

# North Pacific Fishery Management Council

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Dr. David Wilson  
Executive Director, IPHC  
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SUBJECT: Annual Management letter

Dear Dr. Wilson:

On behalf of the North Pacific Fishery Management Council (Council), I am submitting a summary of Council actions related to halibut management for your information, as well as recommendations to the Commission regarding a few items on your annual meeting agenda. At your recent interim meeting, we described the Council's process for establishing research priorities, noting the opportunity to further coordinate with the IPHC on research priorities related to halibut, and noting the shared priorities already contained within the Council's halibut management Framework document, most of which emanated from our joint meeting with the Commission in February 2015. One of the top priorities identified by both the Council and the Commission is the development of abundance-based halibut PSC limits. The Council's efforts on this and other halibut-related items are summarized below.

#### Halibut abundance-based PSC management initiative:

At its October meeting the Council reviewed a discussion paper on the ABM approach which was prepared by an inter-agency workgroup, including Council staff, NMFS, staff, and IPHC staff. This review was preceded by a public workshop on ABM held in Seattle in September of this year. The paper focused primarily on identification of Council objectives for this initiative; data sources for developing an index; candidate indices; and, development of alternative control rules to apply to the chosen index (including consideration of floors and ceilings for a cap).

Objectives identified by the working group, and confirmed by the Council in October, include:

- indexing PSC to abundance
- protecting SSB at low levels
- allowing flexibility in groundfish operations
- maintaining halibut directed fishing operations
- stability in PSC limits.

Clearly some of these objectives are ‘competing’ objectives, and the Council did not specify a prioritization of these objectives at this time, nor did they attempt to quantify any of them. Rather, the Council provided direction to the working group relative to the next iteration of this analysis which would allow for public input into the development of ‘performance metrics’ by which the various alternative indices and control rules could be measured against the objectives currently identified. These performance metrics can then be applied to inform the specification of indices and control rules (including potential floors and ceilings) through further analysis. Ultimately the Council will need to identify specific alternatives, elements, and options for formal analysis under our MSA and NEPA requirements.

The schedule for this process is as follows:

**February 2017 (Seattle)** – in conjunction with the Council’s February 2017 meeting in Seattle, the working group will hold a public workshop to solicit stakeholder input on appropriate performance metrics. This workshop will occur from 1 pm to 5 pm on Thursday, February 2 at the Renaissance Hotel on Madison and 5<sup>th</sup> downtown Seattle. Performance metrics (both quantitative and qualitative) will be developed in relation to the objectives of this action and most likely in four broad categories: 1) Conservation, 2) Fishery metrics, 3) Social metrics, and 4) Incentives. An example of a performance metric for which the workshop will solicit stakeholder input (under the ‘fishery metrics’ category) would be whether a specific numeric range of relative target catch levels to be achieved in directed halibut and directed groundfish fisheries is an appropriate consideration as a metric. IPHC Commissioners are welcome to attend the workshop and provide input at that time; however, this will not be a Council agenda item for February.

**February through March 2017** – following input from the public workshop, the workgroup will continue to develop a range of alternative control rules applied to a range of indices to further the process of development of alternatives for this action. These indices include the EBS trawl survey, the IPHC setline survey, a proposed ABM index which integrates across multiple surveys and includes a range of weights on the relative proportions, and an estimate of the exploitable biomass in Area 4. Control rules will be considered which are applied in aggregate based on total bycatch of halibut as well as bycatch by gear type over these indices and consider a suite of slopes and constraints. The workgroup will also provide the draft performance metrics incorporating the stakeholder input from the workshop for distribution in conjunction with the discussion paper on the development of alternatives.

**April 2017 (Anchorage)** – the Council will review the analyses prepared by the working group and take action as appropriate. This could include further specification of objectives, approval of performance metrics for analyses, and/or identification of specific alternatives, elements, and options for formal analysis. Based on this schedule there will be opportunity for further input from the IPHC as this initiative is developed within the Council. A joint meeting between the two bodies may provide an appropriate forum for additional communication and coordination on development of the ABM approach, development of research priorities, and other issues as appropriate. This could be done just prior to the Council’s April 2017 meeting in Anchorage, or perhaps in conjunction with the Council’s June 2017 meeting in Juneau.

While the February workshop will focus on development of performance metrics for the BSAI fisheries, in December the Council discussed inclusion of the Gulf of Alaska fisheries in this initiative, and requested that the next iteration of the discussion paper (to be reviewed in April) include a section listing the considerations necessary to include the Gulf of Alaska fisheries in the abundance-based approach.

### 2017 Charter halibut management measures for Areas 2C and 3A

At its December meeting, following recommendations from its Charter Halibut Management Implementation Committee, the Council is recommending the following annual management measures for the 2017 fisheries to keep the charter halibut harvest within each area's (2C and 3A) 2017 allocation. Management measures recommended by the Committee were evaluated by Scott Meyer (ADF&G) to determine their likelihood to keep the charter harvest within the IPHC FCEY identified at the 2016 interim IPHC meeting, 0.747 million pounds in Area 2C and 1.778 million pounds in Area 3A.

#### Area 2C

- One fish daily bag limit
- If the halibut charter allocation is at the Blue Line, implement a reverse slot limit (U40:O80), with an annual limit of 3 halibut with a recording requirement.
- If the halibut charter allocation is below the Blue Line, implement an annual limit of 3 fish with a recording requirement, and a reverse slot limit with a maximum size limit of 80 inches. Incrementally reduce the lower size limit until projected harvest falls within the allocation.
- If the halibut charter allocation is above the Blue Line, but below the SPR, implement a reverse slot limit of U40:O80 and an annual limit of 5 fish with a recording requirement. Select a lower limit for the reverse slot to allow the largest lower limit while maintaining the projected harvest within the allocation.
- If halibut charter allocation is at or above the SPR, implement an upper slot limit of O80 and select a lower limit for the reverse slot to allow the largest lower limit while maintaining the projected harvest within the allocation. No annual limit.

#### Area 3A

- Two fish bag limit.
- Maximum size limit of 28 inches on one fish.
- Annual limit of four fish with a recording requirement.
- Prohibition on halibut charter fishing on Wednesdays, all year.
- Use of each charter halibut permit is limited to one charter halibut fishing trip per calendar day. Each charter vessel is limited to one trip per calendar day.
- Prohibition on halibut charter fishing on Tuesdays, as described in the table below, to bring projected charter removals below the charter allocation, as specified in the catch sharing plan.

No. closed Tuesdays	Projected Charter Removals (Mlbs)	Dates
0	1.951	NA
1	1.925	July 25
2	1.899	Jul 25 - Aug 1
3	1.874	Jul 18 - Aug 1
4	1.848	Jul 11 - Aug 1
5	1.822	Jul 11 - Aug 8
6	1.796	Jul 4 - Aug 8
7	1.771	Jul 4 - Aug 15
8	1.745	Jun - 27 - Aug 15

### Charter Halibut Recreational Quota Entity

In December the Council took final action on a package that would allow the formation of a non-profit charter halibut recreational quota entity (RQE) to purchase and hold commercial halibut quota share (QS), to augment the charter catch limits in IPHC Regulatory Area 2C and Area 3A. Under the Council's preferred alternative, any IFQ annually generated from the RQE's QS holdings would augment the pounds allocated to the sector through the Catch Sharing Plan (CSP). The charter catch limit plus any pounds of IFQ holdings would be the new basis on which halibut charter annual management measures are established (for example, size limits, annual limits, day of the week closure, etc.). In this way, RQE QS holdings would allow for an opportunity for the charter halibut sector to reduce the restrictiveness of annual management measures for all charter anglers in Regulatory Areas 2C and 3A.

The Council's preferred alternative seeks to balance efficacy of this program, while mitigating the negative impacts on other halibut user groups by including a series of transfer restrictions. An RQE would have an annual transfer restriction of 1% of the commercial QS in Area 2C (based on the total Area 2C 2015 QS pool) and 1.2% of the commercial QS in Area 3A (based on the total Area 3A 2015 QS pool). The Council's preferred alternative also recommends a combined cumulative limit for both guided angler fish (GAF) usage and the RQE holdings of no more than 10% of the commercial QS in Area 2C and 12% of the commercial QS holdings in Area 3A (both based on the 2015 QS pools). The Council recommended GAF transfers would be restricted based on the annual RQE holdings.

In addition, the Council identified several specific prohibitions and limitations on RQE QS acquisition. In Area 2C an RQE would be limited to purchasing no more than 10% of the D Class QS pool (in Area 2C), and no more than 10% of the B Class QS pool (in Area 2C), and would be prohibited from purchasing blocked QS less than or equal to 1,500 pounds (in 2015 pounds). In Area 3A, an RQE would be prohibited from purchasing both D Class QS and blocked QS less than or equal to 1,500 pounds (in 2015 pounds).

The combination of the RQE's IFQ and the charter catch limit may allow annual management measures for the charter sector to be relaxed. However, the annual management measures for charter halibut anglers could only be relaxed up to the limits in place for unguided anglers (i.e., 2 fish of any size). Charter anglers would not be allowed to catch more fish than unguided anglers, even if the RQE held enough QS to do so. The Council's PA included provisions to redistribute excess pounds of IFQ in the event that the RQE held more QS than was necessary to reach the unguided limit in either Area 2C or 3A. In this case, there would be an annual redistribution of the resulting pounds of IFQ to some of the commercial sector participants, issued at no cost to the recipient. The Council's preferred alternative recommends that 50% of this "excess" IFQ would be redistributed to all catcher vessels QS holders in the applicable area who hold not more than 32,333 QS units in Area 2C and 47,469 QS units in Area 3A, proportionately, based on their QS holdings

(i.e., the amount of QS that yielded 2,000 pounds of IFQ in 2015). The remaining 50% of “excess” IFQ would be redistributed equally among the Community Quota Entities (CQEs) that held halibut QS in the applicable area in the preceding year. If no CQE held QS in the corresponding area, that portion of the excess IFQ would not be redistributed and would be left in the water for conservation.

The Council included a policy statement about the intended use of RQE funds, and a requirement to submit articles of incorporation, management organization, bylaws, and a list of board members (with some Council guidance on the representation of the board) to NMFS in order to be approved as an eligible entity to purchase and hold QS. An RQE would also be required to submit an annual report to the Council. The Council’s preferred alternative lists several items of RQE activity and expenses that would be required in the annual report.

### Charter Halibut Permit Usage

In December the Council also reviewed an initial discussion paper that presented information on the use of charter halibut permits (CHPs). The discussion paper addressed Council data requests on latent capacity and use of CHPs by non-CHP holders (i.e., leasing). The discussion paper highlighted some of the challenges associated with the CHP database, including the lack of a verification process to determine whether non-transferable permits are still active (for example, if the permit holder passes away, a non-transferable permit is no longer valid), and previous obstacles the Council encountered when considering methods to limit the leasing of CHPs.

Based on this discussion paper, and concerns expressed in public testimony, the Council initiated a regulatory amendment analysis to consider developing an annual registration process for both transferable and nontransferable CHPs. The Council’s purpose and need statement speaks to a desire for a clearer and more accurate understanding of CHP holdings, usage, and trends in active participation. The action alternative would implement an annual registration process to renew permits for the upcoming fishing year. Options that the Council will consider under the action alternative include a requirement to report all CHPs held by an individual, partnership, or corporate entity (Option 1); the names of the individuals and/ or vessels that will use each CHP during that season (Option 2); and a requirement for non-transferable permits to list the beginning and ending ports where the CHP will be used during the upcoming season (Option 3). Sub-options for Options 2 and 3 are included that would penalize a CHP holder who allowed his or her non-transferable CHP to be used by a person or vessel (Option 2) or in a location (Option 3) that was not reported to NMFS during annual registration. The penalty under these sub-options for improper use of a non-transferable CHP would be that the non-transferable CHP would be invalid for the following year.

### Halibut/Sablefish IFQ program 20 year review

The Magnuson-Stevens Act mandates the periodic review of all limited access privilege programs (LAPPs), and in October 2016 the Council received a presentation of the first comprehensive review of the halibut and sablefish IFQ program, 20 years since implementation. Based on a scope determined through several iterations of discussion at the Council meetings, the document was framed around the 10 original objectives of the IFQ program, in addition to the topic of entry opportunities in these two fisheries. Overall, the Council found the document to be thorough and responsive to the recommendations provided during the scoping of this document. The Council approved the document as final and complete with the addition of further discussions as suggested by its SSC and AP, to the extent practicable. The final version of the document is now posted on the Council’s website.

Since the finalization of this document, the Council has reconstituted the IFQ Implementation Committee (now more simply titled the IFQ Committee) in order to provide recommendations to the Council regarding potential future revisions to the IFQ program. Membership is intended to represent a broad range of

stakeholders in the IFQ fisheries, including representatives from both directed halibut and sablefish fisheries, second generations QS holders, representation covering multiple areas, and processors. Based on findings from the IFQ Program review as well as discussion at the Council meeting, the IFQ Committee has been tasked to evaluate the following issues and recommend potential revisions to the IFQ program to address them:

- Sweep-ups of small blocked QS units
- Use of the medical lease provision
- Definition of “immediate family member” under the beneficiary lease provision
- Impacts of quota share loss on Alaska’s rural communities and further exploration of the geographic distribution of quota ownership. Additionally, define rural communities by several population sizes (such as 1,500, 2,500 and 7,500) to better understand how population dynamics have resulted in different outcomes for rural community IFQ participation. This could also include examining the impacts on Alaska communities by region.
- Geographical distribution of new entrant quota ownership
- Use of hired masters in the IFQ fisheries
- In addition, the IFQ committee should bring forward to the Council any further concerns that stem from findings in the review document.

The reconstituted IFQ Committee will meet in conjunction with the February Council meeting in Seattle, on Monday afternoon January 30, and will provide a report to the Council on their discussions and recommendations related to these topics.

#### Discard Mortality Rates

As part of the December final groundfish specifications process, the Council also established halibut discard mortality rates (DMRs) for use by NMFS in-season management for the 2017-2018 fishing years. DMRs are applied to halibut discards that occur in the groundfish fisheries for both the BSAI and GOA and reflect the estimated percentage of discarded halibut PSC that do not survive. Importantly, the methods for estimating and applying DMRs have changed significantly. The halibut DMR working group developed improved methods that follow the statistical design of the observer program and are applied to operational groupings within the groundfish fleet rather than fisheries defined by target species, as shown below.

### Final Halibut Discard Mortality Rates for BSAI and GOA in 2017 – 2018.

Operational Group				
Sector	Region	Gear	Target	DMR
CP	BSAI	PTR	pollock	100%
			non-pollock	100%
		NPT	all	85%
		HAL	all	8%
		POT	all	6%
	GOA	PTR	pollock	100%
			non-pollock	100%
		NPT <sup>a</sup>	all	85%
		HAL	all	11%
		POT	all	10%
CV	BSAI	PTR	pollock	100%
			non-pollock	100%
		NPT	all	52%
		HAL	all	14%
		POT	all	6%
	GOA	PTR	pollock	100%
			non-pollock	100%
		NPT	Rockfish Program	67%
			non-RP	65%
		HAL	all	12%
		POT	all	10%

CP = Catcher Processor or mothership  
 CV = Catcher Vessel  
 BSAI = Bering Sea and Aleutian Islands  
 GOA = Gulf of Alaska  
 PTR = pelagic trawl gear  
 NPT = non-pelagic trawl gear  
 HAL = hook and line (longline) gear  
 POT = pot gear

The Council, through its Electronic Monitoring (EM) Workgroup and IPHC staff Claude Dykstra, also was apprised of research proposals being pursued by the Commission to revisit some of the older IPHC studies on DMRs within the directed halibut fisheries. We understand the intent is to include EM systems similar to those now being used or developed in our program, so that the study can both verify the ability to establish release technique from video with confidence, and potentially establish a fingerprint of survivability by release technique. The Council and its EM workgroup support this continued research.

### Electronic Monitoring

The Council took final action in December to establish electronic monitoring (EM) as a part of the North Pacific Observer Program. Under the Council's preferred alternative, Alternative 2, regulations would be implemented to allow EM to be used for catch estimation. EM would be integrated into the established Observer Program process, by which the Council and NMFS can annually determine the best monitoring tool for the Alaska fixed gear fisheries, including halibut fishing vessels, in the Observer Annual Deployment Plan. Through that process, the Council and NMFS will consider how to optimize observer and EM deployment for fisheries in the partial coverage category each year, based on an analysis of costs, budget, fishing effort, and monitoring needs. The Council also included Option A in the preferred alternative, which would allow vessels opting in to the EM selection pool to use EM for compliance monitoring when fishing IFQ or halibut CDQ in multiple areas.

**It is our understanding that the allowance for fishing in multiple areas requires complementary regulatory action by the IPHC.** NOAA's Office of Law Enforcement has submitted a regulatory amendment proposal for IPHC consideration which would resolve this if adopted. The target date for implementation of this program is 2018.

In addition, the Council initiated a discussion paper to identify the practicality of moving vessels in the <40' category out of the 'zero observer coverage' selection pool and into EM coverage.

### Halibut deck sorting

The Council reviewed a presentation on the exempted fishing permit (EFP) application to allow on-deck sorting of Pacific halibut on non-pelagic trawl catcher processor vessels, as a means of reducing halibut bycatch mortalities. Under the EFP, vessels are allowed to sort halibut removed from a codend on the deck, rather than routing halibut over the flow scale and below deck, and release those fish back into the water after sampling halibut for length and condition, using IPHC halibut mortality assessment methods. All groundfish and halibut harvested must be within existing allocations for groundfish and halibut mortality. For the period May – November 15, 2016, 12 boats have participated in the EFP, and it is estimated that deck sorting under the EFP has allowed a halibut savings of 288 mt.

The EFP granted to the Amendment 80 cooperatives and co-applicants expires at the end of April 2017, and the applicants and NMFS are working towards extending the EFP for another year. NMFS, after consultation with the Council at this meeting, will consider modifications to the permit that would begin at the start of 2017, which would allow the applicants to test different requirements for the number of observers, depending on vessel production constraints. It remains the intent of the Council that once the experimental work is complete, an analysis will be initiated to potentially allow deck sorting in regulation.

### Area 4 halibut IFQ leasing

In October 2016 the Council conducted an initial review of a regulatory amendment package that would allow CDQ groups to lease halibut IFQ in Areas 4B, 4C and 4D in years of low halibut catch limits in regulatory Areas 4B and 4CDE. In effect, this proposal would allow CDQ groups to lease halibut IFQ for use by residents on vessels less than or equal to 51 ft LOA, subject to IFQ use regulations and the groups' internal management.

The Council established this action alternative as their preliminary preferred alternative, setting a threshold of 1 million pounds for Area 4B and 1.5 million pounds for Area 4CDE under which this flexibility would be available to the groups. The preliminary preferred alternative would also allow Area 4D IFQ that is



leased to CDQ groups be fished in Area 4E and it would establish a “cooling off” period of 5 years, during which newly acquired QS could not be leased to a CDQ group.

Given concerns raised during public testimony on potential impacts to other users in Area 4B, the Council included two more options: restricting the duration of consecutive IFQ leasing (Option 5), and restricting the size of leasable pounds of QS (Option 6). The Council directed the next iteration of analysis to also include SSC recommendations as well as further analysis of the potential impacts on the pool of quota holders who are currently fishing on vessels they do not own in Areas 4B and Areas 4C/4D, and on the walk-on businesses that support these quota holders. Given these additional areas of analysis, the Council did not release the draft for public review, but asked for another initial review analysis to return at a later meeting. This will be in front of the Council at its upcoming February 2017 meeting.

#### Gulf of Alaska Trawl Bycatch Management

In December the Council reviewed further analyses of alternatives and options for the Gulf of Alaska trawl bycatch management (GOA TBM) initiative, which to date has included alternatives for full allocations of target and PSC species based on catch history, and an alternative based on PSC-only allocations. The Council voted to postpone indefinitely any further action on this agenda item. This initiative is therefore on hold, unless and until a motion is passed at some future Council meeting to bring it back to the table. The Council did initiate discussion papers on a couple of potential PSC reduction measures for the western Gulf, to look at temporal distribution of halibut PSC during the cod A season, and to evaluate the timing of pollock harvest in the C and D seasons relative to chinook salmon PSC.

#### Minimum size limits in directed fisheries

At its December meeting, in the context of a general discussion of ways to minimize overall halibut bycatch mortality, the Council voted unanimously to recommend to the Commission that they further evaluate the biological and yield impacts of current minimum size limits in the directed fisheries, and consider the potential savings of a lower minimum size limit.

#### Halibut management Framework

The most recent iteration of the Council’s halibut Framework document is dated September 2016. We are in the process of continuing to update the Framework as appropriate, including the addition of more detailed information on 1) a conceptual model of the halibut stock assessment workflow with explanations of how information about migration, natural mortality, size/weight at age, and DMRs are parameterized or influence the assessment; 2) more detailed information regarding the IPHC’s spawning potential ratio (SPR) work and how that affects the overall assessment approach; and, 3) incorporating and updating the various Council management initiatives related to halibut.

Sincerely,

Chris Oliver  
Executive Director

Dan Hull  
Chairman