

# NORTH PACIFIC COUNCIL MORATORIUM ALTERNATIVE

## JUNE 2006

### Problem Statement

The Pacific halibut resource is fully utilized and harvest by the guided sport sector is demonstrating steady growth. To provide long term stability of the guided sport sector and lessen the need for regulatory adjustments, which destabilize the sector, the Council is embarking on development of a new management framework. In the interim, to address allocation issues between the guided sport and commercial sectors the guided sport sector is operating under a guideline harvest level (GHL). Harvest data indicate that the GHLs in Area 2C have been exceeded and are near levels established for Area 3A. This has resulted in a renewed effort to find a long-term solution. The Council has formed a stakeholder committee of affected user groups to consider management options and formulate recommendations for Council consideration in developing a management plan for the guided sector. Some of the past options under consideration include limiting entry or awarding quota share based on past involvement in the fishery. To address the potential against the rush of new entrants into the guided sport fishery, the Council is considering establishing a moratorium on the guided sport sector.

### ALTERNATIVE 1. NO ACTION.

### ALTERNATIVE 2. IMPLEMENT A MORATORIUM ON ENTRY INTO THE CHARTER SECTOR USING A CONTROL DATE OF DECEMBER 9, 2005.

#### Elements of the proposed moratorium (limited entry) program

1. **Permits**<sup>1</sup> may be held by U.S. citizens or U.S. businesses with 75 percent U.S. ownership of the business<sup>2</sup>. Business may receive multiple permits associated with vessels owned by a business. Currently licensed vessels may be “grandfathered” above proposed limits until any change in ownership.
2. **Permit would be designated for either Area 2C or Area 3A.**
3. **Permit would be issued to registered guide business operator**
4. **Permit applicant** would be required to sign affidavit attesting that all legal requirements were met.<sup>3</sup>
5. **Transfers** of permits (permanent) would be allowed
6. **Leasing** of permits (annual) would not be allowed
7. **Permit Endorsement**

<u>6 clients</u>	<u>highest number on any trip in 2004 or 2005</u>
uninspected (6-packs) vessels	inspected vessels (but not less than 4)
new construction (uninspected or inspected vessels)	uninspected >100 gross tons (“Super-T”)
constructive loss <sup>4</sup>	constructive loss <sup>10</sup>
8. **Permits** may be stacked up to use caps<sup>5,6</sup>
9. **Evidence of participation** - any ADF&G logbook entry with recorded bottomfish statistical area, rods, or boat hours.
10. **Qualifying years** - Require client activity for bottomfish effort as reported in ADF&G logbook in 2004 or 2005 and participation in year prior to implementation (unless unavoidable circumstance occurred).
  - Option 1: minimum number of bottomfish trips (1, 5, 10, or 20) to demonstrate bottomfish activity
  - Option 2: “unavoidable circumstances”<sup>7</sup> clause would be adjudicated on a case by case basis through the NOAA Fisheries Appeals Division.
  - Option 3: under construction as of December 9, 2005 and must have at least 1 year of ADF&G halibut/bottomfish logbook activity from 1998-2005.

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<sup>1</sup> Through initial issuance and transfers

<sup>2</sup> Military (Morale, Welfare, and Recreational) boats are exempted from limited entry, but harvests still count against the GHL

<sup>3</sup> The only tangible evidence is the ADF&G logbook, which requires meeting all State legal requirements

<sup>4</sup> limited to the endorsement associated with lost vessel

<sup>5</sup> a business can use, for example, two 6-packs license endorsements on one “Super-T” vessel

<sup>6</sup> Clarification is requested as to whether a permit that is stacked is always stacked with the other permit or whether the permit must continue to denote its original endorsement

<sup>7</sup> To address medical emergencies, military exemptions, and constructive losses

**11. Permit holder must annually renew permit** and have minimum activity equal to preferred alternative under **Issue 10, Qualifying years.**<sup>8,9</sup>

Option. Except under “unavoidable circumstances”<sup>7</sup> clause that would be adjudicated on a case by case basis through the NOAA Fisheries Appeals Division

**12. Use caps**<sup>10</sup>, with grandfather<sup>11</sup> provision

uninspected vessels:		inspected and uninspected (>100 gt) vessels:	
Option 1.	1 permit	Option 1.	1 permit
Option 2.	5 permits	Option 2.	2 permits
Option 3.	10 permits	Option 3.	3 permits

**13. Community provisions for Area 2C and 3A communities previously identified under GOA FMP Amendment 66**

- Option 1. A Community Quota Entities (CQE)<sup>12</sup> may purchase moratorium permits.  
Area 2C – use cap of 5 permits per community  
Area 3A – use cap of 10 permits per community
- Option 2. A CQE representing a community, which has < 10 active<sup>13</sup> charter businesses with their primary place of business in the community, may request a moratorium permit on behalf of a community resident.  
Area 2C – use cap of 3 permits per qualified community  
Area 3A – use cap of 5 permits per qualified community
- Option 3. CQEs may request non-renewed moratorium permits as defined under Issue 3, Option 1, Suboption on a “first come, first serve” basis.

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<sup>8</sup> Non-renewed permits would be available for communities under Issue 13, Communities, Issue 3.

<sup>9</sup> Permits could not be renewed if allowed to lapse (due to holder’s inaction to renew or because minimum activity was not met)

<sup>10</sup> Staff interprets the proposed use caps as **not** additive across both areas and vessel categories (inspected and uninspected).

<sup>11</sup> A business whose permit is endorsed in excess of the permit limit maintains that exemption for those that remain in its control after others are sold, but those sold vessels lose that grandfather status in perpetuity. Grandfathered vessels that are sold in total when a business owner sells his entire business/fleet maintain that grandfathered status.

<sup>12</sup> As defined in regulation and GOA FMP Amendment 66

<sup>13</sup> “Active” is defined as 20 or more charter bottomfish trips per year