

**CHARTER HALIBUT STAKEHOLDER COMMITTEE**  
**Anchorage Alaska**  
**October 30 - November 1, 2007**  
**Minutes**

Dr. Dave Hanson, Chair  
Seth Bone  
Bob Candopoulos  
Ricky Gease  
John Goodhand  
Kathy Hansen  
Dan Hull

Chuck McCallum  
Larry McQuarrie  
Rex Murphy  
Peggy Parker  
Chaco Pearman  
Greg Sutter  
Doug Vincent-Lang

**Introductions** The Chair welcomed three new members to the committee: Peggy Parker, Chuck McCallum, and Doug Vincent-Lang.

**Agenda** Additional items were added to the draft agenda under “New business:” 1) review timeline for new economic data from State and Federal surveys, and 2) new proposals by Rex Murphy and Larry McQuarrie.

**October 2007 Council motions** Jane DiCosimo reviewed the motions for proposed actions that were adopted by the Council at its October 2007 meeting. One motion identified a suite of alternatives for an interim program that would set an initial allocation for the charter sector tied to delayed feedback of regulatory measures to restrict charter halibut harvest to that allocation and provision to allow transfer and conversion of commercial halibut IFQs for use in the charter sector by individual limited entry permit holders. The Council also forwarded options for common pool management, pro rata reduction of commercial QS to fund an increase in charter allocation above the Guideline Harvest Level, and other community protection options to the committee for consideration in the long term solution.

**Interagency Staff Report on Interim Measures** Jane DiCosimo presented a report on recordkeeping, implementation, and enforcement recommendations from an interagency staff meeting that convened on October 29. She summarized a series of bullets that were agreed to by the agencies staff in response to staff annotations to the Council’s October 2007 motion. The committee discussed the Council staff and interagency staff recommendations with staff.

*The committee adopted the Council staff’s recommendations to the October Council motion and used that version as the basis for additional committee recommendations.*

Jay Ginter identified three components to implementation of a Federal action: 1) data gathering; 2) Council process; and 3) Secretarial process. He provided a chart of the timeline for charter halibut fishery actions for ADF&G, IPHC, NPSMC, and NMFS. He noted that the NMFS implementation schedule can not be compressed, although the informal review process could be shortened if the action is given a high priority. He noted that the interagency staff identified that compression of the delayed feedback included in the Council’s motion for an interim solution could occur in either the data collection period or in the Council process. Jane DiCosimo reviewed a few opportunities for potential savings in the Council process: 1) skipping initial review because the Council has previously approved GHF analyses from which it could “tier;” or 2) providing a supplemental analysis in lieu of a full analysis prior to Council action and providing a streamlined analysis for Secretarial review. She referenced the 3A GHF supplemental analysis provided to the Council in October (3-pages). The committee concluded that large errors in management could result from long regulatory delays in implementation of needed management measures. Analysts are now trying to forecast harvests in a changing regulatory environment; time delays makes management difficult.

Reporting The staff reviewed some of its conclusions regarding reducing the delay by a full year under some method of in-season accounting/electronic reporting. The staff and committee discussed the possibility of reducing the delay by one to two years under a harvest tag program at length (see Interagency Staff Report for details). An interest in a verifiable, third party reporting/accounting system was identified. In-season electronic reporting by charter businesses still relies on self-reporting. A number of harvest tags could be issued based on a formula that included the amount of allocation, rate of successful fishing, and average size of fish. Tags could be reissued if not used to enhance full utilization of the allocation.

Many charter representatives on the committee did not favor an in-season accounting program in the interim solution and identified what were described as fatal flaws to its implementation. At issue was whether charter businesses could acquire tags on behalf of their clients or whether clients would have to obtain them. They were concerned that their clients would not have sufficient access to tags to guarantee halibut harvests. Other charter representatives and commercial representatives favored such a program as it reduced the lag between an overage and a change in regulations.

ADF&G will issue a report on the logbook program in February 2007.

The Committee adopted the following motion on data collection for the Interim Solution:

*One of the critical issues for successful implementation of a successful interim management regime for charter halibut operators is to shorten the feedback loop for collection of data regarding charter harvests. The Council has requested that staff include in their report a discussion of options for shortening the feedback loop, and the Stakeholder Committee would like to suggest three options for discussion and analysis in the staff report.*

*Any data collection option should be made as simple as possible, minimize inconvenience to clients, and be conducted in a machine readable or electronic format.*

*It is also the intent of the Stakeholder Committee in proposing these options that the real time collection of data should not be used for in-season management changes or in-season closures; rather it is the intent of the Stakeholder Committee that these options be used to shorten the data collection feedback loop to facilitate the timely advance adoption of management tools designed to achieve the charter sector allocation without in-season changes or in-season closures in order to maintain, to the extent possible, a season of historic length with a minimum two fish bag limit.*

*Option 1. Electronic Reporting. Each GSM permit holder would be assigned a unique reporting number and would use that number to electronically report the number of halibut caught by clients that day on a daily basis. The electronic reporting would be done either through an Internet website or a dial-in telephone system. As additional verification each client would sign the mandatory logbook next to the entry containing their name, license number, number and type of fish caught, and any other required information. Logbooks would continue to be submitted weekly.*

*Option 2. Harvest Tag. Uniquely numbered harvest tags would be distributed to each GSM permit holder at the beginning of the season and additional tags would be available throughout the season if needed. The number of harvest tags would be greater than the number of fish allocated to the charter sector for that year (i.e., the tags are not a management tool for restricting or closing charter fishing in-season). When a halibut is landed the harvest tag would be required to be inserted in the jaw and the harvest tag number recorded in the log book entry for the angler license number of the person who caught the fish. When the fish is processed the tag would be removed and mailed in using pre-addressed, stamped envelopes supplied for that purpose. GSM operators would pay a fee to cover the cost of the envelopes*

*and tags. Harvest tags would preferably be bar coded to enable machine reading, with peel off bar code stickers for placement in the log book.*

*Option 3. Punch Cards. Each GSM permit holder would be issued a supply of uniquely numbered punch cards with punch outs equal to any daily bag limit for that year or six halibut (whichever is fewer). The cards would be issued at the beginning of the season and additional cards would be available as needed (i.e., the cards are not a management tool for restricting or closing charter fishing in-season). Each day every client angler would be assigned a punch card and that punch card number would be entered in the log book next to the license number. As each halibut is landed by a client their respective card would be punched, and at the end of the day the client would sign the punch card in the space provided. The punch card would then be sealed in a supplied stamped and addressed envelope, which would be mailed by the permit holder. GSM permit holders would pay a fee to cover the cost of the punch cards and mailing envelopes. Any log book entry for which a signed punch card is not received would be corrected to read the maximum number of fish printed on a punch card (i.e., the daily bag limit or six fish).*

Committee members asked questions related to the need for consistent allocations for future bookings: 1) why the Council could not set multi-year allocations (it could); 2) why could not underages accrue in future year's allocation (that would conflict with IPHC policy). Commercial representatives concurred with staff comments on overages and underages and agreed with charter representatives to remove those provisions from the proposal. Committee members concurred with staff comments on subleasing and made a number of changes to the proposal, some of which incorporated some of Council recommendations for committee consideration (see revised Element 5). Interagency staff comments suggested that one could assume that once IFQs were converted to Guided Angler Fish (GAF), they were fully used. RAM would need to track an IFQ to GAF lease, so as to prevent further GAF sub-leasing, if that is the Council intent. Final accounting would come through logbook (or other) accounting at the end of the year. Transfer of unused GAF back to the original IFQ account of the QS holder could mean hundreds of transfers at the end of the charter season that can not be handled by existing RAM staff. Some charter representatives were interested in applying in-season estimates of average fish, but staff suggested that it could not use an estimate that it had not yet collected.

The committee discussed the issue of using combined CEYs in the formula for setting the charter allocation. Charter committee members are concerned that market or other reasons for reducing the commercial fishery CEY would also reduce its portion of a combined CEY. They were interested in having the charter allocation be set "higher" in the IPHC process, i.e., linked to total CEY. Ultimately, the committee revised the initial allocation options to be linked to a combined charter and commercial catch limit to be determined by the IPHC. Increasing interest in a separate sport conference board at the IPHC was noted.

At the start of the second day of the meeting, the committee returned to a discussion of catch accounting of charter halibut harvests. While staff noted that the best available data must be used, the committee recommended that the same data set be used as the basis of the allocation and for catch accounting – ADF&G Statewide Harvest Survey (SWHS). The committee noted the need for designing two systems - one for common pool and one for commercial IFQs transferred to charter GAFs. The committee identified another scenario in which limited entry permit holders could be issued (swipe) cards for more timely reporting.

The Committee adopted a third option that would base the initial allocation half on a fixed percentage and half on fixed pounds. Half the allocation would be based on one of the four fixed percentage options and the remaining half would be based on one of the three fixed pounds options.

The committee adopted a statement on management objectives for the interim plan, with one objection.

### Catch Sharing Plan Management Objective for Charter Sector Allocation

The Stakeholder Committee recommends that the Council adopt the following statement regarding the management objective for the charter sector allocation of the catch sharing plan:

*In establishing this catch sharing plan for the commercial and sport charter halibut sectors, the Council intends to create a management regime that provides separate accountability for each sector. The management of the commercial sector remains unchanged under this plan, and new management measures are provided for the sport charter sector.*

*These new measures for the sport charter sector are designed to address the specific need of the sport charter sector for advance notice and predictability with respect to the management tools and length of season that will be used to achieve the allocation allotted to that sector under the plan. In order to achieve the allocation, it is the Council's intent that management tools and season length would be established during the year prior to the year in which they would take effect, and that the tools selected and season length would not be changed in season.*

*The Council will evaluate its success in achieving the sport charter sector allocation each year, and will adjust its management tools as needed. In designing this regime for the sport charter sector the Council recognizes that providing advance notice and predictability may result in a charter harvest that does not precisely meet the sector allocation for that particular year. Therefore, the Council intends to adjust its management measures as needed to ensure that the sport charter sector is held at or below its allocation on average over a rolling five-year period. In meeting its conservation mandate while accommodating the charter industry's need for predictability and stability, the Council will necessarily err on the side of conservation in the selection of management tools and season length, with the result that the sport charter sector may not be able to harvest its entire allocation.*

Toolbox A committee member suggested exempting Gulf of Alaska coastal communities from some of the proposed measures in the management toolbox for small communities that have high barriers to entry. The committee as a whole did not support any exemptions for CQE communities. A member noted that the CQE criteria for qualification were by businesses and not by qualified vessels working out of an eligible community. For example, Angoon, which has fewer than 10 businesses working out of it and would qualify to have new businesses receive CQE permits, is near Whalers Cove, which has 60-70 vessels. This could place too much pressure on the halibut resource if the CQE applies for and gets all the permits. The CQE program provides a disproportionate advantage of up to 4 new permits for each of 18 Area 2C CQE communities (72 new permits) and up to 7 new permits for each of 14 Area 3A CQE communities (98 new permits), when compared to currently active charter operators who did not meet the qualification criteria to receive a limited entry permit.

In response to a question regarding skipper/crew bans on retaining halibut while onboard a charter vessel, Doug Vincent-Lang responded that ADF&G may consider some allowances for skipper/crew retention under State Emergency Order authority (e.g., during shoulder seasons or one day a week).

*The committee unanimously passed a motion that revised the staff's recommendations to the Council's October 2007 motion (see Attachment 1). The committee supported a timeline for initial action in April 2008 and final action in October 2008; the committee noted that the February 2008 Council meeting was in Seattle and the June meeting was in Kodiak and during its peak operating season.*

**Charter Halibut Limited Entry Program** The committee asked Jay Ginter to provide an update on implementation of the limited entry program. Based on the schedule outlined below, the year of implementation would be 2009, and 2008 would be the year prior to implementation for meeting eligibility criteria. He noted that historically 10% of applicants appeal.

Proposed Rule	April 08
Comment Period	May 08
Final Rule	November 08
30-day delay effectiveness	late December 08
60 day application period	January – February 09
Evidentiary period	February – March 09
60-day appeals process and resolution of appeals	April - rest of year 09
Program effective	February 2010

*The committee unanimously passed a motion that the Council request that NMFS prioritize implementation of the charter halibut limited entry program as rapidly as possible.*

**Long Term Solution** The committee next addressed October 2007 Council motions regarding elements and options rejected by the Council for the interim solution (common pool management and pro rata reduction) in view of its previous alternatives for an angler day program or amendments to the limited entry program as a long term solution. The committee had previously adopted a framework for an angler day program and refined limited entry program. Kathy Hansen and Rex Murphy distributed draft revised alternatives for committee review. The committee adopted four alternatives to the status quo and made some revisions as noted below:

- Alternative 1. No action
- Alternative 2. Angler day program – common pool (Attachment 2)
- Alternative 3. Limited entry program – common pool (Attachment 3)
- Alternative 4. Guided Angler Fish (Attachment 4)
- Alternative 5. Harvest tag – common pool (Attachment 5).

Alternative 2. Angler Day A committee member proposed deleting Element 1.1, Option A - State common pool, because charter operators favor a regional non-profit association (RNPA) common pool, A State common pool requires State legislation that could delay implementation of the program, concerns about State funding going back to the halibut fishery only. The State representative noted that State legislation is also needed for the RNPA model, State funding mechanisms have worked in the past for hatchery financing, and his reluctance to limit the analysis to only one option.

John Lepore noted that revisions to the MSA provide a model for development of regional fishery associations (RFAs). Under the MSA, RFAs must be located within the management area of the relevant council, must meet criteria developed by the appropriate council and approved by the Secretary of Commerce, must be a voluntary association with established bylaws, and must consist of participants who hold quota share. Also, RFAs are not eligible to receive an initial allocation of limited access privileges. RFAs that meet the above requirements are authorized to acquire limited access privileges after the initial allocation of such privileges.

The committee noted that other State models could apply here also. One member noted that State bonds could fund the State common pool as well as the RNPA. Another noted that might be true, but bonds were the most expensive funding mechanism for RNPAs.

The committee discussed Element 1.1 Option A (State Common Pool) and the pros and cons of surcharges on anglers vs. fish. Several charter operators expressed a preference to place a surcharge on each fish. Jonathan King explained that the preliminary draft allocation analysis calculated the estimated fee per angler or per fish under 2006 conditions and QS prices. A larger pool of potential payers results in lower per unit surcharges. Hence, a per angler fee would result in a lower per unit charge than a charge per fish. It also represents a more stable revenue stream than a charge per fish, as anglers can avoid the per fish fee by not harvesting any halibut. The ability of anglers to avoid a per fish fee could create problems for a common pool with a fixed repayment schedule (i.e., bond or loan payments). For example,

the common pool would likely set the per fish fee at the beginning of the season based on a projected harvest of the number of fish. If enough anglers avoid the fee by declining to harvest halibut, the common pool will fall short of its revenue projections. While this behavior could result in lower harvest over time, it would also encourage anglers to high-grade harvested fish (i.e., get the most for their money) and result in related changes to release mortality.

The committee discussed different “point of purchase” models. The committee noted that a point of purchase model similar to the king stamp would be simpler than an on board collection system similar to what would be needed with the per fish surcharge. Ultimately, the committee did not state a preference for placing the surcharge on clients v fish.

The committee, except for the State representative, stated a clear preference under Element 1.2 in support of a willing buyer/willing seller model and eliminating the pro-rata reduction option. This is the next most controversial aspect of the analysis, after the sector split. Members noted that Federal legislation may be needed so that the State can provide funds to NMFS for disbursement to the commercial QS holders. John Lepore noted that there is no Federal obligation to compensate QS holders for reducing their holdings or the value of those holdings. He further clarified that NMFS has no responsibility to be the conduit for the compensation; the onus would be on the State to disburse the funds. In response to a question, he clarified that the difference between a buyback and this proposed compensation is that a buyback program requires Federal legislation and results in removing steel from the water; in this case, the pro-rata compensation results from an allocation. Doug Vincent-Lang provided rationale to retain an option to compensate the commercial sector for reduced commercial allocation, rather than reducing it without compensation. He identified that a State bond would be the source of compensation funds.

A charter representative asked if a negotiated agreement between the charter sector and commercial sector (willing buyer/seller at the sector level) could resolve the issues related to the value of QS under the pro rata reduction. A commercial representative responded that the commercial sector will not agree willingly to have the value of commercial QS reduced due to reasons already stated on the record.

A motion to remove Element 1.2, Option 2 (pro rata reduction), suboption 1. one-time purchase was withdrawn after committee debate. A substitute motion to delete all of Element 1.2, Option 2 until such time when State develops fully fleshed out plan that addresses all of the issues raised at stakeholder committee and AP, at which time it could be brought back to the committee for further consideration, failed 6:7. Doug Vincent-Lang promised to work with staff and report back to the committee in the future.

At the end of the discussion of this issue, the committee adopted the following statement:

*The committee has discussed the pro rata reduction option at considerable length and remains concerned about the potential impacts of this option. In order to further constructive debate and consideration of this proposal, the committee believes it is essential for the State of Alaska to provide a detailed description of the option that addresses the issues and concerns brought forward in the preliminary analysis and the committee’s extensive discussion. The committee also recommends that the business models of commercial and charter fishermen be given equal consideration in the development of any pro rata model. Further, the committee recommends that pro rata reduction should be used as a last resort, maximizing other options as appropriate, and that the State’s discussion include the possibility of a premium on compensation, above the market price of the IFQ at time of pro rata reduction.*

Under Element 2.1, the committee discussed the possibility of in-season closure by NMFS, that State delegation is needed when insufficient allocation is available, that status quo management measures are included, and that overage/underage elements should for deleted for consistency with the interim measures alternatives. The committee recommended unanimously that all of Element 2 be deleted.

Element 3 resulted in a lengthy and ultimately unresolved issue of when fishing “starts.” Some are in favor of defining when fishing starts as when a hook hits the water; others prefer defining the start when a halibut is harvested so as not to spend an angler day on a multi-species charter when halibut is not caught, released, or targeted. One suggestion was to link the start of halibut fishing with whether a limited entry permit was onboard the vessel, but this was viewed as not adequately enforceable. Under a harvest tag program, fishing could be defined as starting as: 1) when a halibut angler day is activated by signing the back of the stamp/ticket; 2) since a harvested halibut is the basis for determining angler days, fishing should be defined as when the first halibut is harvested (for just the one angler); 3) same as under #2 but could apply to all anglers on the charter. However angler days are determined by the agencies is how they should be enforced. The Council could define “fishing” gear as that reasonably assumed to be targeting halibut. The issue of defining when halibut fishing occurred was tabled until a future meeting. The committee also deferred discussing logbooks until the databases are verified by ADF&G in early 2008. The committee discussed whether to use historical bottomfish data (pre-2006) or currently collected halibut data (2006 and later) as the basis for determining angler days. The Council may choose to use the December 2006 control date for angler day determination because fishing patterns are continuing to change as a result of regulatory changes to the charter fisheries.

Element 4 Under Element 4.1 and 4.2, the Committee deleted the Council’s October 2007 proposed amendments to restrictions on transferability because they did not appear to belong in this section. This section appears to be addressing a total amount that can be transferred, rather than an annual amount that can be transferred back and forth between sectors. The committee inserted “by area” in the title and expanded the wording under option 1 to provide greater clarity of intent. The language is interpreted to refer to the commercial QS units available at time of implementation (minus extinguished QS units).

The committee made minor changes to Element 4.3. A member questioned why limit to an arbitrary 15 percent of IFQs in case the biomass increases. Others responded that the Council was concerned about providing a loophole for laundering IFQ block and class restrictions. Committee members expressed concern about pro rata reductions and having to lease unused IFQs back from the charter sector. In time, the Council could adjust the lease back limit or QS could be sold back to the commercial sector. The main point is that members don’t want to annually lease IFQs; instead they want QS to be transferred. Commercial members noted that 10% was the commercial leasing limit and 15% appeared to cover IPHC model changes and Slow Up/Fast Down policy.

The committee suggested adding an option to the angler day proposal that would allow individuals to contribute QS to the common pool for his own use.

The committee deferred recommendations on potential allocations of angler days to community quota entities that would receive limited entry permits.

Alternative 3. Modified Limited Entry Program The committee recommended that committee revisions to the interim and angler day common pool options also be applied to this alternative.

Accounting While in-season management of common pool or individual allocations may be required under best available data requirements, NMFS in-season data collection and management is objectionable to the charter sector. Some resistance by the charter sector may be relieved if the sector can acquire additional allocation through purchase of commercial QS or leasing of commercial IFQs.

Element 1.1 The committee streamlined the options for common pool entities. While the State supports a State of Alaska common pool, both the charter sector and commercial sector supports the regional non-profit association common pool. Both options were recommended for analysis.

Element 1.2 The committee streamlined the options for compensating the commercial sector through QS purchases and/or IFQ leases. While the State supports a pro rata reduction of commercial QS holdings to fund part or all of an increased allocation to the charter sector, both the charter sector and commercial sector supports a willing buyer/willing seller model. Both options were recommended for analysis.

Analysis of pro rata reduction will need to look at the tax consequences that the commercial QS holder will experience. If the payment for pro rata reduction is considered ordinary income, the QS holder would be responsible for self employment taxes. How this should effect the determination of price paid to the QS holder. The effect a pro-rata reduction will have on the lending institutes, will this tighten up lending opportunities? Will this provide less opportunity for entry level participants? ADF&G staff responded that they will provide more information on the pro rata reduction element at a later meeting.

Under Element 2.1, the committee incorporated an AP motion for dividing the charter fisheries into 3 or 5 seasons; this will require subdividing the charter sector allocation (and subsequent reallocations), but the committee did not address this issue. It generally discussed the need to have sufficient allocation during peak periods (June and July). This elicited considerable discussion. Sub-season management assumes sub-season allocations and in-season reporting. Many charter members opposed in-season accounting or changes to management because temporary closures will be a serious economic hardship to some businesses. The charter sector requires predictability for peak periods of halibut fishing. But there are a variety of business models and one size will not fit all. Some charter members preferred pre-season regulations to ensure a historical season length. One member suggested that the closed periods could be timed to coincide with other peaking fisheries or salmon derbies. Other species could be targeted when halibut was closed. Another member preferred to have one season that starts later or could be compressed at the start or finish.

As recommended under the interim program and Alternative 2, underage/overage provisions were deleted.

Element 4.1 options that were proposed by the Council for committee consideration were not included for analysis. This section is not addressing an annual amount that can be transferred back and forth between sectors; instead, it is addressing a total amount that can be transferred. "By area" was inserted in the title and the wording under option 1 was expanded to provide clarity.

Element 4.2 options that were proposed by the Council for committee consideration were not included for analysis. The committee interpreted Council intent as being that the Council thought the limits in the analysis were too liberal and an entity such as Princess Cruise Lines could tie up all the allocation. In fact, this section contains status quo use caps for Area 2C of 1% and 3A of ½% that occurs in the commercial QS program. Proposed changes would result unintentionally in more liberal caps, rather than more restrictive.

The committee reserves this section as a placeholder until preliminary analysis can inform the correct limits on QS purchases for analysis. Option 3 contains intent language that will need to be revised with specific options once preliminary analysis is conducted. Commercial members noted that commercial QS blocks should be preserved for new commercial entrants; this should include both category C and D QS; however, options to exclude these categories were not included explicitly at this time.

Element 4.3. The committee discussed methods for measuring halibut. A standard measuring tool could be used. One lays the fish flat and takes a straight line measurement along the fish. Staff noted problems of pitching boats with clients on board, although the committee noted that commercial boats also experience rolling while adhering to a minimum size. At issue here is whether to use an average weight from historical charter halibut harvests or individual operator's average weights of harvested halibut. Changes in operator fishing patterns could result in smaller fish v larger fish, which could stretch angler



day allocations by measuring/converting fish in season. Using the average weight of fish for each operator accrued under the supplemental use of commercial IFQs in the interim program would probably be inaccurate as the size of fish allowed to be retained for individual operators would change (i.e., charter halibut allowed to be harvested when using commercial IFQs would be larger than the average charter halibut harvested under the common pool. The committee agreed with including an individual conversion option, with one objection.

Element 5. The committee added options for supplemental individual use of QS in addition to IFQs because this is a long term program. It needs additional related options so should be considered a placeholder until QS program elements are redefined. Higher IFQ leasing limits replaced current options to better reflect needs of larger operators.

Element 7. The committee reviewed that the original limited entry program elements were streamlined to facilitate implementation; The Council deferred some decisions for future reconsideration. The committee recommended adding tiered permit classes to limit growth by permit holders under option 3.

The committee tabled additional discussion on how the CQE program might be modified until a future meeting. The committee noted that many more new permits would be issued to CQEs under the limited entry program than was originally intended (up to 4 permits per community in Area 2C and 7 permits per community in Area 3A).

Alternative 4 Guided Angler Fish Alternative The committee noted that the main difference between the GAF alternative and the original (now rejected) charter QS alternative lies in the qualification criteria. The committee noted the critical distinction between the two permanent solution types with three common pool alternatives and one individual operator alternative. The GAF program would privatize the halibut resource, while the modified LLP alternative would not.

Issue 1 A unique feature of the GAF program is that no halibut recordkeeping occurred during the qualifying years that were the basis for the limited entry program. The committee did not amend the qualifying years because recency requirements will necessitate consideration of recent participants and harvests. The committee recommends that the alternative be based on the history that earned a limited entry permit. This interpretation would allow a person to only turn their harvest used to generate a moratorium permit into GAF. The second would allow a person to get credit for all their logbook history during the qualification period even if all their vessels did not qualify for a permit.

Issue 2 Commercial representatives noted that ‘zeros’ (for no harvests) were included in commercial QS calculations.

Issue 3 The committee recommended additional changes to GAF leasing options. The committee recommended a review of leasing at year 3. It added a range to the amount of GAF that could be leased. Staff would be able to provide only a qualitative analysis of how much GAF that charter businesses will want to lease. One member wondered why leasing limits were necessary so long as the allocation stayed within the charter sector. The committee discussed that leasing limits were intended to keep the owner-operator aspect to the fleet, although this model fits only some businesses.

Staff pointed out that language under #2 combines some “hired skipper” and owner on board issues. The committee asked that staff provide new language for consideration. Staff will provide new text for the committee’s next meeting.

The committee did not amend the vessel class restrictions, as these will be addressed in the interim analysis.

Issue 5 Use caps are needed under this program because charter business owners could hold more commercial QS without them. The options are modeled after those in the interim analysis.

Issue 6 The committee deleted the one year delay because a brisk trade will develop very quickly.

Issue 9 The committee changed sunset to review; so that CQEs should not be foreclosed even if no one took advantage of the opportunity in the first five years. Because of uncertainty of future Council actions, the community issue is a placeholder

**New business** The committee requested updates on socio-economic reports regarding charter halibut, which the State and NMFS have conducted. Doug Vincent-Lang provided a written ADF&G summary. Purpose of the project: The objective of the State's project is to provide reasonably-precise and up-to-date information on the economic contributions of angler spending to the Alaska economy at the statewide, regional, and sub-region levels. The following economic information will be produced by this study at statewide level and for several regions including: Southeast Alaska, Southcentral, and Interior/Northern, Cook Inlet waters, and Southeast marine waters (see attached map): A) Total expenditures associated with sport/personal use fishing in Alaska in 2007 by residency, water type, and region; B) Total full-time jobs (direct, indirect, induced) in Alaska associated with spending on sport/personal use fishing in 2007; C) Total wages and salaries paid in Alaska associated with spending on sport fishing in 2007; and D) Aggregated total economic impact (in dollars, jobs, wages and salaries, tax receipts) associated with resident and non-resident expenditures for sport fishing in Alaska in 2007. The study is designed to provide a consistent and repeatable methodology for collecting and reporting estimates of economic contribution of sportfishing in Alaska on a periodic basis (3-5 years) at these geographic levels. The final reports is due by December 31, 2008.

Via an email to Jane DiCosimo, Dr. Dan Lew (AFSC) reported on an Alaska saltwater angler survey of 2006 saltwater fishing behavior and preferences from three types of anglers who fish in Alaska: 1. Non-resident anglers (U.S. residents); 2. Southeast Alaska resident anglers; and 3. Other Alaska resident anglers. These models to be used to estimate the net economic value of different types of trips (charter boat trip, private boat trip, and shore fishing trip) for each of the three types of anglers (using separate models for each type of angler). These values would represent the net economic value of fishing trips under 2006 regulations. The non-resident angler trip models would be analyzed using different econometric models because the nature of these trips are different from residents' trips and are expected to be more time-intensive. No timeline was identified for the completion of the report.

Alternative 5. Harvest Tag Program The committee rescinded all prior committee actions on harvest tags to review a new committee member proposal on the use of a harvest tag program to manage the charter sector allocation. Interest in the use of harvest tags has been voiced by the commercial sector, the State and NMFS. The program would be client driven and not controlled by charter business, as would occur under the GAF program. It would manage the common pool allocation on a "first come, first served" basis. The ability of individual business owners to be able to transfer additional QS is not included in this proposal, but could be added. Sub-seasonal allocations answer some concerns about client access to the resource later in the season. NMFS would close the season based on projected harvests. The commercial representatives saw value in looking at this proposal further because the commercial sector places a high value on a verifiable catch accounting system and this is one approach to achieving that and other catch accounting plans have not been supported by the charter sector. The proposal was adopted by the committee for inclusion in the long term analysis (Attachment 5). Staff was requested to revise the language of the new alternative to provide uniformity with revisions made to other alternatives.

The committee received a limited entry program proposal by a committee member, but it was not reviewed because it was not distributed in advance of the meeting. The proposal was described as a new alternative that captures all the previous work by the committee. It would amend the LEP with angler

days and would allow increased charter sector allocations (see Attachment 6). The committee asked staff to revise the proposal to reflect committee recommendations to other similar proposals. Staff will provide the requested revised alternative for committee consideration at its next meeting.

Global committee statements:

- Only legal landings should be used for catch history. Harvests landed during a trip with fishing violations should not contribute towards catch history/allocations
- The committee noted that the limited entry program exempted military boats from qualification criteria. But halibut harvests from military boats are reported in the SWHS and are included in the GHF allocation and under the interim program's sector allocation analysis. Determination of how to distribute angler days or other options needs to be addressed in all analyses.

Next meeting The committee acknowledged the need for one or more meetings to address the permanent solution and any other tasking by the Council. The committee chair noted that the next meeting would occur no sooner than mid-February 2008.

Adjournment The meeting adjourned at approximately 4:30 pm on Thursday, November 1, 2007.

Attendance

Staff: Jane DiCosimo, Jay Ginter, Peggy Murphy, John Lepore, Jessie Gharrett (by phone), Gregg Williams, Kevin Heck, Jonathan King, Darrell Brannan (by phone), Scott Meyer, Mike Jaenicke, and Sue Aspelund. For part of the meeting: Jeff Passer, and Marla Trollan.

Public (all or part of meeting): Ed Hansen, Ken Dole, Earl Comstock, Freddie Christiansen, Scott Van Valin, and Tom Ohaus.

## Halibut Stakeholder Revisions to Staff - Recommended Revisions to Council Motion October 2007

### Charter Halibut ~~Charter~~ Interim Measures: Initial Allocation and Future Reallocation between charter sector and commercial sector in Area 2C and Area 3A

Alternative 1. No Action.

Alternative 2. Establish a ~~catch sharing plan~~ ~~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~~.

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

Option 2: Fixed pounds ~~to be deducted from a combined charter and commercial catch limit, 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.~~

	Area 2C	Area 3A	based on:
a.	1.43 Mlb	3.65 Mlb	125% of the 1995-1999 avg charter harvest (current GHF)
b.	1.69 Mlb	4.01 Mlb	125% of the 2000-2004 avg charter harvest (GHF updated thru 2004)
c.	1.90 Mlb	4.15 Mlb	125% of the 2001-2005 avg charter harvest (GHF updated thru 2005)

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 **total** CEY. If the halibut stock were to increase or decrease from 15 to 24 percent from its average **total** 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.

~~Deferred to Interagency Staff regarding pros and cons of setting formulas v pounds in regulation~~

Option 3. 50% fixed/50% floating allocation.

	Area 2C			Area 3A	
	50% of:	and	50% of:	and	50% of:
a.1	13.09%		1.43 Mlb		14.00%
a.2	13.09%		1.69 Mlb		14.00%
a.3	13.09%		1.90 Mlb		14.00%
b.1	17.31%		1.43 Mlb		15.44%
b.2	17.31%		1.69 Mlb		15.44%
b.3	17.31%		1.90 Mlb		15.44%
c.1	11.69%		1.43 Mlb		12.70%
c.2	11.69%		1.69 Mlb		12.70%
c.3	11.69%		1.90 Mlb		12.70%
d.1	15.14%		1.43 Mlb		12.65%
d.2	15.14%		1.69 Mlb		12.65%
d.3	15.14%		1.90 Mlb		12.65%

Element 2. ~~Guideline Harvest Level Allocation with a~~ Annual regulatory cycle

The initial charter allocation would be a common harvest pool for all charter ~~moratorium~~ limited entry permit holders. It would not close the fishery when the charter allocation is exceeded. Instead, the ~~“buffered hard cap,” or more accurately the guideline harvest level, allocation~~ would be linked to an annual regulatory analysis of management measures (delayed feedback loop) that take into account the projected CEY for the following year and any overages by the charter industry in the past year(s). This system would work best if there is not a time lag between the overage year and the payback year. The Council will not revisit or readjust the sector split. An allocation overage would trigger the regulatory process automatically, in contrast with current GHM management. Any underages would accrue to the benefit of the halibut biomass and would not be reallocated or paid forward. The Council assumes (and would request) that the International Pacific Halibut Commission set a combined charter and commercial sector fishery CEY and would apply the allocations between the two sectors that would be recommended by the Council in a type of catch sharing plan to the combined fishery CEY.

Element 3. Management toolbox.

Tier 1 measures will be utilized by the Council to **try to** manage the charter common pool for a season of historic length and a two-fish daily harvest limit. Tier 2 measures will be utilized if Tier 1 measures are inadequate to constrain harvest by the charter common pool to its allocation. Due to the delayed feedback loop in implementation of management measures, management measures will, in general, be more restrictive to ensure that the charter sector allocation is not exceeded. In providing predictability and stability for the charter sector, it is likely that charter fish may be left in the water.

Tier 1 management measures include:

- 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.

Tier 2 management measures include:

- 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 4. Timeline. The current timeline for the proposal is as described below. **[Staff should discuss what would be needed to implement February Council action for June (the same year)]**

**Example scenario 1: 4-year feedback loop**

- **Charter fishery ends 2007**
- October 2008: Council receives ADF&G report on final charter halibut harvest estimates for 2007. If the ADF&G report indicates that an allocation overage occurred in 2007, the Council will initiate the analysis of management measures necessary to restrict charter halibut harvests to its allocations.
- ~~November 2008: IPHC CEY and staff catch limit recommendations are released.~~
- December 2008: Council reviews staff analysis (**possibly** in the form of a supplement) that updates the previous year’s analysis with final 2007 harvest estimates.

- January 2009: IPHC adopts combined fishery catch limits 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-Winter 2009: NMFS publishes the rule that will be in effect for 2010.

Example Scenario 2: 3-year feedback loop (Staff response to Council request)

- Charter fishery, with in-season monitoring, ends 2007
- October 2007: Council receives ADF&G report on final charter halibut harvest estimates for 2007. If the ADF&G report indicates that an allocation overage occurred in 2007, the Council will initiate the analysis of management measures necessary to restrict charter halibut harvests to its allocations.
- December 2007: Council reviews staff analysis (possibly in the form of a supplement) that updates the previous year's analysis with final 2007 harvest estimates.
- January 2008: IPHC adopts combined catch limits for 2008.
- February 2008: Council takes final action on management measures that would be implemented in year 2009
- Winter 2008: NMFS publishes the rule that will be in effect for 2009

~~Element 5. No Overage provision. The charter sector has separate accountability through delayed regulatory feedback loop.~~

~~Element 6. No underage provision. Any underage would accrue to the benefit of the halibut biomass.~~

Element 75. Supplemental individual use of commercial IFQ to allow moratorium limited entry permit holders to lease commercial IFQ in order to provide anglers with additional harvesting opportunities, not to exceed limits in place for unguided anglers

A. Leasing commercial IFQ for conversion to Guided Angler Fish (GAF).

~~1. Holders of Guided Sport Moratorium (GSM) Permits (only)~~

~~Option 1. A GSM permit holder may not hold or control more IFQ than the amount equal to the current setline use cap converted to the number of fish in each area (currently 1% of the setline catch limit in 2C or 1/2% 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.)~~

~~2. Commercial Halibut QS Holders (only) may lease up to 10% of their annual IFQs for use as GAF on an individual basis.~~

~~3. 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.~~

~~1. A GSM permit holder may lease IFQ for conversion to GAF for use on the GSM permit.~~

- 2. Commercial halibut QS holders may lease up to 10% of their annual IFQs to GSM permit holders for use as GAF on GSM permit. Dual permit holders are constrained to leasing only 10% of their QS whether to themselves or someone else
- 3. GSM permit holder per vessel may not lease more than 200-400 fish  
Suboption: vessels with moratorium permit w/endorsement for more than 6 clients may not lease more than 400-600 fish
- B. ~~GSMLEP~~ 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. ~~Conversion of GAF back to commercial sector~~  
~~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.~~
- 1. 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.
- ~~H.2.~~ 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.
- ~~I.G.~~ 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.
- H. 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 ~~86~~. Catch accounting system ~~will be determined by NMFS~~

- 1. ~~The current Statewide Harvest Survey and/or logbook data would be used to determine the annual harvest.~~
- 2. ~~A catch accounting system will need to be developed for the GAF fish landed in the charter industry.~~

**STAKEHOLDER COMMITTEE MOTION  
NOVEMBER 2007**

Staff has been requested to revise certain sections for conformity with other alternatives (not yet completed)

**ALTERNATIVE 2. Angler Day Program - Common Pool Allocation**

**Alternative 1. Angler Day Program with Common Pool Management**

- Limited Entry program permits would remain in place with this program.

*Alternative 1, Element 1 implements measures to allow market-based reallocation between the commercial sector and the charter sector using a common pool management regime.*

Element 1:1: Holder of Additional Quota Share, Method of Funding and Revenue Stream (How to increase the initial allocation)

- A. State of Alaska Common Pool
  - Bonding (funding source)
    - Option 1: Charter sportfishing license surcharge (stamps)–(revenue source)
    - Option 2. Business license fee/surcharge or limited entry permit holder
      - suboption 1. fee is based on number of anglers
      - suboption 2. fee is based on number of fish
- B. Regional Non-Profit Association Common Pool
  - Loan (funding source)
  - Self assessment fee (revenue source)

Element 1.2: Method of compensation

- Option 1: Willing seller, willing buyer
- Option 2: Pro-rata reduction
  - Suboption 1: one time purchase
  - Suboption 2: annual leasing

Revenue streams will be for a defined period and end after the loan or bond is paid off, i.e. continuous open-ended revenue streams are to be avoided.

TABLEDElement 3. Allocation of the common pool is administered by conversion to angler days. An angler day would be used once fishing starts for the day regardless of whether the angler catches a fish or not.

Element 4: Restrictions on transferability of commercial quota share by charter sector, with grandfather clause to exempt current participants in excess of proposed limits

Element 4.1: Total limits on transferability by Area with a common pool allocation

A percentage of the combined commercial and charter catch limit will be available for transfer between sectors.

- Option 1. Limit transferability between sectors to a percent of the commercial quota share units available by area at time of implementation of the program by area (2C & 3A).
  - Sub-option 1: 10 percent
  - Sub-Option 2: 15 percent



Sub-Option 3: 20 percent  
Sub-Option 4: 25 percent

Element 4.2: Annual limits on **QS** purchase by area by 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 five years.
- Option 2. No limits to the amount that can be transferred annually
- Option 3. Restrictions on vessel class sizes/blocked and unblocked/ blocks above and below sweep-up levels to leave entry size blocks available for the commercial market and to leave some larger blocks available for an individual trying to increase their poundage.

(These options are not intended to be mutually exclusive.)

Element 4.3: (Annual) limits on **IFQ** leasing by a common pool entity

- A. The common pool may only lease 0-15% of IFQs back to the commercial sector.
- B. Commercial quota share holders may lease up to 10% of their IFQs on an annual basis to the charter industry.
  - a. Sub-option: Quota share holders that hold less than 500 lbs to 1,000 lbs may lease 50-100% of their IFQs to the charter sector.

#### **Element 5: Angler Days, Initial issuance, leasing, transfers**

*Check that these options match previous committee language*

#### **Element 5.1: Percentage-based assignment based on Angler-days<sup>1</sup>**

Initial issuance - award number of angler day units from ADF&G logbooks which correspond to:

- Suboption 1. Total angler-days during 1998-2005
- Suboption 2. Average angler-days during best 3 years from 1998 – 2005
- Suboption 3. Total angler-days during best 3 years from 1998 – 2005

#### Endorsement leases

- Suboption 1. Allow transfers, limited to angler day endorsement caps
- Suboption 2. Allow unlimited transfers

#### Transfers

- Suboption 1. Angler days not transferable
- Suboption 2. Angler days fully transferable:
  - 1. Permanent: must go through NMFS (RAM division)
  - 2. In-season transfers: allowed between charter businesses

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<sup>1</sup> Permit endorsement of an angler day for every client fishing bottomfish/halibut in a day

**Element 5.2: Limited Entry Permit Leases** (in-season only; reverts to permit holder at beginning of next season)

Option 1. not allowed, except for “unavoidable circumstance”<sup>2</sup>

Option 2. allowed, limited to use cap and not more than 2 out of 5 years

**Element 5.3: Permit use caps, individually and collectively, with grandfather provision**

Same as under limited entry program

## **Issue 6. Communities**

**Tabled** (*how many angler days should a CQE moratorium permit holder receive or should a % of the charter allocation be set aside if necessary for use of CQE moratorium permits to access as angler days?*)

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<sup>2</sup> Acceptable circumstances will be adjudicated on a case by case basis through the National Marine Fisheries Appeals Division, but includes medical emergencies, military exemptions, constructive losses. An individual who was assigned to active military duty during 2004 or 2005 and who qualifies as “active” during the year prior to implementation<sup>7</sup> and who demonstrated an intent to participate in the charter fishery in Area 2C or 3A.(prior to the qualifying period) shall be eligible for a moratorium permit.

**STAKEHOLDER COMMITTEE MOTION  
NOVEMBER 2007**

Staff has been requested to revise certain sections for conformity with other alternatives (not yet completed)

**ALTERNATIVE 3. Modified Limited Entry Program - Common Pool Allocation**

**Alternative 1. Limited Entry with Common Pool Management**

*Alternative 1, Element 1 implements measures to allow market-based reallocation between the commercial sector and the charter sector using a common pool management regime.*

Element 1:1: Identify Common Pool Entity, Method of Funding and Revenue Stream to Increase Charter Sector Allocation from its Initial Allocation

- A. State of Alaska Common Pool
  - Bonding (funding source)
    - Option 1: Charter sportfishing license surcharge –(revenue source)
    - Option 2. Business license fee/surcharge or limited entry permit holder
      - suboption 1. fee is based on number of clients
      - suboption 2. fee is based on number of fish
  
- B. Regional Non-Profit Association Common Pool
  - Loan (funding source)
  - Self assessment fee (revenue source)

Element 1.2: Identify Method of compensation to the Commercial Sector for its Decreased Allocation

- Option 1: Willing seller, willing buyer
- Option 2: Pro-rata reduction
  - Suboption 1: one time purchase
  - Suboption 2: annual leasing

Revenue streams will be for a defined period and end after the loan or bond is paid off, i.e. continuous open-ended revenue streams are to be avoided.

Element 2. Who manages the allocation, method of managing allocation and overage and underage provisions

Element 2.1 Management Entity/Method of administering allocation (different under this option than the angler day alternative)

- Option 1: In-season management by NMFS (close season when cap is reached)
- Option 2. Catch Sharing Plan (Federal) (Interim management measure proposed)
- Option 3. State Delegation (in-season or preseason management as in SE King Salmon Management Plan and could include sub-area management)
  - Suboption: Divide the charter season into separate seasons
    - a. 3 seasons:
      - i. Feb – June
      - ii. July
      - iii. Aug –Dec
    - b. 3 seasons:
      - i. Feb – Jun 14
      - ii. Jun 15- Aug 15
      - iii. Aug 16 – Dec 31

- c. 5 seasons:
  - i. Feb – May
  - ii. June
  - iii. July
  - iv. August
  - v. Sep-Oct

Element 3. Allocation of the common pool is administered by

- Option 1. pounds using a length measurement
- Option 2. convert allocation to numbers of fish

Element 4: Restrictions on transferability of commercial quota share by charter sector, with grandfather clause to exempt current participants in excess of proposed limits

Element 4.1: Limits on transferability by Area with a common pool allocation

A percentage of the combined commercial and charter catch limit will be available for transfer between sectors.

Option 1. Limit transferability between sectors to a percent of the commercial quota share units available by area at time of implementation of the program by area (2C & 3A).

- Sub-option 1: 10 percent
- Sub-Option 2: 15 percent
- Sub-Option 3: 20 percent
- Sub-Option 4: 25 percent

Element 4.2: Limits on **QS** purchase by entities purchasing for a common pool:

Placeholder until data from staff

- Option 1. Limited annually to a percentage (30-50%) of the average amount of QS transferred during the previous five years.
- Option 2. No limits to the amount that can be transferred annually
- Option 3. Restrictions on vessel class sizes/blocked and unblocked/ blocks above and below sweep-up levels to leave entry size blocks available for the commercial market and to leave some larger blocks available for an individual trying to increase their poundage.

(These options are not intended to be mutually exclusive.)

Element 4.3: Limits on **IFQ** leasing by a common pool entity

- A. The common pool may only lease 0-15% of IFQs back to the commercial sector.
- B. Commercial quota share holders may lease up to 10% of their FQson an annual basis to the charter industry.
  - a. Sub-option: Quota share holders that hold less than 500 lbs to 1,000 lbs may lease 50-100% of their FQs to the charter sector.

**Element 5. Supplemental individual use of commercial QS and IFQ**

This element implements measures to allow limited entry permit holders to buy QS or lease commercial IFQ in order to provide anglers with additional opportunities, not to exceed regulations in place for unguided anglers.

Element 5.4.1 provisions and or elements:

- A. Guided Sport Moratorium (GSM) permit holder may lease commercial IFQ for use.  
Option 1: convert to number of fish (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).

Option 2: administer as pounds

- 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. Subleasing of GAF would be prohibited.
- D. 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.
- E. 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.
- F. Guided angler fish derived from commercial QS may not be sold into commerce, i.e., all sport regulations remain in effect.
- G. 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.
- H. Charter operators landing GAF on private property (e.g. lodges) and mother-ships would be required to allow ADF&G samplers/enforcement personnel access to the point of landing.

Element 5.4.2: Limits on leasing (same as strawman)

- 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 (may be converted to the number of fish) in each area (currently 1% of the setline catch limit in 2C or ½% in 3A) in the commercial, charter fishery or both fisheries combined.
- 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.
- C. A GSM permit per vessel may not lease more than:
  - Option 1. 200 fish to 400 fish
  - Option 2: 4,000 to 8000 lbs
  - Or sub-option: vessels with a moratorium permit with an endorsement for greater than 6 clients may not lease more than 400 to 800 fish or 8,000 to 16,000 lbs

Element 6. 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 or poundage landed in the charter industry.

Element 7. Refinement of the Limited Entry System

Issue 1. Permit Renewal

- Option 1. Permit does not need to be renewed
- Option 2. Permit renewed annually
- Suboption: If not renewed the permit is extinguished

Issue 2. Vessel Name on Limited Entry Permit

- Option 1. No vessel name on limited entry permit
- Option 2. Vessel name is required on limited entry permit

Issue 3. Permit endorsements

- Option 1. No permit classes
- Option 2. Permit transferability
  - Suboption a. Immediately transferable if more than or equal to a) 10; b) 15; c) 20 or d) 30 days each year
  - Suboption b. Non-transferable if less than or equal to preferred alternative above [a) 10; b) 15; c) 20 or d) 30 days] (except to underdeveloped communities under Issue 13)

Option 3. Tiered Permit Classes

- Class A: 0-19
- Class B: 20-39
- Class C: 40-59
- Class D: 60-79
- Class E: 80+

Suboption. Permits may be stacked on an individual vessel only up to the level of full season length.

Issue 4. Limited Entry Permit Leases (in-season only; reverts to permit holder at beginning of next season)

- Option 1. not allowed, except for “unavoidable circumstance”
- Option 2. allowed, limited to use cap (If issue 3 option 2 is picked only the transferable permits would be leasable.

Issue 5. Permit use caps, individually and collectively, with grandfather provision  
*Same as under moratorium*

Issue 6: Communities

*Same as under Moratorium (placeholder to review this section of the moratorium)*

## **STAKEHOLDER COMMITTEE MOTION NOVEMBER 2007**

Staff has been requested to revise certain sections for conformity with other alternatives (not yet completed)

### **ALTERNATIVE 4. GUIDED ANGLER FISH (GAF) PROGRAM**

The GAF program would build on the Limited Entry Program approved by the Council in April 2007. No changes were made to the 2-fish daily bag limit or 2-day possession limit for charter anglers. The GAF program could be implemented as early as 2010 if adopted by the Secretary of Commerce. Major features of this proposed program includes:

1. The action does not restrict non-charter recreational anglers. It only affects charter operations.
2. The action does not permit a charter operator to sell fish. Fish caught by charter clients belong to the client.
3. The halibut GAF program would be integrated into the existing halibut commercial IFQ program.

**PREAMBLE:** Due to the lack of halibut harvest records during 2002 through 2005 logbooks, this proposal uses a business's 2006 logbook for ground truthing earlier years by applying a formula to obtain an individual harvest rate (number of fish per angler day) based on the 2006 'verifiable' logbook. An individual's harvest rate derived from the 2006 logbook will be applied to the past logbooks' days of bottom fish effort. This gives each business its own success ratio for determining their initial issuance of GAF. Example: 1,150 halibut harvested in 2006 divided by 620 halibut angler days = a ratio of 1.85 halibut per angler day. Someone who was not as successful would receive a ratio that would reflect their efforts. Example: 750 halibut harvested in 2006 divided by 620 halibut angler days = a ratio of 1.21 halibut per angler day. For someone with very little halibut effort, the same process would apply. Example: 10 halibut harvested in 2006 divided by 7 halibut angler days = a ratio of 1.4 halibut per angler day. 2006 logbook data would be used to ground-truth past logbooks only. They would not be used for determining qualification for GAF, as the Control Date of December 9, 2005 would apply. The initial allocation (amount of fish) would be ascertained by the Council and has not been determined.

#### **PLAN OUTLINE:**

1. Charter allocations can grow over time through purchase of commercial QS. Initially issued GAF shares may not be transferred (sold) to the commercial sector.
2. Initial GAF shares may be transferred within the charter sector. Commercial QS may be transferred permanently to the charter sector. They also may be transferred permanently back to the commercial sector. Restrictions on those commercial quota shares would continue to be applied while they are used in the commercial fishery. (Commercial QS would retain original designations when transferred back to the commercial sector.)
3. Twenty percent (20%) of GAFs (a GAF is the amount which can be harvested in any one year based on a person's number of GAF shares multiplied by the charter quota) may be leased within the charter sector for the first three years of the program.
4. 2, 3 or 4% of GAF shares will be set aside for underdeveloped Gulf coastal communities to develop additional charter operations (the Council will identify those communities who are eligible for developing new operations. Details of the program will be determined in a subsequent action).
5. A Moratorium Permit will be required for participation the GAF program, but once the GAF program is fully implemented the moratorium would sunset.
6. A GAF share use cap of 1 percent in Southeast Alaska and 1/2 percent in South Central Alaska as well as a cap of 1/2 percent for both areas combined is proposed, however, anyone who is initially issued quota shares above those levels would be grandfathered into the program at their qualifying level and in years of low abundance, would be able to buy-up to their original grandfather level.
7. A delay of one year between the issuance of GAF shares and fishing under the GAF program to allow for GAF holdings and customers to be synchronized.

8. GAFs would be issued in numbers of fish (compared with pounds in the commercial program) to allow current fishing practices to continue using ADF&G area averaging for fish weight to be determined for each IPHA area (2C and 3A).
9. An agency and charter industry committee will develop an implementation plan to address reporting, monitoring, and enforcement.

Alternative. Incorporate a Guided Angler Fish (GAF) program from the charter sector into the existing commercial halibut IFQ program.

- IFQs and GAFs 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.
- GAF halibut may not be sold into commerce - i.e., all sport regulations remain in effect.

Issue 1. Qualification Criteria: The catch history of persons that was used to generate a halibut Moratorium Permit would qualify for the GAF Program.

Issue 2. Distribution of GAF may be based on:

1. Applying the harvest rate (success rate) determined from the 2006 logbook (number of fish/angler/day in 2006) to the past logbook number of angler days of bottomfishing effort. This gives each boat its own rate. Example: 750 halibut harvested in 2006 divided by 500 clients = a ratio of 1.5 halibut per angler day. 2006 logbook data would be use to ground truth past logbooks only.

2. Qualifying years:

- Option #1: Pick the 3 best years from 1998 to 2005 ADF&G logbooks and average the number of bottomfish days. If a charter has only 2004 and 2005 logbooks then a "0" for the third year would be averaged in. In years of recorded harvest only the effort would be used, not the halibut listed.

- Option # 2: Pick the 2 best years from 2002 to 2005 of the ADF&G logbooks and average the number of bottomfish days. If a charter has only 2004 or 2005 logbooks then a "0" for the 2<sup>nd</sup> year would be averaged in.

- Option # 3: The charter business would receive 90% of the average of the 2004 and 2005 logbook bottomfish effort. Then a charter would receive 20% of the 10% not distributed for each year of participation prior to 2004. Example: If a charter business has been in business from 1995 and is still currently qualified in the charter moratorium, then he would qualify for the 5 years from 1999 to 2003 at a rate of 20% of the 10% not distributed for each year of participation. This could result in this business receiving slightly more than 100% of the charter pool.

- Option # 4: Pick the best year of recorded bottomfish effort from 1998 to 2005 of the ADF&G logbooks.

- Option # 5: Average of 2004 and 2005 logbook bottomfish effort. If a charter has only 2004 or 2005 logbooks then a "0" for the 2<sup>nd</sup> year would be averaged in.

*Harvest rate is determined at the boat level, or logbook level, which are the same. Each business will be issued its number of fish resulting from formula above and the charter GAF holders will be included in the existing commercial halibut IFQ program.*

Issue 3. Transferability of GAF Shares (permanent) and GAFs (on annual basis [leasing])

GAF transfers:

- option 1. Initially issued GAF is fully transferable within the charter sector.

- option 2. 100% of an individual's initially issued charter GAF is permanently nontransferable to the commercial sector to address concerns by charter operators of permanently losing opportunities.

- option 3. Commercial QS purchased by charter operator is fully transferable (two-way) across sectors and



retains original commercial designations.

#### GAF leasing:

option 1. 10, 20, 30% of a charter operator's annual GAF is leasable within the charter sector with review after 3 years.

option 2. Leasing is defined as the use of GAF on a vessel which the owner of the QS has less than a 50% ownership interest.

option 3. 10% of a holder's initially issued GAF may be leased to the commercial sector.

option 4. 10, 20, 30% of a holder's GAF converted from commercial sector may be leased to the commercial sector.

#### Block restrictions

Allow splitting of commercial blocks to transfer a smaller piece to the charter sector - split blocks retain original designations.

#### Vessel class restrictions:

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.

Issue 4. Must be a Limited Entry Permit holder to receive halibut QS and GAF by transfer

#### Issue 5. Caps

1. Use cap for charter GAF owners only of 1 percent of commercial QS units in Area 2C and 1/2 percent of commercial QS units in Area 3A (for all entities, individually and collectively) and grandfather initial recipients at their initial allocation.
2. Use caps for charter GAF holders only of 1/2 percent of combined GAF units for combined Areas 2C and 3A (for all entities, individually and collectively) and grandfather initial recipients at their initial allocation
3. Grandfathered businesses may not increase capacity above the grandfathered level, however in the event of restrictions, step-downs etc. a grandfathered business may acquire additional capacity up to but not exceeding the original grandfathered level.
  - a. A GSM permit holder may lease IFQ for conversion to GAF for use on the GSM permit.
  - b. Commercial halibut QS holders may lease up to 10% of their annual IFQs to GSM permit holders for use as GAF on GSM permit. Dual permit holders are constrained to leasing only 10% of their QS whether to themselves or someone else
  - c. GSM permit holder per vessel may not lease more than 200-400 fish  
Suboption: vessels with moratorium permit w/endorsement for more than 6 clients may not lease more than 400-600 fish

#### Issue 6. Miscellaneous provisions

1. 10% underage provision of total GAFs.
2. Halibut harvested aboard a charter vessel continues to be the property of the angler who caught the halibut provided the charter owner possesses sufficient GAF.
3. Grandfather initial recipients above proposed caps.

Issue 7. GAFs associated with charter QS may be issued in:

Numbers of fish (based on:)

1. previous year's ave weight as determined by ADF&G
2. projected average weight as determined by ADF&G
3. 5-year rolling average weight as determined by ADF&G

#### Issue 8. Reporting:

1. The current Statewide Harvest Survey and/or logbook data would be used to determine the annual harvest.
2. A catch accounting system will need to be developed for the GAF fish landed in the charter industry.

#### Issue 9. Community set-aside

1. Set aside 2, 3, or 4% of the combined commercial and charter halibut quota to communities with 1 percent annual increases if utilized, to a maximum of 4%.
2. Source of the set-aside:
  - a) Equal pounds from the commercial and charter sectors.
  - b) Proportional to sector allocation.
3. Sunset provisions: 5 years (starting in from the first year of issuance of GAFs). Persons currently participating in the set-aside program at the time of sunset would be allowed to operate within the guidelines of the program.
4. Review: 5 years (starting from the first year of issuance of GAFs).

**STAKEHOLDER COMMITTEE MOTION  
NOVEMBER 2007**

Staff has been requested to revise certain sections for conformity with other alternatives (not yet completed)

**ALTERNATIVE 5. Harvest Tags - Common Pool Allocation**

**Alternative 1. Harvest Tag Program with Common Pool Management**

*Alternative 1, Element 1 implements measures to allow market-based reallocation between the commercial sector and the charter sector using a common pool management regime.*

**Element 1.1: Holder of Quota Share, Method of Funding and Revenue Stream**

**A. Regional Non-Profit Association Common Pool**

Option 1: Loan (funding source)

Option 2: Bonding (funding source)

Self assessment fee (revenue source) (*Grants, bequests & donations also*)

**Element 1.2: Method of compensation**

Option 1: Willing seller, willing buyer

Option 2: Pro-rata reduction

Revenue streams will be for a defined period and end after the loan or bond is paid off, i.e. continuous open-ended revenue streams are to be avoided.

**Element 2. Who manages the allocation, method of managing allocation and overage and underage provisions**

**Element 2.1 Management Entity (*See Element 5 for method of administering allocation*)**

Option 1: In-season management by NMFS (close season when cap is reached)

a. Option 2. State Delegation

**Element 3. Allocation of the common pool is administered by use of harvest tags.**

**Element 4: Restrictions on transferability of commercial quota share by charter sector,**

**Element 4.1: Limits on transferability by area with a common pool allocation**

A percentage of the combined commercial and charter catch limit will be available for transfer between sectors.

Option 1. Limit transferability between sectors to a percent of the commercial quota share units available by area at time of implementation of the program by area (2C & 3A).

Sub-option 1: 10 percent

Sub-Option 2: 15 percent

Sub-Option 3: 20 percent

Sub-Option 4: 25 percent

Element 4.2: Limits on **QS** purchase by 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 five years.
- Option 2. No limits to the amount that can be transferred annually
- Option 3. Restrictions on vessel class sizes/blocked and unblocked/ blocks above and below sweep-up levels to leave entry size blocks available for the commercial market and to leave some larger blocks available for an individual trying to increase their poundage.

(These options are not intended to be mutually exclusive.)

Element 4.3: Limits on **IFQ** leasing by a common pool entity

- A. The common pool may only lease 0-15% of holdings back to the commercial sector.
- B. Commercial quota share holders may lease up to 10% of their quota share on an annual basis to the charter industry.
  - a. Sub-option: Quota share holders that hold less than 500 lbs to 1,000 lbs may lease 50-100% of their quota share to the charter sector.

### **Element 5: Harvest Tag Program**

Element 5.1: Harvest Tags Program Used by:

- Option 1: Charter sector only
- Option 2: Operators who need security could buy or lease QS/IFQs from the commercial sector to be used as supplemental GAF

Element 5.2: Method of Administering Allocation

Harvest Tags:

- Each Harvest tag is the equivalent of a two fish bag limit for one day per client. The allocation is turned into Guided Angler Fish (GAF) using average weight data for the area from the previous year and further converted into harvest tags.
- Harvest tag distribution stops when allocation is fully reserved. Tag distribution can be restarted if additional quota is purchased or IFQ's are leased.
- Harvest tag is non-transferable and has the name of the harvester and is tied to a sport fishing license number.

5.2.1: Tag attributes

Option 1: Tags will be available starting July 1<sup>st</sup> to allow for pre-booking of clients on a first come, first served basis.

Sub-option a: 30 to 50% of the estimated allocation will be available starting July 1<sup>st</sup> until used up. The remainder of the harvest tags becomes available for reservations when IPHC determines the allocations for the charter sector.

Sub-option b: Tags have an expiration date so that after the expiration date or after client has turned in tag with harvest record, any fish not harvested can be reissued into new harvest tags.

Sub-option c: Divide harvest tag according to past usage trends allowing for traditional length of season.

- a. 3 seasons:
  - i. Feb-Jun
  - ii. July
  - iii. Aug – Dec
- b. 3 seasons:
  - i. Feb – Jun 14
  - ii. Jun 15- Aug 15
  - iii. Aug 16- Dec 31
- c. 5 seasons
  - i. Feb – May
  - ii. June
  - iii. July
  - iv August
  - v. Sep - Oct

Option 2: ADFG or NMFS monitors the charter harvest by compiling data from charter logbooks on a weekly basis. When it appears that the allocation is about to be met, ADFG/NMFS notifies the regional assoc., which is possible, commences lease of IFQ's or purchase IFQ's, the holding entity notifies the responsible authority, which then issues an EO closing the recreational/charter harvest of halibut.

(Options and sub-options are not mutually exclusive)

### 5.3: Accountability

A uniquely numbered, individual daily harvest record should be incorporated into either management option. At a minimum it should include date of trip, charter identification and number of fish caught. It could include fish lengths. The harvest record would serve as proof of legal capture until the fish is processed. Individual harvest records would be deposited in drop boxes or mailed in for database entry. Individual harvest records would serve to validate logbook data, since there would be a one to one relationship between logbook entries and individual harvest records. In the private recreational fishery, an individual daily harvest record could also be filled out and reported, providing SOA/NMFS with a timely and more accurate estimate of the private harvest.

Charter logbooks currently track the number of halibut caught by charter clients and the data is reported weekly. In a charter only solution, assuming this year's harvest information could be available in-season for management purposes, it should be sufficient for the decision making required by the EO management option.

### Element 6: Communities

Communities would have access to moratorium permits as per the moratorium and communities would have the same ability to reserve harvest tags for clients as any other operator.

**ALTERNATIVE 6. Limited Entry Plan with Angler Days and charter allocation with limited access to commercial QS (purchase) and IFQ (leasing) for charter operators**

10/26/07

*Note: Text in Italics is revised from the original Council Motion on Charter Halibut Moratorium of March 31, 2007. Text, which is not italicized, is taken directly from the motion or other documents.*

**Action: Implement an Angler Day Limited Entry Plan with charter allocation and limited access to commercial QS (purchase) and IFQ (leasing) for charter operators**

Halibut Charter Limited Entry Permits

**Element 1.** Permits may be held by a U.S. citizen or a U.S. business with at least 75 percent U.S. ownership of the business. Businesses may receive multiple permits due to charter halibut activity by vessels reported by the businesses in ADF&G logbooks. Initial permit recipients may be “grandfathered” below the U.S. ownership level and above proposed use caps.

**Element 2.** Permit would be designated for Area 2C or Area 3A. If a business owner qualifies for a permit in both areas based on the history from a single vessel, he/she would be issued a separate permit for both areas. Only one permit could be used on any given trip.

**Element 3.** Permit would be issued *to the holder of a Guided Sport Moratorium (GSM) Permit*

**Element 4.** Permit applicant would be required to sign an affidavit attesting that all legal requirements were met.

**Element 5.** Permit would carry an *Endorsement for Angler Days based on logbook history during qualification years to be determined prior to and including 2005 (the control date year for the moratorium).*

*Option 8.1. Actual Angler Days averaged over a period of qualifying years*

*Option 8.2. Classes of Permits based on a tight range of Angler Days averaged over a period of qualifying years: Example:*

<i>A Class</i>	<i>750 Angler Days or more</i>
<i>B Class</i>	<i>600 - 749 Angler Days</i>
<i>C Class</i>	<i>450 - 599 Angler Days</i>
<i>D Class</i>	<i>300 - 449 Angler Days</i>
<i>E Class</i>	<i>150- 299 Angler Days</i>
<i>F Class</i>	<i>61 - 149 Angler Days</i>
<i>G Class</i>	<i>60 or less Angler Days</i>

*Option 8.3. Placeholder for other options*

Permits issued under the military hardship provision would receive an *Angler Day endorsement to be determined.*

**Note:** Military (Morale, Welfare, and Recreational) boats are not required to meet the qualification requirements of the program, but harvests still count against the *Allocation*.

**Element 6. Annual permit renewal criteria**

- Option 6.1. Does not require renewal
- Option 6.2. Must be renewed annually.
- Option 6.3. Not renewable, if permit holder lets it expire
- Option 6.4. Emergency medical exception

**Program Management**

**Element 7. Angler Days, Initial issuance, leasing, transfers.**

*Provide for share-based assignment predicated on Angler Days.*

*Evidence of participation for determining Angler Day Endorsements is ADF&G saltwater logbook entry with bottomfish statistical area, rods, or boat hours.*

*Initial issuance: Award number of Angler Day units from ADF&G logbooks that correspond to:*

*Suboption 1. Total Angler Days during best year during 1998-2005*

*Suboption 2. Average Angler Days during best 3 years from 1998 – 2005*

*Suboption 3. Placeholder for other options*

*Permit Transfers: Permits and endorsements may be transferred and may be stacked, up to use caps.*

*Endorsement Transfers:*

*Suboption 1. Angler Days not transferable*

*Suboption 2. Angler Days fully transferable:*

*1. Permanent: must go through NMFS (RAM division)*

*2. In-season transfers: allowed between charter businesses*

*Permit Leases (in-season only; reverts to permit holder at beginning of next season)*

*Suboption 1. leasing is allowed limited to use caps*

*Suboption 2. not allowed, except for “unavoidable circumstance”*

*Endorsement leases:*

*Suboption 1. Allow leasing, limited to Angler Day endorsement caps*

*Suboption 2. Allow unlimited leasing*

*Notes:*

- 1. Permit endorsement of an angler day for every client fishing bottomfish/halibut in a day*
- 2. "Unavoidable circumstances" will be adjudicated on a case-by-case basis through the National Marine Fisheries Appeals Division, but includes medical emergencies, military exemptions, and constructive losses.*

**Element 8. Use caps and grandfather rights.** The AFA 10% ownership rule for affiliation will be applied to determine the number of permits associated with an entity under the use cap.

- Option 1. 5 Permits

*Option 2. Placeholder for other options*

*Option 3. Grandfather rights below the U.S ownership level shall expire upon any change in ownership of the business. Grandfather rights above ownership and/or use caps shall pass to successors to the business, until and unless elements of the business, i.e., vessels, are sold or spun off from the business. Grandfathered businesses may not increase capacity above the grandfathered level, however in the event of restrictions, step-downs etc. a grandfathered business may acquire additional capacity up to but not exceeding the original grandfathered level.*

Note from previous Council analysis: A business that owns/controls permits in excess of the use cap maintains the grandfather status for those permits that remain in its control after other permits are sold, but the sold permits lose the grandfather status in perpetuity. Grandfathered permits that are sold in total when a business owner sells his entire business/fleet maintain that grandfathered status. Grandfathered status refers to permits, not to vessels.

### **Element 9. Supplemental individual use of commercial IFQ**

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

#### Provisions:

- A. Permit holders may *purchase commercial QS or lease commercial IFQ* for conversion to GAF.
- B. Permit 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.
- 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. GAF derived from commercial QS may not be sold into commerce, i.e., all sport regulations remain in effect.
- H. GAF 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 10. Limits on Holding Quota Share and IFQ**

A. Commercial IFQ, when purchased or leased and converted to GAF for use in the guided halibut (charter) fishery shall not exceed the following limits in total holdings:

Option 1. An individual or entity holding a Limited Entry Permit or multiple Limited Entry Permits may not hold or control more IFQ and/or GAF in excess of an amount equal to the current setline ownership cap in each area (Currently 1% of the **setline catch limit** in 2C or approximately 4,000 fish and ½% in 3A or approximately 6,500 fish.)



Option 2. An individual or entity holding Limited Entry Permit or multiple Limited Entry Permits in Area 2C or Area 3A may not hold or control more GAF than:

- i. 1,000 fish
- ii. 2,000 fish
- iii. 5,000 fish
- iv. 7,500 fish

B. Holding GAF on charter Limited Entry Permits:

Option 1. An individual or entity holding a Limited Entry Permit or multiple Limited Entry Permits in Area 2C may not hold or control more GAF per Limited Entry Permit than:

- i. 200 fish
- ii. 300 fish
- iii. 400 fish

Note: In Area 2C a charter vessel is restricted to a maximum of six lines, regardless of the size or type of the vessel, or how many passengers the vessel carries.

Option 2. An individual or entity holding a Limited Entry Permit or multiple Limited Entry Permits in Area 3A and operating a "six-pack" charter vessel may not hold or control more GAF per permitted six-pack vessel than:

- i. 200 fish
- ii. 300 fish
- iii. 400 fish

Option 3. An individual or entity holding a Limited Entry Permit or multiple Limited Entry Permits in Area 3A and operating a "super six-pack" charter vessel may not hold or control more GAF per permitted super six-pack vessel than:

- i. 200 fish
- ii. 400 fish
- iii. 600 fish

Option 4. An individual or entity holding a Limited Entry Permit or multiple Limited Entry Permits in Area 3A and operating a USCG Subchapter T "certified" charter vessel may not hold or control more GAF per permitted certified vessel than provided for in the following formula:

$$\frac{L \times B}{40} \times \text{DBL} \times d = \text{GAF}$$

Where:

L = documented vessel length

B = documented vessel breadth

DBL = daily bag limit for halibut

d = a range of multiples to be analyzed and to be determined by the Council at Final

Action which would approximate the number days that a charter operator might reasonably be allowed to extend his season in Area 3A, or alternatively, a multiple to simply determine a reasonable number of GAF that a certified vessel may hold that would correlate to the number of GAF allowed for a six-pack vessel in previous options. Suggested multipliers might range from 5, 10, 15 or 20.

The portion of the formula  $\frac{L \times B}{40}$  is intended to represent a nominal number of

passengers the vessel might fish comfortably, as opposed to the number of passengers that a vessel might be certified to carry. (A vessel that is also engaged in tours could be certified to carry many more passengers than it would normally be able to fish.)

Example: Documented vessel length 40.4 feet  
Documented vessel breadth 13.2 feet  
Using 10 as the selected multiplier  $d$

$$\frac{40.4 \times 13.2}{40} = 13 \text{ passengers} \times 2 \text{ fish} \times 10 = 260 \text{ fish (Approximately 5,000 lbs of IFQ)}$$

Note: A similar formula using vessel dimensions for USCG Subchapter T certified charter vessels might also be used to determine a conversion to Angler Days.

(NOTE: Paragraph C. below is the same as the Council Interim Solution motion except for the additional text in bold.)

C. Commercial Quota Share Holders:

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

ii. Commercial fishermen who hold QS and a Limited Entry 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 Limited Entry **permitted** vessel(s). **Commercial fishermen using their IFQ as GAF will be subject to the same caps, limits and restrictions on the use of IFQ for GAF as charter-only operators.** 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.

D. 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.*

**Element 11. Community provisions for Area 2C and 3A communities previously identified under GOA FMP Amendment 66**

Placeholder for CQE provisions

Note: Previous Council text from Moratorium motion:

A Community Quota Entity (CQE), representing a community in which 10 or fewer active charter businesses terminated trips in the community in each of the years 2004 and 2005 may request Limited Entry permits:

Area 2C – use cap of 4 requested permits per eligible community.

Area 3A – use cap of 7 requested permits per eligible community.

Overall use caps for all CQEs in a management area are 2 times those selected for the qualifying CQE requested permit use cap for each area. (Staff note: result is overall use cap of 8 permits for each CQE in Area 2C and 14 permits for each CQE in Area 3A).

Provisions for CQE requested permits:

- Designated for the area in which the community represented by the CQE is located.
- Endorsed for 6 clients.
- Not allowed to be sold (i.e., permanently transferred).
- Under reporting requirements, the CQE must identify the recipient of the permit prior to issuance.
- The requested CQE permit must be used in the community represented by the CQE (the trip must originate or terminate in the CQE community).