

CHARTER HALIBUT STAKEHOLDER COMMITTEE

Minutes Anchorage, Alaska October 16 - 18, 2006

Dr. Dave Hanson, Chair

Seth Bone

Bob Candopoulos

Ricky Gease

John Goodhand

Kathy Hansen

Kelly Hepler

Dan Hull

Larry McQuarrie

Rex Murphy

Chaco Pearman

Greg Sutter

Joe Kyle

The committee convened on Monday, October 16, 2006 at approximately 1 pm in the North Pacific Fisheries Research Board Large Conference Room. All members were present, except for Joe Kyle and Seth Bone (absent on Monday).

Status of the GHL Doug Vincent-Lang, ADF&G, presented the status of the 2005 and projected 2006 estimates of charter halibut harvests and the area guideline harvest levels. The 2005 harvests had increased in both areas. The Area 2C and Area 3A GHLs were exceeded by 36 percent and 1 percent, respectively. Two preliminary in-season estimates for 2006 were provided for review; a final estimate will be provided at the end of the 2007 season. The Area 2C GHL was projected to be exceeded by more than 40 percent and the Area 3A GHL was projected to be exceeded by approximately 8 percent in 2006. Different survey methods resulted in different average weight estimates, which drove the different estimates of removals. An additional half million pounds caught by skipper and crew were not counted in these estimates because those harvests were not used to determine the GHLs. The higher 2005 and 2006 estimates reflect a real increase in anglers and operators taking more anglers, particularly in Area 2C.

Committee members requested harvest estimates and average weights by port. Members noted differences in the 2006 season. Some noted that the average weight of halibut had decreased on their boats. Southeast operators reported increased competition from commercial setline gear, perhaps due to the increased price of fuel. Higher winds occurred this summer at Homer, resulting in fewer clients and more operators chartering closer to Homer. Dave Hanson asked ADF&G staff to provide additional data for trips and anglers to gauge what might be driving increased harvest. At the end of the meeting, additional data were provided, but they were not reviewed in committee.

Five-fish Limit Jason Gasper summarized NMFS' recommendations regarding the Council's April GHL action to implement a 5-fish limit in Area 2C. NMFS has requested that the Council reconsider the annual limit after reviewing details of administrative and enforcement costs. These include:

- An angler specific catch record linked to multiple vessels would be required by the Office of Law Enforcement (OLE);
- Federal use of the State charter logbook and angler license is the most cost effective and least burdensome method to enforce the limit;
- Use of State logbook and angler license would require a State legislative change to its confidentiality statute and authorization from the State to allow release of data to allow enforcement of State regulations by the NOAA Office of Law Enforcement;
- A Federal reporting program would be required if current or future State recordkeeping and reporting tools, laws, or authorities granted to OLE do not meet OLE requirements;

- Implementation of the annual limit would require an increase in NMFS staff resources or a redirection of staff from current management programs;
- Enforcement of the 5-fish annual limit would require a substantial increase in enforcement staff or a large reduction in the time spent enforcing other management regulations;
- Implementation of other management measures (e.g., charter moratorium program) may be slowed down because of the large amount of staff time required to draft regulations and implement the annual limit;
- The annual limit is not expected to lower charter halibut harvest to the GHL and in the future, if harvest falls below the annual limit, removal of the regulation would require proposed and final rulemaking; and
- The effectiveness of the annual limit may be undermined if the State does not issue an EO prohibiting the harvest of halibut by skipper and crew.

The Committee discussed the NMFS recommendation for the Council to reconsider rescinding its previous action. Members noted that proposed regulations would place an economic burden on operators for regulating clients' annual harvests. Kevin Heck, OLE, described cost sharing between State and Federal enforcement agencies. Congress allocated monies to the States for enhancing fisheries enforcement. NMFS administers the monies through a biennial joint enforcement agreement. Most of the funds are spent on dockside enforcement. Over \$1 million is allocated annually to the State of Alaska.

The Charter Stakeholder Committee recognizes that the halibut charter industry is growing more rapidly than originally projected. It believes that the moratorium/limited entry program needs to be the highest priority for action. The discussion paper on a five fish annual limit raises legitimate issues. The committee is most concerned that a review of the annual limit will slow down the moratorium/limited entry program process. In addition, an issue not raised in the discussion paper is that the multi-day/repeat client operator will bear the brunt of this management tool. The committee strongly suggests that the State proceed with legislation that allows sharing of data and cross deputizing of NOAA OLE officers and Alaska state troopers. The committee believes that the moratorium/limited entry program is the tool that is necessary first.

Status of pending legislation Doug Vincent-Lang summarized four pending State legislative proposals to address charter halibut management issues.

- Data sharing/confidentiality issues (would allow sharing of State logbook data with NOAA);
- A freshwater/saltwater charter stamp (\$5 - \$10) for guided anglers (aimed to fund an orderly transfer in allocation between commercial and charter halibut and salmon sectors). This compensated reallocation proposal would require a regulatory amendment to allow the State to hold halibut QS. Stamp revenue would be directed into a dedicated Fish and Game fund and could be used for halibut and/or salmon;
- The State is seeking delegated authority under an amendment to the Halibut Act to manage the recreational halibut fisheries;
- The State is pursuing limited entry (legislation not yet drafted) and will hold its own stakeholder meeting in mid-November. The committee was concerned that a State limited entry system could replace the proposed Council moratorium.

The Committee was encouraged by the State's plans to meet with charter industry to limit effort in the charter halibut fisheries. This led to the next report, which detailed how the Halibut Act could be amended to allow delegation of authority to manage the recreational halibut fishery, within guidelines recommended by the Council(s).

Proposed Halibut Act amendment Jay Ginter, NMFS, summarized his paper on proposed amendment to the Halibut Act to provide authority to State governments to manage Pacific halibut sport fisheries. Under a proposed amendment, the Secretary could provide executive authority to the State, after such recommendation by the appropriate Council(s). The Council(s) would analyze alternatives to revise the halibut regulations to provide such authorization. While NMFS is not proposing the language itself or such an amendment, staff has provided the language for the State to review. A 60 day advance notice is proposed to allow for review for potential inconsistencies by NOAA, so that sufficient time is available for the Federal government to substitute its own action. Once the Board of Fisheries adopts an action from its “toolbox,” then NMFS would review the action for 60 days to determine if the tools are appropriate. A joint meeting of the Council and Board could frontload the review.

Kelly Hepler, ADF&G, reported that the State of Alaska does not intend to seek authority for setting sector allocations; that decision would remain with the Council. Delegation would encompass the management tools for implementing regulations that would limit harvest to such allocations. The committee questioned whether non-guided recreational fisheries should be included in the delegated authority, and it was noted that this statutory change would also affect Washington, Oregon, and California, which do have non-guided angler allocations. The North Pacific Council could limit its delegation of authority to only managing the charter fishery to stay within its allocations, while the Pacific Council may wish to delegate management of both guided and non-guided fisheries to the States in accordance with its catch sharing plan.

The committee and staffs agreed that the Federal and State agencies should develop a close working partnership to assure consistency of State and Federal regulations, so that rescinding the delegation of authority is not necessary or required. Any appeals to the Federal government that State statutes, regulations, or actions are not consistent with the Halibut Act must first go through NMFS administrative review.

The Charter Halibut Stakeholder Committee believes that state delegation is a potentially valuable tool that would work with some of the options of the permanent solution and the moratorium the Stakeholder Committee and Council is working on. However, we do not support state delegation being used as a stand alone solution in place of the moratorium and permanent solution the Stakeholder Committee and Council are working on. The Council needs to complete its obligation to the charter sector and commercial sector for a long term permanent solution.

The Committee recommends that any delegation of authority exclude the allocation between sectors and that this remain the responsibility of the Council, and that any delegation be for the charter sector only, and that the Council retains oversight of any delegation granted to the state.

Moratorium Jane DiCosimo, NPFMC, reviewed the moratorium alternatives and issues, as adopted by the Council in June 2006. The Council’s June motion includes committee and staff recommendations. She reviewed staff recommendations for streamlining options. The committee accepted staff recommendations for revising language under Alternative 2 issues and options, including clarifying comments in the footnotes.

In reviewing the moratorium discussion paper, Ms. DiCosimo pointed out that data does not exist to differentiate between inspected and uninspected vessels, which are referenced under Alternative 2, Issues 7 and 12. Issue 7 was intended to implement different limits on the number of clients that may be taken charter fishing (as an endorsement to the proposed charter moratorium limited entry permit) for inspected (6-packs) and uninspected (larger) vessels. Specific committee recommendations to requests for clarification by staff are identified below.

Issue 7

Given the lack of information on inspected and uninspected vessels, the Council will need to provide additional direction regarding how they want to define how many clients a vessel will be allowed to carry. In response, the Committee recommended that references to inspected and uninspected vessels be deleted from Issue 7 and that the analysis consider setting a permit endorsement equal to the highest number of clients, but not less than 4. The committee noted that such endorsements could increase latent capacity above “typical” levels of clients per vessel, but would address some aspect of latency by not automatically granting all 6-pack permits a 6-client endorsement (for example, a Southeast operator that could take 6 clients, usually took 2 clients, but occasionally took 4 clients would get a permit endorsement of 4 clients). That permit would have a permanent endorsement of 4 clients. The committee questioned whether to allow more clients (rods) than were used, but concluded that a future share-based system would still allocate a share of the fishery based on historical participation, except for those proposed to be allocated to community entities.

Issue 8

The Council has been requested to state its intent regarding whether stacked licenses are permanently joined together, or if they can be separated and moved to other vessels with the characteristics they were initially issued. The committee recommended that stacking of permits be allowed, and that stacked permits be separable. The committee concurred with the staff conclusion that stacking permits would reduce the number of vessels that may carry clients, but it would not reduce the total number of clients that could be carried. The committee recommended that each stacked permit must meet the minimum trip threshold to remain valid each year, and that a business may not hold more than 1 permit beyond the capacity of the vessel on which it will be assigned to discourage stacking and hoarding of permits that may be needed by the fleet. Only permits could be stacked and unstacked. An endorsement can not be separated from its permit.

Issue 10

- The Council may wish to clarify how the minimum landing criteria is defined. Two options have been identified as the possible meaning of this option.
 - 1) A permit would be issued to the business owner for each vessel that met the minimum requirement of 1, 5, 10, or 20 bottomfish logbook trips in 2004 or 2005, and participation in the year prior to implementation; or
 - 2) Each business that reported a minimum of 1, 5, 10 or 20 bottomfish logbook trips during 2004 or 2005, and had participation in year prior to implementation, would be issued a permit for each vessel they currently own and operated during the qualifying year(s).

The committee clarified that under either approach, the permit would be issued to “the registered business owner.” The committee recommended a blending of the two approaches above, such that the business would be subject to the minimum number of bottomfish trips (summed for all vessels), but each individual vessel would not need to meet the threshold. For example, a business could have 3 vessels with 6, 10, and 8 trips, respectively (total trips = 24). This would result in the business receiving 1 permit under a 20 trip minimum; 2 permits under a 10 trip minimum; and 3 (only three vessels in the example so only 3 permits could be issued) permits under a 5 trip minimum.

The committee agreed that a minimum threshold of 1 trip was too low to qualify a business owner into the limited entry program; however, there was not consensus to recommend deleting it in committee since that would greatly reduce the number of eligible permit holders; instead, the decision was deferred to the Council. It noted that its blended approach would result in additional permits being issued for vessels that were used to replace an inoperable vessel during a season or

those used to augment its fleet during peak periods. It discussed whether the Council should adopt a certain trip threshold for a business' first vessel, and a lower threshold for each vessel beyond its first.

Committee members expressed concern about situations in which owners replaced vessels during the qualifying years and that some history could be lost as vessels are transferred. Staff explained that the key to understanding the proposed limited entry program is that qualification accrues to the owner of the business that submitted the logbook, and not to the vessel. Qualification for a permit is derived from activities of a specific vessel. The nexus is the logbook record of each vessel operated by a business. Once a permit is issued to the business that operated a vessel, the permit is independent of that vessel and may be used on any vessel. Therefore, a business owner would be granted one permit if s/he filed the minimum number of logbooks required for: 1) Vessel A in 2004 and year prior to implementation; or 2) Vessel A in 2005 and year prior to implementation; or 3) Vessel A in 2004 and Vessel B in the year prior to implementation; or 4) Vessel A in 2005 and Vessel B in the year prior to implementation.

The committee also noted that some businesses employ replacement vessels (when the main vessel fails) for which businesses filed separate logbooks. Those businesses would earn a permit for these replacement vessels; those permits could later be transferred to another business or increase the capacity of the original business. This could be mitigated by applying minimum eligibility criteria to reduce latent capacity under Issue 10.

- *It is assumed that the one year of ADF&G halibut/bottomfish logbook activity refers to the owner and not the vessel.* The committee concurred.

Issue 11

This alternative also does not address how the minimum activity is calculated. For a business that owns a single vessel it is obvious. The vessel and the business each have the same number of trips and that number must be equal to or greater than the minimum number selected under Issue 10. However, if a business owns three vessels, must all three vessels meet the minimum trip requirement in Issue 10, or does just the business need to meet the minimum trip requirement? Does the trip requirement change if the permits are "stacked" as allowed under Issue 8? The committee recommended that the same method for determining minimum trip activity under Issue 10 be applied under Issue 11.

Issue 12

- The Council may want to reconsider its use cap alternative (relative to differentiating between inspected and uninspected vessels) since it cannot be analyzed. If the Council elects to proceed with the alternative as written, NOAA Fisheries will need to collect vessel class information, perhaps as part of their permitting process, to enforce the proposed caps. The committee recommended that references to inspected and uninspected vessels under Issue 12 be deleted, and that use cap options of 1, 5, or 10 permits be analyzed for all vessels.
- Should the Council proceed with the alternative as written, the Council must state its intent regarding whether the use cap options for permits on uninspected vessels are mutually exclusive or additive with the use cap options for the inspected and uninspected (>100gt) vessels. In other words, if Option 3 is selected for both types of vessels, can an owner hold 10 uninspected vessel permits and 3 inspected vessel permits? Or must the owner choose which type of vessels they want to operate and be limited by the 10 uninspected vessel permits or the 3 inspected vessel permits? This point is moot under the committee recommendation to delete the inspected and uninspected categories.

Nicole Kimball, NPFMC, reviewed the discussion paper on community options (Alternative 2, Issue 13). The Committee responded to questions posed in the paper. The committee recommended that any gifted (Options 2 or 3) permits should not be transferable (i.e., sold). Permits provided from the non-renewed pool under Option 3 would return to that pool if unused by a community. The Committee discussed adding an option to issue permits to only those communities with no current charter operators, in order to minimize competition with existing businesses. However, the committee did not recommend adding an explicit option, as it is already included in the range to be analyzed.

The Committee made the following recommendations on Alternative 2, Issue 13, Options 1 – 3:

Option 1

- The Committee recommended that CQEs be subject to the same overall use caps as any other permit holder (use caps are selected in Issue 12). The Committee also recommended eliminating the ‘inspected’ and ‘uninspected’ permit designations, thus, the staff assumption would not be relevant.
- The Committee recommended that the overall use caps for CQEs (see above) be inclusive of any permits purchased under Option 1 or received under Option 2 and/or Option 3.

Option 2

- The intended beneficiary of the provision is the CQE representing the community; therefore, delete “on behalf of a community resident.”
- The language is recommended to be revised as follows: “A CQE representing a community, in which 5 or fewer active charter businesses terminated trips in each of the years 2004, 2005, and prior to implementation, may request a limited entry permit...”
- Change the definition of “active” charter business from 20 or more bottomfish trips to mirror the preferred alternative selected under Issue 10 (i.e., 1+, 5+, 10+, or 20+)
- Apply separate use caps for gifted permits (Area 2C – 3 permits; Area 3A – 5 permits).
- Upon verification that the CQE is qualified, NMFS would distribute the requested permit to the CQE, without further qualification.
- The halibut charter permit issued to a CQE would be designated for the area (Area 2C or 3A) in which the community represented by the CQE is located.
- The halibut charter permit issued to a CQE would be endorsed for six clients (i.e., 6-pack).
- The CQE is not allowed to sell the permit.
- Requested permits must be used within the first full season after receiving the permit or it is not renewed by NMFS. CQEs can re-apply for permits in the future.

Option 3

- Amendment 66 communities that qualify under Option 3, but do not qualify under Option 2, should not be given a higher priority for receiving non-renewed permits under Option 3.
- Apply Option 2 community eligibility criteria to Option 3 (require 5 or fewer charter businesses per community; change definition of ‘active’ business to mirror minimum activity (trips) in Issue 10, Option 1).
- A non-renewed halibut charter permit could only be issued to a CQE located in the IPHC area for which the permit is originally designated. Provide more information in analysis of potential communities in Area 2C that regularly charter in Area 3A and may want an Area 3A permit.
- A non-renewed halibut charter permit issued to a CQE would be limited to 6 clients.

- Communities that qualify under Option 3, but do not qualify under Option 2, will be subject to the same use cap specified in Option 2.
- The CQE is not allowed to sell the permit.
- Requested permits must be used within the first full season after receiving the permit or it is not renewed by NMFS (permit returns to the ‘non-renewed permit pool’). CQEs can re-apply for permits in the future.

Allocation/Share-based Systems Jane DiCosimo reviewed the Council’s June 2006 suite of alternatives and options for an allocation and share-based system. Staff recommended reorganizing the alternatives into separate: 1) allocation and 2) share-based systems (permit endorsements or quota share program) actions, which could either build on or replace the limited entry permit program in the first analysis. The committee concurred with this approach to streamline the decision making process; however, the committee recommended that the allocation and share-based systems be provided in the same analysis. The committee recommended additional streamlining of options, which are described below.

Jonathan King, NPFMC contractor, summarized a paper on six discussion points associated with the allocation/permit endorsement alternatives. The points included availability and quality of charter halibut data; the committee did not provide recommendations on this topic. The remaining five topics, and committee recommendations, are described below.

Alternative 2 Issue 1 - Sector Allocation Formulas Under the committee’s recommendation for a revised Action 2, Alternative 2 to set an allocation between the charter and commercial sectors¹, a preliminary analysis using 2004 data predicted that some options would result in the charter halibut sector receiving more allocated halibut than they currently use. However, the 2005 data reveals that it is unlikely that any of the allocation formulas would result in allocations higher than current usage in Area 2C and that some of the allocation formulas would leave industry in that sector substantially short (up to one-third short) of current usage levels. Options 1a, 1b, and 2a would still allocate more halibut than current usage levels in Area 3A. However, early 2006 estimates indicate a jump in halibut consumption in Area 3A over 2005 levels. If harvest growth continues at this elevated pace the estimates of how long the sector in Area 3A would have “extra” halibut would shorten.

Alternative 2 Issue 1 - Sub-Area Allocations. The committee suggested that some geographical areas are not abundant in halibut during parts of the sportfishing season. Operators in these areas would not have access to halibut if sub-area boundaries or restrictions prevented them from fishing in certain areas, particularly in Juneau.

Alternative 2 Issue 3 – Mechanisms to Increase Charter Sector Allocation. The committee proposed a new funding mechanism for an orderly, compensated transfer of allocation from the commercial to the charter sector. This could be included as a variant of Option 3. It would involve pre-season leasing of underage allocations (up to 10% of individual allocation) by individual commercial halibut IFQ holders to a regional association. A regional association would self-assess fees that the State would collect. (The association administers the funds after the Legislature directs the funds back to the association. Any unused transferred allocation could be returned to the commercial sector (through either: 1) a pro-rata basis to all who pledged; 2) on a “first come/first served” basis; or 3) by lowest bid). Some preferred this proposal to the State charter stamp, because the latter involves species other than halibut. Economic arguments in favor of it accrue from fishermen voluntarily pledging part of their allocations rather than an uncompensated transfer, and the ability to forecast the need for a reallocation to compensate those who

¹ Alternative 2, Issue 1 in the Council’s June 2006 suite of alternatives.

pledge their 10%. Some members suggested that the Council could decide to reallocate 10% of every IFQ holding and to have the charter sector compensate them, although it would not be expected that every QS holder would voluntarily forego his/her 10%. This proposal is linked with Issue 2 Option 2 to allow overages/underages to be transferred across sectors. And the regional association model could also be applied to permanent QS transfers from individual commercial QS holders to increase the charter sector allocation (rather than just between commercial QS holders and individual charter operators under a QS program).

Agency staff expressed some initial reservations with the proposal. The underage and overage provisions of the commercial IFQ program are intended to balance accounts by the end of the season to stay under the quotas. Transferring underages (in total or in parts) could result in the commercial quotas being exceeded if overages are not balanced by underages within a year. Staff noted that a reduction in commercial harvests will shift a greater burden on remaining landings to cover the commercial IFQ fees; these fees will not be attached to charter harvests under either permit endorsements or a QS program. But this shift in fee structure would occur under any shift in allocation away from the commercial sector. Staff suggested that it would be simpler to allow leasing up to 10% of an individual's IFQ holding to a regional association, although it would raise policy issues regarding leasing of commercial IFQs.

Alternative 2 Issue 4 - Proposed Finance Mechanisms. The committee concurred with the staff recommendation to move this issue to an appendix, since it was unlikely that the Council would select a funding mechanism in its preferred alternative and provisions would not be promulgated into Federal regulation. However, it viewed the options as integral to the Council's selection of a preferred alternative. It requested an expanded analysis of the potential role of an organization equivalent to the regional salmon marketing associations. The committee felt that such an organization could play an important role in the compensated transfer of halibut between the commercial and charter sector, noting the example self-taxing in the British Columbia sport halibut fishery. It also requested expanded discussion of the use of the 10 percent underage used by most commercial operators as a potential source of halibut which could be leased to the charter sector. The committee requested a deeper discussion of the temporal aspect of short-term/long-term leasing and permanent sales between sectors and potential passenger stamp.

Alternative 3 Issue 2 - Permit Classes The committee was concerned about the amount of latent capacity that could remain under some of the limited entry options that have very low thresholds (e.g., 1); even the highest threshold of 20 trips per year is much lower than an average charter business runs. The committee requested analysis of the amount of latent capacity reduction that might occur under the permit class issue. Permit classes could be dropped later in the Council process if it is determined to be ineffective.

The committee noted that the first analysis is intended to limit new entry and that mechanisms to reduce latent capacity would be achieved under share-based alternatives in the second analysis. The committee noted numerous avenues capacity could be increased under a limited entry program: vessels could increase capacity by increasing number of clients, hours per day and half day trips can be expanded to 2 full days either by the initial recipient or to a second generation permit holder. The committee noted that clients guided by full day operators typically catch bigger fish and requested that ADF&G provide the number of operators fishing half days by port, with a description of this phenomenon.

Some members disagreed that increasing growth is coming from operators with latent or infrequently used capacity, and instead much of the growth is coming from moderately established permit holders taking 35 to 45 trips per season. Analysis of both issues would speak to the efficacy of permit classes as a method of controlling effort.

Alternative 3 Issue 3 - Share-Based Permit Assignments The committee agreed that the angler-day option would be more effective than a combined trips/rods option, or trips or rods singly. Therefore, it

recommended that the Council delete the rod and trip options from the analysis and focus on angler or “client-days” as an alternative to the QS program. The committee debated the definition of a “client day.” Several members argued that it would be better to call it a “halibut limit opportunity” rather than an angler day. Others said that it was important that the point at which an angler-day was “utilized” was when “bait touched the water” even if no halibut were harvested. An earlier trigger would result in wasted angler-days when trips became cancelled before reaching the fishing grounds because of bad weather. The committee noted that a half day trip is also the equivalent of one “client day.”

Alternative 3 Issue 6 - Communities The committee recommended removing all of the language under this issue, as it pertains wholly to community eligibility. Community eligibility is anticipated to be developed in the limited entry analysis. The committee recognized that it is necessary to keep the issue as a placeholder at this point, since options will need to be developed to determine how to assign permit endorsements to permits held by CQEs under Alternative 3. (Note that the community provisions necessary under the allocation/quota share analysis will be better understood once the Council selects a preferred alternative in the moratorium/limited entry analysis.)

Alternative 4 Issue 1 – QS recipients The committee accepted staff recommendation to revise Issue 1 so that eligibility to receive QS is linked to a limited entry permit. The committee agreed with the staff interpretation that data tied to the original recipient; upon transfer, would be linked to the current holder of the permit.

Other Topics The committee recommended that the analysis discuss the interplay between the unguided and charter sectors and growth trends in the overall charter sector. The argument here was that if charter restrictions become too onerous, it may force individuals to the unguided sector and the amount taken by this sector would still be taken “off the top” when the IPHC performs its annual calculations. Thus, the permanent solution may be less than permanent if the growth in the unguided sport sector creates similar problems to those by the charter sector.

Separate Accountability Jane DiCosimo summarized the ALFA proposal for the Council to recommend that the IPHC deduct the GHLs instead of charter removals to calculate the commercial halibut quotas. She identified the key points as outlined by the agencies in the April 2006 staff discussion paper. The Council is scheduled to consider the proposal again in December 2006. The committee reaffirmed its previous recommendation that the proposal is premature and is part of the long term solution.

State delegation The committee tentatively supports delegation of some authority for managing halibut to the State of Alaska, but has concerns about how broad the authority might be. Specifically, the committee recommends that allocation decisions should be reserved by the Council. The committee further commented that it would not support delegation of limited authority to the State if it meant that Council action on the proposed moratorium, allocation, and share-based systems would be discontinued.

Subarea allocations The State has proposed setting charter halibut allocations by subareas. Doug Vincent-Lang distributed hand-outs at the beginning of the meeting for committee members to review. Four major areas are proposed by each IPHC area. In Area 2C, the four subareas are: Northern Southeast Inside, Northern Southeast Outside, Southern Southeast Inside, Southern Southeast Outside. In Area 3A, the four areas are: Cook Inlet, Prince William Sound, Kodiak, and Yakutat. The intent is that areas with less client effort and charter businesses (e.g., Kodiak) would not be closed down due to harvests in areas with more client effort and charter businesses (Cook Inlet).

The Committee has many reservations with using sub-areas, but would like to see more text and tables on how the State would propose to use subareas in the Council’s proposed allocation and share-based systems. The goal would allow local solutions to local problems/issues, such as local depletion, but it also

could generate competition and conflict between communities where there currently are none. The committee requested that ADF&G staff provide data of businesses, vessels, anglers, harvests by proposed subareas to determine how effort would be allocated. The committee asked if subareas could be based on State statistical areas.

Next Meeting The committee would like to convene to review the draft moratorium analysis (tentative dates are January 29-30, 2007 in Anchorage) as its sole agenda item.

Staff Jane DiCosimo, Nicole Kimball, Jay Ginter, Jason Gasper, Phil Smith, John Lepore, Kevin Heck, Doug Vincent-Lang, Allen Bingham, Scott Meyer, Gregg Williams, Jonathan King (Northern Economics)

Public Bryan Bondioli, Ed Hansen