<u>MEMORANDUM</u>

TO:

Council, SSC and AP Members

FROM:

Clarence G. Pautzke

Executive Director

DATE:

April 7, 1994

SUBJECT:

Halibut Charter Issue

ESTIMATED TIME

3 HOURS

ACTION REQUIRED

(a) Receive Report from Halibut Charter Working Group.

(b) Consider next steps.

BACKGROUND

In May 1993, the Alaska Longline Fishermen's Association (ALFA) submitted a proposal to initiate a regulatory amendment that would cap the guided sport halibut fishery in Alaska at 1992 catch levels. The proposal (Item C-4(a)) specifies that the need for action is a recent increase in the recreational halibut fishery, which has in turn reduced halibut available to the directed fishery. Under the current system, the sport catch (along with mortality from waste, bycatch, and personal use) is deducted from the overall halibut quota, and the directed setline fishery is allocated the remainder.

In September, the Council addressed this issue and received public testimony. Information indicated that the charter industry has grown and may be fully capitalized, and that some type of limited entry program might be appropriate for this fishery. A control date of September 23, 1993 was set to notice the industry that a moratorium on the guided sport fishery may be implemented. The Council also established a working group comprised of staff, three commercial fishery representatives, one non-guided sport fishing representative, and six charter vessel representatives to examine traditional management tools and identify potential alternatives for managing this fishery.

At the January meeting, the Council received a report from the Halibut Charter Working Group. The Working Group recommended that the Council evaluate regional management areas and a logbook program for charter vessels, an expanded creel survey, an individual annual catch limit (4 to 12 halibut per fishermen per year) for all recreational halibut fishermen, and the legality of restricting exports of recreationally caught halibut. The Council requested that the Working Group provide additional detail on these recommendations and tasked the Working Group to provide a clear description of regional charter operations and to develop suitable elements and options for a regional or statewide moratorium on new entry of halibut charter vessels.

The Working Group has since met in Juneau to discuss the proposed moratorium and make recommendations to the Council. The Working Group's report, attached as (Item C-4(b)), should assist the Council with determining whether or not to initiate an analysis of a moratorium or some other regulatory action for the guided sport fishery. Written public testimony regarding this issue is bound separately as Item C-4(supplemental).

Second Report of the Halibut Charter Working Group

to the North Pacific Fishery Management Council
April 1994

Background

In May 1993, the Alaska Longline Fishermen's Association (ALFA) submitted a proposal to the Council requesting that they initiate a Regulatory Amendment to limit harvests taken by the guided sport halibut fishery in Alaska to 1992 catch levels. ALFA used recent increases and projections in the recreational halibut fishery and the commensurate decrease in the halibut available to the directed fishery to justify the action. The allocation scheme for halibut is an issue because sport catch, personal use, and mortalities from bycatch and waste are subtracted from the overall halibut quota before the commercial fleet is allocated the remainder. Thus, when the biomass diminishes at the same time the sport catch grows, the commercial halibut quota is affected.

In September, the Council addressed this issue and received public testimony. Information indicated that the charter industry has grown and may be fully capitalized, and that some type of limited entry program might be appropriate for this fishery. A control date of September 23, 1993 was set to notice the industry that a moratorium on the guided sport fishery may be implemented. The Council also established a working group comprised of staff, three commercial fishery representatives, one non-guided sport fishing representative, and six charter vessel representatives to examine traditional management tools and identify potential alternatives for limited access. The Working Group met twice in 1993 to discuss these issues.

At its January 1994 meeting, the Council received a report from the Halibut Charter Working Group. The report recommended that the Council evaluate regional management areas, a logbook program for charter vessels, an expanded creel survey, an individual annual catch limit (4 to 12 halibut per fishermen per year) for all recreational halibut fishermen (whether guided or not), and the legality of restricting the amount of recreationally caught halibut that can be exported out-of-state. The Council requested that the Working Group provide additional detail on these recommendations for the April meeting. The Council also tasked the Working Group to provide a clear description of regional charter operations and to develop suitable elements and options for a regional or statewide moratorium on new entry of halibut charter vessels.

The Halibut Charter Working Group met in Juneau March 10-11 to discuss the issues and provide recommendations to the Council on how to proceed. Membership of the group differed from previous meetings due to substitutions and the addition of two charter representatives (Table 1). The meeting agenda included reports from the Alaska Department of Fish and Game (ADF&G), the Commercial Fisheries Entry Commission (CFEC), the International Pacific Halibut Commission (IPHC), and the National Marine Fisheries Service (NMFS). Public testimony was received from three people.

This report was written to summarize the Working Group's discussions and recommendations to the Council.

State Legislation - Paul Krasnowski (Director of Sport Fish Division, ADF&G) and CFEC staff presented a report on the status of state moratorium and licensing legislation. Legislation filed by Senator Taylor was developed to limit entry of charter boats. Problems encountered during legislation development include a lack of historical data on individual charter operators, and constitutional questions pertaining to the State's authority to restrict recreational fisheries. The focus of the bill then shifted to a vessel moratorium for vessels chartering for all species and waters, including freshwater. Again, data was lacking for this type of legislation, and constitutional questions remained unresolved. The draft legislation has been passed off to the House Resources Committee, but has not been formally submitted to the

legislative session.

Rather than continue to pursue moratorium legislation, Representative Williams drafted and filed a bill to require licensing of all sport fish guides. The bill defines sportfish guiding, sets a registration fee for guides, and empowers a committee to adopt administrative regulations to require reporting. The guide licensing bill (HB 496) was drafted specifically to address the lack of available data (e.g. participation records) for guided fisheries. The bill is currently under review by the House Resources Committee. As currently written, the fees collected through guide licenses (\$200 each) would go into the general fund, and then may be appropriated to state agencies for management purposes. Some charter associations support this legislation, but others do not. Associations not supporting the legislation would like to see collected funds dedicated to management of guided fisheries.

Export Limits - Jonathan Pollard (NOAA GC) advised the Working Group that export limits could not be imposed. NOAA CG finds that there is no compelling justification to discriminate against fishermen who want to ship their lawfully landed halibut out of state to other states or countries. Such a regulation raises problems regarding equal protection provided under the 14th amendment to the US Constitution, as well the Halibut Act, which prohibits the discrimination between residents of different states. NOAA GC suggests that regulations be imposed to address problems at the harvesting stage, rather than regulating the distribution of lawfully harvested fish. The Lacey Act criminalizes the transport of unlawfully harvested fish, and imposes marking regulations on all fish and wildlife (including those taken legally) shipped out of State.

<u>Logbooks</u> - The IPHC and ADF&G staffs are satisfied with existing catch and effort data for the sport halibut fishery. They questioned the objectives of a logbook program and believed that a logbook program would duplicate existing efforts, and that the data collected would probably not be verifiable. For example, dock sampling already provides age, size, sex, and catch rate information for halibut taken by the fleet. Staff also believes the cost of implementing a logbook program, along with data entry and analysis, would be prohibitive given budget constraints of fishery management agencies. While the Working Group deferred to staff with respect to recreational catch and effort data, the group generally wants more refined data on the charter industry that would be important for analyzing allocation issues. In fact, much of this information would be collected under the proposed guide licensing bill (HB 496). Although a logbook program (perhaps funded through Sea Grant) may provide some information on the charter industry, questions remained as to whether the information collected would be verifiable.

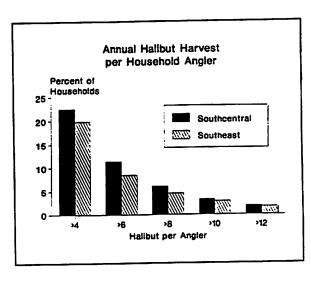
Harvest Surveys - The Alaska Department of Fish and Game (ADF&G) collects information about the sport halibut fishery through an annual mail-out survey, angler interviews, and samples of the sport halibut harvests. The mail-out (or postal) survey, is sent out to approximately 30,000 households with licensed anglers. About one-half are returned. The results are used to estimate annual recreational angler effort and their catch and harvest of major target species throughout Alaska. Managers are confident that estimates derived from this survey are accurate. The IPHC uses survey data to assess annual removals of halibut by recreational anglers fishing off Alaska. Additionally, survey data are used to evaluate possible impacts an annual catch limit would have on recreational halibut harvest and the proportion of the harvest and effort that is guided or non-guided at select ports. ADF&G also conducts angler survey interviews at some ports throughout Alaska. Returning anglers are randomly asked about their fishing success, areas fished, and whether they were guided or not. Data from these surveys are used to define areas fished by user groups, analyze effort and harvest by guided and non-guided anglers, and assess possible changes to daily bag limits. Also, a random sample of landed halibut are measured (sometimes weighed) and sexed and ear bones (otoliths) are removed to determine age. These data are used by the International Pacific Halibut Commission to determine the pounds of halibut annually removed by

recreational anglers and to estimate the size of the halibut population. These data are also being used to assess the effects possible size limits may have on recreational harvests.

Creel Surveys - A creel survey is a common method for obtaining recreational fisheries data. During creel surveys, anglers are asked about their effort and success and independent surveys of total effort are conducted. When combined, these data can be used to estimate total recreational angler effort and harvest. At some ports in southeast Alaska, the department conducts creel surveys to estimate the number of chinook salmon harvested on a daily or weekly basis. This information is required to implement a management plan which calls for inseason management of this fishery. Because the target of the survey is chinook salmon, the survey is designed to provide accurate estimates of this species. Anglers are asked about their halibut success; however, because the survey is not designed with respect to this species, incomplete or inaccurate estimates may be derived with respect to halibut. Creel surveys are generally expensive; for example, the southeast Alaska chinook salmon creel survey costs about \$500,000 annually. The department does not have plans to implement a creel survey for halibut in the future.

Annual Harvest Limits - Doug Vincent-Lang (ADF&G) reported on how many anglers would be affected

by instituting annual catch limits ranging from 4 to 12 halibut per angler. Data from the 1990-1992 ADF&G postal surveys were analyzed to assess the average number of halibut harvested by recreational anglers annually. Data indicate that most households (over 78%), that catch any halibut, take 4 or less halibut per Annual harvest per household angler annually. declines thereafter, such that only 2% of the households, on average, harvest more than 12 halibut A complete report on annual per angler annually. harvest limits is available through the Council office. The Working Group had no recommendations on annual harvest limits, but expressed concern about potential impacts on sport anglers who fished for subsistence. It was also noted that annual harvest limits may increase high-grading in the sport fishery.



IPHC License Trends - Calvin Blood (IPHC) prepared a summary of IPHC license data from 1989-1993. Licenses categories are commercial, sport, and both commercial/sport. Commercial vessels can be identified as active through the filing of fish tickets, but the IPHC database cannot identify active sport licenses. Trends in licensing of sport and commercial/sport vessels are illustrated in Figure 1. Again, these license trends may not necessarily reflect trends in the number of active charter vessels. A complete report is available through the Council office. It was noted that following the September 22, 1993 control date, 30 sport licenses were issued through the end of 1993. At least some of these 30 licenses were issued to charter operators who were previously operating not knowing they needed a license. Information about the 1994 applicants is not yet available.

Regional Areas and Fleet Characterization - Working Group members from the charter industry provided descriptions of the charter fleet in their respective regional areas. Fishing operations are described for most of the major ports. Many other communities (particularly in southeast) also have halibut charters, but little information was available regarding the fishery in these areas. Regional descriptions are summarized below.

Juneau - Only 4 boats charter primarily for halibut; most charters target salmon. Although there are 100 boats with IPHC permits to charter for halibut, many of these appear not to be active. Some truly active halibut charters do not have IPHC licenses. Local depletion occurred in the mid-1980's and vessels must now travel out to Icy Strait to get into good halibut ground. A large private fleet also targets halibut in Icy Strait and some local, less productive areas. Much of the charter industry relies on clients from cruise ships, and salmon is the primary target species. Many of the salmon charters hold IPHC licenses so that if a halibut is caught, it can be legally landed. Effort on halibut is not expected to increase with a new regulation of 1 salmon/day bag limit because of longer running times to the halibut grounds. Also, as with all southeast areas, vessels are limited to having only 6 lines in the water at one time. The number of charter operations has apparently not increased over the past 5 years.

Sitka - Half of the estimated 50-60 charter boats in Sitka are active full time. Almost all have IPHC licenses. The charter fleet targets both salmon and halibut and operates within 15 miles of town. In addition to lodge and day charters, the fleet take out a limited number of cruise ship clients on 4 hour trips. There are also several large boats making multi-day charters that depart from Sitka area. As with all fishing charters in the region, even the large vessels are limited to 6 lines in the water at a time. Some local depletion of halibut resource may be occurring, as evidenced by decreased sport catch rates. Although 120 vessels are licensed to charter by the IPHC, only slow growth in the number of active charter operations is expected to occur in future years due lack to infrastructure; however, a planned harbor expansion could contribute to new growth.

Ketchikan - Although 200 boats have IPHC permits, fewer are thought to be active. Most are day boats that target on salmon and take halibut as incidental bycatch. The "six line limit" restricts effort per vessel. Many of the day boats rely on cruise ships for clients. There are also a number of lodges in the Ketchikan area, including one large lodge that operates up to 24 vessels, and a floating lodge. The representative from Ketchikan reported that many of the vessels licensed were "write off the loss" (IRS) boats that will never become active in the fishery. Growth of the charter industry is constrained by a limited number of available slips, market demand, accessibility, and availability of hotel accommodations.

Valdez - A total of 32 boats actively charter in Valdez; 8 of these are full time and provide a primary source of income for their owners. Five vessels offer multi-day charters and the rest operate day trips. Although cruise ships visit Valdez, they do not remain in port long enough for the halibut charter fleet to attract clients from these ships. No fishing lodges exist in Valdez. The best fishing grounds for halibut are out past Montague Island, so fast (and expensive) vessels are required. The fleet expanded following the oil spill, but growth of the charter industry has since slowed.

Cordova - Only 2 charter vessels actively operate out of Cordova. A hotel is being built however, and some growth of the fleet may occur with an increase in tourism. Additional growth could occur if Cordova was connected to the road system.

Whittier - A total of 9 charter vessels actively operate out of Whittier, yet only 4 vessels focus on fishing; the others offer sightseeing charters. These are all multi-day charters. Productive halibut grounds are located some distance from Whittier. No lodges or other infrastructure is available in Whittier, so that growth in the charter industry is limited. Transportation to Whittier is by train only at this time; however, some growth in the charter fleet would be expected if

Whittier was connected to the road system.

Kodiak - There are over 60 boats with IPHC charter licenses in Kodiak, however only 30 have been identified as legitimate operations (those with all required licenses). Three of these are large multi-day vessels. Charters offer a mixed bag of fishing opportunities for salmon, rockfish, lingcod, and halibut. Hunting charters are also made by the fleet. An estimated 18-20 lodges include fishing operations around Kodiak. Although Kodiak also has a large private fishing fleet, it is subject to weather restrictions. Charter boats generally operate within 35 miles of town, but have been moving further offshore to get into higher concentrations of halibut. Growth in the charter fleet is expected due to hard times faced by the commercial salmon industry, and a new harbor expansion that is underway. Limited infrastructure and extra travel costs may offset this growth to some extent.

Seward - There are currently 31 active charter operations in Seward; of these, 22 are 6-pack vessels, and 9 carry more than 6 passengers. Nearly all (25) of the vessels are full time. Many (16) of the boats target halibut, and the rest offer combination salmon/halibut trips. There are no fishing lodges in or around Seward. A very large private fishing fleet operates out of Seward targeting halibut, rockfish, lingcod, and salmon. The charter fleet makes day trips only, but is directing effort further from town (to 45 miles) to take advantage of better fishing. Some growth in the charter fleet is expected because cruise ships will be docking in Seward for longer periods beginning in 1994, and a boat harbor expansion has been proposed.

Homer - Homer is called the "Halibut Fishing Capital of the World", with an estimated 124 vessels actively chartering for halibut. Of these, 99 are 6-packs (many part time), and 25 carry more than 6 fishermen. All but 2 vessels have IPHC licenses. Nearly the entire fleet operates day charters; only 3 offer multi-day charters. Charters operate less than 45 miles from Homer for fishing, but may travel further for hunting charters. More recently, however, charter boats have travelled further from town to reach better halibut fishing, better sightseeing, and to avoid interaction with the private fleet. Some vessels combine fishing with sightseeing. The private fleet in Homer is very large, and targets halibut and salmon. Growth of the fleet has mirrored growth in infrastructure (i.e. hotels), but due to limited slip space and infrastructure, significant growth in charter services is not expected in the near future.

Anchor Point - A total of 13 boats charter for halibut and salmon out of Anchor Point. All of these are 6-pack boats in the 18-26' range. Eleven of these boats operate full time, up to 120 days at sea per year. All but one boat is IPHC licensed. Fishing grounds are located within 20 miles of the mouth of the Anchor River. Growth in the business has been slow and steady.

Deep Creek - Deep Creek has been called the "combo- capital of Alaska", with 209 boats actively chartering for both halibut and salmon. Seventy-nine of these boats operate full time. The fishery takes place within 6 miles of the State Park beach. The fishery has grown drastically over the years due to restrictions placed on the Kenai River king salmon fishery and the availability of a tractor boat launching service. Growth is now limited by the number of boats that can be launched and retrieved by the tractors. No infrastructure is available in Deep Creek; clients spend the night in tents, RV's, or out of town, and even camping infrastructure is fully utilized. Significant growth in charter services is not expected at this location.

Moratorium Evaluation - Charter and sportfish representatives believe that a moratorium was not a reasonable solution to the problem as identified by ALFA. In fact, they do not feel that a problem even exists. ALFA's original justification for a cap was based on an IPHC report that showed a growing sport fishery rapidly overtaking the commercial fleet's quota. But, charter and sportfish representatives counter that: 1) sport landings of halibut in Alaska have actually declined from 6.0 million pounds in 1991 to less than 5.6 million pounds in 1993; 2) commercial quotas in the Gulf of Alaska halibut regulatory areas 2C and 3A increased from 30.7 million pounds in 1993 to 37.0 million pounds in 1994; 3) implementation of IFQ's in 1995 will make more halibut available through reductions in bycatch and waste; and 4) a revised forecast jointly authored by ADF&G and IPHC predicts slower sport growth than originally reported.

The Council needs to decide on some specific policy directions before industry can engage in a specific discourse. Although continuing evaluation of the halibut charter issue by the Council implicitly indicated that the Council believes a problem may exist, the absence of a problem statement inhibited the Working Group's discussion of appropriate moratorium elements and options. For example, the charter industry defines a moratorium as a "time out" to collect and evaluate data and not as a means to limit entry, whereas a Council definition might seek to address overcapitalization or growth spikes. If additional data were not collected during the time out (which may be the case due to limited agency funding), then charter representatives were not interested in having a time out. The policy goals will determine the purpose for collecting data; is it needed to generate an accurate picture of the industry, to develop participation records, or to evaluate the relationship between removal rates and regional participation.

As part of their evaluation of a moratorium, the Working Group listed the following pros and cons for regional or statewide moratorium. Cons listed are applicable to either a regional or a statewide moratorium.

Statewide moratorium PROS:

- establishes a baseline for the fishery
- protects current participants from competition
- requires fewer regulations than regional moratorium
- maximizes use of the regulation as an allocation tool
- forces diversification of the chartering industry
- allows for movement of operations between areas

Regional moratorium PROS:

- provides for more fine tuning of moratorium criteria
- addresses only the areas of concern
- prevents unnecessary restrictions
- prevents unnecessary non-retention mortality
- establishes areas for other management measures
- provides areas to compare when assessing impacts

Moratorium CONS:

- does not limit the absolute harvest of halibut
- restricts the opportunity for access to halibut for recreational fishermen
- restricts growth of charter industry and infrastructure
- increases non-retention mortality
- increases the impact on other fish stocks such as rockfish and lingcod (for which ADF&G has biological concern in some areas)

- adds additional costs to government for enforcement
- raises legal issues regarding restriction of sport fishermen
- restricts business opportunity for participants
- adds additional costs to government for analysis and management
- increases charter prices to public by lowering competition
- may allow for unrestricted growth in other areas if applied regionally
- if no problem exists, then it is an unnecessary regulation

The Working Group did not reach consensus about a moratorium. Only the Sitka and Kodiak representatives believe their areas are fully capitalized. They argued that a "time out" would be a useful tool to manage the charter fleets in their regions. Other charter representatives disagreed. However, since the Working Group was tasked by the Council to develop suitable moratorium elements and options, they struggled hard to develop some parameters for the Council to consider should they decide to proceed forward with a "time out".

Length of moratorium - The group recommends that any moratorium be as short as possible, but the durations may differ regionally. There should be a sunset date with no renewal. Moratoriums in Alaska established by the CFEC are limited to a maximum of 4 years in duration, and cannot legally be extended.

Qualifying Criteria - The group believes that a moratorium on vessels would be more appropriate than on entry of new persons. Qualifying criteria could include possession of an IPHC sport or sport/commercial license prior to the control date, or some later date. A later date would allow a window of opportunity for active vessels without IPHC licenses and for those vessels in the pipeline to participate in the fishery during a moratorium. Licenses should be attached to vessels. There should not be a requirement for the owner to be on board, as it would severely impact lodges and operations that lease vessels or operate multiple vessels.

Replacement of vessels - The group agrees that it would be important to include a provision for replacement of vessels, but perhaps restrict them to the same client capacity (e.g. 6-packs can be replaced only with 6-packs). In Southeast, due to a six line limitation, replacement criteria may be less restrictive.

Transferability - The consensus of the group was that vessels should be able to be sold with or without the license and fishing rights, but time should be limited (2 years?) for unattached licenses to remain in limbo. Sales of licenses would occur privately rather than through a government clearing house. It was also suggested that provisions be included for temporary transfers of licenses from one vessel to another, in case one breaks down. Some considerations should be given to transferability between regions.

Other Issues - Other issues surfaced several times during the Working Group meeting that the Council should note.

1. The charter and sportfish representatives were very concerned that, once implemented, the commercial halibut IFQ program will deplete nearshore halibut stocks and crowd charter and unguided recreational fishermen off their traditional grounds. Charter representatives heard that this situation occurred in Canada subsequent to ITQ implementation there. Charter or sportfish representatives may propose that the Council establish exclusive recreational zones. Note, however, that the IPHC considers halibut in the Pacific Northwest as a single stock and manages it accordingly. They believe that, while local depletions may occur within a season, the single stock biomass evens out again between seasons and that there is not need for concern about biological overfishing.

2. There was some discussion about the State issuing a Halibut Stamp, similar to the stamp required for king salmon throughout Alaska. This stamp would provide a means to collect user fees to fund data collection programs and management of the recreational halibut fishery. Issuance of a halibut stamp would require legislative approval. To date, no legislation has been submitted for consideration to the Alaska legislature.

Table 1. Membership of the 3/94 Halibut Charter Working Group meeting, and assigned Staff.

MEMBERS

Commercial Representatives:

Shari Gross (Chair), Halibut Association of North America Dan Falvey, Alaska Longline Fishermen's Association John Bruce, Deep Sea Fishermen's Union

Sportfish Representatives:

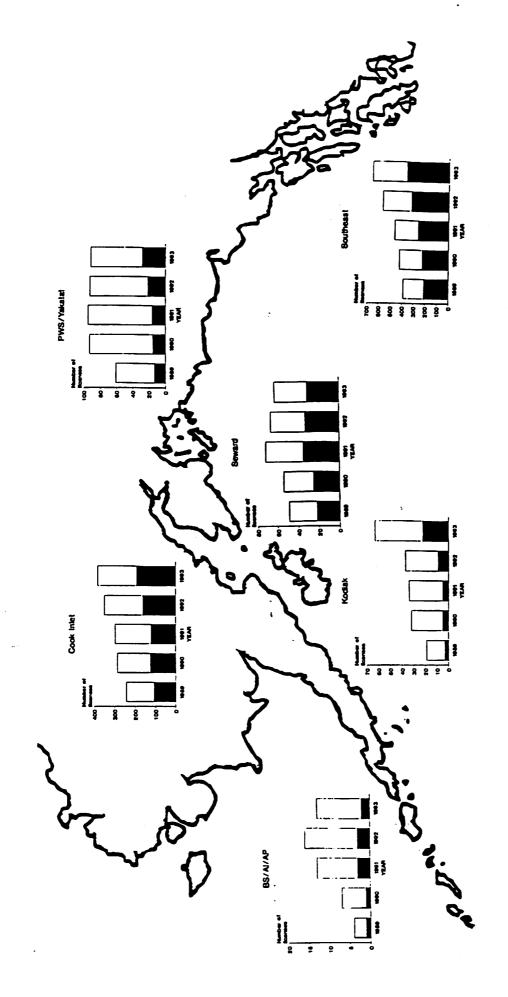
Greg McIntosh, Alaska Sportfish Association

Charter Representatives:

Tim Evers, Deep Creek Charter Association
Wayne Carpenter, Seward Charterboat Association
Eric Stirrup, Kodiak Charter Association
Darrel Shreve, Valdez Charterboat Association
Barbara Bingham, Sitka Charter Boat Operators Association
Bob Ward, Homer Charter Association
Dan McQueen, Ketchikan Marine Charters
Ken Parker, Juneau Charter Association

STAFF

Steve Kaimmer, International Pacific Halibut Commission Jay Ginter, National Marine Fisheries Service Doug Vincent-Lang, Alaska Department of Fish and Game David Witherell, North Pacific Fishery Management Council



bars denote sport licenses, and open bars denote sport/commercial licenses. Note that the Y-axis scale may differ greatly among areas. Trends in IPHC halibut charter licenses for six regional areas in Alaska, 1989-1993. Solid Figure 1.



HALIBUT MANAGEMENT PROPOSAL North Pacific Fishery Management Council

Name of Proposer: Alaska Longline Fishermen's Assn.

Date: 5/1/93

Address:

P.O. Box 1229

Phone:

Sitka, AK 99835

(907) 747-3400 FAX (907) 747-3462

Brief Statement of Proposal:

This proposal requests the Council to initiate a Regulatory Amendment which:

1) Sub-divides the Alaskan sport halibut fishery into "guided sport" and "recreational sport" fisheries:

2) Places an annual cap on the Alaskan guided sport halibut fishery. This cap shall be equal to the 1992 catch of the guided sport halibut fishery as determined by the best available information.

Objectives of Proposal: (What is the problem?)

The annual catch of halibut in the Alaskan sport fishery has increased dramatically in recent years. Most of this increase can be directly attributed to the rapid, uncontrolled growth of the guided sport halibut industry. Since the Alaskan halibut resource is fully utilized, this rapid increase has resulted in an economic loss for the traditional directed fishery through reduced quotas. The sport halibut fishery in Alaska is currently unconstrained by quotas. Additional growth in the guided sport industry is predicted. This growth will continue to reallocate halibut away from the traditional directed longline fleet, imposing additional economic and social costs on historic users. The objective of this Regulatory Amendment is to minimize the impact of the developing guided sport halibut industry on the traditional longline directed fishery in Alaska.

Need and Justification for Council Action: (Why can't the problem be resolved through other channels?)

The North Pacific Fishery Management Council is the management body authorized to make allocative decisions affecting the Alaskan halibut fisheries.

Foreseeable Impacts of Proposal: (who wins, who loses?)

As stated above, this Regulatory Amendment will minimize the impact of the developing guided sport halibut industry on the traditional longline directed fishery in Alaska. The guided sport halibut industry may suffer some economic impacts until measures are implemented to limit growth of this industry. However, the possible negative impacts to the overall halibut sport fishery are mitigated by applying the cap only to the guided sport fishery, and by setting the cap equal to the year of highest reported harvest in the guided sport fishery.

Are There Alternative Solutions? If so, what are they and why do you consider your proposal the best way of solving the problem.

Capping all sport halibut fisheries: ALFA considers a cap on the recreational sport halibut fishery unnecessary provided growth in the guided sport halibut fishery is constrained.

Supportive Data & Other Information: What data are available and where can they be found?

The International Pacific Halibut Commission has data documenting the increase in the sport halibut catch. The State of Alaska has data on the growth of the guided sport industry.

Signature:

Dennis Hicks (President, ALFA)

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JACK SMITH
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PO 170x 103136
Anchorage AN 49510
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Fisherman's Assoc proposal
to limit or put A CAP OR
the guided sport cotch ot
Halibut I think the bag
and possession limits are
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JACK & MANEN SMITH
FAINGALUPS, ATT.

Introduced by:

Scalzi

Date:

01/18/94 Adopted as Amended

Action: Vote:

Unanimous

KENAI PENINSULA BOROUGH RESOLUTION 94-005

A RESOLUTION SUPPORTING THE SPORT CHARTER INDUSTRY AND REQUESTING THAT THE NORTH PACIFIC FISHERIES MANAGEMENT COUNCIL (NPFMC) EXEMPT SPORT CHARTER OPERATIONS FROM A HALIBUT CAP AND LOOK AT ALTERNATE MEANS OF MANAGEMENT

- WHEREAS, the Kenai Peninsula Borough has a diverse economy made up of oil development, commercial fishing, and tourism; and
- WHEREAS, a large part of the tourism industry relies on the ability of visitors to the Kenai Peninsula to access the near coastal resources; and
- WHEREAS, the sport charter industry provides a valuable service to the tourism industry as a whole, by providing that service; and
- WHEREAS, the task of the NPFMC is to manage and provide long term planning for the health of our offshore resources through the Magnuson Fisheries and Conservation Act; and
- WHEREAS, a halibut cap reached during mid season could shut down sport charter operations causing a chain of negative affects throughout the tourism industry;

NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH:

- SECTION 1. That the Kenai Peninsula Borough Assembly urges the North Pacific Fisheries Management Council to give direction to the International Pacific Halibut Commission and Alaska Department of Fish & Game to study the actual catches and affects on the halibut resource.
- SECTION 2. That the Kenai Peninsula Borough Assembly encourages the North Pacific Fisheries Management Council to use other means of management, rather than placing a halibut cap on the sport charter fleet.

SECTION 3. That copies of this resolution be sent to the North Pacific Fisheries Management Council Chairman, Rick Lauber and all members of the NPFMC, Governor Hickel's Fishery Representative Clem Tillion, ADF&G Commissioner, Carl Rosier, Senators Georgianna Lincoln, Fred Zharoff, Judy Salo and Suzanne Little, Representatives Gail Phillips, Mike Navarre, Gary Davis, Cliff Davidson, and Irene Nicholia.

ADOPTED BY THE KENAI PENINSULA BOROUGH ASSEMBLY THIS 18th DAY OF JANUARY, 1993.

Betty J. Glick, Assembly President

ATTEST:

Gaye J. Varighan, Borough Clerk

JAN 25 1994

Hac charter

4157 Raspberry Road Anchorage, Ak. 99502 January 22, 1994.

Mr. Richard B. Lauber, Chairman North Pacific Fishery Management Council P.O. Box 103136 Anchorage, Ak. 99510

Dear Mr. Lauber,

Thank you for rearranging the schedule of the North Pacific Fishery Management Council to Saturday afternoon so that recreational fishermen could testify. We had spent many hours waiting for the opportunity to be heard.

In my testimony, I alluded to the fact that the recreational fisherman was not represented on the Council and only a token representative on the Advisory Panel.

Many of the Council concerns are also the concerns of recreational fishermen and in all fairness, we should have representation on the governing bodies.

Very truly yours

JOHN H. LEWIS

cc: Hon. Ron Brown

Secretary of Commerce

KODIAK CHARTER VESSEL OWNERS ASSOCIATION 1424 Baranor St.

MAD 1 1994

Kodiak, Alaska 99615

Dear Sirs,

I would like to take this opportunity to express my support for Robin Taylor's draft bill supporting State sponsored limited entry management of the sport charter industry.

As an industry which has been unregulated from its conception, the sport charter businesses' of Alaska have grown to the point where they are having a noticeable effect on the fish resources of our state. ADF&G studies conclude that at some point in the near future the sport catch of halibut will be equal to or greater than the share caught by directed long line fisheries. These traditional fisheries are already feeling the impact of the sport fisherman and sport charter industries and have voiced their concern.

Over-capitalization has occurred in every other fishery within Alaska's jurisdiction and caused massive financial problems. Kodiak, along with other major charter fishing ports, has reached its saturation point with regards to the number of charter boat seats that are available on any given day. The quality of a charter adventure is at risk from overcrowding which dulls the effect of this Alaskan wilderness experience and participants in the sport fishery risk having their industry become so diluted with new entrants that their investments are in jeopardy.

The NPFMC is currently studying the feasibility of a three year moratorium on the issuance of sport charter licenses and has selected other management choices to head off the problem of overcrowding before it is too late.

The Kodiak Charter Vessel Owners Association members jointly support both the three year moratorium proposed by the NPFMC and Senator Robin Taylor's bill which opts for immediate imposition of limited entry into the sport charter industry.

Signed, Jakard & Diemic (President)

David J. Bugni.

Secretary/Treasurer

Kingfisher Charters P. O. Box 1781 Sitka, AK 99835

February 28, 1994

North Pacific Fisheries Management Council P.O. Box 173136 Anchorage, AK 99510

Attn: Rick Lauber and Dave Witherell

Dear Council,

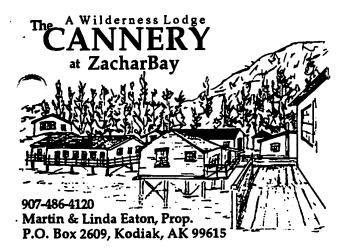
I am submitting this letter as public testimony concerning the proposed halibut charter vessel moratorium. I also request that it be presented for discussion at the next working group meeting. The following are a couple points of concern to me:

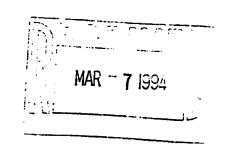
First, because my brother Heath Bone ran one of my boats part time in 1991, and full time in 1992 and 1993, and has been saving his earnings to buy his own boat to go into business on his own, I would strongly support a "use it or lose it" plan for captains who operated but did not own a vessel prior to September of 1993, as suggested by John Goodhand. Operators who ran a charter vessel but did not own one during the qualifying years should have an opportunity to purchase their own new vessel within a certain period of time. Other local operators who may be affected by this issue would be Tom Standerwick, who ran the Evening Breeze last year, and Tim Mears, who has been running the Lucky Lure for several years. It would be a great injustice if captains who have worked in the industry for several years and had been saving to buy their own boats were to get left out in the cold by this moratorium.

Second, because my 1985 Bayliner Trophy is getting worn out and needs replacement, I hope that the issue of vessel replacement is addressed soon and a procedure is laid out so that halibut fishing rights may be transferred from an older qualifying vessel to a new vessel. I am apprehensive about selling the Bayliner at this time because there is no form to fill out or procedure to follow to ensure that the vessel license for moratorium purposes coes to the new boat that I buy instead of staying with the Bayliner. Whoever buys the old boat may assume that by buying this previously licensed vessel, he is buying the rights to run charters for halibut under the moratorium. This issue needs to be addressed soon so that companies and individuals can feel free to upgrade to newer, safer vessels without fear of losing their moratorium rights.

Sincerely,

Seth Bone





March 2, 1994

Richard B. Lauber Chairman North Pacific Fishery Management Council 605 West Fourth Avenue Anchorage, Alaska 99501

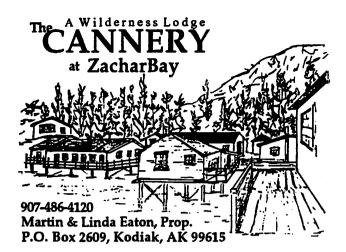
Dear Mr. Lauber:

Allow me to introduce myself. My name is Martin Eaton, a retired Alaska Department of Fish and Game Fishery Biologist, who now owns and operates a hunting and fishing lodge in Zachar Bay on the westside of Kodiak Island. The lodge use to be an old herring reduction plant and is located approximately 50 air miles and 100 sea miles from the City of Kodiak. We guide fishermen in their pursuit of salmon and halibut as well as guide photographers and wildlife viewers. We fish halibut in near-shore waters using aluminum skiffs, the largest one being 23 feet in length.

Sometime in the Fall of 1993, I received a newsletter from the Kodiak Island Visitors and Convention Bureau that said a control date of September 23, 1993 might be used to implement some form of limited entry program on sport charter vessels. This was the first official notice that I received. I realize that it is my own fault for not keeping current with the problems between halibut user groups in Southeast and Cook Inlet, which have now seem to have spilled over into the Kodiak area. I have requested the Council staff to send me any information on this subject so I can keep current.

After reading the most current information on what the Halibut Working Group has proposed, I would like to make the following comments:

- 1. I would like to see the Council appoint a member from a commercial user group not currently listed--that of a lodge owner or manager.
- 2. Accurate catch information is the foundation any management program is built on. In order to assess the impact the sport charter fishery has, this catch information must be collected.



Page 2

3. I am against a statewide license limitation in areas of little or no utilization.

In conclusion, my purpose in writing this letter is to make the Council aware that there is a large user group, lodge owners, that currently are not listed in the Halibut Charter Working Group. In order for any meaningful results to be accomplished, all user groups should be represented.

Sincerely,

Martin F. Eaton

March 7, 1994

To: North Pacific Fisheries Management Council Halibut Charter Working Group

From: Sitka Charter Boat Operators Association (SCBOA)

Subject: Recommendations for Annual Catch Limits and Moratorium re: Feb.25, 1994

Discussion paper

Our association feels strongly that our support for any regulation relevant to the subject issues is contingent upon prior sport fishing representation on the NPFMC in accordance with the provisions of the Magnuson Act [U.'S. Code Annotated, Title 16 Conservation S 1852 (b)(2)(A)&(B)] and further that the NPFMC implement stronger measures to reduce or preferably eliminate wasteful halibut mortality such as bycatch in the trawl industry.

We offer the following information for the purpose of discussion on the subject issues at the March 10 and 11, 1994 Halibut Charter Working Group meeting.

ANNUAL CATCH LIMITS

We do not support the concept of annual catch limits for the following reasons:

- 1) This type of regulation will likely lead to significant high grading, ie returning smaller halibut with hopes of catching larger halibut which could lead to unacceptable mortality of the smaller fish. It is also likely that the mean size of halibut retained will increase significantly leading to increased poundage for sport take.
- 2) Annual catch limits run counter to the philosophy of the commercial IFQ program of the long line fleet. We are told the commercial IFQ program will provide a fresh halibut product on the market all year long. Why should sport anglers be denied the option of a year long access to fresh halibut? Many anglers prefer taking small halibut for fresh consumption. An annual catch limit could force these anglers to resort to retaining only large halibut for freezing. One solution if this is selected as an option would be to set the limit as high as possible, e.g. 20 to 30, or eliminate halibut under a specific size such as 15 pounds or 32 inches from the annual limit. The logic in this argument is the fact that the trawlers "dump" millions of pounds of this size as bycatch. The sport take of this size would likely be insignificant compared to this waste.
- 3) A moratorium would likely negate the need for further restriction such as the annual catch limit since the number of charter boats would be fixed. An annual catch limit on top of a moratorium would be redundant and again probably lead to high grading.
 - 4) An annual catch limit would likely have a greater negative impact on resident

anglers since most nonresident anglers would likely not reach a reasonable annual catch limit during a one to four or five day trip.

MORATORIUM

Our preference for moratorium would be in the form being considered legislatively for Southeast Alaska. This proposal would put a moratorium on charter boats for all fishing, not just for halibut. The logic in this preference is the fact of an existing allocation for king salmon in southeast. Assuming something will be done to control sport halibut catch, a moratorium that is all inclusive and managed by one agency seems more rational.

For the purposes of discussion at the March 10,11 working group meeting we offer the following information in response to the discussion paper.

1) We feel the charter industry is probably fully capitilized in the Sitka area at the present time. The attached paper provides the most current information on the Sitka charterboat industry. This view is strengthened by:

a) resource availability-anglers are having to travel farther and farther from

the dock to locate consistently "good" halibut fishing.

b) complaints to the local ADF&G sport fish office from non-charter anglers are significant and increasing. Competition for traditionally good halibut fishing areas within Sitka Sound is generally at conflict levels.

c) king salmon allocation-the allowable catch for king salmon is fixed for all of southeast. More charter boats would lead to higher potential for area and/or seasonal closures, which would be unacceptable and potentially devastating to a viable charter business.

d) bag limits and methods and means are already restrictive at 1 king salmon and 2 halibut per day and 1 line with 1 lure per person and a 6 line limit for charter boats. Further restrictions would likely dampen enthusiasm for significant numbers of charter clients meaning less viability for many charter businesses.

Based on the above reasons we feel the objective of the working group on the moratorium issue should be simply a "time out". The need for change appears necessary, at least in some locations/regions, but may not be so obvious if the big picture is scrutinized.

If a moratorium is deemed necessary, qualification to operate during the moratorium, (whether an owner, operator, owner/operator, captain for hire, lease or any other type of operation,) should be based on a legal prerequisite, ie did the operator/operation comply with all local, state and federal regulations.

The following list may not be all inclusive, but should serve as a minimally acceptable current prerequisite as of the September 23, 1993 control date.

a) IPHC charter registration

- b) ADF&G commercial boat registration
- c) ADF&G charterboat registration (southeast AK only)
- d) Alaska charter/lodge related business license
- e) U.S. Coast Guard charter license
- f) Enrolled in random drug testing program as implemented by U.S. Coast Guard
- g) Filed city sales tax reports and payments where required.
- h) Filed IRS Schedule C or appropriate forms as required
- i) Complied with Alaska boat, vehicle, and drivers license registrations

The burden of proof would be on the operator/operation for the above legal requirements.

Other qualifications could include prior experience, prior qualifying years, a minimum amount of activity based on a dollar amount (\$500, \$10,000 etc.) or percent of income dependence (ie 10%, 50% etc.), significant investment prior to the control date with the intent to operate a charter related business. In addition, the issue of who qualifies under a boat owner who has hired a captain needs to be addressed as a special condition.

We also considered the fate of licenses that may be issued under the moratorium or limited entry program, ie should they be transferable, provision for interim use, nonsaleable, issued on a regional or local basis (intended to prevent overcapitalization in areas where resources may be limited), and developing a point system similar to that used in the power and hand troller limited entry program. Our association could not come to a consensus on most of these issues in the time available, however we reccommend a strict approach be taken in a moratorium/limited entry program especially on the legal requirements to prevent the appeasement of speculators for permits.

In conclusion, we are willing to consider some type of regualtion based on fair and balanced representation on the NPFMC and intend to continue participating in this process.

(This paper is intented for use as a working paper and should not be construed as the final opinion of the Sitka Charter Boat Operators Association.)

OVERVIEW OF THE SITKA CHARTER FISHING INDUSTRY

THE EARLY YEARS

The charter fishing industry is at least 114 years old in Sitka. Captain L. A. Beardslee, commander of the U. S. ship of war Jamestown which was moored in the Sitka harbor, hired small steamers to go salt water fishing in 1879 and 1880. He describes his fishing experiences and his great love for sportfishing in the Sitka area in the book Fishing with the Fly, first published by Houghton, Mifflin & Co. in 1886.

Unfortunately we don't know the name of that early charter boat operator who provided Captain Beardslee the opportunity to go sport fishing but Captain Beardslee appears to be Sitka's first guided sport angler.

CHARTER FISHING TODAY

Charter fishing as we know it today began in the late 1970's and early 1980's. In 1980 there were 6 Sitka charter vessel registrations even though registration was not required in Southeast Alaska until 1982.

For years persons have referred to the Alaska Department of Fish & Game, Southeast registration list to track the number of charter operators. The list reflects those persons who have made the effort to meet the basic qualifications and register their vessel(s). It does not reflect the number of active charter operators. There are vessels registered by persons who are commercial trollers who want to sport fish from their vessels, persons who are thinking about chartering, persons who do very little chartering...if any, and active, serious charter operators.

Following are the historical numbers of Sitka charter vessel registrations...

19806	198741
198110	198841
198211	198956
198327	199056
198493	199165
198532	1992121
198628	1993142

Even though the Southeast registrations don't give the true numbers they do show some trends. The increase in 1984 was due to commercial trollers registering their vessel as charter boats due to restrictions placed on them on sport fishing from their vessel. The drop in 1985 was due to the ADF& G requiring proof of a US Coast Guard and other licenses. At about this time the University of Alaska, Southeast began offering classes to assist those in passing the rather rigorous US Coast Guard test. Those classes continue today.

The increase from 65 registrations in 1991 to 121 registrations in 1992 was probably due to speculation that there would be future license limitation and that chartering might be a "gravy train". The actual number of charter boats did not increase that much.

CHARTERING AND CRUISE SHIPS

One event that changed the charter boat industry in Sitka was the increase in cruise ship passengers and a broker working with the ships. Up until 1988 the few operators that were in Sitka had taken some cruise ship passengers on an individual basis but none of the trips was presold on the ship as an official part of the shore excursions.

In 1986 and 1987 a few operators demonstrated to shore excursion directors that they could give a quality half day trip during the short time cruise ships were in Sitka. In 1988 a broker (Chuck Horner of Alaska Adventures) made an official arrangement with several ship companies and a Sitka fishing trip became an official presold part of the shore excursions.

Despite over 200,000 cruise ship visitors to Sitka in the summer of 1994 only a small percentage will go fishing due to limited seats(30 per ship) offered by the broker. The business of independent clients coming to Sitka for several days of fishing has grown over the past few years. In fact, some of them were introduced to Sitka sportfishing on their short cruise ship fishing trip.

The original broker business exists today with a new owner along with several others that broker fishing trips other than for the cruise ships

HOW MANY CHARTER BOATS

How many charter fishing boats are operating in Sitka today? We don't know for sure but we have a pretty good idea. There were 142 vessel registrations in 1993 representing about 130 persons. There were about 60 charter businesses listed by the Sitka Convention and Visitors Bureau. About 50 of those are know to be at least somewhat active.

The City and Borough of Sitka sales tax accounts may also help determine the number active charter operators. 81 charter businesses have sales tax accounts, but only 60 reported any sales in 1993, that incidentally totaled over 1.3 million dollars.

Our best estimate is that there are about 50-60 active charter businesses (mostly single boat, owner-operated businesses) in Sitka with only about 25-30 of those very active, readily available and advertising for chartering during most every day of the four month season.

There are several reasons that the growth has been slow and as some have said there is now "de facto" limited entry for the following reasons...

- 1. Lack of harbor space. With over 500 on the waiting list for a docking slip there is little room for anyone without a boat stall to get into the business. A new harbor is planned but but financial and political situations may slow its progress
- Alaska since 1984. This also applies to any sport boat. This limitation was adopted to prevent the "head boats" from ports such as Westport, WA from moving to southeast. It has been very effective since you really can't afford to operate a large head boat with only 6 passengers. This has limited the size of vessels. There is only one "T" boat(7 or more passengers and under 100 tons) operating in Sitka for fishing and that vessel only fishes part time as a part of the total Sheldon Jackson College boat program. The other seven "T" boats(up to 85 feet and 300 passengers) are all non fishing...wildlife/lightering passenger vessels.
- 3. The Sitka infrastructure(especially beds) may limit fishing customers during the peak season.

DO WE HAVE THE OPTIMUM NUMBER OF CHARTER BOATS IN SITKA?

To answer that question we have to consider two things...how many people are left on the dock, wanting to go fishing but can't find a boat and can the salmon and halibut resource take more pressure.

LEFT ON THE DOCK. Some visitors arrive in Sitka without prior plans to go fishing, however once they get here and see the opportunity they want to go fishing. Many times during the peak part of the season they can't find a boat to charter. These persons are the "left on the dock" group. Some cruise ship passengers want to go fishing but cannot because of the limitations the broker has placed on seats.

FISH RESOURCE. In the 1990's the salmon and halibut resource is both politically and biologically limited. With allocation and restrictions placed on sport anglers there is not a lot of room to grow.

Therefore, even though there are persons who want to go fishing and cannot charter a boat, the resource cannot take much more pressure so Sitka may now be at or near the optimum number of charter boats. A time out seems in order.

1994 PROFILE OF THE SITKA CHARTER INDUSTRY

Present participation in the fishery

How many boats charter for halibut in your region? About 50-60.

How many are 6-pack day boats, head boats, party boats, lodge skiffs, etc.? Almost all are 6 pack days boats. There are several large 6-pack boats that do multiday charters but leave the Sitka area. And there are several bare boat rentals available.

What is the vessel size(length) distribution? From 17 foot opens skiffs to 60 foot multiday boats. Most are in the 20-30 foot range.

How many vessels are full time? Part time? How many days at sea? About 25-35 vessels are considered full time during the four month season, and about that same number part time. The most active operator will spend no more than 120 days per year charter fishing due to weather, resource availability and clients willing to attempt to deal with those elements. It is highly unlikely any viable business could be developed during October to May for charter fishing.

What proportion of vessels were IPHC licenses prior to the control date? Almost all Sitka charter fishing vessels have IPHC licenses. There is high compliance.

What is the current and potential capacity in number of clients? Currently there are about 200 seats available each day.

What general area does the local charter fleet fish for halibut? Most boats stay within Sitka and Salisbury Sound, within 15 miles of town. Some venture to open ocean during nice weather, however regular charter trips to these areas may not be possible due to marginal weather. And some fish for halibut 7 or fewer miles from town. Multiday boats sometime venture over 100 miles from Sitka.

Historical fishing practices in, and dependence on the fishery:

How has the industry grown in your area? See the beginning of this paper.

Do they charter exclusively for halibut? Usually not. Almost all boats will fish for both salmon and halibut, not necessarily on the same trip.

How many vessels are owner-operated? Leased? Operated by others? Most are owner-operated.

The economics of the fishery:

What is the average range of chartering fees? From \$75-1\$125 per person for half day to \$125 - \$200 per person for full day. Many boats have a minimum...usually 4 persons.

What are the average operating costs for vessels? High!

How many people are employed in the industry full time? Part time? About 100 people for four months a year.

The capacity of fishing vessel used in the fishery to engage in other fisheries:

Are other chartering opportunities available? Yes. They include wildlife, diving and pick up/drop off at cabins or trailheads. Very few active operators, if any, can stay in business without fishing.

The cultural and social framework relevant to the fishery

And any other relevant considerations? Chartering has a long history in the Sitka area. See the beginning of this paper.

PREPARED BY WILLIAM FOSTER, PRESIDENT OF THE SITKA CHARTER BOAT OPERATORS ASSOCIATION 8 MARCH 1994 (907) 747-6157

SUBJECT TO REVISION

P.O. Box 873793 Wasilla, Alaska 99687 March 9, 1994

Chris Kelly Alaska Department of Fish and Game Commercial Fisheries Entry Commission 8800 Glacier Highway, #109 99801 Juneau, Alasko Fax: 789-6170

Donald A. McCaughran, Director International Facific Halibut Commission F.O. Box 95009 98145-2009 Seattle, Washington

Richard B. Lauber, Chairman North Pacific Fishery Management Council P.O. Box 103136 Anchorage, Alaska 99510 Fax: 271-2817

Certified Mail - Return Receipt Requested or Fax

To Whom It May Concern:

Because of the pending changes in the Halibut Charter Industry we as the previous owners of the Coho Star are trying to protect our rights to continue in the fishery. Therefore, we retained an attorney in Marine Law to write up the necessary wording to retain these rights. These rights were suppose to have been reserved by the "Fishing Rights" clause on the attached Bill of Sale. current vessel owners of the Coho Star were informed before they purchased the vessel that we would retain these rights.

We applied for the licenses when they came due. If we have done this improperly, please verify how we go about retaining these rights. If we are not entitled to the licenses please reply in writing and send us the regulations which shows we can not do this. We want to comply with all laws and regulations and would greatly appreciate your help. Inank you!

Sincerely,

Thomas E. Moore

Enclosure: Bill of Sale

	2. OFFICIAL NUMBERLY
. Vessel name	555648
COHO STAR	
NAME(S) OF SELLER(S) AND INTEREST OWNED BY EACH	
THOMAS B. MOORE, 100% P. O. Box 873793 [Lot 28 Sea Gull Drive] Wasilla, Alaska 99687	
NAME(S) OF BUYER(S) AND INTEREST TRANSFERRED TO FACH	
MICHELL S. HULL, owning 50%	
JAMES J. HAMILTON, owing 50% P: O. Box 1068	nterest: 100t
KODIAK, AIABKA 99013	
CONSIDERATION RECEIVED TEN DOLLARS AND CERTAIN OTHER VALUABLE CONSI	DERATIONS
6.1 (we) do hereby sell to the buyer(s) named above, my (our) right, title, and internecessaries and appurtenances: SELLRR WARRANTS THAT IT HAS CLEAR OF LIENS AND MORTGAGES AND THAT ON DELIVE SALE FOR THE VESSEL, TITLE TO THE VESSEL SHALL AND CLEAR OF LIENS AND MORTGAGES PROVIDED THE PAID TO THE SELLER. THIS WARRANTY OF TITLE IS THE FOREGOING, THE VESSEL IS SOLD WHERE IS AS IT MAY BE, WITHOUT ANY REPRESENTATION, AGREEME EXPRESS OR IMPLIED AS TO THE VESSEL'S PHYSICIA WORTHINESS, MERCHANTABILITY, OR FITNESS FOR AN PISHING RIGHTS: THE PARTIES ACKNOWLEDGE THAT THE NORTH PACIFIC OTHER AGENCIES OR BODIES HAVING FISHERIES JURI ALASKA AND THE WESTERN UNITED STATES, MAY TAKE PRIVILEGES BY INDIVIDUAL QUOTAS, OR OTHERWISE PRIVILEGES. IT IS THE PARTIES' INTENT THAT ALOCATIONS, OR OTHER RIGHTS, PRIVILEGES CONTINUED OPERATION AND USE OF THE VESSEL IN TOR MAY IN THE FUTURE INURE TO SELLER BY VIRTUI OPERATION OF THE VESSEL, ARE RETAINED BY SELLE BUYERS AND SHALL IN THE FUTURE INURE TO THE BE	BEY TO PURCHASERS OF BIME BE VESTED IN PURCHASERS FREE FULI. PURCHASE PRICE HAS BEEN EXCLUSIVE AND IS IN LIEU OF THE VESSEL WITHOUT LIMITING IS AND IN WHATEVER CONDITION NT, OR WARRANTY WHATSOEVER, L CONDITION, EQUIPMENT, SEA- Y PURPOSE WHATSOEVER. PURPOSE WHATSOEVER. PURPOSE WHATSOEVER. C FISHERY MANAGEMENT COUNCIL AND C ACTION TO ALLOCATE FISHING LIMIT PISHING ACCESS AND C AND ALL LIMITED ENTRY RIGHTS, AND ENTITLEMENT TO THE THE PISHERIES, WHICH HAVE INURE EOF SELLER'S OWNERSHIP OR EER ARE CONVEYED TO SELLER BY
7. SIGNATURE(S) OF SELLER(S)	8. DATE
	10-19-93
9. CAPACITY Thomas R Moore, sole owner	
9. CAPACITY Thomas E. Moore, sole owner	
10. ACKNOWLEDGEMENT / Insert such acknowledgement language as is require STATE OF ALASKA JUDICIAL DISTRICT: I certify that I know that Thomas E. Moore so	19 , 1993
and purposes mentioned in the instrument.	Poller !
See State of Alaska NOTARY PUBLIC at Palmer AK.	





Alaska office: 🖾 76 Egan Drive, Suite 130 🕏 Juneau, Alaska 🕏 99801 Ø 907-463-5510

March 16, 1994

Mr. Richard B. Lauber, Chair North Pacific Fishery Management Council PO Box 103136 Anchorage, AK 99510-3136

RE: Proposed moratorium on guided sport halibut charters

Dear Mr. Lauber,

Recently, I attended a part of the Halibut Charter Working Group meeting held at the NMFS office in Juneau. The company I work for, Glacier Bay Tours & Cruises, is the official National Park Service Concessionaire for Glacier Bay National Park & Preserve for a number of key concession contracts: operation of Glacier Bay Lodge, operation of day excursion vessel from Bartlett Cove, and operation of three charter fishing vessels. It is because of this last concession, and the fact that our vessels frequently fish for halibut in Icy Strait, that we are very interested in any action the Council considers that would in any way limit sport access to the halibut fishery.

There are a number of different ideas being tossed about that all involve limiting or capping growth in the sport caught halibut category.

- We are opposed to any regulations or proposals that distinguish between guided and unguided sport caught halibut. We provide a service: we offer people a Coast Guard certified boat, a Coast Guard certified captain and the convenience of not having to carry the necessary gear on an entire vacation just to enjoy an afternoon of fishing. Whether a citizen of the United States catches a fish using our service, or whether they own their own boat and equipment, it is still the individual who catches the fish -- not the captain of the boat, not the company that owns the boat or provides the gear. If a limit were adopted that only applied to guided sport fishing, you would be unfairly penalizing those people who choose not to own their own boat or bring their own equipment.
- We are opposed to any effort that seeks to cap the number or size of vessels. We fish for halibut, but we also fish for five species of salmon and a variety of rockfish. Restricting us to our current fleet size and vessel configuration denies us the ability to further develop our non-halibut market. The decision of which fish to pursue on any given day is dependent on the season, the weather and the desires of the customers.

• We are opposed to any effort to cap the allocation of halibut to sportfishers until substantial reductions have been made to commercial by-catch and waste. It is mind-boggling that with 22% of the halibut catch going to by-catch and waste that the only proposed "solution" to a problem we're not sure exists is a limit on the 8% of total halibut catch accounted for by sport fishers. Considering the profound economic benefit of sport fishing, it seems the Council would work to protect the lives and livelihoods of those of us who earn our living in part from sport fishing while doing the world a favor by cutting back on by-catch and waste.

We are not opposed to all of the proposed ideas:

- We favor and will unilaterally implement a detailed logbook program in which we will track the number of hours fished, success rate (in fish and pounds), and location of catch. We will be happy to make this information available to any researcher trying to ascertain the true amount of sport fish halibut take as long as our information is held confidentially and only reported in aggregate.
- We support efforts to protect near-shore fisheries from overfishing as a result of the IFQ program. We believe there ought to be a "commercial free" zone established in close proximity to communities and identified sport user access points.

Regardless of what decision you make, please keep in mind the planning cycle of our business. We are, right now, wrapping up our plans for the 1995 tour season. Those plans include acquiring new vessels for our fishing program. Any changes you make to the existing system need to be implemented on at least an 18 month delayed basis so that we can adjust our business plans.

I am happy to continue working on this issue as it is an important component of the visitor experience we offer at Glacier Bay Lodge. I would appreciate being kept apprised of future meetings where this issue will be discussed.

Best regards,

Thomas C. Garrett

Regional Vice-President

To: NPFMC Members

Please cap the sport halibut catch before the tourists put the halibut fleet out of business. How many can survive on a half to two thirds of their projected IFQs? The IPHC says that at the current growth rate that the sport catch of halibut will be a huge part of the harvestable fish! How can the Council put all the halibut fishermen under an IFQ program which restricts their harvest, and allow another COMMERCIAL gear group to grow unchecked at the IFQ holders expense? The IFQ program will never survive is this is allowed. I label the sport catch as commercial because it is in the charter fishing that this huge growth is occurring and a charter boat is as commercial as any fisherman. I feel that the council is going to have to separate the true sport catch and the charter boat catch. If the charter boats are made commercial, as they are in Canada, Washington, Oregon, and California, I guess they would have to buy IFQ shares the same as anyone else. I realize this will create the problem in that the charter boat operators would be vieing for the smaller blocks and most likely drive the price up BUT with the block proposal it wouldn't be a problem.

The charter fleet has resisted being labeled commercial for a variety of reasons, but in my mind the charter fleet is made up of fishermen who make their money by helping people catch the fish they are going to eat, and a halibut fisherman is a person who makes their money by catching and then selling the fish people want to eat. They are both selling FISH. The part of the public that eats fish, but will never come here to go out on a charter boat, has a right to those fish too, and is many times larger then the part the can afford to go out on a charter boat. In many areas around the towns that have seen the big increases in charter fishing there is definately becoming a local depleation problem. This is not fair to the local residents who just want a fish to eat, nor is it good for the resource.

So Please separarate the charter and non charter and limit their catch of halibut before it gets further out of hand and creates all kinds of bigger problems in the near future. The Council has the authority to do this and has to if any management plans for halibut have even a chance of working

Sincerely, Carolyn Nichols 305 Islander Drive Sitka AK 99835 CarolynRNichols

APR - 5 1994

March 31, 1994

To: North Pacific Fisheries Management Council

From: Gary L. Bahrt, Sitka resident and sport fisherman

To whom it may concern:

I am a sport fisherman whose family has lived in Sitka and fished since 1846. I would like to state emphatically that the Charter Fisherpeople in our area should be entitled to none (NONE!) of the commercial halibut quota. I would also like to state clearly that they should be considered an entity of their own; they do not represent me as a sport fisherman, and they don't seem to consider themselves a commercial entity, and should not be considered a user group to reap part of the commercial quotas.

I resent their trying to represent sport fishers, while also wanting a piece of the commercial pie. The commercial fishery has enough pressure upon it already without new user groups being included. They also are causing a lot of unnecessary regulations to be applied to persons like me who fish only to feed my home.

Please consider this statement while determining who gets part of what in the future.

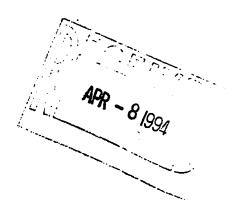
Sincerely,

Gary L. Bahrt

Box 2483 Sitka, Alaska

Friday, April 1, 1994

Mr. Richard B. Lauber, Chairman North Pacific Fishery Management Council 605 West 4th Avenue Anchorage, AK 99501



Dear Mr. Lauber,

The consensus of Kodiak charter operators is for strong support of the three management steps listed below. The management measures listed below will have no adverse affects on any presently licensed and most importantly legitimate charter businesses.

1: Establish regional charter management sub-areas throughout halibut areas 3A and 2C. We suggest the Kodiak sub-area as - All waters, south and west of a line running SE from Cape Douglas through Stevenson Entrance and waters north and east of the 3A/3B IPHC regulatory boundary at the southern end of Kodiak Island.

2: Implement an immediate 3 year moratorium on the issuance of new IPHC licenses for sport charter vessels fishing in halibut areas 3A and 2C based

on the 9-23-93 control date.

3: Require all currently licensed operators to register for one sub-area for the duration of this moratorium. Future growth must be assessed area by area. Vast areas of the state may be open for development while others are fully utilized and in some cases fully saturated.

These actions serve notice to the industry that management changes are contemplated. It is our feeling that without a bonafide moratorium rapid speculation can and will occur. Additionally, recent actions by the Pacific Fisheries Council with respect to salmon closures in the waters of Washington, Oregon and California, will shift fishing effort and business opportunity northward to Alaska under our present open access.

Let us not repeat management history with yet another aspect of the halibut fishery. It is imperative that we take swift proactive steps to avert a participation scramble, and most importantly deal with the allocable nature of this issue.

We are not advocating a permanent "Close the door" to all future participants at this time but rather a pause. Present industry leaders and resource managers jointly need to assess the future direction and set sensible industry growth criteria based on the available fishery resource. Our resources have finite limits and it is time that we all realize it.

Respectfully,

Richard E. Diemer

Chairman, Kodiak Charter Vessel Owners Association

Report of the Halibut Charter Working Group

to the North Pacific Fishery Management Council
January 1994

Background

In May 1993, the Alaska Longline Fishermen's Association (ALFA) submitted a proposal to the Council requesting that they initiate a Regulatory Amendment to limit harvests taken by the guided sport halibut fishery in Alaska to 1992 catch levels. ALFA used recent increases in the recreational halibut fishery and the commensurate decrease in the halibut available to the directed fishery to justify the action. The allocation scheme for halibut is an issue because sport catch, personal use, and mortalities from bycatch and waste are subtracted from the overall halibut quota before the commercial fleet is allocated the remainder. Thus, when the biomass diminishes at the same time the sport catch grows, the commercial halibut TAC is affected.

In September, the Council addressed this issue and received public testimony. Information indicated that the charter industry has grown and may be fully capitalized, and that some type of limited entry program might be appropriate for this fishery. A control date of September 23, 1993 was set to notice the industry that a moratorium on the guided sport fishery may be implemented. The Council also established a working group comprised of staff, three commercial fishery representatives, one non-guided sport fishing representative, and six charter vessel representatives to examine traditional management tools and identify potential alternatives for limited access. Membership of the group is listed in Table 1. The working group was asked to report back to the Council at its January 1994 meeting.

Working Group Meetings

The Halibut Charter Working Group met November 8 and December 20, 1993 to discuss the issue and make recommendations to the Council on how to proceed. The meeting agendas included an overview of the Council process, review of ADF&G data, and IPHC stock assessments and allocations. Officials from the Alaska State Division of Tourism presented their agency's projections for the growth of tourism in the state. The Halibut Regulatory Amendment Advisory Group's (RAAG) suggested alternatives were examined: 1) status quo, 2) harvest limits, 3) license limitation, 4) individual fishing quotas, and 5) traditional management measures. Both meetings included testimony from the public.

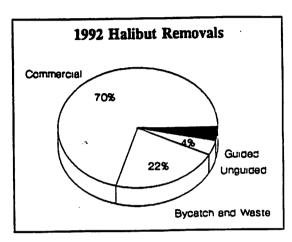
Public testimony provided some insight on the nature of the halibut charter industry. Charter companies typically own one to six or more vessels, which may operate full or part time. Full time vessels may operate 80 to 100 days at sea, depending on weather and the number of clients that can be retained. Prices range from about \$110 to \$170 per person for a daily charter from Homer, Seward, and Valdez. Success rates for individual fishermen have been about 1.75 halibut per angler in these areas. Other primary ports for halibut charters include Kodiak, Deep Creek, Sitka, Juneau, Petersburg, Ketchikan, and others. Regional differences in the operation of these charters exist, primarily due to distance from the fishing grounds, presence of military charters or cruise ships, and local regulations. In 1993, 1,249 vessels were licensed by the IPHC to sport charter for halibut, primarily in Southeast and Cook Inlet (Table 2).

The current sport fishing regulations in Alaska allow for a two halibut daily bag limit, with a two day (4 fish) possession limit. There is currently no minimum size restrictions on sport caught halibut. The legal season runs from February 1 through December 31, although halibut abundance, seasonal tourism, and weather have restricted chartering to May through September. Individual fishermen must be licensed, and are limited to one line with a two hook maximum. These regulations are imposed on guided and non-guided fishermen equally.

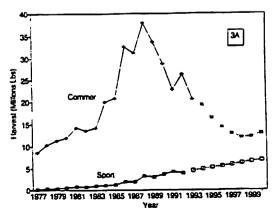
Underlying Differences

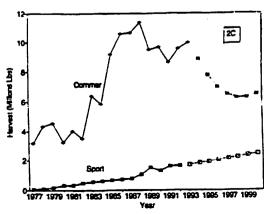
The Working Group divided consistently across industry lines (7 to 3) on most issues, thus often rendering either consensus or majority vote a useless indicator for the Council. The split stemmed from disagreement about three issues fundamental to the sport and charter members, that inhibited serious discussion about any of the alternatives suggested by the Halibut RAAG Committee.

1. The sport and charter members believe that there is no need for a cap on their industry, because it is relatively They point to the harvests and compare 6.5 million pound sport catch in 1992 (8% of total halibut removals coastwide) to 59 million pounds (70%) caught by commercial longliners (Figure 1). Assuming that about one-half of the sport harvest is taken by chartered fishermen, total removal of halibut by this user group was about 3.2 million pounds (3.8%) coastwide. For direct comparison, coastwide landings by chartered fishermen totaled about 5% of commercial catch in 1992. relative proportion of halibut taken by sport fishermen varies regionally; 1992 sport removals were 11% in Area 3A (Southcentral) and 15% in Area 2C (Southeast 10% Alaska).



- 2. The sport and charter members suggest that if conservation is the problem the proposal seeks to address, and if fairness is a doctrine basic to the Magnuson Act, then the Council should reduce trawl bycatch caps. In 1992, for example, 15.7 million pounds of halibut were removed as bycatch and another 2.5 million pounds classified as waste (Figure 1). The group discussed how implementation of commercial halibut IFQs may help reduce bycatch, waste, and overages, and the sport representatives agreed to join with the commercial industry in finding solutions to reduce bycatch.
- 3. Many of the Working Group's sport and charter members did not agree with the joint IPHC and ADF&G analysis (attached) of growth projections for the sport fish catch in Alaska. Many questioned the accuracy of the data used in the projections, and cited a decrease in sport landings in 1992. The Division of Tourism's predictions for tourism growth were also met with skepticism by many charter members. Conversely, the Groups commercial representatives, though not dedicated to one rate, believe that tourism will continue to grow and that boat harbors, hotels, plane flights, and other services will develop to meet demand.





Recommendations to the Council

Despite underlying differences that were problematic to the Working Group, they reached consensus on a number of issues. Specifically, they recommend that the Council:

- 1. Reduce bycatch in all fisheries. The charter industry has resolved to work with the Council in finding ways to reduce bycatch;
- 2. Evaluate an individual annual catch limit and reporting system for all recreational halibut fishermen. The charter industry has resolved to promote the wise use ethic in the sport halibut fishery, and suggested analyzing catch limits of 8, 10, and 12 halibut per year;
- 3. Encourage ADF&G and the IPHC to improve their collection of catch, effort, and age composition of halibut taken by sport fishermen;
- 4. Develop a logbook program for charter vessels;
- 5. Recognize that regional differences and varying stages of development in Alaska mandate a flexible regulatory scheme and not one that is uniformly applied throughout the state;
- 6. Request an opinion from NOAA General Council about the legality of imposing limits on the number of halibut that can be exported out-of-state.

Other Issues Discussed

Two other issues surfaced several times during the Working Group meetings that the Council should note.

- 1. The charter fleet generally believes that guided and unguided sport fishermen should remain as a single category and not be regulated separately.
- 2. The charter associations believe that, once implemented, the halibut IFQ program will deplete nearshore halibut stocks and crowd the recreational fishermen off their traditional grounds. They may recommend that the Council consider establishing exclusive recreational zones in the future.

Halibut RAAG Alternatives

The Group could not reach consensus on alternatives to recommend that the Council examine. Because most sport and charter representatives do not believe that an allocation problem exists, they recommend that the Council accept status quo. Further, they insist on their absolute need for an uninterrupted season and a two fish per day bag limit to ensure continued economic viability.

Commercial longliners, on the other hand, argued that in the absence of a fixed allocation, the growing sport fishery allocation is increasing annually. They recommend that the Council examine alternatives to limit the growth of the sport fishery.

Given this standoff, the Working Group can only offer the Council the sport and charter members rationale for rejecting all the alternatives except status quo.

Harvest Limits: Charter operators rejected the idea of a fixed or floating cap. They were concerned that harvest limits may cause the fishery to shut down prematurely, causing unpredictable seasons and jeopardizing client reservations. They also believed that adjusting season lengths to restrict harvest would have a negative impact on charter operations and support facilities (motels, restaurants, etc.). Commercial committee members concurred with the disruptive effects, but pointed out that the entire commercial fleet has had to learn to live with them for several years.

License Limitation: Although a moratorium, "time out", or permit limitation program, was considered acceptable to some, the Group could not agree to analyze these programs.

Individual Fishing Quotas: This alternative was soundly rejected by the charter industry. Concerns identified were: 1) the possible migration of quota shares (QS) from the commercial to charter fisheries may negatively impact small communities, 2) analysis of IFQs and allocation of QS would be contentious and time consuming, 3) problems identified in other fisheries which may be solved by IFQs (e.g. safety concern, derby fishery, gear loss), do not exist in the charter fishery, 4) the charter business sells people a fishing experience rather than pounds of fish, 5) charter vessels would target small halibut and/or pressure anglers not to retain fish, and more importantly, 6) monitoring and enforcement would be overly cumbersome, complex, and expensive.

Traditional Management Measures: Maintaining current catch levels of the guided sport fishery for halibut by restricting the size of fish caught, seasons, daily bag limits, or possession limits was considered unacceptable to many sport and charter fishermen. Two fish per day was considered a minimum. Although size limits were discussed, no recommendations were made. The sport and charter representatives made a major concession when they agreed to request that the Council analyze individual annual harvest limits for all recreational users. This issue is further discussed above in the Recommendations section of this report.

Table 1. Membership of the Halibut Charter Working Group, and assigned Staff.

MEMBERS

Shari Gross (Chair), Halibut Association of North America

Dan Falvey, Alaska Longline Fishermen's Association

Doug Ogden, Alaska Sportfish Association

Ed Dersham, Anchor Point Charter Association

Wayne Carpenter, Seward Charterboat Association

Eric Stirrup, Kodiak Charter Association

Jim Heston / Darrel Shreve, Valdez Charterboat Association

Bill Foster, Sitka Charterboat Association

Al Johnson, Homer Charter Association

Jack Knutson, Fishing Vessel Owners Association

STAFF

Calvin Blood, International Pacific Halibut Commission

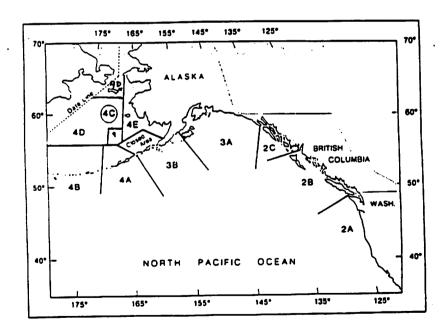
Jay Ginter, National Marine Fisheries Service

Doug Vincent-Lang, Alaska Department of Fish and Game

David Witherell, North Pacific Fishery Management Council

Table 2. Number of vessels licensed by the IPHC in Alaska regions, 1993.

	Licens	License Category	
Area	Sport	<u>Both</u>	<u>Total</u>
Cook Inlet	192	186	378
Southeast	357	292	649
PWS/Yakatat	27	64	91
Seward	30	32	62
Kodiak	19	37	56
AP/AI/BS	2	11	13
- · • · ·			
	627	622	1,249



Robert A. Younger 311 Peterson Ave. Sitka, AK. 99835 (907) 747-6965

April 14, 1994



Dear council members and A.P.,

TORUL

There is not many fishing industries that are allowed to grow without restrictions or quota's. The unlimited charter boat growth remains as the unchecked segment of the Halibut fishery.

I am in favor of ALFA's proposal to cap the charter boat halibut harvest. The charters industries growth is cutting into the already fully utilized fisheries of the commercial and true sports fisherman. The true sports fishermen is fishing solely for personal use while the charter businesses are fishing for a profit. Charter boats are a commercial fishery and should be treated as one. Everyone else has a quota and has learned to live within it.

What concerns me most is the prospect of investing in the halibut IFQ program. I will be investing in a percentage of the halibut quota, a quota that is projected to be substantially reduced by the unlimited charter growth.

I think a cap is the best way to control charter boat harvest. The cap could be set for a few million pounds more than there current harvest to allow for some growth.

Thank you for your consideration of this issue that is a growing threat to our longline business.

Sincerely,

Robert Younger

dly

DICK PENWARDEN Po Bert 874873 WASILLA, ALASKA 99687

4/12/94

North Pacific Fishery Management Council Richard Lauber, Chairmen P.O. Box 103136 Anchorage, Alaska 99510



I would like to make some comment on proposed regulation of the Halibut guided sport fishery. I have done sport fish charter work (sole proprietor) for about 5 years, which has included Halibut charters in Homer and Whittier. Due to lack of information I also had not been registered with the Pacific Halibut Commision until this year.

I sincerely question the need for a cap on either the sport fishery or the charter fishery which is really a insignificant part of the halibut catch, 8% coastwide. When we see that the bycatch and waste of halibut is 22%, it seems someone is putting the priorities in the wrong place.

To place a IFQ on the charter industry also does not seem to be justified at this point, as there are to many uncertainties on current analysis on size and catch within this industry. We already are limited to two halibut per fisherman, which in my opinion is already a quota.

Fam a small operator and most likely will remain as such, and would possibly like to see my family (son) continue this business in the future, and I also would like to have the opportunity to move in a different area, such as I have land on Uyak Bay, Kodiak Alaska. If I have a IFQ will I be able to continue my business if relocating, and transfer my IFQ.

I am not against a restriction on size, as I have always encouraged release of small fish I do not want to see fish stocks depleted as has been the case on the east coast, but limiting the sport and charter industry to me is not the answer. I support commercial fishing, but cannot support some of the waste which has occurred in the industry.

Sincerely