

**CHARTER HALIBUT STAKEHOLDER COMMITTEE
DRAFT AGENDA**

**Monday - Tuesday
February 27-28, 2006
8:30 AM - 4:30 PM**

**Birch-Willow Rooms (1st Floor)
Anchorage Hilton Hotel
Anchorage, Alaska**

- Introductions
- Approve agenda
- Staff reports:
 - Science-based management and catch limits - International Pacific Halibut Commission
 - History of Council action on charter halibut fishery - North Pacific Fisheries Management Council
 - Legal Opinion on State regulatory authority over Pacific Halibut fisheries - NOAA General Counsel (T)
 - Discussion papers on nine issues- Alaska Department of Fish and Game
 1. Common goal/principles
 2. Reporting improvements
 3. LAMPs
 4. Board of Fisheries proposed actions
 5. Moratorium/Limited Entry/Super-Exclusive Registration Programs
 6. Current status of GHM and management options
 7. QS options
 8. Allocation linkage to abundance option
 9. Orderly, compensated shift in allocation options
- Develop Problem Statement
- Recommend two alternatives to manage the charter halibut fisheries in Areas 2C and 3A:
 1. Quota share program, based on the 2001 preferred alternative with a newly proposed “leveling” plan, an effort-based transferable seat program, or other methods, which may include current participants (see Attachments 1 and 2);
 2. Traditional sport fish management tools, which include, but are not limited to, the following:
 - a. a percentage-based quota that would fluctuate (up and down) with abundance;
 - b. modified guideline harvest level that would increase to mirror the decrease in regulations when total CEY is reduced;
 - c. subarea allocations, including identification of subarea boundaries, and super-exclusive registrations areas;
 - d. annual angler limits;
 - e. a vessel moratorium;

- f. limited entry program for charter boats by the State or NOAA Fisheries Service, with delayed transferability of permits;
- g. time certain establishment of LAMPs and the State's vision of how they would:
 - address an allocation to the charter sector and
 - achieve consensus and implementation in a certain time period
- h. detailed set of management measures which would be used to enforce the allocation (GHL), including measures already approved for analysis to lower harvests below the Area 2C and 3A GHLs as described below
 - limits on days fished either by total number of days or by excluding specific days of the week;
 - reduced daily limits, including size limits for the second fish;
 - in-season quota monitoring with deductions off next year's quota;

- Next Meeting – March 20-21, 2006
- Other Business
- Adjourn

**North Pacific Fishery Management Council
Final Motion on Halibut Charter Fishery Management
April 14, 2001**

Preferred Alternative. Include the halibut charter sector in the existing halibut IFQ program.

IFQs are an access privilege, not an ownership right. They may be revoked or limited at any time in accordance with the North Pacific Halibut Act as well as the Magnuson-Stevens Act, and other federal laws. Charter IFQ halibut may not be sold into commerce - i.e., all sport regulations remain in effect.

Issue 1. Initial QS may be based on:

1. Equal to 125% of corrected average 1995-99 charterboat harvest.
2. (13.05% in Area 2C and 14.11% in Area 3A of a combined charter and commercial quota).
3. 100% of an individual's QS would float with abundance.

Issue 2. Initial allocation of QS would be issued to U.S. citizens or to U.S. companies on the following basis: 75% U.S. ownership

1. Charter vessel owner - person who owns the charterboat and charterboat business; and
2. Bare vessel lessee, where a lease occurred (instead of owner) - person that leases a vessel and controls its use as a charterboat for this fishery. May operate the vessel or may hire a captain/skipper. Lessee determines when the vessel sails and by whom captained.

Issue 3. Qualification Criteria

Initial issuees who carried clients in 1998 or 1999 and who submitted ADF&G logbooks for an active vessel (as received by ADF&G by February 12, 2000). Initial issuees will be required to be currently participating (meeting all legal requirements including filing a logbook) during season prior to final action and any year claimed during the qualifying period (currently May- Sept 20, 2000) and claimed trips must have been under the operation of a person holding a U.S. Coast Guard license.

Issue 4. Distribution of QS may be based on:

70% of 1998 and 1999 logbook average with an additional 10% added for each year of operation 1995-97 (longevity reward). (Excess QS would be distributed equally among those initial issuees with participation in at least one year during 1995-97).

Issue 5. Transferability of QS (permanent) and IFQs (on annual basis [leasing])

Charter QS is non-leasable

Charter QS transfers:

1. Initially issued Charter QS is fully transferrable within the charter sector.
2. For purposes of transfer to commercial sector, 75% of an individual's initially issued charter QS is permanently nontransferable and 25% may be transferrable upon Council review and approval after 3 years.
2. Commercial QS purchased by charter operator is fully transferable (two-way) across sectors and retains original designations.

Charter IFQ leasing:

1. 20% of a charter operator's annual IFQ is leasable within the charter sector for the first 3 years of the program.
2. Leasing is defined as the use of Charter IFQ on a vessel which the owner of the QS has less than a 50% ownership interest.
3. 10% of a charter operator's annual IFQ may be leased to the commercial sector for the first 5 years.

Block restrictions

1. any initially issued (i.e., unblocked) charter QS once transferred to commercial sector shall be unblocked.
2. allow splitting of commercial blocks to transfer a smaller piece to the charter sector - split blocks retain original designations.

Vessel class restrictions

1. from A, B, C, and/or D commercial vessel category sizes to charter sector, except that no charter business may own or control more than 1 "D" category block equal to or above the sweep-up level.
2. from charter to commercial at B, C, and D category.
3. initial transfer from undesignated charter only to catcher vessel of comparable size class. Buy down allowances apply (e.g., charter vessel 35'-60' must sell to C or D class commercial vessel.)

Issue 6. To receive halibut QS and IFQ by transfer:

For the charter sector, must be either:

1. an initial charter issuee; or
2. qualified as defined by State of Alaska requirements for registered guides or businesses; and
3. fulfill all legal obligations of the charter sector; and
4. hold USCG license.

For the commercial sector, must have a commercial transfer eligibility certificate. All commercial rules apply to any provision that may permit the use of commercial QS/IFQ for commercial purposes by any entity in the Charter IFQ sector.

Issue 7. Caps

1. use cap for charter QS owners only of 1 percent of combined QS units in Area 2C and ½ percent of combined QS units in Area 3A (for all entities, individually and collectively) and grandfather initial issuees at their initial allocation.
2. use caps for charter QS owners only of ½ percent of combined QS units for combined Areas 2C and 3A (for all entities, individually and collectively) and grandfather initial issuees at their initial allocation

Issue 8. Miscellaneous provisions

1. Maximum line limit of 12 in Area 3A (remains at 6 lines for Area 2C), grandfather initial issuees at maximum lines in 2000, however, line limits in excess of the maximum are non-transferable.
2. 10% underage provision of total IFQs.
3. A one-year delay between initial issuance of QS and fishing IFQs.
4. Halibut harvested aboard a charter vessel continues to be the property of the angler who caught the halibut provided the charter owner possesses sufficient IFQ.

Issue 9. IFQs associated with the charter quota shares may be issued in:

Numbers of fish (based on average weight determined by ADF&G)

Issue 10. Reporting:

The Council defers design of the reporting and enforcement strategy to an IFQ technical implementation team, comprised of agency and industry. It is the intent of the Council that a more comprehensive reporting system will address the following items. The Council noted that ADF&G logbooks would not be considered sufficient for monitoring and that the team should consider fish tags and other reporting systems suggested by industry.

1. More timely, verifiable reporting of catch;
2. Enforcement concerns;
3. More accurate geographic referencing of catch location which provides for analysis of halibut harvest in LAMP districts.

Issue 11. Community set-aside (revised)

1. Set aside 1% of the combined commercial and charter halibut quota to communities with $\frac{1}{4}$ percent annual increases if utilized, to a maximum of 2 percent.
2. Source of the set-aside: Equal pounds from the commercial and charter sectors.
3. Sunset provisions: 10 years (starting in the first year of issuance). Persons currently participating in the set-aside program at the time of sunset would be allowed to operate within the guidelines of the program.

LAMPs

The Council also supports an expedited local area management planning (LAMP) process by the Alaska Board of Fisheries to address localized depletion and user group conflicts and other issues as appropriate. The Council encourages the Board to complete this process and report back to the Council as soon as possible.

**Valdez Leveling Plan
(Goodhand Plan)**

Halibut Charter IFQ Program: Addressing Recent Participation

12/9/05

The concern has been raised that due to delay in implementation, the Halibut Charter IFQ could have a potential problem with recency (i.e. recent participation). While NOAA GC has not identified any specific legal issues with the program, it may be appropriate for the Council to consider an alternative that would adjust the qualifying years to incorporate more recent participation. This alternative should be forwarded to the Secretary with a recommendation that it be included in the Proposed Rule where it would receive public comment and be considered by the Secretary.

Qualifying Years: The qualifying period would be participation in the charter halibut fishery by a business during any of the years 1998 – 2004 but must have been an active participant in 2004 as well. Consideration of the qualifying years 1995-1997 has been dropped. By requiring recent participation, the intent is to not allocate catch share to those businesses that are no longer actively participating in the fishery. The intent is to move that catch share to the more recent entrants that are actively participating in the fishery.

Initial Allocation to Charter Sector: Same as in original program, 125% of the average harvest of 1995-1999 for each distinct area (2-C and 3-A). The question is how to determine the catch share for individual participants using: 1.) catch data (number of fish) for 1998 and 1999, and 2.) only ground fishing effort (groundfish days fished) for 2000-2004.

Rationale: The use of two data types is due the discontinuance of the logbook catch reporting requirement from 2002 to present and the lack of confidence expressed by ADF&G in the logbook catch data from the 2000 and 2001 logbooks. For 2000-2004, there is effort data for participation in groundfish (reported as groundfish days fished in submitted logbooks). With a few exceptions, groundfish effort in the charter fishery is halibut fishing. The two types of data result in two methods of determining catch share and two initial “pools” of recipients. However the resulting catch share is in one common currency for all recipients (QS that yields an annual IFQ).

Initial Allocation to Individual Recipient: To divide up the total allocation (above, 125% of 1995-99 average), the catch share shall be based on dividing 100% of the average 1998-1999 catch between two “pools” of recipients. The intent is that once the catch shares are determined for the recipients, those shares are proportionately applied to the initial allocation amount (125% of the average harvest 1995-99) for each area (2-C and 3-A).

Pool 1: Businesses qualified under the original program with 1998 and/or 1999 logbook catch history AND must have participation in 2004 AND meet the legal qualifying criteria.

- Individual allocation is based on catch history.
- This pool is approximately 70% of the current participants (from Table 6).
- This pool accounts for approximately 75% - 80% of the 1998 & 99 harvest (from last table of last page in action memo).

Pool 2: Businesses that have participation (submitted logbooks with groundfish fishing days) between 2000 and 2004 AND must have participation in 2004 AND meet the legal qualifying criteria.

- Individual allocation is based on groundfish participation.
- A recipient receives 20% of one potential share of this pool for each year of participation during 2000-2004 (five years). For example, a business with participation in all five years would receive a full share (100%). A business with participation in four years would receive 80% of a full share, etc.
- This pool is approximately 30% of the current participants (from Table 6).

- This pool accounted for approximately 20% - 25% of the 1998 & 99 (from last table of last page in action memo).
- The source of the allocation for this pool is the average of the 1998-99 catch history of businesses that qualified under the original program with 1998 and/or 1999 logbook catch history **but** are no longer active in the fishery, (i.e. did not participate in 2004 and therefore are not included in Pool 1).

“Pool” Selection: A recipient can only be in one pool and that would be the pool that gives the recipient the larger catch share. For example, a recipient that had very little catch history in 1998-99 may be qualified for “Pool 1”, but could potentially receive a larger catch in “Pool 2” due to more recent participation.

Legal Qualifying Criteria

- 1.) Proof of USCG license for years claimed (recipient or hired skipper).
- 2.) Proof of commercial charter insurance for each of the qualifying years claimed.
- 3.) Proof of USCG random drug test program for a business for each of the qualifying years claimed.
- 4.) Submitted ADF&G logbooks showing halibut catch (1998 & 1999) and/or groundfish activity (2000 - 2004) for each of the qualifying years claimed.
- 5.) ADF&G Guide Business License for each of the qualifying years claimed.