MEMORANDUM

TO: Council, AP, and SSC Members

FROM: Clarence G. Pautzke
Executive Director

DATE: April 18, 1991

SUBJECT: Halibut management

ACTION REQUIRED

(a) Receive report on IPHC meeting and halibut bycatch working group.

(b) Finalize the range of alternatives to be analyzed for a halibut IFQ system.

BACKGROUND

IPHC Meeting

The International Pacific Halibut Commission (IPHC) held its annual meeting during the last week of January 1991 in Vancouver, British Columbia. In addition to setting catch quotas and seasons for the 1991 fishery, the IPHC formed a working group to assess each country's efforts to control and reduce halibut bycatch in other fisheries. A resolution was endorsed calling for a special session of the IPHC, sometime in mid-year, to address bycatch concerns.

Item C-4(a) summarizes the annual IPHC meeting and has a copy of the bycatch resolution. Further information is available from IPHC staff and Steve Pennoyer on the annual meeting and progress of the bycatch working group.

Halibut IFQs

In January 1991 the Council tentatively adopted for analysis the same list of alternatives for the halibut IFQ program as is currently being considered for the sablefish fishery. This included the recently submitted proposal from Mark Lundsten and the proposal from Ron Hegge and Clem Tillion which incorporates a possible 20% open access fishery. The list of alternatives was then remanded to the Fishery Planning Committee (FPC) for further development.

The FPC discussed this issue at their February meeting in Juneau and at their March meeting in Seattle. Item C-4(b) shows the list of alternatives as revised by the FPC. The revisions include: (1) adding an option for a vessel class designation of 0-60' length overall and >60' length overall (this was adopted as an option for sablefish as well), (2) adding an option for a vessel class designation of 0-35', 35-60', and >60' length overall, and (3) redefining the 20% open access option as described below (also adopted for sablefish).
The option for a 20% open access fishery was redefined to allow for up to 20% of the TAC for any area to be utilized as a "set aside" quota. Potential uses of this set aside quota would include: an open access fishery for persons without QS/IFQs, a bycatch account to be utilized by other directed fisheries, and coastal community development allocations. The total amount of the set aside quota could vary between regulatory areas but not exceed 20% of the TAC for a given area. The mix of how this set aside quota is used could vary by area depending on the needs for each area as determined by the Council. If the Council approves an IFQ system for this fishery, the disposition of the set aside quota could be established by regulatory amendment prior to implementation of the program. Subsequent changes, if necessary, would require a regulatory amendment.

In January the Council tentatively approved a work schedule for development of an IFQ management program for halibut. This schedule requires the Council to finalize its IFQ alternatives at this meeting and requires the staff to prepare the analysis for Council review by the June meeting. The halibut IFQ plan and its analysis would be available for public review during the summer and the Council could take final action at its September meeting. This schedule presumably could allow for implementation of the program by early 1993.

The decision sequence envisioned last June was for the Council to first make a final decision on sablefish IFQs and then proceed with analyzing halibut. The halibut alternatives and options then could have been narrowed significantly, leading to a crisper, more focused presentation. The situation is different this year. All the sablefish IFQ options are still alive and well in the halibut proposal, so the analysis will be quite broad. We still think the analysis can be brought back by June, but it's going to be tight, considering the array of options. It will be patterned closely after the latest sablefish analysis, both in scope and content. The downside of slippage is that (1) the sablefish system, if approved, will not be submitted to the Secretary until the halibut decision is final, and (2) any delays past this September will make it very unlikely that either system will be operable for 1993.
HALIBUT COMMISSION SETS REGULATIONS FOR 1991

The International Pacific Halibut Commission (IPHC), which manages the Pacific halibut fishery on behalf of Canada and the United States, completed its 67th Annual Meeting in Vancouver, British Columbia with Dr. Richard Beamish of Nanaimo, B.C. presiding as chairman. The Commission will recommend to the governments of the United States and Canada catch limits for 1991 totalling 55.35 million pounds, compared to 58.62 million pounds in 1990.

The Commission noted that the reductions in halibut quotas in the 1991 halibut fishery are due to a combination of declining abundance and compensation for higher bycatch levels. Continuing high bycatch can adversely affect stock levels available for the commercial and recreational fisheries throughout the Northeastern Pacific Ocean and Bering Sea. This will result in substantial loss of income to halibut fishermen, processors, the recreational fishing community, and coastal communities.

The Commission endorsed a resolution calling for a special session of the IPHC to address bycatch reduction. At this special session, the Commissioners will review a working group report which assesses each county's efforts to control and reduce bycatch and considers appropriate levels of bycatch reduction. Recommendations will be forwarded to the governments by July 7, 1991.

The Commission received regulatory proposals from the scientific staff, Canadian and United States fishermen and processors, and other fishery agencies. The Commission will recommend to the governments the following commercial fishing seasons and catch limits for 1991 in Area 2A (all waters south of British Columbia), Area 2B (the waters off British Columbia), Area 2C (the waters off southeastern Alaska), Area 3A (Cape Spencer to Cape Trinity), Area 3B (Cape Trinity to Unimak Island), Area 4A (Unimak Island to 172°W and south of 56°20'N, exclusive of the Bering Sea closed area), Area 4B (Aleutian Chain west of 172°W and south of 56°20'N), Area 4C (Pribilof Islands grounds), Area 4D (northwestern Bering Sea), and Area 4E (Bering Sea flats east of 168°W, exclusive of the closed area):
<table>
<thead>
<tr>
<th>AREA</th>
<th>FISHING PERIODS</th>
<th>CATCH LIMIT</th>
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<tbody>
<tr>
<td></td>
<td></td>
<td>(pounds)</td>
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<tr>
<td>2A</td>
<td>Commercial 7/22; 8/06; 8/19- *</td>
<td>168,750</td>
</tr>
<tr>
<td>2A</td>
<td>Indian** 3/01-10/31</td>
<td>112,500</td>
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<tr>
<td>2A</td>
<td>Sport See attached table</td>
<td>168,750</td>
</tr>
<tr>
<td>2B***</td>
<td>4/21-4/26; 9/16- *</td>
<td>7,400,000</td>
</tr>
<tr>
<td>2C</td>
<td>5/07-5/08; 9/03-9/04; 9/30- *</td>
<td>7,400,000</td>
</tr>
<tr>
<td>3A</td>
<td>5/07-5/08; 9/03-9/04; 9/30- *</td>
<td>26,600,000</td>
</tr>
<tr>
<td>3B</td>
<td>5/07-5/08; 9/03-9/04; 9/30- *</td>
<td>8,800,000</td>
</tr>
<tr>
<td>4A</td>
<td>5/07-5/08; 8/20-8/21; 9/03-9/04; 9/30- *</td>
<td>1,700,00</td>
</tr>
<tr>
<td>4B</td>
<td>6/08; 6/17; 6/22; 6/29; 7/06; 7/13; 7/20; 7/27; 8/03; 8/10; 8/19-8/22; 9/30- *</td>
<td>1,700,00</td>
</tr>
<tr>
<td>4C</td>
<td>6/17-10/30: 1-day open, 1 day closed</td>
<td>600,000</td>
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<tr>
<td>4D</td>
<td>8/19-8/22; 9/30- *</td>
<td>600,000</td>
</tr>
<tr>
<td>4E</td>
<td>6/01-8/30: 2-days open, 1 day closed; 9/01-10/31</td>
<td>100,000</td>
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<tr>
<td><strong>Total</strong></td>
<td></td>
<td>55,350,000</td>
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</table>

* Date to be announced by the Commission.
** Includes 10,000 pounds reserved for ceremonial and subsistence (C&S) fishing.
*** If the Government of Canada adopts a proposed IVQ system, the Area 2B fishing season will commence on April 1 and terminate on December 31.

All Area 2A commercial fishing periods will be 10 hours in length beginning at 8:00 a.m. and ending at 6:00 p.m. Further, the Commission will require that all halibut caught in Area 2A be landed with their head on in order to improve the collection of scientific data.

Some of the Area 4B fishing periods may be canceled in order to insure that one-half of the allotted catch limit be available for the August 19-22 fishing period. All fishing periods in Area 4B between June 8 and August 10 inclusive will be 12 hours long, from 8:00 a.m. to 8:00 p.m.

The following new regulations applying to the sport fishery were approved: (1) No operator or crew member of a charter vessel fishing in Area 3A may possess or retain halibut on board while carrying passengers for hire. (2) The operator of any charter vessel shall be liable for any violations of halibut sport fishing regulations committed by a passenger. (3) Any halibut brought aboard a U.S. sport fishing vessel that is not immediately returned to the sea with a minimum of injury will be included in the daily bag limit of the person catching the halibut.

Other regulations approved by the Commission include a requirement that all license applications be signed by the owner of the vessel and a restriction prohibiting any trawl nets or fishing pots on vessels possessing halibut.

The Commission adopted catch sharing plans developed for Area 2A by the National
1991 SPORT FISHERY REGULATIONS FOR PACIFIC HALIBUT IN AREA 2A

Puget Sound

May 4 - June 16  2 fish bag limit, no size limit, 6 days/week (closed on Tuesdays).
June 22 - June 30 2 fish bag limit, no size limit, 2 days/week (Sat and Sun)

Catch projection = 34,021 pounds

North Washington Coast

The line dividing Puget Sound from the north coast will remain at Bonilla-Tatoosh. The southern boundary of the north coast area is the Queets River. All openings - 1 fish bag limit, no size limit.

May 1 - *  7 days/week until 55,000 pounds have been taken.
July 5 - *  2 days/week (Fri. and Sat.) until 8,000 pounds have been taken.
Aug. 30 - *  7 days/week until 1,590 pounds have been taken or until September 30.

Catch limit = 64,590 pounds

South Washington and North Oregon Coast

The area between the Queets River and Cape Falcon.

May 1 - Sept. 30  1 fish bag limit, no size limit, 7 days/week.

Catch projection = 4,327 pounds

Oregon Coast from Cape Falcon to Nestucca River

May 1 - *  1 fish bag limit at least 32 inches in length, 7 days/week until 1,000 pounds have been taken, or until September 30.

Catch limit = 1,000 pounds

Oregon Coast from Nestucca River to California Border

All openings - 2 fish bag limit with 1 fish at least 32 inches in length and a second fish at least 50 inches in length,

April 3 - *  4 days/week (Wed.-Sat.) until 40,000 pounds have been taken.
July 15 - *  7 days/week inside the 30-fathom curve until 8,100 pounds have been taken.
Aug 27 - *  7 days/week until 15,012 pounds have been taken or until September 30.

Catch limit = 63,112 pounds

California Coast

May 15 - Sept. 15  1 fish bag limit, at least 32 inches in length, 7 days/week.

Catch projection = 1,700 pounds

* Date to be announced by the Commission.
Marine Fisheries Service and Areas 4C and 4E by the North Pacific Fishery Management Council. A trip limit of 10,000 pounds in Area 4C and 6,000 pounds in Area 4E will be in effect for each fishing period. Area 2A would be managed to provide a catch limit of 450,000 pounds for all users: 112,500 pounds for the treaty Indian fishery, 168,750 pounds for the non-Indian commercial fishery, and 168,750 pounds for the non-Indian sport fishery. The recreational catch limit is divided so that 65,812 pounds would be taken south of Cape Falcon, Oregon and 102,938 pounds north of Cape Falcon, Oregon, including Puget Sound.

The sport fishery in British Columbia and Alaska opened on February 1 and will close on December 31 with no size limit. The sport fishery regulations for Area 2A are shown in the attached table.

The recommended regulations for the 1991 halibut fishery will become official as soon as they are approved by the Canadian and United States governments. The Commission will publish and distribute regulation pamphlets after the regulations are approved.

The next annual meeting of the Commission will be held in Seattle, Washington from January 27-30, 1991. Steven Pennoyer from the United States was elected chairman and Richard Beamish from Canada was elected vice-chairman for the coming year. Other commissioners are Linda Alexander and Gary Williamson from Canada, and Richard Eliason and George Wade from the United States. Donald A. McCaughran is director of the Commission and Stephen H. Hoag is assistant director.

-END-

Donald A. McCaughran, Director
Phone (206) 634-1838
RESOLUTION OF THE INTERNATIONAL PACIFIC HALIBUT COMMISSION

The Commission,

RECALLING the objectives of the CONVENTION BETWEEN CANADA AND THE UNITED STATES OF AMERICA FOR THE PRESERVATION OF THE HALIBUT FISHERY FOR THE NORTHERN PACIFIC OCEAN AND THE BERING SEA are to develop the stocks of halibut in the Convention waters to those levels which will permit the optimum yield from the fishery and to maintain the stocks at those levels;

NOTING that Pacific halibut is caught incidentally and discarded by fisheries targeting other species and that this incidental catch is known as "bycatch";

EXPRESSING concern that the bycatch of halibut can adversely affect stock levels for the commercial and recreational halibut fishery throughout its range;

NOTING that halibut abundance has been decreasing in recent years, projecting that this decline will continue in the next several years, and recognizing that high halibut bycatch will exacerbate this decline to the detriment of the halibut fishery;

FURTHER NOTING that over 90% of the bycatch occurs in U.S. fisheries and that unless bycatch levels are reduced in the near future they could approach or equal removals by the directed fishery at projected lower levels of stock abundance in the mid-1990s, and have a dramatic negative impact on the economies of those fisheries;

RECOGNIZING that, while the North Pacific Fishery Management Council of the United States of America has established allowable levels of halibut bycatch for domestic fisheries in the Bering Sea and the Gulf of Alaska, these levels are considerably higher than those achieved under United States of America fishery regulations for foreign fleets in the recent past;

NOTING that, while the absolute number of halibut taken as bycatch in the Canadian trawl fisheries is smaller than off Alaska, it occurs at a higher rate and remains unmonitored and unregulated;

NOTING that the lower catch quotas set for the 1990 commercial halibut fishery in compensation for higher halibut bycatch in Convention waters has resulted in substantial loss of income to halibut fishermen, processors, the halibut recreational fishing community, related businesses and the coastal communities;
TAKING NOTE that the Government of Canada is of the view that a realistic goal for a bycatch mortality reduction program would be a level below 10 millions pounds;

FINALLY NOTING that it is desirable to address the halibut bycatch issue to enhance continued successful management of the halibut fishery and that a realistic goal for a meaningful bycatch mortality reduction program is essential;

FURTHER RECOGNIZING that the level of bycatch which would guarantee rebuilding is not known with precision, but also recognizing that rebuilding from previous low levels occurred when bycatch levels were substantially below those recorded in recent years;

DETERMINES that a working group shall be convened to: review the measures to be taken in both countries to control and reduce bycatch; advise the Commission as to their adequacy; recommend additional measures which could be taken; and determine appropriate target levels for bycatch mortality reduction;

CONCLUDES that a special session of the Commission shall be convened to address the bycatch issue, including an assessment of management measures being implemented in both countries to control and reduce bycatch, and consideration of an appropriate agreed level for bycatch mortality reduction, based on the biological requirements for stock rebuilding, realization of the appropriate optimum yield from the fishery, and maintenance of the stock at that level. The special session shall meet no later than June 30, 1991, and receive the report of the working group and shall provide its recommendations to the Governments by July 7, 1991;

AND RECOMMENDS the Governments of Canada and the United States of America undertake the necessary programs to monitor bycatch levels in their respective fisheries and evaluate measures taken to reduce that bycatch.
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<th>ALTERNATIVE 5</th>
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<tr>
<td>Gear and Areas</td>
<td>Directed halibut fisheries (longline) in all IFHC regulatory areas: 2C, 3A, 3B, 4A, 4B, 4C, 4D, and 4E. Under Alternative 4, further breakdown of IFHC areas may be proposed in order to more fully implement the intent of the 20% open-access fishery.</td>
<td>Quota shares (QS) are a percentage of the fixed gear halibut quota for a specific IFHC management area. An Individual Fishing Quota (IFQ) is the weight equivalent of the QS. It is also area specific. It will vary annually with changes in the fixed gear halibut quota for an area.</td>
<td>Tentative schedule: After the application and appeals process in 1992, QS will be assigned for use in 1993. IFQs to be issued yearly to QS owners.</td>
<td>Quota shares (QS) are a percentage of the fixed gear halibut quota for a specific IFHC management area. An Individual Fishing Quota (IFQ) is the weight equivalent of the QS. It is also area specific. It will vary annually with changes in the fixed gear halibut quota for an area.</td>
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<tr>
<td>Shares and Quals</td>
<td>Initial QS recipients will be owners or leaseholders of vessels that made fixed gear landings of halibut during the qualifying period. They must be non-U.S. citizens.</td>
<td>Initial QS recipients will be owners or leaseholders of vessels that made fixed gear landings of halibut during the qualifying period. They must be non-U.S. citizens.</td>
<td>Only one option: Vessel owner(s) unless qualified lease exists (bareboat charter).</td>
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<td>Qualifying Period</td>
<td>To qualify for QS in an area, a 'Person' (owner or leaseholder) must have made fixed gear landings of halibut in the area in at least one year during:</td>
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<tr>
<td>Provisions</td>
<td>ALTERNATIVE 2</td>
<td>ALTERNATIVE 3</td>
<td>ALTERNATIVE 4 (Lundsten proposal)</td>
<td>ALTERNATIVE 5 (Tillion/Hegge proposal)</td>
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| Initial QS Amount                    | Initial QS is based on the sum of a 'Person's' recorded fish tickets, by area, for all vessels each 'Person' owned or held by lease for the combination of years below. This individual qualifying poundage would be divided by the total of all individuals' qualifying amounts in an area to obtain the QS in terms of a percentage of the fixed gear quota for that area. Years with no landings would be counted as zero. | Option 1: all 6 years (1984-1989)  
Option 2: 5 of 6 years (1984-1989)  
Option 1: same as alternative 4.  
| Total of 6 years: 1984-1989          |                                                                               |                                                                               |                                    |
| Emphasis on Recent Landings          | Landings will be adjusted upward incrementally by 1%, 3%, or 10% each year from 1984-1989 when calculating initial QS. |                                                                               | No weighting of more recent landings. |                                    |
| Vessel Category Designations         | Option 1. NO vessel categories.  
Option 2. Vessel categories as follows:  
1. Less than 50' length overall.  
2. 50' to 100' length overall.  
3. Over 100' length overall.  
Vessel categories as follows:  
1. Less than 50' length overall.  
2. 50' to 75' length overall.  
3. Over 75' length overall.  
4. All freezer/longliners regardless of size. | Vessel categories as follows:  
1. Catcher vessels.  
2. Freezer/longliner vessels.  
3. Landing calculated for each category. No size limitations for vessels.  
Catcher vessel fish cannot be frozen aboard vessel using IFQs.  
Freezer/longliner fish may be delivered fresh or frozen. | Option 1: NO vessel categories  
Option 2: Vessel categories of:  
(a) Less than 60' length overall.  
(b) 60' and greater  
Option 3: Vessel categories of:  
(a) Less than 35' length overall.  
(b) 35' to 60' length overall.  
(c) 60' and greater |
| Duration of Quota Share Program      | Each 'Person' would receive QS for the vessel category of their most recent landings within the qualifying period. If, in their most recent qualifying year, they owned or leased 2 or more vessels that landed halibut their allocation would be for the category of their largest vessel. | Vessel categories as follows:  
1. Catcher vessels.  
2. Freezer/longliner vessels.  
3. Landing calculated for each category. No size limitations for vessels.  
Catcher vessel fish cannot be frozen aboard vessel using IFQs.  
Freezer/longliner fish may be delivered fresh or frozen. | Vessel categories as follows:  
1. Catcher vessels.  
2. Freezer/longliner vessels.  
3. Landing calculated for each category. No size limitations for vessels.  
Catcher vessel fish cannot be frozen aboard vessel using IFQs.  
Freezer/longliner fish may be delivered fresh or frozen. |                                    |
|                                      | Harvest privileges may be subject to periodic change, including revocation, in accordance with appropriate management procedures as defined in the Magnuson Act. Ending the program would not constitute 'taking' and QS/IFQ owners would not be compensated. | Vessel categories as follows:  
1. Catcher vessels.  
2. Freezer/longliner vessels.  
3. Landing calculated for each category. No size limitations for vessels.  
Catcher vessel fish cannot be frozen aboard vessel using IFQs.  
Freezer/longliner fish may be delivered fresh or frozen. | Vessel categories as follows:  
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3. Landing calculated for each category. No size limitations for vessels.  
Catcher vessel fish cannot be frozen aboard vessel using IFQs.  
Freezer/longliner fish may be delivered fresh or frozen. |
|                                      | Option 1: No specified ending date.  
Option 2: Effective into perpetuity.  
Option 3: Effective for specified period (e.g. 5 or 10 years) | No specified ending date. The privileges are good for an indefinite period. | No specified ending date. The privileges are good for an indefinite period. | Vessel categories as follows:  
1. Catcher vessels.  
2. Freezer/longliner vessels.  
3. Landing calculated for each category. No size limitations for vessels.  
Catcher vessel fish cannot be frozen aboard vessel using IFQs.  
Freezer/longliner fish may be delivered fresh or frozen. |
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<tr>
<th>Provisions</th>
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<tr>
<td>Calculating IFQ Poundages</td>
<td>IFQ poundage is obtained by multiplying the QS percentage times the halibut quota for an area.</td>
<td>Same as Alternatives 2-4, except that 20% is subtracted off the fixed gear quota for each area and assigned to the set aside fishery described elsewhere in this table.</td>
<td>* Freezer/Longliner QS/IFQs: Fully saleable to any 'Person' (U.S. individual, partnership, corp., etc.). Leasable, but recipient must own vessel using IFQs or be on board as crew or operator. * Catcher Vessel QS/IFQs: Initial recipients can be 'Persons' and do not have to be on the vessel or sign the fish ticket to use the IFQs. Subsequent users must be (or designate within 90 days) a U.S. citizen as owner of the QS who must be on board the vessel using the IFQs and sign the fish ticket, unless an allowable lease exists. Then, the leaseholder must be a U.S. citizen and must be aboard and sign the fish ticket. No more than 50% of any person's IFQs may be leased except in cases of illness, injury, or emergency to be defined by NMFS. * Freezer vessels that fish for species other than halibut must acquire QS for halibut in order to retain them. * Maximum of 15% of all halibut QS may be held by freezer fleet.</td>
<td>* QS/IFQs fully saleable, and: Option 1: leasable Any 'Person' may control IFQs. Proof of citizenship or majority ownership and control may be required. Option 2: non-leasable Any 'Person' may purchase QS, but must own the vessel the QS/IFQs will be used on, or must be on board the vessel using the QS/IFQs as crew or operator.</td>
</tr>
<tr>
<td>Transfer of QS/IFQs</td>
<td>* QS may be sold, and after two years, leased. * IFQs may be sold after first two years. * Any 'Person' may control IFQs. Proof of citizenship or majority ownership and control may be required.</td>
<td>* QS may be sold, but not leased. * IFQs cannot be sold. * Any 'Person' may purchase QS but, must own or be on board vessel using the QS/IFQs as crew or operator.</td>
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<tr>
<td>Limitation on Holdings (own/control)</td>
<td>3% of quota available to fixed gear off Alaska</td>
<td>2% limit of overall fixed gear quota but, initial recipients of more than 2% may continue to own or control the excess, but not more.</td>
<td>3% limit, otherwise same as Alternative 3.</td>
<td>Same as Alternative 3. No more than 2% can be used on one vessel. Suboption under this alternative for a 1% cap on ownership.</td>
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<tr>
<td>General Provisions</td>
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<td>* NMFS must approve QS/IFQ transfers based on findings of eligibility criteria before fishing commences.</td>
<td>* Persons must control IFQs for amount to be caught before a trip begins.</td>
<td>* QS and IFQs are specific to management areas and vessel categories (if used).</td>
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<td>* Halibut cannot be landed without IFQs except in open access fishery under Alternative 5. In Alternative 5, all catch would be counted against either IFQs or open access quota, whichever is appropriate.</td>
<td>* IFQs are not valid for halibut caught by any means other than directed hook-and-line fishing in any IPHC area covered by this plan.</td>
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<tr>
<td>Discards</td>
<td>No provisions for discards</td>
<td>IFQ users cannot discard legal sized halibut.</td>
<td>Discards permitted but count to TAC or IFQ. Any LL fishery that takes halibut must control IFQs.</td>
<td>Up to 20% of TAC may be set aside for community quota, bycatch, or open access as described below.</td>
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<tr>
<td>Open Access</td>
<td>No open access fishery</td>
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<tr>
<td>Coastal Community Considerations</td>
<td>8% cap on total use by disadvantaged communities. Also limitations by area. Details of concept are in Attachment 1.</td>
<td>Same as Alternative 2 except limited to Port Graham and westward, and only the Governor of Alaska can recommend. communities. See Attachment 2.</td>
<td>3% cap on use of any area's fixed gear quota for disadvantaged communities such as Atka or Pribilofs.</td>
<td>* Each area's fixed gear TAC divided 7% IFQ and 7% open access. * IFQ holder for any area would not be permitted to fish any area's open access fishery except as noted. * Open access fishery managed by exclusive registration area (existing IPHC areas to begin with). * 4th quarter open access clean-up fishery open to any person or vessel if they do not own/control unused IFQs. Exclusive areas rescinded.</td>
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</table>
| Administration   | * NMFS Alaska Regional Office would administer the program (Alternative 2 allowed this to be contracted to the State of Alaska).  
* Settlement of appeals disputes during the initial assignment process will be based on fact. Unsubstantiated testimony will not be considered. Leaseholders would have to come to the Appeals Board with verifiable ('certified' was used in Alternative 2) records and agreement of the owner of record of the vessel. Initial appeals would be heard by an Appeals Board composed of government employees rather than industry members. Subsequent appeals would go to NMFS Alaska Regional Director followed by appeals to Secretary of Commerce and then the court system.  
* Appeals could be brought forth based on the following criteria:  
1. Errors in fish ticket information.  
2. Documented leaseholder qualification.  
3. Total vessel loss due to sinking, burning, or shipwreck, possibly with landings adjusted for the year of occurrence.  
4. Problems caused by Exxon oil spill.  | 1. Errors in records.  
| Unloading        | No provisions.                                                               |                                                                               |                                   |                                        |
| Provisions       |                                                                               |                                                                               |                                   |                                        |
| Program          | * It is the Council's intent to find a way to finance the IFQ program without redirecting costs, possibly including a cost recovery program from QS/IFQ owners.  |                                                                               |                                   |                                        |
| Financing        |                                                                               |                                                                               |                                   |                                        |
Mr. Chris Oliver
North Pacific Fishery Management Council
P.O. Box 103136
Anchorage, Alaska 99510

Dear Chris:

This letter is in response to two issues relevant to the proposed IFQ option for the halibut fishery off Alaska: (1) troll harvest; and (2) desirability of a winter closure.

(1) Halibut Catch by Trollers. The FPC, at its Seattle meeting of March 19-20, discussed using the set-aside quota in an IFQ fishery for troll catches of halibut. The question arose of how much halibut could be expected to be taken by trolls in an IFQ fishery. The answer is clouded somewhat by the short openings now common in the halibut fishery and by changes in halibut biomass. So, we looked at troll landings when the season lasted all summer during a period when halibut exploitable biomass was comparable to today’s level of 225-275 million pounds, i.e., the early 1960s. The data from 1961-1965 showed that the troll catch was roughly 10% of the total harvest in Area 2C (see attached table). A spot check of 1975-76, a period of low halibut biomass, indicated the troll catch declined to roughly 5% of the harvest.

How much halibut do trolls currently catch? We cannot identify troll landings on halibut fish tickets because gear type is not indicated. In addition, our experience is that troll fishermen commonly credit their catches against a longline permit card, rather than a troll permit card, when completing the fish ticket in order to protect themselves if limited entry were adopted. This type of action would, therefore, result in including the fisherman in the IFQ fishery. Observations from Area 2C port samplers suggest that troll landings in recent years are very low, probably due to a combination of factors, such as the short length of the halibut fishing periods and lack of halibut periods during the principle troll salmon seasons.

A secondary issue is the catch of halibut by a winter troll fishery. Halibut enter the spawning period during November/December and remain through February and March. The distribution of spawners takes the fish into deep water, e.g., 150 to 200 fathoms. A winter troll fishery would be expected to pick up significant amounts of halibut if it operated at these depths. However, my understanding of winter trolling is that it is conducted shallower than 150-200 fathoms. Since the halibut which remain shallow are mostly immature and below minimum commercial size, the expectation is that few halibut would be caught and retained by trolls. In previous studies, we have found that release mortality of troll-caught sub-legal halibut is low.
(2) IPHC Staff Proposal for a Winter Fishery Closure. We are currently discussing the impacts of a year-round IFQ fishery on our management practices and stock assessment. A 12-month fishery has many differences from the current situation. For example, how will a year-round fishery affect our data needs for stock assessment? What is the effect of a change in distribution between summer feeding and winter spawning on assessment and management? What kinds of changes could be expected in the reliability of biomass estimates because of seasonal growth and changes in weight-at-age? How would migrations among areas, subareas, and across national boundaries affect exploitation patterns? How much fishing is likely to occur during the winter months?

We have no recommendation at this time for a winter closure, but will let you know if we have a proposal.

Sincerely yours,

Gregg H. Williams
Biologist

Encl.
cc: Jay Ginter, NMFS/AK Region
    Earl Krygier, ADF&G Juneau
Table 1. Catches of Pacific halibut in Area 2C (Southeast Alaska) by trollers during 1961-1965.

<table>
<thead>
<tr>
<th>Year</th>
<th>Area 2C Season Length</th>
<th>Total 2C Catch (000s lbs)</th>
<th>2C Troll Catch (000s lbs)</th>
<th>Percent by Trollers</th>
</tr>
</thead>
<tbody>
<tr>
<td>1961</td>
<td>120 days (5/10 - 9/7)</td>
<td>12,271</td>
<td>1,119</td>
<td>9.1</td>
</tr>
<tr>
<td>1962</td>
<td>122 days (5/9 - 9/8)</td>
<td>13,091</td>
<td>1,250</td>
<td>9.5</td>
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<tr>
<td>1963</td>
<td>205 days (5/9 - 11/30)</td>
<td>9,895</td>
<td>942</td>
<td>9.5</td>
</tr>
<tr>
<td>1964</td>
<td>137 days (5/1 - 9/15)</td>
<td>7,164</td>
<td>782</td>
<td>10.9</td>
</tr>
<tr>
<td>1965</td>
<td>137 days (5/1 - 9/15)</td>
<td>11,674</td>
<td>1,635</td>
<td>14.0</td>
</tr>
<tr>
<td>Average</td>
<td></td>
<td>10,819</td>
<td>1,146</td>
<td>10.6</td>
</tr>
</tbody>
</table>