

Overview of Economic Analysis for Halibut Catch Sharing Plan

The Halibut Catch Sharing Plan accommodates to the extent possible the economic needs of the halibut charter sector, but states clearly that resource conservation takes priority:

“While NMFS intends for the CSP to accommodate the guided sport industry’s need for predictability and stability, it believes that conservation of the halibut resource should be a priority under the CSP” 76 Fed. Reg. 44173 (July 22, 2011).

The CSP ties both charter and commercial allocations to halibut resource abundance, which ensures both sector’s share in conservation, and establishes a timely and effective process to stop charter allocation overages. Protecting the halibut resource is paramount; short-term economic impacts are secondary to that priority. This is the standard for fisheries management: managers must use the best available information and not allow data limitations to paralyze management actions necessary to conserve the resource.

Under the Guideline Harvest Level (GHL), the commercial sector has borne the economic burden of conservation. In 3A, the commercial allocation has been reduced 44% over the past six years in response to resource declines; the charter allocation has not been reduced even one pound over that time period, and charter overages occurred each year between 2004 and 2007. Any economic study would need to include the effect on the commercial fleet of quota reductions under the GHL and weigh that against the cost to the charter fleet of sharing that conservation burden as proposed under the CSP. Regardless of economic impacts to either sector, conservation remains the priority and must trump short-term economics.

The Environmental Assessment/RIR/IRFA¹ includes pages describing the economic impacts of the CSP on both the charter and commercial sectors. The document also correctly identifies that economic impacts to these two sectors is only part of the economic considerations. The Council is directed to consider net national benefits, which includes the public’s access to the halibut resource through all channels, including subsistence, sport, guided fishing and commercial harvest. Since no one, the Council included, can exhaustively predict future biologic and economic conditions, the Council provided a market-based mechanism for transfer between sectors that allows individual investment to adjust allocations. As stated in the EA/RIR/IRFA:

Quantitative estimates or confidence intervals for the magnitude of net national benefits under each element and option are unavailable. Determining which allocation would maximize net national benefits would require detailed information on costs and expenditures in both the commercial and charter sectors. In addition to cost information, demand for charter trips and angler willingness-to-pay for trips would also be required. Collecting that information would be expensive and time consuming. Even if these data were available, changes in the halibut biomass will impact the optimal sustainable yield and the optimal allocation of halibut. Because of these ongoing changes to the resource, any allocation that is optimal when it is made (if the Council felt an “optimal” allocation was appropriate) likely would be suboptimal in the future. Leasing IFQ from the commercial sector in the form of GAF could adjust the amount of halibut available to charter clients and benefit both the commercial and charter sector. The benefits of the leasing provision for the charter sector will depend on the bag limits in place for charter and unguided anglers, availability of IFQ for lease, and the market price for those IFQs. The leasing of IFQs would tend to benefit both sectors if IFQs are available, and clients

are willing to incur higher costs for a trip to harvest an additional halibut (under a one-fish bag limit, for example). Stakeholders from the commercial and charter sectors have testified in support of the proposed GAF Program, as a market-based mechanism for attaining a more nearly optimal allocation. (Emphasis added)

Quantitative estimates of regional economic impacts and their distribution, accruing from the proposed alternatives, are also unavailable. Nonetheless, this analysis recognizes and attempts to qualitatively reflect, to the fullest extent practicable, the contributions that commercial fixed-gear halibut fishing and charter halibut fishing make to local and regional economic and social welfare and stability. (page xxxvi)

In sum, the priority of the CSP is conservation. Secondary to conservation is minimizing economic impacts to harvesters, communities, and all who depend on the halibut resource. Data limitations do not justify inaction. The Council used the best available information and, by establishing a market based mechanism for transfer between sectors, allowed allocations to change in response to changing biological and economic conditions.

Listed here are some of the previous economic analyses that the public has had the opportunity to comment on since 2001 (each Secretarial Review Draft had at least an Initial Review Draft for public comment also):

Draft for Secretarial Review. EA/RIR/IRFA. Regulatory Amendment for a Catch Sharing Plan for the Pacific Halibut Charter and Commercial Longline Sectors in International Pacific halibut Commission Regulatory Areas 2C and 3A (June 23, 2011)
<http://www.fakr.noaa.gov/sustainablefisheries/halibut/analyses/cspea062011.pdf>

[EA/RIR/FRFA for Regulatory Amendment to Limit Entry in the Halibut Charter Fisheries](#) in IPHC Regulatory Areas 2C and 3A, November 6, 2009

EA/RIR/IRFA. Draft for Initial Review. Regulatory Amendment for a Catch Sharing Plan between the Halibut Charter and Commercial Longline Sectors in IPHC Regulatory Area 2C and Area 3A (March 14, 2008)
http://www.fakr.noaa.gov/npfmc/current_issues/halibut_issues/Area2C3A_CatchShare408.pdf

[Secretarial Review Draft](#) EA/RIR/IRFA for a Regulatory Amendment to Limit Entry in the Halibut Charter Fisheries in IPHC Regulatory Areas 2C and 3A, April 25, 2008.

EA/RIR/IRFA. Draft For Initial Review. Regulatory Amendment to Set an Initial Allocation between the Charter and Commercial IFQ Halibut Sectors and Allow for a Compensated Reallocation Program in IPHC Regulatory Areas 2C and 3A.
http://www.fakr.noaa.gov/npfmc/current_issues/halibut_issues/HalibutReallocation907.pdf

[Environmental Assessment of the Guideline Harvest Level for the Guided Recreational Halibut Fishery](#) in International Pacific Halibut Commission Areas 2C and 3A, June 2, 2003

Environmental Assessment/Regulatory Impact Review/Initial Regulatory Flexibility Analysis for a regulatory amendment to implement management measures under a guideline harvest level and/or moratorium for Pacific halibut in Areas 2C and 3A.
Secretarial Review Draft (Feb 14, 2001)

<http://www.fakr.noaa.gov/npfmc/analyses/revGHL14Feb01.pdf>

ⁱ Draft for Secretarial Review. EA/RIR/IRFA. Regulatory Amendment for a Catch Sharing Plan for the Pacific Halibut Charter and Commercial Longline Sectors in International Pacific halibut Commission Regulatory Areas 2C and 3A (June 23, 2011)
<http://www.fakr.noaa.gov/sustainablefisheries/halibut/analyses/cspea062011.pdf>