

Groundfish Forum

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May 28, 2013

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

Re: Agenda C-6, Cost Recovery

Dear Chairman Olson,

Groundfish Forum is comprised of 5 quota share (QS) holders representing 21 QS permits in the Amendment 80 (non-AFA trawl catcher-processor) sector. We are writing to comment on the Agency's proposed action to collect fees from the Amendment 80 vessels to cover the costs to the Agency from that program.

The proposed fee is calculated as a percentage of ex-vessel value, which may be complicated to determine in a sector such as ours that processes the fish on board and sells at a first-wholesale price. The Alaska Fisheries Science Center (AFSC) has a method of back-calculating to estimate ex-vessel value, which we understand differs from the method used by the Alaska Department of Revenue when calculating fish taxes. In some cases, ex-vessel landings from other fisheries may be used as a basis, but in other cases there are no ex-vessel landings of the species we harvest. Further, options for adjusting the value monthly or seasonally may be unnecessary and inappropriate given the way our sector operates.

Understanding that ex-vessel pricing is complicated, we are ready to work with staff to explain how our sector operates and to explore options for coming up with a value for our catch that makes sense. Through these efforts, we are confident that an acceptable means of determining the ex-vessel price for the Amendment 80 sector can be developed for inclusion in the next draft of the analysis.

Sincerely,



Lori Swanson
Executive Director



June 7, 2013

Dr. James Balsiger
NOAA Fisheries' National Marine Fisheries Service
Alaska Region
PO Box 21668
Juneau, Alaska 99802-1668

Re: Cost recovery from the Western Alaska Community Development Quota Program

Dear Dr. Balsiger,

The Western Alaska Community Development Association (WACDA) is writing to provide comments on the initial review draft of the cost recovery plan proposed by the Alaska Regional Office of the National Marine Fisheries Service (Agency) with regard to the plan's treatment of Community Development Quota (CDQ).

Our hope is that the cost recovery provision of Section 304 of the Magnuson Stevens Fishery Conservation and Management Act (MSA) can be implemented in a way that is fair, consistent, and straightforward. To this end, we ask the Agency to consider the following regarding the proposed action:

1. *The fee must be based only on costs that can be demonstrated to be recoverable.* The draft currently uses placeholder percentages of each department's budget, while actuals are gathered; however, we want to emphasize the importance of having clear criteria in place while gathering that data to ensure that the reported items are "actual costs directly related to the management and enforcement" of the CDQ Program, as required by the MSA at Section 304(d)(2)(A).
2. *The framework for determining recoverable costs should be consistent across sectors.* There are portions of the draft where the percentage of the recoverable costs assigned to CDQ greatly exceed the percentage of CDQ quota. Although it was noted by Agency staff that those inconsistencies would be corrected in future drafts, we note that it is the intent of the MSA for CDQ harvests to be regulated "in a manner no more restrictive than for other participants in the applicable sector." See MSA, Section 305(i)(1)(B)(iv). If the actual costs reported result in an apportionment of costs to the CDQ groups that is disproportionate to their quota allocation, then we would request that it be confirmed that the disparity is not the result of more restrictive management of the sector, before the higher percentage is finalized.

3. *The reporting system for ex-vessel values should be straightforward.* The MSA caps the recoverable amount at 3% of the ex-vessel values, so it is important to have timely and accurate reports on this value. However, the proposed reporting system could be costly and time consuming for both the CDQ entities and for the Agency. If this system could rely, even partially, on an existing reporting system such as the Alaska state landing tax, it would help to minimize the costs to be recovered.

WACDA is putting these comments forth on behalf of the six CDQ entities which it represents. We do so with the knowledge that the cost recovery efforts are important to the continued success of fisheries management, but also with the goal of minimizing the impact that cost recovery will have on the 65 eligible CDQ communities and over 27,000 Alaskans who reside along the Bering Sea/Aleutian Islands coast and participate in federal fisheries through the CDQ Program.

We respectfully request that the Agency consider holding another industry workshop prior to presenting a revised draft of the RIR/IRFA to the North Pacific Fishery Management Council in October to discuss the above issues.

Sincerely,

WESTERN ALASKA COMMUNITY DEVELOPMENT ASSOCIATION



Aggie M. Blandford, Executive Director

cc: WACDA Board of Directors/CDQ Panel
Eric Olson, Chairman, NPFMC

PUBLIC TESTIMONY SIGN-UP SHEET

Agenda Item: C-6 LAPP Cost Recovery

	NAME (PLEASE PRINT)	TESTIFYING ON BEHALF OF:
1	Stephanie Madsen	APA
2	BRENT PAWE	UCB
3	Aggie Blandford - Paul Peyton	WACDA
4	Chad See	FLC
5	Danna Prober	Arctic Star
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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.