PUBLIC TESTIMONY SIGN-UP SHEET

Agenda Item: C-2(b) BSAI Flatfish Flexibility

	NAME *(PLEASE PRINT)*	TESTIFYING ON BEHALF OF:
1	Jason Anderson	AKSC
2	Stephanie Madsen	APA
3	Jon Warrenchuk	Oceana
4	Bill Orr	Iquique
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6	Matt Upton	US Seafoods
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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.

ALASKA SEAFOOD COOPERATIVE
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January 31, 2013

Mr. Eric Olson, Chair
North Pacific Fishery Management Council
605 West 4th, Suite 306,
Anchorage, Alaska 99501

Dear Mr. Olson,

The Alaska Seafood Cooperative (AKSC) is a harvesting cooperative consisting of sixteen vessels and five companies. The multi species Amendment 80 sector operates under hard caps for yellowfin sole, flathead sole, rock sole, Pacific cod, Atka mackerel, and Pacific ocean perch, as well as halibut and crab. Because any of these species may be caught in a Bering Sea flatfish trawl, Amendment 80 vessels must stop fishing when any of these allocations are reached. Depending on environmental conditions and other factors, this could result in stranded quotas.

For the reasons described in this letter, AKSC supports releasing the Bering Sea Flatfish Harvest Specifications Flexibility initial Regulatory Impact Review (analysis) for public review, and schedule final action for April.

OY, TAC setting, Amendment 80 operations, and the need for increased flexibility

As biomasses fluctuate over time, Total Allowable Catches (TACs) are adjusted accordingly. During years where pollock, Pacific cod, and flatfish biomasses are simultaneously high, industry and the Council must make difficult allocation choices to remain below the statutory 2 million mt Bering Sea and Aleutian Islands (BSAI) optimum yield (OY) limit. During years when pollock and/or Pacific cod TACs are high, lowered Amendment 80 TACs result in reduced flexibility and may prematurely stop fishing, particularly with lower yellowfin sole, rock sole, and flathead sole TACs. Because any one limiting TAC may close all fishing, the Amendment 80 sector must support TAC amounts that allow for maximum harvest of all species in a wide range of environmental conditions.

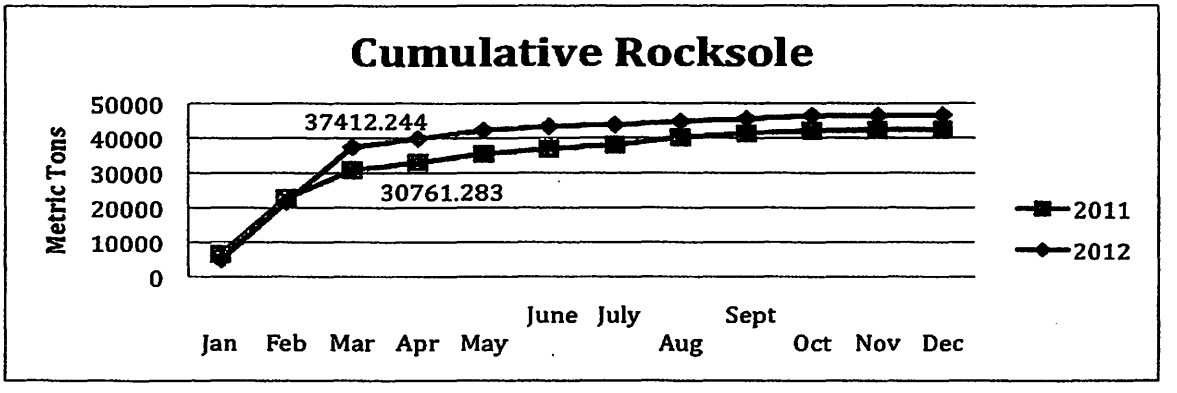
To ensure that cooperative quotas are not exceeded, AKSC distributes quota among each of its active vessels, and vessel captains are required by internal agreement to remain below their allocations. At the beginning of each year, companies establish fishing plans for their vessels based on expected environmental conditions, bycatch limitations, and market conditions. In practice, these can rarely be estimated with any precision, and actual fishing plans change throughout the year.

Early in the year, some companies trade their expected surplus quota to other companies to increase efficiencies. However, bycatch rates, ice conditions, vessel breakdowns, markets, and other variables are unpredictable. A prudent vessel operator balances these unknowns, and maintains sufficient quota balances to increase operational flexibility throughout the year.

Previous AKSC letters have described specific real-world examples of how increased flexibility would result in increased opportunities to maximize flatfish harvests, and the analysis largely captures these examples. However, we would like to highlight the following.

The 2012 rock sole fishery featured high target catch and low bycatch rates. As companies reached their target rock sole amounts, vessels began to look for other fisheries. Typically, flatfish vessels move into a yellowfin sole target at this time of year. However, due to ice conditions, vessels were unable to access traditional yellowfin sole grounds. Some vessels moved to other, higher bycatch fisheries, some chose to suspend fishing operations rather than risking access to the productive summer and fall yellowfin sole fisheries, and others chose to continue to target rock sole, hoping for low rock sole rates in other fisheries for the remainder of the year.

Later in the spring, the ice receded, and vessels were able to access yellowfin sole grounds. However, as the following table shows, because 2012 environmental conditions resulted in additional rock sole harvested in early in the year, captains spent significant time and effort avoiding rock sole the remainder of the year. By the end of March, significantly more rock sole had been harvested in 2012 compared to 2011.



Increased flexibility results in increased harvest levels under proposed flatfish management

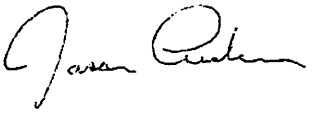
Prior to Amendment 80 implementation, NMFS apportioned 15 percent of yellowfin sole, rock sole, and flathead sole TACs to the non-specified reserve (NSR). As harvest limits for species contributing to the NSR were reached, NMFS could reallocate quota from the NSR to increase harvest of those species as long as the acceptable biological catch (ABC) for any given species

Recommendations

The combination of multiple hard caps, changing environmental conditions, changing market conditions, vessel operational constraints, and variable and unpredictable bycatch rates creates an inefficient management scenario. Vessel managers monitor and juggle limiting catch rates for halibut, crab, and Pacific cod while attempting to maximize Amendment 80 flatfish harvests within these constraints. We believe the concept developed in the discussion paper addresses many of these concerns, and will assist in maximizing Amendment 80 flatfish harvests. The concept will maintain the aggregate TAC for allocated flatfish, and ensures that no individual species will exceed its ABC. Therefore, ***we recommend that the Council schedule this analysis for final action in April, 2013.***

Please do not hesitate to contact me at (206) 462-7682 with any additional questions.

Sincerely,



Jason Anderson
Alaska Seafood Cooperative, Manager

was not exceeded. This structure increased management flexibility to address inseason variability and management constraints. Amendment 80 eliminated this process, instead allocating all yellowfin sole, rock sole, and flathead sole to individual sectors.

The analysis draws upon the NSR concept and allows Amendment 80 captains some additional operational flexibility to adapt to inseason and annual changes to fishing conditions. The paper describes a simple process for allowing Amendment 80 cooperatives and Community Development Quota (CDQ) groups access to additional yellowfin sole, flathead sole, or rock sole if inseason conditions warrant adjustments to TAC amounts, while at the same time maintaining the aggregate TAC amount for these three species.

In the above example, captains could have adapted to record ice extent by remaining in the rock sole fishery with the understanding that if later season yellowfin sole experienced high role sole rates, allocations among the flatfish fisheries could be adjusted and balanced.

Under this proposed allocation scenario, each cooperative and CDQ group would have access to a portion of the difference between each Amendment 80 flatfish species ABC and TAC. AKSC could essentially trade unallocated quota from one flatfish species for another allocated flatfish species if environmental or market conditions affect preseason fishing plans. By distributing specific trading right percentages to each eligible group, ABCs would not be exceeded. By equally trading one flatfish quota for another, the 2 million mt OY cap would not be exceeded. ***Under this program, the ABC for an individual species would not be exceeded, cooperatives and sectors would not negatively affect each other, and the 2 million mt OY would be protected.***

Increased flexibility could result in decreased PSC

During the summer months of 2012, vessels in the yellowfin sole fishery saw high cod and rock sole rates. Several captains attempted to avoid rock sole (a potentially limiting allocation at that time, because of early season restrictions discussed above), by targeting arrowtooth flounder, a fishery typically low in rock sole and cod. However, arrowtooth may, at times, be associated with high PSC rates.

Captains were forced to make decisions about whether to target arrowtooth flounder, with potentially high PSC rates, or enter the yellowfin sole fishery, with high rates of limiting rock sole. Luckily, the arrowtooth fishery didn't see high halibut PSC rates, and several vessels spent significant time avoiding rock sole while in the arrowtooth target. Incidentally, on September, rock sole and yellowfin sole separated, and vessels were able to re-enter the yellowfin sole fishery.

If a flexible management approach for flatfish was adopted, captains could make choices to avoid PSC rather than avoiding rock sole.