

Council Motion
Halibut Charter Initial Allocation and Future Reallocation

10/5/07

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

Decision points for analysis are emphasized in green.

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 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 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 GHM.
- 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 GHL 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 GHL 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 GHL 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 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.

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

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 ½% 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 GHF formula)
b.	17.31%	15.44%	125% of the 2001-2005 avg charter harvest (GHF formula updated thru 2005)
c.	11.69%	12.70%	Current GHF 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 Mlb	3.65 Mlb	125% of the 1995-1999 avg charter harvest (current GHF)
b.	1.69 Mlb	4.01 Mlb	125% of the 2000-2004 avg charter harvest (GHF updated thru 2004)
c.	1.90 Mlb	4.15 Mlb	125% of the 2001-2005 avg charter harvest (GHF 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 GHF 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