**Charter Halibut** The Council received a number of reports related to charter halibut fishery management, including reviews by its Scientific and Statistical Committee of two reports by ADF&G Sport Fish Division staff on charter halibut discard mortality data and estimation procedures for charter halibut, demersal shelf rockfish, and shark harvests. SSC comments are posted on the Council's website.

The Council reviewed <u>final estimates of 2006 charter halibut harvests</u> by ADF&G Sport Fish Division staff. The Area 2C charter harvest was 1.804 M lb, which is 26 percent over the Area 2C GHL of 1.432 M lb. The final estimate is about 225,000 lb lower than last year's projection of 2006 harvest. Last year's projection was high by 12.4 percent. The Area 3A charter harvest was 3.664 M lb, which is 0.37 percent over the Area 3A GHL of 3.650 M lb. The final estimate for Area 3A is about 284,000 lb lower than last year's projection of 2006 harvest. Last year's projection was high by 7.7 percent. The differences between the projections and final estimates are due almost entirely to differences in the numbers of fish harvested.

The Council reviewed a draft analysis of proposed measures to reduce charter halibut harvest to the <u>Area</u> <u>3A GHL</u> of 3.65 Mlb. The Council also reviewed a supplemental analysis that incorporated the final 2006 harvest estimates. The Council approved release of the analysis to the public and scheduled final action in October 2008, after final 2007 charter halibut harvests will be released by ADF&G. Potential management measures include: (1) No more than one trip per charter vessel per day; (2) No harvest by skipper or crew and a limit on the number of lines to not exceed the number of paying clients; (3) Annual limits of four fish, five fish, or six fish per charter angler; (4) Reduced bag limits of one fish per day in May, June, July, August, September or for the entire season; (5) Requiring one of two fish in a daily bag to be larger than 45 inches or 50 inches; or (6) Requiring one of two fish in a daily bag to measure less than, or equal to, 32 inches, 34 inches, or 36 inches. The public review draft of the analysis will be available in August 2008. The Council recommended, and the ADF&G Commissioner reported that he would issue, an emergency order for 2008 for the same line limits and prohibition on retention of halibut by charter skippers and crew as was implemented in 2007 in Area 3A.

The Council reviewed a preliminary analysis of options to set an <u>allocation between the charter and</u> <u>commercial halibut sectors</u> and options for a <u>compensated reallocation program</u>, in which a Federal, State, regional non-profit, or individual entity would be allowed to purchase commercial halibut quota shares (QS) for use in the charter sector. Elements of the compensated reallocation program were sent to the Halibut Stakeholder Committee as part of its development of a permanent solution to the growth in the charter halibut sector during its meeting on October 30 through November 1 in Anchorage.

The Council replaced the compensated reallocation approach with a <u>market-based reallocation</u> approach in the current analysis. 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 "<u>buffered hard cap</u>" 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. This will result in the charter industry "paying back" the commercial industry by the number of pounds by which it exceeded its allocation in a future year. In factoring such payback into its 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 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. Specific suboptions that were analyzed in previous GHL analyses would be included.

Due to the lag in implementation after an overage, 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. Individual moratorium permit holders would be allowed to lease commercial halibut IFQ, or use the IFQ resulting from commercial QS already in their possession, to allow their clients relief from those regulations that would be implemented for the common pool, so long as that relief did not result in less restrictive regulations than in place for unguided anglers. 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.

Staff will provide a report on record keeping, implementation, and enforcement issues related to the proposed allocation/market-based reallocation program in December 2007. Initial review of the analysis is scheduled for February 2008, with final action scheduled for 2008. Implementation would likely not occur prior to 2010 to facilitate implementation of the moratorium program in 2009, at the earliest. The Stakeholder Committee will also report on its recommendations for a permanent solution, along with comments on the market-based approach outlined above, and elements of the compensated reallocation program that were not moved forward by the Council in October. The Council's motion and committee meeting material will be posted on the Council's website. Staff contact is Jane DiCosimo.