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Annual Report to the International Pacific Halibut Commission From the Alaska Region, National Marine Fisheries Service January 2017

Section 1: Charter Halibut Fisheries

Harvest under 2016 Annual Management Measures and Proposed Management Measures for 2017 Charter Fisheries in Areas 2C and 3A

The Area 2C and 3A Halibut Catch Sharing Plan was effective in 2014, and replaced the Guideline Harvest Level as the method for determining allowable levels of charter halibut harvests in those areas. The Catch Sharing Plan also endorses a process through which the North Pacific Fishery Management Council (Council) recommends annual management measures to the IPHC that are likely to limit charter harvests to their annual catch limits.

In Area 2C, the 2016 charter catch limit was 906,000 pounds (lb), and the fishery was managed under a daily bag limit of one fish that had to be less than 43 inches or greater than 80 inches total length. The preliminary 2016 charter halibut harvest estimate of 844,000 lb is about 7 percent below the catch limit.

In Area 3A, the 2016 charter catch limit was 1,814,000 lb, and the fishery was managed under a two-fish daily bag limit, with a maximum size limit of 28 inches total length on one fish, a Wednesday closure for the entire season, a 4-fish annual limit, a one-trip per day per charter vessel limit, and a one-trip per day per charter halibut permit limit. A prohibition on halibut harvest by skipper and crew during charter vessel fishing trips was effective in both management areas. The preliminary 2016 charter halibut harvest estimate of 1,981,000 lb indicates that harvest exceeded the catch limit by approximately 9 percent.

In December 2016, the Council recommended charter management measures for the 2017 fishery. These management measures are described in the Council's management letter for the 2017 IPHC Annual Meeting.

NMFS supports the Council's recommendations and will continue to provide staff support to the IPHC to implement management measures for the 2017 directed halibut fisheries.

Guided Angler Fish Program- 2016 Summary

In 2014, NMFS implemented the guided angler fish (GAF) program to authorize limited annual transfers of commercial halibut IFQ as GAF to qualified charter halibut permit holders for harvest by charter vessel anglers in Areas 2C and 3A. The GAF program allows qualified charter halibut permit holders to offer charter vessel anglers the opportunity to retain halibut up to the limit for unguided anglers when the charter management measure in place limits charter vessel anglers to a more restrictive harvest

limit. In 2016, by using GAF, charter vessel anglers in Area 2C and Area 3A could harvest up to two halibut of any size per day, and GAF were not subject to the annual limit or daily closures in Area 3A. Table 1 summarizes IFQ to GAF transfers for 2014 through 2016. The number of transfers, pounds of IFQ transferred, and number of fish that GAF permit holders were allowed to harvest all increased compared to 2015.

Table 1. Summary of IFQ to GAF transfers

Year	IPHC Regulatory Area	IFQ Pounds Transferred	Number of Transfers (Permits Issued)	Number of GAF Transferred	Number of GAF harvested (% of amount transferred)
2014	2C	29,498	92	1,117	800 (72%)
	3A	11,654	19	910	269 (30%)
	Total	41,152	111	2,027	1,069 (53%)
2015	2C	36,934	119	548	428 (78%)
	3A	10,337	25	269	143 (53%)
	Total	47,271	144	817	571 (70%)
2016	2C	47,064	132	723	529 (73%)
	3A	10,442	26	289	220 (76%)
	Total	57,506	158	1,012	749 (74%)

Section 2: Commercial Groundfish Fisheries

Halibut Bycatch

Current Halibut Bycatch Amounts and Management

Halibut bycatch mortality in the Bering Sea and Aleutian Islands (BSAI) and Gulf of Alaska (GOA) groundfish fisheries is highly regulated and closely managed by the Council and NMFS through the Fishery Management Plans (FMP) for each management area. Through regulations implementing the FMPs, NMFS manages halibut bycatch by (1) establishing annual halibut prohibited species catch (PSC) limits, also known as bycatch limits, (2) apportioning those limits to fishery categories and seasons to accommodate halibut PSC needs in specific groundfish fisheries, and (3) managing groundfish fisheries to prevent PSC from exceeding the established limits.

The FMPs specify that halibut bycatch in groundfish fisheries is managed as PSC. Catch of PSC species must be avoided while fishing for groundfish and PSC species may not be retained unless required under the FMP. Halibut PSC limits are an apportioned, non-retainable amount of halibut provided to a groundfish fishery to provide an upper limit on the bycatch of halibut in a fishery. NMFS annually establishes halibut PSC limits to constrain the amount of halibut bycatch in the groundfish fisheries. When a halibut PSC

limit is reached in an area, further fishing with specific types of gear or modes of operation is prohibited by those who take their halibut PSC limit in that area. Although halibut is taken as bycatch by vessels using all types of gear (trawl, hook-and-line, pot, and jig gear), halibut bycatch primarily occurs in the trawl and hook-and-line groundfish fisheries. The Council has established bycatch limits for vessels in the trawl and hook-and-line groundfish fisheries in the BSAI and GOA.

The total halibut PSC limit in the BSAI and GOA groundfish fisheries is allocated between trawl fisheries and non-trawl fisheries. The specified halibut PSC limits and total estimated halibut PSC use for 2016 are shown in Tables 2 and 3.

Table 2. 2016 BSAI halibut PSC limits and estimated halibut PSC use*

BSAI Fishery	**Halibut PSC Limit metric tons (mt)**	**Halibut PSC Use (mt)**	**Remaining PSC limit (mt and %)**
Trawl (Amendment 80 and Trawl Limited Access)	2,490	1,964	526 (21%)
Non-trawl	710	193	517 (73%)
Community Development Quota (trawl and non-trawl)	315	173	142 (45%)
TOTAL	3,515	2,330	1,185 (34%)

*PSC use as of December 24, 2016

Table 3. 2016 GOA halibut PSC limits and estimated halibut PSC use*

GOA Fishery	**Halibut PSC Limit (mt)**	**Halibut PSC Use (mt)**	**Remaining PSC limit (mt and %)**
Trawl	1,706	1,336	370 mt (22%)
Non-trawl	257	241	16 mt (6%)
TOTAL	1,963	1,577	386 mt (20%)

*PSC use as of December 24, 2016

As shown in Figures 1-3 below, halibut PSC use has not exceeded established limits in the trawl or non-trawl fisheries in the BSAI or GOA in recent years.

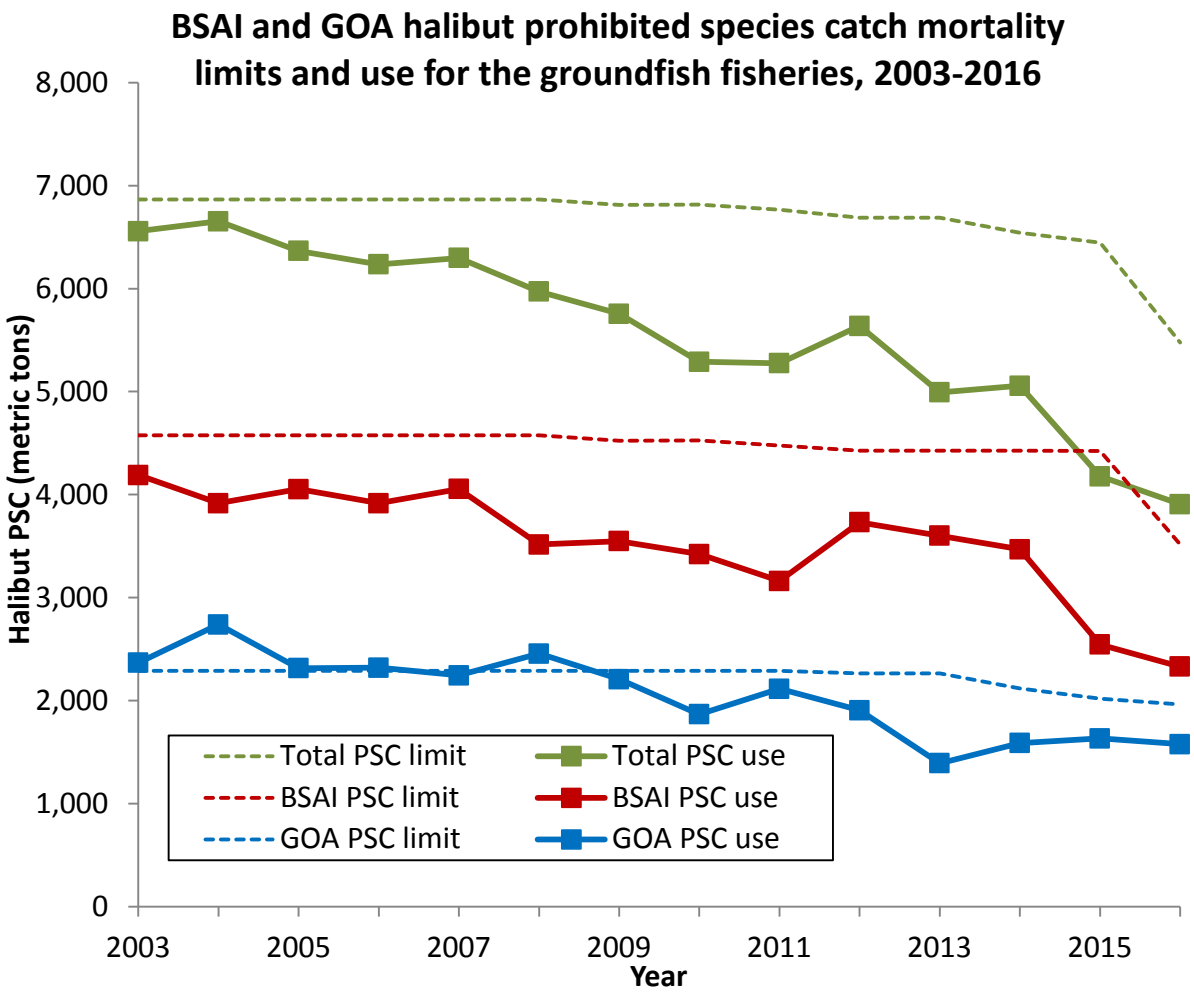

Figure 1. Total BSAI (including CDQ and deck sorting exempted fishing permit) and GOA halibut prohibited species catch limits and use for all groundfish fisheries, 2003 through 2016.

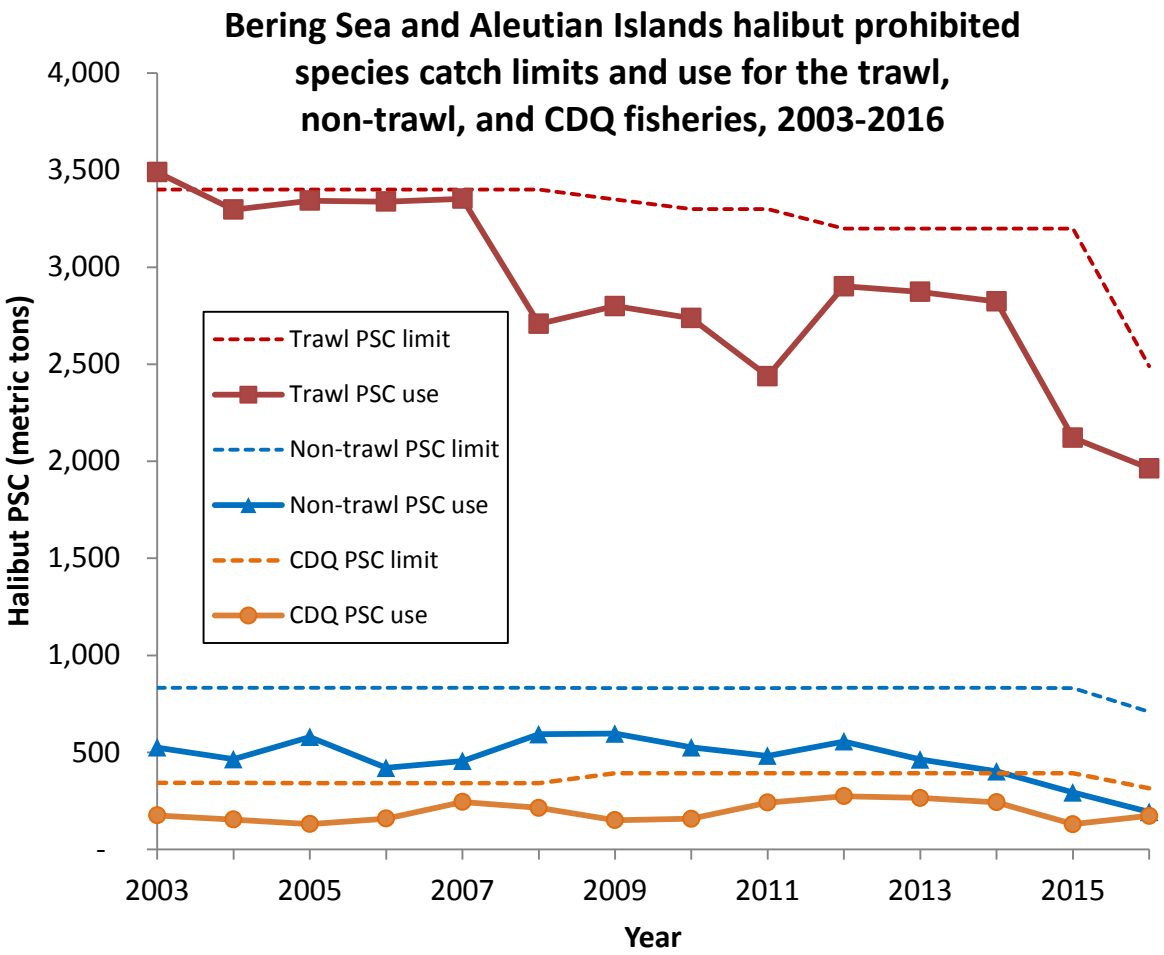

Figure 2. BSAI halibut prohibited species catch limits and use for the trawl (including deck sorting exempted fishing permit), non-trawl, and CDQ groundfish fisheries, 2003 through 2016.

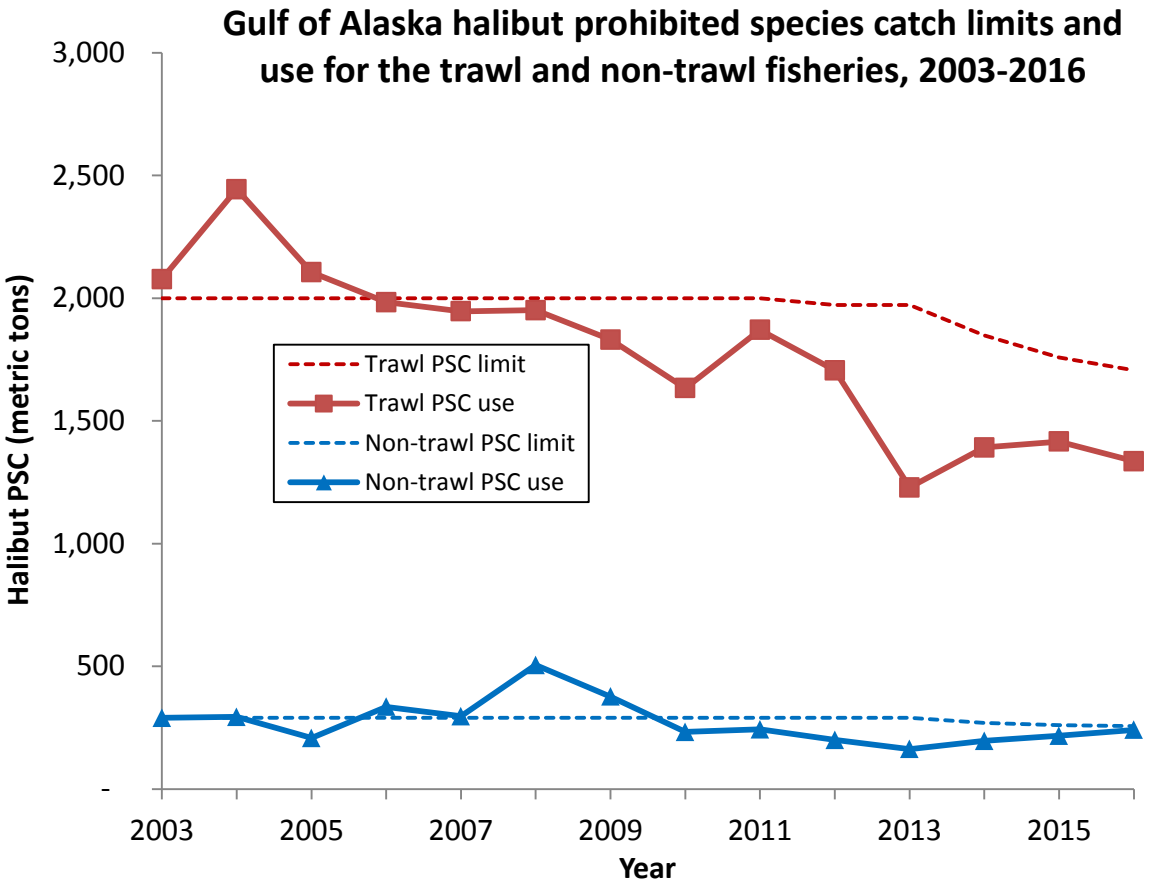

Figure 3. GOA halibut prohibited species catch limits and use for the trawl and non-trawl groundfish fisheries, 2003 through 2016.

Additional information on 2015 and 2016 halibut PSC use is provided in the Appendix to this report.

Bering Sea Aleutian Islands – Current Halibut PSC Management

The BSAI halibut PSC limit is apportioned among four groundfish sectors: 1) the Amendment 80 sector (non-pollock trawl catcher/processors), 2) the BSAI trawl limited access sector, 3) the non-trawl sector, and 4) the CDQ Program (also called the CDQ sector).

In 2016, the Council and NMFS reduced halibut PSC limits in the BSAI by 21 percent from their 2015 levels. The final rule for this action was published on April 27, 2016 (81 FR 24714) and is available on the NMFS Alaska Region website at: https://alaskafisheries.noaa.gov/sites/default/files/81fr24714.pdf.

Table 4. Reductions in halibut PSC limits from 2015 to 2016 by BSAI groundfish fisheries sector in metric tons (mt) and millions of pounds (Mlb).

BSAI Groundfish Fisheries - Sectors	**Description of sector**	**2015 PSC limit**	**2016 PSC limit**	**% decrease**
1. Amendment 80	Non-pollock trawl catcher/processors	2,325 mt (3.84 Mlb)	1,745 mt (2.89 Mlb)	25%
2. BSAI trawl limited access	All other trawl catcher/processors	875 mt (1.45 Mlb)	745 mt (1.23 Mlb)	15%
3. BSAI non-trawl	Primarily hook-and-line catcher/processors	833 mt (1.38 Mlb)	710 mt (1.17 Mlb)	15%
4. CDQ Program	Vessels fishing for CDQ groups	393 mt (0.65 Mlb)	315 mt (0.52 Mlb)	20%
Overall BSAI limit		4,426 mt (7.32 Mlb)	3,515 mt (5.81 Mlb)	21%
PSC limits are stated in metric tons and net pounds of halibut mortality. CDQ Program = Western Alaska Community Development Quota Program				

Additional information on 2015 and 2016 BSAI halibut PSC use is provided in Tables 2 and 3 and Figure 1 of the Appendix to this report.

Gulf of Alaska – Current Halibut PSC Management

The GOA halibut PSC limit is apportioned between trawl gear and hook-and-line gear.

In 2016, NMFS finished implementing Amendment 95 to the GOA FMP, which phased in reductions to halibut PSC limits from 2014 through 2016. The halibut PSC limits for the GOA groundfish sectors were reduced as follows:

- Trawl: 15-percent reduction, phased-in over 3 years with a 7 percent reduction in 2014, an additional 5 percent reduction in 2015, and a final 3 percent reduction in 2016.
- Hook-and-line catcher/processor: 7 percent reduction in 2014, no further reduction in 2015 or 2016.
- Hook-and-line catcher vessel: 15-percent reduction phased in over 3 years with a 7 percent reduction 2014, an additional 5 percent reduction in 2015, and a final 3 percent reduction in 2016.

The halibut PSC limit reductions for the GOA groundfish sectors are shown in Table 5.

Table 5. GOA groundfish sectors and halibut PSC limits for 2015 and 2016 in metric tons (mt) and millions of pounds (Mlb).

GOA Groundfish Fisheries - Sectors	**2015 PSC limit**	**2016 PSC limit**	**% decrease**
1. GOA Trawl	1,759 mt (2.91 Mlb)	1,706 mt (2.82 Mlb)	3%
2. GOA Hook-and-Line Catcher Vessel	146 mt (2.41 Mlb)	141 mt (2.33 Mlb)	3%
3. GOA Hook-and-Line Catcher/Processor	115 mt (1.90 Mlb)	115 mt (1.90 Mlb)	-
Overall GOA Limit	2,020 mt (3.34 Mlb)	1,962 mt (3.24 Mlb)	3%
PSC limits are stated in metric tons and net pounds of halibut mortality. The Southeast Outside District halibut PSC limit was reduced by 1 metric ton in 2014.			

2016 Halibut PSC Estimates

The 2016 halibut PSC estimates were developed using a method to spatially account for PSC that was developed in 2015 following NMFS and IPHC staff meetings and discussions. NMFS submitted 2016 PSC data to the IPHC for its halibut stock assessment on November 1, 2016. NMFS provided revised estimates to the IPHC on January 6, 2017.

Halibut Bycatch Management Actions in Progress

Exempted fishing permit issued to reduce halibut mortality in 2016 and 2017.

On May 6, 2016, NMFS issued an exempted fishing permit (EFP) to the Alaska Seafood Cooperative (an Amendment 80 cooperative) to permit otherwise unauthorized sorting of halibut prohibited species catch (PSC) on the deck of non-pelagic trawl catcher/processor vessels fishing for flatfish in the Bering Sea. The EFP is effective until April 30, 2107. The objective of the EFP is to test methods for improving survival of halibut PSC in flatfish fisheries by expeditiously returning halibut to the water. Participants in the EFP are operating under the existing halibut PSC limits and target catch quotas for their respective sectors, and no additional target species or PSC amounts were authorized by the EFP. Twelve vessels participated in the EFP in 2016. The EFP is available on the NMFS Alaska Region webpage:
https://alaskafisheries.noaa.gov/sites/default/files/efp2016-01-050616permit.pdf

Overall, operations during EFP fishing worked well in 2016. Under prior EFPs to test halibut deck sorting on Amendment 80 vessels, vessels carried project-specific sea samplers in addition to observers to collect the EFP data. In 2016, NMFS observers conducted the sampling for the EFP and data collected during the EFP was used for inseason management of halibut PSC and target species catch. In 2016, participating vessels were required to carry an additional observer (3 total) to conduct additional responsibilities for EFP fishing.

Through experience gained in 2016, NMFS and the EFP participants identified aspects of the EFP which warrant modification to continue to refine experimental methods with the objective of developing a program that can eventually be available as a regulatory option. The iterative EFP process has allowed NMFS and the participants to learn about which methods work well and which ones warrant refinement prior to locking the methods down in regulation. NMFS and the EFP participants are in the process of modifying the 2016 EFP to permit new methods to be tested in 2017 for those aspects of the EFP where potential improvements have been identified.

The modified EFP is expected to be valid from January 20, 2017, through April 30, 2017. NMFS and the participants anticipate a new halibut decksorting EFP for the 2018 fishing year that would contain additional modifications to the methods used in 2017 based on what is learned in the first half of 2017. NMFS will consult with the North Pacific Fishery Management Council on each of these future actions prior to renewing the EFP for 2017 or issuing a new EFP for 2018.

Section 3: Observer Program

In 2013, NMFS implemented a restructured North Pacific Groundfish and Halibut Fisheries Observer Program that made important changes to how observers are deployed, how observer coverage is funded, and the vessels and processors that must have some or all of their operations observed. The restructured Observer Program expanded observer coverage to vessels less than 60 feet length overall, providing better estimates of halibut bycatch, and added observer coverage to the previously unobserved commercial halibut fleet.

In June 2016, NMFS presented to the Council and public an annual report that evaluated observer activities, costs, sampling levels, and issues in 2015, and potential changes for 2017. Overall, the 2015 Observer Program generally met anticipated at-sea deployment goals. NMFS deployed observers for 5,518 days, or 96 percent of the anticipated budget. Among all fishing in Federal fisheries off Alaska in 2015, 4,859 trips (39.1 percent) and 498 vessels (42.1 percent) were observed.

Under the Observer Program, all vessels and processors in the groundfish and halibut fisheries are assigned to one of two observer coverage categories: 1) full coverage, or 2) partial coverage. In the partial coverage category, the 2015 deployment rates were 11.2 percent for the small vessel trip-selection stratum and 23.4 percent for the large vessel

trip-selection stratum. The program met expected rates of coverage for both the small vessel and large vessel strata.

The 2017 Annual Deployment Plan was presented to the Council in December 2016. For 2017, the Council and NMFS will expand the observer deployment sampling strata used in 2016 to create separate strata for vessels delivering to tenders. Anticipated selection probabilities will be 18 percent for the trawl trip-selection pool; 14 percent for the tender trawl trip-selection pool; 11 percent for hook-and-line trip-selection pool; 25 percent for the tender hook-and-line trip-selection pool; 4 percent for the pot trip-selection pool and 4 percent for the tender pot trip-selection pool.

In the 2017 ADP, the no selection pool will include 1) vessels less than 40 feet in length and fishing pot or hook and line gear and vessels fishing with jig gear, and 2) the EM selection pool. A total of 96 vessels will participate in the 2017 EM cooperative research program and carry EM. The Council management letter submitted for the 2017 IPHC Annual Meeting describes the Council's recommendations to integrate EM tools into the Observer Program by giving certain vessels using fixed gear a choice to use EM instead of observers for collecting fishery data. NMFS anticipates implementation of the Council's recommendation for the 2018 fishing season.

The Observer Program 2015 annual report and 2017 annual deployment plan are available on the NMFS Alaska Region website at:
http://alaskafisheries.noaa.gov/sustainablefisheries/observers/.

Section 4: Commercial Halibut IFQ Program

Litigation on Regulations Limiting the Use of Hired Masters in the Halibut and Sablefish IFQ Program

On January November 16 2016, NMFS received an order from the District Court for the Western District of Washington at Tacoma in *Fairweather Fish, Inc. and Captain Ray Walsh v. Pritzker*. This case is a challenge to regulations in the Halibut and Sablefish IFQ Program prohibiting the use of hired masters to harvest individual fishing quota (IFQ) derived from quota share received by transfer after February 12, 2010. The order supersedes the Court's order of January 2016.

In the new order, the Court found that:

- The restrictions on halibut quota share transferred BEFORE the rule's publication date are VACATED and are not enforceable. **Therefore, halibut quota share acquired before July 28, 2014 can be used by a hired master.** NMFS will make the necessary changes for the applicable halibut quota share for the 2017 fishing season.

- **All other parts of the rule remain in effect, including the limitation on the use of hired masters for sablefish QS acquired after February 12, 2010.** Participants in the halibut and sablefish fishery must remain compliant with

regulations limiting the use of hired masters to harvest individual fishing quota derived from their quota share holdings.

- The rule is remanded to NMFS for public notice and comment on the analysis of the National Standards in the Magnuson-Stevens Fishery Conservation and Management Act.

- The court ruled in NMFS's favor on the Plaintiff's Rehabilitation Act and Due Process claims.

Additional information on this litigation is available through the NMFS Alaska Region website at: https://alaskafisheries.noaa.gov/.

Revising Payment Methods for IFQ Program Cost Recovery Fees

NMFS recovers the incremental costs of managing and enforcing the IFQ Program annually through a fee paid by persons who hold quota share in the IFQ Program. Each December, NMFS sends IFQ permit holders a bill for the cost recovery fee liability with an itemization of their IFQ halibut and sablefish landings for the year. The IFQ permit holder is responsible for submitting this payment to NMFS on or before the due date of January 31 following the year in which the IFQ halibut and sablefish landings were made.

On April 22, 2016, NMFS published a final rule to revise the authorized methods for payment of cost recovery fees for the IFQ Program (81 FR 23645). The revised payment methods authorized by that rule improve data security procedures and reduce administrative costs of processing cost recovery fee payments. Beginning with the fee payment due for the 2015 fishing year on January 31, 2016, NMFS now only accepts credit card payments by mail or fax. NMFS no longer accepts credit card information by phone or in-person.

The final rule for this action is available on the NMFS Alaska Region website at: https://alaskafisheries.noaa.gov/sites/default/files/81fr23645.pdf.

Retention of Halibut in Pots Used in the GOA Sablefish Fishery

In April 2015, the Council recommended regulatory revisions to authorize the use of longline pot gear in the GOA sablefish IFQ fisheries. As part of this action, the Council recommended that vessels be able to retain legal-sized halibut that are caught incidentally in sablefish pots if the person(s) on the vessel hold sufficient area-specific halibut IFQ to cover the incidental catch. The Council's recommendation included a request to the IPHC to consider revisions to the annual management measures to authorize retention of incidentally caught halibut in sablefish pot gear in the GOA. At the 2016 IPHC annual meeting, the Commissioners approved amendments to Section 19 of the management measures to authorize retention of legal-size halibut in the GOA sablefish IFQ fishery if such retention is authorized by NMFS regulations. The Commission also stated its intent

to review the use of pot gear as a legal gear for halibut in the GOA sablefish fishery after three years.

On December 27, 2016, NMFS published a final rule to 1) authorize the use of longline pot gear in the GOA sablefish IFQ fishery, and 2) require retention of legal-size halibut caught in longline pots in the IFQ fishery if any person on board the vessel holds sufficient halibut IFQ. The final rule will be effective for the 2017 sablefish IFQ fishing season, which generally opens on the same day that the halibut fisheries open. The final rule is available on the NMFS Alaska Region website at: https://alaskafisheries.noaa.gov/sites/default/files/81fr95435.pdf.

NMFS staff worked with IPHC staff on revisions to IPHC and NMFS regulations to ensure coordinated implementation of the halibut retention requirement for the 2017 sablefish fishery in the GOA.

NMFS notes that the IPHC received a regulatory proposal for consideration at the 2017 annual meeting requesting clarification of the requirements for use and possession of pot gear while commercially fishing for halibut. NMFS is working with IPHC and Alaska Department of Fish and Game staff to clarify the specific regulations noted in the proposal and will provide this information to the Commissioners and the public at the 2017 IPHC Annual Meeting.

Appendix

Table 1. 2015 and 2016 Halibut PSC Use in the Gulf of Alaska and the Bering Sea and Aleutian Islands by gear type and IPHC Management Area (rounded to the nearest metric ton).

	2015	***2016 Estimate (11/1/2016)***	**2016 (01/06/2017)**
Area 2C			
Hook-and-line (non-sablefish)	7	10	9
Hook-and-Line (sablefish)	4	7	8
Total	**11**	**18**	**17**
Area 3A			
Trawl	1,084	1,053	903
Hook-and-line (non-sablefish)	135	127	127
Hook-and-Line (sablefish)	20	15	16
Pot	15	24	24
Total	**1,254**	**1,219**	**1,070**
Area 3B			
Trawl	325	478	428
Hook-and-line (non-sablefish)	58	91	75
Hook-and-Line (sablefish)	9	6	5
Pot	6	17	19
Total	**398**	**592**	**527**

	2015	*2016 Estimate (11/1/2016)*	2016 (01/06/17)
Area 4A			
Trawl	416	256	282
Hook-and-line (non-sablefish)	106	62	60
Hook-and-Line (sablefish)	2	1	1
Pot	4	2	3
Total	528	**321**	**346**
Area 4B			
Trawl	61	87	83
Hook-and-line (non-sablefish)	5	3	3
Hook-and-Line (sablefish)	3	1	1
Pot	0	0	0
Total	69	**91**	**87**
Area 4CDE			
Trawl	892	703	799
Hook-and-line (non-sablefish)	241	141	122
Hook-and-Line (sablefish)	0	0	0
Pot	0	0	0
Total	1,133	**844**	**921**
Area 4 Closed			
Trawl	1,000	881	952
Hook-and-line (non-sablefish)	69	78	66
Hook-and-Line (sablefish)	0	0	0
Pot	1	1	1
Total	**1,070**	**960**	**1,019**
TOTAL (all Areas)			
Trawl	3,639	3,458	3,447
Hook-and-line (non-sablefish)	534	512	462
Hook-and-Line (sablefish)	36	31	31
Pot	26	44	47
Total	**4,235**	**4,045**	**3,987**

Table 2. 2015 and 2016 BSAI Halibut PSC Use by Sector

BSAI Groundfish Fisheries - Sectors	**Description of sector**	**2015 PSC Use**	**2016 PSC Use**	**% decrease**
1. Amendment 80	Non-pollock trawl catcher/processors	1,637 mt (2.71 Mlb)	1,394 mt (2.30 Mlb)	-15%
2. BSAI trawl limited access	All other trawl catcher/processors	484 mt (0.80 Mlb)	571 mt (0.94 Mlb)	18%
3. BSAI non-trawl	Primarily hook-and-line catcher/processors	293 mt (0.48 Mlb)	196 mt (0.32 Mlb)	-33%
4. CDQ Program (trawl and non-trawl)	Vessels fishing for CDQ groups	130 mt (0.21 Mlb)	173 mt (0.29 Mlb)	33%
Overall BSAI use		2,544 mt (4.20 Mlb)	2,334 mt (3.86 Mlb)	-8%
PSC use is stated in metric tons and net pounds of halibut mortality. CDQ Program = Western Alaska Community Development Quota Program				

Figure 1. 2015 and 2016 BSAI Trawl Halibut PSC Use by Groundfish Fishery