

Public Testimony Sign-Up Sheet


Agenda Item C-1 Charter Halibut

| | NAME (PLEASE PRINT) | AFFILIATION |
|----|-----------------------|----------------------------|
| 1 | ✓ Jim Smith | Crew Member |
| 2 | ✓ Dan Hull | CPFU |
| 3 | ✓ Tory O'Connell | Halibut Coalition |
| 4 | ✓ Alan Reeves | IFO holder |
| 5 | ✓ Bert Bergman | IFA holder |
| 6 | ✓ Robert Alverson | FVUA-Seattle |
| 7 | ✓ PAUL Burrell | COMMERCIAL FISHERMAN |
| 8 | ✓ Charlie Wilber | Sea Food Producers Coop |
| 9 | ✓ ERIK VELSKO | 3A IFA HOLDER |
| 10 | ✓ Kathy Hansen | SE AK Fishermen's Alliance |
| 11 | ✓ Earl Comstock | charter industry |
| 12 | ✓ Tony Gregory | Chignik |
| 13 | ✓ Freddie Christensen | GOAC3 |
| 14 | ✓ Jeff Tarrar | self |
| 15 | ✓ Linda Behnken | ALFA |
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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.

MEMORANDUM

TO: Council, SSC and AP Members

FROM: Chris Oliver 
Executive Director

DATE: November 27, 2007

SUBJECT: Charter Halibut Management

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|---------------------------|
| ESTIMATED TIME 6 HOURS |
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ACTION REQUIRED

- (a) Committee report on interim and long term solutions.
- (b) Review staff report on interim solution analysis and refine alternatives as necessary.

BACKGROUND

Committee report on interim and long term solutions

After its review of a preliminary analysis of previously proposed interim solution alternatives in October 2007, the Council adopted a number of motions related to interim and long term management of the charter halibut fisheries in Areas 2C and 3A (Item C-1(a)(1)). One Council motion identified a suite of alternatives for an interim program that would set an initial allocation for the charter sector (tied to a delayed feedback of regulatory measures to restrict charter halibut harvest to that allocation) and provisions to allow transfer and conversion of commercial halibut IFQs for use in the charter sector by individual limited entry permit holders. The Council also forwarded options for common pool management, pro rata reduction of commercial QS to fund an increase in charter allocation, and other community protection options to the committee for consideration in the long term solution.

The Halibut Stakeholder Committee convened in late October 2007 and provided recommendations on final alternatives for analysis of an interim solution. The committee also has recommended five alternatives for a long term solution and is requesting approval to convene (after the February 2008 Council meeting) to finalize a comprehensive alternative that was submitted for committee review during the meeting but not addressed due to lack of meeting time and advanced review. Committee minutes are provided under Item C-1(a)(2).

Staff report on interim solution

In October 2007, the Council requested that staff from NOAA, NMFS, IPHC, ADF&G, and the Council convene to review its "strawman" motion for an interim solution to charter halibut management. An interagency staff meeting was convened preceding the Stakeholder Committee meeting, and staff recommendations were provided to the committee (Item C-1(b)(1)). The committee adopted staff recommendations as the basis for its recommendations to the Council. The interagency staff convened again briefly to review committee recommendations and provide additional comments to the Council (Item C-1(b)(2)). Due to the nature of the October 2007 Council changes to the alternatives and potential Council action based on committee recommendations at this meeting, staff suggests that the Council schedule initial review of the interim solution analysis no sooner than April 2008.

Council Motion
Halibut Charter Initial Allocation and Future Reallocation
10/5/07

Action 1. Initial Allocation between charter sector and commercial sector in Area 2C and Area 3A

Alternative 1. No Action.

Alternative 2. Establish an initial allocation that includes sector accountability

Element 1. Initial allocation

Option 1: Fixed percentage of combined charter harvest and commercial catch limit, as a percentage of the fishery CEY.

| | Area 2C | Area 3A |
|--|---------|---------|
| a. 125% of the 1995-1999 avg charter harvest (current GHL formula) | 13.09% | 14.00% |
| b. 125% of the 2001-2005 avg charter harvest (GHL formula updated thru 2005) | 17.31% | 15.44% |
| c. Current GHL as percent of 2004 | 11.69% | 12.70% |
| d. 2005 charter harvest | 15.14% | 12.65% |

Option 2: Fixed pounds linked to fishery CEY (at time of final action)

Fixed pounds, linked to fishery CEY at the time of final action would be used as the base amount to determine if the current CEY triggers an adjustment in the charter sector allocation.

| | | |
|--|----------|----------|
| a. 125% of the 1995-1999 avg charter harvest (current GHL) | 1.43 Mlb | 3.65 Mlb |
| b. 125% of the 2000-2004 avg charter harvest (GHL updated thru 2004) | 1.69 Mlb | 4.01 Mlb |
| c. 125% of the 2001-2005 avg charter harvest (GHL updated thru 2005) | 1.90 Mlb | 4.15 Mlb |

Option: Stair step up and down. The allocation in each area would be increased or reduced in stepwise increments based on a change in the CEY. If the halibut stock were to increase or decrease from 15 to 24 percent from its average CEY of the base period selected for the initial allocation at the time of final action, then the allocation would be increased or decreased by 15 percent. If the stock were to increase or decrease from at least 25 to 34 percent, then the allocation would be increased or decreased by an additional 10 percent. If the stock increased or decreased by at least 10 percent increments, the allocation would be increased or decreased by an additional 10 percent.

Action 2. Market-based reallocations between charter sector and commercial sector in Area 2C and 3A

Alternative 1. No Action.

Alternative 2. Interim Management and Market-Based Reallocation from Commercial Sector

Element 1. Management approach

The guided sport allocation would become a common harvest pool for all moratorium license holders. Annually, regulations would be evaluated and implemented with the goal that fishing on the common pool would be structured to create a season of historic length with a two fish bag limit. Individual moratorium license holders may lease commercial IFQ, or use the IFQ resulting from commercial QS already in their possession, to provide additional opportunities for clients, not to exceed existing regulations in place for unguided anglers.

Element 1.1. Management toolbox

The preferred proposed management options to be utilized by the Council to manage the charter common pool for a season of historic length are:

- 1 trip per vessel per day
- No retention by skipper or crew
- line limits
- Second fish of minimum size
- Second fish at or below a specific length.

If the management measures above are inadequate to constrain harvest by the charter common pool to its allocation, it is acknowledged that the following management measures may be necessary to constrain charter harvest to its allocation:

- Annual catch limits
 - 1 fish bag limit for all or a portion of the season
 - Season closure
- Suboption: seasonal closures on a monthly or sub-seasonal basis

Element 1.2 Buffered hard cap

The plan is for a buffered hard cap, which utilizes trailing management measures and a delayed overage provision. It represents active annual management, rather than passive management, in contrast with current GHM management.

The Council would annually devise management measures that take into account the projected CEY for the following year and any overages by the charter industry in the past year. This will result in the charter industry "paying back" the commercial industry by the number of pounds they exceeded their allocation. In factoring such payback into its subsequent allocations, the Council will not revisit or readjust the sector split.

Element 1.3 Timeline. This plan is premised upon IPHC adopting a combined commercial/charter fishery catch limit which is derived from the fishery CEY.

Due to the lag in implementation of management measures, it is noted that management measures will, in general, be slightly more restrictive than necessary for conservation purposes. In providing predictability and stability for the charter sector, it is likely that charter fish may be left in the water.

Option 1. 3-year cycle

- October of 2008: Council gets ADF&G charter harvest information for 2007.
 - The Council needs to initiate the analysis of management necessary to meet the projected allocation. (The goal is to maintain a season of historic length with a two fish bag limit.)
- November of 2008: IPHC CEY and staff catch limit recommendations.
- December of 2008: Council performs initial review of the analysis.
- January 2009: IPHC fishery catch limits adopted for 2009.
- February 2009: Council will take final action on management measures based on the CEY trend for 2007, 2008, and 2009, and any harvest overages; then, set management measures that would be implemented in year 2010.
- August 2009: NMFS publishes the rule that will be in effect for 2010. (This timeline represents the status quo regulatory process.)

Element 1.3.1 Overage provision

Option 1. Separate accountability. (See previous Stakeholder Committee and staff discussion papers.)

Option 2. Pay Back. Best described with an example: In 2007 the charter sector goes over its allocation (but that's not known until year 2008). Charter's allocation in year 2007 was 100 pounds; however, they took 110 pounds. In 2010, assuming the allocation remains stable, the charter sector will only receive an allocation of 90 pounds in order to "payback" its overage of 10 pounds.

Element 1.3.2 Underage provision. Any underage would accrue to the benefit of the halibut biomass.

Option 2. In addition, please provide an analysis to determine whether or not the process described above can be shortened by one year. This may be a combination of use of logbook data in a timelier manner or a shortened regulatory timeframe. There would be no payback, just separate accountability (i.e., the IPHC simply factors any overage into biomass calculation).

Element 1.4. Supplemental individual use of commercial IFQ

This element implements measures to allow moratorium license holders to lease commercial IFQ in order to provide anglers with additional opportunities, not to exceed regulations in place for unguided anglers.

Element 1.4.1 provisions:

- A. Guided Sport Moratorium (GSM) permit holder may lease commercial IFQ for conversion to GAF.
- B. GSM holders harvesting GAF while participating in the guided sport halibut fishery are exempt from landing and use restrictions associated with commercial IFQ fishery, but subject to the landing and use provisions detailed below.
- C. GAF would be issued in numbers of fish. The conversion between annual IFQ and GAF would be based on average weight of halibut landed in each region's charter halibut fishery (2C or 3A) during the previous year as determined by ADF&G. The long-term plan may require further conversion to some other form (e.g., angler days).
- D. Subleasing of GAF would be prohibited.
- E. GAF holders may request NMFS convert unused GAF into IFQ pounds for harvest in compliance with commercial fishing regulations provided the GAF holder qualifies under the commercial IFQ regulations.
- F. Unused GAF may revert back to pounds of IFQ at the end of the year and be subject to the underage provisions applicable to their underlying commercial QS.
- G. Guided angler fish derived from commercial QS may not be sold into commerce, i.e., all sport regulations remain in effect.
- H. Guided angler fish derived from commercial QS may not be used to harvest fish in excess of the non-guided sport bag limit on any given day.
- I. Charter operators landing GAF on private property (e.g. lodges) and motherships would be required to allow ADF&G samplers/enforcement personnel access to the point of landing.

Element 1.4.2: Limits on leasing

A. Holders of Guided Sport Moratorium (GSM) Permits

Option 1. A GSM permit holder may not hold or control more IFQ than the amount equal to the current setline ownership cap converted to the number of fish in each area (currently 1% of the setline catch limit in 2C or ½% in 3A).

Option 2. A GSM permit holder may not hold or control more than 1,000, 2,000, 5,000, or 7,500 fish. (Note: examine this as a percentage of the catch limit once allocations are established.)

B. Commercial Halibut QS Holders:

- i. Commercial halibut QS holders may lease up to 10% of their annual IFQs for use as GAF on an individual basis.
- ii. Commercial Halibut QS Holders who also hold a GSM permit:

Option 1. May convert all or a portion of their commercial QS to GAF on a yearly basis if they own and fish it on their own GSM permit vessel(s). Commercial and charter fishing may not be conducted from the same vessel during the same day.

Option 2. May lease up to 10% of their annual IFQs for use as GAF on an individual basis.

Element 1.5. Catch accounting

- a. The current Statewide Harvest Survey or logbook data would be used to determine the annual harvest.
- b. A catch accounting system* will need to be developed for the GAF fish landed in the charter industry.

** NOTE: Monitoring and enforcement issue:*

In 2003, NMFS contracted with Wostman and Associates to design a data collection program compatible with guided sport operations, yet robust enough to monitor a share-based management plan. This system was based on logbooks and telephone or internet call in and reporting numbers of fish. This system was designed with the technology available to charter operators.

Request that NMFS, USCG, ADF&G, and Council staff convene prior to commencement of the analysis in order to the assure consistency of assumptions for management, record keeping, implementation, monitoring, and enforcement issues.

The Council also provided the following direction on completing the analysis.

Overarching Issues:

1. Use existing data ranges and note that 2006 data fall within the percentages derived from the existing data ranges.
2. Continue using the GHL as the baseline for analysis of Action 2 alternatives. Additional alternatives will complicate the analysis.

Allocation Issues:

1. Percentage based initial allocation alternatives should be presented as a range of percentages with the formulas used to provide reference and context for specific points within that range.
2. See 1 above. Formulas should not be hind-cast based on different IPHC models. The decisions which have lead to this point were based on numbers in effect each year. Different decisions could have been made if different numbers were in effect. It is inequitable to use hind-cast numbers to govern present allocation decisions. The stairstep up and down provisions would use the CEY at the time of action

Original Compensated Reallocation Alternatives. The Council requested that the Halibut Stakeholder Committee, in the context of its discussions regarding a “long term” solution and the development of recommendations for the Council's consideration and analysis, review and consider the elements for compensated reallocation in the Council's June motion on Compensated Reallocation and the AP motion on Compensated Reallocation with the following elements added for consideration:

Common Pool

Element 2.1 Limits on Transferability

The percentages are based on the combined commercial and charter catch limit. A percentage of the combined commercial and charter catch limit will be available for transfer between sectors.

Option 1: 10 percent

Option 2: 15 percent

Option 3: 20 percent

Option 4: 25 percent

Suboption a: Limit transferability to a percent of the annual commercial setline harvest level – IFQ

Suboption b: Limit transferability to a percent by area

Element 2.2 Limits on QS purchase

A. entities purchasing for a common pool:

Option 1: limited annually to a percentage (30-50%) of the average amount of QS transferred during the previous 5 years.

Option 2: restrictions on vessel class sizes/blocked and unblocked/blocks above and below sweep-up levels to leave entry sized blocks available for the commercial market and to leave some larger blocks available for an individual trying to increase their poundage.

Option 3: no limits

Option 4: limited annually to 1%, 3%, or 5% of the annual commercial setline harvest level – IFQ by area

Suboption: By vessel category

CHARTER HALIBUT STAKEHOLDER COMMITTEE
Anchorage Alaska
October 30 - November 1, 2007
Minutes

Dr. Dave Hanson, Chair
Seth Bone
Bob Candopoulos
Ricky Gease
John Goodhand
Kathy Hansen
Dan Hull

Chuck McCallum
Larry McQuarrie
Rex Murphy
Peggy Parker
Chaco Pearman
Greg Sutter
Doug Vincent-Lang

Introductions The Chair welcomed three new members to the committee: Peggy Parker, Chuck McCallum, and Doug Vincent-Lang.

Agenda Additional items were added to the draft agenda under "New business:" 1) review timeline for new economic data from State and Federal surveys, and 2) new proposals by Rex Murphy and Larry McQuarrie.

October 2007 Council motions Jane DiCosimo reviewed the motions for proposed actions that were adopted by the Council at its October 2007 meeting. One motion identified a suite of alternatives for an interim program that would set an initial allocation for the charter sector tied to delayed feedback of regulatory measures to restrict charter halibut harvest to that allocation and provision to allow transfer and conversion of commercial halibut IFQs for use in the charter sector by individual limited entry permit holders. The Council also forwarded options for common pool management, pro rata reduction of commercial QS to fund an increase in charter allocation above the Guideline Harvest Level, and other community protection options to the committee for consideration in the long term solution.

Interagency Staff Report on Interim Measures Jane DiCosimo presented a report on recordkeeping, implementation, and enforcement recommendations from an interagency staff meeting that convened on October 29. She summarized a series of bullets that were agreed to by the agencies staff in response to staff annotations to the Council's October 2007 motion. The committee discussed the Council staff and interagency staff recommendations with staff.

The committee adopted the Council staff's recommendations to the October Council motion and used that version as the basis for additional committee recommendations.

Jay Ginter identified three components to implementation of a Federal action: 1) data gathering; 2) Council process; and 3) Secretarial process. He provided a chart of the timeline for charter halibut fishery actions for ADF&G, IPHC, NPSMC, and NMFS. He noted that the NMFS implementation schedule can not be compressed, although the informal review process could be shortened if the action is given a high priority. He noted that the interagency staff identified that compression of the delayed feedback included in the Council's motion for an interim solution could occur in either the data collection period or in the Council process. Jane DiCosimo reviewed a few opportunities for potential savings in the Council process: 1) skipping initial review because the Council has previously approved GHL analyses from which it could "tier;" or 2) providing a supplemental analysis in lieu of a full analysis prior to Council action and providing a streamlined analysis for Secretarial review. She referenced the 3A GHL supplemental analysis provided to the Council in October (3-pages). The committee concluded that large errors in management could result from long regulatory delays in implementation of needed management measures. Analysts are now trying to forecast harvests in a changing regulatory environment; time delays makes management difficult.

Reporting The staff reviewed some of its conclusions regarding reducing the delay by a full year under some method of in-season accounting/electronic reporting. The staff and committee discussed the possibility of reducing the delay by one to two years under a harvest tag program at length (see Interagency Staff Report for details). An interest in a verifiable, third party reporting/accounting system was identified. In-season electronic reporting by charter businesses still relies on self-reporting. A number of harvest tags could be issued based on a formula that included the amount of allocation, rate of successful fishing, and average size of fish. Tags could be reissued if not used to enhance full utilization of the allocation.

Many charter representatives on the committee did not favor an in-season accounting program in the interim solution and identified what were described as fatal flaws to its implementation. At issue was whether charter businesses could acquire tags on behalf of their clients or whether clients would have to obtain them. They were concerned that their clients would not have sufficient access to tags to guarantee halibut harvests. Other charter representatives and commercial representatives favored such a program as it reduced the lag between an overage and a change in regulations.

ADF&G will issue a report on the logbook program in February 2007.

The Committee adopted the following motion on data collection for the Interim Solution:

One of the critical issues for successful implementation of a successful interim management regime for charter halibut operators is to shorten the feedback loop for collection of data regarding charter harvests. The Council has requested that staff include in their report a discussion of options for shortening the feedback loop, and the Stakeholder Committee would like to suggest three options for discussion and analysis in the staff report.

Any data collection option should be made as simple as possible, minimize inconvenience to clients, and be conducted in a machine readable or electronic format.

It is also the intent of the Stakeholder Committee in proposing these options that the real time collection of data should not be used for in-season management changes or in-season closures; rather it is the intent of the Stakeholder Committee that these options be used to shorten the data collection feedback loop to facilitate the timely advance adoption of management tools designed to achieve the charter sector allocation without in-season changes or in-season closures in order to maintain, to the extent possible, a season of historic length with a minimum two fish bag limit.

Option 1. Electronic Reporting. Each GSM permit holder would be assigned a unique reporting number and would use that number to electronically report the number of halibut caught by clients that day on a daily basis. The electronic reporting would be done either through an Internet website or a dial-in telephone system. As additional verification each client would sign the mandatory logbook next to the entry containing their name, license number, number and type of fish caught, and any other required information. Logbooks would continue to be submitted weekly.

Option 2. Harvest Tag. Uniquely numbered harvest tags would be distributed to each GSM permit holder at the beginning of the season and additional tags would be available throughout the season if needed. The number of harvest tags would be greater than the number of fish allocated to the charter sector for that year (i.e., the tags are not a management tool for restricting or closing charter fishing in-season). When a halibut is landed the harvest tag would be required to be inserted in the jaw and the harvest tag number recorded in the log book entry for the angler license number of the person who caught the fish. When the fish is processed the tag would be removed and mailed in using pre-addressed, stamped envelopes supplied for that purpose. GSM operators would pay a fee to cover the cost of the envelopes

and tags. Harvest tags would preferably be bar coded to enable machine reading, with peel off bar code stickers for placement in the log book.

Option 3. Punch Cards. Each GSM permit holder would be issued a supply of uniquely numbered punch cards with punch outs equal to any daily bag limit for that year or six halibut (whichever is fewer). The cards would be issued at the beginning of the season and additional cards would be available as needed (i.e., the cards are not a management tool for restricting or closing charter fishing in-season). Each day every client angler would be assigned a punch card and that punch card number would be entered in the log book next to the license number. As each halibut is landed by a client their respective card would be punched, and at the end of the day the client would sign the punch card in the space provided. The punch card would then be sealed in a supplied stamped and addressed envelope, which would be mailed by the permit holder. GSM permit holders would pay a fee to cover the cost of the punch cards and mailing envelopes. Any log book entry for which a signed punch card is not received would be corrected to read the maximum number of fish printed on a punch card (i.e., the daily bag limit or six fish).

Committee members asked questions related to the need for consistent allocations for future bookings: 1) why the Council could not set multi-year allocations (it could); 2) why could not underages accrue in future year's allocation (that would conflict with IPHC policy). Commercial representatives concurred with staff comments on overages and underages and agreed with charter representatives to remove those provisions from the proposal. Committee members concurred with staff comments on subleasing and made a number of changes to the proposal, some of which incorporated some of Council recommendations for committee consideration (see revised Element 5). Interagency staff comments suggested that one could assume that once IFQs were converted to Guided Angler Fish (GAF), they were fully used. RAM would need to track an IFQ to GAF lease, so as to prevent further GAF sub-leasing, if that is the Council intent. Final accounting would come through logbook (or other) accounting at the end of the year. Transfer of unused GAF back to the original IFQ account of the QS holder could mean hundreds of transfers at the end of the charter season that can not be handled by existing RAM staff. Some charter representatives were interested in applying in-season estimates of average fish, but staff suggested that it could not use an estimate that it had not yet collected.

The committee discussed the issue of using combined CEYs in the formula for setting the charter allocation. Charter committee members are concerned that market or other reasons for reducing the commercial fishery CEY would also reduce its portion of a combined CEY. They were interested in having the charter allocation be set "higher" in the IPHC process, i.e., linked to total CEY. Ultimately, the committee revised the initial allocation options to be linked to a combined charter and commercial catch limit to be determined by the IPHC. Increasing interest in a separate sport conference board at the IPHC was noted.

At the start of the second day of the meeting, the committee returned to a discussion of catch accounting of charter halibut harvests. While staff noted that the best available data must be used, the committee recommended that the same data set be used as the basis of the allocation and for catch accounting – ADF&G Statewide Harvest Survey (SWHS). The committee noted the need for designing two systems - one for common pool and one for commercial IFQs transferred to charter GAFs. The committee identified another scenario in which limited entry permit holders could be issued (swipe) cards for more timely reporting.

The Committee adopted a third option that would base the initial allocation half on a fixed percentage and half on fixed pounds. Half the allocation would be based on one of the four fixed percentage options and the remaining half would be based on one of the three fixed pounds options.

The committee adopted a statement on management objectives for the interim plan, with one objection.

Catch Sharing Plan Management Objective for Charter Sector Allocation

The Stakeholder Committee recommends that the Council adopt the following statement regarding the management objective for the charter sector allocation of the catch sharing plan:

In establishing this catch sharing plan for the commercial and sport charter halibut sectors, the Council intends to create a management regime that provides separate accountability for each sector. The management of the commercial sector remains unchanged under this plan, and new management measures are provided for the sport charter sector.

These new measures for the sport charter sector are designed to address the specific need of the sport charter sector for advance notice and predictability with respect to the management tools and length of season that will be used to achieve the allocation allotted to that sector under the plan. In order to achieve the allocation, it is the Council's intent that management tools and season length would be established during the year prior to the year in which they would take effect, and that the tools selected and season length would not be changed in season.

The Council will evaluate its success in achieving the sport charter sector allocation each year, and will adjust its management tools as needed. In designing this regime for the sport charter sector the Council recognizes that providing advance notice and predictability may result in a charter harvest that does not precisely meet the sector allocation for that particular year. Therefore, the Council intends to adjust its management measures as needed to ensure that the sport charter sector is held at or below its allocation on average over a rolling five-year period. In meeting its conservation mandate while accommodating the charter industry's need for predictability and stability, the Council will necessarily err on the side of conservation in the selection of management tools and season length, with the result that the sport charter sector may not be able to harvest its entire allocation.

Toolbox A committee member suggested exempting Gulf of Alaska coastal communities from some of the proposed measures in the management toolbox for small communities that have high barriers to entry. The committee as a whole did not support any exemptions for CQE communities. A member noted that the CQE criteria for qualification were by businesses and not by qualified vessels working out of an eligible community. For example, Angoon, which has fewer than 10 businesses working out of it and would qualify to have new businesses receive CQE permits, is near Whalers Cove, which has 60-70 vessels. This could place too much pressure on the halibut resource if the CQE applies for and gets all the permits. The CQE program provides a disproportionate advantage of up to 4 new permits for each of 18 Area 2C CQE communities (72 new permits) and up to 7 new permits for each of 14 Area 3A CQE communities (98 new permits), when compared to currently active charter operators who did not meet the qualification criteria to receive a limited entry permit.

In response to a question regarding skipper/crew bans on retaining halibut while onboard a charter vessel, Doug Vincent-Lang responded that ADF&G may consider some allowances for skipper/crew retention under State Emergency Order authority (e.g., during shoulder seasons or one day a week).

The committee unanimously passed a motion that revised the staff's recommendations to the Council's October 2007 motion (see Attachment 1). The committee supported a timeline for initial action in April 2008 and final action in October 2008; the committee noted that the February 2008 Council meeting was in Seattle and the June meeting was in Kodiak and during its peak operating season.

Charter Halibut Limited Entry Program The committee asked Jay Ginter to provide an update on implementation of the limited entry program. Based on the schedule outlined below, the year of implementation would be 2009, and 2008 would be the year prior to implementation for meeting eligibility criteria. He noted that historically 10% of applicants appeal.

| | |
|--|-------------------------|
| Proposed Rule | April 08 |
| Comment Period | May 08 |
| Final Rule | November 08 |
| 30-day delay effectiveness | late December 08 |
| 60 day application period | January – February 09 |
| Evidentiary period | February – March 09 |
| 60-day appeals process and resolution of appeals | April - rest of year 09 |
| Program effective | February 2010 |

The committee unanimously passed a motion that the Council request that NMFS prioritize implementation of the charter halibut limited entry program as rapidly as possible.

Long Term Solution The committee next addressed October 2007 Council motions regarding elements and options rejected by the Council for the interim solution (common pool management and pro rata reduction) in view of its previous alternatives for an angler day program or amendments to the limited entry program as a long term solution. The committee had previously adopted a framework for an angler day program and refined limited entry program. Kathy Hansen and Rex Murphy distributed draft revised alternatives for committee review. The committee adopted four alternatives to the status quo and made some revisions as noted below:

- Alternative 1. No action
- Alternative 2. Angler day program – common pool (Attachment 2)
- Alternative 3. Limited entry program – common pool (Attachment 3)
- Alternative 4. Guided Angler Fish (Attachment 4)
- Alternative 5. Harvest tag – common pool (Attachment 5).

Alternative 2. Angler Day A committee member proposed deleting Element 1.1, Option A - State common pool, because charter operators favor a regional non-profit association (RNPA) common pool, A State common pool requires State legislation that could delay implementation of the program, concerns about State funding going back to the halibut fishery only. The State representative noted that State legislation is also needed for the RNPA model, State funding mechanisms have worked in the past for hatchery financing, and his reluctance to limit the analysis to only one option.

John Lepore noted that revisions to the MSA provide a model for development of regional fishery associations (RFAs). Under the MSA, RFAs must be located within the management area of the relevant council, must meet criteria developed by the appropriate council and approved by the Secretary of Commerce, must be a voluntary association with established bylaws, and must consist of participants who hold quota share. Also, RFAs are not eligible to receive an initial allocation of limited access privileges. RFAs that meet the above requirements are authorized to acquire limited access privileges after the initial allocation of such privileges.

The committee noted that other State models could apply here also. One member noted that State bonds could fund the State common pool as well as the RNPA. Another noted that might be true, but bonds were the most expensive funding mechanism for RNPAs.

The committee discussed Element 1.1 Option A (State Common Pool) and the pros and cons of surcharges on anglers vs. fish. Several charter operators expressed a preference to place a surcharge on each fish. Jonathan King explained that the preliminary draft allocation analysis calculated the estimated fee per angler or per fish under 2006 conditions and QS prices. A larger pool of potential payers results in lower per unit surcharges. Hence, a per angler fee would result in a lower per unit charge than a charge per fish. It also represents a more stable revenue stream than a charge per fish, as anglers can avoid the per fish fee by not harvesting any halibut. The ability of anglers to avoid a per fish fee could create problems for a common pool with a fixed repayment schedule (i.e., bond or loan payments). For example,

the common pool would likely set the per fish fee at the beginning of the season based on a projected harvest of the number of fish. If enough anglers avoid the fee by declining to harvest halibut, the common pool will fall short of its revenue projections. While this behavior could result in lower harvest over time, it would also encourage anglers to high-grade harvested fish (i.e., get the most for their money) and result in related changes to release mortality.

The committee discussed different "point of purchase" models. The committee noted that a point of purchase model similar to the king stamp would be simpler than an on board collection system similar to what would be needed with the per fish surcharge. Ultimately, the committee did not state a preference for placing the surcharge on clients v fish.

The committee, except for the State representative, stated a clear preference under Element 1.2 in support of a willing buyer/willing seller model and eliminating the pro-rata reduction option. This is the next most controversial aspect of the analysis, after the sector split. Members noted that Federal legislation may be needed so that the State can provide funds to NMFS for disbursement to the commercial QS holders. John Lepore noted that there is no Federal obligation to compensate QS holders for reducing their holdings or the value of those holdings. He further clarified that NMFS has no responsibility to be the conduit for the compensation; the onus would be on the State to disburse the funds. In response to a question, he clarified that the difference between a buyback and this proposed compensation is that a buyback program requires Federal legislation and results in removing steel from the water; in this case, the pro-rata compensation results from an allocation. Doug Vincent-Lang provided rationale to retain an option to compensate the commercial sector for reduced commercial allocation, rather than reducing it without compensation. He identified that a State bond would be the source of compensation funds.

A charter representative asked if a negotiated agreement between the charter sector and commercial sector (willing buyer/seller at the sector level) could resolve the issues related to the value of QS under the pro rata reduction. A commercial representative responded that the commercial sector will not agree willingly to have the value of commercial QS reduced due to reasons already stated on the record.

A motion to remove Element 1.2, Option 2 (pro rata reduction), suboption 1. one-time purchase was withdrawn after committee debate. A substitute motion to delete all of Element 1.2, Option 2 until such time when State develops fully fleshed out plan that addresses all of the issues raised at stakeholder committee and AP, at which time it could be brought back to the committee for further consideration, failed 6:7. Doug Vincent-Lang promised to work with staff and report back to the committee in the future.

At the end of the discussion of this issue, the committee adopted the following statement:

The committee has discussed the pro rata reduction option at considerable length and remains concerned about the potential impacts of this option. In order to further constructive debate and consideration of this proposal, the committee believes it is essential for the State of Alaska to provide a detailed description of the option that addresses the issues and concerns brought forward in the preliminary analysis and the committee's extensive discussion. The committee also recommends that the business models of commercial and charter fishermen be given equal consideration in the development of any pro rata model. Further, the committee recommends that pro rata reduction should be used as a last resort, maximizing other options as appropriate, and that the State's discussion include the possibility of a premium on compensation, above the market price of the IFQ at time of pro rata reduction.

Under Element 2.1, the committee discussed the possibility of in-season closure by NMFS, that State delegation is needed when insufficient allocation is available, that status quo management measures are included, and that overage/underage elements should for deleted for consistency with the interim measures alternatives. The committee recommended unanimously that all of Element 2 be deleted.

Element 3 resulted in a lengthy and ultimately unresolved issue of when fishing "starts." Some are in favor of defining when fishing starts as when a hook hits the water; others prefer defining the start when a halibut is harvested so as not to spend an angler day on a multi-species charter when halibut is not caught, released, or targeted. One suggestion was to link the start of halibut fishing with whether a limited entry permit was onboard the vessel, but this was viewed as not adequately enforceable. Under a harvest tag program, fishing could be defined as starting as: 1) when a halibut angler day is activated by signing the back of the stamp/ticket; 2) since a harvested halibut is the basis for determining angler days, fishing should be defined as when the first halibut is harvested (for just the one angler); 3) same as under #2 but could apply to all anglers on the charter. However angler days are determined by the agencies is how they should be enforced. The Council could define "fishing" gear as that reasonably assumed to be targeting halibut. The issue of defining when halibut fishing occurred was tabled until a future meeting. The committee also deferred discussing logbooks until the databases are verified by ADF&G in early 2008. The committee discussed whether to use historical bottomfish data (pre-2006) or currently collected halibut data (2006 and later) as the basis for determining angler days. The Council may choose to use the December 2006 control date for angler day determination because fishing patterns are continuing to change as a result of regulatory changes to the charter fisheries.

Element 4 Under Element 4.1 and 4.2, the Committee deleted the Council's October 2007 proposed amendments to restrictions on transferability because they did not appear to belong in this section. This section appears to be addressing a total amount that can be transferred, rather than an annual amount that can be transferred back and forth between sectors. The committee inserted "by area" in the title and expanded the wording under option 1 to provide greater clarity of intent. The language is interpreted to refer to the commercial QS units available at time of implementation (minus extinguished QS units).

The committee made minor changes to Element 4.3. A member questioned why limit to an arbitrary 15 percent of IFQs in case the biomass increases. Others responded that the Council was concerned about providing a loophole for laundering IFQ block and class restrictions. Committee members expressed concern about pro rata reductions and having to lease unused IFQs back from the charter sector. In time, the Council could adjust the lease back limit or QS could be sold back to the commercial sector. The main point is that members don't want to annually lease IFQs; instead they want QS to be transferred. Commercial members noted that 10% was the commercial leasing limit and 15% appeared to cover IPHC model changes and Slow Up/Fast Down policy.

The committee suggested adding an option to the angler day proposal that would allow individuals to contribute QS to the common pool for his own use.

The committee deferred recommendations on potential allocations of angler days to community quota entities that would receive limited entry permits.

Alternative 3. Modified Limited Entry Program The committee recommended that committee revisions to the interim and angler day common pool options also be applied to this alternative.

Accounting While in-season management of common pool or individual allocations may be required under best available data requirements, NMFS in-season data collection and management is objectionable to the charter sector. Some resistance by the charter sector may be relieved if the sector can acquire additional allocation through purchase of commercial QS or leasing of commercial IFQs.

Element 1.1 The committee streamlined the options for common pool entities. While the State supports a State of Alaska common pool, both the charter sector and commercial sector supports the regional non-profit association common pool. Both options were recommended for analysis.

Element 1.2 The committee streamlined the options for compensating the commercial sector through QS purchases and/or IFQ leases. While the State supports a pro rata reduction of commercial QS holdings to fund part or all of an increased allocation to the charter sector, both the charter sector and commercial sector supports a willing buyer/willing seller model. Both options were recommended for analysis.

Analysis of pro rata reduction will need to look at the tax consequences that the commercial QS holder will experience. If the payment for pro rata reduction is considered ordinary income, the QS holder would be responsible for self employment taxes. How this should effect the determination of price paid to the QS holder. The effect a pro-rata reduction will have on the lending institutes, will this tighten up lending opportunities? Will this provide less opportunity for entry level participants? ADF&G staff responded that they will provide more information on the pro rata reduction element at a later meeting.

Under Element 2.1, the committee incorporated an AP motion for dividing the charter fisheries into 3 or 5 seasons; this will require subdividing the charter sector allocation (and subsequent reallocations), but the committee did not address this issue. It generally discussed the need to have sufficient allocation during peak periods (June and July). This elicited considerable discussion. Sub-season management assumes sub-season allocations and in-season reporting. Many charter members opposed in-season accounting or changes to management because temporary closures will be a serious economic hardship to some businesses. The charter sector requires predictability for peak periods of halibut fishing. But there are a variety of business models and one size will not fit all. Some charter members preferred pre-season regulations to ensure a historical season length. One member suggested that the closed periods could be timed to coincide with other peaking fisheries or salmon derbies. Other species could be targeted when halibut was closed. Another member preferred to have one season that starts later or could be compressed at the start or finish.

As recommended under the interim program and Alternative 2, underage/overage provisions were deleted.

Element 4.1 options that were proposed by the Council for committee consideration were not included for analysis. This section is not addressing an annual amount that can be transferred back and forth between sectors; instead, it is addressing a total amount that can be transferred. "By area" was inserted in the title and the wording under option 1 was expanded to provide clarity.

Element 4.2 options that were proposed by the Council for committee consideration were not included for analysis. The committee interpreted Council intent as being that the Council thought the limits in the analysis were too liberal and an entity such as Princess Cruise Lines could tie up all the allocation. In fact, this section contains status quo use caps for Area 2C of 1% and 3A of ½% that occurs in the commercial QS program. Proposed changes would result unintentionally in more liberal caps, rather than more restrictive.

The committee reserves this section as a placeholder until preliminary analysis can inform the correct limits on QS purchases for analysis. Option 3 contains intent language that will need to be revised with specific options once preliminary analysis is conducted. Commercial members noted that commercial QS blocks should be preserved for new commercial entrants; this should include both category C and D QS; however, options to exclude these categories were not included explicitly at this time.

Element 4.3. The committee discussed methods for measuring halibut. A standard measuring tool could be used. One lays the fish flat and takes a straight line measurement along the fish. Staff noted problems of pitching boats with clients on board, although the committee noted that commercial boats also experience rolling while adhering to a minimum size. At issue here is whether to use an average weight from historical charter halibut harvests or individual operator's average weights of harvested halibut. Changes in operator fishing patterns could result in smaller fish v larger fish, which could stretch angler

day allocations by measuring/converting fish in season. Using the average weight of fish for each operator accrued under the supplemental use of commercial IFQs in the interim program would probably be inaccurate as the size of fish allowed to be retained for individual operators would change (i.e., charter halibut allowed to be harvested when using commercial IFQs would be larger than the average charter halibut harvested under the common pool. The committee agreed with including an individual conversion option, with one objection.

Element 5. The committee added options for supplemental individual use of QS in addition to IFQs because this is a long term program. It needs additional related options so should be considered a placeholder until QS program elements are redefined. Higher IFQ leasing limits replaced current options to better reflect needs of larger operators.

Element 7. The committee reviewed that the original limited entry program elements were streamlined to facilitate implementation; The Council deferred some decisions for future reconsideration. The committee recommended adding tiered permit classes to limit growth by permit holders under option 3.

The committee tabled additional discussion on how the CQE program might be modified until a future meeting. The committee noted that many more new permits would be issued to CQEs under the limited entry program than was originally intended (up to 4 permits per community in Area 2C and 7 permits per community in Area 3A).

Alternative 4 Guided Angler Fish Alternative The committee noted that the main difference between the GAF alternative and the original (now rejected) charter QS alternative lies in the qualification criteria. The committee noted the critical distinction between the two permanent solution types with three common pool alternatives and one individual operator alternative. The GAF program would privatize the halibut resource, while the modified LLP alternative would not.

Issue 1 A unique feature of the GAF program is that no halibut recordkeeping occurred during the qualifying years that were the basis for the limited entry program. The committee did not amend the qualifying years because recency requirements will necessitate consideration of recent participants and harvests. The committee recommends that the alternative be based on the history that earned a limited entry permit. This interpretation would allow a person to only turn their harvest used to generate a moratorium permit into GAF. The second would allow a person to get credit for all their logbook history during the qualification period even if all their vessels did not qualify for a permit.

Issue 2 Commercial representatives noted that 'zeros' (for no harvests) were included in commercial QS calculations.

Issue 3 The committee recommended additional changes to GAF leasing options. The committee recommended a review of leasing at year 3. It added a range to the amount of GAF that could be leased. Staff would be able to provide only a qualitative analysis of how much GAF that charter businesses will want to lease. One member wondered why leasing limits were necessary so long as the allocation stayed within the charter sector. The committee discussed that leasing limits were intended to keep the owner-operator aspect to the fleet, although this model fits only some businesses.

Staff pointed out that language under #2 combines some "hired skipper" and owner on board issues. The committee asked that staff provide new language for consideration. Staff will provide new text for the committee's next meeting.

The committee did not amend the vessel class restrictions, as these will be addressed in the interim analysis.

Issue 5 Use caps are needed under this program because charter business owners could hold more commercial QS without them. The options are modeled after those in the interim analysis.

Issue 6 The committee deleted the one year delay because a brisk trade will develop very quickly.

Issue 9 The committee changed sunset to review; so that CQEs should not be foreclosed even if no one took advantage of the opportunity in the first five years. Because of uncertainty of future Council actions, the community issue is a placeholder

New business The committee requested updates on socio-economic reports regarding charter halibut, which the State and NMFS have conducted. Doug Vincent-Lang provided a written ADF&G summary. Purpose of the project: The objective of the State's project is to provide reasonably-precise and up-to-date information on the economic contributions of angler spending to the Alaska economy at the statewide, regional, and sub-region levels. The following economic information will be produced by this study at statewide level and for several regions including: Southeast Alaska, Southcentral, and Interior/Northern, Cook Inlet waters, and Southeast marine waters (see attached map): A) Total expenditures associated with sport/personal use fishing in Alaska in 2007 by residency, water type, and region; B) Total full-time jobs (direct, indirect, induced) in Alaska associated with spending on sport/personal use fishing in 2007; C) Total wages and salaries paid in Alaska associated with spending on sport fishing in 2007; and D) Aggregated total economic impact (in dollars, jobs, wages and salaries, tax receipts) associated with resident and non-resident expenditures for sport fishing in Alaska in 2007. The study is designed to provide a consistent and repeatable methodology for collecting and reporting estimates of economic contribution of sportfishing in Alaska on a periodic basis (3-5 years) at these geographic levels. The final reports is due by December 31, 2008.

Via an email to Jane DiCosimo, Dr. Dan Lew (AFSC) reported on an Alaska saltwater angler survey of 2006 saltwater fishing behavior and preferences from three types of anglers who fish in Alaska: 1. Non-resident anglers (U.S. residents); 2. Southeast Alaska resident anglers; and 3. Other Alaska resident anglers. These models to be used to estimate the net economic value of different types of trips (charter boat trip, private boat trip, and shore fishing trip) for each of the three types of anglers (using separate models for each type of angler). These values would represent the net economic value of fishing trips under 2006 regulations. The non-resident angler trip models would be analyzed using different econometric models because the nature of these trips are different from residents' trips and are expected to be more time-intensive. No timeline was identified for the completion of the report.

Alternative 5. Harvest Tag Program The committee rescinded all prior committee actions on harvest tags to review a new committee member proposal on the use of a harvest tag program to manage the charter sector allocation. Interest in the use of harvest tags has been voiced by the commercial sector, the State and NMFS. The program would be client driven and not controlled by charter business, as would occur under the GAF program. It would manage the common pool allocation on a "first come, first served" basis. The ability of individual business owners to be able to transfer additional QS is not included in this proposal, but could be added. Sub-seasonal allocations answer some concerns about client access to the resource later in the season. NMFS would close the season based on projected harvests. The commercial representatives saw value in looking at this proposal further because the commercial sector places a high value on a verifiable catch accounting system and this is one approach to achieving that and other catch accounting plans have not been supported by the charter sector. The proposal was adopted by the committee for inclusion in the long term analysis (Attachment 5). Staff was requested to revise the language of the new alternative to provide uniformity with revisions made to other alternatives.

The committee received a limited entry program proposal by a committee member, but it was not reviewed because it was not distributed in advance of the meeting. The proposal was described as a new alternative that captures all the previous work by the committee. It would amend the LEP with angler

days and would allow increased charter sector allocations (see Attachment 6). The committee asked staff to revise the proposal to reflect committee recommendations to other similar proposals. Staff will provide the requested revised alternative for committee consideration at its next meeting.

Global committee statements:

- Only legal landings should be used for catch history. Harvests landed during a trip with fishing violations should not contribute towards catch history/allocations
- The committee noted that the limited entry program exempted military boats from qualification criteria. But halibut harvests from military boats are reported in the SWHS and are included in the GHL allocation and under the interim program's sector allocation analysis. Determination of how to distribute angler days or other options needs to be addressed in all analyses.

Next meeting The committee acknowledged the need for one or more meetings to address the permanent solution and any other tasking by the Council. The committee chair noted that the next meeting would occur no sooner than mid-February 2008.

Adjournment The meeting adjourned at approximately 4:30 pm on Thursday, November 1, 2007.

Attendance

Staff: Jane DiCosimo, Jay Ginter, Peggy Murphy, John Lepore, Jessie Gharrett (by phone), Gregg Williams, Kevin Heck, Jonathan King, Darrell Brannan (by phone), Scott Meyer, Mike Jaenicke, and Sue Aspelund. For part of the meeting: Jeff Passer, and Marla Trollan.

Public (all or part of meeting): Ed Hansen, Ken Dole, Earl Comstock, Freddie Christiansen, Scott Van Valin, and Tom Ohaus.

**Halibut Stakeholder Revisions to Staff - Recommended Revisions to Council Motion
October 2007**

**Charter Halibut Charter-Interim Measures: Initial Allocation and Future Reallocation
between charter sector and commercial sector in Area 2C and Area 3A**

Alternative 1. No Action.

Alternative 2. Establish a catch sharing plan ~~initial allocation~~ that includes sector accountability

Element 1. Initial allocation

Option 1: Fixed percentage of combined charter harvest and commercial catch limit, ~~as a percentage of the fishery CEY.~~

| | Area 2C | Area 3A | based on: |
|----|----------------|----------------|---|
| a. | 13.09% | 14.00% | 125% of the 1995-1999 avg charter harvest (current GHl formula) |
| b. | 17.31% | 15.44% | 125% of the 2001-2005 avg charter harvest (GHl formula updated thru 2005) |
| c. | 11.69% | 12.70% | Current GHl as percent of 2004 |
| d. | 15.14% | 12.65% | 2005 charter harvest |

Option 2: Fixed pounds to be deducted from a combined charter and commercial catch limit, ~~linked to fishery CEY at the time of final action would be used as the base amount to determine if the current CEY triggers an adjustment in the charter sector allocation.~~

| | Area 2C | Area 3A | based on: |
|---------|--|-----------------|---|
| a. | 1.43 Mlb | 3.65 Mlb | 125% of the 1995-1999 avg charter harvest (current GHl) |
| b. | 1.69 Mlb | 4.01 Mlb | 125% of the 2000-2004 avg charter harvest (GHl updated thru 2004) |
| c. | 1.90 Mlb | 4.15 Mlb | 125% of the 2001-2005 avg charter harvest (GHl updated thru 2005) |
| Option: | <u>Stair step up and down.</u> The allocation in each area would be increased or reduced in stepwise increments based on a change in the <u>total CEY</u> . If the halibut stock were to increase or decrease from 15 to 24 percent from its average <u>total CEY</u> of the base period selected for the initial allocation at the time of final action, then the allocation would be increased or decreased by 15 percent. If the stock were to increase or decrease from at least 25 to 34 percent, then the allocation would be increased or decreased by an additional 10 percent. If the stock increased or decreased by at least 10 percent increments, the allocation would be increased or decreased by an additional 10 percent. | | |
| | <u>Deferred to Interagency Staff regarding pros and cons of setting formulas v pounds in regulation</u> | | |

Option 3. 50% fixed/50% floating allocation.

| | <u>Area 2C</u> | | <u>Area 3A</u> | |
|-----|----------------|------------|-----------------|----------------|
| | <u>50% of:</u> | <u>and</u> | <u>50% of:</u> | <u>and</u> |
| | | | | <u>50% of:</u> |
| a.1 | 13.09% | | 1.43 Mlb | 14.00% |
| a.2 | 13.09% | | 1.69 Mlb | 14.00% |
| a.3 | 13.09% | | 1.90 Mlb | 14.00% |
| b.1 | 17.31% | | 1.43 Mlb | 15.44% |
| b.2 | 17.31% | | 1.69 Mlb | 15.44% |
| b.3 | 17.31% | | 1.90 Mlb | 15.44% |
| c.1 | 11.69% | | 1.43 Mlb | 12.70% |
| c.2 | 11.69% | | 1.69 Mlb | 12.70% |
| c.3 | 11.69% | | 1.90 Mlb | 12.70% |
| d.1 | 15.14% | | 1.43 Mlb | 12.65% |
| d.2 | 15.14% | | 1.69 Mlb | 12.65% |
| d.3 | 15.14% | | 1.90 Mlb | 12.65% |

Element 2. ~~Guideline Harvest Level Allocation with a~~Annual regulatory cycle

The initial charter allocation would be a common harvest pool for all charter ~~moratorium~~limited entry permit holders. It would not close the fishery when the charter allocation is exceeded. Instead, the ~~“buffered hard cap,”~~ or more accurately the guideline harvest level allocation would be linked to an annual regulatory analysis of management measures (delayed feedback loop) that take into account the projected CEY for the following year and any overages by the charter industry in the past year(s). This system would work best if there is not a time lag between the overage year and the payback year. The Council will not revisit or readjust the sector split. An allocation overage would trigger the regulatory process automatically, in contrast with current GHM management. Any underages would accrue to the benefit of the halibut biomass and would not be reallocated or paid forward. The Council assumes (and would request) that the International Pacific Halibut Commission set a combined charter and commercial sector fishery CEY and would apply the allocations between the two sectors that would be recommended by the Council in a type of catch sharing plan to the combined fishery CEY.

Element 3. Management toolbox.

Tier 1 measures will be utilized by the Council to try to manage the charter common pool for a season of historic length and a two-fish daily harvest limit. Tier 2 measures will be utilized if Tier 1 measures are inadequate to constrain harvest by the charter common pool to its allocation. Due to the delayed feedback loop in implementation of management measures, management measures will, in general, be more restrictive to ensure that the charter sector allocation is not exceeded. In providing predictability and stability for the charter sector, it is likely that charter fish may be left in the water.

Tier 1 management measures include:

- 1 trip per vessel per day
- No retention by skipper or crew
- line limits
- Second fish of minimum size
- Second fish at or below a specific length.

Tier 2 management measures include:

- Annual catch limits
 - 1 fish bag limit for all or a portion of the season
 - Season closure
- Suboption: seasonal closures on a monthly or sub-seasonal basis

Element 4. Timeline. The current timeline for the proposal is as described below. [Staff should discuss what would be needed to implement February Council action for June (the same year)]

Example scenario 1: 4-year feedback loop

- Charter fishery ends 2007
- October 2008: Council receives ADF&G report on final charter halibut harvest estimates for 2007. If the ADF&G report indicates that an allocation overage occurred in 2007, the Council will initiate the analysis of management measures necessary to restrict charter halibut harvests to its allocations.
- ~~November 2008: IPHC CEY and staff catch limit recommendations are released.~~
- December 2008: Council reviews staff analysis (possibly in the form of a supplement) that updates the previous year's analysis with final 2007 harvest estimates.

- January 2009: IPHC adopts combined fishery catch limits for 2009.
- February 2009: Council will take final action on management measures based on ~~the CEY trend for 2007, 2008, and 2009, and any harvest overages~~ then, set management measures that would be implemented in year 2010.
- ~~August~~ Winter 2009: NMFS publishes the rule that will be in effect for 2010.

Example Scenario 2: 3-year feedback loop (Staff response to Council request)

- Charter fishery, with in-season monitoring, ends 2007
- October 2007: Council receives ADF&G report on final charter halibut harvest estimates for 2007. If the ADF&G report indicates that an allocation overage occurred in 2007, the Council will initiate the analysis of management measures necessary to restrict charter halibut harvests to its allocations.
- December 2007: Council reviews staff analysis (possibly in the form of a supplement) that updates the previous year's analysis with final 2007 harvest estimates.
- January 2008: IPHC adopts combined catch limits for 2008.
- February 2008: Council takes final action on management measures that would be implemented in year 2009
- Winter 2008: NMFS publishes the rule that will be in effect for 2009

~~Element 5. No Overage provision. The charter sector has separate accountability through delayed regulatory feedback loop.~~

~~Element 6. No underage provision. Any underage would accrue to the benefit of the halibut biomass.~~

~~Element 7. Supplemental individual use of commercial IFQ to allow moratorium limited entry permit holders to lease commercial IFQ in order to provide anglers with additional harvesting opportunities, not to exceed limits in place for unguided anglers~~

A. Leasing commercial IFQ for conversion to Guided Angler Fish (GAF).

1. Holders of Guided Sport Moratorium (GSM) Permits (only)

~~Option 1. A GSM permit holder may not hold or control more IFQ than the amount equal to the current setline use cap converted to the number of fish in each area (currently 1% of the setline catch limit in 2C or 1/2% in 3A).~~

~~Option 2. A GSM permit holder may not hold or control more than 1,000, 2,000, 5,000, or 7,500 fish. (Note: examine this as a percentage of the catch limit once allocations are established.)~~

~~2. Commercial Halibut QS Holders (only) may lease up to 10% of their annual IFQs for use as GAF on an individual basis.~~

3. Commercial Halibut QS Holders who also hold a GSM permit:

~~Option 1. May convert all or a portion of their commercial QS to GAF on a yearly basis if they own and fish it on their own GSM permit vessel(s). Commercial and charter fishing may not be conducted from the same vessel during the same day.~~

1. A GSM permit holder may lease IFQ for conversion to GAF for use on the GSM permit.

2. Commercial halibut QS holders may lease up to 10% of their annual IFQs to GSM permit holders for use as GAF on GSM permit. Dual permit holders are constrained to leasing only 10% of their QS whether to themselves or someone else
3. GSM permit holder per vessel may not lease more than 200-400 fish
Suboption: vessels with moratorium permit w/endorsement for more than 6 clients may not lease more than 400-600 fish
- B. GSM/EP holders harvesting GAF while participating in the guided sport halibut fishery are exempt from landing and use restrictions associated with commercial IFQ fishery, but subject to the landing and use provisions detailed below.
- C. GAF would be issued in numbers of fish. The conversion between annual IFQ and GAF would be based on average weight of halibut landed in each region's charter halibut fishery (2C or 3A) during the previous year as determined by ADF&G. The long-term plan may require further conversion to some other form (e.g., angler days).
- D. Subleasing of GAF would be prohibited.
- E. GAF holders may request NMFS convert unused GAF into IFQ pounds for harvest in compliance with commercial fishing regulations provided the GAF holder qualifies under the commercial IFQ regulations.
- F. Conversion of GAF back to commercial sector
~~F. Unused GAF may revert back to pounds of IFQ at the end of the year and be subject to the underage provisions applicable to their underlying commercial QS.~~
 1. GAF holders may request NMFS convert unused GAF into IFQ pounds for harvest in compliance with commercial fishing regulations provided the GAF holder qualifies under the commercial IFQ regulations.
 - H.2. Unused GAF may revert back to pounds of IFQ at the end of the year and be subject to the underage provisions applicable to their underlying commercial QS.
- ~~G.~~ Guided angler fish derived from commercial QS may not be used to harvest fish in excess of the non-guided sport bag limit on any given day.
- H. Charter operators landing GAF on private property (e.g., lodges) and motherships would be required to allow ADF&G samplers/enforcement personnel access to the point of landing.

Element 86. ~~Catch accounting system will be determined by NMFS~~

1. The current Statewide Harvest Survey and/or logbook data would be used to determine the annual harvest.
2. A catch accounting system will need to be developed for the GAF fish landed in the charter industry.

**STAKEHOLDER COMMITTEE MOTION
NOVEMBER 2007**

Staff has been requested to revise certain sections for conformity with other alternatives (not yet completed)

ALTERNATIVE 2. Angler Day Program - Common Pool Allocation

Alternative 1. Angler Day Program with Common Pool Management

- Limited Entry program permits would remain in place with this program.

Alternative 1, Element 1 implements measures to allow market-based reallocation between the commercial sector and the charter sector using a common pool management regime.

Element 1.1: Holder of Additional Quota Share, Method of Funding and Revenue Stream (How to increase the initial allocation)

- A. State of Alaska Common Pool
 - Bonding (funding source)
 - Option 1: Charter sportfishing license surcharge (stamps)–(revenue source)
 - Option 2. Business license fee/surcharge or limited entry permit holder
 - suboption 1. fee is based on number of anglers
 - suboption 2. fee is based on number of fish
- B. Regional Non-Profit Association Common Pool
 - Loan (funding source)
 - Self assessment fee (revenue source)

Element 1.2: Method of compensation

- Option 1: Willing seller, willing buyer
- Option 2: Pro-rata reduction
 - Suboption 1: one time purchase
 - Suboption 2: annual leasing

Revenue streams will be for a defined period and end after the loan or bond is paid off, i.e. continuous open-ended revenue streams are to be avoided.

TABLEDElement 3. Allocation of the common pool is administered by conversion to angler days. An angler day would be used once fishing starts for the day regardless of whether the angler catches a fish or not.

Element 4: Restrictions on transferability of commercial quota share by charter sector, with grandfather clause to exempt current participants in excess of proposed limits

Element 4.1: Total limits on transferability by Area with a common pool allocation

A percentage of the combined commercial and charter catch limit will be available for transfer between sectors.

- Option 1. Limit transferability between sectors to a percent of the commercial quota share units available by area at time of implementation of the program by area (2C & 3A).
 - Sub-option 1: 10 percent
 - Sub-Option 2: 15 percent

- Sub-Option 3: 20 percent
- Sub-Option 4: 25 percent

Element 4.2: Annual limits on **QS** purchase by area by entities purchasing for a common pool:

- Option 1. Limited annually to a percentage (30-50%) of the average amount of QS transferred during the previous five years.
- Option 2. No limits to the amount that can be transferred annually
- Option 3. Restrictions on vessel class sizes/blocked and unblocked/ blocks above and below sweep-up levels to leave entry size blocks available for the commercial market and to leave some larger blocks available for an individual trying to increase their poundage.

(These options are not intended to be mutually exclusive.)

Element 4.3: (Annual) limits on **IFQ** leasing by a common pool entity

- A. The common pool may only lease 0-15% of IFQs back to the commercial sector.
- B. Commercial quota share holders may lease up to 10% of their IFQs on an annual basis to the charter industry.
 - a. Sub-option: Quota share holders that hold less than 500 lbs to 1,000 lbs may lease 50-100% of their IFQs to the charter sector.

Element 5: Angler Days, Initial issuance, leasing, transfers

Check that these options match previous committee language

Element 5.1: Percentage-based assignment based on Angler-days¹

Initial issuance - award number of angler day units from ADF&G logbooks which correspond to:

- Suboption 1. Total angler-days during 1998-2005
- Suboption 2. Average angler-days during best 3 years from 1998 – 2005
- Suboption 3. Total angler-days during best 3 years from 1998 – 2005

Endorsement leases

- Suboption 1. Allow transfers, limited to angler day endorsement caps
- Suboption 2. Allow unlimited transfers

Transfers

- Suboption 1. Angler days not transferable
- Suboption 2. Angler days fully transferable:
 - 1. Permanent: must go through NMFS (RAM division)
 - 2. In-season transfers: allowed between charter businesses

¹ Permit endorsement of an angler day for every client fishing bottomfish/halibut in a day

Element 5.2: Limited Entry Permit Leases (in-season only; reverts to permit holder at beginning of next season)

Option 1. not allowed, except for "unavoidable circumstance"²

Option 2. allowed, limited to use cap and not more than 2 out of 5 years

Element 5.3: Permit use caps, individually and collectively, with grandfather provision

Same as under limited entry program

Issue 6. Communities

Tabled (*how many angler days should a CQE moratorium permit holder receive or should a % of the charter allocation be set aside if necessary for use of CQE moratorium permits to access as angler days?*)

² Acceptable circumstances will be adjudicated on a case by case basis through the National Marine Fisheries Appeals Division, but includes medical emergencies, military exemptions, constructive losses. An individual who was assigned to active military duty during 2004 or 2005 and who qualifies as "active" during the year prior to implementation⁷ and who demonstrated an intent to participate in the charter fishery in Area 2C or 3A.(prior to the qualifying period) shall be eligible for a moratorium permit.

**STAKEHOLDER COMMITTEE MOTION
NOVEMBER 2007**

Staff has been requested to revise certain sections for conformity with other alternatives (not yet completed)

ALTERNATIVE 3. Modified Limited Entry Program - Common Pool Allocation

Alternative 1. Limited Entry with Common Pool Management

Alternative 1, Element 1 implements measures to allow market-based reallocation between the commercial sector and the charter sector using a common pool management regime.

Element 1.1: Identify Common Pool Entity, Method of Funding and Revenue Stream to Increase Charter Sector Allocation from its Initial Allocation

- A. State of Alaska Common Pool
 - Bonding (funding source)
 - Option 1: Charter sportfishing license surcharge –(revenue source)
 - Option 2. Business license fee/surcharge or limited entry permit holder
 - suboption 1. fee is based on number of clients
 - suboption 2. fee is based on number of fish
- B. Regional Non-Profit Association Common Pool
 - Loan (funding source)
 - Self assessment fee (revenue source)

Element 1.2: Identify Method of compensation to the Commercial Sector for its Decreased Allocation

- Option 1: Willing seller, willing buyer
- Option 2: Pro-rata reduction
 - Suboption 1: one time purchase
 - Suboption 2: annual leasing

Revenue streams will be for a defined period and end after the loan or bond is paid off, i.e. continuous open-ended revenue streams are to be avoided.

Element 2. Who manages the allocation, method of managing allocation and overage and underage provisions

Element 2.1 Management Entity/Method of administering allocation (different under this option than the angler day alternative)

- Option 1: In-season management by NMFS (close season when cap is reached)
- Option 2. Catch Sharing Plan (Federal) (Interim management measure proposed)
- Option 3. State Delegation (in-season or preseason management as in SE King Salmon Management Plan and could include sub-area management)
 - Suboption: Divide the charter season into separate seasons
 - a. 3 seasons:
 - i. Feb – June
 - ii. July
 - iii. Aug –Dec
 - b. 3 seasons:
 - i. Feb – Jun 14
 - ii. Jun 15–Aug 15
 - iii. Aug 16 – Dec 31

- c. 5 seasons:
 - i. Feb – May
 - ii. June
 - iii. July
 - iv. August
 - v. Sep-Oct

Element 3. Allocation of the common pool is administered by

- Option 1. pounds using a length measurement
- Option 2. convert allocation to numbers of fish

Element 4: Restrictions on transferability of commercial quota share by charter sector, with grandfather clause to exempt current participants in excess of proposed limits

Element 4.1: Limits on transferability by Area with a common pool allocation

A percentage of the combined commercial and charter catch limit will be available for transfer between sectors.

Option 1. Limit transferability between sectors to a percent of the commercial quota share units available by area at time of implementation of the program by area (2C & 3A).

- Sub-option 1: 10 percent
- Sub-Option 2: 15 percent
- Sub-Option 3: 20 percent
- Sub-Option 4: 25 percent

Element 4.2: Limits on QS purchase by entities purchasing for a common pool:

Placeholder until data from staff

Option 1. Limited annually to a percentage (30-50%) of the average amount of QS transferred during the previous five years.

Option 2. No limits to the amount that can be transferred annually

Option 3. Restrictions on vessel class sizes/blocked and unblocked/ blocks above and below sweep-up levels to leave entry size blocks available for the commercial market and to leave some larger blocks available for an individual trying to increase their poundage.

(These options are not intended to be mutually exclusive.)

Element 4.3: Limits on IFQ leasing by a common pool entity

- A. The common pool may only lease 0-15% of IFQs back to the commercial sector.
- B. Commercial quota share holders may lease up to 10% of their FQs on an annual basis to the charter industry.
 - a. Sub-option: Quota share holders that hold less than 500 lbs to 1,000 lbs may lease 50-100% of their FQs to the charter sector.

Element 5. Supplemental individual use of commercial QS and IFQ

This element implements measures to allow limited entry permit holders to buy QS or lease commercial IFQ in order to provide anglers with additional opportunities, not to exceed regulations in place for unguided anglers.

Element 5.4.1 provisions and or elements:

- A. Guided Sport Moratorium (GSM) permit holder may lease commercial IFQ for use.
Option 1: convert to number of fish (GAF would be issued in numbers of fish. The conversion between annual IFQ and GAF would be based on average weight of halibut landed in each region's charter halibut fishery (2C or 3A) during the previous year as determined by ADF&G. The long-term plan may require further conversion to some other form (e.g., angler days).
- Option 2: administer as pounds
- B. GSM holders harvesting GAF while participating in the guided sport halibut fishery are exempt from landing and use restrictions associated with commercial IFQ fishery, but subject to the landing and use provisions detailed below.
- C. Subleasing of GAF would be prohibited.
- D. GAF holders may request NMFS convert unused GAF into IFQ pounds for harvest in compliance with commercial fishing regulations provided the GAF holder qualifies under the commercial IFQ regulations.
- E. Unused GAF may revert back to pounds of IFQ at the end of the year and be subject to the underage provisions applicable to their underlying commercial QS.
- F. Guided angler fish derived from commercial QS may not be sold into commerce, i.e., all sport regulations remain in effect.
- G. Guided angler fish derived from commercial QS may not be used to harvest fish in excess of the non-guided sport bag limit on any given day.
- H. Charter operators landing GAF on private property (e.g. lodges) and mother-ships would be required to allow ADF&G samplers/enforcement personnel access to the point of landing.

Element 5.4.2: Limits on leasing (same as strawman)

- A. Holders of Guided Sport Moratorium (GSM) Permits
Option 1. A GSM permit holder may not hold or control more IFQ than the amount equal to the current setline ownership cap (may be converted to the number of fish) in each area (currently 1% of the setline catch limit in 2C or ½% in 3A) in the commercial, charter fishery or both fisheries combined.
- B. Commercial Halibut QS Holders:
i. Commercial halibut QS holders may lease up to 10% of their annual IFQs for use as GAF on an individual basis.
ii. Commercial Halibut QS Holders who also hold a GSM permit:
Option 1. May convert all or a portion of their commercial QS to GAF on a yearly basis if they own and fish it on their own GSM permit vessel(s). Commercial and charter fishing may not be conducted from the same vessel during the same day.
Option 2. May lease up to 10% of their annual IFQs for use as GAF on an individual basis.
- C. A GSM permit per vessel may not lease more than:
Option 1. 200 fish to 400 fish
Option 2: 4,000 to 8000 lbs
Or sub-option: vessels with a moratorium permit with an endorsement for greater than 6 clients may not lease more than 400 to 800 fish or 8,000 to 16,000 lbs

Element 6. Catch accounting

- a. The current Statewide Harvest Survey or logbook data would be used to determine the annual harvest.
- b. A catch accounting system will need to be developed for the GAF fish or poundage landed in the charter industry.

Element 7. Refinement of the Limited Entry System

Issue 1. Permit Renewal

- Option 1. Permit does not need to be renewed
- Option 2. Permit renewed annually
- Suboption: If not renewed the permit is extinguished

Issue 2. Vessel Name on Limited Entry Permit

- Option 1. No vessel name on limited entry permit
- Option 2. Vessel name is required on limited entry permit

Issue 3. Permit endorsements

- Option 1. No permit classes
- Option 2. Permit transferability
 - Suboption a Immediately transferable if more than or equal to a) 10; b) 15; c) 20 or d) 30 days each year
 - Suboption b. Non-transferable if less than or equal to preferred alternative above [a) 10; b) 15; c) 20 or d) 30 days] (except to underdeveloped communities under Issue 13)

Option 3. Tiered Permit Classes

- Class A: 0-19
- Class B: 20-39
- Class C: 40-59
- Class D: 60-79
- Class E: 80+

Suboption. Permits may be stacked on an individual vessel only up to the level of full season length.

Issue 4. Limited Entry Permit Leases (in-season only; reverts to permit holder at beginning of next season)

- Option 1. not allowed, except for "unavoidable circumstance"
- Option 2. allowed, limited to use cap (If issue 3 option 2 is picked only the transferable permits would be leasable.

Issue 5. Permit use caps, individually and collectively, with grandfather provision

Same as under moratorium

Issue 6: Communities

Same as under Moratorium (placeholder to review this section of the moratorium)

STAKEHOLDER COMMITTEE MOTION NOVEMBER 2007

Staff has been requested to revise certain sections for conformity with other alternatives (not yet completed)

ALTERNATIVE 4. GUIDED ANGLER FISH (GAF) PROGRAM

The GAF program would build on the Limited Entry Program approved by the Council in April 2007. No changes were made to the 2-fish daily bag limit or 2-day possession limit for charter anglers. The GAF program could be implemented as early as 2010 if adopted by the Secretary of Commerce. Major features of this proposed program includes:

1. The action does not restrict non-charter recreational anglers. It only affects charter operations.
2. The action does not permit a charter operator to sell fish. Fish caught by charter clients belong to the client.
3. The halibut GAF program would be integrated into the existing halibut commercial IFQ program.

PREAMBLE: Due to the lack of halibut harvest records during 2002 through 2005 logbooks, this proposal uses a business's 2006 logbook for ground truthing earlier years by applying a formula to obtain an individual harvest rate (number of fish per angler day) based on the 2006 'verifiable' logbook. An individual's harvest rate derived from the 2006 logbook will be applied to the past logbooks' days of bottom fish effort. This gives each business its own success ratio for determining their initial issuance of GAF. Example: 1,150 halibut harvested in 2006 divided by 620 halibut angler days = a ratio of 1.85 halibut per angler day. Someone who was not as successful would receive a ratio that would reflect their efforts. Example: 750 halibut harvested in 2006 divided by 620 halibut angler days = a ratio of 1.21 halibut per angler day. For someone with very little halibut effort, the same process would apply. Example: 10 halibut harvested in 2006 divided by 7 halibut angler days = a ratio of 1.4 halibut per angler day. 2006 logbook data would be used to ground-truth past logbooks only. They would not be used for determining qualification for GAF, as the Control Date of December 9, 2005 would apply. The initial allocation (amount of fish) would be ascertained by the Council and has not been determined.

PLAN OUTLINE:

1. Charter allocations can grow over time through purchase of commercial QS. Initially issued GAF shares may not be transferred (sold) to the commercial sector.
2. Initial GAF shares may be transferred within the charter sector. Commercial QS may be transferred permanently to the charter sector. They also may be transferred permanently back to the commercial sector. Restrictions on those commercial quota shares would continue to be applied while they are used in the commercial fishery. (Commercial QS would retain original designations when transferred back to the commercial sector.)
3. Twenty percent (20%) of GAFs (a GAF is the amount which can be harvested in any one year based on a person's number of GAF shares multiplied by the charter quota) may be leased within the charter sector for the first three years of the program.
4. 2, 3 or 4% of GAF shares will be set aside for underdeveloped Gulf coastal communities to develop additional charter operations (the Council will identify those communities who are eligible for developing new operations. Details of the program will be determined in a subsequent action).
5. A Moratorium Permit will be required for participation the GAF program, but once the GAF program is fully implemented the moratorium would sunset.
6. A GAF share use cap of 1 percent in Southeast Alaska and 1/2 percent in South Central Alaska as well as a cap of 1/2 percent for both areas combined is proposed, however, anyone who is initially issued quota shares above those levels would be grandfathered into the program at their qualifying level and in years of low abundance, would be able to buy-up to their original grandfather level.
7. A delay of one year between the issuance of GAF shares and fishing under the GAF program to allow for GAF holdings and customers to be synchronized.

8. GAFs would be issued in numbers of fish (compared with pounds in the commercial program) to allow current fishing practices to continue using ADF&G area averaging for fish weight to be determined for each IPHA area (2C and 3A).
9. An agency and charter industry committee will develop an implementation plan to address reporting, monitoring, and enforcement.

Alternative. Incorporate a Guided Angler Fish (GAF) program from the charter sector into the existing commercial halibut IFQ program.

- IFQs and GAFs are an access privilege, not an ownership right.
- They may be revoked or limited at any time in accordance with the North Pacific Halibut Act as well as the Magnuson-Stevens Act, and other federal laws.
- GAF halibut may not be sold into commerce - i.e., all sport regulations remain in effect.

Issue 1. Qualification Criteria: The catch history of persons that was used to generate a halibut Moratorium Permit would qualify for the GAF Program.

Issue 2. Distribution of GAF may be based on:

1. Applying the harvest rate (success rate) determined from the 2006 logbook (number of fish/angler/day in 2006) to the past logbook number of angler days of bottomfishing effort. This gives each boat its own rate. Example: 750 halibut harvested in 2006 divided by 500 clients = a ratio of 1.5 halibut per angler day. 2006 logbook data would be used to ground truth past logbooks only.

2. Qualifying years:

- Option #1: Pick the 3 best years from 1998 to 2005 ADF&G logbooks and average the number of bottomfish days. If a charter has only 2004 and 2005 logbooks then a "0" for the third year would be averaged in. In years of recorded harvest only the effort would be used, not the halibut listed.
- Option # 2: Pick the 2 best years from 2002 to 2005 of the ADF&G logbooks and average the number of bottomfish days. If a charter has only 2004 or 2005 logbooks then a "0" for the 2nd year would be averaged in.
- Option # 3: The charter business would receive 90% of the average of the 2004 and 2005 logbook bottomfish effort. Then a charter would receive 20% of the 10% not distributed for each year of participation prior to 2004. Example: If a charter business has been in business from 1995 and is still currently qualified in the charter moratorium, then he would qualify for the 5 years from 1999 to 2003 at a rate of 20% of the 10% not distributed for each year of participation. This could result in this business receiving slightly more than 100% of the charter pool.
- Option # 4: Pick the best year of recorded bottomfish effort from 1998 to 2005 of the ADF&G logbooks.
- Option # 5: Average of 2004 and 2005 logbook bottomfish effort. If a charter has only 2004 or 2005 logbooks then a "0" for the 2nd year would be averaged in.
Harvest rate is determined at the boat level, or logbook level, which are the same. Each business will be issued its number of fish resulting from formula above and the charter GAF holders will be included in the existing commercial halibut IFQ program.

Issue 3. Transferability of GAF Shares (permanent) and GAFs (on annual basis [leasing])

GAF transfers:

- option 1. Initially issued GAF is fully transferable within the charter sector.
- option 2. 100% of an individual's initially issued charter GAF is permanently nontransferable to the commercial sector to address concerns by charter operators of permanently losing opportunities.
- option 3. Commercial QS purchased by charter operator is fully transferable (two-way) across sectors and

retains original commercial designations.

GAF leasing:

- option 1. 10, 20, 30% of a charter operator's annual GAF is leasable within the charter sector with review after 3 years.
- option 2. Leasing is defined as the use of GAF on a vessel which the owner of the QS has less than a 50% ownership interest.
- option 3. 10% of a holder's initially issued GAF may be leased to the commercial sector.
- option 4. 10, 20, 30% of a holder's GAF converted from commercial sector may be leased to the commercial sector.

Block restrictions

Allow splitting of commercial blocks to transfer a smaller piece to the charter sector - split blocks retain original designations.

Vessel class restrictions:

From A, B, C, and/or D commercial vessel category sizes to charter sector, except that no charter business may own or control more than 1 "D" category block equal to or above the sweep-up level.

Issue 4. Must be a Limited Entry Permit holder to receive halibut QS and GAF by transfer

Issue 5. Caps

1. Use cap for charter GAF owners only of 1 percent of commercial QS units in Area 2C and 1/2 percent of commercial QS units in Area 3A (for all entities, individually and collectively) and grandfather initial recipients at their initial allocation.
2. Use caps for charter GAF holders only of 1/2 percent of combined GAF units for combined Areas 2C and 3A (for all entities, individually and collectively) and grandfather initial recipients at their initial allocation
3. Grandfathered businesses may not increase capacity above the grandfathered level, however in the event of restrictions, step-downs etc. a grandfathered business may acquire additional capacity up to but not exceeding the original grandfathered level.
 - a. A GSM permit holder may lease IFQ for conversion to GAF for use on the GSM permit.
 - b. Commercial halibut QS holders may lease up to 10% of their annual IFQs to GSM permit holders for use as GAF on GSM permit. Dual permit holders are constrained to leasing only 10% of their QS whether to themselves or someone else
 - c. GSM permit holder per vessel may not lease more than 200-400 fish
Suboption: vessels with moratorium permit w/endorsement for more than 6 clients may not lease more than 400-600 fish

Issue 6. Miscellaneous provisions

1. 10% underage provision of total GAFs.
2. Halibut harvested aboard a charter vessel continues to be the property of the angler who caught the halibut provided the charter owner possesses sufficient GAF.
3. Grandfather initial recipients above proposed caps.

Issue 7. GAFs associated with charter QS may be issued in:

Numbers of fish (based on:)

1. previous year's ave weight as determined by ADF&G
2. projected average weight as determined by ADF&G
3. 5-year rolling average weight as determined by ADF&G

Issue 8. Reporting:

1. The current Statewide Harvest Survey and/or logbook data would be used to determine the annual harvest.
2. A catch accounting system will need to be developed for the GAF fish landed in the charter industry.

Issue 9. Community set-aside

1. Set aside 2, 3, or 4% of the combined commercial and charter halibut quota to communities with 1 percent annual increases if utilized, to a maximum of 4%.
2. Source of the set-aside:
 - a) Equal pounds from the commercial and charter sectors.
 - b) Proportional to sector allocation.
3. Sunset provisions: 5 years (starting in from the first year of issuance of GAFs). Persons currently participating in the set-aside program at the time of sunset would be allowed to operate within the guidelines of the program.
4. Review: 5 years (starting from the first year of issuance of GAFs).

**STAKEHOLDER COMMITTEE MOTION
NOVEMBER 2007**

Staff has been requested to revise certain sections for conformity with other alternatives (not yet completed)

ALTERNATIVE 5. Harvest Tags - Common Pool Allocation

Alternative 1. Harvest Tag Program with Common Pool Management

Alternative 1, Element 1 implements measures to allow market-based reallocation between the commercial sector and the charter sector using a common pool management regime.

Element 1.1: Holder of Quota Share, Method of Funding and Revenue Stream

A. Regional Non-Profit Association Common Pool

Option 1: Loan (funding source)

Option 2: Bonding (funding source)

Self assessment fee (revenue source) (*Grants, bequests & donations also*)

Element 1.2: Method of compensation

Option 1: Willing seller, willing buyer

Option 2: Pro-rata reduction

Revenue streams will be for a defined period and end after the loan or bond is paid off, i.e. continuous open-ended revenue streams are to be avoided.

Element 2. Who manages the allocation, method of managing allocation and overage and underage provisions

Element 2.1 Management Entity (*See Element 5 for method of administering allocation*)

Option 1: In-season management by NMFS (close season when cap is reached)

a. Option 2. State Delegation

Element 3. Allocation of the common pool is administered by use of harvest tags.

Element 4: Restrictions on transferability of commercial quota share by charter sector,

Element 4.1: Limits on transferability by area with a common pool allocation

A percentage of the combined commercial and charter catch limit will be available for transfer between sectors.

Option 1. Limit transferability between sectors to a percent of the commercial quota share units available by area at time of implementation of the program by area (2C & 3A).

Sub-option 1: 10 percent

Sub-Option 2: 15 percent

Sub-Option 3: 20 percent

Sub-Option 4: 25 percent

Element 4.2: Limits on QS purchase by entities purchasing for a common pool:

- Option 1. Limited annually to a percentage (30-50%) of the average amount of QS transferred during the previous five years.
- Option 2. No limits to the amount that can be transferred annually
- Option 3. Restrictions on vessel class sizes/blocked and unblocked/ blocks above and below sweep-up levels to leave entry size blocks available for the commercial market and to leave some larger blocks available for an individual trying to increase their poundage.

(These options are not intended to be mutually exclusive.)

Element 4.3: Limits on IFQ leasing by a common pool entity

- A. The common pool may only lease 0-15% of holdings back to the commercial sector.
- B. Commercial quota share holders may lease up to 10% of their quota share on an annual basis to the charter industry.
 - a. Sub-option: Quota share holders that hold less than 500 lbs to 1,000 lbs may lease 50-100% of their quota share to the charter sector.

Element 5: Harvest Tag Program

Element 5.1: Harvest Tags Program Used by:

- Option 1: Charter sector only
- Option 2: Operators who need security could buy or lease QS/IFQs from the commercial sector to be used as supplemental GAF

Element 5.2: Method of Administering Allocation

Harvest Tags:

- Each Harvest tag is the equivalent of a two fish bag limit for one day per client. The allocation is turned into Guided Angler Fish (GAF) using average weight data for the area from the previous year and further converted into harvest tags.
- Harvest tag distribution stops when allocation is fully reserved. Tag distribution can be restarted if additional quota is purchased or IFQ's are leased.
- Harvest tag is non-transferable and has the name of the harvester and is tied to a sport fishing license number.

5.2.1: Tag attributes

Option 1: Tags will be available starting July 1st to allow for pre-booking of clients on a first come, first served basis.

Sub-option a: 30 to 50% of the estimated allocation will be available starting July 1st until used up. The remainder of the harvest tags becomes available for reservations when IPHC determines the allocations for the charter sector.

Sub-option b: Tags have an expiration date so that after the expiration date or after client has turned in tag with harvest record, any fish not harvested can be reissued into new harvest tags.

Sub-option c: Divide harvest tag according to past usage trends allowing for traditional length of season.

- a. 3 seasons:
 - i. Feb-Jun
 - ii. July
 - iii. Aug – Dec
- b. 3 seasons:
 - i. Feb – Jun 14
 - ii. Jun 15- Aug 15
 - iii. Aug 16- Dec 31
- c. 5 seasons:
 - i. Feb – May
 - ii. June
 - iii. July
 - iv. August
 - v. Sep - Oct

Option 2: ADFG or NMFS monitors the charter harvest by compiling data from charter logbooks on a weekly basis. When it appears that the allocation is about to be met, ADFG/NMFS notifies the regional assoc., which is possible, commences lease of IFQ's or purchase IFQ's, the holding entity notifies the responsible authority, which then issues an EO closing the recreational/charter harvest of halibut.

(Options and sub-options are not mutually exclusive)

5.3: Accountability

A uniquely numbered, individual daily harvest record should be incorporated into either management option. At a minimum it should include date of trip, charter identification and number of fish caught. It could include fish lengths. The harvest record would serve as proof of legal capture until the fish is processed. Individual harvest records would be deposited in drop boxes or mailed in for database entry. Individual harvest records would serve to validate logbook data, since there would be a one to one relationship between logbook entries and individual harvest records. In the private recreational fishery, an individual daily harvest record could also be filled out and reported, providing SOA/NMFS with a timely and more accurate estimate of the private harvest.

Charter logbooks currently track the number of halibut caught by charter clients and the data is reported weekly. In a charter only solution, assuming this year's harvest information could be available in-season for management purposes, it should be sufficient for the decision making required by the EO management option.

Element 6: Communities

Communities would have access to moratorium permits as per the moratorium and communities would have the same ability to reserve harvest tags for clients as any other operator.

ALTERNATIVE 6. Limited Entry Plan with Angler Days and charter allocation with limited access to commercial QS (purchase) and IFQ (leasing) for charter operators

10/26/07

Note: Text in Italics is revised from the original Council Motion on Charter Halibut Moratorium of March 31, 2007. Text, which is not italicized, is taken directly from the motion or other documents.

Action: Implement an Angler Day Limited Entry Plan with charter allocation and limited access to commercial QS (purchase) and IFQ (leasing) for charter operators

Halibut Charter Limited Entry Permits

Element 1. Permits may be held by a U.S. citizen or a U.S. business with at least 75 percent U.S. ownership of the business. Businesses may receive multiple permits due to charter halibut activity by vessels reported by the businesses in ADF&G logbooks. Initial permit recipients may be “grandfathered” below the U.S. ownership level and above proposed use caps.

Element 2. Permit would be designated for Area 2C or Area 3A. If a business owner qualifies for a permit in both areas based on the history from a single vessel, he/she would be issued a separate permit for both areas. Only one permit could be used on any given trip.

Element 3. Permit would be issued to the holder of a *Guided Sport Moratorium (GSM) Permit*

Element 4. Permit applicant would be required to sign an affidavit attesting that all legal requirements were met.

Element 5. Permit would carry an *Endorsement for Angler Days* based on logbook history during qualification years to be determined prior to and including 2005 (the control date year for the moratorium).

Option 8.1. Actual Angler Days averaged over a period of qualifying years

Option 8.2. Classes of Permits based on a tight range of Angler Days averaged over a period of qualifying years: Example:

| | |
|----------------|--------------------------------|
| <i>A Class</i> | <i>750 Angler Days or more</i> |
| <i>B Class</i> | <i>600 - 749 Angler Days</i> |
| <i>C Class</i> | <i>450 - 599 Angler Days</i> |
| <i>D Class</i> | <i>300 - 449 Angler Days</i> |
| <i>E Class</i> | <i>150- 299 Angler Days</i> |
| <i>F Class</i> | <i>61 - 149 Angler Days</i> |
| <i>G Class</i> | <i>60 or less Angler Days</i> |

Option 8.3. Placeholder for other options

Permits issued under the military hardship provision would receive an *Angler Day endorsement to be determined.*

Note: Military (Morale, Welfare, and Recreational) boats are not required to meet the qualification requirements of the program, but harvests still count against the *Allocation*.

Element 6. Annual permit renewal criteria

- Option 6.1. Does not require renewal
- Option 6.2. Must be renewed annually.
- Option 6.3. Not renewable, if permit holder lets it expire
- Option 6.4. Emergency medical exception

Program Management

Element 7. Angler Days, Initial issuance, leasing, transfers.

Provide for share-based assignment predicated on Angler Days.

Evidence of participation for determining Angler Day Endorsements is ADF&G saltwater logbook entry with bottomfish statistical area, rods, or boat hours.

Initial issuance: Award number of Angler Day units from ADF&G logbooks that correspond to:

- Suboption 1. Total Angler Days during best year during 1998-2005*
- Suboption 2. Average Angler Days during best 3 years from 1998 – 2005*
- Suboption 3. Placeholder for other options*

Permit Transfers: Permits and endorsements may be transferred and may be stacked, up to use caps.

Endorsement Transfers:

- Suboption 1. Angler Days not transferable*
- Suboption 2. Angler Days fully transferable:*
 - 1. Permanent: must go through NMFS (RAM division)*
 - 2. In-season transfers: allowed between charter businesses*

Permit Leases (in-season only; reverts to permit holder at beginning of next season)

- Suboption 1. leasing is allowed limited to use caps*
- Suboption 2. not allowed, except for "unavoidable circumstance"*

Endorsement leases:

- Suboption 1. Allow leasing, limited to Angler Day endorsement caps*
- Suboption 2. Allow unlimited leasing*

Notes:

- 1. Permit endorsement of an angler day for every client fishing bottomfish/halibut in a day*
- 2. "Unavoidable circumstances" will be adjudicated on a case-by-case basis through the National Marine Fisheries Appeals Division, but includes medical emergencies, military exemptions, and constructive losses.*

Element 8. Use caps and grandfather rights. The AFA 10% ownership rule for affiliation will be applied to determine the number of permits associated with an entity under the use cap.

- Option 1. 5 Permits

Option 2. Placeholder for other options

Option 3. Grandfather rights below the U.S ownership level shall expire upon any change in ownership of the business. Grandfather rights above ownership and/or use caps shall pass to successors to the business, until and unless elements of the business, i.e., vessels, are sold or spun off from the business. Grandfathered businesses may not increase capacity above the grandfathered level, however in the event of restrictions, step-downs etc. a grandfathered business may acquire additional capacity up to but not exceeding the original grandfathered level.

Note from previous Council analysis: A business that owns/controls permits in excess of the use cap maintains the grandfather status for those permits that remain in its control after other permits are sold, but the sold permits lose the grandfather status in perpetuity. Grandfathered permits that are sold in total when a business owner sells his entire business/fleet maintain that grandfathered status. Grandfathered status refers to permits, not to vessels.

Element 9. Supplemental individual use of commercial IFQ

This element implements measures to allow Permit holders to purchase or lease commercial IFQ in order to provide anglers with additional opportunities, not to exceed regulations in place for unguided anglers.

Provisions:

- A. Permit holders may purchase commercial QS or lease commercial IFQ for conversion to GAF.
- B. Permit holders harvesting GAF while participating in the guided sport halibut fishery are exempt from landing and use restrictions associated with commercial IFQ fishery, but subject to the landing and use provisions detailed below.
- C. GAF would be issued in numbers of fish. The conversion between annual IFQ and GAF would be based on average weight of halibut landed in each region's charter halibut fishery (2C or 3A) during the previous year as determined by ADF&G.
- D. Subleasing of GAF would be prohibited.
- E. GAF holders may request NMFS convert unused GAF into IFQ pounds for harvest in compliance with commercial fishing regulations provided the GAF holder qualifies under the commercial IFQ regulations.
- F. Unused GAF may revert back to pounds of IFQ at the end of the year and be subject to the underage provisions applicable to their underlying commercial QS.
- G. GAF derived from commercial QS may not be sold into commerce, i.e., all sport regulations remain in effect.
- H. GAF derived from commercial QS may not be used to harvest fish in excess of the non-guided sport bag limit on any given day.
- I. Charter operators landing GAF on private property (e.g. lodges) and motherships would be required to allow ADF&G samplers/enforcement personnel access to the point of landing.

Element 10. Limits on Holding Quota Share and IFQ

A. Commercial IFQ, when purchased or leased and converted to GAF for use in the guided halibut (charter) fishery shall not exceed the following limits in total holdings:

Option 1. An individual or entity holding a Limited Entry Permit or multiple Limited Entry Permits may not hold or control more IFQ and/or GAF in excess of an amount equal to the current setline ownership cap in each area (Currently 1% of the setline catch limit in 2C or approximately 4,000 fish and ½% in 3A or approximately 6,500 fish.)

Option 2. An individual or entity holding Limited Entry Permit or multiple Limited Entry Permits in Area 2C or Area 3A may not hold or control more GAF than:

- i. 1,000 fish
- ii. 2,000 fish
- iii. 5,000 fish
- iv. 7,500 fish

B. Holding GAF on charter Limited Entry Permits:

Option 1. An individual or entity holding a Limited Entry Permit or multiple Limited Entry Permits in Area 2C may not hold or control more GAF per Limited Entry Permit than:

- i. 200 fish
- ii. 300 fish
- iii. 400 fish

Note: In Area 2C a charter vessel is restricted to a maximum of six lines, regardless of the size or type of the vessel, or how many passengers the vessel carries.

Option 2. An individual or entity holding a Limited Entry Permit or multiple Limited Entry Permits in Area 3A and operating a "six-pack" charter vessel may not hold or control more GAF per permitted six-pack vessel than:

- i. 200 fish
- ii. 300 fish
- iii. 400 fish

Option 3. An individual or entity holding a Limited Entry Permit or multiple Limited Entry Permits in Area 3A and operating a "super six-pack" charter vessel may not hold or control more GAF per permitted super six-pack vessel than:

- i. 200 fish
- ii. 400 fish
- iii. 600 fish

Option 4. An individual or entity holding a Limited Entry Permit or multiple Limited Entry Permits in Area 3A and operating a USCG Subchapter T "certified" charter vessel may not hold or control more GAF per permitted certified vessel than provided for in the following formula:

$$\frac{L \times B}{40} \times \text{DBL} \times d = \text{GAF}$$

Where: L = documented vessel length
B = documented vessel breadth
DBL = daily bag limit for halibut

d = a range of multiples to be analyzed and to be determined by the Council at Final Action which would approximate the number days that a charter operator might reasonably be allowed to extend his season in Area 3A, or alternatively, a multiple to simply determine a reasonable number of GAF that a certified vessel may hold that would correlate to the number of GAF allowed for a six-pack vessel in previous options. Suggested multipliers might range from 5, 10, 15 or 20.

The portion of the formula $\frac{L \times B}{40}$ is intended to represent a nominal number of

passengers the vessel might fish comfortably, as opposed to the number of passengers that a vessel might be certified to carry. (A vessel that is also engaged in tours could be certified to carry many more passengers than it would normally be able to fish.)

Example: Documented vessel length 40.4 feet
Documented vessel breadth 13.2 feet
Using 10 as the selected multiplier d

$$\frac{40.4 \times 13.2}{40} = 13 \text{ passengers} \times 2 \text{ fish} \times 10 = 260 \text{ fish (Approximately 5,000 lbs of IFQ)}$$

Note: A similar formula using vessel dimensions for USCG Subchapter T certified charter vessels might also be used to determine a conversion to Angler Days.

(NOTE: Paragraph C. below is the same as the Council Interim Solution motion except for the additional text in bold.)

C. Commercial Quota Share Holders:

i. Commercial QS holders may lease up to 10% of their annual IFQs for use as GAF on an individual basis.

ii. Commercial fishermen who hold QS and a Limited Entry permit:

Option 1. May convert all or a portion of their commercial QS to GAF on a yearly basis if they own and fish it on their own Limited Entry **permitted** vessel(s). **Commercial fishermen using their IFQ as GAF will be subject to the same caps, limits and restrictions on the use of IFQ for GAF as charter-only operators.** Commercial and charter fishing may not be conducted from the same vessel during the same day.

Option 2. May lease up to 10% of their annual IFQs for use as GAF on an individual basis.

D. Catch accounting

- a. The current Statewide Harvest Survey or logbook data would be used to determine the annual harvest.
- b. A catch accounting system* will need to be developed for the GAF fish landed in the charter industry.

* NOTE: *Monitoring and enforcement issue:*

In 2003, NMFS contracted with Wostman and Associates to design a data collection program compatible with guided sport operations, yet robust enough to monitor a share-based management plan. This system was based on logbooks and telephone or Internet call in and reporting numbers of fish. This system was designed with the technology available to charter operators.

Element 11. Community provisions for Area 2C and 3A communities previously identified under GOA FMP Amendment 66

Placeholder for CQE provisions

Note: Previous Council text from Moratorium motion:

A Community Quota Entity (CQE), representing a community in which 10 or fewer active charter businesses terminated trips in the community in each of the years 2004 and 2005 may request Limited Entry permits:

Area 2C – use cap of 4 requested permits per eligible community.

Area 3A – use cap of 7 requested permits per eligible community.

Overall use caps for all CQEs in a management area are 2 times those selected for the qualifying CQE requested permit use cap for each area. (Staff note: result is overall use cap of 8 permits for each CQE in Area 2C and 14 permits for each CQE in Area 3A).

Provisions for CQE requested permits:

- Designated for the area in which the community represented by the CQE is located.
- Endorsed for 6 clients.
- Not allowed to be sold (i.e., permanently transferred).
- Under reporting requirements, the CQE must identify the recipient of the permit prior to issuance.
- The requested CQE permit must be used in the community represented by the CQE (the trip must originate or terminate in the CQE community).

**INTERAGENCY STAFF MEETING SUMMARY ON
CHARTER HALIBUT OCTOBER 2007 INTERIM SOLUTION MOTION
OCTOBER 29, 2007**

Participants in Anchorage:

Jane DiCosimo, NPFMC
Jay Ginter, NMFS-SF
Jonathan King, NE Inc
Doug Vincent-Lang, ADF&G
Scott Meyer, ADF&G
Dora Sigurdsson, ADF&G
Gregg Williams, IPHC

Phone:

Lisa Ragone, USCG
Darrell Brannan, contractor
Jessica Gharrett, NMFS-RAM
Sue Salveson, NMFS-SF
Susan Auer, NOAA-GC
Kevin Heck, NMFS OLE

Late Arrival:

Jeff Passer, NMFS OLE
Sue Aspelund, ADF&G
Peggy Murphy, NMFS-SF

Regulatory timeline

- Could save a year in the feedback loop by using halibut harvest tags as the measure of charter harvest rather than waiting for the subsequent October for the SWHS because harvest would be assumed from all issued tags, allowing a secondary market to maximize their usage
- No savings available in NMFS regulatory timeline (6-9 months minimum)
- Could save one meeting cycle by tiering off previous GHL analyses and going straight to final action in Council timeline (no Federal requirement for initial review phase)
- Could schedule final action soonest under straight poundage allocation to the charter sector
- Would need to schedule final action after January Annual Meeting of IPHC under either poundage with stair step linked to abundance or percentage allocation options
- Possible to just provide a supplemental analysis for Council action and a complete, revised analysis to Secretary
- An earlier Secretarial decision is better to notify potential clients on potential regulations

Accountability

- Each sector should be responsible for its own allocation
- Charter sector should pay a penalty for overage
- Charter overage payback should accrue to the halibut biomass not the commercial sector because the latter did not lose allocation
- Need to develop timely, accurate, and independently verifiable charter halibut harvest records

Reporting mechanisms

- Don't want to set allocation using one harvest record and manage the allocation with another
- Dynamic tension between over reporting if records are used as the basis for the allocation and under reporting if enforcement is low

Halibut harvest tag

- Could be the answer for a number of implementation issues including shortening the regulatory timeline by one year
- Issued by NMFS
- Linked to ADF&G sport fish license number
- Harvest tag = 1 fish
- Would be redundant to SWHS and logbook program (independent verification with logbook)
- Only common pool halibut harvest tags issued equal to the number of fish in the allocation
- Don't need to turn in the tag, but might be preferable for enforcement; once issued they are counted as fished! Unique number associated with each tag, entered in logbook for indiv harvest record
- Issued by NMFS since State can't manage halibut directly
- Some portion could be issued pre-season (earlier if fixed pound allocation not tied to IPHC decision in January)
- Basic assumption that all tickets are used (so allocation is taken) or the number of tickets can be calculated to include the average number of halibut taken (1 ticket – 0.8 fish).

- Halibut harvest tags reduce the reliance on self-reporting and increase reliance on independent third party corroboration
- Two types of distinguishable halibut harvest tags:
 - o Common pool halibut harvest tags would be held by individual anglers after obtaining a SOA sport fishing license
 - o GAF halibut harvest tags would be held by charter operator who leased commercial IFQs
- Both types would have a two-part ticket with one part to be signed by angler; other half to be attached or copied into the charter operator's logbook and turned in with logbook – verifiable paper trail for enforcement
- Concerns about black market for common pool halibut harvest tags; need to create use caps that allow flexibility to individuals but not allow Princess Cruise lines from cornering the market
- This program would work best if charter operators can book a client and know that tickets are available and can lease fish, but that is in the next analysis
- Some portion of total tags could be sold pre-season for advance bookings
- Could put time limit on tags to spread them out over the season
- Might be able to charge an administrative fee
- Could result in StubHub markets
- Harvest tags would have greater value in years of low abundance
- Harvest tags may result in overestimates of harvest (because we assume it is used fully once issued), but it is unlikely to under report (if used legally)
- Instead of annual toolbox regulations, fewer harvest tags could be issued to reduce harvest
- Economic analysis would have to factor in limited entry aspect of halibut harvest tags

Electronic reporting

- Could supplement or substitute for harvest tag system.
- May result in enforcement difficulties at-sea because reporting would not occur until end of fishing day theoretically. Need enforcement tool for boardings, such as reporting or signing the harvest tag “immediately upon landing. . .”
- Could examine E-landings system to determine where it is not required because internet is sporadic. That program still requires senders to email data. Could use satellite phones. But it is still self-reported.

Management toolbox

- Council staff intends to provide a minimum analysis of potential effectiveness of proposed management measures compared to the status quo.
- It is critical to know a (preliminary at least) preferred alternative to be able to provide that toolbox analysis.
- Ultimately the Council may expand the analysis or schedule a trailing amendments for simultaneous implementation to include actual measures to be implemented along with the charter allocation (increasingly so as the allocation would be set below current charter harvest)
- Either provide an allocation to guarantee the stated goal to guarantee historic season length and 2 fish bag limit under Element 1 goal or eliminate conflicting options from toolbox

Subleasing

- No subleasing - only a commercial QS holder should be able to lease
- Simpler is better— no charter overage/underage; any overage/underage goes against the QS holder's account
- Assume that once it is leased, it is harvested, then no adjustments are needed to the commercial account
- no reversion back to commercial side after charter season ends; RAM can't handle all the transfers at once
- Council could allow reversion for dually eligible persons (charter operators eligible to hold commercial QS)
- For example, halibut harvest tags could be linked to the lease to assure that no subleasing occurs.

Guided Angler Fish

- No partial GAFs; some additional harvest savings would accrue due to accounting of a whole average sized fish for in reality the difference between a fish < 32 inch and an average fish
- Real time reporting would help this - here's another reason to have harvest tags (= GAF).
- Implementation issue – conversion of IFQ pounds to fish is based on average size of fish, which is artificially constrained by current regulations.

Combined CEY

- IPHC only adopts catch limits; it never formerly adopts Total CEY or Fishery CEY
- Lack of IPHC adoption of CEYS is problematic as basis for any allocation formula
- critical that any floating allocation be set and measured against the same CEY basis (not so in current regulations)
- While charter side reports that it does not want to be linked to the determination of the commercial catch limit (with slow up/fast down policy and other factors that influence determination of commercial catch limits, but instead to the (total or fishery?) CEY – no Council options matches this intent
- Council intent is to set allocation and request that the IPHC apply it; Council may be asking more than its current intent if it set the charter allocation as it appears the sector has testified to its intent

Participants expressed their intent to meet again prior to the December 2007 Council meeting to conclude their recommendations. No date was set.

**INTERAGENCY STAFF MEETING SUMMARY ON
CHARTER HALIBUT OCTOBER 2007 INTERIM SOLUTION MOTION
November 20, 2007**

Jane DiCosimo, NPFMC
Darrell Brannan, contractor
Jonathan King, NE Inc

Jay Ginter, NMFS-SF
Jessica Gharrett, NMFS-RAM
Sue Salvesson, NMFS-SF
Peggy Murphy, NMFS-SF
John Lepore, NOAA-GC
Susan Auer, NOAA-GC

Doug Vincent-Lang, ADF&G
Scott Meyer, ADF&G
Sue Aspelund, ADF&G

Staff convened on November 20, 2007 via conference call to review its recommendations from October 30, 2007 in the context of recommendations made by the Halibut Stakeholder Committee meeting of October 30-November 1, 2007.

Interim solution Staff focused its discussion on accounting mechanisms that may be required for the interim solution since the Council is scheduled to review staff and committee recommendations for revising the alternatives for analysis at its December 2007 meeting. Staff reiterated its comments from October 29, 2007, which emphasized timeliness and accuracy of data (faster (only) is not better) as a critical feature of any management program. Staff reiterated its conclusions that shortening the time period in which charter halibut data can be finalized for use in management is the main mechanism that has been identified to shorten the delayed feedback between an overage and implementation of restrictive management measure(s). Staff previously identified some additional time savings that could be achieved by the Council in changes to its analysis and review process.

In summary, staff agreed that a new type of accounting system should be developed for commercial halibut IFQs that will be leased to charter halibut operators to use in excess of the charter common pool allocation under the proposed interim solution. Many implementation difficulties (e.g., underage/overage accounting) are eliminated by not allowing unused leased IFQs to the charter sector to revert back to the commercial sector. This new (and as yet undeveloped) accounting system of leased IFQs should be timely and accurate. It will require distinguishing a charter halibut that was harvested using leased IFQs from those fished against the charter common pool allocation. Staff recommends that the Council not adopt the committee recommendation for options for analysis (i.e., electronic reporting, harvest tag, or punch card), but leave the element as a placeholder for NMFS. After the Council selects its preferred alternative, NMFS will develop the necessary record keeping and enforcement requirements to implement the Council's policy.

Staff noted that an accounting system for tracking harvests under the proposed charter halibut common pool allocation in the interim solution (which could be in place for many years) may not be necessary but could provide an opportunity to develop a pilot program for a new accounting system that will be required for a share-based system. A consensus was not reached on the application of halibut harvest tags (which appears to be a superior approach to others considered) to manage the charter halibut common pool allocation under the interim solution program, but its pros and cons were reviewed briefly. During the October staff and committee meetings, a halibut harvest tag program was identified as addressing many of the administrative, record keeping, implementation, and enforcement issues raised by one or another element of the interim and permanent solutions. A key point to the use of halibut harvest tags is whether they are issued through charter operators (which results in them taking on characteristics of a share-based fishery) or directly to the angler (like ADF&G sport licenses are issued).

Permanent Solution Staff noted that an additional meeting has been identified by the stakeholder committee to finalize its recommendations for revising alternatives for analysis of the permanent solution. Staff will meet again to review the permanent solution alternatives at a later time and forward its recommendations to the Council. Staff concurred that an in-season accounting system would be required to track a share-based fishery, depending on the Council's selection of a preferred alternative.

Council Motion
Halibut Charter Initial Allocation and Future Reallocation

10/5/07

Comments in bold are from Council staff (10/17/07).

Decision points for analysis are emphasized in underline.

Action 1. Initial Allocation between charter sector and commercial sector in Area 2C and Area 3A

Alternative 1. No Action.

Alternative 2. Establish an initial allocation that includes sector accountability

As stated under the Council's motion for Action 2, the initial charter allocation would be a common harvest pool for all charter moratorium permit holders. The charter allocation would not be a hard cap that would result in closing the fishery when the charter allocation is exceeded. Instead, the "buffered hard cap" would address each year's overage in subsequent years through an annual regulatory analysis of management measures that take into account the projected CEY for the following year and any overages by the charter industry in the past year(s). This was reported to result in the charter industry "paying back" (see below) the commercial industry in a future year by the number of pounds by which it exceeded its allocation in a past year. This system would work best if there is not a time lag between the overage year and the payback year. The Council asked the agency to report on how the 3-year timeline proposed below could be shortened.

In factoring a payback into subsequent allocations, the Council will not revisit or readjust the sector split. An allocation overage would trigger the regulatory process automatically, in contrast with current GHL management. Any underages would accrue to the benefit of the halibut biomass and would not be reallocated or paid forward.

The Council assumes (and would request) that the International Pacific Halibut Commission would set a combined charter and commercial sector fishery CEY and would apply the allocations between the two sectors that would be recommended by the Council in a type of catch sharing plan to the combined fishery CEY.

The analysts require clarification on the following (please read through to the last questions before stopping to answer)

- What does the Council mean by sector "accountability?" In commercial fisheries, this typically means the fishery closes (or retention of the subject species is prohibited). To date, this term has been used by the commercial sector to mean that any charter sector overage is not deducted from the commercial allocation. There continues to be "mixed messages" by the use of terminology; it appears that the Council intends that the charter allocation is not a hard cap; therefore it is a guideline harvest level (lower caps).
- What does "hard buffered cap" mean? A hard cap implies that retention stops when a cap is reached. If it is "buffered," it is not "hard." Staff interprets the "hard buffered cap" to be a guideline harvest level that has an obligatory regulatory framework. Staff recommends replacing "hard buffered cap" in the strawman with this interpretation, and will use the term "rGHL" for revised GHL.
- Staff assumes from the strawman that the charter sector would not be held accountable in the year of the overage; but perhaps 2 or 3 years later.
- Staff assumes that the intent of the pay back proposal is that the charter sector would be reduced by its overage in a subsequent year. It does not mean that the commercial sector is paid back through a bonus to its allocation, even though the combined commercial and charter sector

fishery CEY would be reduced as a result of higher removals than predicted (the effect is expected to be minor) being factored into the IPHC halibut stock assessment model. Instead, the halibut biomass is paid back from any previous overage.

- Note that continued overages that accrue during the feedback delay loop will exacerbate impacts on the biomass, on the amount of allocation that needs to be paid back, and the level of restrictive management measures that need to be implemented to balance out the system.
- Since features of the Council's intent for managing a charter sector allocation under Action 1 are not described until Action 2, staff concludes that they are not severable actions and should be collapsed into one action or selected features should be moved from Action 2 into Action 1. The Council record on the interdependence between the two actions suggests that the Council should collapse these decision points into one comprehensive action (see appendix).
- What changes will be needed for data reporting, implementation, and enforcement?

Element 1. Initial allocation

Option 1: Fixed percentage of combined charter harvest and commercial catch limit, as a percentage of the fishery CEY.

| | Area 2C | Area 3A |
|--|---------|---------|
| a. 125% of the 1995-1999 avg charter harvest (current GHL formula) | 13.09% | 14.00% |
| b. 125% of the 2001-2005 avg charter harvest (GHL formula updated thru 2005) | 17.31% | 15.44% |
| c. Current GHL as percent of 2004 | 11.69% | 12.70% |
| d. 2005 charter harvest | 15.14% | 12.65% |

Option 2: Fixed pounds linked to fishery CEY (at time of final action)

Fixed pounds, linked to fishery CEY at the time of final action would be used as the base amount to determine if the current CEY triggers an adjustment in the charter sector allocation.

| | | |
|--|----------|----------|
| a. 125% of the 1995-1999 avg charter harvest (current GHL) | 1.43 Mlb | 3.65 Mlb |
| b. 125% of the 2000-2004 avg charter harvest (GHL updated thru 2004) | 1.69 Mlb | 4.01 Mlb |
| c. 125% of the 2001-2005 avg charter harvest (GHL updated thru 2005) | 1.90 Mlb | 4.15 Mlb |

- **The Council clarified that "recency" and "best available data" are addressed in the analysis, as 2006 harvest levels are within the range of percentages and pounds already included.**

Option: Stair step up and down. The allocation in each area would be increased or reduced in stepwise increments based on a change in the CEY. If the halibut stock were to increase or decrease from 15 to 24 percent from its average CEY of the base period selected for the initial allocation at the time of final action, then the allocation would be increased or decreased by 15 percent. If the stock were to increase or decrease from at least 25 to 34 percent, then the allocation would be increased or decreased by an additional 10 percent. If the stock increased or decreased by at least 10 percent increments, the allocation would be increased or decreased by an additional 10 percent.

- **The current GHL stair step down regulation is problematic because the thresholds were codified in regulation at the poundage levels. Listing the thresholds in pounds could have caused the threshold to have been triggered in error when the IPHC stock assessment model and assumptions regarding biomass and migrations were revised since the regulations were implemented.**

SF staff: Is there a better way to write the stair step into the regulations that will not result in the same problem? *I recall the regulation writer convincingly explaining why the regulations were implemented this way (but not why).* If this is so, then there may be a fundamental flaw with the

stair step approach that should be explained to the Council. Please be prepared to discuss how this aspect of the proposed regulation could be written to address this concern.

Action 2. Market-based reallocations between charter sector and commercial sector in Area 2C and 3A

Alternative 1. No Action.

Alternative 2. Interim Management and Market-Based Reallocation from Commercial Sector

Element 1. Management approach

The guided sport allocation would become a common harvest pool for all moratorium license holders. Annually, regulations would be evaluated and implemented with the goal that fishing on the common pool would be structured to create a season of historic length with a two fish bag limit. Individual moratorium license holders may lease commercial IFQ, or use the IFQ resulting from commercial QS already in their possession, to provide additional opportunities for clients, not to exceed existing regulations in place for unguided anglers.

- As stated above, staff interprets the “hard buffered cap” to be a guideline harvest level that has an obligatory regulatory framework. This is a markedly simpler approach to managing charter sector halibut harvests than the previous Action 2 (compensated reallocation), but would require an annual regulatory cycle. This management approach was recommended previously by the commercial longline sector for management of the GHL, but was not adopted by the Council. The Council has requested an agency response to shorten the timeline from 3 years to 2 years. NMFS SF staff will present a timeline for review.
- The Council clarified that the qualification criteria to hold commercial QS would not be changed to allow charter moratorium permit holders to purchase QS for use in the charter sector. However, many commercial QS holders have diversified into the charter sector and/or charter operators have a commercial fishing background and qualify to purchase QS. These persons will have an advantage over persons who are not eligible, in their ability to transfer QS and/or IFQs to be exempted from additional restrictions placed on the charter sector to reduce harvests.
- This element should be treated in the analysis as background to the proposed program (and discussed in great detail in the R&R/implementation/enforcement section of the analysis), but not treated as a decision point.

Element 1.1. Management toolbox

The preferred proposed management options to be utilized by the Council to manage the charter common pool for a season of historic length are:

- 1 trip per vessel per day
- No retention by skipper or crew
- line limits
- Second fish of minimum size
- Second fish at or below a specific length.

If the management measures above are inadequate to constrain harvest by the charter common pool to its allocation, it is acknowledged that the following management measures may be necessary to constrain charter harvest to its allocation:

- Annual catch limits
- 1 fish bag limit for all or a portion of the season
- Season closure
Suboption: seasonal closures on a monthly or sub-seasonal basis

- The annual regulatory analysis would examine a suite of potential measures in its management toolbox. The Council identified two tiers of measures to manage the charter common pool for a season of historic length. Tier 1 measures include (1) 1 trip per vessel per day; (2) No retention by skipper or crew; (3) line limits; (4) Second fish of a minimum size; and (5) Second fish at or below a specific length. Tier 2 measures would be analyzed if staff identifies in the preparation of the analysis that Tier 1 options are inadequate to constrain harvest by the charter common pool to its allocation. These include (1) Annual catch limits; (2) 1 fish bag limit for all or a portion of the season; and (3) Season closure on either monthly or sub-seasonal basis. While not stated, the Council clarified that specific suboptions in future analyses should be taken from previous GHIL analyses.
- Due to the lag in implementation after an overage (at least one year until ADF&G final harvest estimates are released and perhaps two years for rulemaking prior to implementation timed to the start of the charter season), management measures will, in general, be slightly more restrictive than necessary for conservation purposes. In providing predictability and stability for the charter sector, it is likely that charter fish may be left in the water (i.e., no rollover of unharvested charter halibut allocation).

Element 1.2 Buffered hard cap

As proposed by the Council, a buffered hard cap would use trailing management measures and a delayed overage provision. It represents active annual management, rather than passive management, in contrast with current GHIL management. The Council would annually devise management measures that take into account the projected CEY for the following year and any overages by the charter industry in the past year. This will result in the charter industry "paying back" the commercial industry by the number of pounds they exceeded their allocation. In factoring such payback into its subsequent allocations, the Council will not revisit or readjust the sector split.

- As understood by staff, this issue is not explained or named correctly. In no regard, is what is described any kind of hard cap, it remains a guideline (but with increased emphasis for the regulatory process that the Council is currently undertaking for Area 2C and 3A. Nor does it pay back the commercial sector; the commercial sector allocation is not increased when the charter sector is reduced. Instead, halibut are left in the water and it could be viewed as paying back the biomass.
- This element should be renamed and moved to Action 1, as it defines (the only way) how the charter allocation should be managed. It is descriptive and not a decision point. A previous staff paper did not interpret separate accountability as it is now being presented.

Element 1.3 Timeline. This plan is premised upon IPHC adopting a combined commercial/charter fishery catch limit which is derived from the fishery CEY.

Due to the lag in implementation of management measures, it is noted that management measures will, in general, be slightly more restrictive than necessary for conservation purposes. In providing predictability and stability for the charter sector, it is likely that charter fish may be left in the water.

- The Council may need to initiate a trailing amendment immediately after its selection of a preferred alternative for the sector allocations to keep an overage from occurring in the first year of the proposed program. However, it may be determined that the Council's preferred alternative for GHIL measures for 2C and 3A are sufficiently restrictive to keep the allocations from being exceeded in these early years (again depending on the preferred allocation). Staff recommends a trailing amendment process so possible management measures can be analyzed against the selected allocation rather than for all seven allocation options within this same analysis.

Option 1. 3-year cycle

- October of 2008: Council gets ADF&G charter harvest information for 2007.
 - The Council needs to initiate the analysis of management necessary to meet the projected allocation. (The goal is to maintain a season of historic length with a two fish bag limit.)
- November of 2008: IPHC CEY and staff catch limit recommendations.
- December of 2008: Council performs initial review of the analysis.
- January 2009: IPHC fishery catch limits adopted for 2009.
- February 2009: Council will take final action on management measures based on *[the CEY trend for 2007, 2008, and 2009, and any harvest overages – I think this is too specific until we have our discussion with IPHC staff]*; then, set management measures that would be implemented in year 2010.
- August 2009: NMFS publishes the rule that will be in effect for 2010. (This timeline represents the status quo regulatory process.)
 - This element should be dropped from the analysis as a decision point as NMFS has limited control towards meeting “mandatory” or recommended timelines. It should be moved to Action 1 as part of the description of the intent of the proposal, as it defines how the charter allocation should be managed. It is descriptive in detailing the potential timing for regulatory action. See Option 2 below.
 - NMFS staff should comment on the feasibility of the proposed timeline, particularly under Option 2 (below).
 - Can we streamline the timeline by one meeting by skipping initial review in December and “turning the crank” on the analysis by updating the data by one year? The Council could identify a policy of going straight to final action in February each year, as the analysis will only be “updated” and should no longer require SSC scrutiny, once the methodology has been approved and the original analysis approved for public review. If not, could the staff release just a “supplement” to the previous year’s analysis (as we are doing for the 2C GHL analysis and did for the 3A GHL analysis) in December and release the public review analysis for action in February. I’m not sure this saves us much staff or Council agenda time.
 - Or can we streamline to take final action in October using the previous year’s analysis with a staff supplement that includes final prior year charter halibut harvests and IPHC staff recommendations? Could the proposed rule be published prior to the January IPHC meeting, with the final rule published after (or with the IPHC implementing regulations for the upcoming season)?

Element 1.3.1 Overage provision

Option 1. Separate accountability. *(See previous Stakeholder Committee and staff discussion papers.)*

- The previous staff discussion paper on separate accountability is posted on the Council’s website¹. The main point of the proposal that I think is meant to be captured by this reference is that any charter overage does not reduce the commercial allocation. I think most parties agree to this in concept; the question for the agencies is how best to achieve this goal.
- In an email, a working group participant acknowledged that the Stakeholder committee discussion paper reference is to committee minutes on this topic (these are also posted online).
- SF staff: would the draft proposed rule for the charter IFQ program assist in detailing how NMFS could/would implement this? Could you provide an excerpt for discussion? Council staff

¹ http://www.fakr.noaa.gov/npfmc/current_issues/halibut_issues/stakeholder/SeparateAccountabilityDiscPaperApr6.pdf

has lots of questions like: What is possible under NFMS structure for accounting for IFQs and GAF? If average weights used to calculate GAF differ from the actual average weight of the harvest is there a "catch up" calculation?

Option 2. Pay Back. Best described with an example: In 2007 the charter sector goes over its allocation (but that's not known until year 2008). Charter's allocation in year 2007 was 100 pounds; however, they took 110 pounds. In 2010, assuming the allocation remains stable, the charter sector will only receive an allocation of 90 pounds in order to "payback" its overage of 10 pounds.

The Council did not adopt language that directs that the commercial allocation be increased by the amount that the charter sector allocation is decreased in a year after a charter allocation overage occurs. As stated earlier, it does not make sense to award the commercial sector a bonus of halibut that was paid back by the charter sector because there would continue to be a net loss to the biomass of the overage amount. Therefore, accountability through a charter payback of overages is the main solution. Borrowing language from below, "Any paid back overage would accrue to the benefit of the halibut biomass." Therefore "accountability" and payback options are the same concept and should be consolidated into one description of the program (not a decision point).

Element 1.3.2 Underage provision. Any underage would accrue to the benefit of the halibut biomass.

- This element should be treated in the analysis as background to the proposed program, but not treated as a decision point.

Option 2. In addition, please provide an analysis to determine whether or not the process described above can be shortened by one year. This may be a combination of use of logbook data in a timelier manner or a shortened regulatory timeframe. There would be no payback, just separate accountability (i.e., the IPHC simply factors any overage into biomass calculation).

- This element should be dropped from the analysis as NMFS has limited control towards meeting "mandatory" or recommended timelines. See comments above.

Element 1.4. Supplemental individual use of commercial IFQ

This element implements measures to allow moratorium license holders to lease commercial IFQ in order to provide anglers with additional opportunities, not to exceed regulations in place for unguided anglers.

Element 1.4.1 provisions:

- This element should be treated in the analysis as background to the proposed program (and discussed in great detail in the R&R/implementation/enforcement section of the analysis), but not treated as a decision point. They should be boiled down into a coherent description of how the program would work and laid out in an introductory section. It would also be good to turn this into a figure so that the Council could "see" how this part of the program would work. NMFS Staff: are there implementation plans from the charter IFQ proposed rule that could be applied here?
- How would this be "managed?" Interagency staff should scrutinize each of these points for R&R, implementation, and enforcement.

A. Guided Sport Moratorium (GSM) permit holder may lease commercial IFQ for conversion to GAF.

- Leasing options (from below) should be moved to here it was a very specific decision by the work group that the criteria not be changed to allow charter operators to be able to hold QS.
- Not allowing QS purchase by charter moratorium permit holders who are not otherwise qualified to hold commercial QS may be supported by charter operators who are opposed to

charter IFQs because it would not allow speculative QS purchases by charter operators who do not meet commercial eligibility requirements.

B. GSM holders harvesting GAF while participating in the guided sport halibut fishery are exempt from landing and use restrictions associated with commercial IFQ fishery, but subject to the landing and use provisions detailed below.

➤ **How would this be managed?**

C. GAF would be issued in numbers of fish. The conversion between annual IFQ and GAF would be based on average weight of halibut landed in each region's charter halibut fishery (2C or 3A) during the previous year as determined by ADF&G. The long-term plan may require further conversion to some other form (e.g., angler days).

➤ **Last sentence should be stricken; who knows what the future will bring?**

➤ **NMFS Staff: Staff requires clarification on how GAF would be used. For example, if the charter angler gets limited to one fish per day and that charter operator uses a GAF to increase that angler's limit to two fish per day (the current unguided daily bag) then it's pretty clear that one GAF gets used. However, what happens if you have a one fish <32" restriction and the operator uses a GAF to get out from under the restriction? Is a full GAF used? Are there partial GAF's? In this case a 20 lb GAF is might be used to harvest a 36" fish that only has a 10 lb differential from that 32" limit fish. Council staff recommends that only whole fish be used as GAF units.**

D. Subleasing of GAF would be prohibited.

➤ **How would this be managed?**

E. GAF holders may request NMFS convert unused GAF into IFQ pounds for harvest in compliance with commercial fishing regulations provided the GAF holder qualifies under the commercial IFQ regulations.

➤ **Use of IFQs will define whether they are in pounds or numbers; how will this be managed?**

F. Unused GAF may revert back to pounds of IFQ at the end of the year and be subject to the underage provisions applicable to their underlying commercial QS.

➤ **Unused GAF would revert back to pounds of IFQ at the end of the year and be subject to the underage provisions applicable to their underlying commercial QS. This simply suggests that the lease expires at the end of the year. How would RAM manage this? Let's say, that Joe Blow leases 100 lb of commercial IFQ, of which 90 lb are harvested. He did not harvest 1000 lb of the IFQs he retained. How would RAM be able to track these two separate (or more) but linked accounts?**

G. Guided angler fish derived from commercial QS may not be sold into commerce, i.e., all sport regulations remain in effect.

H. Guided angler fish derived from commercial QS may not be used to harvest fish in excess of the non-guided sport bag limit on any given day.

I. Charter operators landing GAF on private property (e.g. lodges) and motherships would be required to allow ADF&G samplers/enforcement personnel access to the point of landing.

➤ **Of course!**

Element 1.4.2: Limits on leasing

A. Holders of Guided Sport Moratorium (GSM) Permits

Option 1. A GSM permit holder may not hold or control more IFQ than the amount equal to the current setline use cap converted to the number of fish in each area (currently 1% of the setline catch limit in 2C or 1% in 3A).

- **The intent of this section is to not allow someone who can hold commercial quota or IFQs to hold up to the maximum amount allowed on the commercial side and then lease IFQs for use in the charter sector. It doesn't matter what fishery you are using the QS in the cap is the cap. But I do not see how the intent is achieved. This does not appear to me to place a lower cap on the amount of QS/IFQ that can be used by a permit holder in the charter sector than what is placed on a commercial permit holder. The dual permit holder doesn't have different caps but the intent was that they couldn't be above the commercial cap. This is a lot of fish that a charter operator can hold QS for and convert into GAF. The limit on holding or controlling QS that he can transfer to himself and convert into GAF is linked to picking option 2 where a dual permit holder can only convert 10% of their holdings. Picking this option would also help prevent buying quota share on speculation because they only get the advantage to their charter business is 10%.**

Option 2. A GSM permit holder may not hold or control more than 1,000, 2,000, 5,000, or 7,500 fish. (Note: examine this as a percentage of the catch limit once allocations are established.)

B. Commercial Halibut QS Holders:

i. Commercial halibut QS holders may lease up to 10% of their annual IFQs for use as GAF on an individual basis.

- **This section allows the commercial sector to lease up to 10% of their annual IFQs to the charter sector. The section below is dealing with the individual who is a charter operator and also owns or qualifies for holding commercial QS. Option 1 allows these individuals to convert all or a portion of what they own while option 2 is restricting the dual permit holder to only lease 10% of their IFQs to themselves and the remainder would have to be fished commercially or not fished. The concern trying to be addressed was the charter operators that can't qualify commercially would be put at a disadvantage. The group wanted to highlight the decision point and the advantages and disadvantages that allowing the commercially qualified charter operator access to more quota by purchase affects the program.**
- **The intent in i. was for the commercial fishermen to be able to lease up to 10% but then the group wanted to make it clear in ii. that the dual permit holders might be able to convert all or a portion of their QS holdings or they would be limited to converting only 10% of their QS to lease back to themselves. The group proposed this as a separate decision point and that the analysis needed to look at the effects of either option for the dual permit holder. It would make more QS available to the charter sector for lease if they can access all that the dual permit holders own.**

ii. Commercial Halibut QS Holders who also hold a GSM permit:

Option 1. May convert all or a portion of their commercial QS to GAF on a yearly basis if they own and fish it on their own GSM permit vessel(s). Commercial and charter fishing may not be conducted from the same vessel during the same day.

Option 2. May lease up to 10% of their annual IFQs for use as GAF on an individual basis.

- **There is nothing in this program that prevents a charter operator who qualifies for commercial quota share a restriction against purchasing more QS on speculation. Because purchase by a charter operator who doesn't qualify commercially can only lease made this program less like an prelude to an IFQ program in the future to those opposed to IFQs. However, those who are dually qualified can increase commercial QS holdings up to the cap and use the associated IFQs in either fishery (up to specified caps). Identification of the number of these persons is key to this decision point. In a preliminary analysis, staff identified between 35 and 40 individuals in each**

IPHC area who both hold commercial QS and would have likely received a GSM permit if the GSM had been implemented in 2006/2007.

Element 1.5. Catch accounting

- a. The current Statewide Harvest Survey or logbook data would be used to determine the annual harvest.
- b. A catch accounting system* will need to be developed for the GAF fish landed in the charter industry.

** NOTE: Monitoring and enforcement issue:*

In 2003, NMFS contracted with Wostman and Associates to design a data collection program compatible with guided sport operations, yet robust enough to monitor a share-based management plan. This system was based on logbooks and telephone or internet call in and reporting numbers of fish. This system was designed with the technology available to charter operators.

Request that NMFS, USCG, ADF&G, and Council staff convene prior to commencement of the analysis in order to the assure consistency of assumptions for management, record keeping, implementation, monitoring, and enforcement issues.

- **The Wostman and Associates report is available for reference.**
- **This element should be dropped from the analysis as a decision point as NMFS will design a catch accounting system for the charter sector to meet Federal compliance requirements.**

**Staff - Recommended Revisions to Council Motion
Halibut Charter Initial Allocation and Future Reallocation**
10/23/07 (likely more revisions are needed)

Initial Allocation between charter sector and commercial sector in Area 2C and Area 3A

Alternative 1. No Action.

Alternative 2. Establish an initial allocation that includes sector accountability

Element 1. Initial allocation

Option 1: Fixed percentage of combined charter harvest and commercial catch limit, as a percentage of the fishery CEY.

| | Area 2C | Area 3A | based on: |
|----|----------------|----------------|---|
| a. | 13.09% | 14.00% | 125% of the 1995-1999 avg charter harvest (current GHl formula) |
| b. | 17.31% | 15.44% | 125% of the 2001-2005 avg charter harvest (GHl formula updated thru 2005) |
| c. | 11.69% | 12.70% | Current GHl as percent of 2004 |
| d. | 15.14% | 12.65% | 2005 charter harvest |

Option 2: Fixed pounds, linked to fishery CEY at the time of final action would be used as the base amount to determine if the current CEY triggers an adjustment in the charter sector allocation.

| | Area 2C | Area 3A | based on: |
|----|------------------|------------------|---|
| a. | 1.43 Milb | 3.65 Milb | 125% of the 1995-1999 avg charter harvest (current GHl) |
| b. | 1.69 Milb | 4.01 Milb | 125% of the 2000-2004 avg charter harvest (GHl updated thru 2004) |
| c. | 1.90 Milb | 4.15 Milb | 125% of the 2001-2005 avg charter harvest (GHl updated thru 2005) |

Option: Stair step up and down. The allocation in each area would be increased or reduced in stepwise increments based on a change in the CEY. If the halibut stock were to increase or decrease from 15 to 24 percent from its average CEY of the base period selected for the initial allocation at the time of final action, then the allocation would be increased or decreased by 15 percent. If the stock were to increase or decrease from at least 25 to 34 percent, then the allocation would be increased or decreased by an additional 10 percent. If the stock increased or decreased by at least 10 percent increments, the allocation would be increased or decreased by an additional 10 percent.

Element 2. Guideline Harvest Level Allocation with annual regulatory cycle

The initial charter allocation would be a common harvest pool for all charter moratorium permit holders. It would not be a hard cap that would result in closing the fishery when the charter allocation is exceeded. Instead, the "buffered hard cap," or more accurately the guideline harvest level, would be linked to an annual regulatory analysis of management measures (delayed feedback loop) that take into account the projected CEY for the following year and any overages by the charter industry in the past year(s). This system would work best if there is not a time lag between the overage year and the payback year. The Council will not revisit or readjust the sector split. An allocation overage would trigger the regulatory process automatically, in contrast with current GHl management. Any underages would accrue to the benefit of the halibut biomass and would not be reallocated or paid forward. The Council assumes (and would request) that the International Pacific Halibut Commission set a combined charter and commercial sector fishery CEY and would apply the allocations between the two sectors that would be recommended by the Council in a type of catch sharing plan to the combined fishery CEY.

Element 3. Management toolbox. Tier 1 measures will be utilized by the Council to manage the charter common pool for a season of historic length and a two-fish daily harvest limit. Tier 2 measures will be utilized if Tier 1 measures are inadequate to constrain harvest by the charter common pool to its allocation. Due to the delayed feedback loop in implementation of management measures, management measures will, in general, be more restrictive to ensure that the charter sector allocation is not exceeded. In providing predictability and stability for the charter sector, it is likely that charter fish may be left in the water.

Tier 1 management measures include:

- 1 trip per vessel per day
- No retention by skipper or crew
- line limits
- Second fish of minimum size
- Second fish at or below a specific length.

Tier 2 management measures include:

- Annual catch limits
 - 1 fish bag limit for all or a portion of the season
 - Season closure
- Suboption: seasonal closures on a monthly or sub-seasonal basis

Element 4. Timeline. The current timeline for the proposal is as described below. **[Staff should discuss what would be needed to implement February Council action for June (the same year)]**

- October 2008: Council receives ADF&G report on final charter halibut harvest estimates for 2007. If the ADF&G report indicates that an allocation overage occurred in 2007, the Council will initiate the analysis of management measures necessary to restrict charter halibut harvests to its allocations.
- November 2008: IPHC CEY and staff catch limit recommendations are released.
- December 2008: Council reviews staff analysis (in the form of a supplement) that updates the previous year's analysis with final 2007 harvest estimates.
- January 2009: IPHC adopts combined fishery catch limits for 2009.
- February 2009: Council will take final action on management measures based on *[the CEY trend for 2007, 2008, and 2009, and any harvest overages – I think this is too specific until we have our discussion with IPHC staff]*; then, set management measures that would be implemented in year 2010.
- August 2009: NMFS publishes the rule that will be in effect for 2010.

Element 5. No Overage provision. The charter sector has separate accountability through delayed regulatory feedback loop.

Element 6. No underage provision. Any underage would accrue to the benefit of the halibut biomass.

Element 7. Supplemental individual use of commercial IFQ to allow moratorium permit holders to lease commercial IFQ in order to provide anglers with additional harvesting opportunities, not to exceed limits in place for unguided anglers

- A. Leasing commercial IFQ for conversion to Guided Angler Fish (GAF).
 - 1. Holders of Guided Sport Moratorium (GSM) Permits (only)
 - Option 1. A GSM permit holder may not hold or control more IFQ than the amount equal to the current setline use cap converted to the number of fish in each area (currently 1% of the setline catch limit in 2C or ½% in 3A).
 - Option 2. A GSM permit holder may not hold or control more than 1,000, 2,000, 5,000, or 7,500 fish. (Note: examine this as a percentage of the catch limit once allocations are established.)
 - 2. Commercial Halibut QS Holders (only) may lease up to 10% of their annual IFQs for use as GAF on an individual basis.
 - 3. Commercial Halibut QS Holders who also hold a GSM permit:
 - Option 1. May convert all or a portion of their commercial QS to GAF on a yearly basis if they own and fish it on their own GSM permit vessel(s). Commercial and charter fishing may not be conducted from the same vessel during the same day.
 - Option 2. May lease up to 10% of their annual IFQs for use as GAF on an individual basis.
- B. GSM holders harvesting GAF while participating in the guided sport halibut fishery are exempt from landing and use restrictions associated with commercial IFQ fishery, but subject to the landing and use provisions detailed below.
- C. GAF would be issued in numbers of fish. The conversion between annual IFQ and GAF would be based on average weight of halibut landed in each region's charter halibut fishery (2C or 3A) during the previous year as determined by ADF&G. The long-term plan may require further conversion to some other form (e.g., angler days).
- D. Subleasing of GAF would be prohibited.
- E. GAF holders may request NMFS convert unused GAF into IFQ pounds for harvest in compliance with commercial fishing regulations provided the GAF holder qualifies under the commercial IFQ regulations.
- F. Unused GAF may revert back to pounds of IFQ at the end of the year and be subject to the underage provisions applicable to their underlying commercial QS.
- G. Guided angler fish derived from commercial QS may not be sold into commerce, i.e., all sport regulations remain in effect.
- H. Guided angler fish derived from commercial QS may not be used to harvest fish in excess of the non-guided sport bag limit on any given day.
- I. Charter operators landing GAF on private property (e.g. lodges) and motherships would be required to allow ADF&G samplers/enforcement personnel access to the point of landing.

Element 8. Catch accounting system will be determined by NMFS

Time Line for Charter Halibut Fishery Actions

Alternative 1

| | | Charter Halibut Harvest & ADF&G Data Collection | IPHC | NPFMC Process | NMFS Implementation |
|------|-------|---|---------------------------|--|---------------------|
| Year | Month | | | | |
| 1 | Jan | Fishery Begins Feb 1 Start Logbook Collection Creel Census Begins Logbooks to Date Due Apr 1 & Weekly until Sept 30 | Annual CEY Set for Year 1 | Feb Meeting Mar/Apr Meeting June Meeting | |
| 1 | Feb | | | | |
| 1 | Mar | | | | |
| 1 | Apr | | | | |
| 1 | May | | | | |
| 1 | June | | | | |
| 1 | July | Creel Census Ends Begin Mailing SWHS for Year 1 Fishery Remaining Logbooks Due Dec 31 Fishery Ends Dec 31 | | Oct Meeting Dec Meeting | |
| 1 | Aug | | | | |
| 1 | Sept | | | | |
| 1 | Oct | | | | |
| 1 | Nov | | | | |
| 1 | Dec | | | | |
| 2 | Jan | End Mailing SWHS for Year 1 Fishery | Annual CEY Set for Year 2 | Feb Meeting Mar/Apr Meeting June Meeting | |
| 2 | Feb | | | | |
| 2 | Mar | | | | |
| 2 | Apr | | | | |
| 2 | May | | | | |
| 2 | June | | | | |

Time Line for Charter Halibut Fishery Actions

Alternative 1

| | | Charter Halibut Harvest & ADF&G Data Collection | | | |
|------|-------|---|---------------------------|--|---|
| Year | Month | | IPHC | NPFMC Process | NMFS Implementation |
| 2 | July | Year 1 Logbook Report Published Estimate of Year 1 Charter Catch Avail Year 1 SWHS Report Published | | Oct Meeting | |
| 2 | Aug | | | | |
| 2 | Sept | | | | |
| 2 | Oct | | | | |
| 2 | Nov | | | | |
| 2 | Dec | | | | |
| 3 | Jan | Annual CEY Set for Year 3 | Annual CEY Set for Year 3 | Dec Meeting Task Staff to Analyze Alts. | Draft Proposed Rule (6 wk) |
| 3 | Feb | | | | |
| 3 | Mar | | | | |
| 3 | Apr | | | | |
| 3 | May | | | | |
| 3 | June | | | | |
| 3 | July | Estimate of Year 2 Charter Catch Avail | | June Meeting | SF RevRev (2 wk) |
| 3 | Aug | | | | |
| 3 | Sept | | | | |
| 3 | Oct | | | | |
| 3 | Nov | | | | |
| 3 | Dec | | | | |
| 3 | Dec | | | | |
| 4 | Jan | | | | |
| 3 | July | Estimate of Year 2 Charter Catch Avail | | Oct Meeting | GC AK Review & SF Revise (4 wk) |
| 3 | Aug | | | | |
| 3 | Sept | | | | |
| 3 | Oct | | | | |
| 3 | Nov | | | | |
| 3 | Dec | | | | |
| 3 | Dec | | | | |
| 4 | Jan | | | | |
| 3 | July | Estimate of Year 2 Charter Catch Avail | | Dec Meeting | HQ RevRev (2 wk) |
| 3 | Aug | | | | |
| 3 | Sept | | | | |
| 3 | Oct | | | | |
| 3 | Nov | | | | |
| 3 | Dec | | | | |
| 3 | Dec | | | | |
| 4 | Jan | | | | |
| 3 | July | Estimate of Year 2 Charter Catch Avail | | Dec Meeting | Publish Prop Rule 30 Day Comment (4 wk) |
| 3 | Aug | | | | |
| 3 | Sept | | | | |
| 3 | Oct | | | | |
| 3 | Nov | | | | |
| 3 | Dec | | | | |
| 3 | Dec | | | | |
| 4 | Jan | | | | |
| 3 | July | Estimate of Year 2 Charter Catch Avail | | Dec Meeting | Draft Final Rule (4 wk) |
| 3 | Aug | | | | |
| 3 | Sept | | | | |
| 3 | Oct | | | | |
| 3 | Nov | | | | |
| 3 | Dec | | | | |
| 3 | Dec | | | | |
| 4 | Jan | | | | |
| 3 | July | Estimate of Year 2 Charter Catch Avail | | Dec Meeting | SF RevRev (2 wk) |
| 3 | Aug | | | | |
| 3 | Sept | | | | |
| 3 | Oct | | | | |
| 3 | Nov | | | | |
| 3 | Dec | | | | |
| 3 | Dec | | | | |
| 4 | Jan | | | | |
| 3 | July | Estimate of Year 2 Charter Catch Avail | | Dec Meeting | GC AK RevRev (2 wk) |
| 3 | Aug | | | | |
| 3 | Sept | | | | |
| 3 | Oct | | | | |
| 3 | Nov | | | | |
| 3 | Dec | | | | |
| 3 | Dec | | | | |
| 4 | Jan | | | | |
| 3 | July | Estimate of Year 2 Charter Catch Avail | | Dec Meeting | HQ RevRev (2 wk) |
| 3 | Aug | | | | |
| 3 | Sept | | | | |
| 3 | Oct | | | | |
| 3 | Nov | | | | |
| 3 | Dec | | | | |
| 3 | Dec | | | | |
| 4 | Jan | | | | |
| 3 | July | Estimate of Year 2 Charter Catch Avail | | Dec Meeting | Publish Final Rule 30 Day Delay (4 wk) |
| 3 | Aug | | | | |
| 3 | Sept | | | | |
| 3 | Oct | | | | |
| 3 | Nov | | | | |
| 3 | Dec | | | | |
| 3 | Dec | | | | |
| 4 | Jan | | | | |
| 3 | July | Estimate of Year 2 Charter Catch Avail | | Dec Meeting | Rule Effective for Year 4 Fishery |
| 3 | Aug | | | | |
| 3 | Sept | | | | |
| 3 | Oct | | | | |
| 3 | Nov | | | | |
| 3 | Dec | | | | |
| 3 | Dec | | | | |
| 4 | Jan | | | | |

ADF&G Alaska Department of Fish and Game
 IPHC International Pacific Halibut Commission
 Logbook ADF&G, Division of Sport Fish Saltwater Sport Fishing Charter Trip Logbook
 NMFS National Marine Fisheries Service
 NPFMC North Pacific Fishery Management Council
 RevRev Review and Revise
 SWHS ADF&G, Division of Sport Fish Statewide Household Survey

Options as of October 2007

See Stakeholder Committee Notes, October 2007, Page III-A

Option 1. Fixed percentage of combined charter harvest and commercial catch limit.

Option 1a - 125% of 1995-1999 average charter harvest (current GHl)

| Year | Area 2C | | | Area 3A | | |
|-------|----------|----------|--------|----------|----------|--------|
| | Charter | Longline | Total | Charter | Longline | Total |
| 1995 | 0.986 | 9.000 | 9.986 | 2.845 | 20.000 | 22.845 |
| 1996 | 1.187 | 9.000 | 10.187 | 2.822 | 20.000 | 22.822 |
| 1997 | 1.034 | 10.000 | 11.034 | 3.413 | 25.000 | 28.413 |
| 1998 | 1.584 | 10.500 | 12.084 | 2.985 | 26.000 | 28.985 |
| 1999 | 0.939 | 10.490 | 11.429 | 2.533 | 24.670 | 27.203 |
| | Avg*1.25 | Average | | Avg*1.25 | Average | |
| Total | 1.432 | 9.798 | 11.230 | 3.650 | 23.134 | 26.784 |
| | 12.75% | 87.25% | | 13.63% | 86.37% | |

Option 1b - 125% of 2001-2005 average charter harvest.

| Year | Area 2C | | | Area 3A | | |
|------|----------|----------|--------|----------|----------|--------|
| | Charter | Longline | Total | Charter | Longline | Total |
| 2001 | 1.202 | 8.780 | 9.982 | 3.132 | 21.890 | 25.022 |
| 2002 | 1.275 | 8.500 | 9.775 | 2.724 | 22.630 | 25.354 |
| 2003 | 1.412 | 8.500 | 9.912 | 3.382 | 22.630 | 26.012 |
| 2004 | 1.750 | 10.500 | 12.250 | 3.668 | 25.060 | 28.728 |
| 2005 | 1.952 | 10.930 | 12.882 | 3.689 | 25.470 | 29.159 |
| | Avg*1.25 | Average | | Avg*1.25 | Average | |
| | 1.898 | 9.442 | 11.340 | 4.149 | 23.536 | 27.685 |
| | 16.74% | 83.26% | | 14.99% | 85.01% | |

Option 1c - current GHl as percent in 2004.

| Year | Area 2C | | | Area 3A | | |
|------|---------|----------|--------|---------|----------|--------|
| | Charter | Longline | Total | Charter | Longline | Total |
| 2004 | 1.432 | 10.500 | 11.932 | 3.650 | 25.060 | 28.710 |
| | 12.00% | 88.00% | | 12.71% | 87.29% | |

Option 1d - 2005 charter harvest.

| Year | Area 2C | | | Area 3A | | |
|------|---------|----------|--------|---------|----------|--------|
| | Charter | Longline | Total | Charter | Longline | Total |
| 2005 | 1.952 | 10.930 | 12.882 | 3.689 | 25.470 | 29.159 |
| | 15.16% | 84.84% | | 12.65% | 87.35% | |

Option 2. Fixed poundage GHls.

Option 2a - 125% of the 1995-1999 average charter harvest (current GHl).

| Year | Area 2C | Area 3A |
|------|---------|---------|
| | Charter | Charter |
| 1995 | 0.986 | 2.845 |
| 1996 | 1.187 | 2.822 |
| 1997 | 1.034 | 3.413 |
| 1998 | 1.584 | 2.985 |
| 1999 | 0.939 | 2.533 |
| GHL: | 1.432 | 3.650 |

Option 2b - 125% of the 2000-2004 average charter harvest.

| Year | Area 2C | Area 3A |
|------|---------|---------|
| | Charter | Charter |
| 2000 | 1.132 | 3.140 |
| 2001 | 1.202 | 3.132 |
| 2002 | 1.275 | 2.724 |
| 2003 | 1.412 | 3.382 |
| 2004 | 1.750 | 3.668 |
| GHL: | 1.693 | 4.012 |

Option 2c - 125% of the 2001-2005 average charter harvest.

| Year | Area 2C | Area 3A |
|------|---------|---------|
| | Charter | Charter |
| 2001 | 1.202 | 3.132 |
| 2002 | 1.275 | 2.724 |
| 2003 | 1.412 | 3.382 |
| 2004 | 1.750 | 3.668 |
| 2005 | 1.952 | 3.689 |
| GHL: | 1.898 | 4.149 |

Date: November 20, 2007

Mr. Eric Olson, Chair
North Pacific Fishery Management Council
605 West 4th Ave, Ste 306
Anchorage, AK 99501

Dear Mr. Olson,

Once again I urge the North Pacific Fisheries Management Council (Council) to move ahead with the federal catch sharing plan, holding each sector accountable to its allocation.

I am very concerned that the halibut charter fleet may have once again exceeded the GHL and is eroding the value of my family's commercial quota share. My wife, two sons and I have all purchased quota shares over the years. To have these shares reduced by the charter fleet is unacceptable.

I am in support of a market based mechanism that would allow transfer between commercial and charter sectors.

Needless to say we are against any forced reallocation.

I urge the Council to take action on the catch sharing plan in April.

For 13 years the commercial halibut industry has asked the Council to stop the open-ended reallocation of halibut from the commercial to the charter industry. Effective action is long overdue.

Sincerely,

George Eliason
F/V Tammy Lin
102 Kuhnle Dr.
Sitka, AK 99835

November 26, 2007
PO Box 341
Anchor Point, AK 99556

Eric A. Olson, Chairman
North Pacific Fishery Management Council
605 W 4th Avenue, Suite 306
Anchorage, AK 99501-2252

Re: Charter Halibut Management

Dear Chairman Olson:

We own and operate a halibut charter business out of Homer, AK with one vessel. We have been in business since 1990 and have worked hard to create a viable entity with which we can earn a retirement income.

We have three main areas of concern regarding charter halibut management proposals; these are allocations, restrictions, and compensations.

Our concerns regarding allocations rest, in part, with the figures on which the GHL was based; these figures are not based on fact, but rather on estimated data; a much more accurate figure to use would be the logbook reports turned in to Alaska Department of Fish and Game by the charter skippers, which are completed on a daily basis prior to the clients leaving the boat and are checked for accuracy by a representative of the department. Using the GHL figures to establish our allocation does not correctly reflect current numbers; our allocation should increase along with the total allowable catch as does the commercial industry.

If restrictions in our area on the charter fleet are truly needed the first restriction should be the crew fish, as has been done but only restriction of the specie being regulated; we should not have our fishing rights completely taken away on our own boat because we are trying to make a living. If additional restrictions were needed we feel limiting a vessel to one trip per calendar day and stopping the taking of two limits within a twelve hour period (this is harvesting not sports fishing) would help to safeguard the health of the near-coastal biomass without negatively affecting the majority of the halibut charter industry. We feel it is imperative that we keep the two halibut limit and ask that in your decision making you consider the important impact the halibut charter industry has on the economic health and development of the small coastal towns within your area of influence; our industry affects, not only, other tourist oriented businesses, but also a host of other industries as well as the coffers of our local governments. Your decision could not only destroy an industry and all those that depend upon it but also could take away the public's access to a natural resource, thus limiting the resource only to those privileged private boat owners and commercial fishermen.

We hope in the upcoming meeting the council will more thoroughly explain the idea of the charter industry compensating the commercial industry for the halibut our clients catch. It has always been our understanding that one can only be compensated for something they own and the topic of compensation implies that the council feels our nation's marine resources are the property of the commercial fishing industry, this, surely, must be a misrepresentation of the council's philosophy.

Thank you for the opportunity to comment on these issues which are very important to our family's well-being.

Sincerely,


Charles E. Collins and Alice J. Collins

Amy Johnson
423 Versteovia
Sitka AK
99835

11-20-07

Dear Sir:

I am again writing about the halibut fishery allocation issues — something that seems to have gone on forever — in the intervening yrs, my children now fish their own IFQ shares, my husband has died and I am old and only hold A-shares which my son fishes.

It was 30 yrs ago that we as a family began our halibut efforts, youngest were only 6^{yr} in an off-shore fishery and our efforts were modest — but tho we seined, trolled etc longlining was always my favorite fishery — Tho our initial allocation was modest we were happy when IFQs came aboard — The safety and resource issues were huge and important.

2

When money allowed we purchased additional small quota - in time a son and daughter purchased their own. Needless to say the halibut fishery is an important source of income for us.

I especially see the numerous young crew members who are purchasing their own quota - potentially trapped by lower allocations and high loan payments - these people represent the future of longlining and they are being sacrificed by ^{some of} the changes proposed.

I strongly urge the council to move ahead with the federal catch sharing plan, holding each sector accountable, and no forced allocations.

Please ~~be~~ provide all sectors i.e. processors, fishermen, charter + sport with some final resolution in April - it's been so long.

Sincerely, Tony Johnson

Winter King Charters



All Season Salmon and Halibut Charters
Smooth Comfortable Ride • 32' Heated Caramaran



North Pacific Fisheries Management Council
605 W 4th Avenue, Suite 306
Anchorage, AK 99501-2252

November 23, 2007

Members of the North Council:

My name is Rex Murphy. I own and operate Winter King Charters in Homer and I am a member of the Halibut Stakeholders Committee. I would like to comment on several items you will be reviewing at the December Council meeting with regard to interim and permanent solutions to management of the charter halibut fishery.

Harvest Data Collection:

I believe that in order to effectively manage the charter harvest within a fixed allocation, it is imperative that verifiable final harvest data is available before the following year's catch limits are set by IPHC. The use of interim projections that have historically been off by up to 25% is simply not acceptable for decision making. The delayed feedback loop caused by the late availability of final harvest data will makes management within an allocation difficult if not impossible. I suggest incorporation of individual angler daily harvest tags as a means to independently validate charter logbook entries, thus shortening the feedback loop by almost a year. I also recommend the inclusion of recreational and subsistence halibut fisheries in a harvest tag program, resulting in availability of all final harvest data in time for the IPHC catch limits setting process. I believe this program should be implemented as soon as possible.

Allocation Amount and Type:

Currently the Council is considering two initial charter allocation types, fixed poundage and fixed percentage of a combined commercial/recreational TAC. A fixed poundage allocation gives the charter sector the most security against sharp swings in CEY and changes in average fish size, while a fixed percentage gives the sector the least security since it floats with the CEY. To date, there is no middle position between these allocation extremes. For this reason, I recommend Council inclusion of analysis of a 50:50 fixed:floating allocation type. I have enclosed a short discussion paper on this topic for your review.

I support adoption of an initial allocation of 1.9 million pounds for area 2C and 4.15 million pounds for area 3A. These figures are derived from the most recent charter harvests, and give the sector the best chance of not starting out "in the hole" when a permanent solution is implemented.

Rex Murphy owner/operator

P.O. Box 3309 • Homer, AK 99603 • 907-235-9113 • www.winterking.com

In closing, I encourage the Council to consider the recommendations included in the interagency staff report the October 2007 Strawman Motion. Thank you for considering these suggestions.

Respectfully,

Rex Murphy

Encl: Allocation Discussion Paper

Choosing the Right Initial Allocation Type for the Charter Sector

When the charter sector moves to an allocation based management model, the NPFMC will be making a decision on an initial allocation amount and allocation type. Allocations are in pounds, but depending on the chosen management method, pounds will probably be converted to fish based on average fish sizes. The implication of this conversion is that a change in the average size of a halibut will affect the number of catchable fish the following year. The following tables show the historic changes in average fish size since 1995 and the corresponding number of catchable fish if the allocation was a fixed poundage. (1998 and 1999 in 2C were due to a goof up in ADF&G data collection)

Area 2C Number of Fish at Fixed Allocation of 1.432 million pounds

| Year | Avg. Wt. | % Change | Number of Fish | % Change |
|------|----------|----------|----------------|----------|
| 1995 | 19.9 | | 71,960 | |
| 1996 | 22.1 | 11.06% | 64,796 | -10.0% |
| 1997 | 20.2 | -8.60% | 70,891 | 9.4% |
| 1998 | 29.1 | 44.06% | 49,210 | -30.6% |
| 1999 | 17.8 | -38.83% | 80,449 | 63.5% |
| 2000 | 19.8 | 11.24% | 72,323 | -10.1% |
| 2001 | 18.1 | -8.59% | 79,116 | 9.4% |
| 2002 | 19.7 | 8.84% | 72,690 | -8.1% |
| 2003 | 19.1 | -3.05% | 74,974 | 3.1% |
| 2004 | 20.7 | 8.38% | 69,179 | -7.7% |
| 2005 | 19.1 | -7.73% | 74,974 | 8.4% |
| 2006 | 19.9 | 4.19% | 71,960 | -4.0% |

Area 3A Number of Fish at Fixed Allocation of 3.65 million pounds

| Year | Avg. Wt. | % Change | Number of Fish | % Change |
|------|----------|----------|----------------|----------|
| 1995 | 20.6 | | 177,184 | |
| 1996 | 19.7 | -4.37% | 185,279 | 4.6% |
| 1997 | 22.3 | 13.20% | 163,677 | -11.7% |
| 1998 | 20.8 | -6.73% | 175,481 | 7.2% |
| 1999 | 19.2 | -7.69% | 190,104 | 8.3% |
| 2000 | 19.7 | 2.60% | 185,279 | -2.5% |
| 2001 | 19.2 | -2.54% | 190,104 | 2.6% |
| 2002 | 18.2 | -5.21% | 200,549 | 5.5% |
| 2003 | 20.7 | 13.74% | 176,329 | -12.1% |
| 2004 | 18.6 | -10.14% | 196,237 | 11.3% |
| 2005 | 17.8 | -4.30% | 205,056 | 4.5% |
| 2006 | 17.9 | 0.56% | 203,911 | -0.6% |

Note that assuming a constant allocation, a one percent increase in average fish size translates into about a one percent decrease in the number of catchable fish the following year. Depending on the allocation type, an allocation decrease coupled with a fish size increase has the potential to reduce the number of catchable fish by up to 30%. This magnitude of allocation reduction would adversely impact the charter sector, since many operators have already booked a large part of their business before the allocation decision is made.

Currently three allocation models are being analyzed, namely fixed, floating and fixed with stair step up or down. All have their advantages and disadvantages:

Fixed Poundage Allocation:

- Immune from TAC changes as a result of reduced CEY or IPHC modeling changes.
- Not affected by "other removals"
- Does not share the increased harvest when the CEY is increasing; commercial sector gets all the excess.
- Does not share the decreased harvest when the CEY decreases.

Fixed Percentage of combined longline/charter TAC (Fully Floating) Allocation:

- Floats proportionally to combined longline/charter allowable catch.
- No immunity from CEY or IPHC modeling changes.
- Affected by "other removals" such as bycatch and wastage from commercial sector, subsistence and private sport harvest.
- Past history demonstrates that a fully floating model has the potential for a +/- 25% allocation shift. Charter operations typically book in advance, making it difficult for the sector to deal with a large downward shift in allocation. Likewise, with a short tourist season, the charter sector is unlikely able to utilize excess allocation in times of high abundance.

Fixed Poundage Allocation with stair step up and down:

- Behaves much like a fixed percentage (fully floating) allocation, but saves the allocation decrease until a certain threshold is triggered, then hits the allocation with a substantial decrease.
- Trades some year to year security in allocation size for a large decrease when a threshold is triggered.
- Not immune from CEY or IPHC modeling changes.

50:50 Fixed:Floating Allocation Proposal:

Ideally, the charter allocation would float upward with abundance, but be insulated somehow from large downward swings in the TAC. One way to do this would be to establish an initial allocation that is 50% fixed and 50% floating. A 50:50 fixed and floating allocation would buffer the impact of a TAC change by 50% in either direction.

In the following tables, historical TAC fluctuations are applied to a hypothetical initial charter allocation to simulate how the charter allocation would behave under this hybrid allocation. Comparing the TAC% change and Charter % change columns shows that this option smooths the bumps and dips in the TAC changes. This option essentially trades to the commercial sector a reduced gain when the TAC increases for a reduced loss to the charter sector when the TAC decreases.

Area 2C: Initial allocation of 1.432 million pounds, 1/2 permanently fixed, 1/2 floating

| Year | TAC | % Change | Fixed Portion | Floating Portion | Total Charter | % Change |
|------|-------|----------|---------------|------------------|---------------|----------|
| 1997 | 10.00 | | 0.716 | 0.716 | 1.432 | |
| 1998 | 10.50 | 5.00% | 0.716 | 0.752 | 1.468 | 2.50% |
| 1999 | 10.49 | -0.10% | 0.716 | 0.751 | 1.467 | -0.05% |
| 2000 | 8.40 | -19.92% | 0.716 | 0.601 | 1.317 | -10.20% |
| 2001 | 8.78 | 4.52% | 0.716 | 0.629 | 1.345 | 2.07% |
| 2002 | 8.50 | -3.19% | 0.716 | 0.609 | 1.325 | -1.49% |
| 2003 | 8.50 | 0.00% | 0.716 | 0.609 | 1.325 | 0.00% |
| 2004 | 10.50 | 23.53% | 0.716 | 0.752 | 1.468 | 10.81% |
| 2005 | 10.93 | 4.10% | 0.716 | 0.783 | 1.499 | 2.10% |
| 2006 | 10.63 | -2.74% | 0.716 | 0.761 | 1.477 | -1.43% |
| 2007 | 8.51 | -19.94% | 0.716 | 0.609 | 1.325 | -10.28% |

Area 3A: Initial allocation of 3.65 million pounds, 1/2 permanently fixed, 1/2 floating

| Year | TAC | % Change | Fixed Portion | Floating Portion | Total Charter | Change % |
|------|-------|----------|---------------|------------------|---------------|----------|
| 1997 | 25.00 | | 1.825 | 1.825 | 3.650 | |
| 1998 | 26.00 | 4.00% | 1.825 | 1.898 | 3.723 | 2.00% |
| 1999 | 24.67 | -5.12% | 1.825 | 1.801 | 3.626 | -2.61% |
| 2000 | 18.31 | -25.78% | 1.825 | 1.337 | 3.162 | -12.80% |
| 2001 | 21.89 | 19.55% | 1.825 | 1.598 | 3.423 | 8.27% |
| 2002 | 22.63 | 3.38% | 1.825 | 1.652 | 3.477 | 1.58% |
| 2003 | 22.63 | 0.00% | 1.825 | 1.652 | 3.477 | 0.00% |
| 2004 | 25.06 | 10.74% | 1.825 | 1.829 | 3.654 | 5.10% |
| 2005 | 25.47 | 1.64% | 1.825 | 1.859 | 3.684 | 0.82% |
| 2006 | 25.20 | -1.06% | 1.825 | 1.840 | 3.665 | -0.53% |
| 2007 | 26.20 | 3.97% | 1.825 | 1.913 | 3.738 | 1.99% |

In summary, choosing the initial allocation type is a very important decision that will directly affect the year to year behavior of the charter allocation. CEY and TAC changes coupled with year to year changes in fish size have the potential to drastically change the charter allocation from one year to the next.



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North Pacific Fisheries Management Council
605 W 4th Avenue, Suite 306
Anchorage, AK 99501-2252

November 23, 2007

Members of the North Council:

In June the Council moved to implement a 4 fish annual limit, line limits, no harvest by skipper and crew and a second fish under 32 inches for the 2008 season in area 2C, assuming the GHL is not adjusted downward due to a drop in total CEY. This decision was based on ADF&G preliminary harvest data indicating a 2006 harvest of 2.029 million pounds in area 2C.

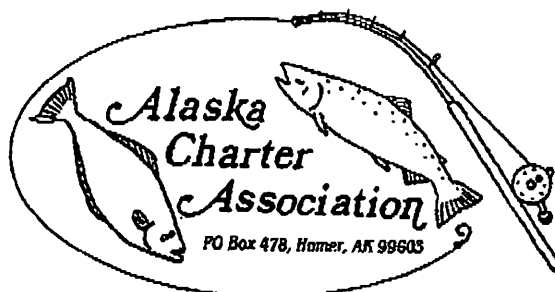
In September ADF&G released a 2006 final area 2C harvest estimate of 1.804 million pounds, meaning that the projections used in the Council's decision making were high by 225,000 pounds.

In November Council staff submitted a supplement to the 2C GHL analysis, based on the final 2006 harvest estimate. This supplement indicates that replacing the four fish limit with a six fish limit best matches the original GHL range selected by the Council during final action in June.

In view of the updated harvest data provided in the 2C GHL analysis supplement, and the fact that analysis of a six fish annual limit is already included in the analysis, I ask the Council to consider replacing the four fish limit with a six fish annual limit.

Sincerely,

Bradley W. Stewart, Managing Member
Cooke Bay Adventures, LLC,
d.b.a. Alaska's Boardwalk Lodge



"To preserve and protect the rights and resources of Alaska's Sport Fishermen."

November 28, 2007

North Pacific Fisheries Management Council
605 W 4th Avenue, Suite 306
Anchorage, AK 99501-2252

Fax: (907)271-2817

Members of the North Council:

The Alaska Charter Association (ACA) would like to comment on the following issues relating to halibut charter management:

2008 Area 2C GHL Actions:

In June 2007, the Council moved to implement a 4 fish annual limit, line limits, no harvest by skipper and crew and a second fish under 32 inches for the 2008 season in Area 2C, assuming the GHL is not adjusted downward due to a drop in total CEY. This decision was based on ADF&G preliminary harvest data indicating a 2006 harvest of 2.029 million pounds in area 2C.

In September 2007, ADF&G released a 2006 final area 2C harvest estimate of 1.804 million pounds, meaning that harvest projections used in the Council's decision making were erroneously high by 225,000 pounds.

In November 2007, Council staff submitted a supplement to the 2C GHL analysis, based on the final 2006 harvest estimate. This supplement indicates that replacing the four fish limit with a six fish limit best matches the original GHL range selected by the Council during final action in June.

In view of the updated harvest data provided in the 2C GHL analysis supplement, and the fact that analysis of a six fish annual limit is already included in the analysis, the ACA strongly urges the Council to consider replacing the four fish limit with a six fish annual limit.

It is imperative to our industry that this Council does as much as possible to preserve a daily bag limit of two halibut per day, retain a historical length of season and precludes any in-season management measures. Therefore, we also strongly urge this Council to change its previous June 2007 decision from the one halibut per day bag limit for area 2C if the GHL is triggered down by the stair-step provision due to an IPHC biomass adjustment. We feel a more appropriate measure would be one halibut less than 32" and the second halibut being over the size that will assure that the harvest is within the prescribed limit. This measure will, at the very least, provide recreational anglers on charter boats to retain the expectation of catching two fish while providing for a reasonable harvest target for this Council. Preserving anglers' expectations is crucial to the viability of our industry, and the economic well-being of our coastal communities.

Timely and Accurate Data Collection

ACA believes that in order to effectively manage the charter harvest within an allocation, it is imperative that verifiable final harvest data is available before the following year's catch limits are set by IPHC. The delayed feedback loop caused by the late availability of final harvest data makes informed, accurate management within a fixed allocation difficult if not impossible (evidence the 2C GHL discussion above). ACA strongly supports incorporation of individual angler daily harvest records as a means to validate charter logbook entries, thus shortening the feedback loop by almost a year.

Allocation Amount and Type

ACA supports adoption of an allocation and allocation type that gives the charter sector the greatest security against swings in exploitable yield and IPHC policy. ACA notes that client availability, a well defined season length, and limited transportation and lodging prevent the charter sector from being able to take advantage of large increases in CEY. ACA also notes that a large portion of the sector takes reservations well in advance of annual IPHC TAC setting, making it very difficult to react to sharp decreases in TAC. Finally the ACA notes that the charter sector deals in fish and not pounds, implying that a change in average fish size affects the total number of fish that can be harvested and hence the number of fishermen the sector can take fishing. For these reasons, ACA believes that a fixed pound allocation will best serve the interests of the industry.

ACA supports adoption of an initial allocation of 1.9 million pounds for area 2C and 4.15 million pounds for area 3A, since these figures are derived from the most recent harvests, giving the sector the best chance of not starting out "in the hole." Our industry's health as well as the success of many related tourism industries is tied to maintaining a historical two halibut daily bag limit, while preserving a historical length of season. We strongly feel a much needed comprehensive social-economic study will demonstrate this fact.

Permanent Solution

ACA will support a permanent solution that keeps the charter catch within its allocation with a minimum of North Council regulatory actions and minimal disruption to the charter sector's traditional length of season and harvest limits.

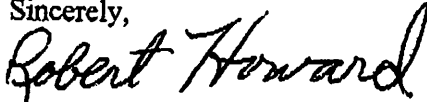
ACA supports a permanent solution that holds the resource in trust for the fishing public to enjoy on the fishing vessel of their choice.

Compensated Allocation

ACA supports a compensated allocation mechanism that allows the charter allocation to grow beyond its initial allocation by common pool purchase of commercial QS or IFQ.

Thank you for your careful consideration of these comments.

Sincerely,



Robert Howard, Vice President

N. Pacific Fishery Management Council
605 W. 4th Avenue, Suite 306
Anchorage, AK 99501

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VIA FACSIMILE

NOV 27 2007

Ladies and Gentlemen:

I own and operate one of those "new, startup, come-and-go charter operations" that's managed to over-fish the halibut population in just one year! Seriously, I made a large investment in the dream; a new charter business that I run in the same safe and professional way that I flew airliners with at American Airlines for 17 years.


Why, people were so impressed, I did over 60 days of charters in my first season this year! I got some pretty dirty looks from the other guys in the harbor at first, especially when they found out that I had a 5,600 pound commercial halibut IFQ too! Over time, they softened up, and actually referred many clients over to my business. Enough about me, I want to talk about you.

What's with this four fish annual limit in 2C? You set a GHF for these guys, they come in under it, and then you reward them by lowering the bar? Former Continental Airlines CEO, Gordon Bethune, wrote a book called "From Worst to First" about the remarkable turnaround of the airline he orchestrated there. In it, he talks about how good decisions were being made based on bad data. You say you have good data in 2C. Make good decisions based on it and raise the limit to six.

The annual limit only applies to charter clients? The sport and subsistence fishing sectors need to be included in all analysis and action, no matter how politically incorrect it is. We have annual limits for Cook Inlet king salmon and statewide for sharks of all things! This applies to both charter and sport fishing. I have to report my charter fish each week. My commercial fish are documented exactly to the pound. Nobody is really counting the sport halibut and it's time to start. Maybe bad decisions are being based on bad data.

Finally, this moratorium is a bad idea. Because of the parameters you've set, my very successful business will be out of business by 2010. Before you do that, allow the effects of skipper and crew fish limitations to make a difference and take a closer look at restricting the sport sector in the form of annual limits. Thanks for listening.

Sincerely,



Captain Kent M. K. Haina
President, Poi Boy Fishing LLC
PoiBoyFishing@alaska.net
www.poiboyfishing.com

Cordova District Fishermen United

Celebrating 70 Years of Service to Commercial Fishermen in Cordova, Alaska
P.O. Box 939 Cordova, Alaska 99574 Telephone 907.424.3447 Fax 907.424.3430

November 28, 2007

Mr. Eric Olson, Chairman
North Pacific Fishery Management Council
605 W 4th Avenue, Suite 306

Sent by facsimile to 907-271-2817

Agenda item C-1 Charter Halibut Management

Dear Mr. Chairman and members of the Council,

On behalf of the CDFU Groundfish Division I am submitting these comments on charter halibut management.

Stakeholder Committee recommendations on allocation/reallocation (interim solution).

The Committee has refined and clarified a number of elements in the allocation/reallocation amendment that provide constructive guidance to the Council for moving the analysis forward. We wish to highlight several important points that are integral to this interim solution and our support for it.

First, it is critical to keep in mind that the goal of this interim solution is to move from a GHL to an enforceable allocation with separate catch accounting for each sector and a mechanism that allows for the transfer of quota between sectors on an annual basis. While management tools must effectively hold the charter sector harvest to their allocation, the goal of the interim solution is to give the charter sector advance notice and predictability with respect to management tools and season length. The Committee recognized this in describing the interim solution as a catch sharing plan and in outlining the management objectives for the charter sector allocation.

Second, we agree with Committee recommendations that the allocation and reallocation actions should be combined into one action. Previously, the Council considered them as separate but linked actions. However, both sectors depend on the actions being implemented at the same time in order for this catch sharing plan to be successful.

Third, we support the Stakeholder Committee's desire to explore options for more timely and accurate charter harvest reporting. We remain very concerned that the 'delayed feedback loop' characteristics of charter sector management will pose significant problems in implementing a workable catch sharing plan. Lack of timely charter harvest data is the greatest cause for delay in management action by the Council, and thus the most significant problem in the 'delayed feedback loop'. An inter-agency work group that met before the last

Stakeholder meeting identified only minor time savings in the regulatory timeline, primarily in the NPFMC process. However, there was consensus in the work group that timely reporting of the charter harvest could reduce the delay in the regulatory process by a full year.

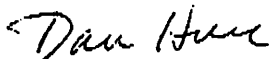
The Committee outlined three options for improving the timeliness of charter sector harvest reporting, and recommended that they be included in the staff analysis. However, we suggest that the Council should consider separating the issue of timely data collection from the catch sharing plan analysis primarily because it should be a normal agency function that is not tied to any particular management action by the Council.

Lastly, we strongly encourage the Council to move the analysis forward as expeditiously as possible, with final action in April.

We greatly appreciate the commitment that the Council, and federal, state and other agency staff have made to resolving this issue. This is a critical juncture for this issue. It is clear to us that development of a workable catch sharing plan is imperative to maintain the peace between the charter and commercial sectors until the moratorium is in place and a long term solution can be developed.

Thank you for the opportunity to comment.

Sincerely,



Dan Hull, Chairman
CDFU Groundfish Division

11/27/07

Chair
North Pacific Fisheries Management Council
605 West 4th Ave. Ste. 306
Anchorage, AK. 99501

Dear Members of the Council

I am writing to comment on the C1, a & b, agenda items. It is important to the health of all concerned that we move forward with the allocation/compensation package that so many of us supported at the October meeting.

Like any fishery, we cannot exist without being held accountable for our impacts. So if we want to have fishing seasons of historic length then we need to limit the amount of resource we use and/or the number of participants in it. Also, without timely and accurate reporting we cannot responsibly be managed. That's why an enforceable allocation needs to be set at the GHL with separate accountability.

The commercial fleet should not have to bear the burden of the charter fleet's excessiveness. This has created a myriad of problems through out Alaska, that extend to subsistence fisheries, local sport fishers, managers and biologist. Thank you for consideration in this issue.

Sincerely, Jeff Farvour , Sitka

Petersburg Vessel Owners Association

P.O. Box 232
Petersburg, Alaska 99833
Phone (907) 772-9323 Voice and Fax

November 27, 2007

Eric Olson, Chair
North Pacific Fishery Management Council
605 West 4th Ave, Ste 306
Anchorage, AK 99501
Via Fax: 907.271.2817

RE: AGENDA ITEM C-1 CHARTER HALIBUT MANAGEMENT

Dear Chair Olson and Council Members,

Petersburg Vessel Owners Association is a diverse group of commercial fishermen based in Alaska. We participate in a variety of fisheries statewide with our foremost interest being the commercial longline fisheries managed by the North Pacific Fishery Management Council. PVOA appreciates the opportunity to comment on the Charter Halibut Management agenda item C-1.

PVOA was extremely encouraged by the unity of the commercial and charter halibut fleet at the October 2007 Council meeting. In this process it is rare that opposite sides of an issue can stand in support of a proposal, and this display did not go unnoticed. PVOA urges the Council to adhere to the management measures decided on at the June 2007 meeting. Reconsidering management measures based on new information becoming available seems to be a never ending cycle that could continue to heighten tension between the commercial and charter fleet.

PVOA continues to urge the Council to establish a hard cap with separate accountability and a floating percentage for the charter fleet. Reconsidering the GHL would be inappropriate in light of an impending moratorium and decreasing harvest numbers by the charter fleet. PVOA also continues to stress the importance of accurate and timely data collection for the charter halibut fleet. Each side of the charter halibut issue has expressed resentment towards the data gathering process and we encourage the Council to resolve this dilemma.

PVOA would like to thank the Council for their continued attention to this issue. If you have any questions or comments regarding the charter halibut matter, please feel free to contact us.

Respectfully,


Julianne Curry
Director

Southeast Alaska Fishermen's Alliance

9369 North Douglas Highway

Juneau, AK 99801

Phone 907-586-6652

Fax 907-523-1168

Website: <http://www.seafa.org>



E-mail: seafa@gci.net

November 28, 2008

North Pacific Fishery Management Council

Eric Olson, Chair

605 W 4th Avenue, Suite 306

Anchorage, AK 99501-2252

Fax 907-271-2817

RE: Agenda C-1 Halibut

Dear Eric Olson, and Council Members,

(a) Committee Report on long term solutions and allocation/reallocation

On the long term solutions, the stakeholder committee is recommending 4 plans be moved forward. SEAFA does not think that any progress can be made on the long term solutions until the issue of allocation is resolved. The charter industry has stated that what they think about a plan changes on what the allocation will be and what type of allocation it is (fixed, floating or 50/50).

We believe that each long term plan needs to be distinct, for example the commercial sector supported the harvest ticket plan because it was a non-private solution that was based on the client not the charter operator and protected our interests. The stakeholder committee added to this option the purchase and lease of IFQ's, we would recommend that this option be deleted out of this program. If all programs need the charter operators to control IFQ's for the option to work, then why are we working on options other than an IFQ plan?

(b) Review progress on Charter Halibut Allocation/Reallocation and provide direction/refine alternative as necessary

The interim plan was a tenuous agreement between the commercial and charter sector through a small work group. SEAFA would like to reemphasize several of the key points of this plan.

- It is an allocation (hard cap) that will be managed for, management measures are developed pre-season and that the management is not in-season management with a closure. The management measures will need to be ultra conservative with fish likely left on the table. If the biomass declines enough, we would expect a one fish bag limit for all or portion of a season and/or a shortened season be enacted if necessary to stay within the allocation.

- The allocation range is sufficient for consideration. The allocation range covers the 2005 harvest that was the highest on record and is one of the qualification years for the moratorium which should be implemented in 2010.

We would recommend that Alternative 2, Option 1, a) be corrected. The GHL as a percentage in the GHL proposed rule was listed as 13.05% and 14.11% for 2C and 3A respectively.

We would recommend that Alternative 2, Option 3 (50% floating/50% fixed) be rewritten as:

Option 3. 50% fixed/50% floating allocation

2C

- a. 50% of 13.05% and 50% of 1.43 Mlb
- b. 50% of 15.93% and 50% of 1.69 Mlb
- c. 50% of 17.31% and 50% of 1.9 Mlb

3A

- a. 50% of 14.11% and 50% of 3.65 Mlb
- b. 50% of 15.36% and 50% of 4.01 Mlb
- c. 50% of 15.44% and 50% of 4.15 Mlb

We would recommend that Alternative 2, Element 5 number 3, option 1 be reinstated into the analysis. This option allows the dual permit holder to lease all or a portion of their IFQ to themselves. By allowing this option, it provides for more IFQ to be available for leasing to the charter sector. The stakeholder committee pulled this option because it would be unfair to the charter operators who are unable to purchase their own quota share. This is a policy call that the Council needs to make based on the analysis. The stakeholder committee does not have any charter operators on the committee that is currently holds quota share. The statement at the end of this section "Commercial and charter fishing may not be conducted from the same vessel during the same day" should be reinserted in the interim plan as a recommendation that is not an option.

We would also recommend pulling an option that was inserted in the long term plan into the interim plan.

Commercial halibut QS holders may lease up to 10% of their annual IFQ's to GSM permit holders for use as GAF on GSM permit. Sub-option: Quota share holders that hold less than 500 lbs to 1,000 lbs may lease 50-100% of their IFQ's to the charter sector.

SEAFRA would like to request that serious consideration be given to requiring that supplemental use of IFQ's that the length measurement of each fish is captured. This will provide verification if the weight on supplemental IFQ fish is the same as the average weight of fish with possible restrictions is the same.

Sincerely,


Kathy Hansen
Executive Director



UNITED FISHERMEN OF ALASKA

211 Fourth Street, Suite 110
Juneau, Alaska 99801-1172
(907) 586-2820
(907) 463-2545 Fax
E-Mail: ufa@ufa-fish.org
www.ufa-fish.org

November 28, 2007

North Pacific Fishery Management Council
Eric Olson, Chair
605 W 4th Avenue, Suite 306
Anchorage, AK 99501-2252
By Fax 907-271-2817

RE: C-1 Halibut Charter Management Issues/ Charter Allocation review

Dear Chairman Olson and Council members,

UFA conditionally supports the interim catch sharing plan developed at the October Council meeting. The reasoning for the conditional support is we are waiting to see if the Council will stick with the management recommendations made for area 2C in June. Area 2C was at the GHL in 2003, over by 22% in 2004; over by 36% in 2005 and over by 26% in 2006 with a preliminary estimate of 15% over in 2007. With an industry being consistently over by this much three years in a row, the preliminary data shows the 2007 restriction of a two fish bag limit with one under 32" not being sufficient to hold them within the GHL. To reconsider the June 2C management action would delay the process such that no action would be taken in 2008. Without the ability to have the management restrictions that are recommended be implemented because there is always new data to consider, proves the point that a delayed feedback loop management system will not work unless the Council is willing to use this opportunity to transition into the interim management plan by sticking with the decisions that have been made. A new analysis could be developed for consideration in October with implementation in 2009 as it would be set up in the interim plan rather than reconsider the current decision.

Unless the Council can show the ability to stick with a decision that implements restrictions on the recreational fishery, the commercial fishing industry will have to recommend that the only future action that is acceptable to our industry is a hard cap with in-season closures when the allocation is reached.

UFA also cannot stress enough the need for timely and accurate data reporting for the charter industry. Both the commercial and charter side of this issue continue to reiterate the importance of data collection and we urge the Council to do whatever is in their power to resolve the frustration surrounding this issue.

The interim plan was a joint effort by commercial and charter interests and is very tenuous. Please don't upset the ability for the two fleets to work together by changing the allocation range currently being considered. Commercial support for the interim plan will disintegrate with higher allocation numbers put into the plan or reconsideration of 2C management measures.

UFA continues to support an allocation that is equivalent to the GHL and that floats with abundance. Any other allocation is unfair in consideration of the business plans and investment in the fishery by commercial QS holders that have bought approximately 70% of the QS units available for transfer in 2C and 3A. The young fishermen entering the fishery will be hardest hit by an allocation above the GHL.

United Fishermen of Alaska is the largest statewide commercial fishing trade association, representing 36 commercial fishing organizations participating in fisheries throughout the state and its offshore waters. We appreciate your consideration and your service on the Council.

Sincerely,



Mark Vinsel
Executive Director

Sitka Charter Boat Operators Association

PO Box 2422 Sitka Alaska 99835

November 27, 2007

Mr. Eric Olson
North Pacific Fisheries Management Council
605 West 4th, Suite 308
Anchorage AK 99501-2252
Fax: 907-271-2817

Dear Mr. Olson:

The Sitka Charter Boat Operators Association wishes to comment on the Council's agenda item C-1 Charter Halibut Management.

We support the concept of having "tools" in a toolbox to manage our valuable fisheries resource. The tools should be broad to allow for maximum flexibility in dealing with management scenarios, including liberal as well as restrictive measures. Because we are dealing with recreational fisheries, the tools need to be subject to annual review.

Over the past decade there has been a relentless effort on the part of the Council to impose restrictions on charter boat operators, and sport anglers on charter boats, to curtail and reduce the recreational catch of halibut in Alaska.

The long term projections by both the Council and the Alaska Department of Fish and Game were for an upward trend in guided sport halibut catch in Area 2C. However, final recreational catch data for 2006 shows the upward trend has stopped. Preliminary catch information for 2007 shows a downward trend continuing. The final guided recreational catch for 2007, would likely fall below the targeted Guideline Harvest Level for Area 2C.

We believe the restrictions imposed by the Council, for 2007, were effective in decreasing the recreational harvest, for two reasons. First, the average size of sport halibut caught decreased because of the under 32 inch restriction for one halibut in the daily bag. Second, the restrictions, themselves, served as a deterrent. As we had previously testified, the sudden manner in which the restrictions came about causes uncertainty among recreational anglers when booking future trips, and they may well elect to spent their time and money elsewhere.

Because of the "looming" four annual limit, the upcoming 2008 season may reflect a more dramatic shift of effort outside of Area 2C than 2007, when people already had their reservations made; thus effecting less fish caught. However, an annual limit will also have a strong adverse effect by creating long-term negative financial impact for our industry. And long-term negative financial impacts are not easily corrected. This is of particular concern to long-time operators and multi-day lodges with established repeat clientele.

The last thing any business needs is a doubtful customer. All of our hard earned efforts in building a successful business and satisfying the recreational angler are easily overshadowed by a government ruling, which casts uncertainty into the picture. A four annual limit is outrageously unfair to guided sport anglers, and we urge you to reconsider the 2007 status quo for 2008.

The second reason causes us greater concern. The Council needs to analyze the relationship between the 2007 restrictions and the decrease in the guided sport catch, before imposing new restrictions. Once again, the council direly needs a current comprehensive, economic analysis of the recreational industry, in order to make good decisions.

We believe discussing tools to limit the recreational access, such as a four-fish annual limit, are premature. However, if the Council wishes to fill its toolbox, we suggest the Council directs its staff to also analyze liberalizing measures and timely mechanisms to increase the recreational harvest in Area 2C, in case the 2008 recreational harvest falls below the Council's GHL.

Thank you for your time and attention.

Sincerely,



Theresa Weiser
President

Cc: James Balsiger, NOAA Administrator, Alaska Region

November 28, 2007

North Pacific Fisheries Management Council
605 W 4th Avenue, Suite 306
Anchorage, AK 99501-2252

Members of the North Council:

My name is Bryan Bondioli. I own and operate Captain B's Ak. Adventures in Homer, Ak. I have been a participant in the halibut charter fishery since 1992 and have had my own business since 1997. I have invested my life in this business and have a constitutional right to continue the business I have built for myself.

I would like to preface my comments with a bit of charter halibut management history. Any and all action relative to restricting the harvest of guided sector fish (from 1992 until 2005) has been based on the speculation that the rapid and uncontrolled growth of the charter sector would jeopardize the integrity of the longline sector's investment. (even though 100% of the initial allocation was given; without investment.)

As evidenced by verifiable public data since 1995, the following statements can be analyzed as FACT: (Despite the "rapid and uncontrolled growth" of the halibut sector.

- 1) Since 1995, approximately 80% of the original commercial quota share holders have sold their quota shares to new entrants at a significant profit with zero initial investment.
- 2) The ex-vessel price for halibut has more than quadrupled. A 400% + increase in profitability.
- 3) The value of quota share itself has steadily increased more than six fold in this same time period.
- 4) The longline sector has benefited from continual and astronomical increase in it's allowable catch far above and beyond it's original allocation.

It is quite obvious based on these verifiable facts that the "uncontrolled growth" of the charter sector has caused economic damage to the longline fleet.

I caution this Council to act and evaluate the halibut resource based on Factual and Verifiable data instead of based on speculative futures and trends.

2008 Area 2C GHL Actions:

In June, the Council moved to implement a 4 fish annual limit, line limits, no harvest by skipper and crew and a second fish under 32 inches for the 2008 season in Area 2C, assuming the GHL is not adjusted downward due to a drop in total CEY. This decision was based on ADF&G preliminary harvest data indicating a 2006 harvest of 2.029 million pounds in area 2C.

In September, ADF&G released a 2006 final area 2C harvest estimate of 1.804 million pounds, meaning that harvest projections used in the Council's decision making were erroneously high by 225,000 pounds.

In November, Council staff submitted a supplement to the 2C GHL analysis, based on the final 2006 harvest estimate. This supplement indicates that replacing the four fish limit with a six fish limit best matches the original GHL range selected by the Council during final action in June.

I strongly urge this Council to consider replacing the four fish limit with a six fish annual limit.

It is imperative to our industry that this Council does as much as possible to preserve a daily bag limit of two halibut per day, retain a historical length of season and precludes any in-season management measures. Therefore, I also strongly urge this Council to change its previous June 2007 decision from the one halibut per day bag limit for area 2C if the GHL is triggered down by the stair-step provision due to an IPHC biomass adjustment. Recreational anglers on charter boats must retain the expectation of catching two fish while providing for a reasonable harvest target for this Council. Preserving anglers' expectations is crucial to the viability of our industry, and the economic well-being of our coastal communities.

Timely and Accurate Data Collection

I believe that in order to effectively manage the charter harvest within an allocation, it is imperative that verifiable final harvest data is available before the following year's catch limits are set by IPHC. The delayed feedback loop caused by the late availability of final harvest data makes informed management within a fixed allocation difficult if not impossible. I strongly supports incorporation of individual angler daily harvest records as a means to validate charter logbook entries, thus shortening the feedback loop by almost a year.

Allocation Amount and Type

I support adoption of an allocation and allocation type that gives the charter sector the greatest security against swings in exploitable yield and IPHC policy. Client availability, a well defined season length, and limited transportation and lodging prevent the charter

sector from being able to take advantage of large increases in CEY. A large portion of the sector takes reservations well in advance of annual IPHC TAC setting, making it very difficult to react to sharp decreases in TAC. Finally the charter sector deals in fish and not pounds, implying that a change in average fish size affects the total number of catchable fish and hence the number of fishermen the sector can take fishing. I firmly believe that the only viable option which could provide interim or long-term stability to the charter sector is to provide a fixed allocation as a baseline from which to work onto the future.

Given the limited options, I support adoption of an initial allocation of 1.9 million pounds for area 2C and 4.15 million pounds for area 3A, since these figures are derived from the most recent harvests, giving the sector the best chance of not starting out "in the hole." Our industry's success as well as the success of many related tourism industries is tied to maintaining a historical two halibut daily bag limit, and preserving a historical length of season. We strongly feel a much needed comprehensive social-economic study will demonstrate this fact.

Permanent Solution

I do support a permanent solution that keeps the charter catch within its allocation with a minimum of North Council regulatory actions and minimal disruption to the charter sector's traditional length of season and harvest limits.

I support a permanent solution that holds the resource in trust for the fishing public to enjoy on the fishing vessel of their choice. I do not in any way, shape or form support any further privatization of the American Public's resource. Once was ENOUGH!! Current Federal Law clearly states that the ownership of the halibut resource belongs to the American people and does NOT belong to the longline sector.

Compensated Allocation

In order to maintain a viable and healthy charter market, the participants within the charter sector must be allowed to operate under a stable and predictable allocation. Considering the fact that the charter sector has had very little impact on the halibut biomass, it would be inappropriate to impose an allocation that would be immediately subject to decline.

In order for fledgling operators and recreational anglers to feel secure and confident investing in a compensated reallocation scheme; the initial allocation MUST be sufficient enough to maintain a historic length of season with a traditional 2 fish/day bag; and MUST be fixed until such a time as there is a true biological concern.

If given an appropriate baseline for stability, I would be willing to support a compensated allocation mechanism that allows the charter allocation to grow beyond its initial allocation by common pool purchase of commercial QS or IFQ and to support that portion of the reallocation be fully floating subject to changes in the CEY.

Thank you for your careful consideration of these comments.

Sincerely,

Capt. Bryan Bondioli

Capt. Bryan Bondioli

Captain B's Ak. C's Adventures

P.O. Box 66

Homer, Ak. 99603

captainb@alaska.net

Greetings members of the North Pacific Management Council,

My name is Bert Bergman and I am here to testify about the ongoing halibut allocation dispute between sport and commercial fishermen. I own about 5000lbs of 2C halibut.

Once again despite some attempts to manage the guided halibut harvest the sport allocation has been exceeded in area 2C. Please take steps to keep guided harvest within allocations as promised.

It seems that some variation of the one fish limit combined with an annual limit is the only tool that will keep the charter fleet in their allocation. Perhaps by allowing charter clients to catch 2 fish on one day of their trip to allow for weather considerations would be a workable solution. I would respectfully remind the council of testimony from some charter operators in Sitka last June that stated their business would not be negatively affected by the one fish limit. People will still come to Alaska for the total experience, not just for full fish boxes to sell to their neighbors back home.

Long term this allocation dispute needs a free market solution that transcends witch industry group looks the best at any particular council meeting or who can cut the best back room deal. I have no objections to the lease of commercial quota option for charter operators that wish to avoid restrictions for their clients. However for the 50 year solution I believe that compensated allocation is the best idea.

Compensated allocation is only possible because the halibut fishery is under an IFQ management system. In my opinion compensated allocation can only be applied equitability because of IFQ's. Yes it is harder to set up, but long term offers the fairest way to deal with charter harvest growth while recognizing the investments that quota holders have made in their communities. Coastal communities with the best economies are the one's that maintain a diversified fleet in their harbors.

Finally I would like to speak to the notion that commercial fishermen can adapt easily if the sport/commercial allocation is changed. True I can just buy more quotas if the charter fleet reduces my catch. At 25-30 dollars a pound for halibut shares the added investment would require once again my family to sacrifice financially and with less personal time at home. It seems like since IFQ's came about all I've been doing is longlining for free now, and hoping on the future return. But after 19 seasons of fishing I plan to have a few more ahead of me. The fishermen that cannot easily adapt are the guys that were my hero's growing up. Fishermen in their 60's and 70's depend on this income just to maintain their current lifestyle. For many physical problems mean that they already must lease on someone else's boat. How will these fishermen adapt? And let's not forget about all those young faces in Sitka that came to testify. In your 20's it often difficult just to raise money for a down payment for another loan with the pressures of starting a family, buying your first boat, and participation in other fisheries to subsidize your longlining. Like most things the old and the young are affected most.

Please continue on a path to compensated allocation and help me convince fishermen to peel off those tacky bumper stickers and make peace with their neighbors.

Thank you for your time and service on the North Pacific Management Council.

Bert Bergman
Sitka, Alaska

A handwritten signature in blue ink that reads "Bert R. Bergman". The signature is written in a cursive style with a large, stylized "B" and "R".