

**ADVISORY PANEL MINUTES
North Pacific Fishery Management Council
June 4-9, 2007, Harrigan Hall, Sitka, AK**

The following members were present for all or part of the meeting:

Lisa Butzner	Jan Jacobs	John Moller
Joe Childers	Bob Jacobson	Jeb Morrow
Craig Cross	Simon Kinneen	Ed Poulsen
Julianne Curry	Kent Leslie	Michelle Ridgway
Tom Enlow	Tina McNamee	Lori Swanson
Bob Gunderson	Mike Martin	
John Henderschedt	Matt Moir	

The AP approved the minutes from the previous meeting.

C-1 Halibut Charter Management

(a) Stakeholder Recommendations and compensated re-allocation

The AP recommends the Council use the following revised elements and options for analysis.

Compensated Reallocation between Commercial and Charter Sectors in Areas 2C and 3A

Problem Statement

The absence of a hard allocation between the longline and the charter halibut sectors has resulted in conflicts between sectors and tensions in coastal communities dependent on the halibut resource. Unless a mechanism for transfer between sectors is established, the existing environment of instability and conflict will continue. The Council seeks to address this instability while balancing the needs of all who depend on the halibut resource for food, sport, or livelihood.

Action 2. Implement measures to allow compensated reallocation between the commercial sector and the charter sector

Element 1: Holder of Quota Share, Method of Funding and Revenue Stream

Element 1.1: Federal – common pool

A. Method of Funding

option 1. loan

option 2. buyout program

B. Revenue Stream

option 1. halibut charter stamp

option 2. moratorium permit fee

option 3. self-assessment fee

suboption 1. fee is based on number of clients

suboption 2. fee is based on number of fish

Element 1.2: State of Alaska – common pool

A. Method of Funding

option 1. loan

option 2. bonding

B. Revenue Stream

option 1. charter stamp

- option 2. sportfishing license surcharge
- option 3. business license fee/surcharge or limited entry permit holder
 - suboption 1. fee is based on number of clients
 - suboption 2. fee is based on number of fish

Element 1.3: Regional private non-profit associations – common pool

- A. Method of Funding
 - option 1. loan
- B. Revenue Stream
 - option 1. self-assessment
 - Suboption 1. fee is based on number of clients
 - Suboption 2. fee is based on number of fish

Element 1.4: Individual - private (A moratorium permit would be required unless the moratorium is not in place, in which case a Guided Sportfish Business License would be required instead.)

- A. Method of Funding
 - option 1. loan programs
 - option 2. private funding

Revenue streams will be for a defined period and end after the loan or bond is paid off, i.e. continuous open-ended revenue streams are to be avoided.

Element 2: Restrictions on transferability of commercial quota share by charter sector, with grandfather clause to exempt current participants in excess of proposed limits

Element 2.1: Limits on transferability

The percentages are based on the combined commercial and charter catch limit. These are intended to establish a minimum amount that will always be available to each sector.

A percentage of the combined commercial and charter catch limit will be available for transfer between sectors.

- Option 1: 10 percent
- Option 2: 15 percent
- Option 3: 20 percent
- Option 4: 25 percent

Element 2.2: Limits on purchase

A. entities purchasing for a common pool:

- Option 1. limited annually to a percentage (30-50%) of the average amount of QS transferred during the previous five years.
- Option 2. Restrictions on vessel class sizes/blocked and unblocked/ blocks above and below sweep-up levels to leave entry size blocks available for the commercial market and to leave some larger blocks available for an individual trying to increase their poundage.

(These options are not intended to be mutually exclusive.)

B. individual: subject to the current ownership cap and block restrictions associated with commercial quota share

Element 2.3: Limits on leasing

A. Common Pool:

- The common pool may only lease 0-15% of holdings back to the commercial sector.
- B. Individual charter operators:
- Option 1. an individual may not hold or control more than the amount equal to the current setline ownership cap converted to the number of fish in each area (currently 1% of the setline catch limit in 2C or ½% in 3A)
 - Option 2. an individual may not hold or control more than 2,000, 5,000, or 10,000 fish. (Note: examine this as a percentage of the catch limit once allocations are established.)
 - **Option 3. charter operators may lease up to 10% of their QS back to commercial sector
- C. Individual commercial fishermen:
- i. Commercial fishermen who do not hold a sport fishing guide business license and/or moratorium permit may lease up to 10% of their annual IFQs for use as GAF¹ on an individual basis, or to a common pool.
 - ii. Commercial fishermen who hold QS and a sport fishing guide business license and/or a halibut moratorium license may convert all or a portion of their commercial QS to GAF on a yearly basis if they own and fish it themselves on their own vessel. Commercial and charter fishing may not be conducted during the same **day.

Element 3: Implementation Issues

1. These qualifying entities may purchase commercial QS and request NMFS to issue annual IFQs generated by these shares as Guided Angler Fish (GAF*).
2. Qualified entities harvesting GAF while participating in the guided sport halibut fishery are exempt from landing and use restrictions associated with commercial IFQ fishery, but subject to the landing and use provisions detailed below.
3. GAF would be issued in numbers of fish. The conversion between annual IFQ and GAF would be based on average weight of halibut landed in each region's charter halibut fishery (2C or 3A) during the previous year as determined by ADF&G. The long-term plan may require further conversion to some other form (e.g., angler days).
4. Subleasing of GAF would be prohibited.
5. GAF holders may request NMFS convert unused GAF into IFQ pounds for harvest in compliance with commercial fishing regulations provided the GAF holder qualifies under the commercial IFQ regulations.
6. Unused GAF may revert back to pounds of IFQ at the end of the year and be subject to the underage provisions applicable to their underlying commercial QS.
7. All compensated reallocation would be voluntary based using willing seller and willing buyer.
8. Guided angler fish derived from commercial QS may not be sold into commerce, i.e., all sport regulations remain in effect.
9. Guided angler fish derived from commercial QS may not be used to harvest fish in excess of the non-guided sport bag limit on any given day.

¹ * GAF = Guided Angler Fish (This is used only as a charter unit of measurement for commercial quota share converted to charter use and is not indicative) of a particular long term solution.)

** indicates changes made by the AP to the Halibut Stakeholder recommendations

10. There needs to be a link between the charter business operators and the cost of increasing the charter pool. If the charter business operators do not experience the cost of increasing the charter pool, there will not be a feedback loop to balance the market system.

Motion passed 17/2.

Additionally, the AP requests that the Council task the enforcement committee with evaluating the issue of unguided (or bare boat) halibut charters. The AP is concerned that this growing sector may be legally circumventing the intent of the Council to limit charter halibut harvests. *Motion passed 18/0.*

C-1 (b) Area 2C GHL Harvest Measures

The AP recognizes the immediate need for action regarding the implementation of measures that keep charter harvest within the GHL. The AP strongly recommends the Council implement Option 12, with a four fish annual limit. However, the AP recommends the proposed rule also notice the public that if the GHL is reduced to 1.217 million pounds due to CEY reduction, or because one or more elements of option 12 are not implementable, then the preferred alternative would be a one fish daily bag limit for the entire season.

Motion passed 18/1.

Minority Report

The minority of a failed 7/12 motion, wishes to strike Option 1-- Limit vessels to one trip per day from charter fleet management measures -- because it disproportionately impacts operational flexibility of historical participants in the charter industry without yielding significant reductions in halibut harvest. Signed: Mike Martin, Michelle Ridgway, Tina McNamee, Lisa Butzner, Simon Kinneen, Lori Swanson