

Proposed Catch Share Plans for the Pacific Halibut Charter Sector off Alaska



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**North Pacific Fishery Management Council
Anchorage, Alaska**

**MAFMC Catch Shares Work Shop
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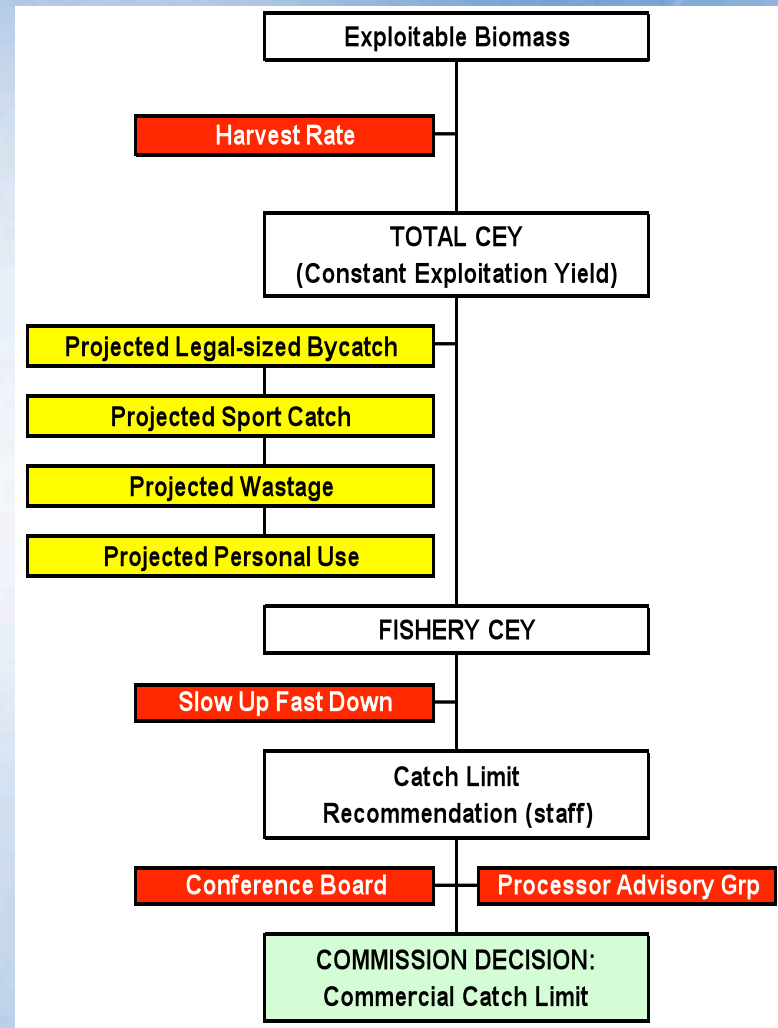
Recap of Commercial IFQ Program

- Allocation of shares to individual vessel owners
- Vessel type and size categories for QS
- Owner-on-board requirements Limits on leasing/transferability
- Use/ownership caps
- Block program
- Loan program
- Community purchase program



Problem in the Fishery

- Commercial halibut quota decreases as other removals increase
- Growth in charter removals led commercial users to express concern over the "open-ended reallocation" of halibut from commercial uses to charter uses



Background - Condensed TimeLine

Guideline Harvest Level

- 1993-04** - Committees develop alts. for GHLS
- '95-'03** - 3rd GHL recommendation implemented
1.432 Mlb in SE AK/3.65 Mlb in SC AK
- '05-'06** - Committee develops alts. for revising
GHLS/deferred to LE/CSP
- '04-'09** - GHL exceeded each year in SE AK
several regulatory amendments:
 - '06 2 fish + other restrictions
 - '07 GHL = 931,000 lb: 1 fish (any size) /1 fish \leq 32in.
 - '08 GHL = 788,000 lb: 1 fish (any size)

TimeLine (cont'd)

(Withdrawn) Charter IFQ Program

- '00 - Committee develops *moratorium* and IFQ alternatives
- '01 - Charter IFQ preferred alternative
(April and October upon reconsideration)
(*moratorium not identified as part of pref. alt.*)
- '01-'05 - Addressed data quality issues;
NMFS develops implementation plan;
NPFMC submits revised analysis;
Rulemaking delayed by Crab Rationalization;
Analysis / proposed rule submitted to HQ;
HQ writes to NPFMC seeking comment.
- '06 - NPFMC withdraws recommendation

Lessons Learned

The NPFMC could have implemented a charter halibut limited entry program 15 years earlier, if it had explicitly selected a moratorium along with its earliest (1995) charter halibut preferred alternative or with its (2001) IFQ (catch share) preferred alternative. So . . .

- ✓ know what you want to do
- ✓ structure alternatives to achieve (each step of) goals (i.e., fallback scenario)

Principles of Withdrawn Charter IFQ Program

- Integrate charter sector into the current commercial IFQ program
- Would not limit access to either subsistence or recreational fishing
- Would not permit sales of fish
- Initial quota allocations would be 13-14% of combined harvests
 - 125% of average '95 - '99 harvests
 - ~ 35% increase over '00 harvests



Program Summary

- Eligible charter operators would be issued QS based on 70% of average charter fishing activities in 1998 and 1999, and 10% bonus for participation in 1995, 1996, 1997
- Charter QS would be issued in QS units and would yield annual IFQ permits
- IFQ permits would be issued in numbers of fish (not pounds)
- Charter QS would be fully transferable to other charter operators
- Charter QS would not be transferable to commercial sector

Eligibility

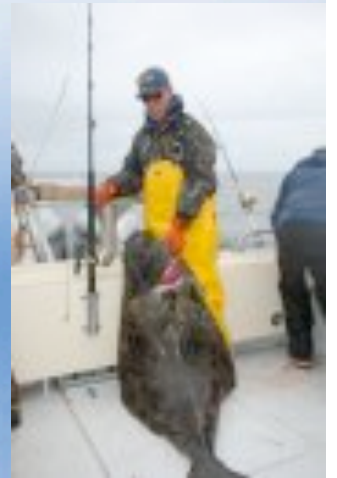
- Persons who would be eligible to receive Charter QS by initial issuance are U.S. individuals or companies who owned or leased vessels and who carried clients for hire during 1998 and/or 1999, AND
 - Timely submitted log book information to the Alaska Department of Fish and Game for those years, AND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

Basis for Initial Distribution

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

Application & Issuance

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



QS Use Caps

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



Calculating/Issuing Annual IFQ

- Each year, when the IPHC sets the combined quota, NMFS would calculate each QS holder's IFQ for that year

remember: $QS/QSP \times \text{quota} = \text{IFQ}$

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

Transfers and Leasing

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

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

- “Leasing” is defined as the use of Charter IFQ on a vessel for which the owner of the QS has less than a 50% ownership interest

Transfers and Leasing (cont'd)

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

QS Blocks and Vessel Categories

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

Community Set-Aside

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

Harvest Reporting

- Reporting systems and requirements, at a minimum, would require
 - maintaining and submitting combination of paper and logbooks onboard vessel
 - submitting electronic landing reports at conclusion of a trip (with exceptions possible)
- Goal is “user-friendly” system that encourages reporting and provides feed-back to charter operators

Miscellaneous

- One-year delay between initial issuance of QS and fishing IFQs.
- No change to other restrictions (bag limit, season)
- Up to 10% of unfished IFQs may be carried over to following year



TimeLine (cont'd)

Limited Entry

- 1993-'95** - Committee develops alternatives
- '97** - Apr '97 control date not implemented
- '97-'03** - GHL selected, not Moratorium/Limited Entry
- '06** - Committee develops alternatives
- '07** - Moratorium/Limited Entry adopted
- '09** - 4th Limited Entry rec. implemented
- '10** - Permit endorsements amendment
- '11** - Permits required

Area	1998 Businesses	1998 Vessels	LEP Qualifying Entities	Vessels Used by LEPs
2A/3A	1,378	1,258	922	527

TimeLine (cont'd)

Catch Share Plan

- '07 - Committee develops alternatives
- '09 - Catch Share Plan preferred alternative
(includes leasing commercial IFQs to compensate commercial sector for increased charter allocation)
- '10 - Final analysis complete?
- '11 or '12 - Implementation??

Area 2C Proposed Management Regulations

Tier	Combined Catch Limit (million lb)	Allocation	Charter Fishery Bag & Size Limit Regulations		
			If charter harvest within allocation range	If charter harvest projected to exceed allocation range	If charter harvest projected to be below allocation range
1	<5	Comm alloc = 82.7% Charter alloc = 17.3% Charter range = 13.8-20.8%	One Fish	Maximum size limit imposed that brings harvest to 17.3%	One Fish
2	≥5 - <9	Comm alloc = 84.9% Charter alloc = 15.1% Charter range = 11.6-18.6%	One Fish	Maximum size limit imposed that brings harvest to 15.1%	Two fish, but one must be less than 32" in length
3	≥9 - <14	Comm alloc = 84.9% Charter alloc = 15.1% Charter range = 11.6-18.6%	Two fish, one must be less than 32" in length	One Fish	Two Fish
4	≥14	Comm alloc = 84.9% Charter alloc = 15.1% Charter range = 11.6-18.6%	Two Fish	Two fish, but one must be less than 32" in length	Two Fish

Questions?

Fishery/Policy:

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Possible GHL Measures

Tier	Management Measure	Sub-Option	Estimated Harvest Reduction	
			Area 2C	Area 3A ¹
Tier 1	One Trip per Vessel per Day	None	1.8%–2.4%	5.5%–6.3%
	No Retention by Skipper and Crew	None	4.3%–4.7%	10.4%
	Line Limits ²	None	Not Analyzed	Not Analyzed
	Second Fish of a Minimum Size ³	45"	18.8%–27.0%	32.5%–39.3%
		50"	23.1%–30.8%	36.9%–43.3%
	Second Fish at or below a Length Limit ⁴	32 Inches	19.7%–26.1%	18.2%–24.5%
		34 Inches	Not Analyzed	15.2%–21.1%
		36 Inches	Not Analyzed	12.1%–18.3%
		Annual Catch Limits	Four Fish	16.4%
		Five Fish	9.3%	4.1%
	Six Fish	4.3%	2.1%	
Tier 2	One-fish bag limit for All or a Portion of the Season ⁵	Full Season	39.7%–57.8%	47.1%–62.9%
		May	1.8%–2.6%	5.0%–6.6%
		June	10.0%–14.6%	12.4%–16.5%
		July	14.5%–21.1%	17.8%–23.8%
		August	12.0%–17.5%	9.9%–13.2%
		September	1.4%–2.0%	1.8%–2.9%
	Season Closure ⁶	Full Season	100.0%	100.0%
		May	5.2%	10.5%
		June	25.7%	26.0%
		July	35.4%	37.7%
August		29.9%	21.2%	
	September	3.7%	4.0%	