

**DRAFT CHARTER IFQ STAKEHOLDER COMMITTEE
FEBRUARY 27-28, 2006**

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

Joe Kyle
Larry McQuarrie
Rex Murphy
Chaco Pearman
Greg Sutter
Kelly Hepler

The Committee convened at 8:30 on Monday, February 27, 2006. All committee members attended the meeting. After introductions, staff reviewed the draft agenda and meeting materials. Agency staff presented background on: 1) the International Pacific Halibut Commission process for setting the commercial constant Exploitation Yield (CEY); 2) ten year history of Council managements actions to regulate the charter halibut fishery; 3) 1995 NOAA General Counsel legal opinion that State authority to regulate halibut fishing in Convention waters was preempted by federal law; and 4) proposed actions to regulate the fishery under State authority and briefings on some of the State proposed management measures.

Committee members reviewed new proposals for options under the two management alternatives (allocation with traditional management tools and allocation with share-based limited entry).

- Rex Murphy proposed a GHL program that could: a) increase the charter halibut allocation by acquiring commercial QS, b) incorporate a recreational fishing quota (RFQ) that would be purchased by the client in a daily fishing increment (1 bag limit) or a halibut stamp for ten halibut, c) require user fees to administer the program, d) be non-transferable but refundable if not used, and e) require recordkeeping.
- Bob Ward proposed to modify the Council's 2001 preferred alternative to include recent participants and eliminate transferability from the charter to commercial sectors.
- John Goodhand proposed the Valdez leveling plan which also modified the 2001 preferred alternative to address recent participants. It would eliminate the allocation of QS to those who have left the fishery and reallocate those shares to a second pool of new participants.
- Bob Candopoulos presented the Seward Tier Management Plan, which would create two tiers or pools of participants to harvest the GHLs, which may fish under different management measures.

Halibut Data The committee spent a long time discussing whether or not current logbook data could be used for either of the long term management alternatives for the charter halibut sector. Initially, the discussion was related to Issue 3 (Qualification Criteria) from the 2001 QS program preferred alternative, but overlapped Issue 4 (Basis for distributing QS) to a large extent. Also, the committee questioned whether the logbook data for 2002 – 2005 could be used to determine eligibility for a moratorium, “tiered management” program, QS program, or other possible programs. Since the State did not require halibut effort or harvest reporting during 2002-2005, bottomfish effort does not include charter operators who only targeted halibut. The committee did not eliminate the use of logbook data for bottomfish effort at this point. Although ADF&G staff provided some guidance about problems associated with using logbook data, the committee did not definitively conclude whether the data could or could not be used. The SSC review of the use of halibut logbook data in 2003 for QS allocations concluded that it could be used to determine initial allocation, as well as to determine eligibility, but noted that other formula could be used that did not rely on catch history. The committee requested that ADF&G provide an assessment of whether the data can be used for either of the proposed alternatives.

The committee raised the possibility of waiting for halibut data to be collected under new requirements for the logbook program (e.g., 2006 – 2008) and then initiating new management programs, but no decisions were made pending receipt of additional guidance from ADF&G in March.

Problem Statement The committee widely debated the Council's 2001 problem statement, but did not achieve consensus on new language. The committee specifically debated whether overcapitalization could be defined or was occurring in the charter sector.

Common principles/goals. The committee reviewed two drafts of common principles and goals and adopted the following:

Commercial IFQ holders:

- A stable and predictable regulatory and operating environment
- Protection of commercial IFQ allocations from growth in charter harvests
- If reallocation occurs, it occurs through compensation and a mechanism that is responsive to public demand, balancing the interests of consumers, charter clients, communities and the fishing industry.
- Entry level opportunities for commercial fishermen are maintained

Charter boat operators:

- A stable and predictable regulatory and operating environment
- Provide mechanisms for growth
- Provide mechanisms to minimize GHL overages
- Implement accounting system to provide timely landings data
- Minimize in-season charter fishery management and negative economic effects
- Address overcapitalization, when it is defined and where it occurs
- Entry level opportunities for charter fishermen are maintained

Recreational anglers:

- Access to the halibut resource occurs where anglers live or visit
- Reasonable price of participation that meets an individual angler's needs

Alaska coastal communities:

- Address local depletion
- Recognize that both commercial and guided sport fishing sectors are vital to the social and economic health of AK coastal communities now and in the future
- Minimize allocation conflicts and impacts of one sector on another

Summary

1. The Committee recommended that the Council initiate an analysis at its April 2006 meeting, which would consider implementing **a moratorium on entry into the charter halibut fishery using the December 9, 2005 control date**; moratorium permits should be transferable to avoid creating a closed class of permit holders. The Committee recommended that the Council schedule initial and final action in Fall/Winter 2006 and have the program implemented no later than the 2008 fishing season. The committee is interested in pursuing long term limited entry programs, particularly now that the GHLs have been exceeded. It expressed interest in curbing growth in operations and harvests that would exacerbate overages. It acknowledged that in-season measures that may jeopardize businesses further, if the GHLs cannot be controlled by currently proposed measures.
2. The Committee extensively discussed a number of issues (principally the lack of complete halibut data on which to base individual QS allocations, and options to include recent participants) related to the QS program alternative, it did not complete its discussion on this alternative. It developed numerous data requests to assist its next discussion of this alternative in March 2006.
3. The Committee did not discuss the GHL/allocation alternative due to time spent on other agenda items. It also requested data to assist its discussion of this alternative at its next meeting.

Data requests for March 21-23, 2006 committee meeting:

ADF&G

1. Sample logbook sheets for 1998-2006 and angler days for 1999-2005 by area;
2. For 2002+ (years without required halibut reporting):
 - To explore options in State's proposal for limitations on:
 - a. days fished either by total number of days or by excluding specific days of the week - Provide limitations on days fished either by total number of days or by excluding specific days of the week
 - b. reduced daily limits including size limitations for second fish – Provide data on size of second fish
 - c. moratorium - Provide number of operators, number of operators with bottomfish effort, number of clients with bottomfish effort with 20, 40, 60 days cut-off by port and number of records that show rods fished but do not report a target
3. Number of licensed guided sport operators, vessels in 2C and 3A (pre and post fee)
4. Possible data on angler capacity – e.g., CFEC license data for vessel length; six-packs vs 6+; limit to 6 rods in SE
5. Steps required to establish a moratorium or state limited entry system by area (groundfish and salmon – universe of potentially affected entities);
6. assessment of whether charter logbook data for 1998 – 2005 can be used for either of the proposed alternatives (see discussion of halibut data).
7. initial written assessment of the feasibility of using the current logbook data to 1) determine eligibility for a quota based program or moratorium or any other kind of management; and to 2) determine allocation under a quota based program or “tiered” participation under an allocation based program (submitted after the meeting concluded)
8. data to see if a correlation between the annual harvest data and logbook data can be achieved (submitted after the meeting concluded)

NPFMC

9. Explanation of how overage is deducted by IPHC and as proposed under separate accountability
10. Table of 2000-2006 as if the combined commercial and charter CEY was in place, as biomass was previously predicted and under current estimates
11. Post economic analyses by Herman and Criddle on NPFMC halibut website
12. Post Gulf of Mexico headboat moratorium on website
13. Post State of Washington salmon moratorium on website

Next meeting The committee will convene on March 21-23 at the Anchorage Hilton, Dillingham Room. Its agenda will include:

1. Review requested data reports
2. Finalize committee recommendation to initiate analysis to implement a moratorium on entry into the charter halibut fishery and prioritize staff to develop analysis in 2006
3. Develop an allocation alternative
4. Develop share-based alternative

The committee adjourned at 4:45 pm, Wednesday, February 28, 2006

Staff: Jane DiCosimo (NPFMC), Jay Ginter and Jason Gasper (NOAA Fisheries), John Lepore (NOAA General Counsel), Jason Couse (NOAA OLE), Earl Krygier, Scott Meyer, Doug Vincent-Lang, Diana Tersteeg (ADF&G), Gregg Williams (IPHC)

Public: Eric Olson (NPFMC member), Bryan Bondioli, Burnis Sims, Don Hansen.