

Chronology of NPFMC actions to manage the charter halibut fishery

Phil Smith, Restricted Access Management
Alaska Region, NMFS (National Marine Fisheries Service)



Jane DiCosimo, North Pacific Fishery Management Council
Anchorage, Alaska



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- The Commercial TAC is set by IPHC after determining the biologically “safe” level of total mortality, and then accounting for unlimited removals due to:
 - natural mortality
 - bycatch mortality
 - sport, personal use and subsistence removals
 - So, as other uses increase, amount available for commercial TAC is lowered
 - Growth in charter sector has led commercial users to express concern over the “open-ended reallocation” of fish from commercial to recreational uses

Background - TimeLine

Council has been concerned about rapid expansion of charter fleet since 1993; concerns included local depletion of the resource and the reallocation concern expressed by commercial fleet. So, in

- ✓ **1993** - Council established a Charter Working Group
- ✓ **1995** - Council reviewed possible harvest restriction measures
- ✓ **1997** - Council recommended an April 1997 control date, which was not implemented by NMFS
- ✓ **1997** - Council recommended a Guideline Harvest Level (GHL) based on a 125% of 1995 charter harvests and recordkeeping requirements
- ✓ **1997** - NMFS rejected GHL without harvest restriction measures if GHL were to be exceeded
- ✓ **1997** - Council appointed a GHL Committee and began developing harvest restriction measures

Background - Timeline (Cont'd)

- ✓ **2000** - Council approved revised GHLs and harvest restriction measures
- ✓ **2000** - Council appointed Charter IFQ Committee and "fast tracked" development of analysis with moratorium and IFQ alternatives;
- ✓ **2001** - Council approved incorporation of charter sector into IFQ program (in April, and on reconsideration in October)
- ✓ **2001** - State reported concern with accuracy of logbook data
- ✓ **2002** - State reported on logbook data issues and discontinued logbook for halibut
- ✓ **2003** - NMFS implemented GHL program, but rejected harvest restriction measures

Background - Timeline (Cont'd)

- ✓ **2003** - NMFS contracted for recommendations on new charter harvest reporting system (inc. logbooks)
- ✓ **2003** - Council reviewed State report on data quality and SSC opinion that logbook data was adequate to determine initial issuance and submitted analysis to NMFS
- ✓ **2004** - Council resubmitted analysis for NMFS review in response to NMFS review comments
- ✓ **2004** - Progress was delayed by Crab Rationalization imperative
- ✓ **2004** - NMFS began development of Proposed Rule
- ✓ **2005** - NMFS staff revised analysis and submitted it, proposed rule, and other documents for HQ review
- ✓ **2005** - Dr. Hogarth sent letter to Council

Background - Timeline (Cont'd)

✓ **October 2005 -Council**

1. reviews Hogarth letter and schedules a motion to rescind for December 2005;
2. receives ADF&G report that charter halibut harvests exceeded the GHLs in 2004;
3. initiates analysis for measures to reduce harvests;
4. appoints a GHL Committee to provide recommendations to revise the GHL Program

✓ **December 2005 -Council:**

1. rescinds the Charter IFQ Program;
2. approves control date of December 9, 2005
3. appoints a Charter Stakeholder Committee to develop two alternatives for analysis

Background - Timeline (Cont'd)

- ✓ **February 2006** – NMFS publishes control date in Federal Register (71fr6442)
- ✓ **February 2006** – Council:
 1. approves GHL analysis for review
 2. forwards GHL Committee recommendations to Stakeholder Committee
- ✓ **February 2006** – Stakeholder Committee meets
- ✓ **March 2006** – Stakeholder Committee meets
- ✓ **April 2006** – Council:
 1. takes final action on GHL analysis
 2. initiates a new analysis, if Committee alternatives can be analyzed

Charter Halibut Stakeholder Committee

(February 27-28, 2006)

In December 2005, the Council requested that the Charter Halibut Stakeholder Committee develop two alternatives for an analysis to address long-term management of the charter halibut fishery and report to the Council at its April 2006 meeting. Two 2-day meetings are scheduled to complete recommendations.

Preamble to proposed action

adopted by Council in December 2005

The Pacific halibut resource is fully utilized. In September 1997, to address allocation issues between the guided sport sector and other users of the halibut resource, the North Pacific Fishery Management Council (Council) adopted guideline harvest levels (GHL) for the guided sport charter sector operating in IPHC Regulatory areas 2C and 3A. These GHLs were intended to stop the open-ended reallocation between the commercial and guided sport sectors. In 2004 (the most recent year for which data is available), the charter fleet exceeded the GHL. In April 2001, the Council approved an IFQ program for the halibut charter fleet to address the allocation issue on a long-term basis. However, a lengthy delay in enacting this program has resulted in a large number of current participants that do not qualify for quota share. This has resulted in controversy and a lack of broad support for the program as well as potential legal vulnerabilities.

(continued)

Preamble (continued)

An analysis of alternatives identified at the Council's October, 2005 meeting are intended to bring the guided sport fisheries in Areas 2C and 3A under their respective GHLs. These measures include: one trip per day, no harvest by skipper and crew, and annual limits of 5 or 6 fish per person in Area 2C and one trip per day, and/or no harvest by skipper and crew in Area 3A.

In addition, the State of Alaska has instituted a halibut reporting requirement in charter boat logbooks with methodology to ensure accuracy, effective for 2006. The State also introduced a regulation to the Board of Fish to prohibit retention or harvest of fish by skipper and crew members when clients are on board and limit the number of lines fished to the number of clients. The State expects this regulation to be in effect for the 2006 season.

Alternative 1

Alternative 1. No Action.

Remain under the Guideline Harvest Level Program, as implemented in 2004

Alternative 2.

Alternative 2. Allocation based program. Consideration of elements to be included in the plan should include, but not be limited to:

- **A percentage based allocation which would float up and down with abundance in a fashion similar to the commercial longline TAC.**
- **Subdivision of 2C and 3A into smaller geographic sub-districts, including time certain establishment of LAMP's and super-exclusive registration areas.**
- **A detailed set of management measures which will be used to enforce the allocation, including:**
 - **the measures in the GHL analysis;**
 - **the measures discussed above that are being pursued by the State;**
 - **other annual bag limits;**
 - **limitations on days fished either by total number of days or by excluding specific days of the week;**
 - **reduced daily limits including size limitations for 2nd fish; and**
 - **subtraction of any allocation overage from the following year's allocation.**
- **To limit total number of charter boats, the use of a Federal moratorium or control date of today and/or a State limited entry program with delayed transferability.**
- **Mechanisms which, if the charter harvest continues to grow, will allow for an orderly and compensated allocation shift from the longline sector to the charter sector. Mechanisms considered should include the use of a charter stamp, which would generate funds to pay for management of the charter fishery and to buy longline shares to be converted into the charter allocation**
- **Exploration of delegation of some management aspects of the halibut sport fishery, including charters, to the State of Alaska.**

Alternative 2. Addendum

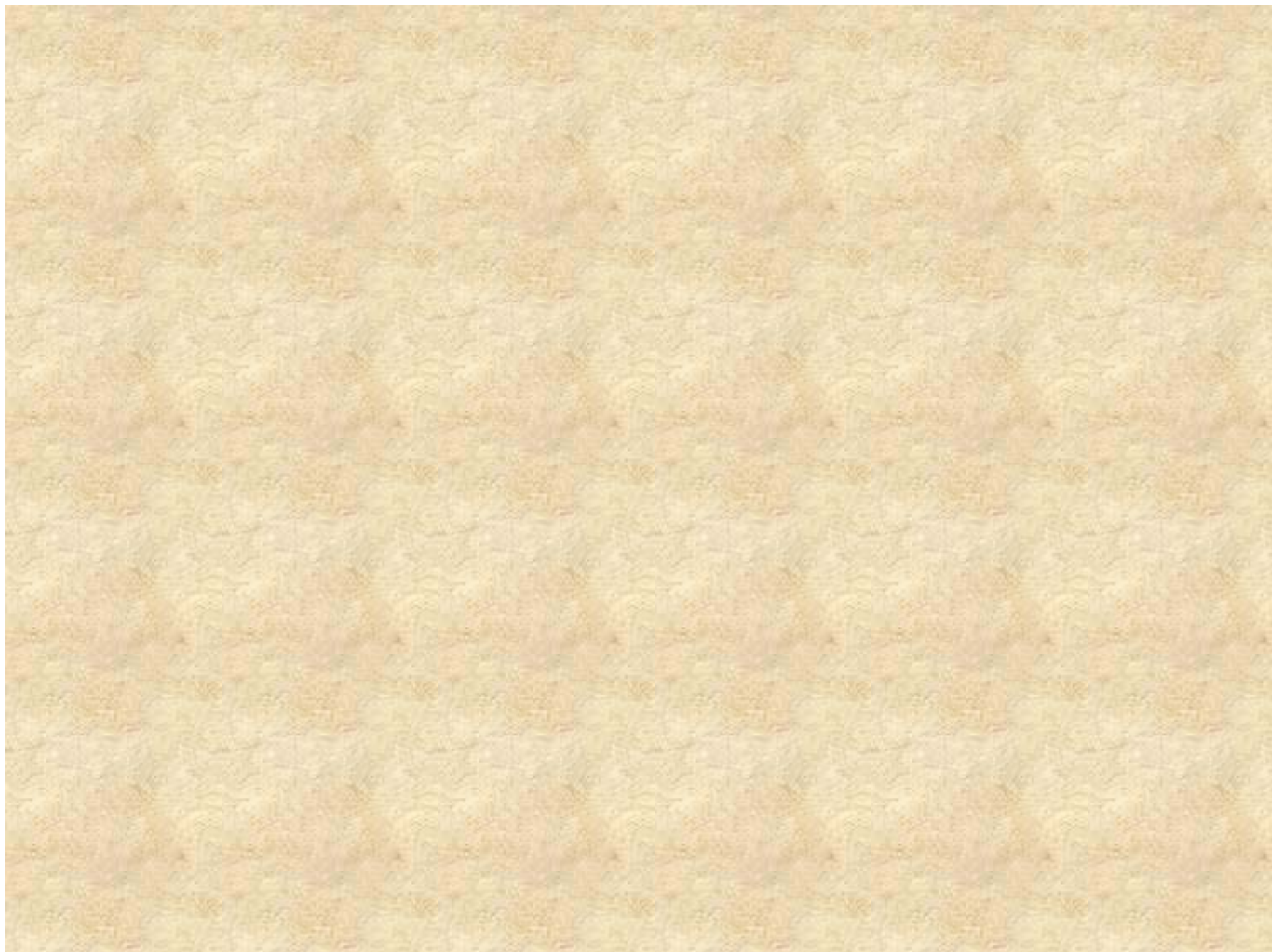
In February 2006, the Council forwarded the GHL Committee recommendations to the Charter Halibut Stakeholder Committee. These could be analyzed in a separate GHL analysis or added as a new alternative to the action initiated in December 2005.

- 1. Develop options for implementation of a moratorium on new entrants into the charter halibut fishery with a December 9, 2005 control date and with consideration of communities that may not have mature charter halibut businesses or histories.**
- 2. Develop options to subdivide Area 2C and 3A into sub-regions.**
- 3. Develop options to link the GHL to some measure of abundance as determined by the IPhC for Areas 2C and 3A:**
 - a) stair step up to mirror the stair step down currently in regulations; and b) change the GHL to a fixed percentage that floats with abundance.**

Alternative 3.

Alternative 3 would be a modified IFQ program, including but not limited to:

- **The elements of the previously proposed (2001) charter IFQ program.**
- **A modified IFQ program. Elements considered in such a program would include, but not be limited to, addressing potential legal vulnerabilities that may exist in the 2001 IFQ program. Such approaches might include the “leveling” or Goodhand plan, other effort based mechanisms to update 1998 and 1999 history, new history approaches, an effort based transferable seat (ITS) program, or other options.**
- **Subdivision of 2C and 3A into smaller geographic sub-districts, including time certain establishment of LAMP’s.**
- **The use of a moratorium or control date of today.**
- **Add elements or modify as advocates of IFQ’s wish**
- **A comprehensive economic analysis of the proposed elements of the fishery plan including potential impacts on cost of charters to clients, economic impacts on other affected sectors of the halibut fishery, and economic feasibility of cross sector share purchases and leases.**



Principles of 2001 Charter IFQ Program

- Charter sector would be integrated into the current commercial IFQ program for areas 2C and 3A only
- Program would not limit access to either subsistence or recreational fishing
- Program would not permit sales of fish
- Initial quota allocations would be 13-14% of combined commercial/charter harvests
 - 125% of average 1995 - 1999 charter harvests
 - ~ 35% increase over estimated 2000 harvests

Program Summary

- Eligible charter operators would apply for, and be issued, quota share (QS) premised on 70% on their average charter fishing activities in 1998 and 1999, and up to 30% for participation in 1995, 1996, 1997
- Charter QS would be issued in QS units and would yield annual IFQ permits
- IFQ permits would be issued in numbers of fish (not pounds)
- Charter QS would be fully transferable to other charter operators
- Charter QS would not be transferable to commercial sector

Eligible Charter Operators

- Persons who would be eligible to receive Charter QS by initial issuance are U.S. citizens (individuals or companies) who owned or leased vessels and who carried clients for hire during 1998 and/or 1999, AND
 - Who timely submitted log book information to the Alaska Department of Fish and Game for those years, AND
 - Who participated (legally carried clients) in the 2000 season, AND
 - Who submitted log books documenting that activity to ADFG by February 2001

Basis for Initial Distribution

- QS would be calculated and issued to eligible persons based on the following:
 - **First**, the allocation amount would be based on 70% of the applicant's average reported harvest (1998 and 1999);
 - **Second**, the allocation base would be increased by 10%/year for each additional year of participation between 1995 and 1997;
 - **Third**, the allocation would be adjusted for initial recipients by the balance of unallocated 1995 - 1997 harvests
- Allocations would be premised on logbook information timely submitted to ADFG; no other data source would be used

Application & Issuance Process

- When regulations are final, NMFS would announce an application period, using
 - the Federal Register (formal notice)
 - Public notice (newspapers, radio, posters, etc.)
 - Individual notice to persons who appear to be eligible (from log book information)
- Those who timely apply would be notified of their allocation
 - May protest within 30 days; could lead to formal appeals
- Pounds and percentages would then be converted to and issued as QS units (equivalent to commercial units)

QS Use Caps

- Holdings of Charter QS that yields annual IFQ amounts would be capped as follows:
 - 1% of area 2C combined QS Pool;
 - $\frac{1}{2}$ % of area 3A combined QS Pool;
 - $\frac{1}{2}$ % of total of 2C and 3A QS Pool
- Those who receive initial allocations greater than the caps would be “grandfathered” at that level (but may not then acquire more)
- Any subsequent QS amounts that exceed these use caps would be restricted and not yield annual IFQ (e.g., QS received by court order, inheritance, etc.)

Calculating/Issuing Annual IFQ

- Each year, when the IPHC sets the TAC, NMFS (RAM) would calculate each QS holder's IFQ for that year

remember: $QS/QSP \times TAC = IFQ$

- Charter IFQ would initially be calculated in pounds of fish (same as commercial), but Pounds would then be converted to numbers of fish for Charter IFQ permit, based on average weight of sport-caught halibut provided by ADF&G

Transfers and Leasing

- Charter QS would be freely transferable within the charter sector
- Commercial QS may be transferred to charter sector, and thereafter may be transferred between sectors; but
- Charter QS may not be transferred to commercial sector

Upon review in 3 years, the Council may approve an exception to this rule to allow up to 25% to be transferred from charter to commercial

- “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

Transfers and Leasing (cont'd)

- Limited leasing (transfer of annual IFQ only) of charter IFQ would be permitted as follows:
 - 20% of charter IFQ may be leased (transferred) to the charter sector (for 3 years)
 - 10% of charter IFQ may be leased (transferred) to the commercial sector (for 5 years)
- Eligibility to receive Charter QS by transfer would be limited to those who:
 - received charter QS by initial issuance; or
 - meet all legal obligations to charter (state), and
 - hold appropriate US Coast Guard license

QS Blocks and Vessel Categories

- Charter QS would not be issued in blocks
- Commercial QS blocks that are transferred to charter sector may be subdivided (split) when re-transferred within the sector
- Charter QS would not be issued with vessel categories
- Commercial QS transferred to charter sector would retain assigned vessel category but will not limit use
 - but charter sector use of "D" category (< 35 feet) commercial QS would be limited to holding equivalent of "sweep-up" level (~ 3000 pounds) in that category

Community Set-Aside Provision

- 1% of annual IFQ amounts would be “set aside” (i.e., not issued to QS holders) for use by small coastal communities to provide opportunity to develop charter businesses
 - If not applied for, IFQ will be fully allocated to commercial and charter QS holders
 - If used, set-aside amounts would increase by $\frac{1}{4}\%$ /year to a maximum of 2%
- Set-Aside provision would “sunset” in 10 years after issuance)
 - persons participating in the set-aside program at the time it sunsets would be “grandfathered”
- Initiation of Community Set-Aside analysis is pending Secretarial approval of Program

Harvest Reporting Obligation

- Reporting systems and requirements will be made public in the Proposed Rule; specifics are not final but, at a minimum, system may require
 - maintaining and submitting combination of paper and logbooks onboard vessel
 - submitting electronic landing reports at conclusion of a trip (with exceptions possible)
- Goal is to develop “user-friendly” system that encourages reporting and provides feed-back to charter operators

Miscellaneous Provisions

- There would be a one-year delay between initial issuance of QS and fishing IFQs.
- Line limits:
 - Maximum of 12 in Area 3A and 6 in Area 2C
 - grandfather initial recipients at maximum lines used in 2000
- Up to 10% of unfished IFQs may be carried over to following year
- The Council encourages development of Local Area Management Plans (LAMPs) to resolve local conflicts between commercial, recreational, charter, and subsistence use of halibut.