

**Council Motion**  
**Halibut Charter Initial Allocation and Future Reallocation**  
10/5/07

**Action 1. Initial Allocation between charter sector and commercial sector in Area 2C and Area 3A**

Alternative 1. No Action.

Alternative 2. Establish an initial allocation that includes sector accountability

Element 1. Initial allocation

Option 1: Fixed percentage of combined charter harvest and commercial catch limit, as a percentage of the fishery CEY.

	<b>Area 2C</b>	<b>Area 3A</b>
a. 125% of the 1995-1999 avg charter harvest (current GHL formula)	<b>13.09%</b>	<b>14.00%</b>
b. 125% of the 2001-2005 avg charter harvest (GHL formula updated thru 2005)	<b>17.31%</b>	<b>15.44%</b>
c. Current GHL as percent of 2004	<b>11.69%</b>	<b>12.70%</b>
d. 2005 charter harvest	<b>15.14%</b>	<b>12.65%</b>

Option 2: Fixed pounds linked to fishery CEY (at time of final action)

Fixed pounds, linked to fishery CEY at the time of final action would be used as the base amount to determine if the current CEY triggers an adjustment in the charter sector allocation.

a. 125% of the 1995-1999 avg charter harvest (current GHL)	<b>1.43 Mlb</b>	<b>3.65 Mlb</b>
b. 125% of the 2000-2004 avg charter harvest (GHL updated thru 2004)	<b>1.69 Mlb</b>	<b>4.01 Mlb</b>
c. 125% of the 2001-2005 avg charter harvest (GHL updated thru 2005)	<b>1.90 Mlb</b>	<b>4.15 Mlb</b>

Option: Stair step up and down. The allocation in each area would be increased or reduced in stepwise increments based on a change in the CEY. If the halibut stock were to increase or decrease from 15 to 24 percent from its average CEY of the base period selected for the initial allocation at the time of final action, then the allocation would be increased or decreased by 15 percent. If the stock were to increase or decrease from at least 25 to 34 percent, then the allocation would be increased or decreased by an additional 10 percent. If the stock increased or decreased by at least 10 percent increments, the allocation would be increased or decreased by an additional 10 percent.

**Action 2. Market-based reallocations between charter sector and commercial sector in Area 2C and 3A**

Alternative 1. No Action.

Alternative 2. Interim Management and Market-Based Reallocation from Commercial Sector

Element 1. Management approach

The guided sport allocation would become a common harvest pool for all moratorium license holders. Annually, regulations would be evaluated and implemented with the goal that fishing on the common pool would be structured to create a season of historic length with a two fish bag limit. Individual moratorium license holders may lease commercial IFQ, or use the IFQ resulting from commercial QS already in their possession, to provide additional opportunities for clients, not to exceed existing regulations in place for unguided anglers.

### Element 1.1. Management toolbox

The preferred proposed management options to be utilized by the Council to manage the charter common pool for a season of historic length are:

- 1 trip per vessel per day
- No retention by skipper or crew
- line limits
- Second fish of minimum size
- Second fish at or below a specific length.

If the management measures above are inadequate to constrain harvest by the charter common pool to its allocation, it is acknowledged that the following management measures may be necessary to constrain charter harvest to its allocation:

- Annual catch limits
- 1 fish bag limit for all or a portion of the season
- Season closure
  - Suboption: seasonal closures on a monthly or sub-seasonal basis

### Element 1.2 Buffered hard cap

The plan is for a buffered hard cap, which utilizes trailing management measures and a delayed overage provision. It represents active annual management, rather than passive management, in contrast with current GHM management.

The Council would annually devise management measures that take into account the projected CEY for the following year and any overages by the charter industry in the past year. This will result in the charter industry “paying back” the commercial industry by the number of pounds they exceeded their allocation. In factoring such payback into its subsequent allocations, the Council will not revisit or readjust the sector split.

Element 1.3 Timeline. This plan is premised upon IPHC adopting a combined commercial/charter fishery catch limit which is derived from the fishery CEY.

*Due to the lag in implementation of management measures, it is noted that management measures will, in general, be slightly more restrictive than necessary for conservation purposes. In providing predictability and stability for the charter sector, it is likely that charter fish may be left in the water.*

#### Option 1. 3-year cycle

- October of 2008: Council gets ADF&G charter harvest information for 2007.
  - The Council needs to initiate the analysis of management necessary to meet the projected allocation. (The goal is to maintain a season of historic length with a two fish bag limit.)
- November of 2008: IPHC CEY and staff catch limit recommendations.
- December of 2008: Council performs initial review of the analysis.
- January 2009: IPHC fishery catch limits adopted for 2009.
- February 2009: Council will take final action on management measures based on the CEY trend for 2007, 2008, and 2009, and any harvest overages; then, set management measures that would be implemented in year 2010.
- August 2009: NMFS publishes the rule that will be in effect for 2010. (This timeline represents the status quo regulatory process.)

Element 1.3.1 Overage provision

Option 1. Separate accountability. (*See previous Stakeholder Committee and staff discussion papers.*)

Option 2. Pay Back. Best described with an example: In 2007 the charter sector goes over its allocation (but that's not known until year 2008). Charter's allocation in year 2007 was 100 pounds; however, they took 110 pounds. In 2010, assuming the allocation remains stable, the charter sector will only receive an allocation of 90 pounds in order to "payback" its overage of 10 pounds.

Element 1.3.2 Underage provision. Any underage would accrue to the benefit of the halibut biomass.

Option 2. In addition, please provide an analysis to determine whether or not the process described above can be shortened by one year. This may be a combination of use of logbook data in a timelier manner or a shortened regulatory timeframe. There would be no payback, just separate accountability (i.e., the IPHC simply factors any overage into biomass calculation).

Element 1.4. Supplemental individual use of commercial IFQ

This element implements measures to allow moratorium license holders to lease commercial IFQ in order to provide anglers with additional opportunities, not to exceed regulations in place for unguided anglers.

Element 1.4.1 provisions:

- A. Guided Sport Moratorium (GSM) permit holder may lease commercial IFQ for conversion to GAF.
- B. GSM holders harvesting GAF while participating in the guided sport halibut fishery are exempt from landing and use restrictions associated with commercial IFQ fishery, but subject to the landing and use provisions detailed below.
- C. GAF would be issued in numbers of fish. The conversion between annual IFQ and GAF would be based on average weight of halibut landed in each region's charter halibut fishery (2C or 3A) during the previous year as determined by ADF&G. The long-term plan may require further conversion to some other form (e.g., angler days).
- D. Subleasing of GAF would be prohibited.
- E. GAF holders may request NMFS convert unused GAF into IFQ pounds for harvest in compliance with commercial fishing regulations provided the GAF holder qualifies under the commercial IFQ regulations.
- F. Unused GAF may revert back to pounds of IFQ at the end of the year and be subject to the underage provisions applicable to their underlying commercial QS.
- G. Guided angler fish derived from commercial QS may not be sold into commerce, i.e., all sport regulations remain in effect.
- H. Guided angler fish derived from commercial QS may not be used to harvest fish in excess of the non-guided sport bag limit on any given day.
- I. Charter operators landing GAF on private property (e.g. lodges) and motherships would be required to allow ADF&G samplers/enforcement personnel access to the point of landing.

Element 1.4.2: Limits on leasing

A. Holders of Guided Sport Moratorium (GSM) Permits

Option 1. A GSM permit holder may not hold or control more IFQ than the amount equal to the current setline 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. A GSM permit holder may not hold or control more than 1,000, 2,000, 5,000, or 7,500 fish. (Note: examine this as a percentage of the catch limit once allocations are established.)

B. Commercial Halibut QS Holders:

i. Commercial halibut QS holders may lease up to 10% of their annual IFQs for use as GAF on an individual basis.

ii. Commercial Halibut QS Holders who also hold a GSM permit:

Option 1. May convert all or a portion of their commercial QS to GAF on a yearly basis if they own and fish it on their own GSM permit vessel(s). Commercial and charter fishing may not be conducted from the same vessel during the same day.

Option 2. May lease up to 10% of their annual IFQs for use as GAF on an individual basis.

Element 1.5. Catch accounting

- a. The current Statewide Harvest Survey or logbook data would be used to determine the annual harvest.
- b. A catch accounting system\* will need to be developed for the GAF fish landed in the charter industry.

*\* NOTE: Monitoring and enforcement issue:*

*In 2003, NMFS contracted with Wostman and Associates to design a data collection program compatible with guided sport operations, yet robust enough to monitor a share-based management plan. This system was based on logbooks and telephone or internet call in and reporting numbers of fish. This system was designed with the technology available to charter operators.*

**Request that NMFS, USCG, ADF&G, and Council staff convene prior to commencement of the analysis in order to the assure consistency of assumptions for management, record keeping, implementation, monitoring, and enforcement issues.**

The Council also provided the following direction on completing the analysis.

**Overarching Issues:**

1. Use existing data ranges and note that 2006 data fall within the percentages derived from the existing data ranges.
2. Continue using the GHF as the baseline for analysis of Action 2 alternatives. Additional alternatives will complicate the analysis.

**Allocation Issues:**

1. Percentage based initial allocation alternatives should be presented as a range of percentages with the formulas used to provide reference and context for specific points within that range.
2. See 1 above. Formulas should not be hind-cast based on different IPHC models. The decisions which have lead to this point were based on numbers in effect each year. Different decisions could have been made if different numbers were in effect. It is inequitable to use hind-cast numbers to govern present allocation decisions. The staircase up and down provisions would use the CEY at the time of action

**Original Compensated Reallocation Alternatives.** The Council requested that the Halibut Stakeholder Committee, in the context of its discussions regarding a “long term” solution and the development of recommendations for the Council’s consideration and analysis, review and consider the elements for compensated reallocation in the Council’s June motion on Compensated Reallocation and the AP motion on Compensated Reallocation with the following elements added for consideration:

Common Pool

Element 2.1 Limits on Transferability

The percentages are based on the combined commercial and charter catch limit. 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

Suboption a: Limit transferability to a percent of the annual commercial setline harvest level – IFQ

Suboption b: Limit transferability to a percent by area

Element 2.2 Limits on QS 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 5 years.

Option 2: restrictions on vessel class sizes/blocked and unblocked/blocks above and below sweep-up levels to leave entry sized blocks available for the commercial market and to leave some larger blocks available for an individual trying to increase their poundage.

Option 3: no limits

Option 4: limited annually to 1%, 3%, or 5% of the annual commercial setline harvest level – IFQ by area

Suboption: By vessel category