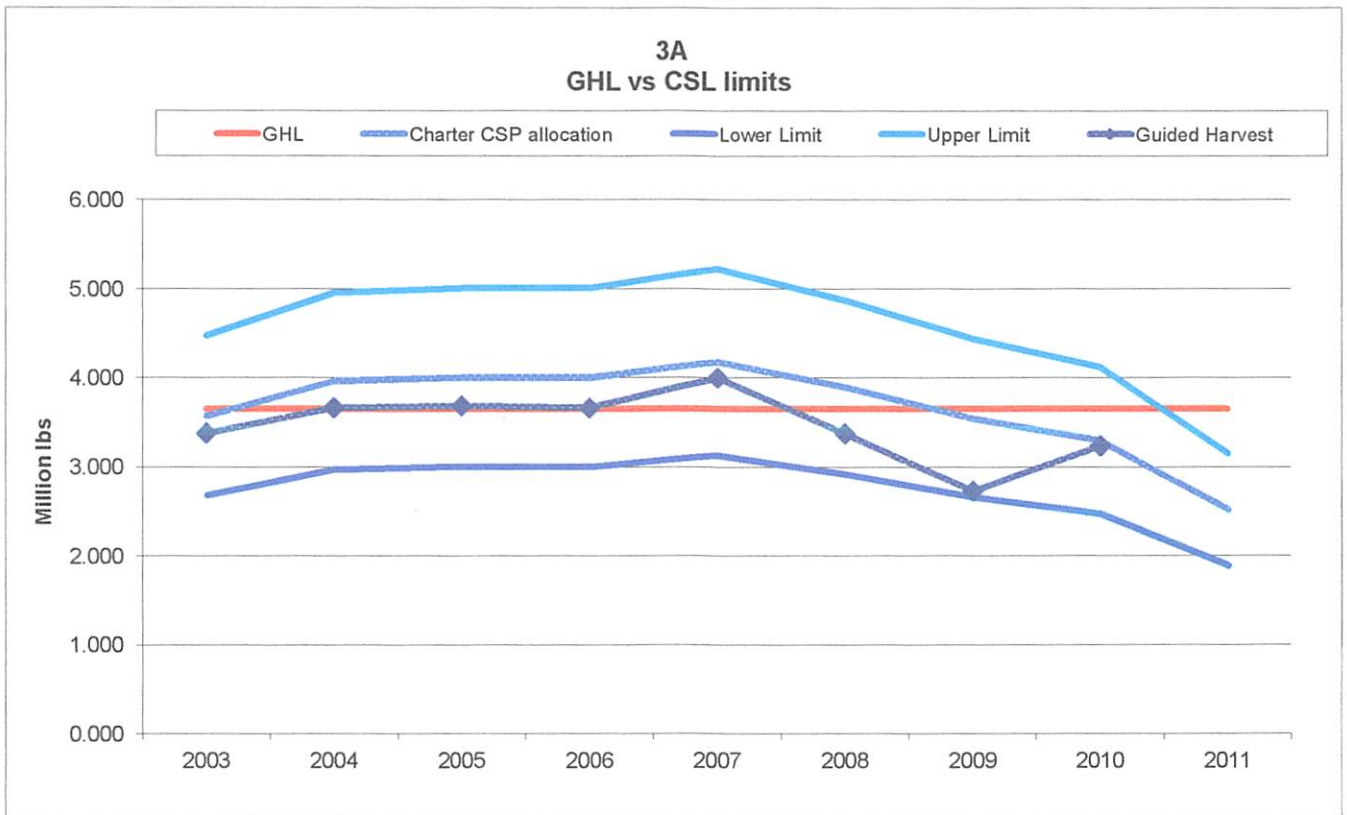
Mr. Chairman and members of the council, we remain opposed to the implementation of the CSP, in its current form. We acknowledge that there exists the possibility that significant changes might make a revised CSP a workable plan. However, there is a significant amount of work necessary to get to that point. If the Council chooses to continue pursuing a Catch Sharing Plan, SEAGO hopes that it will do so in a manner that allows the time to thoroughly address all the problems included in the current form.

SEAGO remains committed to the interest of the halibut resource conservation. We look forward to working with this body, others in Alaska's charter industry, and our counterparts in the commercial sector to develop a conservation plan that is acceptable to all stakeholders.

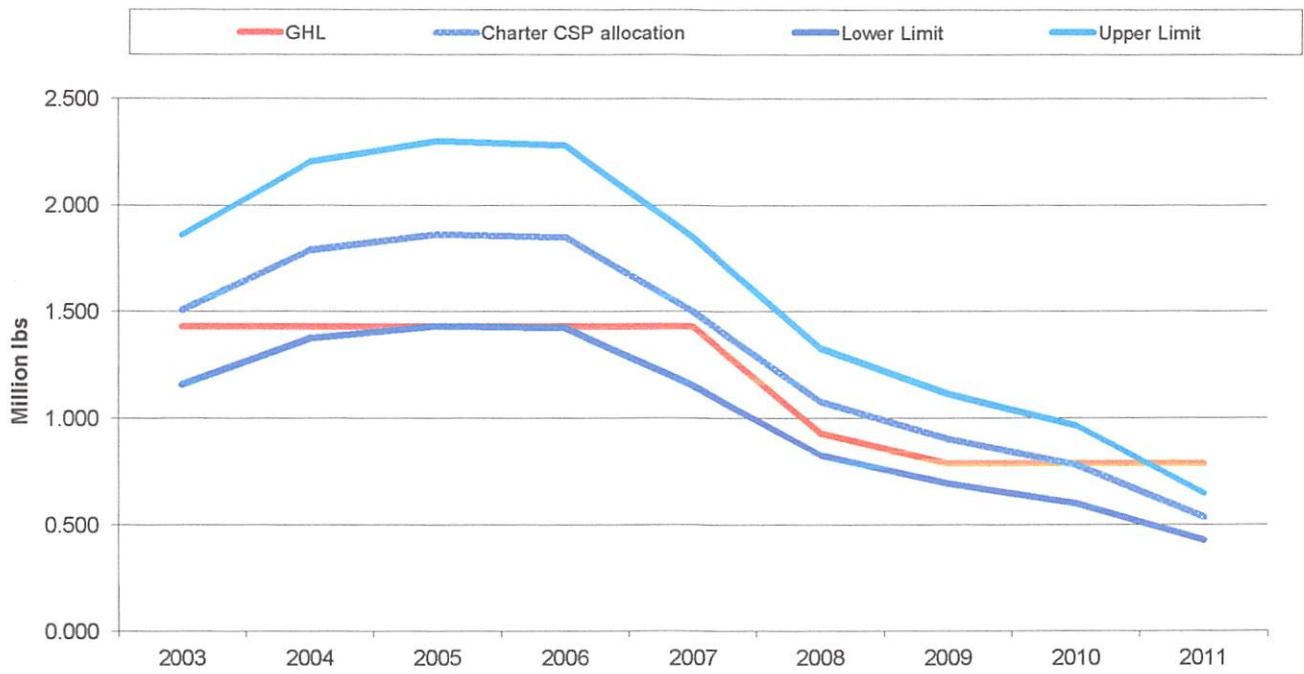
Sincerely,

A handwritten signature in black ink, appearing to read "Heath E. Hilyard". The signature is written in a cursive, flowing style.

Heath E. Hilyard, Executive Director
SEAGO



2C GHL vs CSL limits



2C CSP Data										
						HINDCAST OF CSP VS GHL				
Year	Commercial Limit	Charter deduction	Combined Catch limit	GHL	CSP rule	Charter CSP allocation	Lower Range	Upper Range	Lower Limit	Upper Limit
2003	8.500	1.501	10.001	1.432	15.1%	1.51	11.6%	18.6%	1.16	1.86
2004	10.530	1.333	11.863	1.432	15.1%	1.79	11.6%	18.6%	1.38	2.21
2005	10.930	1.437	12.367	1.432	15.1%	1.87	11.6%	18.6%	1.43	2.30
2006	10.630	1.639	12.269	1.432	15.1%	1.85	11.6%	18.6%	1.42	2.28
2007	8.513	1.432	9.945	1.432	15.1%	1.50	11.6%	18.6%	1.15	1.85
2008	6.210	0.931	7.141	0.931	15.1%	1.08	11.6%	18.6%	0.83	1.33
2009	5.200	0.788	5.988	0.788	15.1%	0.90	11.6%	18.6%	0.69	1.11
2010	4.400	0.788	5.188	0.788	15.1%	0.78	11.6%	18.6%	0.60	0.96
2011	2.330	0.788	3.118	0.788	17.3%	0.54	13.8%	20.8%	0.43	0.65
Cumulative 2004-11				9.023		10.32				
3A CSP Data										
Year	Commercial Limit	Charter deduction	Combined Catch limit	GHL	CSP rule	Charter CSP allocation	Lower Range	Upper Range	Lower Number	Upper Number
2003	22.630	2.943	25.573	3.650	14.0%	3.58	10.5%	17.5%	2.69	4.48
2004	25.060	3.279	28.339	3.650	14.0%	3.97	10.5%	17.5%	2.98	4.96
2005	25.470	3.161	28.631	3.650	14.0%	4.01	10.5%	17.5%	3.01	5.01
2006	25.200	3.414	28.614	3.650	14.0%	4.01	10.5%	17.5%	3.00	5.01
2007	26.200	3.650	29.850	3.650	14.0%	4.18	10.5%	17.5%	3.13	5.22
2008	24.200	3.650	27.850	3.650	14.0%	3.90	10.5%	17.5%	2.92	4.87
2009	21.700	3.650	25.350	3.650	14.0%	3.55	10.5%	17.5%	2.66	4.44
2010	19.900	3.650	23.550	3.650	14.0%	3.30	10.5%	17.5%	2.47	4.12
2011	14.360	3.650	18.010	3.650	14.0%	2.52	10.5%	17.5%	1.89	3.15
Cumulative 2004-11				29.200		29.43				

**C6(c) – Halibut Catch Sharing Plan
December 12, 2011**

The Council continues to support implementation of the Halibut Catch Sharing Plan (CSP) as the best approach to resolve longstanding allocation and management issues between the commercial and charter halibut sectors, as currently identified in the CSP Problem Statement.

The Council also recognizes that there are deficiencies in the current analysis that must be addressed before implementation can take place. Additionally, since 2008, changes in halibut management and the condition of the halibut stock have occurred, which will impact the effective implementation of the CSP as envisioned by the Council.

Motion:

The Council provides the following policy guidance to NMFS on issues raised during the public comment period on the Halibut CSP Proposed Rule.

Comment 1: At this time the Council continues to support implementation of the CSP concurrently in Areas 2C and 3A. Supplemental analysis of and revisions to the CSP being requested in this motion are applicable to both management areas.

Comment 2: The Council agrees with NMFS' suggested response regarding the proposed method to adjust charter harvest estimates from the ADF&G mail survey using the non-GAF proportion of charter harvest reported in logbooks under the CSP.

Comment 3: The Council recommends using Method 3 to convert IFQ to GAF and for calculating an average GAF weight.

Comment 4: The Council recommends that the provision allowing charter operators to return GAF to an IFQ holder at any time during the season be removed from the CSP and that CSP retain the mandatory return date.

Comment 5: The Council agrees with NMFS' suggested response regarding the rationale for believing that charter overages and underages will balance out over time.

Comment 6: The Council agrees with NMFS' suggested response regarding the rationale for the range of +/- 3.5% around the harvest projections.

The Council requests additional analysis and revisions to the Halibut CSP that more specifically address a variety of public comments as outlined in the NMFS CSP report:

- Add a description of the status quo GHL allocations, such as a table of the stair step GHLs under different Total Area CEYs, and a comparison of the way in which annual allocations are made to the charter sector under both the GHL and the CSP.

- Revise the analysis so that it incorporates allocations at lower levels of abundance, and assesses the economic impacts, to the extent practicable, of the full range of allocations. Data from recent years should be used to determine what the charter and commercial allocations would have been under the CSP, and what management measures would have been in place.
- Add other indices to the analysis to describe the economic condition of the charter and commercial sectors over the last ten years. Examples for a typical charter and longline business in 2C and 3A could be provided. For the commercial sector, examples could include changes in QS prices and annual QS value, ex-vessel prices, and annual revenue. Consider differences between vessel classes, when QS was bought, etc. For the charter sector it could include permit prices (minimal data), number of trips and clients, and annual revenue.
- Review the IPHC process described in the CSP for deducting removals prior to applying the allocation percentages to the combined commercial/charter catch limit. The halibut charter stakeholder committee discussed “separate accountability”, in which each sector would be held accountable for its wastage of halibut. The CSP analysis currently deducts wastage in the commercial sector BEFORE the allocation percentages are applied. In 2011 the IPHC began deducting O26/U32 BAWM before setting catch limits, and this has allocative implications for 2C and 3A. Wastage estimates for the charter sector are not currently available, and so no deductions are made.
- Review the management matrix to determine whether management measures and the data employed are still appropriate in each tier given current charter harvests relative to combined fishery CEY, particularly in Area 3A.

The Council also seeks additional revisions to the Halibut CSP analysis to address the technical comments as outlined in the NMFS CSP report. This is a comprehensive list and it is understood that staff will work to address each of these points, to the extent practicable, in the next version of the Halibut CSP analysis.

With the direction provided above, the Council seeks to address the primary comments and concerns as outlined in the NMFS CSP Report and identified in public comment. It is the Council’s intent to review the additions and revisions to the modified Halibut CSP analysis in a subsequent meeting in order to determine what, if any, additional changes are necessary in order for the CSP to meet Council objectives. The Council also requests feedback from NMFS as to whether the additions and revisions to the CSP result in the need for a new proposed rule, so that the Council may establish a timeline for implementing the CSP.

Given the myriad of components involved in commercial and charter halibut management, the Council recognizes that there are management options available that were not included as part of the original Halibut CSP action. It is not the wish of the Council to delay implementation of the Halibut CSP any further than necessary. As such, the Council is asking for initiation of a discussion paper analyzing the following for potential use in future halibut management:

- The use of ADF&G logbooks for official harvest reporting

- Annual limits allowing for the retention of at least one fish of any size
- Restricting captain and crew retention of fish
- Trip limits, reverse slot limits, and two fish of a maximum size
- The use of a common pool purchase of QS by the charter sector
- Long-term management measures under Tier 1 of the CSP as identified in the Charter Halibut Implementation Committee Report

It is intended for this discussion paper to be reviewed by the Council following its review of the modified Halibut CSP. New and revised information received from review of the modified CSP will serve to refine the above discussion paper recognizing that full development of this discussion paper may be difficult until such information is received. At the time of review, the Council could determine whether to fold any of these new elements into the modified CSP and let others follow as a trailing amendment.