

**STATUS REPORT ON
FOUR DISCUSSION PAPERS FOR 2009 HALIBUT/SABLEFISH IFQ PROPOSALS
January 18, 2012**

The North Pacific Fishery management Council (Council) called for commercial halibut/sablefish Individual Fishing Quota (IFQ) proposals during Summer 2009. The IFQ Implementation Committee convened in November 2009 to review IFQ proposals and recommended that several be advanced for consideration by the Council¹. The committee reconvened in February 2010 to consider late proposals. In February 2010 the Council recommended that five proposed actions be developed into analyses. These were completed by the Council in 2011 and 2012. Three have been submitted to NMFS for approval and implementation. One was considered by the Council but no action was taken. A preferred alternative was scheduled for final action at the February 2012 meeting for a fifth proposed action.

In February 2010 the Council also recommended that four proposals be developed into discussion papers before it would consider initiating further action. The Council directed that staff prepare the discussion papers as time was available after other higher Council priorities. Development of charter halibut analyses and new commercial IFQ analyses were identified as higher priorities over these discussion papers.

Some preliminary coordination between Council staff and other agency staff and assembling background information has begun on these proposals.

1. Develop a discussion paper to allow the retention of 4A halibut incidentally caught while targeting sablefish in the Bering Sea and Aleutian Island regulatory areas. Included in the discussion paper is the premise that this action has the objective of not increasing halibut bycatch levels.

2. Develop a discussion paper to explore the implications of using pots for the Gulf of Alaska sablefish fishery, and address the following issues:

- 1) restrictions to gear usage
 - a) single vs longline pots
 - b) pots retained on grounds for long soaks vs retrieved during deliveries
 - c) pot storage
 - d) gear configuration requirements
 - e) gear conflicts
 - f) use the 200 fathom depth contour to mark open areas
 - g) pot soak time
- 2) area management (SE vs GOA)
- 3) exacerbation of halibut mortality
- 4) dynamic (social/economic) effects
 - a) safety issue related to use of pots by small vessels
 - b) crew employment
 - c) QS prices
 - d) ongoing acoustic research for avoiding whale depredation

Following development of the discussion paper, the Council may consider forming a gear committee composed of affected stakeholders to discuss the findings of the paper and make recommendations to the Council prior to proceeding to analysis.

3. Develop a discussion paper to assess whether the problem of unharvested halibut IFQ in Area 4 is attributable to the current vessel IFQ cap or are there other factors that could be identified as contributing to unharvested halibut in Area 4.

4. Initiate a discussion paper for removal of the block system for sablefish A shares and increase in the sablefish A share only cap. The A share exemption, would be from the overall sablefish use cap (no catcher vessel QS onboard) and regardless of whether the sablefish harvest was processed. The discussion paper should explore adding a use cap increase to the BSAI.

¹ <http://www.alaskafisheries.noaa.gov/npfmc/halibut/sablefish-ifq-program.html>

1. Develop a discussion paper to allow the retention of 4A halibut incidentally caught while targeting sablefish in the Bering Sea and Aleutian Island regulatory areas. Included in the discussion paper is the premise that sablefish pot tunnel regulations will not change in the BS/AI regulatory area.

Mr. Hebert submitted a proposal on October 22, 2008 to the IPHC. While the IPHC has the authority to regulate fishing gear in the halibut fisheries it chose to consult with the Council before considering the proposed action. The Council included this proposal under its 2009 call for IFQ proposals.

The proposer intends for a regulatory amendment for an experimental period to determine the results of allowing the retention of halibut caught as bycatch in pots in the sablefish fishery by IFQ holders of both halibut and sablefish in the area that overlaps with IPHC Area 4A. The proposer notes that the intent of the proposal is to allow similar action as was allowed in Area 2B (British Columbia) that allows coincident harvest of halibut and sablefish in pot gear. Three primary objectives of the proposal are:

- 1) Increase the area of harvest of halibut in Area 4A. The proposer reports that there is a large portion of Area 4A that is not fished due to whale predation using longline gear. Pots can be used to more successfully harvest halibut.
- 2) Reduce halibut bycatch mortality from killer whale predation and handling. Halibut bycatch mortality would be reduced eliminating mortality due to handling to release halibut prohibited to be retained from pot gear and sue to whale predation.
- 3) Reduce concentrated halibut harvest in traditional “whale-free” areas as a result of increased presence (time and space) of whales. The proposal would reduce pressure on the halibut resource and competition between vessels in limited area of successful halibut fishing.

The *IFQ Implementation Committee* determined that this issue had a higher priority than most others. This is a conservation and utilization issue. As noted in the proposal whale depredation has increased in the area due to discarding halibut caught as bycatch. There is concern that the bycatch mortality rate of halibut is increasing due to whales. Recognizing the potential for this provision to be misused, the paper should explore mechanisms that would ensure that the halibut bycatch be kept to a minimum and that the intent to allow only for incidental catch is captured.

An *interagency staff group* reviewed the proposal. “This proposal was forwarded to the Council by the IPHC after its 2009 annual meeting because the proposal would affect the Council’s sablefish IFQ fisheries. A regulatory amendment would be required with respect to the differences in the VMS clearance requirements for Area 4 halibut (as found in the Annual IPHC regulations) and BSAI sablefish (as found in Section 679). Halibut fishermen have to call the data clerks "within 72 hours before fishing," while sablefish fishermen have to call the data clerks "at least 72 hours prior to fishing." For enforcement purposes, staff recommends developing a new figure that identifies where halibut retention would be allowed (area that overlaps Area 4A with the BS and AI sablefish management areas); new regulations would identify the latitude and longitude where halibut retention would be allowed.

A small amount of sablefish pot fishery data is available from observer and logbook data, and is included in the SAFE Report. If the Council recommends that this proposal be analyzed, staff recommends that the proposed alternative require halibut to be retained if IFQs are held by fishermen on the vessel. Staff noted that regulations would be difficult to craft to avoid targeting of halibut in pots in this area; however, the sablefish pot configurations could reduce catchability of halibut.”

The *Advisory Panel* took no action on this proposal.

In February 2010 *the Council* requested a discussion paper as noted above.

STATUS: The above information was assembled.

2. Explore the implications of using pots for the Gulf of Alaska sablefish fishery.

Mr. Michael Douville of Craig, Alaska submitted a proposal on March 31, 2006 to allow the use of pots in the sablefish fishery in southeast Alaska. He identified that his proposal can address several problems which the Council is working on: a) seabird by-catch and b) interaction with whales. He identified that there would be no negative impact on anyone under his proposal. As an allowable gear type, fishermen could choose to use pots, but would not be required to invest in new gear, if they are happy with long line gear. He identified potential positive outcomes of a decline in seabird by-catch, including albatross, and a decrease in fishing gear/whale activity. Bycatch of rockfish would also be reduced, with less bait and effort to catch the same amount of fish. He suggested that the use of bird deterrent lines is cumbersome and unnecessary for many areas in Southeast Alaska and that research has demonstrated that whales will continue to take fish from longline gear.

The *IFQ Implementation Committee* in November 2009 forwarded this proposal for Council consideration due to changes in the conditions on the fishing grounds. The IFQ Implementation Committee noted that while seabird interactions are no longer a serious concern, there have been extreme sperm whale interactions with the fleet in the GOA. Allowing pot gear in this fishery could mitigate challenges, but there are a number of implications that must be considered, such as gear conflicts, gear loss, and changes in crew jobs. The Team adopted the following motion.

“Recommend that the proposal has merit for Council review and analysis. If the Council adopts this proposal for analysis the team recommended that the proposal be expanded to the GOA, and the analysis should address the following issues: 1) restrictions to gear usage (a) single v longline pots, b) pots retained on grounds for long soaks v retrieved during deliveries, c) pot storage, d) gear configuration requirements; e) gear conflicts, f) use the 200 fathom depth contour to mark open areas, g) pot soak timeslot; 2) area management (SE v GOA); 3) exacerbation of halibut mortality; 4) dynamic (social/economic) effects, including a) small vessels could not safely use pots, b) crew employment, c) QS prices; d) ongoing acoustic research for avoiding whale depredation.” Passed 10:1.

An *interagency staff group* reviewed the proposal to allow retention of sablefish in pots in the GOA Southeast Outside management area. “This would require a regulatory amendment to Section 679 (plan amendment too?) to allow a new gear type for sablefish. USCG staff recommends defining areas by lat/long where the new gear type would be allowed, and not by the 200 fathom contour. Enforcement of Proposal 2 is within the scope of the Joint Enforcement Agreement, it's not currently addressed in the Annual Operations Plan. If this proposal is implemented in regulations, NOAA would likely discuss the issue with Wildlife Troopers and possibly include it in the annual operations plan, as well as rely heavily upon the USCG for enforcement. If the Council recommends that this proposal be analyzed, staff recommends expanding the proposed action to require distinctive marking of buoys by gear type for all groundfish fisheries. This proposal would affect the EEZ only, and would be outside the scope of the joint enforcement agreement with the State of Alaska.”

The *Advisory Panel* concurred with the Team recommendation in February 2010. The AP unanimously recommended that the Council initiate a discussion paper on the use of pots in the GOA and/or SE sablefish fishery and establish a gear committee to identify possible gear conflicts and grounds preemption issues. The motion passed 17:0.

In February 2010 *the Council* adopted the AP motion and identified an extensive list of issues that the paper should discuss. No progress has been made on those issues, although some of the gear issues were previously addressed in the sablefish assessment several years ago.

Background

GOA Amendment 12 Pot Gear Prohibition for Sablefish (withdrawn)

Dates: Amendment 12 was adopted by the Council in July 1982. No record of a proposed or final rule was available, as the amendment was withdrawn after adoption of Amendment 14.

Purpose and Need: Amendment 12 addressed two potential problems in the Southeast sablefish fishery:

- (1) conservation and restoration of the depressed sablefish fishery; and
- (2) fishing grounds preemption and wastage of the existing sablefish resource.

Regulation Summary: Amendment 12 prohibited the use of pot longline gear for sablefish between 140°W longitude and Cape Addington.

Analysis: A 21-page RIR (draft dated April 1983) analyzed three alternatives: 1) the status quo; 2) make sablefish an exclusive hook and line fishery between 140°W longitude and Cape Addington (preferred action); and 3) do not include trawl gear in the proposed management measure. Pot gear was identified as less suitable for the area, given the bottom topography. Lost pot gear entangles hook and line gear, making both irretrievable and leading to ghost fishing. This situation led to a grounds preemption problem that resulted in pot longline gear being prohibited in southeast Alaska. Pot longline gear was used extensively in the mid-1970s, but was used to harvest less than one percent of sablefish between 1980 and 1982. Since there was no existing or anticipated trawl fishery for sablefish in this area, a restriction on the use of trawl gear for sablefish was not adopted. However, later trawl gear was limited to sablefish bycatch in other directed groundfish trawl fisheries.

Results: Hook and line is the only allowed gear in the directed sablefish fishery. Amendment 14 prohibited the use of all pot gear in this fishery. An individual fishing quota program for sablefish was approved in 1988 and implemented in 1995 in both the GOA (Amendment 20) and BSAI (Amendment 15). Pot longline gear continues to be permitted for sablefish in the Bering Sea and Aleutian Islands.

GOA Amendment 14 Sablefish Gear, Area and Seasonal Allocation, Demersal Shelf Rockfish Management, Optimum Yield Reductions, Halibut Prohibited Species Catch Framework, Habitat Policy, Catcher/Processor Reporting Requirements

Dates: GOA Groundfish FMP Amendment 14 was adopted by the Council in May 1985. NMFS published the proposed rule on July 26, 1985, and a final rule on October 24, 1985, effective November 18, 1985 (50 FR 43193).

Purpose and Need: The sablefish fishery traditionally had been a foreign longline fishery off Alaska, but in the eastern Gulf of Alaska in the early 1980s, domestic longliners had increased their harvests rapidly as markets developed. With improvements in the market for sablefish, two new gear types, pots and sunken gillnets, entered the fishery in 1984. In addition, trawling by foreign joint ventures in the Central and Western Gulf also took sablefish. All these gears created an overcapacity problem in the domestic sablefish fishery, as well as gear conflicts between longliners and pot fishermen. This amendment was designed to address these excess capacity and grounds preemption problems. They decided that gear and area restrictions and apportionments to gear types would be most effective.

In the early 1980s, all *Sebastes* species other than Pacific ocean perch and four associated slope rockfish species were managed as “other rockfish” on a Gulf-wide basis, and yet a domestic fishery harvesting demersal shelf rockfish in the southeastern area was expanding very rapidly by 1984. Yelloweye and quillback rockfish were the primary targets of this longline fishery. Amendment 14 was designed to separate out and protect demersal shelf rockfish from the more general “other rockfish” category.

Other parts of Amendment 14 were designed to establish revised optimum yields for several species of groundfish; to establish a mechanism for timely reporting of catches by domestic catcher-processors which could stay at sea for long periods, and thus did not report as frequently as catcher vessels that landed their catch ashore and submitted fish tickets; to give more flexibility to managers in controlling halibut bycatch in the timely manner in the face of rapidly changing joint venture and domestic fisheries; to respond to a new habitat conservation policy of NMFS requiring more emphasis on habitat concerns in developing fishery management plans and amendments; and last, to delay the sablefish season opening to address resource allocation, fishermen safety and fish quality concerns.

Regulation Summary: The amendment made the following changes:

1. Established gear/area restrictions and OY apportionments to gear types for sablefish;
2. Established a Central Southeast Outside District with 600 mt OY for demersal shelf rockfish;
3. Changed OYs for pollock, Pacific ocean perch, other rockfish, Atka mackerel, and other species;
4. Established catcher/processor reporting requirements;
5. Implemented framework procedure for setting and revising halibut PSC limits;
6. Implemented NMFS habitat policy; and
7. Set seasons for hook and longline and pot sablefish fisheries.

Analysis: A 44-page environmental assessment, 75-page regulatory impact review (RIR) for sablefish management measures, and 65-page RIR for the remaining measures, were completed on this amendment. The most contentious issue was the allocation of sablefish to the longline fleet, one of the most heated decisions the Council had up until then. Longliners had taken the vast majority of the sablefish harvest of all gear types, particularly in the Eastern Gulf. The OY for sablefish was expected to increase in coming years, and prices and markets were good, so considerable additional capacity was expected to enter the fishery. The alternative chosen slowed the growth in capacity and diminished the possibility of gear conflicts and grounds preemption more than the other alternatives analyzed. The other measures in the amendment allowed for more flexibility in managing the groundfish fishery which was undergoing tremendous growth in domestic fisheries and displacement of foreign fleets in the Gulf of Alaska.

Results: This omnibus amendment provided for the first allocations of a species among domestic fishermen, a management approach that would be used in other major species later on. Longliners were allocated 95% of the sablefish in the Eastern Area and trawlers received 5% for bycatch purposes. Pots were excluded the first year. In the Central Gulf, longliners were phased into an 80% allocation over two years, pots were phased out by the second year, and trawlers ended up with 20%. In the Western Gulf, pots were all phased out over four years, and longliners and trawlers split the harvest 80/20 after a 4-year phase-in. In approving the sablefish allocations, NMFS offered to publish a control date of September 26, 1985, the day of final approval, announcing that anyone entering the fishery after that date would not be guaranteed future participation should the Council develop an effort control regime. As it turned out, it took the Council and NMFS another ten years to develop and implement the individual fishing quota system by which the sablefish and halibut longline fisheries were managed starting in 1995. The sablefish season was changed from January 1 to April 1. The sablefish IFQ season is now tied to the start of the halibut IFQ season, which since implementation in 1995 has been March 15 - November 15.

Rockfish management was changed with the separation of the demersal shelf rockfish (DSR) species from other rockfish. Additionally, a new Central Southeast District was established for managing DSR and the State of Alaska was placed in charge of managing the area. The State regulations applied only to vessels registered under the laws of the State.

Prohibited species catch limits for halibut in the Gulf were placed in a framework procedure for setting limits for domestic and joint venture trawl fisheries. Plan amendments would no longer be needed to change PSC limits and the limits would be by area and by specific trawl group (domestic, joint venture, and foreign), rather than domestic and joint venture trawlers combined, so each fishery, not all, would suffer the consequences of taking too much bycatch. When the PSC limit is reached there would be a closure just to on-bottom trawling, not all trawling as under previous regulations. The limits would apply all year, not just from December 1 through May 31.

The new reporting requirements were applied to catcher/processors and motherships that keep their catch or fish received for 14 days or more. Those vessels were required to report every week, and also to report their position 24 hours before starting or stopping fishing in a regulatory area. A definition of “directed fishing” also was established.

STATUS: The above information was assembled on the history of the prohibition on the use of pot gear in the Gulf of Alaska. Additional information has been compiled in a previous GOA SAFE Report.

3. Develop a discussion paper to assess whether the problem of unharvested halibut IFQ in Area 4 is attributable to the current vessel IFQ cap or are there other factors that could be identified as contributing to unharvested halibut in Area 4.

A proposal to increase the halibut vessel IFQ cap in Area 4 was submitted by CBSFA and APICDA. From *IFQ Implementation Team* minutes,

“Heather McCarty (Central Bering Sea Fishermen’s Association) spoke to this proposal. Jane DiCosimo summarized staff comments on this proposal; she clarified some issues related to the proposal (see Appendix 1). Bob Alverson requested clarification on some points of the proposal. Jane distinguished between use (AKA “ownership”) caps and vessel caps, and that easing either restriction could result in additional consolidation of QS. Other members expressed some concerns about the proposal because Area 4 now has the most affordable halibut QS and provides entry level opportunities. Mr. Kauffman provided additional information in support of the proposal. Mr. Peyton identified that the use cap is constraining. Mr. Wyman reported that ALFA was neutral but expressed concerns about further consolidation. Mr. Hull readdressed some comments previously heard about the inability for some crew to get on a vessel to harvest their QS. Mr. Alverson commented that high lease fees (40 -60 percent) may contribute to why fish are not being caught. There is a struggle in the industry over lease fees. CDQ groups can finance a crew which does not show up as a lease. Nicole Kimball reported that RAM prepared a Transfer Report dated January 2009 that contains data from 1995 through 2006 on lease fees. Some committee members had concerns about the proposal but were supportive of a discussion paper to address questions as to why the TACs have not been taken in Area 4.

Consensus to not forward this proposal to the Council for analysis, but to recommend a discussion paper to address the problem of unharvested IFQs in Area 4 and to determine if the vessel cap is contributing to the problem of the IFQs not being fully harvested, incorporating socio-economic data to address concerns about consolidation and crew jobs.”

An interagency staff group reviewed the proposal to increase the halibut vessel cap in Area 4. Jessie Gharrett noted that the proposal does not accurately describe the current QS caps (see current vessel caps below). Vessel caps apply simultaneously; that is, a vessel must meet BOTH caps for halibut. This also means that a cap applicable to Area 4 (only) could either be 1) a new, third vessel cap; 2) a modification to the existing vessel cap; or 3) an exemption to the existing “ALL” area cap. If a new additional cap is envisioned, another question is whether, and if so, how, the ‘ALL” cap might be modified. Staff noted that an effect of increasing vessel caps may be to consolidate further the number of vessels in the fishery, which may conflict with the stated need for the proposal (i.e., a lack of vessels in Area 4); however the proposal would allow for more use of the vessels that are active in the area.

Staff did not identify any legal, enforcement, administrative issues with this proposal.

Halibut vessel IFQ caps				
Vessel Use Cap %	2008 IFQ TAC	Vessel Use Cap	2011 IFQ TAC	Vessel Use Cap
1% of 2C IFQ TAC	6,210,000 net lb	62,100 net lb	2,330,000 net lb	23,300 net lb
.5% of All IFQ TAC	48,040,800 net lb	240,204 net lb	30,382,000 net lb	151,910 net lb

The *Advisory Panel* recommended that the Council initiate a discussion paper to increase the halibut IFQ vessel use cap in Area 4. The motion passed 17:0.

In February 2010 *the Council* modified the AP motion as noted above.

STATUS: To date Council staff coordinated with IPHC staff on this proposal, received data from the RAM Division, and assembled the above information.

- 4. Initiate a discussion paper for removal of the block system for sablefish A shares and increase in the sablefish A share only cap. The A share exemption, would be from the overall sablefish use cap (no catcher vessel QS onboard) and regardless of whether the sablefish harvest was processed. The discussion paper should explore adding a use cap increase to the BSAI.**

From *IFQ Implementation Team* minutes,

“Dave Little, Clipper Seafoods, presented his proposal to remove Category A shares from the block program and allow an exception to the sablefish vessel? cap for A category shares. The intent of the proposal is to address stranded QS, which can not be transferred by interested parties due to the cap and is not being fully harvested under the current program. Dave suggested that the use cap for sablefish could be set at 5% for Category A shares.

Kris Norosz observed that increasing the cap fivefold would be a significant departure from the original program.

a) Motion: Recommend that the Council consider removing the block program for sablefish A shares.

Failed 3:7:1

Bob recommend that the Council consider exempting Category A shares for the all area use cap at a range between 1.25% and 1.5% of the existing cap for vessels upon which ONLY A shares are fished and regardless of whether harvest was processed. His proposal was for another \$400K gross. Paul supported the motion; he observed that it would take 2 ¾ percent of the limits to make CDQ vessels economical. He noted that only about 50% of the sablefish (Category A?) TAC has been harvested under current program.

b) Motion: Recommend that the Council consider exempting A shares from the overall sablefish use cap and apply a use cap at between 1.25% to 1.5% of the current use cap for vessels that ONLY fish A shares (no catcher vessel QS onboard) and regardless of whether the sablefish harvest was processed.

Passed 9:2”

An *interagency staff group* commented that enforcement of use caps is problematic.

The *AP* took no action on this proposal.

In February 2010 *the Council* adopted motion as noted above.

STATUS: RAM Division provided data for analyses at staff’s request, but a data analysis has not yet begun.