

IPHC Catch Limit Comment Form

Comment on Regulatory Area: 2C

Year: 2008

Name: Earl Comstock, Comstock Consulting LLC

Affiliation: consultant for charter fishing operators (see attachment 1)

Address: 6225 30th Street NW

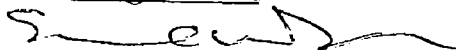
City: State/ Prov.: Washington, DC **Postal/ZIP Code:** 20015

Telephone: 202-255-0273

Fax: 202-249-0844

Email: earl.comstock@mac.com

Signature:



1. What is your recommended catch limit or proposal?

The charter sector is concerned about the staff recommendation for Area 2C because the assumptions with respect to the charter sector harvest in the staff recommendation have an allocative impact. The staff recommendation assumes that the charter sector harvest in Area 2C will be held to 0.93 million pounds. This assumption is not a valid one based on existing US regulations with respect to charter harvest rules in Area 2C. According to the best available estimates from the Alaska Department of Fish and Game (ADF&G), which were provided to the IPHC on October 26, 2007, the existing US regulations for Area 2C resulted in a charter sector harvest for 2007 of 1.70 million pounds. The IPHC should use the ADF&G preliminary estimate in their calculations, and not an assumed number based on speculative application of a Guideline Harvest Level (GHL) that US regulatory authorities have specifically stated do not have any restrictive effect on charter harvests (see 72 Fed Reg 74258 "The GHLs do not limit the charter vessel fisheries."). In fact, the Secretary of Commerce published on December 31, 2007 a proposed rule¹ for charter sector harvest in Area 2C that proposes alternatives that range from maintaining the existing regulations that resulted in an estimated 1.70 million pound harvest in 2007 to a one fish daily bag limit that could reduce the Area 2C charter harvest to as little as 0.76 million pounds. The IPHC should not be pre-supposing the outcome of that regulatory process.

If the staff recommendation were recalculated using the charter sector harvest levels that are obtained under existing US regulations (the only ones the IPHC can rely upon being in effect), the staff catch limit recommendation would be reduced from 6.21 million pounds to 5.82 million pounds. Further, the application of the IPHC's "slow-up, fast down" (SUFD) algorithm buffers the impact on the commercial sector by adding back 2.29 million pounds in the staff recommendation. That additional 2.29 million pounds accrues only to the benefit of the commercial sector, while the charter sector is assumed to have their existing harvest level reduced from 1.7 million pounds to 0.93 million pounds. Basically, the staff assumption of a charter harvest of only

¹ NMFS 2007. *Pacific Halibut Fisheries; Guided Sport Charter Vessel Fishery for Halibut*. Proposed Rule. 72 Federal Register 74257 (December 31, 2007).

0.93 million pounds has the effect of re-allocating 770,000 pounds of halibut from the charter sector to the commercial sector. By using the actual estimate of 1.70 million pounds, that re-allocation can be avoided.

Another point of concern to the charter sector is that application of SUFD results in a staff recommendation of a commercial sector catch limit that is equal to 96% of the Total CEY. If you add to that commercial catch limit the 0.93 million pounds the staff assumed for the charter sector, the total combined commercial and charter sector harvests will exceed the Total CEY by 10 percent. If you use the ADF&G estimate of the actual catch based on existing US regulations, which is 1.7 million pounds, the staff recommendation would result in the Total CEY being exceeded by 22 percent.

It seems to the charter sector that the IPHC should, both to ensure conservation of the resource and to avoid allocating among US fishing sectors, use the actual charter harvest numbers based on existing US regulations to revise the staff recommendation to provide a catch limit of 5.82 million pounds. Since such a revision would have a significant adverse impact on the commercial sector harvest, the charter sector proposes three alternatives to the staff recommendation that have a more equitable impact.

Alternative A would incorporate the current efforts of the United States to establish separate accountability for the commercial and charter sectors in Area 2C by establishing a combined catch limit for the charter and commercial fishing sectors in Area 2C, thus allowing both the commercial and the charter sectors to benefit from the buffering effect of the IPHC's SUFD catch limit algorithm.

Under this proposal the coastwide model would be used but the 0.93 million pounds that IPHC staff assumed would be caught by the Area 2C charter sector has been removed from "2C other removals" to calculate a commercial and charter sector Combined Fishery CEY. The combined SUFD adjustment is calculated using the 2007 commercial catch limit and the most recent ADF&G preliminary estimate for the 2007 charter harvest, which is 1.70 million pounds. The resulting 2008 Combined Catch Limit would then be available for harvest in Area 2C. The Secretary of Commerce would be responsible for deciding how the Combined Catch Limit would be allocated between the commercial and charter sectors in Area 2C, a process which the Secretary has already begun with the publication on December 31, 2007 of a proposed rule to amend the existing Area 2C charter fishing restrictions.

Area 2C Total CEY:	6.50 million pounds
- 2C other removals:	-1.66 million pounds

Combined Fishery CEY:	4.84 million pounds
SUFD Adjustment:	2.69 million pounds

2008 Combined Catch Limit:	7.53 million pounds

Alternative B would also use the coastwide model, but instead uses the present GHL for Area 2C of 1.43 million pounds as a more realistic assumption for the 2008 charter sector harvest in "2C other removals" instead of the 0.93 million pounds assumed by IPHC staff.

Area 2C Total CEY:	6.50 million pounds
- 2C other removals:	-3.09 million pounds (assumes 1.43 m lb GHL)

Fishery CEY:	3.41 million pounds
SUFD Adjustment:	2.55 million pounds

2008 Catch Limit:	5.96 million pounds

Alternative C would adopt the approach taken by the IPHC last year and continue the use of the closed area model. This alternative recognizes that the charter halibut limited entry program for area 2C and adoption of a separate accountability regulatory regime for the Area 2C charter sector will not be in effect until 2010. The closed area model "Area 2C Total CEY" is taken from Table 4 of Clark and Hare's *Assessment of the Pacific halibut stock assessment at the end of 2007* which is available on the IPHC website under research. The "2C other removals" includes the ADF&G preliminary estimate of 1.70 million pounds for Area 2C charter sector harvest in 2007 (which results in a higher "other removals" and a lower "Fishery CEY" than is shown in Table 4 of the Clark and Hare document).

Area 2C Total CEY:	9.80 million pounds
-2C other removals:	-3.36 million pounds

Fishery CEY:	6.44 million pounds
SUFD Adjustment:	1.04 million pounds

2008 Catch Limit	7.48 million pounds

2. What is the supporting information for this recommendation (e.g., catch rates, biomass trends, recruitment, etc.)? Please be specific where possible.

The charter sector in Area 2C is no less dependent on the halibut resource than the commercial sector. The IPHC staff catch recommendation for 2008 assumes that the United States will adopt regulations to restrict the Area 2C charter harvest for 2008 to 0.93 million pounds, a number that is only 55% of the preliminary charter harvest estimate for 2007. The economic dislocation in the Area 2C charter sector and the economy of Southeast Alaska that would occur if the staff's proposed 45% reduction were adopted would be extreme and enduring. The damage could not be easily undone because the charter industry relies heavily on repeat clients, advance booking, and word of mouth advertising. If regulations were in fact adopted to impose such a reduction on

the Area 2C charter sector there would be an immediate long-term reduction in the charter sector of Area 2C, and that reduction would not be easily mitigated by increased allocations in future years. Unlike the Area 2C commercial sector, the charter sector is not under an IFQ system, so individual charter operators have no guarantee of a particular percentage of whatever catch allocation is available, nor will they benefit from an increase in price due to the reduced availability of halibut in their area because their clients will simply catch their halibut elsewhere, for example in Areas 2B or 3A. Further, charter operators do not at present have the ability to acquire halibut IFQ from the commercial sector to individually or collectively mitigate the adverse impacts of a significant reduction in the charter harvest level.

In order to prevent this kind of traumatic and unnecessary economic dislocation the IPHC has adopted a "slow up, fast down" (SUFDF) algorithm to buffer the economic impacts of CEY changes on the commercial fishing industry.¹ The fact that the IPHC staff recommendation includes a SUFDF adjustment of 2.29 million additional pounds (a 58% increase over the Fishery CEY) for the Area 2C commercial sector catch limit illustrates vividly that the halibut resource in Area 2C, even under the new coastwide model, is not in any danger from a conservation standpoint. In fact, the staff catch recommendation for Area 2C, if adopted, would permit the commercial sector to harvest 96% of the *total* CEY for Area 2C. The charter sector deserves to benefit from the same economic buffering.

All three of the alternatives proposed above would afford the charter sector a similar level of economic buffering that is afforded to the commercial sector. Alternative A does that directly by creating a combined fishery CEY (i.e., by excluding the charter sector harvest from "2C other removals") and by applying SUFDF to the combined fishery CEY. The resulting Combined Catch Limit is the total catch limit for both the commercial and charter sectors in Area 2C. The commercial catch limit for the commercial sector would be determined by the Secretary of Commerce after factoring in the expected effect of the regulations that are ultimately adopted for the charter sector under the proposed rule. The approach taken in Alternative A allows application of the new coastwide model, allows the US to determine the appropriate allocation between the commercial and charter sectors in Area 2C, provides the benefits of the IPHC's SUFDF economic buffering mechanism to both the commercial and charter sectors in Area 2C, and, most importantly, helps protect the resource by not making unrealistic assumptions about the level of charter harvests.

The second proposed alternative, Alternative B, would likewise improve protection of the halibut resource by using more realistic assumptions about the halibut removals in Area 2C by the charter sector. Alternative B uses the same calculations as the staff recommendation but adjusts the "2C other removals" by assuming charter sector removals at the present GHL, which is 1.43 million pounds, rather than using the new

¹ The "slow up, fast down" algorithm reduces the increase in the catch limit when the halibut stocks are increasing and mitigates the decrease in the catch limit when halibut stocks are declining. The "fast down" portion of the algorithm is what is relevant here. The catch limit for a particular area using the "fast down" portion of the algorithm is calculated by taking the 2007 Catch Limit for that area and subtracting from it 50% of the difference between the 2008 Fishery CEY for that area and the 2007 Catch Limit for that area.

stair-step GHL of 0.93 million pounds as the staff recommendation does. While management measures that could result in a 2008 charter sector harvest of less than 0.93 million pounds are among the alternatives being considered for adoption by the Secretary of Commerce in the December 31, 2007 proposed rule, the tremendous adverse impacts on the Area 2C charter sector that would flow from the adoption of a rule that slashes the charter harvest by 45% in a single year significantly reduce the likelihood that such a draconian limit would in fact be adopted by the United States for 2008. This alternative would still allow the IPHC to use the coastwide model, but would buffer the impacts of the switch to that model by using the existing 1.43 million pound GHL for the charter sector and by applying SUFD to adjust the commercial catch limit.

Alternative C tracks the approach taken by the IPHC last year, when they continued use of the closed area model and deferred adoption of the coastwide model to allow time for further development and analysis of that model. This alternative uses the ADF&G preliminary harvest estimate of 1.7 million pounds for the Area 2C charter sector in "2C other removals" in order to ensure that the Fishery CEY is as conservative as possible. Because the Total CEY for 2008 under the closed area model (as shown in Table 4 of Clark and Hare) is 9.80 million pounds, it is appropriate to use the actual catch estimate rather than either the present GHL of 1.43 million pounds or the stair-step down GHL of 0.93 million pounds as assumed by Clark and Hare for determining the Fishery CEY. By using the higher number of estimated actual removals, the Fishery CEY is reduced from the 7.21 million pounds shown in Clark and Hare's table to 6.44 million pounds. Clark and Hare did not apply SUFD or calculate a catch limit. When SUFD is applied under this alternative the catch limit would be 7.48 million pounds – the highest of the three alternatives proposed above. Under Alternative C the charter sector harvest would be expected to remain somewhere between the 2007 level of roughly 1.70 million pounds, if the Secretary of Commerce decides to continue the existing regulations unchanged, and 1.14 million pounds, if the Secretary of Commerce adopts the North Pacific Fishery Management Council's preferred alternative for a Total Fishery CEY above 9.02 million pounds (as is the case under the closed area model). Attachment 2 uses the information in Clark and Hare's paper and applies the IPHC's SUFD algorithm to calculate recommended catch limits for all of the IPHC regulatory areas.

All three of these alternatives would avoid imposing significant adverse economic consequences on either the charter or commercial fishing sectors in Area 2C while protecting the halibut resource. The charter harvest levels proposed in these alternatives all fall within the range of alternatives being considered by the Secretary of Commerce in the December 31, 2007 proposed rule.

The supplemental documents that support these three alternatives are:

Clark, W.G., and Hare, S.R. 2007. *Assessment of the Pacific halibut stock assessment at the end of 2007*. <http://www.iphc.washington.edu/halcom/research/sa/papers/sa07.pdf>

NPFMC 2007. *Area 2C GHL Analysis SUPPLEMENT*.
http://www.fakr.noaa.gov/npfmc/current_issues/halibut_issues/Area2CGHL_Sup1007.pdf

Attachment 1. List of Organizations Supporting the Recommendations

Alaska Charter Association
Deep Creek Charterboat Association
Halibut Charter Coalition of Alaska
Homer Charter Association
Juneau Charter Boat Operators Association
Petersburg Charterboat Association
Sitka Charter Boat Operators Association
Southeast Alaska Guide Organization

Beacon Hill Lodge
Chip Porter Charters
Island View Resort & Charters
Legasea Fishing Charters
Salmon Falls Resort
Sonny Campbell's Fishing Charters

Attachment 2: Catch Limits Recommendations based on 2007 IPHC Closed Area Assessment

Reg Area	Exploitable Biomass	Harvest Rate	Total CEY	Other Removals	2007 Catch Limit	2008 Fishery CEY	Closed Area 2008 Catch Limit Recommendation
2A	4.60	0.20	0.92	0.29	1.34	0.63	0.99 ^{1,4}
2B	37.00	0.20	7.40	0.47	11.47	6.93	9.20 ^{2,4}
2C	49.00	0.20	9.80	3.36 ⁵	8.51	6.44	7.48 ⁴
3A	169.00	0.20	33.80	6.71 ⁶	26.20	27.09	26.50 ³
3B	54.00	0.20	10.80	0.53	9.22	10.27	9.57 ³
4A	11.00	0.20	2.20	0.75	2.89	1.45	2.17 ⁴
4B	14.00	0.15	2.10	0.33	1.44	1.77	1.55 ³
4CDE	52.00	0.15	7.80	2.01	4.10	5.79	4.66 ³
Total	390.60		74.82	14.18	65.17	60.37	62.12

¹ Catch limits and Fishery CEY for 2A includes commercial, sport and treaty subsistence catches.

² Catch limits and Fishery CEY for 2B includes commercial and sport catch.

³ (Slow up) Calculated as 2007 Catch Limit plus 1/3 of the difference between 2008 Fishery CEY and 2007 Catch Limit.

⁴ (Fast down) Calculated as 2007 Catch Limit minus 50% of the difference between 2008 Fishery CEY and 2007 Catch Limit.

⁵ Includes ADF&G preliminary estimate for the Area 2C 2007 charter harvest of 1.70 million pounds.

⁶ Includes the GHL for Area 3A of 3.65 million pounds as a proxy for the Area 3A 2007 charter harvest.