

Dan Hull, Chair  
North Pacific Fishery Management Council

January 29, 2016

Dr. Jim Balsiger Regional Director  
Alaska Region, National Marine Fisheries Service

Re: Comments related to Council Agenda Item C-2 for the February 2016 meeting of the North Pacific Fishery Management Council and the preparation of a Draft Environmental Impact Statement.

Gentlemen:

The organizations listed below represent the majority of fishery participants, harvesters and processors, in the Gulf of Alaska inshore groundfish trawl industry. Our comments are provided in regard to Agenda item C-2 for the February 2016 meeting, Gulf of Alaska Trawl Bycatch Management, and as additional scoping comments pursuant to the National Environmental Protection Act (NEPA).

NEPA requires that environmental analyses be informed by a thorough scoping of relevant issues to be analyzed and addressed in any associated Environmental Impact Statement. This will be the first time that NMFS and the Council have provided an opportunity for the public and affected fishery participants to comment on Alternative 3. Alternative 3 (Alt 3) was presented at the Council's October 2015 meeting with no Council analysis or opportunity for public review or comment.

### Background

In preparing these comments it became apparent that it was important to recall how we got here. Over the last few years the Council has adopted significant reductions in halibut PSC caps and established Chinook salmon bycatch caps for Gulf of Alaska (GOA) groundfish fisheries. The majority of the burden of these reductions fell on the GOA trawl sector. The Council has noted on the record that these new and dramatic bycatch reductions/caps were adopted without also providing the trawl industry with a management system that allows it to adapt to these new requirements.

In recognition of this, the Council asked industry to assist it in developing proposals for a new system for managing the GOA trawl fisheries. Industry responded by forming a workgroup and developing concepts for the Council to consider. The overarching principle guiding the industry workgroup was to develop concepts that allowed industry to adapt to these new bycatch

requirements while at the same time providing stability and an economic future for harvesters, processors and fishery dependent communities involved with the GOA trawl fisheries. After 2 years of participation at the Council by harvesters, processors, fishery dependent communities, and other stakeholders the result is the Council's statement of goals and objectives for this program, and Alternative 2 (Alt 2).

There is broad support for the Council's stated goals and objectives. And while there are many details that need to be worked out among the options currently on the table under Alternative 2, there is strong support for the Alternative 2 framework among a majority of the active participants in the fishery.

#### Agenda Item C-2 Analysis and Staff Discussion Paper

We concur with staff that the discussion paper for Agenda Item C-2 does not present the robust quality analyses necessary to make informed decisions regarding the alternatives. We appreciate the candor of the staff when pointing out the weaknesses with this version of their discussion paper and we look forward to the revised analysis when it is completed. It is undoubtedly a function of the time available between the December meeting and preparation of this document that many issues are either dealt with superficially or not addressed at all. For example, many of the issues identified in the December 11, 2015 industry letter to you are not addressed. We incorporate that letter here by reference, and urge the Council to ensure that the questions and issues identified in that letter are fully analyzed.

We believe a more fundamental problem is Council direction to use a "build up" approach rather than providing a more complete analysis of the alternatives. We remain concerned that this staged approach does not provide sufficient information to fully gauge the interaction of various options within alternatives, or between the various alternatives themselves.

In addition to these considerations, we have the following observations regarding the staff discussion paper. The paper:

1. Significantly underestimates the race for target species that would be fostered by Alt 3.
2. Implies that PSC allocations have no inherent value, and that they are only controlling for fisheries that are PSC limited. The analysis needs to acknowledge that all the fisheries under consideration are PSC limited and that PSC allocations have value potentially as great as the target fishery.
3. Is unrealistic in its assessment of the effects of Alt 3 on cooperation between fishery participants and how co-ops will work, and is not based on real-world experiences. Instead the discussion is mostly theoretical, and overestimates the ability of coops that are founded on Alt 3 allocation schemes to voluntarily address numerous issues.

4. Needs to more fully explore the distributional effects of Alt 3 (non-traditional equal share or capacity based allocations) versus a more traditional approach based on historical fishery participation and practices, and effects of Alt 3 allocation schemes on harvesters, processors, and fishery dependent communities.
5. There is a total lack of analysis of the impact of Alt 3 on current investments by harvesters, processors, and fishery dependent communities; and no discussion regarding differences between Alt 2 and 3 regarding incentives for new investment.
6. The paper is generally silent regarding employment in the processing sector, the role played by the processing sector in fishery dependent community economies, and potential impacts of Alt 3 on processors and the communities they support.
7. Provides minimal discussion of potential impacts on harvesters and processors (including potential anti-trust issues) of the single co-op per area proposed in Alt 3.
8. Presents a superficial analysis/comparison between Alt 2 and 3 community protection measures (port landings, excessive shares, etc).
9. Provides a minimal discussion of Alt 3 and its relationship to the MSA, especially including the LAPP provisions. The discussion regarding National Standards is often confusing and needs considerable work. There is no analysis of the relationship to this action and the MSA practicability standard for bycatch management.

The analysts acknowledge that there are many moving parts in the proposals before the Council, and understanding the consequences of choosing one alternative or option over another is difficult without a more comprehensive analysis. This action will be far reaching, and each of the alternatives could have significant effects on harvesters, processors, and fishery dependent communities.

This is particularly true for the untried approaches proposed under Alternative 3. There is a need for a comprehensive and thoughtful analysis of Alternative 3 and the potential for unintended or unforeseen consequences that may arise from this proposal. No one wants a repeat of the recent situation with GOA Chinook salmon PSC where the Council had to reverse course via an emergency rule because of poorly crafted management measures that were overly restrictive yet provided no measurable conservation benefit for Chinook salmon.

### Comments on Alternatives

These comments are not exhaustive or detailed, and do not attempt to address specific options under either Alternative 2 or 3. The main focus here is on the framework under Alternative 3 for the onshore sector, recalling that this is the first time an opportunity for public comment has been provided.

Alternative 3 introduces a catch share program significantly different from those programs already implemented in other Alaska fisheries. In fact, so far as we are aware, there are no programs in any fishery worldwide similar to that proposed under Alternative 3. This has raised questions about the Council's intent. The intent of the Council in developing Alternative 2 was to provide management mechanisms to the trawl sector to meet the Council's bycatch reduction goals while fostering an economically viable fishery founded on historical participation and investment in the fishery by harvesters, processors, and fishery dependent communities. Alternative 3 appears to be focused more on redistribution of fishery benefits and mitigating perceived impacts of catch share programs whether applicable or not. With the introduction of Alternative 3 it is unclear what the Council is trying to accomplish with this program.

Based on our experience with the successful cooperative catch share programs in Alaska, and with GOA trawl fisheries specifically, we are concerned that the management system proposed under Alternative 3:

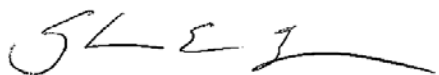
1. Does not take into account historical participation, investment, and dependence on the fishery as required by the MSA.
2. Establishes a framework that creates disincentives for harvesters and/or cooperatives to share information to minimize bycatch and discards.
3. Exacerbates the race for target species catch thus leading to increased discards, less opportunity to develop underutilized species, and undermining ability to achieve OY.
4. Could have significant redistribution impacts in both the harvesting and processing sectors with unknown consequences for current fishery participants and fishery dependent communities.
5. Introduces additional pressures and instability in the harvesting and processing sectors at a time when whitefish markets are under significant pressure globally, with attendant social and economic impacts to fishery participants and fishery dependent communities.
6. Potentially puts harvesters and processors at risk under anti-trust restrictions.
7. Does not address community protection issues such as maintaining traditional delivery patterns.
8. Creates disincentives and barriers for harvesters and processors to work cooperatively to plan and execute fisheries effectively.

With regard to Alternative 4, we remain concerned that the proponents of the CFA have not brought forth a fully developed proposal. We also note that the CFA is currently linked only to Alternative 2. While we have concerns and reservations about the CFA we believe that the concept should be a standalone alternative that could be linked to either Alt 2 or Alt 3. In the case of Alt 3 the allocation would be for PSC species, not target species, to be consistent. We do not understand the rationale for excluding it at this early stage from consideration in conjunction with Alt 3.

However, when considering the CFA proposal if one is produced, it is important to keep in mind that the GOA trawl fisheries are not classic entry level fisheries. They are capital intensive, harvesting high volumes of low per-unit value species. Measures to engineer new entrants into this fishery through a CFA may not be appropriate and may disadvantage the very interests (skippers and crew) and fishery dependent communities that such measures are intended to benefit.

As it stands, the GOA trawl fisheries support a year round industry with a large resident workforce, which in turn provides significant benefits to other more seasonal fisheries such as salmon, and to fishery dependent communities like Kodiak, Sand Point, and King Cove. But that is only true if the fishery is allowed to succeed. It is difficult to understand why the Council would pursue management measures that hamstringing the industry's ability to provide these economic benefits to Alaska's fishery dependent communities while also meeting the Council's bycatch reduction requirements.

Thank you for this opportunity to comment.



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Glenn Reed

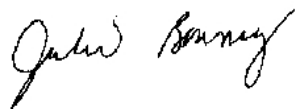
Pacific Seafood Processors Association



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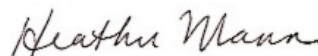
Alaska Whitefish Trawlers Association



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Julie Bonney

Alaska Groundfish Data Bank



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Heather Mann

Midwater Trawlers Cooperative