



**U.S. STATE DEPARTMENT UPDATE TO  
NORTH PACIFIC FISHERIES MANGMENT COUNCIL  
B-REPORT  
OCTOBER 6, 2010**

1. Arctic -Senior Officials Meeting Oslo, Norway 22 June 2010

Participants: Canada, Denmark/Greenland, Norway, Russian Federation, United States of America

Officials from the five coastal States around the Arctic Ocean (A5 countries) met in Oslo this past June to discuss issues pertaining to climate change, ice melting, and fisheries in the Arctic Ocean. The purpose of the meeting was to gather legal advisors and senior officials responsible for fisheries issues to discuss fisheries in the Arctic. While large-scale commercial fishing in most of the Arctic Ocean is not imminent, they discussed the need for further scientific research into the state and nature of fish stocks and their ecosystems. The research would be aimed at assessing emerging environmental and biological trends and their implications. The officials affirmed that the existing international legal framework pertaining to ocean fisheries is applicable to the Arctic Ocean. They also acknowledged that the A5 States have a unique interest and role to play in current and future efforts for the conservation and management of fish stocks in this region.

The outcome of the meeting included the identification of a two-step process to evaluate fish stocks in the Arctic Ocean. A first step would be to assess the state of knowledge and share already available information among the A5 countries. The second step would be to identify future research goals and priorities to be conducted individually or collectively by States. A similar step of assessing the "state of knowledge" was already initiated at the Anchorage International Arctic Fisheries Conference hosted by the Institute of the North in October 2010. The United States is very interested in maintaining the momentum on pursuing an international science agenda on Arctic fisheries and as such has informally offered to host or co-host a meeting among the A5 to initiate these steps. The United States would also like to investigate at the meeting the potential for cooperative research and the potential for collaboration in research with the other countries, in particular, our immediate neighbors, Russia and Canada.

In addition to identifying a two-step scientific process, senior officials at the Oslo meeting also discussed whether the A5 countries should consider any management action, including a

moratorium on commercial fishing in the high seas portion of the central Arctic Ocean until an international management regime was in place. This would be a similar approach to what the Council has adopted for the Arctic waters within the U.S. Exclusive Economic Zone. In the end, it was determined to postpone management action for the time being and to concentrate instead on a cooperative science agenda.

2. Convention for the Conservation and Management of Pollock Resources in the Central Bering Sea -Virtual meetings for Science and Technology Committee (2 -25 August, 2010) and Plenary (22 September – 6 October, 2010)  
Parties: Japan, People's Republic of China, Poland, Republic of Korea, Russian Federation, and the United States of America

The Parties to the Convention on the Conservation and Management of Pollock Resources in the Central Bering Sea (Donut Hole) agreed, by consensus, at the 14<sup>th</sup> Annual Conference of the Parties in Stevenson, Washington, USA, held on August 31 – September 1, 2009, to hold, on a trial basis, future annual meetings via electronic means, rather than face-to-face. As a result, the United States agreed to host the 15<sup>th</sup> Annual Conference virtually.

The Parties began the 15<sup>th</sup> Annual Meeting of the Scientific and Technical Committee on August 2, 2010 via electronic mail and successfully concluded it on August 25, 2010 and the Scientific & Technology Committee report was submitted to the plenary. The Department would like to thank Dr. Pat Livingston, who Chaired the Committee, for her excellent leadership in the successful outcome of this meeting. The Plenary, which is currently underway, commenced a few days later than expected and hence the concluding date has been extended. The current dates for the plenary are 22 September through 6 October 2010. Dr. James Balsiger is Chairing this meeting. The National Oceanographic and Atmospheric Administration has maintained a website for the Parties to submit and review documents relating to these meetings.

Although these ground breaking meetings have been going extremely well, there has not yet been participation by the People's Republic of China. Article V of the Conventions requires decisions of substance made at the Annual meeting to be taken by consensus. As the host of these meetings the United States, through the Department, sent China a diplomatic note encouraging their participation and informing them that lack of stated opposition by China will be regarded as consensus, as is customary. We have recently heard back from China who has confirmed interest in participating in these meetings.

At the Committee, the Parties reported that no pollock fishery was conducted in 2010 in the Central Bering Sea pollock Convention Area.

The coastal States reported declining pollock catches on both sides of the Bering Sea in recent years. For Russia, the main reason for decreasing catches is the status of the Navarin pollock stock. Only one pollock year class produced between the years 2003 – 2009, the 2006 year class, is above average strength. Russia expects that the total biomass of Navarin pollock will increase in 2011, when the 2006 year class fully recruits into the fishing biomass.

The United States explained that declining catches of pollock in the Eastern Bering Sea from 2007 – 2009 reflected declining exploitable biomass of the stock (6.4 million tons in 2007, 4.7 million tons in 2008, and 4.6 million tons in 2009). This declining trend is the result of four years of consecutive weak year classes (2002 – 2005) that entered the populations. The total allowable catch (TAC) was set by the United States at 1.394 million tons in 2007, 1.0 million tons in 2008, 0.815 million tons in 2009 and 0.813 million tons in 2010. The United States anticipates that the exploitable biomass of the Eastern Bering Sea pollock stock will increase as the 2006 and 2008 year classes, which are above average strength, recruit into the exploitable biomass.

There was no trial fishing reported by the Parties in the Convention Area for 2010 and the United States did not conduct a pollock research cruise in Bogoslof Island area in 2010. Consequently, there was no new information on the Aleutian Basin pollock stocks. The 2009 survey showed an estimated pollock spawning stock biomass of 73 million fish or 110,000 mt in the Specific Area of the Convention, the lowest level on record. The fish were primarily ages 7 – 10, from the 1999 – 2002 year classes. Using the indirect methods described in the Convention Annex Part I (b), the extrapolated biomass for the Convention Area is 183,333 tons. This is not large enough to trigger an annual harvest level (AHL) as determined by the Convention Annex Part 1 (c). There was no consensus among the Parties on how to set the AHL and therefore the process must follow that established in the Annex of the Convention.

The United States announced plans to conduct the next Bogoslof Island pollock spawning survey in 2011 and welcomed foreign participants. The United States will also continue to conduct bottom trawl surveys on the Eastern Bering Sea Shelf in 2011. Russia plans to conduct the next Navarin Basin and western Bering Sea pollock surveys in April – December, 2011 with at least two vessels.

The virtual meeting format for the S&T Committee Meeting worked successfully and the Parties plan to continue the process. The United States will likely continue as the rapporteur, as we have done in the past, and we will likely maintain the website for the virtual process document sharing.

3. 9<sup>th</sup> Scientific Working Group and Plenary Session of the Multilateral Meeting on Management of High Seas Fisheries in the North Pacific Ocean- held in Sakhalin, Russia 4 – 9 September, 2010

Participants: Canada, Japan, People's Republic of China, Republic of North Korea, Russian Federation, Taiwan, and United States of America

In 2006, the UNGA adopted provisions within the annual Sustainable Fisheries Resolution (61/105) calling for nations to take necessary steps to mitigate the adverse impacts of bottom fishing gear on benthic habitats including, fish, corals, and other related organisms. These provisions, and the implementation of them by States, were reviewed and strengthened in 2009. As such, the 2009 UNGA Resolution (64/72) contains provisions that further elaborate and reinforce the call for protecting deep sea habitats from destructive practices of bottom fishing. Since 2006, and in response to this call, the fishing and coastal States in the North Pacific Ocean have been involved in discussions to develop management measures for high seas bottom fisheries in the North Pacific Ocean.

Initial efforts involved Japan, Republic of Korea, Russian Federation, and the United States of America and were focused specifically on adopting interim measures to regulate bottom fishing in the Northwestern Pacific Ocean. In 2007, these four countries adopted interim measures that limits bottom fishing effort to existing levels and allows for the expansion of bottom fisheries to new areas of the Northwestern Pacific Ocean only under strict terms and conditions. Essentially, the measures limit fishing effort to seamounts located south of 46 degrees N latitude (Emperor Sea Mount Chain). Although the United States is not an active fishing country, as a coastal State whose EEZ is immediately adjacent to the area under consideration, the United States has been actively involved in the development of the measures and the negotiation of a long-term multilateral management mechanism for the area. Hancock seamount in the U.S. EEZ has been under a 20-year moratorium but has yet to see the recovery of fish stocks in this area.

In addition to the adoption of interim measures for the NW Pacific Ocean, the four States agreed to expand the geographic scope of the negotiations to cover the entire North Pacific (east and west) as well as to expand the management mechanism to cover all species not already covered in another international instrument. As a result of this expansion, in 2008, Canada, the People's Republic of China, Mexico, and Taiwan (Chinese Taipei) were invited to join negotiations to establish a treaty for long-term international management of high seas fisheries. The Faroe Islands has attended the negotiations as an observer, due to potential interest in fisheries in the region under consideration, and have expressed interest in changing their observer status to a full participant. Mexico confirmed interest in participating in these negotiations but has not yet attended a meeting. Japan has been serving as the Interim Secretariat.

In addition to negotiating the text of the treaty, the States are presently considering interim measures for the Northeast Pacific Ocean, similar to those established for the Northwest. The area of application would be the high seas of the North Pacific Ocean, east of the line of 175 degrees W longitude and north of the line of 20 degrees N latitude. This area is adjacent to the U.S. EEZ off of Alaska, Washington, Oregon, and California. There is no known active bottom fisheries in this area, including by the United States. However we consider this area important as fish stocks that straddle the U.S. EEZ and high seas could be impacted should fishing in this area increase. The United States and Russia seek to exclude the Bering Sea from the area of the Convention being negotiated. The southern boundary has not yet been finalized but participants, in principle, would like to leave as little gap in management of the Pacific Ocean as possible.

Taiwan, which participates in the negotiations as Chinese Taipei, is extremely active in the North Pacific. As a result, the United States places a high priority on ensuring that Taiwan is a member of the finalized management mechanism and thus bound to apply the provisions of the treaty to vessels operating under Taiwan's jurisdiction. The Department has been working with the Taipei Economic and Cultural Representative Office (TECRO) and Taiwan fisheries officials to draft treaty provisions that would grant Taiwan membership in the future Commission to be established by the management mechanism. Negotiations, specific to Taiwan's status in this management mechanism, are ongoing between the United States, Taiwan, and China.

**4. 21<sup>st</sup> Session of the U.S. Russia Intergovernmental Consultative Committee (ICC) on Fisheries- held in Yuznho-Sakhalin, Russia on 10 – 11 September, 2010**  
**Parties: Federation of Russia and the United States of America**

The Intergovernmental Consultative Committee (ICC) was established under the 1988 Agreement on Mutual Fisheries Relations as a forum to discuss bilateral fisheries issues. The purpose of the Agreement is to establish a common understanding of the principles and procedures to provide for cooperation between the Parties in areas of mutual interest in fisheries. The ICC is responsible for furthering the objectives of the Agreement. These objectives include maintaining mutually beneficial and equitable fisheries relationship through (1) cooperative scientific research and exchanges; (2) reciprocal allocation of surplus fish resources in the respective national 200-mile zones, consistent with each nation's law and regulations; (3) general consultations on fisheries matters of mutual concern; and (4) cooperation to address illegal, unreported, and unregulated (IUU) fishing activities.

The ICC has also served as the forum in which the United States and the Russian Federation have been negotiating a bilateral fisheries management agreement for the Northern Bering Sea (Comprehensive Agreement) which includes a scientific and enforcement component.

In 1990, both Parties signed a treaty establishing a maritime boundary in the North Pacific, Bering Sea, and Arctic Ocean and also agreed to provisionally apply the treaty pending its entry into force. Thus far, only the United States has ratified the treaty. Russia has never ratified, but has continued to apply the treaty provisionally.

Within the ICC, negotiations on a Comprehensive Agreement on Northern Bering Sea fisheries commenced in 2003 and although significant progress has been made, there remains a number of issues on which Parties have not yet reached agreement. The most notable area in which we have not reached agreement is on that of reciprocal fishing for pollock. The Russian Federation has long called for access to the fishing grounds they claimed were lost in the signing of the maritime boundary treaty and in return for this access have offered access to their EEZ for U.S. fishing vessels. However, the U.S. pollock industry has not been interested in fishing in waters of Russian jurisdiction and the United States has not been interested in granting Russia access to U.S. waters for commercial fishing purposes.

Russia has maintained the hypothesis that one or more stocks of pollock migrate between the EEZ of the United States and Russia in the Northern Bering Sea. Russia has further advanced the concept that the migratory nature of these stocks provides an opportunity for the mutual benefit of both countries through a reciprocal fishing arrangement. In particular, Russia has maintained that such an arrangement would allow harvest by vessels from both countries to be focused on larger, adult pollock which would leave more individual pollock in the population and in turn benefit both nations by allowing for population growth due to removing fewer individuals.

Since the commencement of these negotiations there as been a significant change in the management of fisheries in both nations as well as in the ecosystem. By moving to a cooperative-based fishery, brought into force with the passage of the American Fisheries Act

in 1998, the United States has rationalized its fishery. Russia has also moved to a rationalized, quota-based management system. Both countries have either eliminated or reduced foreign fishing vessels within their respective EEZ which has assisted in deterring and reducing IUU fishing in these areas. The U.S. pollock fleet is certified as sustainable by the Marine Stewardship Council (MSC) and Russia is currently seeking a similar certification from MSC. The ecosystem has also experienced changes. A changing global climate is affecting stock structure and movement. Yet, both nations still do not have comprehensive information of what is occurring within the stock when it crosses the maritime boundary. Fisheries in both nations would benefit from such knowledge.

Building on the existing cooperation in the field of fisheries science that has occurred under the auspices of the ICC, the United States proposed a cooperative research program between the United States and Russia. One objective of the program would be to empirically examine the existence of one or more transboundary pollock stocks in the Northern Bering Sea and evaluate whether harvest can be targeted on adult pollock to allow for greater sustainable management of those stocks as well as an economic benefit for both countries.

The general component of such a program would include exchange of information, access for research and survey vessels within the EEZs for pollock stock abundance surveys (including access to bottom trawl data), and catch data from the U.S. and Russian pollock fishing fleets. In particular, it would be beneficial to obtain data from Russian fishing industry similar to that collected by the observer program for the U.S. commercial pollock fleet. In order to acquire observer data, the United States will be working with the Russian fleet to ensure their data collection standards are equivalent to U.S. standards. We are also considering the feasibility of a reciprocal observer program. In addition, both countries are investigating an enforcement component to such a program aimed at detecting IUU fishing.

The Alaska Science Center and NMFS Alaska Regional Office will be taking the lead on the scientific components of the plan and the Department will coordinate the overall process, policy, and negotiations. There is an intersessional meeting planned for early January to further refine the components of such a program.

#### 5. North Pacific Anadromous Fisheries Commission-U.S. Advisory Panel

The North Pacific Anadromous Fisheries Commission's U.S. Advisory Panel will meet via teleconference on October 12, 2010 at 2:00 pm eastern time. They will review the agenda for the upcoming 2010 annual meeting in Busan, Korea make recommendations for the U.S. position on various issues. For further information, please contact John Field at: FieldJD@State.gov.

# PUBLIC TESTIMONY SIGN-UP SHEET

Agenda Item: B Reports

	NAME (PLEASE PRINT)	TESTIFYING ON BEHALF OF:
X 1	JOHN BLAIR	SEAGO
X 2	Carolyn Nichols	self - CSP
X 3	Kathy Hansen	SEAFSA - CSP
X 4	Linda Behnken	Halibut Coalition
X 5	Dave Benton	MCA
X 6	Kenny Down	Frozen Longline Coalition
X 7	GREGG WILLIAMS	IPHC
X 8	REX MURPHY	ALASKA CHARTER
X 9	Steve Fish	Sitka - self & family
X 10	dave fraser	ACDC
X 11	Rudy Tsukada	Aleut Enterprise
X 12	Jon Warrschulte / Mike Levine	Oceana
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NOTE to persons providing oral or written testimony to the Council: Section 307(1)(I) of the Magnuson-Stevens Fishery Conservation and Management Act prohibits any person "to knowingly and willfully submit to a Council, the Secretary, or the Governor of a State false information (including, but not limited to, false information regarding the capacity and extent to which a United State fish processor, on an annual basis, will process a portion of the optimum yield of a fishery that will be harvested by fishing vessels of the United States) regarding any matter that the Council, Secretary, or Governor is considering in the course of carrying out this Act.

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# INTERNATIONAL PACIFIC HALIBUT COMMISSION

ESTABLISHED BY A CONVENTION BETWEEN CANADA

AND THE UNITED STATES OF AMERICA

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September 30, 2010

Mr. Eric Olson, Chair  
North Pacific Fishery Management Council  
605 West 4th Avenue, Suite 306  
Anchorage, AK 99501-2252

**Re: October 2010 Agenda Item B-2**  
**VIA EMAIL**

Dear Eric:

The IPHC staff notes that the Council is scheduled to consider draft regulations to implement the Council's halibut Catch Sharing Plan (CSP) under agenda item B-2, at its October meeting. The Commission fully supports the Council's desire to establish such a CSP and resolve long-standing problems of managing catch by the charter halibut sector. Previous discussions between the Commission and the Council have identified a process whereby the Commission could adopt a combined commercial/charter catch limit (CCL) for halibut in Areas 2C and 3A, which the United States could subsequently use as a basis for allocating catch limits to the two sectors under the CSP. While the Commission is encouraged that the Council is contemplating a set of regulations to implement its CSP and wishes to see an effective CSP established as soon as possible, the Commission staff wishes to draw your attention to elements of the regulatory package and surrounding procedures that we believe will compromise the achievement of both Council and Commission halibut management goals.

Our three primary concerns involve the impact of pre-season projection accuracy, the likely precision and ultimate bias that result from the management measures contemplated, and the inclusiveness of the CSP relative to other similar CSPs.

1. Impact of pre-season harvest projection. Meyer (2009), building upon the information in King (2009), outlined the substantial issues of providing accurate pre-season projections of halibut harvest for the guided sector. Projection errors will arise through changes resulting from regulation effects on baseline data used for projection, time delays in average weight data used, non-stationarity in catch trends, and the time duration of data required for projection. Meyer has indicated that pre-season projection error is likely to equal or exceed the projected precision of management ( $\pm 3.5\%$ ) for the guided harvest component of the CSP. Of greater concern is the potential for incorrect decisions on the management measures required for an upcoming year that can result from such projection errors. The Commission staff requests that the Council re-evaluate the effectiveness of the CSP management measures required under various harvest levels, with a view to



building greater precaution into the process to accommodate projection errors and management responsiveness.

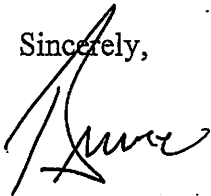
2. Precision and bias in management of recreational fisheries. In its 2008 motion the Council adopted a management precision of  $\pm 3.5\%$  of the CCL for the charter component. This translates into a management precision of  $\pm 20\text{-}25\%$  for the charter sector itself. This level of variance in management effectiveness is considerably higher than that for other CSPs in which the Commission participates. Notwithstanding the nature of GHM management, the history of management to targets for this sector in at least one of the areas is poor. This history suggest strongly that we will not see a symmetric variation about the management targets for this sector under the CSP, rather it will be highly asymmetric with a bias toward overharvest of targets. Again, this will compromise overall management of the halibut resource. Implementation of CSPs in other areas involves either in-season management (Area 2A) or sequestration/leasing of commercial quota to offset recreational overruns (Area 2B). Because the potential for long-term bias is high, the staff suggests that the Council consider remedial measures to deal with overharvest, in particular to require deductions on future catch limits for overruns in previous years.
3. Inclusiveness of the CSP. The Commission participates in CSPs in two other IPHC management areas, Area 2A (California – Washington) and Area 2B (British Columbia), for which the Commission adopts a CCL. However, in both of these other areas the CSP includes all removals by recreational harvesters in addition to the commercial removals. The NPFMC CSP does not include removals by unguided anglers; indeed, total removals by unguided anglers are unregulated, which can have a destabilizing effect on achievement of overall management targets. For example, in Area 2C the unguided angler catch has increased 30-50% since the inception of GHM program. In a 2005 letter to the Council, the Commission noted that ‘leakage’ from the guided to the unguided sectors would be a likely result of not including the unguided sector in management measures designed for the recreational fishery. While difficult to verify, reports of provision of GPS devices, coordinates, and other fishing instructions to ‘bareboat’ charters in this area abound – catches on such trips are not counted under guided charter harvests. Again, we urge the Council to work in its future actions to bring all recreational removals in the CSP, to bring such harvests fully into a conservation framework.

We have suggested that several aspects of the CSP be re-examined by the Council. We recognize the desire by all parties, including the Commission, to enact the CSP without further delay, so subsequent improvements to the CSP could be addressed by a trailing amendment or other similar action.

The halibut resource has been on a steady decline from the record high levels seen in the 1990s. While the number of halibut has not declined as sharply, the substantial decline in halibut growth has resulted in decreased exploitable biomass. This decline exacerbates the staff concerns about the effectiveness of management measures being considered. The Commission has also recognized this in its instructions to its staff to present management measures for the recreational fisheries in Alaska for action at its 2011 Annual Meeting, should the Commission view the delays in implementing the CSP as creating unacceptable risks to the halibut stock.

Gregg Williams will be attending the Council's October meeting in Anchorage and would be pleased to review these comments at that time.

Sincerely,

A handwritten signature in black ink, appearing to read "Bruce", written in a cursive style.

Bruce M. Leaman  
Executive Director

cc: Commissioners



## Southeast Alaska Economic Recovery Program (SEAKER) How the Program Will Work

10/2/10

- SEAKER Program Key Benefits:**
- Ensures sustainability of the halibut resource.
  - Works within the current catch share plan.
  - Creates a manageable inter-sector transfer mechanism.
  - Permits free-market and economically driven allocation shares between sectors.
  - Compatible with charter fishing business models.

### Introduction

Over the past year SEAGO, ( [www.seagoalaska.org](http://www.seagoalaska.org) ), has been developing the Southeast Alaska Economic Recovery Program (SEAKER) which is designed to mitigate BOTH the impact of the two year long recession and the harmful effects of the upcoming catch share plan.

Our program takes a pragmatic approach to preserving the charter industry in Southeast and South Central and places a laser focus on economic recovery in the communities where we live and work.

In a nutshell, the plan provides for compensated reallocation through an open market IFQ purchase initiative and managed under a single pool. Key features of the SEAKER plan include:

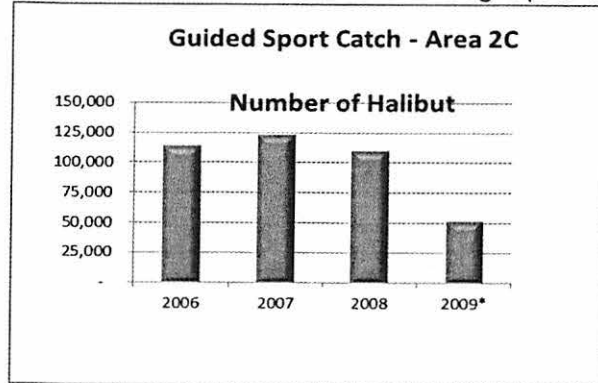
- It works within the framework of the current catch share plan to ensure sustainability.
- Is compatible with charter business models
- Seeks federal funding to mitigate the impact of the recession in our coastal communities and impacts to processors and commercial fishermen with loans under water.
- Brings jobs and business saves in the rural communities where we live and work.

Rather than attempting to shoe-horn the charter fishing industry into a traditional commercial business model and regulation, the SEAKER amendment creates an innovative way to let the two sectors co-exist in a non-threatening manner. Finally we believe that adoption of this model will further demonstrate Alaska's innovative approach to fisheries management and has application in other parts of the country.

The draft SEAKER operating model is based on two primary considerations:

1. We think it is more practical and effective to manage total catch at an aggregate fleet level rather than at the individual charter operator level.
2. The maximum number of charter operators and anglers eligible to fish for halibut has been established thru implementation of the Limited Access/Moratorium Program which will go in effect in February 2011.

First, the total charter catch has been fairly predictable in terms of number of fish caught (110-124k fish caught per year, and their weight, ie ~25lb range). The decline in 2009 was due to the regulation change from two to one fish. We believe this predictability will permit us to accurately forecast annual charter catch.



Furthermore, a similar program operating under the Pacific Salmon Treaty demonstrates that the fleet can be managed at a macro level. This program establishes catch limits in terms of number of fish for the year based on a scientific "Abundance Index". Operating for several years, the PST program has consistently managed within catch limit targets. We can give you more information as requested.

Finally we believe that managing total catch at the individual charter operator level presents a significant enforcement issue regarding which fish is an "IFQ fish" vs a "GHL/CSP fish" in a rental program, probable requirement for enhanced in-season reporting, and increased administration costs. Individual IFQ's, halibut stamps, together with other administrative tools are a possible alternative, however we believe the costs would outweigh the benefits. From a business profitability perspective we believe it is impractical to attempt to manage purchased IFQ on an individual basis and charter operators are currently excluded from participating in the IFQ program.

Second, the LEP/Moratorium Program (<http://www.fakr.noaa.gov/frules/75fr554.pdf>) plan is scheduled for implementation in February of 2011. This program puts a ceiling on the number of charter operators eligible to fish for halibut in Areas 2C and 3A and further limits the number of anglers allowed to fish on each vessel, (angler endorsement provision). This program effectively caps the number of angler days and gives us actual maximum demand.

## How will the program work?

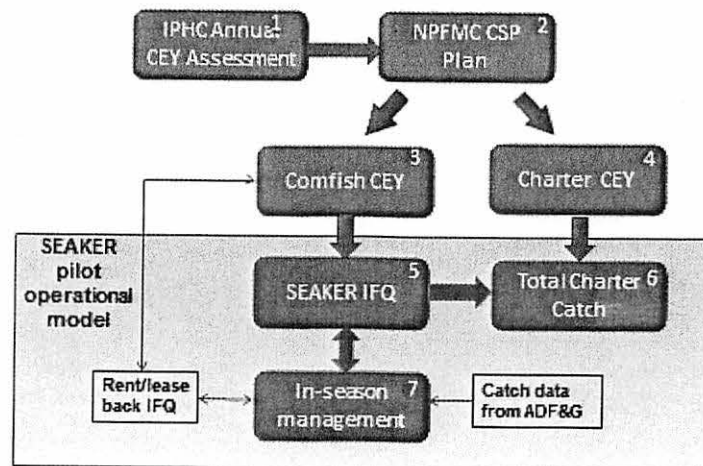
### Non Profit legal structure highlights – Preferred alternative

We will transfer commercial halibut quota to guided sport fishing via an IFQ permit purchase program.

- Objective is to acquire 1M lbs of commercial halibut allocation for area 2C guided sport fishing.
  - Recognize that this is probably a two-three year program to complete.
- Purchase IFQ in the open market from current holders – we will stress the free enterprise aspect of this program. No requirement for current permit holders to sell, no pre-determined pricing, etc.
- Use existing brokerage companies and one-on-one deals as the two primary sources of IFQ permits.

- Once IFQ is purchased it will be integrated into the Catch Sharing Plan for use by all charter operators. There are several methods to do this, either allocation percentage change or a modified version of the Canadian model are contending approaches.

## SEAKER Pilot Operational Model



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### Narrative for SEAKER Pilot Operational Model

**Box-1** – Each Year the IPHC sets CEY (constant exploitation yield) for each geographical area. The final allocation amount is then adjusted based on several economic and other factors.

**Box-2** – The NPFMC then does an allocation split based on a matrix. Currently the split is roughly 85% to commercial (**Box-3**) and 15% to charter (**Box-4**) for Area 2C. See CSP details for copy of the matrix.

**Box-5** – Through the open market purchase of 1M lbs of IFQ, the SEAKER portion would be apportioned to Charter operators.

**Box-6** – The total charter catch would become the sum of **Box-4** and **Box-5**. Depending on the CEY, the charter allocation would then be converted into a daily allowable number of fish to catch, ie one fish, or one fish of unrestricted size and U-32 fish, etc. This step would be done with cooperation of NPFMC.

**Box-7** – During the season, SEAKER operations would receive weekly catch data from ADF&G and create an ongoing forecast of charter catch for the season. At the approximate end of the charter season, (~Sept 1), a determination of excess/shortfall in total catch will be determined. In the event that the charter catch is short of the total allocation, then provision will be made to rent unused quota to commercial fishers at market or sub-market rates. In the event that the charter operators go over the allocation, SEAKER will rent IFQ from commercial operators.



- **Functional capabilities of the SEAKER Organization**
  - Ability to purchase & sell up to 1M lbs of IFQ in the open market – will require dispensation from NPFMC
  - Ability to compensate processors
  - Ability to compensate distressed loan holders
  - Capability to impose an annual or other fees/dues to LEP holders
  - Capability to purchase LEP permits in the open market
  - Ability to rent or offer for rent IFQ intra-season
  - Ability to not use all IFQ during a season for sustainability/conservation purposes
  - Creation of a resident Alaskan 'new charter operator' program
  - Creation of ongoing charter industry training/education programs
  - Conduct related fisheries research
  - Ability to deliver ongoing marketing programs
  - Ability to change catch limits similar to salmon program, ie daily, annual limits, emergency order, etc
  - Ability for the entity to assume debt for operating cash-flow and/or capital/IFQ purchases.
  - Right to receive in-season catch data from ADF&G or NMFS
  - Ability to create an advisory board for science, economic, political input
  - Initial scope to include Area 2-C with ability to expand organization to include Area 3-A upon proper funding and as required
  
- **Administrative components of the SEAKER Organization**
  - Creation of a non-profit organization to be based in Alaska, (probably Juneau)
  - Creation of suitable bylaws
  - Consider help from groups like EDF & NOAA for internal governance development
  - Five member board of directors – three charter operators, one NPFMC member, one member from ADF&G/BOF.
    - Some mechanism for initial board member selection
    - Board members approve future board members from industry nominations (or perhaps holders of LEP permits)
    - Three year staggered terms
  - Executive director and staff as required
  - Outside CPA annual audit
  - Work within the limits of the Halibut Act
  - Work within the limits of the Catch Share Plan to be adopted by NPFMC
  - Provision for interim rules during the several year ramp-up period
  - IFQ purchased for this program will be exempt from commercial fees and taxes as the fish never enter the commercial supply chain.



- Permit ongoing research of bag limits and other restrictions for input into economic analyses and periodic allocation reviews.

- **In Season Management**

From a management perspective, total allowable catch would be established at the beginning of the year based on IPHC CEY input. The charter total allowable catch would then become the GHIL from the CSP plus the amount of IFQ share purchased. From there we would establish daily bag limits for the upcoming season with oversight from NPFMC (and others?).

In season, we would take data feeds from existing ADF&G logbook and creel survey information. This would permit us to build a catch forecast model that would be updated week by week to forecast total catch for the season. Because we will know fleet size, (number of participants), and understanding that catch rates and fish size are fairly predictable we are confident that a fairly accurate forecasting model can be built.

During the season, SEAKER would employ an innovative inter-sector transfer process. With a two-way transfer capability we can assure that the charter fleet can stay within the allowable catch. In the event that the charter fleet catches less than its allowed catch, we would propose to rent back unused IFQ to the comfish sector or perhaps leave fish in the water.

In the event that the charter fleet is forecasted to go slightly over its allowed catch, we could do several things. First, we would propose renting IFQ from the comfish sector to cover the shortfall. Funding would come from a reserve to be established from times when we are able to rent-back unused IFQ. Second, we could fallback upon in-season emergency orders similar to management techniques employed in other Alaska fisheries that would impose various levels of reduced fishing activity, ie reduce daily allowable number of fish to catch, size restrictions, etc.

In summary, we think that accountability at the fleet level will be more effective than at the individual operator level, and with in-season management tools and the capability to transfer IFQ back and forth between sectors, we can manage to our quotas. Finally, it's important to reiterate that our plan is still in its formative stages.

- **Some Frequently Asked Questions.**

1. I assume you're envisioning the catch modeling being done in-house by SEAKER, or someone which SEAGO hires, rather than the catch modeling for the pilot "co-op" being done by ADFG?

Answer - The model is a key element of overall management to TAC, especially when we get to end-of-season actions, ie if we are over or under at the end of the charter season (usually the beginning of September), do we rent-to or rent-from the commercial sector for them to complete their season in November? We won't have actual final numbers (due to some reporting lag) at that point and will have to do some forecasting of catch so the



model will play a larger role. Of course we will employ some conservative contingency/buffer provisions prior to the rent to/back decision but it will be important to get it right. Further in the very rare case when actual catch rates are way out of whack earlier the season, we would also want to take a proactive role in emergency actions.

With that in mind, the model becomes an important management tool. In order to avoid any sense of impropriety I think that we should hire one of the reputable fisheries management consulting companies to build it for us. AND IMPORTANTLY, then make the model transparent to all involved. I believe that if we disclose how it works and maybe even make it available to interested parties, we can minimize any black-box manipulation accusations. There are several reputable management companies that could do modeling work for us, Southwick, Gentner(sp), and others. Finally, as we discussed, this is an area where organizations such as EDF can help us with a model vetting process as part of establishing governance protocols. Any good model should expect to change fairly frequently over time so the vetting process will become an ongoing requirement.

Finally, the good news is that the charter catch has been fairly constant/predictable over the past several years, ie total number in the 110-124,000 fish caught and weights in the 25lb range. So the model should be fairly straight forward to build.

2. I also assume that the in-season monitoring and potential in-season fishery response would be done in-house by SEAKER rather than by ADFG?

Answer - In-season monitoring would be done in-house by the SEAKER non-profit. We would take data feeds from current ADF&G logbook/creel survey data to update the model on an ongoing basis. When/if the model called for a management action, we would refer to our chain of command to take appropriate action under published/vetted procedures and controls. What I have in mind is a series of "IF-THEN" procedures that specify a course of action to a given situation. Some decisions may require Board of Directors approval and we will establish provision for electronic/virtual mtgs to enable quick actions. While the Board structure hasn't been finalized I suspect it should include representation for NPFMC/NMFS, ADF&G, and of course charter industry. This is one area that hasn't been fleshed out yet, but clearly one of the 'governance' areas where organizations like EDF can lend a great hand. We should also discuss the possibility of EDF inclusion so you can gain value from the Alaska pilot in making it adaptable to other fisheries.

3. In both of the above cases, I'd envision the plan and strategy being "okayed" by the NPFMC, with oversight by NMFS/ADFG, but with primary fishery management activities being internalized by SEAGO

Answer - Once again, under the 'governance umbrella' I assume that after the IPHC publishes CEY in January of each year, there would be an early February SEAKER organization meeting to establish catch rates in Area 2C and 3A which would then be





vettted by either the SEAKER board of directors which will include NPFMC/NMFS representation, and/or via published formula, and/or by a SEAKER management meeting directly with NPFMC/NMFS, to approve our regulations for the season, ie two fish, one fish, size restrictions, etc. I think there is some legal feedback we need here because I suspect the actual regulation probably needs to come from NMFS or NPFMC.... We can establish the administration process at the appropriate time. This same process would apply to any in-season actions that might be required.

4. Also, what is your reaction to a roll-over provision? In other words, if the pilot cooperative exceeds the GH L established for it, the overage would be taken off next year. Inversely, if the GH L is underachieved, that underage (or some portion of it) could be banked for use in the following year.

Answer - Rollover provisions – The current CSP has a provision for over/under rollover and a plus-minus percentage buffer for total annual catch. In general I'm in favor of some limited carryover in both directions but if the amt of 'banked/make-up fish' got too large or too negative, we could create a potential sustainability issue. This rule will certainly require science/bio input for 'maximum' over/under limit setting to assure that we don't impact the fishery.

Another option would be to leave fish in the ocean as a banking system, so that there is a rolling forward of such fish, (perhaps up to 20% of a season's allocation). We should be able to figure out what the deviation has been from year to year – and then allow for banking of fish to accommodate changes in either the number of participants from year to year, or to the average weight of the fish per year. By being able to roll fish forward, and get credit for it, it can help smooth out the need for any in-season changes if you we going over by smaller margins – up to 20%.

Right now our primary management objective is to use the annual regulation and emergency action for daily catch, size, etc to get us close to the TAC objective and then zero in on the authorized allowable catch via the IFQ inter-sector two-way-rent-back provision. One option could be in the event we went over limit in the previous year, to immediately 'rent-from' right at the beginning of the year. On the other side, there is also the opportunity to just leave some fish in the water, as appropriate. This part is mostly my own thoughts right now so haven't had much feedback and certainly subject to insights from you and others.

5. What is the importance of operational procedures?

Answer - To-date, our primary activities have been focused on obtaining "money and a mandate". These operational procedures and controls are now just rising to priority and being put down on paper for the first time, (ie still a work-in-process). All of this is straight forward management process, but it needs to be hashed out and probably have some spreadsheet noodling to support final procedures and controls. I understand that the



success of the program depends on the details, so recognize that we still have some very important work to do. Once again, that's where your partnership could be very helpful in adapting 'best practices' and experience in other situations to our pilot.

Contact John Blair, SEAGO's Executive Director for more information, [john@seagoalaska.org](mailto:john@seagoalaska.org) 925-366-6638.

# Southeast Alaska Fishermen's Alliance

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October 6, 2010

North Pacific Fishery Management Council

605 W 4<sup>th</sup> Avenue, Suite 306

Anchorage, AK 99501-2252

RE: B-2 (1) Halibut Catch Sharing Plan proposed regulation review

Dear Eric Olson, Chair and Council Members,

In addition to the previous general comments submitted by Southeast Alaska Fishermen's Alliance (SEAFA), we would like to bring to the attention of the NPFMC members the following sections of the draft regulatory language:

### Page 10 and 11

The Tables for Area 2C and Area 3A appear out of place or incomplete. In addition because it is the first area of the regulation that the allocation percentages are listed and since they only cover the first two tiers of the Area allocation since this section is dealing with the formula for developing under a one fish rule a maximum size limit when necessary it appears that there is not an allocation available to the charter fleet above certain levels of combined commercial and charter catch limits.

- *SEAFA recommends that NMFS staff review this section and correct or clarify before publication.*

### Page 12

(6) (i) *General.* (A) GAF is derived from halibut IFQ that is transferred from an Area 2C or Area 3A IFQ permit account held by a quota share (QS) holder, as defined in §679.2 of this title, to a GAF permit held by a GAF permit holder.

- *It is possible that the language should state charter halibut limited entry permit holder rather than GAF permit holder at the end of the sentence. Otherwise there is not any reference or connection that to use GAF fish you have to have a halibut charter limited entry permit and gives the impression that if you are a GAF permit holder and hold GAF fish you can use it to harvest halibut without a charter halibut limited entry permit. SEAFA recommends that the language be corrected to read as follows: "(6) (i)*

**General. (A) GAF is derived from halibut IFQ that is transferred from an Area 2C or Area 3A IFQ permit account held by a quota share (QS) holder, as defined in §679.2 of this title, to a GAF permit held by a halibut charter limited entry permit holder.**

**Page 17**

**(4) A GAF permit is linked to only one charter halibut permit, community charter halibut permit, or military charter halibut . . .**

- *When reading the regulations overall it appeared that a GAF permit account is set up for every Guide business to withdraw fish as harvested from but only in this specific language is there a requirement that there be a GAF permit linked to a specific charter halibut permit. This raises the issue if it is the intent of the NPFMC to have a guide business with multiple vessels to have one GAF account that they withdraw fish from for multiple vessels and a copy of that permit is on each vessel or is there specifically one GAF account/permit for each individual halibut charter vessel and the GAF is not transferrable between vessels within the same business.. SEAFA recommends that the NPFMC clarify their intent and the regulations corrected to be consistent with NPFMC intent. There are pros and cons in either choice and enforcement issues that should be considered.*

**Page 19 (d) (iii) and page 25 (v)**

Page 25 (v) is a prohibition against be(ing) an operator of a vessel in Area 2C and Area 3A during one charter vessel fishing trip and is in conflict with the text on page 19 (d)(iii) which states that if halibut were caught and retained in IPHC Regulatory Area 2C and Area 3A during the same charter vessel fishing trip, then a separate Alaska Dept of Fish and Game Saltwater Sport Fishing Charter Trip Logbook data sheet must be completed and submitted for each regulatory area to record the halibut caught and retained within that regulatory area. The completed logbook sheets for each area must indicate the primary statistical area in which the halibut were caught and retained.

- *The prohibition section is current regulatory language implemented as part of the halibut charter limited entry permit process. The halibut LEP motion in March 2007 stated "If a business owner qualifies for a permit in both areas based on the history from a single vessel, he/she would be issued a separate permit for both areas. ONLY ONE PERMIT COULD BE USED ON ANY GIVEN TRIP." SEAFA recommends that the prohibition language implemented as part of the halibut LEP is the language that should remain and the conflicting language on page 19 be removed.*

**Page 21**

Language deleted in (4) Regulatory area fished.

- **SEAFa strongly believes it is important to retain the requirement in the logbook and during the electronic reporting for GAF for marking the IPHC regulatory Area 2C or 3A when halibut is harvested and retained. We do not see in the language where this requirement exists. We believe the intent was to delete the second sentence which was replaced in another section.**

**Page 22**

(7) Signature: At the end of a charter vessel fishing trip, acknowledge that the recorded information is correct by signing the logbook data sheet.

- *While it is clear when put in context of the overall signature that this section is referring to the guide signature, SEAFa recommends that for clarity this section be relabeled as "Guide Signature".*

Thank you for the opportunity to comment on these draft proposed regulations on this issue and we encourage the NPFMC and NMFS to continue to make the halibut charter CSP a priority for implementation.

Sincerely,

A handwritten signature in black ink, appearing to read "Kathy Hansen", followed by a long horizontal line extending to the right.

Kathy Hansen  
Executive Director

# Responsible Fisheries Management and Sustainable Seafood



**Randy Rice, M.S.**  
**Technical Program Director**  
**Alaska Seafood Marketing Institute**

“Alaska Seafood” here means both  
State and Federal fisheries seafood  
products

ASMI represents all in the global  
marketplace

Similarly “Alaska Fisheries Management” is a  
comprehensive and inclusive term

# Alaska credentials

## Recent Journal Articles

- National Geographic (February 2007)
- Economist (2009)
- Pitcher et al 2009; (Nature 457: 658-659)
- Worm, Hilborn et al, 2009; (Science, vol 325)
  
- **Global recognition as a sustainability leader**



• Sustainability and Responsible Fisheries Management an element of Alaska efforts for more than 50 years

• Part of Alaska story - delivered by ASMI along with other key attributes of Alaska: purity, quality, wild, natural

However, despite this well  
established fact-

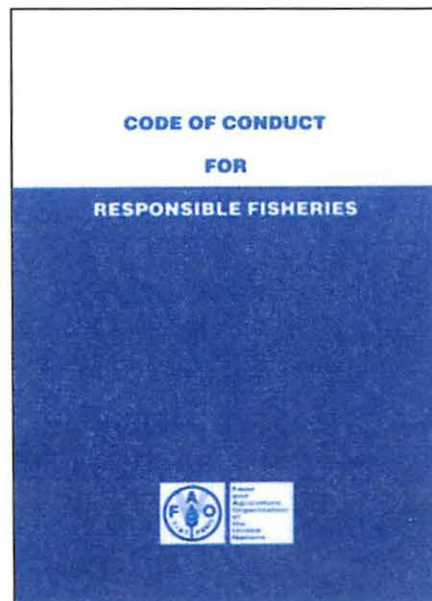
- Alaska seafood has been constrained in some markets because of the certification issue
- Increasingly, buyers, importers, retailers are calling for 3<sup>rd</sup> party certification
- Fisheries certification has become a market requirement



# Consensus on baseline standard of Responsible Fishery Management

UN FAO Code of Conduct and FAO Guidelines  
for Eco-labelling of Fishery Products

These internationally vetted documents serve  
as a responsible baseline, and template for  
most certification programs



# The Standard



*FAO Code of Conduct For Responsible Fishing (1995)*

**&**



*FAO (2005/2009) Guidelines For the Eco-labelling of Fish and Fishery Products for Marine Capture Fisheries*

FAO Certification Provides Assurance-  
Major Alaska Fisheries being assessed against  
the FAO Code by an independent 3<sup>rd</sup> party  
accredited certifier: Global Trust Certification  
Ltd

- Independent certification provides further assurance to customers and markets that require 3rd party verification
- Through this program we provide the means to demonstrate Alaska origin means sound fishery management

# Responsible Fisheries Management- Essential Elements:

Governance      Transparency

Precaution      Science Basis

Collaboration      Enforcement

FAO Code of Conduct Conformance

# ASMI funded certification

- ◆ Model will not entail logo licensing costs
- ◆ Program is separate from and does not impact other logo schemes
  - ◆ Provides alternative to other eco-label programs
    - ◆ Not a new ecolabel scheme
  - ◆ Emphasis not on consumer facing logo-rather on verification of responsible fishery management to provide buyers/retailers with assurance



## Completion Target Dates:

- ◆ Alaska Salmon by March 1
- ◆ Halibut & Black Cod by April 15
- ◆ Alaska Pollock by end 2011
- ◆ Cod and other Groundfish 2012
- ◆ BSAI crab 2012

A new model different from those Council and NMFS staff may have had experience with previously

- Emphasis is on fishery management approach, not intricacies of stock assessment
  - Vast majority of information required for assessment is already available to the certification body via internet, published reports, and Council proceedings
- Thus, impact and requirements for council staff and NMFS will be minimal

# **The Optimal Outcome**

**A Clear and Concise  
Alaska Communication Statement**

derived from the  
**Alaska Fisheries Management System**

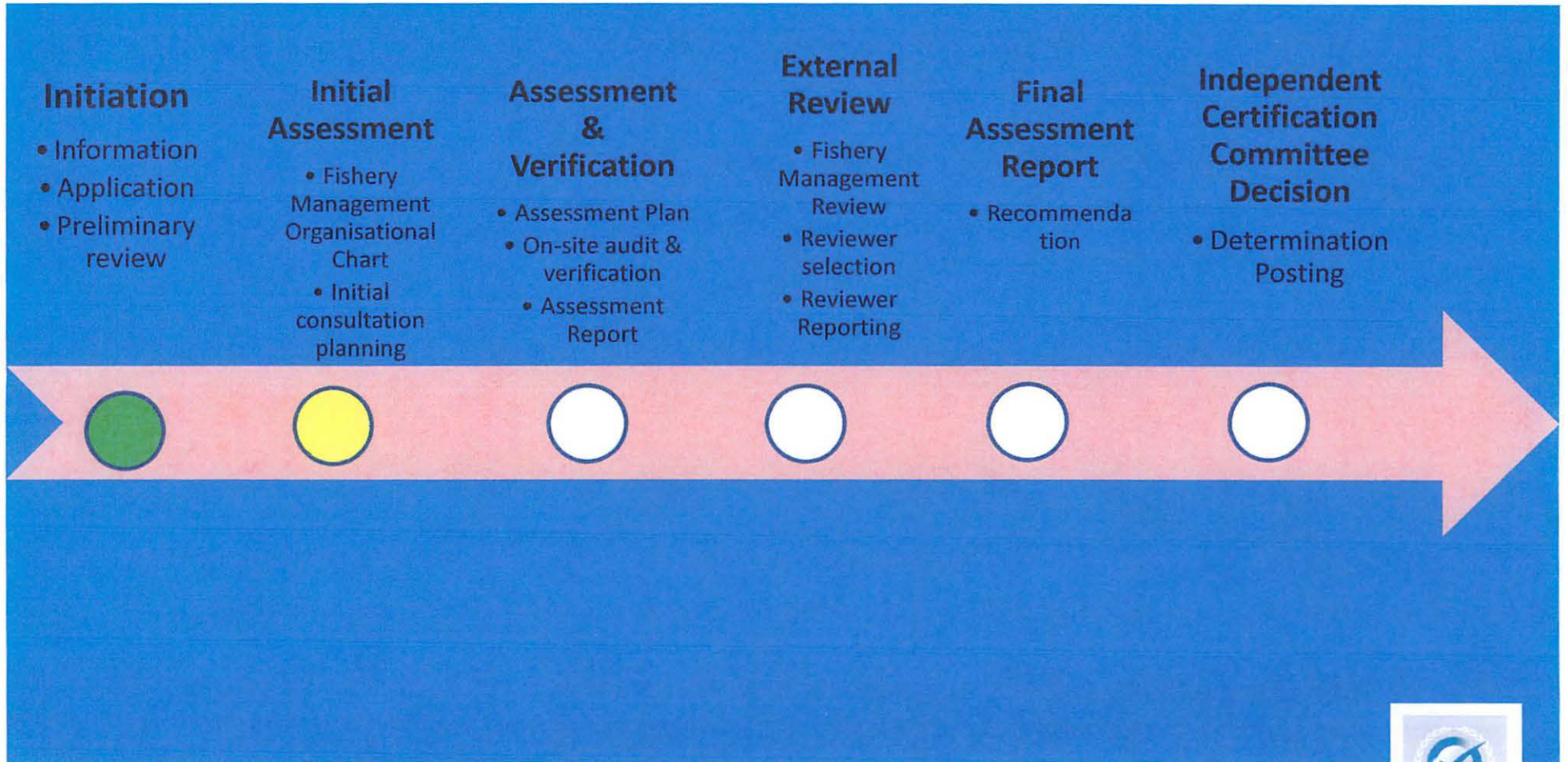
transparently benchmarked and certified  
against the Full **FAO Code and Guides**  
by an independent third party Certification Body,

**ISO 65 accredited**  
by an (IAF) Accreditation Body

**A Clear Model for Equivalency**



# Step by Step



Follow certification process at:  
[www.alaskaseafood.org/sustainability](http://www.alaskaseafood.org/sustainability)



# What is Fisheries Certification not

- Certification is not marine research nor is it fisheries advice;
  - certification includes verification that research and fisheries advice is based on generally accepted methodology.
- Certification and ecolabelling is not fisheries management
  - fisheries management remains the task of the competent authorities.
- Certification entails, *i.a.*, third party verification of government fisheries management performance which facilitates market access for seafood.
  - Do authorities meet the commitments that they themselves have made in international fora?



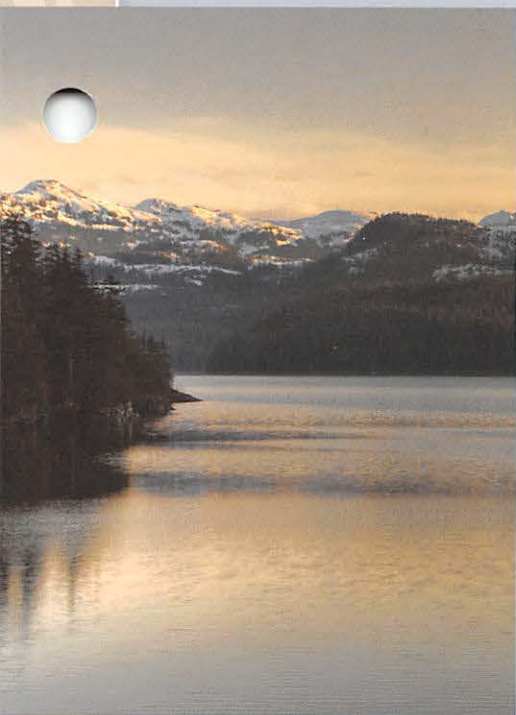
## WHAT ARE THE STANDARDS OF THE CERTIFICATION?

- Major Alaska fisheries will be assessed for conformance to the United Nations Food and Agriculture Organization (FAO) Code of Conduct for Responsible Fisheries and the FAO Guidelines for Ecolabelling Fishery Products.
- The substantive requirements of the FAO Codes are the world's most widely recognized sustainability criteria.
- The standards also reflect application of the international requirements for bodies operating product certification programs known in the industry as ISO 65 Accreditation.



## HOW DOES THE CERTIFICATION WORK?

- Global Trust will design the methodology, assessment tools and provide full certification of the fisheries against the FAO standards.
- The major commercial Alaska fisheries including salmon, shellfish, groundfish, halibut and black cod will then be assessed for conformance to the FAO standards.
- Global Trust will begin work immediately, with the goal of completing the first of the certifications in 2011.
- This certification does not impact participation by Alaska seafood suppliers or their customers in other third-party ecolabelling programs. Participation in ecolabelling programs is a business decision appropriately made by individual companies and is compatible with this independent certification of Alaska's fisheries management.



ALASKA SEAFOOD MARKETING INSTITUTE • [www.alaskaseafood.org](http://www.alaskaseafood.org) • 800-478-2903  
International Marketing Office & Administration: 311 N. Franklin St., Suite 200, Juneau, AK 99801  
U.S. Marketing Office: 150 Nickerson Street, Suite 310, Seattle, WA 98109 • 800-806-2497



*Wild, Natural & Sustainable®*

# ALASKA SEAFOOD

## RESPONSIBLE FISHERIES CERTIFICATION

**A**laska seafood has long been regarded as a trusted source for wild and sustainable seafood. Now, as an additional service to the entire Alaska seafood industry, the Alaska Seafood Marketing Institute (ASMI) will offer an independent, third-party certification of the management of the major commercial Alaska fisheries.

This certification is being provided as an additional level of assurance that all seafood from Alaska is sustainable, resting atop Alaska's long-held reputation as a world model for responsible fisheries management.

In fact, the Alaska Constitution mandates that Alaska's fisheries be managed for sustainability. For over 50 years, Alaska has followed strict standards and employed a science-based approach to ensure the long-term health and sustainability of its fish and the environment.

### WHO IS PROVIDING THE CERTIFICATION?

Global Trust Certification, Ltd. is an internationally recognized and accredited certification body and leader in seafood standards development.

Global Trust was selected because of their extensive experience in certifying other best-practice fisheries around the world.



### WHAT ARE THE BENEFITS OF CERTIFICATION?

This robust and accredited certification will provide additional value for Alaska seafood producers and processors selling in markets where third-party certification is required or desirable.

Because the certification is being provided through ASMI, it will be free to Alaska customers. ASMI is not developing a new front-facing ecolabel. This is intended to provide independent third-party assurance that Alaska's fisheries are responsibly managed. However, the Alaska Seafood logo is available free of charge for those who wish to identify the Alaska origin.

The Global Trust certification will enhance the Alaska origin as a leading source of sustainable seafood.