

**Section 2.2.2.6.1 Charter Halibut Catch Sharing
Implementation Plan for Area 2C and Area 3A**

**Regulatory Amendment for a Catch Sharing Plan
for the Pacific Halibut Charter and Commercial Longline
Sectors in International Pacific Halibut Commission
Regulatory Area 2C and Area 3A**

**Environmental Assessment/Regulatory Impact Review/
Initial Regulatory Flexibility Analysis**

Date: September 25, 2008

2.2.3 Catch Sharing Implementation Plan

2.2.3.1 Introduction

The Charter Halibut Area 2C and Area 3A Catch Sharing Implementation Plan (Implementation Plan) is a cooperative effort between the State of Alaska (State) and National Marine Fisheries Service (NMFS) to define the infrastructure necessary to manage halibut catch sharing between the commercial and charter halibut fleets operating in these areas.

Several interagency work groups met through the spring and reviewed the North Pacific Fishery Management Council's (Council) request for a catch sharing implementation plan and the Council's April 2008 motion for a catch sharing plan. The groups recommended a program to manage guided angler fish (GAF) that could be implemented in the short term. Discussions also considered longer term initiatives for improved monitoring for catch sharing. These initiatives are examined as potential guidance for planning future programs.

The implementation plan briefly reviews status quo accounting of all charter harvests of halibut, explains accounting of existing commercial individual fishery quota (IFQ), then examines accounting of transfers of IFQ pounds from the commercial IFQ holder to the licensed charter vessel operator for lease and return transfer of unused guided angler fish (GAF) to the IFQ holder. The plan adapts existing agency programs in the short term to provide accurate and timely record keeping, enforcement, reporting, and outreach for GAF harvest by the charter fleet. Costs of implementing short term plan requirements and recommendations are reviewed and plan deficiencies are noted for completeness.

The Implementation Plan anticipates further work will be necessary to meet priorities for halibut catch sharing in the long term. Implementation of the Council's catch sharing plan for halibut in Area 2C and 3A should provide the regulatory and procedural foundation for operation of plan programs specified by selected elements of the preferred alternative. Plan implementation can also trigger options for new initiatives as management and industry respond to catch sharing in action. The plan outlines new longer term initiatives to consider the utility of real time collection of common pool data in addition to GAF harvest data to improve the accuracy of the charter fishery data and to reduce the duration of the feed back loop.

2.2.3.2 Scope

The scope of this Implementation Plan is limited to expanded data collection and reporting in the short term to allow lease of GAF and anticipates longer term initiatives for continued improvement of a catch sharing program. The approach of the implementation plan in the short term is to develop a GAF program. The program allows charter operators to increase their harvest and the amount of halibut available to their anglers by leasing IFQ from a commercial quota holder. The program is planned to account GAF in real time and adapts the existing IFQ program to account for lease transactions between the charter and commercial sectors throughout most of the year. The program includes criteria for transfer and use of GAF and new data collection and reporting requirements for real time accounting and management of GAF transfers.

The Implementation Plan briefly outlines longer term initiatives that would benefit from the experience, perspective, and knowledge that policy makers, managers and fishery stakeholders bring to the table now. Addressing longer term initiatives would leverage the cumulative Council guidance on objectives to address current issues and unknowns. Policy decisions on collection of new information, information collection responsibilities, and annual cycles for management would extend the planning horizon beyond implementing the GAF program.

2.2.3.3 Limitations

The extent of work discussed in this plan is not complete, in part, because the current plan content could change if the Council revises its objectives for a preferred alternative and in part, because the alternatives and suite of elements and options the Council could approve is unknown. Defining actions to implement the complete suite of proposed elements and options and all logical combinations was considered beyond the scope of this Implementation Plan since many of the elements would require assumptions about policy decisions. Instead the work groups narrowed the focus of this plan to definitive concrete tasks for new GAF monitoring and record keep record requirements. Requirements were designed to allow industry flexibility in meeting the minimum of restrictions necessary for accurate and timely management of GAF.

The proposed catch sharing plan under Alternative 2 contains six elements for Council consideration. Council action on Elements 1 and 5 would initiate rulemaking for new Federal regulations to allocate halibut to the charter sector and allow the charter sector to lease halibut from the commercial sector. Elements 2, 3, 4, and 6 involve Council policy and intent and could result in rulemaking to manage the charter halibut harvests according to an Element's objectives. This Implementation Plan assumes that regulations would be developed by NMFS to implement the Council's proposed action. However, the plan does not attempt to define the possible suite of regulations that could evolve from the Council's final selection of elements and objectives that form the catch sharing plan for Areas 2C and 3A.

The plan does not discuss details of initial and potentially annual changes to existing data collections, database systems and programs that could result from all the elements in Alternative 2. Specifically, the plan does not detail changes to the logbook, Statewide Harvest Survey (SWHS), or in season catch sampling programs that could result from implementing a catch sharing program. All of the elements except element 1 for an allocation could directly change the amount and timing of data collected, data reporting and outreach; the distribution of sampling and enforcement effort; and duration of the feedback loops. Element 1, allocation, does not directly impact the agency systems for processing fishery data or implementing a catch sharing plan. Alternative 2, Elements 2, 3, 4 and 6, could each alter these programs initially and annually depending on the Council's decisions on the catch sharing plan elements and annual revisions for

management of the halibut fishery. Element 2, the annual regulatory cycle, could invoke analysis to reconcile charter harvest with future management measures and could impact the information collected from the charter fleet from year to year. Element 3, the annual management measures, can result in changes to a program, a system, and the methods used to collect and report data and enforce requirements. Element 4, the timeline element for a three or four year feedback loop could change the frequency of analysis and reporting of data and therefore the amount of effort necessary to collect and process data. Element 5, could implement a new program for accounting GAF that is described in detail in this implementation plan. However, future changes to GAF reporting as a result of interactions with other elements are not covered. Element 6 could introduce several new initiatives to existing data collection and reporting programs that may overlap with recommended revisions for a GAF program.

2.2.3.4 Management Approach

The management approach directly influences the degree of success the implementation plan will have in fulfilling the Council's purpose and objectives for halibut catch sharing. A simple management strategy with straight forward implementation tasks is more easily understood and easier to comply with than a complex management strategy with numerous requirements and greater risk for misinterpretation of regulations.

In establishing a catch sharing plan for the commercial and charter halibut sectors, the Council may set an initial allocation of halibut to the commercial and charter fleets under Element 1. Such action would not result in new monitoring or reporting of charter catch during the charter halibut fishing season because the Council has clearly recognized that the proposed allocations do not equate to a hard cap. An allocation would replace the current guideline harvest level (GHL) with a catch limit but as with the GHL, the harvest of halibut by the charter fleet could exceed the specified level and the fishery would continue. The Council intent is to provide advance notice of management measures that will be used to achieve the charter allocation and a predictable season length. As proposed, the measures and season length would be established during the year prior to the year when they take effect and not be changed in season.

2.2.3.5 Purpose and Objectives

The purpose of this Implementation Plan is to describe a reporting system to accurately capture information about charter halibut harvests in IPHC regulatory Areas 2C and 3A, including transfers of leased halibut, to facilitate the timely implementation of management measures. These actions set the stage to stabilize harvests, and improve the accuracy and predictability of annual harvest levels for the benefit of all stakeholders and the halibut fishery. The objectives of the implementation plan are to identify approaches for timely, accurate and precise data to determine the appropriate regulations for stable and predictable execution of the halibut fisheries.

The short term objectives of this plan are to:

- Accurately account for the harvest of leased halibut in real time;
- Maintain timely record of lease transactions;
- Make compliance and accurate reporting of GAF as easy and convenient as possible;
- Get GAF program information to the fishery managers and fishing public in a readily understood manner;
- Provide catch accounting features that minimize incidence of improper reporting caused by confusion over requirements; and
- Make enforcement efforts more efficient and effective.

Longer term objectives include:

- Improve accounting of all harvests by the charter fleet; and
- Reduce the time for management feedback on all charter harvests.

2.2.3.6 Status Quo Accounting of Charter Halibut Harvests

The implementation plan assumes status quo monitoring of all halibut harvested on a charter vessel would continue using the ADF&G Saltwater Charter Vessel Logbook (logbook), mail out Statewide Harvest Survey (SWHS), and inseason catch sampling program. Common pool and GAF harvests would be accounted for using these existing tools and each will require minor revision to accommodate notation of a GAF separate from a common pool fish. The management of GAF will also require real time reporting, specifically daily verifiable reporting. Discussion of the accounting features of the GAF program follows in sections below.

2.2.3.6.1 Logbooks

As needed, ADF&G has accommodated changes to the logbook that NMFS has found necessary for enforcement and management. NMFS requests for changes to the logbook have had minimal impact on the logbook development, printing and distribution costs. However, two design changes to the logbooks have impacted costs. First, adding data fields costs additional staff time for industry outreach and education including: instruct users on accurate reporting; educate users on new logbook requirements; and follow up on illegible or missing data. Second, adding fields to a data form for new data collection uses more space on a form. This has resulted in operators using more forms within a season. Of the two factors impacting the logbook project, increased staff time to respond to logbook entries is much more costly. Adding information to the logbook increases costs \$55,000 annually: \$48,000 for staffing and 7,000 for form booklets. The time to redesign the logbook, consult with agency data users, and update documentation and instructions would be absorbed by impacted State and Federal agencies.

Currently, the logbook is returned to the State weekly and typically the data entered into a database within one to two weeks. This rapid turn around allows preliminary estimation of charter harvests but the data are recorded in the logbook by the charter operator and therefore are not validated. The SWHS provides another estimate of charter harvest based on recall by the angler and is used to verify the logbook data. A multiyear comparative analysis of the two data collections is in its second year.

2.2.3.6.2 Statewide Harvest Survey

The SWHS will also require an update to accommodate GAF harvests, but time and cost estimates depend on the extent of work entailed in the alternative, elements and options selected by the Council. If the Council's chosen management approach retains the two year lag between the time the SWHS data is collected and reported, then the current data collection program is sufficient according to the Council and SSC review of a statistical comparison of the 2006 logbook and SWHS data in April 2008. At that meeting, the Council recommended gathering additional year's data to include in the analysis comparing the SWHS and logbook data collection methods. The Department of Fish and Game plans to repeat the analysis again for presentation in 2009.

2.2.3.6.3 In Season Sampling

Charter halibut harvests are sampled by ADF&G at the major points of landing in Areas 2C and 3A. The objectives of halibut sampling are to estimate the average weight, length composition, and spatial distribution of ground fish effort and halibut harvest. Data are collected through creel surveys in Southeast Alaska and port sampling in Southcentral Alaska. The programs in each region differ with respect to design and the species covered by the objectives. The Southeast creel surveys also estimate salmon effort, harvest, and catch rates, hatchery contribution, age

composition of the Chinook harvest, the mean weight of harvested rockfish and lingcod, etc. The creel surveys have historically been designed to optimize collection of salmon information but have been adapted to collect information from halibut and groundfish. The Southcentral port sampling program was designed primarily to estimate the characteristics of harvested halibut and groundfish, and includes estimation of age, size, and sex composition of rockfishes, lingcod, and sharks. Sampling of halibut is a major part of both programs. Mean weight is estimated from length data collected at each major port, using the IPHC length-weight relationship. Sample size goals are set for each port to achieve desired levels of precision. Technicians in both programs are instructed to sample halibut off a vessel only if all of the retained fish (or their carcasses) are available to be measured, i.e., have not been butchered and thrown overboard. Programs in both regions collect vessel-trip level interviews to monitor the proportions of halibut harvest that is cleaned at sea, and the Southcentral region program uses this information to stratify estimates for Lower Cook Inlet. Interviews in both regions also collect information on the target species categories, statistical areas fished, and proportions of fish caught that were retained versus released. Data on hook type use was collected in both regions in 2007 to estimate halibut discard mortality.

2.2.3.7 Catch Sharing

Halibut catch sharing would be initiated through privately arranged leases that authorize Federal transfer of halibut from a commercial individual fishery quota (IFQ) holder to a licensed charter vessel operator. The lease would document legal arrangements between parties but would be separate from the Implementation Plan. If the proposed charter vessel limited entry program is approved by the Secretary of Commerce, then the lease authorizing transfer of IFQ would be to a charter halibut permit holder. This draft Implementation Plan does not assume the limited entry program would be effective at the time a GAF program could be implemented. Instead, the plan assumes that an individual applying to lease commercial IFQ for use as GAF be required to be a State licensed charter halibut operator. In addition any transfer of halibut between the commercial and charter sectors would have to be approved by NMFS before it would be effective.

2.2.3.8 IFQ and GAF Account Structures

2.2.3.8.1 IFQ

A commercial IFQ permit is created annually for each Quota Share (QS) holder and each person who receives IFQ by transfer. If a person holds IFQ in the same category but for different IPHC areas, an account for each area is established under that same IFQ permit number. Commercial halibut IFQ accounts are automatically established, after the IPHC sets the commercial halibut harvest levels by management area for the year. These harvest levels are treated as total allowable catches (TACs) for IFQ fisheries in waters in and off Alaska. Annual IFQ accounts are populated with pounds based on the QS holder's fraction of the "quota share pool" (QSP, the sum of all QS units issued) for an IPHC area. Alternatively, an IFQ permit and annual IFQ account is created for a person who holds no QS but receives IFQ by transfer. The Restricted Access Management (RAM) program in NMFS typically issues IFQ in early February. Annual IFQ expires at the end of each fishing year.

Once the commercial halibut TACs are established, RAM calculates the amount of IFQ issued to an IFQ permit holder's accounts. For each IPHC area in which a person holds QS, the amount of QS held is divided by the quota share pool (QSP). The resulting fraction is then multiplied by the TAC for that IPHC area. The equation yields the unadjusted number of pounds of IFQ that a permit holder may harvest from the area during the fishing year:

$$\text{QS} \div \text{QSP} \times \text{TAC} = \text{IFQ}$$

At the start of the year the annual allocation of IFQ to an account may be adjusted slightly (up or down), depending on the prior year's fishing activities of the person who fished the IFQ, and will be revised as necessary for subsequent in season QS/IFQ transfers.

2.2.3.8.2 GAF

Commercial IFQ is available for transfer immediately after issuance. In a process similar to that for commercial permits and accounts, an annual GAF permit would be issued and GAF account created when NMFS approves the first annual lease of commercial IFQ to a licensed charter vessel operator. An annual GAF account would contain no GAF until the GAF permit holder received his/her first transfer of commercial IFQ each year.

Each licensed charter vessel operator would receive a separate GAF permit for each commercial IFQ "leaser" from whom he receives GAF. This GAF account structure is necessary to facilitate in season "returns" of GAF to the appropriate commercial leaser and to prevent overly complicating already very complex commercial adjustments for the following year.

2.2.3.8.3 Conversion between Weight and Number for GAF Accounting

A factor to convert between commercial halibut IFQ pounds and GAF halibut would be established each year for IPHC Area 2C and Area 3A separately by ADF&G Sport Fish Division. These annual, area specific factors represent the average weight of all charter halibut harvested in each area. Using all charter halibut measurements to estimate the factor makes two assumptions. The first assumption is the size of halibut measured by the ADF&G in season sampling program are representative of all fish harvested by charter anglers and there is no difference in size of a common pool fish and GAF. Second, a single factor assumes no difference in the size distribution of halibut harvested by the commercial and charter fleet in an IPHC area.

The first year of a GAF program would require the conversion factors to be estimated using the prior year's preliminary estimate of annual average length of halibut in each of the Areas 2C and 3A. The average length value would then be assigned an average weight according to the IPHC length/weight chart. The resulting average weight value would apply to all transfers of IFQ and GAF between the commercial and charter sectors during the year and would be publicized to facilitate IFQ and GAF transfers. The conversion factors and average weight for Areas 2C and 3A would be publicly available in the fall to facilitate IFQ and GAF transfers for the following fishing year. The commercial and charter sectors would be notified through the NMFS web site, in the *Federal Register*; or through direct mailing.

2.2.3.8.3.1 Estimation of Average Weight

The estimate of average weight is important for conversion between weight and number of GAF halibut. The SSC noted in April 2008 that if GAF are accounted for in numbers by the charter sector, there may be an incentive to selectively harvest fish that weigh more than the average weight assumed when IFQ pounds are converted into GAF numbers. This is especially pertinent when full retention is not required but a bag limit in effect or the size of one retained maximum size limit is placed on one fish in the bag limit (as in Area 2C during 2007 and 2008). Assuming an angler and operator prefer to maximize the size of fish retained per charter expenditure, a GAF provides an opportunity to upgrade to a larger fish. When this behavior is the norm for an area, then harvest of GAF converted to pounds could be underestimated. As noted elsewhere in the EA/RIR/IRFA, errors in estimation of GAF removals may result if no data are available from an area and inappropriate average weights are substituted. Accurate accounting of GAF removals will require adequate and representative sampling of GAF harvest.

Average weights are currently estimated from halibut length measurements obtained from the charter halibut harvest by ADF&G. Estimates of average weight for each subarea (e.g., Ketchikan, Sitka, Lower Cook Inlet, Western PWS, etc.) are weighted by the proportion of harvest in each subarea to estimate the average weight by IPHC regulatory area. Preliminary estimates of harvest are compiled in the fall of each year using projections of past harvests (in numbers of fish) and preliminary average weight data. Final estimates of average weight are available in the fall of the following year and can be quite different from the preliminary estimates due to some raw data errors, but principally because harvests are distributed among the ports differently than in the projections.

The Council considered potential issues with conversion between pounds and number of fish in Option 3 of Element 6 for a catch accounting system. The Council stated its intent for a GAF catch accounting system to collect length measurements of GAF for two purposes. First is to compare annual average length of GAF to the average length of all charter halibut harvests to insure pounds removed as GAF are accurately accounted. The second purpose is to use GAF length measurements in the formulation of average weights used in the conversion of IFQ pounds to GAF.

The workgroups debated how to require measurement of GAF and enforce GAF measurements and decided identifying GAF fish for measurement by trained samplers was the simplest approach and least burdensome to the charter fleet. ADF&G record keeping and reporting requirements would need to be revised to identify GAF fish. The ADF&G logbook and in season sampling forms would be revised by adding a column to identify the number of GAF and common pool fish harvested by an angler and kept for offload at a point of landing. The method used to identify a GAF fish from all other fish onboard a charter vessel is left to the discretion of the licensed charter vessel operator. Measuring the length of GAF fish and entering the length of each GAF fish in the logbook would not be required.

Recording the number of GAF fish an angler harvests in the logbook would be sufficient for enforcement of charter halibut bag limits and to account GAF harvests for real time reporting requirements. Distinction of GAF fish from other sampled fish will allow in season samplers to measure GAF lengths, and record and report the length of GAF fish along with common pool halibut and all other retained charter fish.

As noted, the first year a GAF program is implemented, area-specific conversion factors would be based on average length (converted to average weight) of all sampled charter halibut because data would not yet be collected to differentiate between common pool and GAF charter halibut. If at a future date, ADF&G in season sampling of GAF can be used to determine that GAF differ statistically in length (and weight) from common pool charter halibut, then an independent conversion factor based solely on sampled GAF may need to be established. Future evaluation of halibut size data would be presented to the Council's Science and Statistical Committee for review prior to use. Further evaluation of the utility of estimating area specific conversion factors from the current in season sampling program could be the subject of a longer term initiative.

2.2.3.8.4 Conversion from IFQ pounds to GAF

An application to transfer IFQ pounds to GAF would specify the pounds of halibut IFQ to be transferred to a GAF account, and NMFS would convert the IFQ pounds into the largest number of whole GAF possible. The IFQ account would be debited only for the number of whole pounds actually required to make up that number of GAF. Transactions for lease and reversion of GAF would be made in whole pounds and whole fish. For example, if the 2009 ADF&G average

weight for charter halibut in Area 2C is 20 pounds and a licensed charter vessel operator leases 1,000 pounds from an IFQ permit holder, then NMFS would create a 2C GAF account for the charter permit holder with a balance of 50 fish:

$$1,000 \text{ lbs IFQ} \div 20 \text{ lbs/fish} = 50 \text{ GAF}$$

In this case the conversion resulted in a whole number of GAF fish with no remainder of IFQ pounds, so the entire IFQ amount requested for lease was transferred. Fractions of fish required to make whole GAF would be rounded to the nearest whole pound for IFQ account debit. IFQ pounds requested to be leased but which could not be used to constitute a whole GAF would not be transferred. For example, if the average weight for charter halibut in an area is 22.57 pounds and a lease of 1000 pounds of IFQ halibut is requested, then a total of 44 whole GAF would be credited to the GAF account and the remaining 7 pounds would remain on the IFQ account and not be converted.

$$1,000 \text{ lbs IFQ} \div 22.57 \text{ lbs/fish} = 44.31 \text{ GAF or } 44 \text{ GAF; and}$$

$$1,000 - (44 \text{ fish} \times 22.57 \text{ lbs/fish}) = 6.92 \text{ remaining lbs, rounded to } 7 \text{ IFQ lbs.}$$

2.2.3.8.5 Conversion from GAF to IFQ pounds

An application to transfer leased GAF back to an IFQ account would need to be approved by NMFS and the transaction completed before October 1. At that time all remaining GAF in GAF accounts would automatically revert back to IFQ pounds in the originating leaser's IFQ account and the GAF account would expire. A transfer application would specify the number of GAF to be transferred to an IFQ account. In either case, NMFS would convert GAF to the maximum number of whole IFQ pounds possible. The GAF account would be debited only for the number of whole fish transferred to IFQ pounds. The number of IFQ pounds added back to the IFQ transferor's account would be rounded to the next lower whole number of pounds resulting from "returned" fish. Following the convention of rounding to the nearest whole number would falsely inflate the number of pounds beyond the amount originally transferred when rounding up, therefore when converting GAF back to IFQ pounds, decimal pounds would always be rounded down.

After all remaining GAF transfer back to a commercial IFQ account, a GAF account balance would be zero unless additional transfers of IFQ were requested. After NMFS converts all GAF remaining in a GAF account back to commercial IFQ on or after October 1, the GAF balance would be zero through the end of the year. GAF accounts would not be subject to future-year adjustments. Adjustments due to GAF use could only apply to commercial IFQ accounts subject to underage provisions applicable to the underlying commercial QS.

For example, if the licensed charter vessel operator harvested 40 of the 50 fish leased, then 10 fish remain that can be transferred back to the IFQ permit holder. Ten 20 pound fish equals 200 pounds of the originally transferred 1,000 pounds of IFQ that would be returned to the IFQ permit holder's account on or after October 1; no remainder of a partial fish would be left in the GAF account.

$$10 \text{ GAF} \times 20 \text{ lbs/fish} = 200 \text{ lbs remaining}$$

If the conversion factor is an average weight of 22.57 pounds per fish and only 40 of the 44 leased GAF fish were harvested, then 4 fish can be converted back to IFQ pounds; but just over a quarter pound is forfeited:

$$4 \text{ GAF} \times 22.57 \text{ lbs/fish} = 90.28 \text{ IFQ lbs, rounded to 90 IFQ lbs}$$

2.2.3.9 Transfers of IFQ and GAF

2.2.3.9.1 Approvals

NMFS would not process applications to transfer IFQ pounds to GAF until after IFQ is issued for a fishing year. The issuance date may vary with the start of the IFQ season but typically the issuance date occurs in early- to mid-February. NMFS would have to approve applications to transfer IFQ or GAF submitted by IFQ and charter halibut permit holders before they would be effective. Leases converting IFQ pounds to GAF would be effective from the time NMFS approves an application for lease and makes the conversion to GAF until NMFS converts GAF back to IFQ pounds for deposit in the transferor's IFQ account. Conversion would occur either under a transfer application approved by NMFS, or when NMFS converts all unused GAF back into IFQ pounds, on or after 12:01 a.m. October 1 annually. Leases of IFQ pounds to GAF would expire annually; applications for lease of IFQ pounds to GAF must be submitted to and approved by NMFS each fishing year.

Transfers could not be approved if the IFQ or GAF permit holder is unable to conduct transfers as a result of delinquent IFQ cost-recovery fees, NOAA sanctions, or for other programmatic, administrative, or legal reasons; or if the proposed GAF recipient is not eligible to receive GAF due to a use cap, or for similar administrative or legal reasons. QS used to convert IFQ pounds to GAF would be non-transferable while in use as GAF.

2.2.3.9.2 Community Quota Entities

Requirements for GAF account management would be applicable to community quota entities (CQE) that hold a Community Charter Limited Entry Permit and a GAF permit. A CQE may lease up to 100% of its annual IFQ for use as GAF on their own charter halibut permits. **Council guidance is needed relative to CQE leasing. Could a CQE lease GAF from another CQE or an IFQ permit holder in an amount up to 100% of the originating CQE's separate IFQ holding?** As written, a CQE with a charter halibut permit could lease their own IFQ but it is not clear if the limit on the amount of IFQ that can be leased (100%) can also apply to another IFQ holding.(see section 2.5.6.1 of the analysis).

2.2.3.9.3 Transfer Caps

Under Alternative 2, the number of GAF any licensed charter vessel operator may receive would be limited to between 200 and 400 fish (and potentially up to 400-600 fish if the charter halibut permit is endorsed for 6 or more lines); and each IFQ permit holder would be limited to an annual conversion into GAF of 1500 lb or 10 percent (which ever is greater) of his/her IFQ account. This 1500 lb/10 percent conversion cap applies to a person who holds both a commercial IFQ permit and is a licensed charter vessel operator and wished to convert his/her own IFQ for use as his/her own GAF. **NMFS requests clarification on the Council's intended basis for this 10 percent IFQ conversion limit. The limit could be based on QS held, or on IFQ pounds in an IFQ account, and either at the start of the year, or at the time of a GAF lease application.**

Because an IFQ account might include pounds from previous commercial leases in addition to pounds derived from the permit holders own QS, the 10 percent IFQ to GAF conversion limit is more appropriately based on QS held. If at the start of the fishing year "QS pounds" is used, the conversion limit could be adjusted by the positive or negative IFQ adjustments made to the account from the prior year of fishing. This limit would then be a fixed annual IFQ pound conversion limit for the IFQ holder regardless of changes in QS holdings. An IFQ limit that is fixed throughout the year would simplify operational planning and compliance for IFQ permit

holders and tracking and enforcement of the limit for the Agency. However, as an alternative, the Council might wish to consider a limit based on IFQ pounds from QS held at the time of each GAF lease request. This method results in a flexible limit that changes with QS transfers. In this case, it is important that a person not be considered to have exceeded a cap if they had made prior GAF leases after which their QS holdings decreased.

Transfer applications would require that transaction participants provide the IFQ pounds to be leased to licensed charter vessel operators and number of GAF to be converted back to commercial IFQ pounds.

A transfer of IFQ pounds to a GAF account could be requested and processed at any time between the date IFQ is issued by NMFS, and October 1 of the same year. Transfers of GAF back to the IFQ account of the Leaser could be processed from the date the GAF are leased and transferred to a GAF account until October 1. GAF remaining unused at midnight on September 30 would be automatically transferred by NMFS back to the originating leaser's account as IFQ on or about October 1st for use in the commercial sector and in computations of annual IFQ accounts for the following year.

For fee assessment and computational purposes, leased GAF that are harvested would be part of the originating IFQ permit holder's fee liability. To enable unequivocal tracking of IFQ and GAF transactions and to avoid unnecessarily complicating a new year IFQ account and adjustment computations, halibut leased as GAF could not be resold by the GAF permit holder either within the charter sector or to another IFQ permit holder. For the same reasons, QS transferred for use as GAF could not be transferred by the person who holds the QS to another person while in use as GAF. Reselling (releasing) of IFQ leased from another IFQ holder would be prohibited.

GAF accounts that were overfished would result in a loss of halibut resource. There are no provisions for deducting GAF account overages from any sector. Any harvest of GAF over the number of fish authorized on a GAF permit would be a permit violation by the charter halibut permit holder with the GAF lease and handled as an Enforcement action. Such actions would not affect commercial IFQ permit holders or accounts unless the Office of Law Enforcement (OLE) determined that the IFQ permit holder's actions contributed to the overage. The number and extent of GAF overages and therefore the effect on the halibut resource that would occur is unknown, but expected to be small. GAF accounts would be expressed in numbers of fish, denominations that are easy to report and track.

2.2.3.9.4 Transfer Methods

The mechanisms for the transfer of GAF to and from the commercial sector would be similar to transfer processes already in use by the Alaska Region in the commercial halibut and sablefish IFQ program, BSAI Crab Rationalization Program, Rockfish Pilot Program and Amendment 80 Program. Requested transfers between IFQ and GAF accounts would require a paper application with signatures of each party to the transfer, or, if parties provide NMFS appropriate written, signed authorization, could be accomplished by their agents. Paper transfer application forms would be made available on the Internet or by contacting RAM as noted above.

Additionally, as GAF transactions are essentially leases of annual allocation between known commercial IFQ holders and licensed charter vessel operators, the Agency may offer an additional electronic, Internet-based transfer process to be used in lieu of the paper system. If offered, electronic transfers would be available via secure login using personal user IDs, and passwords that constituents can maintain. This would facilitate fishing and business operations by avoiding the necessity to submit paper forms, wait for RAM staff to process applications

during business hours, and for new or revised IFQ and GAF permits to be issued and returned by mail or other allowed means.

NMFS would collect information on GAF lease and transfer for evaluation purposes and parties to the transfers would have to certify the accuracy of the information provided. This is typical of transfers in other management programs and could include: identification and contact information of the IFQ permit holder (lesser) and GAF recipient (lessee), identification of the type and amount of IFQ pounds or GAF to be transferred, lease price and broker information.

The current IPHC area-specific, length to average weight, conversion key used to convert from IFQ pounds to numbers of GAF would be included with the transfer application so that each party could calculate the resulting number of GAF derived from a specific number of IFQ pounds. IFQ pounds would always be converted to number of GAF displayed on permits. GAF would be managed as whole fish; all IFQ pounds and GAF would be converted to round pounds and fish, respectively, at the time of conversion; fractional remainders would be forfeit.

2.2.4 Reporting and Recordkeeping

2.2.4.1 Electronic GAF Harvest Reporting Requirement

Real time reporting of charter GAF landings, and other GAF account and permit information is essential to support participant access to current account balances for account management and regulatory compliance, and for monitoring of account transfers and GAF landings history. Management personnel need real-time account information to manage permit accounts, conduct transfers, assess fees and generate accurate public data reports that track harvest. Enforcement personnel need real-time account information to monitor GAF leases and monitor compliance with authorized GAF harvests and other program rules. NMFS plans to provide GAF program participants these services through a secure Internet system similar to that already in use by IFQ account holders; and perhaps with additional means such as an Interactive Voice Recording (IVR) telephone service to serve GAF permit holders without Internet access.

In addition to reporting GAF harvests electronically, NOAA would require that a GAF charter record would have to be maintained onboard any vessel and that certain information would have to be entered into that record. Ideally, NMFS prefers that a Federal GAF harvest report be maintained for this purpose. However, because ADF&G already requires a saltwater charter logbook and has agreed to revise the logbook to accommodate NMFS' GAF program data collection needs, certain provisions of the ADF&G logbook could be required by Federal regulation. This approach would remove the need for a separate Federal charter vessel logbook.

2.2.4.2 Reporting Responsibility

Both the GAF permit holder and the State licensed guide for the trip on which GAF were harvested would be held jointly responsible for timely and accurate reporting of GAF harvest; although either could submit required reports.

2.2.4.3 Reporting Timeliness

GAF reports would be required for any calendar day in which GAF were harvested. Ideally daily GAF harvest reports would be electronically submitted prior to offloading any GAF halibut and before clients, the guide, or vessel operator and the vessel leave the point of landing. This may not be practical in some cases. Therefore, NMFS would require that at a minimum, with the exception of the GAF harvest confirmation number, all logbook information must be entered and electronic submission of the GAF harvest report completed before any GAF anglers, the guide or operator disembark the vessel and before the vessel leaves the offloading location. In addition, the

daily GAF harvest report must be submitted electronically within 2 hours of the end of the fishing trip and before the end of the calendar day in which the GAF harvest occurred.

2.2.4.4 Required Data Elements

Although real time data are necessary for accurate account management, the amount and type of data required for inseason GAF account management are relatively small and simplistic relative to that required for onboard logbooks. For GAF account management purposes NMFS requires:

- Guide's State license number;
- Vessel State of Alaska registration (AK) number issued by the Department of Motor Vehicles, or US Coast Guard documentation number;
- Saltwater logbook number;
- For GAF permits used by a CQE holding a Community Charter Limited Entry Permit and a GAF permit:
 - Community charter departed from;
 - Community charter returned to;
 - Date of GAF harvest (might be a reporting system default);
- For each GAF permit and IPHC area account to be debited:
 - GAF permit number;
 - IPHC regulatory area where halibut harvested; and
 - Total GAF harvested in that IPHC regulatory area.

Upon receipt of the daily GAF harvest report, NMFS would respond with a confirmation number as evidence that the harvest report was received by NMFS and the GAF account was properly debited. The confirmation number would be required to be entered by the charter vessel operator on the page of the State saltwater logbook with an entry corresponding to the same GAF fish harvest before the end of the calendar day on which the GAF halibut were harvested. This record of confirmation number would allow cross reference of the logbook and the daily GAF report.

2.2.4.5 Data Retention

Completed original ADF&G logbooks would have to be retained by the owner/operator (originator) for 3 years, and made available for inspection by NMFS-authorized staff.

2.2.4.6 IFQ and GAF Reporting Methods

In the commercial IFQ program, landings must be reported by Registered Buyers electronically, using a secure, password-protected Internet-based system approved by NMFS. The final steps of the electronic IFQ reporting process generate a time-stamped receipt displaying landings data. Commercial Registered Buyers must print and along with the individual IFQ fisherman must sign copies of the receipt, which must be maintained and made available for a specified time period for inspection by authorized Agency personnel. Printing of this receipt indicates the report sequence is complete and the IFQ account(s) has been properly debited.

Secure electronic reporting also would be required for a GAF program but several technologies would likely be needed to provide essential services to a GAF fleet that would be widely distributed throughout remote locations in halibut IPHC regulatory areas 2C and 3A. At this time, NMFS is contemplating an Internet-based reporting and an Interactive Voice Reporting (IVR) system. The Internet-based reporting system is similar to a legacy IFQ system still in use by some commercial Registered Buyers and is simple and convenient. The IVR system is similar to those commonly used in diverse commercial applications such as renewing drug prescriptions

and renewing permits. As in the IFQ program, a paper-based backup system could be provided for the rare times when an electronic option was not available.

To address the rural locations without Internet connectivity in which many charter operations occur, an IVR system (i.e., a system of reporting via telephone) may be more practical. In February 2005, Wostmann & Associates, Inc. (WAI) prepared a feasibility study for NMFS on an IVR system for charter halibut data collection (NMFS Sustainable Fisheries Interactive Voice Response System for Halibut Guided Charter Data Collection Feasibility Study). This document, while several years old, provides system requirements, sources and costs estimates that NMFS could use in determining whether or not an IVR system would be more cost effective than an internet based reporting system. As noted in the WAI report, “The primary benefit of an IVR system for the Halibut Sport Charter data collection program is that it would provide an alternative to the web for data reporting when Internet access is unavailable (i.e., when fishing at sea, or for guides without Internet access) or for users who prefer using the phone over the Internet.” WAI surmised that an IVR system solution “provides a benefit to the fishermen (data reporters) and in turn may improve the timeliness and quality of the data reported.”

In addition to electronic reporting methods provided, NMFS would provide a paper-based back-up system for reporting GAF harvests. This “manual harvest report” system would support required GAF reporting in relatively uncommon circumstances of short duration during which NMFS’ electronic services are not functional, or in some other cases authorized at the discretion of OLE. In these cases, the submitter would contact OLE Data Clerks to resolve the reporting issue. Data Clerks are available via a toll-free 800 number 18 hours per day, from 6 a.m. to midnight. If a “manual harvest report” is authorized by an OLE Data Clerk, then the submitter would fax a signed report to the Data Clerk who would post the harvest data to the appropriate permit accounts. Submitters would receive a confirmation number indicating the report was received and the GAF account properly debited.

2.2.4.7 Data Correction

Charter operators should not have trouble accurately reporting the individual number of fish harvested as GAF. Correcting the GAF daily report after it is submitted would be difficult because the data to verify what is correct versus in error are in the logbook and not immediately available for review. As in the commercial halibut IFQ program, any changes to a GAF harvest record after submission to NMFS would need to be reviewed and approved by OLE personnel. In practice, an error report submitter would send a record of errors to OLE Data Clerks, the contact point for all requests to amend harvest data reports. Because verification is difficult, OLE authorization of an amendment to a GAF harvest report would be a rare event. In addition, a GAF harvest report that debits fish from a GAF account that already had GAF transferred back to the originating IFQ permit holder might be problematic, and would be handled on a case-by-case basis.

2.2.4.8 Other GAF Account Services

In addition to electronic harvest/landings reporting, IFQ holders use secure, password-protected Internet access to on-line services during extended and non-business hours: to check their quota holdings and IFQ permit account balances, pay fees, obtain landings data, and for other services. They also have regular public access to non-confidential program data and reports routinely posted on the NMFS web site.

GAF permit holders also would use unique NMFS Person IDs and assigned passwords to access NMFS’ online reporting systems and services. Each person (individuals and business entities) issued a GAF permit would already have been issued a NMFS person ID and password at the

time NMFS issued them a Charter Halibut Limited Entry Permit (if not before). GAF program participants would use NMFS' online services to report GAF harvests, account monitoring, and for other purposes either similar to those used by commercial IFQ participants, or for needs specific to the GAF program. Both IFQ and GAF account information would be accessible by OLE for GAF harvest monitoring and enforcement.

For any approved reporting system, NMFS would provide User Guides and customer support. Customer support for routine management, regulatory, and account assistance is currently provided during business hours by RAM staff. During extended hours, these services are provided by OLE Data Clerks. Both groups are available via a toll-free 800- number. Addition of the Charter Limited Entry and GAF programs is expected to require modification (expansion) of the contract under which Data Clerk services are provided. Increased program costs would include contractual costs and additional training of support staff and would be assessed through added IFQ cost recovery fees.

2.2.4.9 Enforcement

As in all other permit programs, information provided on applications and landing reports must be certified as correct and complete to the best of the applicant's knowledge. Knowingly providing false application information is a criminal and civil offense.

Harvests of GAF exceeding the number of fish authorized by GAF permits onboard a vessel (an "overage") would constitute a permit violation punishable under civil penalties at 15 CFR Part 904. Such occurrences would be handled as Enforcement actions and would not normally affect commercial IFQ holders or their IFQ accounts. Once a GAF permit overage was identified by OLE, the account balance would be reset to zero; therefore GAF accounts would never carry a negative fish balance. The collective amount of any GAF program overages would be reported to the IPHC for use in stock assessments.

One large benefit of, and one of the strongest rationales for, real-time reporting is that it enhances a constituent's ability to manage his/her IFQ or GAF account. Real time account postings also enhance NMFS' ability to monitor compliance with program requirements. Similar to features built into the commercial IFQ program, a GAF reporting system could notify OLE automatically when a GAF harvest report results in an account overage; and managers can make appropriate adjustments knowing the account information is up to date. This system capability allows OLE to respond rapidly with corrective action and provide education in a timely manner.

Enforcement of the GAF program would rely in part on the account management and reporting systems developed by NMFS. OLE has continuous, secure Internet access to NMFS' harvest and landings database as well as to permit information. If needed, a GAF reporting system could provide instant messaging for report submitters and for OLE, similar to those in use for halibut/sablefish IFQ and crab. In those systems, submitters and OLE are automatically alerted about permit violations upon NMFS receipt of a harvest report. Additional preventative checks can be incorporated in the GAF harvest reporting system to reduce the need for revisions to submitted GAF reports; for example, a flag could be added to alert the report submitter of "outlier" data during data entry, such as an unusually large amount of GAF, and allow the submitter to correct the errant data prior to submitting the harvest report.

GAF vessel operators or permit holders would record GAF harvest confirmation numbers issued by GAF reporting systems in their State saltwater charter logbook. OLE might employ any or all available documents and tools to monitor compliance and conduct enforcement activities, including but not limited to: data in logbooks and NMFS' database, participant education, post-

harvest interviews, observation of offloads, etc. and might employ joint enforcement agreements with State Agencies or the U.S. Coast Guard to monitor and enforce GAF activities.

2.2.5 Outreach

Outreach and education are critical to successful implementation of the catch sharing plan. A number of different opportunities are available in the regulatory and management process to talk with halibut fishery participants and inform them about the catch sharing program and impacts of GAF in particular.

The conditions and requirements for fishing change at least annually if not more frequently. Information could be distributed through mailings coinciding with angler or operator licensing, when an IFQ holder is notified of their annual quota, and any time a record keeping package is distributed. In addition, regular update of internet sites could impart all aspects of continuing and new requirements and regulations and appropriate actions for compliance. Similarly posting of guidelines dockside and on board the charter vessel could be beneficial. Alternatively or in addition, charter vessel operators could instruct angler/clients about current fishing practices and regulations as part of their service.

Agencies and divisions provide information to the public as a regular service. However, implementing a new catch sharing program would provide an excellent opportunity to review and strengthen existing approaches in the halibut fisheries for information transfer. Outreach efforts could introduce more comprehensive help documents to explain the structure of new programs, participant requirements, and points for stakeholder input. Cost for improving outreach through a single effort could be approximated by production of a Small Entity Compliance Guide. NMFS provides a small entity compliance guide to satisfy the Small Business Regulatory Enforcement Fairness Act of 1996, which requires a plain language guide to assist small entities in complying with a final rule. The guide is typically a synopsis that provides a general overview but not exact regulatory language. Production of a guide for one-time distribution and no additional interface or follow up costs about \$7,000.

2.2.6 Description of Costs

2.2.6.1 GAF Implementation

Implementation of the GAF program would be an extension of the commercial IFQ program, and as such, with a few exceptions, costs would be absorbed by existing staffing and under existing program administration. At this time, NMFS, including OLE, does not anticipate need for additional staff. New GAF costs would consist primarily of added catch sampling infrastructure for labor, field costs and training, and development and maintenance of a GAF IVR reporting system. Initial IVR system development costs sampling design revisions would likely be incurred prior to the effective date of implementing regulations, and therefore not recoverable under IFQ cost recovery provisions. Other GAF program administrative costs, such as travel, printing/ mailing, supplies, rent, etc. are expected to incur a low to moderate increase that would vary with scale of associated outreach effort. While actual costs cannot be estimated now, a summary of the expected cost types follows.

2.2.6.2 Program Development

Program development costs are expected to include but not be limited to: drafting and review of proposed and final rule regulatory packages; design, test, and deployment of program databases including user interfaces and modifications to the IFQ account management, transfer and fee modules; development and production of reporting and transfer applications, and informational materials; staff training, and development costs of Internet, IVR, and paper harvest reporting options.

2.2.6.3 Administrative Costs

Administrative costs to maintain the GAF program once implemented would include primarily staff time plus some equipment and contractual costs. The major cost components include: processing leases and maintaining permit, transfer, reporting, and fee systems; addressing participant appeals, customer program and reporting support; salary and training plus equipment for one new Administrative Clerk II for ADF&G ; monitoring program compliance and enforcing regulations; and possibly minor costs for an expanded Data Clerk contract.

2.2.6.4 Reporting Systems Cost Estimates

Internet-based and paper backup GAF reporting systems would be developed by NMFS regional staff or consultants, and maintained by NMFS staff. Costs for an Internet-based reporting system would consist mainly of IT Specialist time to develop the JAVA processes and work with the NMFS Webmaster to provide the public interfaces.

In contrast, NMFS staff has no experience with software to develop and maintain an IVR system and lacks appropriate hardware. NMFS would require consultant services for system design and development, and potentially for ongoing hosting and maintenance services. The Feasibility Study completed in early 2005 may now be outdated in technology options presented and costs. However, the study presented three options that ranged from a system developed by consultants and maintained by NMFS to a system entirely outsourced. Estimated one-time development costs ranged from \$97,000 to \$410,000. Annual costs for system hosting, hardware and software, and per-call use charges ranged from \$25,000, plus variable costs for maintenance, support and system enhancements, to \$108,000, plus variable system enhancement costs for an entirely outsourced system. Outsourcing appears more expensive, but could require significant staff time for both IT Specialists and other staff to provide customer help and support. In contrast to an externally hosted and maintained system, NMSF IT staff would not be available during non-business hours, and customer support would be available during limited non-business hours.

Although electronic reporting systems have development and maintenance costs, in general such systems provide much more, timely and better, quality data than do paper-based systems. Additionally, costs of data entry by NMFS staff would be low.

2.2.7 Cost Recovery Fees

2.2.7.1 Requirement

The MSA at §304 (d), 109-479 requires that cost recovery fees be collected for the costs of managing and enforcing limited access privilege programs. This includes programs such as the commercial IFQ program, under which a dedicated allocation is provided to quota holders. Fees owed are a percentage, not to exceed 3 percent, of the ex-vessel value of fish landed and debited from IFQ permits. Each year, NMFS sends fee statements to IFQ holders whose annual IFQ was used; and those holders must remit fees by January 31 of the following year.

2.2.7.2 Responsibility for Payment

The commercial IFQ holder would be responsible for all cost recovery fees on IFQ pounds harvested for his/her IFQ permit(s) and also for pounds transferred and harvested as GAF which originated from his/her IFQ account(s). Although it also benefits guided sport businesses, the GAF program is an extension of the commercial IFQ program that provides identifiable benefits resulting from increased operational and economic flexibility to holders of commercial IFQ.

IFQ holders might share these added costs with GAF users through contractual lease agreements. No additional funds are expected to be allocated to NMFS to support the GAF program other than

those derived from IFQ cost recovery fees. The MSA limits the IFQ fee percentage to no more than 3 percent of the ex-vessel value of IFQ landing made on each IFQ holder's permits. The fee percentage has rarely exceeded 2 percent of the ex-vessel value of sablefish and halibut landings.

2.2.7.3 Fee Liability Computation

Commercial cost recovery fee assessments are established by NMFS in November, after all unused GAF would have been returned to commercial IFQ accounts from which they originated.

An IFQ cost recovery fee would be levied on all pounds of halibut harvested as IFQ in the commercial fishery and as GAF in the charter fishery. IFQ and GAF that are not harvested would not be subject to the cost recovery fee; and fish harvested in excess of the amount authorized by a GAF permit, or in excess of allowed IFQ permit overages would not result in cost recovery fees owed because such overages would be handled as enforcement actions.

To determine cost recovery fee liabilities for IFQ holders, NMFS uses data reported by Registered Buyers to compute annual standard ex-vessel IFQ prices by month and port (or, if confidential, by port group). These standard prices are published in the Federal Register and are used to compute the total annual value of the IFQ fisheries. A fee percentage is determined by dividing actual total management and enforcement costs by total IFQ fishery value. Only those halibut and sablefish holders who had landings on their permits owe cost recovery fees. Fees owed by an IFQ holder are the computed annual fee percentage multiplied by the value of their IFQ landings.

2.2.7.4 Average Ex-vessel Value

The standard ex-vessel values computed for commercial IFQ harvests also could be applied to harvest of GAF fish. The area-wide (2C or 3A), annual, weighted average of ex-vessel values in dollars per pound could be applied to IFQ pounds or the GAF equivalency to estimate value of leased and harvested GAF. Without collection of point of landing data and correlation to port of landings, GAF harvests could not be assessed at the port or port group level. An average ex-vessel value for all ports in the area could be used to value GAF. An average value for all ports in an area by month could be applied to value GAF but is not considered in the first phase of the catch sharing plan. Instead the value of harvested GAF and resulting fees could be based on the average value of IFQ pounds harvested in all areas weighted by total IFQ harvests by month of the year. The IFQ holders who transfer pounds for lease as GAF could owe cost recovery fees for those GAF transferred and harvested by a charter halibut permit holder. Fees for GAF converted back to IFQ pounds and harvested as commercial IFQ pounds could be assessed fees as commercial landings with value estimated from the month of harvest and port of delivery. Subsequent phases of catch sharing could improve precision of GAF valuation by identifying the landing point or associated port. The date of GAF harvest could be assigned by the data processing system. Then standard ex-vessel prices for GAF harvests could be applied on the same month and area basis as for commercial landings.

2.2.7.5 Recoverable Costs

Only "incremental" costs, those incurred as a result of IFQ management that includes a GAF component, are assessable as cost recovery fees. GAF program development and implementation costs incurred by NMFS, IPHC, ADF&G and the Council prior to effectiveness of a catch sharing final rule and implementing regulations cannot be recovered through the IFQ cost recovery process. Agencies would absorb these start-up costs.

2.2.7.6 Costs for a Catch Sharing Program

Complete costs for a cooperative catch sharing program include all costs for managing the day to day operation of GAF data collection, catch accounting, fishery management, monitoring, enforcement, reporting and regulation updates. Detailed costs are not determined for each of these program components but the range of annual activities needed to support and run an efficient program would include all aspects of administering a GAF program, outreach, processing GAF leases, collecting, correcting and reporting of GAF data, monitoring of GAF fishing and offloads for GAF program regulation compliance, enforcement of GAF regulations, prosecution of GAF violations, writing and processing an amendment of the GAF program regulations, annual reporting and review of GAF harvests, analysis of allocation and management measure affects on GAF harvests.

2.2.8 Long Term Costs

2.2.8.1 GAF Program Data Confidentiality and Reporting

All GAF data collected from constituents or generated by NMFS would be subject to confidentiality restrictions and released only in aggregate form under requirements of the MSA and other applicable law.

In addition to information made available to GAF and IFQ account holders, NMFS anticipates that non-confidential information about the GAF program would be made publicly available. Public uses of the data include: data sharing; Council analyses of charter halibut regulatory amendments and reports on halibut catch sharing; and IFQ halibut and sablefish, and halibut IFQ and GAF program activities. Such information would likely include: lists of GAF permit holders; summaries of transfers between IFQ and GAF programs; summaries of GAF harvests and overages; counts of persons leasing up to allowed caps; and program management and enforcement activities and costs.

2.2.9 Long Term Initiatives

Long term initiatives are included in this Implementation Plan to point out issues that are not within the scope of the current action. Issues remain with the precision of estimated average weight, the duration of the feedback loop, and the need for a practical method to gauge charter harvest as the charter allocation is approached or exceeded in the future. These issues are not new, but have been deferred as a result of previous Council decisions that recognized reasonably foreseeable future actions that could lead to solutions.

2.2.9.1 Estimation of Average Weight

For measuring GAF in numbers, a study should be developed to check the appropriateness of the average weight assumed by area for converting between IFQ pounds and GAF numbers. This entails evaluating the design of the in season sampling program for sampling GAF lengths from the charter halibut fishery. It is unknown whether the extent of in season sampling of the lengths of GAF from the charter halibut fishery in Areas 2C or 3A would be sufficient to represent the average length (converted to weight) of IFQ fish landed by the commercial fishery in those areas. The concern is whether the degree of resolution would be sufficient for equitable conversion between areas where each of the fleet's fish.

Improving the accuracy of the estimated average weight of charter halibut could require adding sites to the port sampling programs ADF&G conducts during the charter halibut season throughout Areas 2C and 3A. Currently, sites are distributed along road systems near communities. Remote lodges are typically not sampled making them a likely candidate for added sampling effort. Sampling sites should be added where GAF would most likely be encountered. It is anticipated that GAF would only be harvested if there are regulatory mechanisms in place that restrict the allowable harvest below the demand. Therefore, GAF use is anticipated to occur more

in Area 2C than in Area 3A, at least initially. The estimated cost of a catch sampling program for Area 2C remote lodges for ADF&G salaries and benefits would be roughly \$80,000. This estimate might be higher or lower for other agencies to operate the program (NMFS, IPHC, or private contractors.) Similar costs would be expected for a remote lodge sampling program in Area 3A.

The extent of work to change the sampling design and add sites depends on the sampling assumptions. The amount of GAF harvested in a given year is unknown, but would probably make up a small portion of the overall charter harvest in a regulatory area, at least initially. Also unknown are the temporal and geographic distributions of GAF. If GAF landings are patchy in either time or area, then the precision of an average weight estimate for GAF is likely to be low relative to an average weight estimate for common pool harvest. Variability in mean weight does not result in biased estimates if the sample size over time is proportional to the magnitude of harvest. However, if a temporal component of the harvest is disproportionately sampled, and the mean weight during that period is especially high or low, estimates of mean weight for the season could be biased. Neither the SWHS nor the port sampling interviews provide the information needed to estimate the temporal pattern of harvest by charter or private anglers. The charter logbook, however, provides information on effort. These assumptions point to the importance of thoroughly evaluating the sampling of GAF throughout the distribution of offloading sites and range of offloading times to get a representative sample of GAF to estimate GAF average weight.

It is unknown at this time whether the existing in season sampling programs that collect halibut length data by port and point of landing are sufficient to differentiate specific effects on average weight of an area's sampling design, management approach, and fishery type and the other issues addressed above. Findings from evaluation of the common pool and GAF average weight estimates could be used to tailor in season sampling programs. Additionally, because different regulatory requirements or other selective fishing pressures may also affect size of common pool and GAF charter-caught fish, differences in halibut length and weight may occur and need to be accounted for over time.

2.2.9.2 In Season Sampling for Average Weight

Currently, ADF&G in season sampling programs in Southeast and Southcentral Alaska measure the lengths of charter halibut offloaded from charter and unguided vessels. The charter halibut measured now would equate to common pool fish under the proposed element for a GAF program. Under a charter allocation with a GAF program, halibut sampled from charter vessels would equate to the combined harvest of common pool charter halibut and GAF.

Average weights currently are estimated from halibut length and weight sampled in season from the charter halibut fleet by ADF&G. These preliminary estimates of average weight are for subarea (e.g., Ketchikan, Sitka, Lower Cook Inlet, Western PWS, etc.). They are weighted by the proportion of harvest in each subarea to estimate the average weight by IPHC regulatory area. Preliminary estimates of harvest (in numbers of fish) are typically compiled by September and preliminary average weight factors follow in October. Final estimates are available in the fall of the following year. The estimates of average weight and numbers of fish can be quite different between the preliminary projection and final estimates due to some raw data errors, but principally because harvests can be distributed among the ports differently than projected for sampling.

As noted in previous sections, the existing sampling program could accommodate measuring GAF using the existing sampling design at no additional cost, as long as GAF are identifiable using a harvest tag or some other means of identifying individual fish such as a length

measurement. Further changes to the sampling manual and forms to distinguish a GAF from a common pool fish could be accommodated through annual agency review and update.

2.2.9.3 Feedback Timing

Decisions on measures to manage the charter fleet harvest currently are based on a combination of preliminary and final estimates of fishery performance and the International Pacific Halibut Commission (IPHC) status of the halibut resource and stock yield. Final fishery performance data from the State's statewide survey of halibut harvest are available a year after the charter fishery season ends, typically late in the fall. The IPHC uses these data to project stock status and set the total catch level. Coupling delayed availability of data with the unknown time it could take to prepare analysis documents, select measures from the management tool box, and provide for regulatory cycle(s) to complete Federal rule making, could result in a three to four year lapse of time between a charter season and consequential management action.

Several components of the fishery management process would need to be changed to shorten the amount of time between the end of a charter halibut fishing season and the point in time when management measures that respond to that harvest take effect. First, the data collected to account for the GAF and common pool harvest would need to be compiled in real time. As outlined, this plan would accomplish real time accounting of the GAF portion of the harvest. To achieve real time accounting of the common pool harvest a new work initiative would need to be completed as suggested in Section 2.5.6 of this EA/RIR/IRFA. Second, the definition of management measures and as necessary the criteria to trigger use of a measure would need to be analyzed periodically after implementation to provide a package ready for annual update with current information. This would allow timely composition of required analyses for proposed rule making, public comment, Secretarial review and approval, and final rule effectiveness between charter halibut seasons. Last, the annual update of proposed catch sharing plan(s) for Areas 2C and 3A (if necessary) would need to be scheduled for review and action by the Council and IPHC during regularly held meetings in the fall and early winter, and followed by timely action by the Secretary of Commerce. This approach assumes the catch sharing plans are operating successfully and simple updates could become effective in the minimum regulatory time frame.

Reducing the feedback loop depends on rapid succession of the steps to estimate common pool and GAF catch through the end of the charter fishing season. An end of season estimate of catch would be needed and would require real time data collection, data entry, verification, correction, summary and reporting. A verified estimate of charter harvest would require the same speed of processing data for two independent measures of catch, such as the logbook and in season catch sampling. Complete processing of catch estimates by the end of a season would allow the Council time to evaluate the catch level against the target level and prescribe appropriate management measures in the fall and winter. Analysis could be representative of current stock status and the management circumstances. Review of management measures would proceed through a regulatory cycle for Council and Secretarial action. Timing of the IPHC estimation of available yield would not be impacted but analysis could be based entirely on final estimates of charter harvest. With this approach the management measures and season length could be established during the year prior to the fishing season in which they would take effect and would not be changed in season.

2.2.9.4 Methods

Practical methods to gauge charter harvests of halibut as a charter allocation is approached or exceeded are not addressed in the proposed alternatives to implement catch sharing between the commercial and charter halibut fleets. At issue is when does separate accounting count? Methods could be defined with concrete steps to outline when an allocation has been reached but

determining criteria for a logical management response are not an implementation activity. Developing this aspect of a catch sharing implementation plan is preliminary.

The current management approach responds to the charter fishery several seasons after harvest has occurred. This separation of action and consequence is not necessary. For example, harvest information from the 2008 charter fishery currently exists in the form of logbook data and the in season catch sampling data. These harvest data are not currently used in the direct estimation of annual harvests but they could be if funds were expended to process data sooner. A prerequisite of thorough definition of an associated funding need would be evaluation of necessary adjustments to the scope and design of existing programs for data collection, validation, enforcement, and reporting. The likely result would be real time data collection that could be used to evaluate catch, effort and value of charter halibut harvests. Post-season evaluation of harvest information would provide the Council more timely harvest data to compare to catch limits and could enhance Council selection of management measures. Revisions for real time data collection could include needed but currently unavailable data items such as refined average length data for more precise conversions between IFQ and GAF. The Council and commercial and charter fleets would benefit from a management approach based on in season data collection. However, data timeliness should not be substituted for data accuracy and the need to analyze sampling procedures for alignment with management objectives.

A reduction in the turn around time for data collected from the charter halibut fishery could allow management based on total catch from the previous fishing season. The degree of streamlining to complete required State and Federal regulatory steps would influence how quickly management could respond. Additional changes could include but are not limited to pre-preparation of documents for rapid addition of required analyses and time sure reporting to the Council and final action for regulatory review by the IPHC and Secretary of Commerce.

2.2.9.5 Future Outlook

Changes to this Implementation Plan would be expected as a result of Council direction on the catch sharing plan. The plan could be retired or expanded in the short term to include new requirements for selected catch sharing plan elements and options. In the longer term, this Implementation Plan could change through practical guidance provided by stakeholders through the rulemaking process; as a result of new solutions to implementation problems; or to simply adapt to changing circumstances.

2.3 Summary

The Implementation Plan outlines State and Federal government action to manage exchange of halibut for lease and harvest the charter halibut fleet and would implement the GAF program. The Implementation Plan anticipates expansion of existing agency programs, given sufficient funding, for cooperative and timely record keeping and enforcement of GAF halibut harvests in the short term. The plan discusses new initiatives as guidance for long term improvement in the accuracy and timeliness of charter harvest information. NMFS and ADF&G will be better able to address needed data collection, monitoring requirements, enforcement, and associated costs of a catch sharing program after the Council identifies a final alternative and any elements and options to implement catch sharing for Area 2C and 3A charter halibut fisheries

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