

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

11/29/16

Agenda Item: Leasing of CHP permits

Dear Chairman Hull,

I'm Captain Duane Cummings owner and operator of BestDamnCharters, Inc. We operate two charter fishing vessels out of Juneau (area 2C) and have been in operation since 2010. Our client base is made up of people visiting Juneau either thru the many cruise ships that dock here or via one of the several commercial flights that arrive in Juneau each day. About 95% of our guests are one timers, they take one charter day with us for that particular year.

We started BestDamnCharters in 2010, the planning took place years before hand and was in motion well before the 2011 requirements. Having not been awarded any CHP permits has put a great strain on our business. Our end goal is to purchase the required permits, but investing hundreds of thousands of dollars at startup (boats and equipment) has left us unable to purchase the expensive CHP permits. We therefore rely heavily on leasing the required permits in order to do business. Recent rumors and facts floating around about the impending leasing changes has done nothing but increase CHP permit costs, either to lease or buy. CHP permit lease costs have tripled in the last two years and CHP permits for sale are either nonexistent or priced beyond reason.

The proposed elimination of CHP permits and/or changing the leasing of permits will have very little impact on the number of charter caught halibut. According to the study by ADF&G "Charter Halibut Permit Usage Discussion Paper" dated December 2016, in area 2C the majority of halibut trips taken are from the top 31% of the CHP permit holders. Fully 24% of the CHP permits took 20 or less trips in 2015 with 15% of the CHP permits taking 0 trips. This indicates a top loaded distribution of the data. In other words 30% of the CHP holders take 75% of the halibut trips and presumably the halibut. The majority of these top 30% are not leasing their permits. This data indicates leasing is not the problem or the answer.

In closing, I support continued leasing of CHP permits as is.

Regards,
Captain Duane
BestDamnCharters

Chairman Dan Hull

North Pacific Fishery Management Council

605 West 4th, Suite 306

Anchorage, Alaska 99501

11/29/16

Ref: CHP leasing Paper

To Whom It May Concern;

My name is Chris Conder; I own and run Rum Runner Charters in Juneau, Alaska. This is our 25th year. I understood that the paper regarding Halibut leasing was being released at this meeting and would be open for discussion. I also understand now, that the council might take action on this paper at this meeting. With the late release of this paper and the data contained within, this gives less than 24 hrs for written comment. It is tough to process the information contained, consider all the implications and respond in such a short time frame. I would urge the council to allow time for the community to consider the information within and be allowed time to respond.

If I understand this paper correctly, the elimination or limiting of leasing would make very little difference in the latency of a given area and none what so ever to quotas, especially in South East. NMFS tone throughout this paper seems to discourage the council from taking action on leasing as it would be costly, disrupt businesses and be hard to enforce. It is also my understanding that every charter boat association in coastal Alaska has come out against changes to leasing, being as this is an issue that only affects Charter Boats that must be considered.

To terminate or greatly restrict leasing would seem to benefit only a few who want more for fish themselves at the expense of the smaller Mom and Pop businesses and new businesses who cannot afford to buy a Halibut Permit outright. This seems mean spirited as it has nothing to do conservation of the stock, just potentially increasing the limits for those with the remaining permits. There also seems to be a misconception that there are permits available (both for sale and lease); I would encourage the council to go online and review the sites that do commercial sales of CHPs. There is almost nothing available. Those that are, are out price range for most small businesses, especially new ones, leasing being the only affordable option. Should there be a stop or restriction to leasing, we would see the price of CHPs sky rocket and the only ones being able to afford the few available would be the big lodges.

In my case, I have two boats in my company. I own a 6 person CHP and I lease a 4 person non-transferable permit. Currently, my business like most small companies in South East does a variety of different excursions; Halibut, salmon and whale watching and combinations, about a third of my trips deal with Halibut. Our trips are currently private trips, most chartered by middle class couples or families on their once in a lifetime trip. We often have trips with just two or three folks on board. Should I lose the ability to lease that second permit, I would have to change my business model, one boat would become strictly halibut fishing, sold by the seat. With the reduction of boats available to fish halibut in the South East due to loss of leasing, my boat would likely be doing two trips a day at full capacity, taking more halibut per season than my company does now. I think this would negativity affect latency.

I personally know several small respected charter companies, that have been established for years restriction or loss of leasing would put them out of business.

I urge the council to not take any action leasing of active permits or to hold off any action until adequate time has been allowed for public review and comment.

Sincerely,

Chris Conder

Rum Runner Charters



NPFMC comments - NOAA Service Account <npfmc.comments@noaa.gov>

CHP leasing comments

1 message

Louis Juergens <aktrophy@gmail.com>
To: npfmc.comments@noaa.gov

Tue, Nov 29, 2016 at 12:51 PM

Dear Chairman Hull,

I am a small halibut charter operator in Juneau Alaska. I am writing to encourage you to maintain the status quo on any additional regulations to leasing out CHP. In my opinion, the current plan is working just fine. We have flexibility to lease permits to or from operators as necessary and it results in a higher quality fishing experience for our guests.

More regulation will only make it more difficult for captains and business owners to operate. We have been making business decisions based on the rules in place and with a sudden change, it will cause a huge upheaval in the charter industry and be especially hard on the smaller operators with less financial abilities.

If there are problems with the current system, then we should work on penalizing those who are abusing it instead of making it difficult on everyone.

Please continue to allow both transferable and nontransferable CHP holders the ability to lease them as their business needs, I have been operating since 2003 and it would be a considerable constraint on my business if this was no longer available.

Thank you for your time,

Louis Juergens
[907-209-3233](tel:907-209-3233)

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RQE Comment Letter Assistance

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

November 29, 2016

Dear Chairman Hull,

We are the Juneau Charter Boat Operators Association. We represent 14 charter businesses and 3 lodges in the Juneau area. Most our member businesses operate in Area 2C and we do also have one member with a lodge that operates in both 2C and 3A. We have the following concerns when it comes to the Discussion letter involving the possible limitation of leasing of CHP's:

Currently most CHP's leased are done so by very small mom and pop type operators. This would be indicative of our membership. The limiting or cessation of lease opportunities for these operators would be catastrophic and would in no discernable way aid in the conservation of the halibut resource. It comes across as more punitive than anything else!

Throughout the Discussion letter NMFS discourages this action at this time because it would be difficult to enforce, costly to enforce, and detrimental to the businesses that would be affected!

The fishing data in the Discussion letter would seem to indicate also that taking this action would increase the possible halibut catch by forcing the remaining operators to take more trips...it's simple supply and demand...if there are less operators they will have to do more trips for that species. This is counterintuitive to the intent of the CHP program.

We also don't feel that there is compelling evidence represented in the Discussion letter to take action requiring annual registration of CHP's.

The Juneau Charter Boat Operators Association strongly opposes any limitation or cessation of the leasing of CHP's and we also strongly oppose taking any action concerning any annual registration of CHP's.

Thank you for your efforts in this matter.

Regards,

Capt. J. Kevin Burchfield
President
JCBOA



NPFMC comments - NOAA Service Account <npfmc.comments@noaa.gov>

Agenda Item 2C- Charter Halibut Permit Leasing

1 message

Matt Kopec <matt@fishwhittier.com>

Tue, Nov 29, 2016 at 4:45 PM

Reply-To: Matt Kopec <matt@fishwhittier.com>

To: NPFMC Comments - NOAA Service Account <npfmc.comments@noaa.gov>

North Pacific Fisheries Management Council
ATTN: Chairman Dan Hull

Chairman Hull,

As a long time owner/operator of Whittier Marine Charters/Whittier Boat Rental and member of the Charter Halibut Implementation Committee, I would like to briefly comment on the permit system.

Although I believe that the charter halibut permit system was necessary and has worked favorably in a number of ways, there are some current flaws that must be addressed if the industry is to have a stable future. Much like the old argument that halibut were being open endedly reallocated to the charter fleet, there is a current reallocation of sorts. Latent permits that are being brought into play are creating an unpredictable variable in the fleet's management. From my position, angler demand is high and permits that are transferred or leased from individuals who fished little, or not at all, to individuals who plan to fish a lot will pose a significant increase in effort. As long as the number of latent permits remains high and our allocation remains low, it seems reasonable to believe that the charter fleet runs the risk of exceeding it's allocation.

I urge you to consider management that will eliminate the leasing of non-transferable permits, possibly limit rarely used permits during times of low abundance, and look at other measures which may work toward dealing with this problem.

Thank you for your time and consideration.

Matt Kopec



NPFMC comments - NOAA Service Account <npfmc.comments@noaa.gov>

CHP limits

2 messages

Grantley Moore <grant@moorecharters.com>

Tue, Nov 29, 2016 at 7:51 AM

To: "npfmc.comments@noaa.gov" <npfmc.comments@noaa.gov>

To whom it may concern:

Regarding talk of future potential of limiting Charter Halibut Permits even more.

I own a permit now and lease a few others and will need to for years to come since they are too expensive to buy.

I would appreciate your help and listening ear of not making it harder and harder as a small business that I have. Depending on the summer I hire about 12 to 15 local employees every summer season for last few years.

If high limits are put on CHP permits making it not affordable for my business I'll have to shut down job for locals and that will harm my business and the local economy and possibly put me out of business.

Thanks Capt Grantley Moore of
Moore Charters
Juneau Alaska
www.moorecharters.com
907-723-8472

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*Captain Grantley Moore*Owner, *Moore Charters LLC*

Juneau, Alaska 99801

907.723.2260 | grant@moorecharters.com[Moore Charters Website](#)*Stop Wishing. Start Fishing!*

Grantley Moore <grant@moorecharters.com>

Tue, Nov 29, 2016 at 8:06 AM

To: "npfmc.comments@noaa.gov" <npfmc.comments@noaa.gov>

Attention: Chairman Dan Hull



North Pacific Fisheries Association
P.O. Box 796 · Homer, AK · 99603

To: Mr. Dan Hull, Chairman
North Pacific Fishery Management Council
605 West 4th Avenue Suite 306
Anchorage, AK 99510
November 29, 2016
Re: Agenda Item C2 Charter Halibut Permit Usage Discussion Paper

Chairman Hull and the Council,

The North Pacific Fisheries Association (NPFA) was founded in 1955 and is a multi-gear, multi-species commercial fishing organization based in Homer, Alaska. Many of our members participate in the Halibut IFQ fishery and NPFA has been involved with the IFQ program management since its inception. Our members spent a lot of time participating in the creation of the Halibut Catch Sharing Plan and remain direct-users of the halibut resource.

NPFA appreciates the effort that went into the Charter Halibut Permit Usage Discussion Paper and we have not had time to digest the contents of this document due to its late release. We are commenting to support the expansion of this paper. Our initial review of the document raises concerns with many of the issues identified within which should require further careful examination. Annual registration is crucial and we look forward to solutions that would limit the use of non-transferrable permits and clean up the leasing of all charter halibut permits.

Thank you for your consideration,

A handwritten signature in cursive script that reads 'Malcolm Milne'.

Malcolm Milne
President, North Pacific Fisheries Association



Chairman Dan Hull
North Pacific Fishery Management Council
605 West 4th, Suite 306
Anchorage, Alaska 99501
npfmc.comments@noaa.gov

Re: C2, Charter Halibut Permit Leasing

Chairman Hull,

SEAGO is a non-profit dedicated to the sustainability and profitability of the sport fishing industry in Southeast Alaska. SEAGO works to promote the tradition of sport fishing in Southeast Alaska through reasonable regulations that ensure the long-term sustainability of our members' businesses and fish resources.

In the interest of conserving, maintaining, and enhancing the halibut fishery, the charter industry wants to take steps to improve its management while maintaining its economic appeal. SEAGO hopes that upon review, the Council sees the need to ask staff to expand the existing discussion paper. While the discussion paper on begins to cover the unforeseen consequences of the Charter Halibut Permit (CHP) program, it requires an expansion to fully address concerns and solutions coming from the industry.

These solutions cover leasing, tracking the use of permits, ownership caps, and the issue of latent permits.

Leasing non-Transferable CHPs

SEAGO and its members request that the Council staff expand its discussion paper to address an "owner on board" provision or other restriction for non-transferable permits.

Originally, non-transferable CHPs were assigned to small business owners with fewer historical trips in order to include these small operators in the fishery and avoid a sudden reduction in the charter fleet. The Council's intent was to give these businesses a chance to prosper and purchase additional CHPs or cease use of their CHP when the individual or entity no longer existed; however, this has not been monitored since its inception. The industry is aware of various issues with absentee CHP owners, deceased owners whose non-transferable CHP are in use, and use of leased non-transferable CHPs significantly beyond the original trip estimation. An "owner on board" provision is a practical alternative to defining and prohibiting leasing, a challenge for federal regulation drafting and enforcement.



Tracking Usage

SEAGO and its members request that Council staff expand the discussion paper to address a requirement of registration to allow operation using a CHP. Charter operations already annually renew guide licenses, business licenses, guide business owner licenses, insurance, moorage, drug testing requirements, and more. Adding an annual registration for CHPs could be a simple, quick, and cost neutral addition. The simplest way to make sure that a business is operating with the proper licenses and permits is to require registration to allow operation.

Ownership Caps

SEAGO and its members request that Council staff expand the discussion paper to address an ownership cap requirement. Industry has already seen the use of loopholes allowing adult family members to own significant numbers of CHPs, essentially allowing big business to take opportunities from smaller, viable businesses. These operations do not fall within the Council's original intent for the CHP program. SEAGO hopes that Council staff can identify and discuss more stringent measures to discourage this type of consolidation in the industry.

Latent Permits

SEAGO and its members request that the Council staff expand the discussion paper to address mechanisms for controlling latent capacity. Best management practices require that NMFS and ADF&G collect and provide comprehensive information. This information should reflect and address actual CHP use. As mentioned above, some CHP owners are leasing non-transferable permits which were historically used a fraction of the time for fewer trips and are now used at full capacity by a non-owner. Other CHPs are used fewer than 30 days per season, though they are assessed at full capacity. As a final example, since 2011 regulations have changed to prohibit Captains and crew members retaining halibut; however, the extra catch capacity is still built in to the original CHPs.

The 2C halibut fishery has been coming in under its allocation under the Catch Sharing Plan, and a reduction in latent capacity may allow changes in the reverse slot limit. Given the various reasons for latent CHPs and the opportunity to improve catch regulations in 2C, multiple control mechanisms should be reviewed by Council staff. These can include:

1. An analysis on freezing or limiting use of infrequently used permits at different ranges of trips, such as 1-30 trips, 1-40 trips, and 1-50 trips. This analysis should also consider stacking permits, selling permits, and leasing non-transferable permits.
2. A means of revoking originally issued permits which have been used on average 5 days per season or fewer since implementation.

SEAGO hopes that the Council will choose to direct staff to expand the existing discussion paper and consider the suggested changes to the existing CHP program. We understand the time and

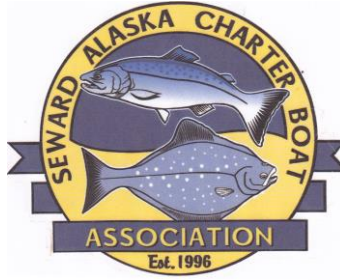


effort staff would have to direct towards this expansion. We feel that this time and effort will make a substantial contribution towards identifying and controlling capacity through obtaining the best data available. Having accurate data improves long-term management and reduces possible future conflicts with our friends in the longline fleet and other directed fisheries.

Sincerely,

Samantha Weinstein

Samantha Weinstein
Executive Director, SEAGO
Samantha@segoalaska.org



Seward Charter Boat Association
PO Box 693
Seward, Alaska 99664
November 29, 2016

North Pacific Fishery Management Council
Attn: Chairman Dan Hull

RE Agenda Item C2 - Charter Halibut Permit Leasing

The Seward Charter Boat Association was established in 1996 to advocate for the sustainability of the fisheries that the guided charter fishing industry in Seward, Alaska depends on. We currently have ten member businesses representing some 30 full time charter boats and associated sport processing and lodges that employ up to 160 full time employees.

Because the document was released right before the end of the comment period, we are going to highlight some of the challenges of the CHP program and some suggested solutions, so that hopefully the *Council will see the need to expand the scope of the discussion paper* to help our industry "clean our own house". I will address these concerns with no specific order of importance, since they all affect the fishery differently according to different operators.

We see a real need to figure out who is participating in the charter halibut fishery and who owns which permit.

Annual Registration - We did some research and have not found another limited access program that the Council implemented that does not have a regular or annual registration. We are already bound by law to annually renew our guide license, guide business owner license, state business license, moorage, insurance, drug testing program, and much more. Adding an annual registration to the CHP could be cost neutral, quick, and easy. This would allow fisheries managers to track permit sales, leasing, attrition, and would track and identify usage of the non-transferable permits. Further, this would force the retirement of non-transferrable permits that were no longer in use, had changed hands, or belonged to someone who was deceased.

Ownership Cap requirement: The CHP ownership cap still allows a family with two adult children to hold twenty permits. This is a loophole that we have already seen exploited by quickly growing operations. We are asking the Council staff to look at other ownership caps and perhaps identify a more stringent way to discourage consolidation in this way. It was not the Council's original intent to have big business come in and take over a number of smaller viable businesses.

Leasing of Non-Transferable Permits: While the document does show, just by the small number of non-transferable permits in use, that this leasing behavior may not be widespread we would argue it is still significant. If you consider that our sector's has been over our allocation for the last few years. The following illustration shows how, even ten permits can make a huge difference in keeping our sector within its allocation.

Example: Non-transferable permits being leased to full-time operators –

Average 6 passengers for 70 days per year = 420 passengers x 2 halibut = 840 halibut x 12.63 pounds average weight = 10,609 pounds per vessel.

At 10,000 pounds per vessel, eliminating 10 non-transferable permits which had been put into service (permits leased from people who are no longer in business, operators who have died, or businesses that have changed structure) would cover our 2016 overage. Perhaps a permit owner signature on the ADF&G logbook (daily), an owner on-board provision, or a regional restriction to non-transferable permits would prevent leasing.

Latency:

The charter fleet is aware that a fixed allocation in combination with large number of seldom-used permits is a quick recipe for more of the "tragedy of the commons" type suffering. The CSP allocation was designed with the current fleet size in mind. In fact, in the process of indexing the charter fleet to the same abundance metric as the Longline fleet, the 3A charter allocation was reduced by almost a million pounds. Our existing fleet, despite taking drastic reductions, has yet to meet the allocation set by this Council. Allowing latent permits to be activated or for their use to be expanded is only making this problem worse. Unfortunately, the analysis does not break down usage to a fine enough degree to use this information to consider this option.

We ask the Council to direct the staff to look into creating a "limited use" charter halibut permit. We would suggest picking an average number of trips that the Council would think represented limited usage – like 20, 30, 40, or 50 trips. Use this

as a number in which the Council could take any originally issued (not one that had been sold) fully-transferable permit used less than say 40 days and turn that permit into a "limited use" permit. The owner could sell, use, or lease the permit but the permit could not be used more than the set number of days, at least at low levels of abundance. The Council could, at a future time when abundance is higher, consider adding more capacity to the limited permits. This action would help, in conjunction with the other measures, to identify the known universe of permit holders, limit growth during times of low abundance, identify consolidation, and identify the total possible harvest capacity of the charter fleet.

The gain from these actions would allow more accuracy in catch estimation, it would help define the participants in the charter industry, and it would help ensure long-term stability and viability for our industry. While this represents a significant "ask" of Council's time and effort, we feel that getting good data and identifying and controlling capacity are important priorities in order to achieve long term stability to the charter fleet and to reduce possible future conflicts with other user groups.

Respectfully

Steve Zernia
President,
Seward Charter Boat Association