



**Southwest Alaska Municipal Conference**

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Alaska Peninsula  
Aleutian Chain  
Bristol Bay  
Kodiak Island  
Pribilof Islands

May 16, 2013

AGENDA C-5  
Supplemental  
JUNE 2013

Mr. Eric Olson, Chair  
North Pacific Fisheries Management Council  
605 W. 4<sup>th</sup> Ave, Suite 306  
Anchorage, AK 99501-2252

Re: Agenda item C-5 GOA Trawl Bycatch: Community Considerations

Dear Chairman Olson,

The North Pacific Fishery Management Council's (NPFMC) October 9, 2012, motion related to *GOA Catch Trawl PSC Tools* states that managing the GOA Trawl fishery has become increasingly more complicated due to implementation of measures to restrict halibut and salmon bycatch. According to the motion, *"These changes complicate effective management of target and non-target resources and can have significant adverse social and economic impacts on harvesters, processors, and fishery-dependent Gulf of Alaska coastal communities."*

The Southwest Alaska Municipal Conference (SWAMC) is a membership coalition of regional communities, harvesters, processors, and other stakeholders of fisheries dependent coastal communities, so we sympathize with the need to address the Council's identified concerns. As the Council considers appropriate measures to mitigate these issues, we would like to express support for a plan that minimizes negative effects on the aforementioned stakeholders. We hope that, consistent with National Standard 8 of the Magnuson -Stevens Act, the Council will strive to consider: healthy and sustainable resources in the GOA; economies with competitive harvesting; robust processing and support service sectors; and concerns for the quality of life and social well-being of coastal communities.

Any alternative that upholds the comprehensive needs of fishery-dependent coastal communities is in the best interest of all stakeholders. Issues surrounding resource ownership and value, consolidation and business vitality, future entry and employment opportunities, promotion of active participation, and competitive markets are vitally important to economic and social well-being. We encourage the Council to create management programs that preserve and enhance, rather than detract from, opportunities for employment and competitive markets. We also ask that the NPFMC work with the State of Alaska to address state water fisheries, as the Council discussed at their February 2013 meeting, so that management in federal waters does not negatively affect conduct of fisheries in adjacent areas.

On behalf of the SWAMC Board, we would like to extend our gratitude to yourself and the full Council for your consideration of our recommendations. It is through a thorough evaluation of such a broad suite of possibilities that any final action will be fully informed and best suited to our members.

Sincerely,

Louise Stutes, President

Andy Varner, Executive Director

**North Pacific Fishery Management Council**

Fax: (907) 271-2817 E-submit: [npfmc.comments@noaa.gov](mailto:npfmc.comments@noaa.gov)

C-5

214th Plenary Session — June 5-12, 2013 — Juneau, AK: Centennial Hall

**C-5 GOA Trawl Bycatch Discussion Paper & Initial Review & C-3 Observer Coverage**

**Public Comment – Ludger Dochtermann:**

Acting Secretary Rebecca Blank, Chairman Eric Olson, & North Pacific Council members:

I consider the progression to Gulf of Alaska Trawl Catch Shares to be an illicit use of taxpayer funds.

It's an effort to avoid properly responding to the June 2012 motion to reduce trawl & other bycatch mortality by an approximate of 15% for each gear type, within the next few years.

NOAA/NMFS (National Marine Fisheries Service) has also failed to develop the regulations required and to implement the 2010 motions, such as the Tanner Crab Savings Area, that would have reduced halibut and crab bycatch.

I emphatically remind you that for over 7 years the North Pacific Council has refused to place on its Agenda the best working option and prospective Amendment to address trawl bycatch: to employ 100% trawl sector observer coverage, stratified, for at least one year every few years.

Your inactions constitute a willing failure to do Best Science and National Standard 8 on Bycatch reduction, and understand and minimize multi-sector and multi-species harms from the trawlers in the Gulf of Alaska.

Agenda item C-3 Observer Program review must be seen in this light, as well.

Your failures have cost many longliners and pot fishermen uncounted tens of millions of dollars in recent years' losses. Now NOAA further insults us by suggesting Limited Duration shares and the usurping of fishermen wealth by Community Fishing Associations. This is unacceptable.

This ineffective program administration, improprieties in the development and administration of programs, failures in Due Process, and employee misconduct or malpractice is duly noted. I will be forwarding this letter personally to the Inspector General Office of Commerce, as well as placing it on the public record at this session.

I'd like to see the Council abandon its political-economic agenda and cease the Catch Share model of cronyism, rampant program and council corruption, widening inequalities, and resulting environmental and stock degradation. Please — it is impossible for fishermen to develop success-seeking business models in this 'power market' economy being created by NOAA/NMFS. We cannot succeed in a market controlled by concentrated power and high lease extractions.

With all due respect,



F/V North Point, F/V Stormbird  
P.O. Box 714; Kodiak, AK 99615 — (907) 486-5450

Cc: IG Todd J Zinser, Washington DC

Darren Platt

Commercial Fisherman, Kodiak, AK

GOA Trawl Bycatch Management Discussion Paper (C5a)

As the council moves forward to implement a catch share program to address bycatch in the gulf groundfish trawl fishery a few considerations should be made concerning the overall economic impacts that catch shares have on the seafood industry as whole as well as the impacts to our coastal communities and future generations of fishermen. Additionally, there needs to be more emphasis placed on shifting technology towards more sustainable fishing practices.

- 1) Commercial fishing is not an industry entirely distinct from the seafood industry, but instead fishermen are highly integrated in the processing and marketing sectors. As of 2012 there were 446 catcher sellers and 206 registered direct market vessels, in addition to the various catcher processors, and processor owned vessels. These individuals and operations add substantial value to the resource through their exploration of new products and markets and marketing activities. Our own local member of the NPFMC, Duncan Fields, is a commercial fisherman who markets his own products, and his business adds to the overall value of the salmon fishery. In short, commercial fishing is one of the most common points of entry to the greater seafood industry. By creating financially insurmountable barriers of access to the resource through catch shares, we've also hindered the natural growth and evolution of the seafood industry as a whole. Ironically, even the seafood giant, Trident Seafoods, was started by a group of commercial fishermen participating in the king crab fishery, and that company would likely not exist if that fishery had been rationalized beforehand. The alleged economic gains that are claimed to accompany rationalization are actually lost many times over by inhibiting new ideas, products, markets, and businesses from ever materializing. No industry can thrive while inhibiting free enterprise in its entry level ranks, and as a result of catch shares, the American seafood industry will become increasingly less competitive in both global and domestic markets. The GOA groundfishery has extremely promising unrealized market potential and the council should explore management options that foster participation instead of inhibiting it in order for the resource to realize its full market value.
  
- 2) In the "GOA Trawl Bycatch Management Discussion Papers and Roadmap" it is mentioned that limited duration quota could result in efficiency losses. The council should inquire into the exact definition of "efficiency" that is being employed in this statement and whether achievement of this efficiency is actually economically desirable. We have already seen that efficiency gains of previous rationalization programs are translated into lost jobs, reduced wages, and increased debt burdens, among other undesirable outcomes. The council should stick to a definition of efficiency that accounts for economic benefit and welfare, so that management decisions better

conform to our principles as a society as well as the national standards in the Magnuson Stevens act. To illustrate, many Alaskan state fisheries are managed in ways that directly inhibits the "efficiency" of the fleet by imposing limits on vessel sizes, pot and hook counts, net lengths, and fishing hours. Yet, these restrictions result in a more efficient use of the resource in terms of the economic benefit that it conveys to society.

- 3) If the goal of the management scheme is to limit bycatch, then council should also consider technology restrictions in their management options. Bycatch is the inherent result of deploying non-selective fishing gear, and the bottom trawl is clearly a very blunt fishing tool to utilize in a target species fishery. Limiting the size of the trawl nets would be a simple means of rapidly reducing bycatch rates. It is irresponsible to allow fishermen to essentially take 200,000 pound biomass samples of the seafloor before they discover whether they are in area of high bycatch rate. Additionally, the management should encourage the use of more selective gear types, such as pot gear, whenever possible.
  
- 4) Community fishing associations (CFA's) should be seriously considered as the primary means of managing the groundfishery. Not only could such institutions foster the participation of future generations in the industry, but it would result in greater economic benefit to our coastal communities, and would better conform to our social and economic principles. Additionally as mentioned in the first comment, a CFA, by allowing greater access to the resource, would economically enhance the seafood industry as a whole by allowing new catcher sellers and direct marketers to participate.

As a commercial fisherman who has entered the industry after the implementation of most catch share programs, I am expressing to you my beliefs that are born out my experiences as member the second generation of fishermen to enter the industry and experience these management schemes. I find it unfortunate and short sighted that we continue to press forward with management options that will perpetually harm our coastal communities. I implore the management council to strictly adhere to a set of fundamental principles that doesn't allow us to sever yet another fishery from future generations of fishermen. There are currently many young fishermen trying to start new businesses and join the industry, but we are finding ourselves increasingly confined to the various state fisheries which have been more responsibly managed to allow for more inclusive access to the industry. Walk the docks of Kodiak and you'll find many new and young salmon, cod, and herring fishermen, who are unable to join any of the previously rationalized fisheries. This is the symptom of a great failure of past fishery managers to see beyond the present and into the lives of future generations. Please consider what we want our fishery, community, and nation to look like decades down the road when making these decisions.



## ***Gulf of Alaska Coastal Communities Coalition***

PO Box 201236, Anchorage Alaska 99520

Phone: (907) 561-7633 Email: [goacc@alaska.net](mailto:goacc@alaska.net)

May 28, 2013

Eric Olson, Chairman of the North Pacific Fisheries Management Council  
605 West 4<sup>th</sup> Avenue, Suite 306; Anchorage, AK 99501-2252  
[npfmc.comments@noaa.gov](mailto:npfmc.comments@noaa.gov); Fax: (907) 271-2817

Subject: Agenda Item C-5 Trawl Bycatch

Dear Mr. Olson:

GOAC3 represents the interests of 42 coastal communities more than 20 of which are in the Central and Western Gulf. A primary goal of GOAC3 is to work towards ensuring that community access to the fisheries adjacent to these communities is not damaged, weakened, or undermined.

A few decades ago it was noted that despite millennia of socio-economic evolution of property rights and market exchanges that property rights in marine resources had not naturally come into being. Since it was clear that property rights and markets have advantages and it was widely understood that some of the obvious shortcomings of the open access fishery management system stemmed from the lack of property rights it was decided to engage in a huge social experiment and attempt to create these property rights out of whole cloth. After a couple of decades of these experiments it is now abundantly clear that the unnecessarily simplistic designs used so far also create a tsunami of huge negative consequences for communities which have been historically dependent on the fisheries for their economic and cultural base.

Assuming that the Council will select a 'catch share' approach to reducing GOA trawl bycatch, GOAC3 strongly recommends that the Council consider bold new alternatives that avoid the worst of the negative impacts of past approaches. Most specifically it should be noted that the most important benefits of catch share programs (e.g. ending overfishing; increasing safety; increasing product quality, diversity, and value, etc.) do not stem from the strongest form of 'ownership' of the underlying quota but rather those benefits stem from the fishermen being limited to a specific amount of fishery resource to harvest.

GOAC3 recommends that the quota shares created by the program, both target and bycatch, should be held in trust by a community based, CQE-like entity and only the annual fishing quota (e.g. IFQ) should be allocated to fishermen. The Council would set a lease cap on the entity, specific performance guidelines on fishermen or fishing cooperatives, receive annual reports, and re-evaluate the program for possible amendments every five or ten years. Important objectives include sustaining local participation in the fisheries; avoiding disruption of the processing sector; and, providing reasonable stability for local support businesses.

Sincerely,

Charles "Chuck" McCallum  
Executive Director, GOAC3

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*Our Mission is to support, enhance, and protect the fishing villages of the Gulf of Alaska; and to promote the education and capacity of resident fishermen and their communities to adapt to the challenges created by environmental, legal, financial, business, political, and regulatory change.*

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**Polar Star, Inc.**  
Patrick Pikus, President  
P.O. Box 2843  
Kodiak, Alaska 99615  
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May 28, 2013

Mr. Eric Olson, Chair  
North Pacific Fishery Management Council  
605 W. 4<sup>th</sup> Ave. Ste 306  
Anchorage, AK 99501-2252

RE: Agenda Item C-5(a), GOA Trawl Bycatch Management

Dear Chair Olson:

I am writing to express some concerns I have about the council's upcoming action on GOA trawl bycatch management and potential catch share program. The council needs to carefully consider the impacts that a trawl-only catch share program will have on the fixed-gear sectors.

I own and operate the F/V Polar Star, a 58-foot vessel that fishes in the pot P-cod and IFQ longline fisheries out of Kodiak. The groundfish fisheries in the GOA are a complex mix of species, gear types, and management strategies. Any major shift in one sector will undoubtedly have an impact on the other sectors. For instance, if the council were to rationalize only the trawl sector in the GOA, that would leave the GOA fixed-gear groundfish sectors the only major fisheries under the council's purview that are not rationalized. This scenario could have serious long-term detrimental impacts to the GOA fixed-gear sectors. At the very least, the council should take a hard look at the impacts of trawl-only rationalization on the other GOA sectors in any forthcoming analysis. I believe that it is inevitable that the council will also need to rationalize the fixed-gear sectors. To that end, I would argue that the council should set a control date for catch history in the near future to protect the current and historical participants of the GOA fixed-gear groundfish fisheries.

Thank you for your consideration.

Sincerely,



Patrick J. Pikus  
Polar Star, Inc.

Process bycatch

**Subject:** Process bycatch  
**From:** Carl Ward <cdward@gci.net>  
**Date:** 5/5/2013 8:57 AM  
**To:** npfmc.comments@noaa.gov

I think it is a crime to throw fish back in the ocean. The fisheries should have to process all catch and donate what was not the targeted species.

Please consider this option.

Carl Ward  
[cdward@gci.net](mailto:cdward@gci.net)  
907-947-6371 cell  
907-272-9662 home

Thank you for your time reading this letter. I am Lee L. Woodard, owner of the Fishing Vessel Heslie Lee, and Pacific Storm. I just recently invested in the permit and the conversion of the Pacific Storm. The permit is a central gulf endorsed trawl, that survived the permit reduction action taken by the Council a few years ago. The market for this vessel and its permit was acquired before its completion at Global Seafoods in Kodiak. Please consider very carefully the effect of management changes in the G.O.A. trawl fishery on my investment and its future.

The Pacific Storm is fishing exclusively in the central gulf, and delivering every trip into Kodiak. The performance of the Pacific Storm on bycatch and utilizing resources comprehensively shows clearly our desire to build and participate in the future of the central gulf trawl fishery for years to come.



Please consider my situation  
carefully on the coming process.  
My faith on the council was  
a large part in my overall decision  
to move forward with the vessel  
and the permit that is/was a  
valid and qualified permit at  
the time this project began.  
Thank you.

Sincerely,

Lee L. "Skip" Woodard II

Lee L. Woodard II

**Subject:** public comment: Gulf of Alaska Groundfish Fleet re-restructuring

**From:** Nancy Mendenhall <mendenhallnancy01@gmail.com>

**Date:** 5/17/2013 12:18 PM

**To:** npfmc.comments@noaa.gov

To: NPFMC Council and Staff

From: Nancy Mendenhall (former commercial salmon fisherman, now subsistence fisherman, with six of my family in commercial fishing (crab, herring, salmon, halibut))

In planning for the Gulf of Alaska groundfish fleet I commend you for taking more into consideration the needs of small communities, young fishermen, entry level fishermen, and requiring set-aside quota provisions. If the fleet by referendum decides it wants to go for limited access privileges, here are some social protections that you need to consider (and I know you have already for many of them)

1. Control the amount of quota consolidation by putting caps on the amount of quota an entity can hold.

2. Consider more protection for smaller operators by setting up two tiers for distribution and identifying a fair amount of the quota to be available to smaller operators only, rather than having history of pounds delivered in the same quota bank for all.

3. Have the Council keep some of the quota in a separate bank to be available to entry level eligible operators, and another for eligible communities, perhaps by lottery if needed.

4. For quota award and later sales/leasing, require owner-on-board of a high percent like 60%. I realize this makes a hardship for some older boat owners. However, the intention of the MSA is subverted when quota falls into hands of non-fishermen.

4. Forbid sale or leasing of quota except to owner-on-board of a high percent or active crew of some duration. (I realize cheating on this can occur, but all regulations have this risk.)

4. Control of quota price has to be done. This is the most difficult, but if this is not done, all the social protections become useless when no entity can afford to purchase quota except those who can manage the ridiculous prices it rises to (in history) or the kind of credit one must have. (Look at the poor utilization of the CQE program you created for the Gulf-- after all these years.)

The open market in quota always will favor the wealthiest, pulls quota away from Alaska residents, especially small towns, (if there is any fleet left) and makes it unavailable for younger people.

One way to control it would be for a non-profit to own the quota and lease it out by the year, controlling the price. I realize this would be unacceptable to people who look forward to making a big profit on quota sales or leasing.

Another way to control the price would be to divide the Gulf into districts and have quota assigned to districts, not to be sold, leased or used outside that district

5. Consider financial incentives for gear switches) for people to move to pot gear from trawling to aid in conservation.

If these ideas are incorporated, the Council will have produced a plan that will avoid a lot of the unfortunate effects of prior programs on small Alaskan coastal communities. These are mainly not my own ideas but have been voiced by Alaskan small fishermen.

Thank you for taking these ideas into consideration,  
Nancy M. Mendenhall P.O. Box 1141 Nome, AK 99762



May 28, 2013

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

Re: Agenda item C-5 GOA Trawl Bycatch – sent via email to npfmc.comments@noaa.gov

Dear Chairman Olson:

We applaud the approach you have taken with regard to expanding the discussion of community protections to include the mechanics and applicability of Community Fishing Associations (CFAs) to the GOA trawl fisheries. Ecotrust is a non-profit organization, working on community economic development, conservation issues, policy, and finance from Alaska to California. We have worked on national and regional policies for community fisheries structures as described in Magnuson Stevens for 15 years. We co-coordinate the Community Fisheries Network, a national peer network of community fisheries organizations, associations, and trusts which has members from Alaska. And we convened the National Panel on the Community Dimensions of Catch Shares, which issued its report in 2011.<sup>1</sup>

The National Panel on the Community Dimensions of Fisheries Catch Share Programs was the first national, bi-partisan panel to address the important issue of how communities can participate and benefit under a catch share model of fisheries management. Comprised of 11 diverse experts in academia, rural economic development, social/conservation finance, and fishing community leaders, the panel spent a year reviewing existing and emerging catch share programs, and issued a report and recommendations on March 15, 2011. Of particular relevance to this action before the North Pacific Fishery Management Council (the Council), **the Panel recommended that development of Fishing Communities (FCs), Regional Fishing Associations (RFAs) and other community structures now authorized in the MSA (Section 303a) be included within any catch share program.** Other recommendations include:

- Councils should design catch share programs to include predictable, performance-based renewals as an alternative to allocations in perpetuity.
- Catch share program design should include mechanisms such as quota auctions with revenue recycling into coastal communities, and other strategies to improve the effects of quota programs on long-term sustainability and community stability.

As you embark on designing a bycatch management program for the Gulf of Alaska, the recommendations of this diverse group of experts should play a central role in any catch share program development.

In addition to our work with the Community Dimensions of Catch Shares panel, we can also offer some observations from the development of the Pacific groundfish trawl IQ program. Ecotrust began engaging in the process in 2000 with our Groundfish Fleet Restructuring Project which examined issues of fleet diversity, spatial analysis of fishing effort and landings, and potential community effects of a reduction in harvest levels and capacity of the trawl sector. It is important to note that while the signals from the first 2 years under the program indicate that the trawl IQ program is reducing bycatch, and revenues are up, quota trading has not yet been permitted and thus we will not know the all of the results and effects until that happens.

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<sup>1</sup> See [http://www.ecotrust.org/fisheries/NPCDFCSP\\_paper\\_031511.pdf](http://www.ecotrust.org/fisheries/NPCDFCSP_paper_031511.pdf)

- The general expectation is that the fishery will consolidate into Oregon for the most part, marginalizing Washington and California ports.
- The fishery will experience a new wave of intensive Re-Capitalization with the investment needed to acquire quota share.
- Since anyone or entity can own quota, there will be perpetual leasing, depriving working fishermen of full revenues.
- The gear switching provisions have created a one-way intrusion into the fixed gear sector that has its own stacked permit catch share program, causing market softening and causing additional investment by the fixed gear sector back into the trawl sector to compensate.
- The program created a 10% set aside (Adaptive Management Program) for unintended consequences but transferred that to the trawl fleet and there is little expectation that it will be taken back for its adaptive purposes.
- Many communities and organizations started a well documented effort to develop a CFA program but the Council abandoned that in the process. The argument is that since anyone or entity can own quota shares - that takes care of the issue; so CFAs can form and go buy some on the open market like the CQE program. We can say that the CQE program in Alaska is not a success.
- It is interesting to note that in 2013 the State of Oregon has started to create its own CFA program for state fisheries.

In reference specifically to the GOA Trawl Discussion Paper, we have several comments:

1. Regarding the Decision Tree on page 2: if allocation to community entities is to be considered as a part of this new program, then the Decision Tree must indicate that LAPPs can be allocated to such entities in addition to persons.
2. Regarding the reference to RFAs and Community Sustainability Plans on p.11: the MSA requires RFAs to comply with Regional Fishery Association Plans, while Fishing Communities must comply with Community Sustainability Plans.

We know the patterns and problems of fishery management programs involving individual allocations. They generate a large amount of anxiety for communities, fishing businesses, and individuals. We also know that in every such program there are collateral problems of a common nature and that we continue to deal with them after the fact. Let's deal with them upfront.

The Fishing Community Provisions in Section 303A of the Magnuson Stevens Act offer a means of generating a simpler approach, as your GOA Trawl Discussion Paper has begun to explore. The allocation of quota share to CFAs can enhance the ability of catch share programs to meet economic, social and ecological requirements of current law and policy by:

- Anchoring economic development in communities, with quota being a key asset in their portfolios of assets,
- Maintaining employment and fishing heritage in coastal communities, and
- Incorporating community sustainability plans with clear stewardship requirements.

The analysis of CFA options in your discussion paper seems to suggest that they need to be complex, and therefore points to likely pathways to failure. A simpler approach would be to combine the CFA and Regionalization concepts, as raised in the Ecotrust testimony from the NPFMC's February 2013 meeting.

Avoid the process of having to gain all stakeholder buy-in, a process that will allow different sectors 'veto' power and set up competitive CFAs. Instead, set up one CFA each for the Central Gulf and Western Gulf, allocate all of the catch history to those two entities, and require all stakeholders to participate.

In terms of structure, the Cooperative Risk Pool would be a good starting point, as we know it works well in some Alaska fisheries. The 2 CFA structure would create two or more Cooperative Risk Pools to allow for reasonable leases for 10 years to current fishing operations that would include Community Sustainability Plans with annual performance measures for achieving bycatch and other program goals and for renewal or revocation of leases. Such mechanisms in program design would both allow flexibility to modify programs when necessary while creating and maintaining security for fishermen. Limited and capped lease rates would cover the operations and professional staff costs as needed, rather than extracting for-profit rents. The creation of only two entities will streamline the process, planning, and oversight implications.

The development of a new GOA bycatch management program offers an opportunity for further community investment and innovation by the NPFMC through the establishment of a CFA option that invests in Central Gulf communities through an initial direct allocation and ensures their sustained participation in the groundfish fishery. We urge you to include such an option, thereby setting a precedent for other regions to look to.

Thank you for this opportunity to provide comments.

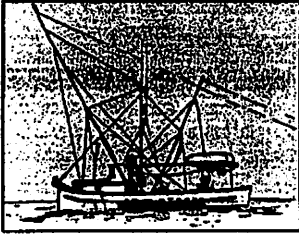
Sincerely,



Edward Backus, VP Fisheries  
Ecotrust



Megan Mackey, Fisheries Policy Associate  
Ecotrust



## **Alaska Trollers Association**

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May 28, 2013

Mr. Eric Olson, Chair  
North Pacific Fishery Management Council  
605 West 4th Avenue, Suite 306  
Anchorage, AK 99501  
npfmc.comments@noaa.gov

**RE: Agenda Item C4 - Final Action GOA Chinook Salmon Bycatch  
Agenda Item C5 - GOA Trawl Bycatch Management**

Dear Chairman Olson and Members of the Council:

I am writing on behalf of the Alaska Trollers Association (ATA) regarding Chinook PSC limits and management of non-pollock trawl fisheries operating in the Gulf of Alaska (GOA). Controlling salmon bycatch in the trawl fisheries is particularly important given ongoing sacrifices being made by salmon fishermen from California to Alaska. To that end, **ATA supports instituting a hard cap for Chinook salmon taken in the non-pollock GOA trawl fisheries.**

ATA represents the interests of hook and line fishermen in Southeast Alaska who target Chinook, coho, and chum salmon. Much of the fleet also relies on halibut from areas 2C and 3A. The troll fleet is one of the largest in the state and is 85% resident; trollers make up the majority of permit holders in nearly all Southeast Alaska communities. Roughly one of every 35 people in Southeast works on the back deck of a troll boat. Trollers are highly reliant on Chinook salmon. Annual exvessel value of troll caught Chinook has exceeded \$32 million and 10% of the entire statewide salmon value. Alaska's general fund and communities receive between \$800K - \$1 million in fisheries business tax revenue from the troll industry each year. Chinook salmon usually comprise about half of the fleet's annual earnings.

From 2009 to 2010 Chinook bycatch in the GOA trawl fishery increased over 500% and our members expressed concern. In response, ATA called on the Council to expedite the implementation of hard caps and other measures to control trawl bycatch. Guiding our comments were the twin goals of controlling bycatch and providing reasonable fishing opportunity for GOA trawlers. The current cap on the GOA pollock fishery was a good first step and should help trawlers avoid the spikes in bycatch that have long concerned salmon

fishermen who target Chinook. It is appropriate to now develop a similar measure for the non-pollock trawl fisheries.

As the current data reveals, many of the tagged Chinook picked up in the trawl fishery come from a variety of jurisdictions that are governed by the Pacific Salmon Treaty (Treaty). Of the Alaska stocks, 75% appear to come from river systems in Southeast.

Since the mid-70s, Southeast Alaska fishermen have endured significant conservation restrictions to rebuild Chinook salmon from Alaska, British Columbia, and the Lower 48. The Treaty Chinook quota in Alaska still remains extremely low, contrary to promises made to trollers that the treaty rebuilding program, combined with a fishermen's financed hatchery program, would restore harvest to more than 500,000 fish by year 2000. This has not happened.

In 2010, when the Council first began the GOA trawl bycatch discussion in earnest, the Southeast Chinook quota was the 7<sup>th</sup> lowest since Treaty signing (1985) and more than 40K fish less than the original Treaty *rebuilding* quota of 263K. The 2013 season started on a grim note. For the third year, there will be no directed harvest of Chinook salmon from the Transboundary Rivers (Stikine and Taku). This will harm fishermen from Southeast Alaska and British Columbia. In addition, the 2013 all-gear Chinook quota for Southeast is just 176,000 fish –a decrease of nearly 91,000 from 2012, and the 4<sup>th</sup> lowest Treaty quota ever.

The impact of chronic low quotas in our region has been economic disruption of the troll fishery and unnecessary tension and allocation disputes amongst fishermen. This has been exacerbated by deep reductions in 2C halibut quotas.

Chinook in several other GOA areas are also struggling. For several years, directed salmon fisheries have seen dismal landings and early closures, causing ADFG to identify the Karluk River Chinook as a stock of concern. These stocks are likely to pass through GOA trawl fisheries at various stages of their lifecycle. Closure of the set net fisheries in Cook Inlet last year made big headlines and high stress during the Board of Fisheries and recent legislative session. The AYK fisheries have seen dramatic closures, though to what extent GOA trawlers harvest those stocks is not yet clear. The state and ADFG are putting significant resources into identifying the cause of these problems, along with possible solutions.

The genetic stock identification studies that are underway should help to provide essential data on Chinook salmon stock composition and run timing in the GOA, which will help to better define the impacts of trawl bycatch on various stocks and salmon fisheries. It should also help improve trawl management, by providing the information necessary to craft practical options to help trawlers avoid Chinook salmon. At this point, these data sets are rather thin and there is much yet to learn.

Troll representatives understand West Coast Chinook salmon better than most. We are used to looking at data runs similar to those presented in the Environmental Assessment (EA). Unfortunately, our limited knowledge of how the trawl fishery is conducted across the range of vessel types, areas, and seasons - coupled with a wide array of information and

options presented in the EA - make it difficult to endorse a specific cap. A Preliminary Preferred Alternative, with more specific and/or streamlined analyses would have been helpful. For now, **ATA supports a hard cap and trusts that the Council will work with the interests at the June meeting to determine the appropriate level.**

Why is full retention for unobserved vessels being considered 'Alternative 3', as opposed to a requirement within alternatives? **ATA supports full retention of salmon bycatch for unobserved vessels, regardless which alternative is ultimately adopted.** Hopefully NMFS would find some way to make use of this biological data, even if the issues raised in the EA necessitate the ongoing use of current methodology to estimate bycatch rates.

**Finally, how will any of the proposed alternatives articulate with the GOA Trawl Bycatch Management Program that the Council is developing?** Hopefully the hard cap option selected will provide a starting point for the new management plan.

ATA has long endorsed cooperative efforts between agencies and fishermen to develop and refine conservation based fishing strategies. Developing an appropriate hard cap and following up with other PSC management measures, through the GOA Trawl Bycatch Management Program, will provide assurance to salmon fishermen that Chinook bycatch will be dealt with in a meaningful way. That assurance should come through reasonable incentives and accountability standards, versus regulations that are too lax, or draconian restrictions that don't solve problems. This type of approach should establish strong sideboards and bycatch controls, while also providing incentives and flexibility for the trawl fleet to find creative solutions to avoid salmon and other prohibited species.

**ATA believes that a long-term plan to reduce salmon bycatch can, and must, be developed. In the interim, we ask that a hard cap be promulgated for non-pollock GOA trawl vessels as soon as practicable, as was done in the pollock fishery.**

Additionally, relevant research and analyses should continue, and be refined where necessary, to help answer the many outstanding questions about the nature and composition of GOA trawl bycatch and how to control and reduce it.

Thank you for your participation in the Council process. ATA appreciates your dedication and service to the nation's fisheries resources and fish dependent communities. If we can provide additional information, or otherwise be of assistance on this or other issues, please feel free to contact me.

Best regards,



Executive Director



**United Fishermen's Marketing Association Inc.**

PO Box 1035, Kodiak, AK 99615

tel: 907-486-3453; fax: 907-486-8362; email: jstephan@ptialaska.net

May 28, 2013

Mr. Eric Olson, Chair  
North Pacific Fishery Management Council  
Anchorage, AK

**Re: C-5(a) GOA Trawl Bycatch: (1) Discussion paper on GOA Trawl Bycatch Management / roadmap; (2) Need to expand Council action to adopt a Control Date for the CGOA P. cod pot sector.**

Dear Chairman Olson,

The United Fishermen's Marketing Association, Inc. (UFMA) includes harvesters who participate in the Gulf of Alaska (GOA) Pacific cod (P. cod) pot fishery. UFMA members and other CGOA P. cod pot harvesters are impacted by Council action to adopt a purpose and need statement, and goals and objectives, to support the development of an allocation-based management or catch share program in the trawl groundfish fisheries of the Gulf of Alaska (GOA), including the adoption of a Control Date in the Central Gulf of Alaska (CGOA; December 26, 2012, 77 FR 75966), and Western Gulf of Alaska (WGOA; March 21, 2013, 78 FR 17340).

Council statements of its intention to develop an allocation-based management or catch share program in the GOA trawl groundfish fisheries, first for the CGOA (June, 2012), then for the WGOA (February, 2013), and associated Council action to adopt a Control Date for these two GOA trawl groundfish fisheries, has caused, and will continue to encourage, speculative participation and entry in the CGOA P. cod pot fishery. This speculative entry creates and encourages a derby-style race for fish, and is detrimental to the economic viability of the CGOA P. cod pot sector.

We request that the Council take action at this meeting to schedule a specific agenda item at your October meeting to develop a purpose and need statement, and goals and objectives, for an allocation-based management program, a Control Date, and other mechanisms to address the speculative entry and race for fish that continues to cause impact to, and put at serious risk, the economic viability of the CGOA P. cod pot sector that is caused by the allocation-based management program that the Council is advancing on behalf of the GOA trawl sector.

We request that the Council take action at this meeting to schedule the development of a discussion paper for consideration at your October meeting that outlines the components of a purpose and need statement, goals and objectives, and options that address an allocation-based management system for the CGOA P. cod pot sector, and the adoption of a Control Date for the CGOA P. cod pot sector.

Council action is necessary to adopt a Control Date and an allocation-based management or catch share program for the CGOA P. cod pot sector (1) to discourage ongoing and continuing speculative entry in the CGOA P. cod pot fishery; (2) to avoid the economic, social and cultural deterioration of the P. cod pot sector and the GOA coastal communities that depend on this sector; (3) to ensure that the CGOA P. cod pot fishery is conservatively managed, and does not exceed established biological thresholds; (4) to provide for needed improvements in the operational efficiencies of this sector; (5) to reduce incentives to fish during unsafe conditions, (6) to reduce incentives to fish for speculative reasons, and to dampen the effect of speculative entry and a derby-style race for fish in the CGOA P. cod pot sector by vessels and entities that act in response to the Control Date and anticipated allocation of fishing privileges in the GOA groundfish trawl fisheries; (7) to support the continued direct and indirect participation of coastal communities that are dependent on the CGOA P. cod pot fleet; and (8) to avoid the imposition of a dissimilar and regulatory-and-policy-induced disadvantageous competitive market environment for the CGOA P. cod pot sector as compared to the GOA trawl groundfish sector.

We believe reasonable judgment that is consistent with the wise and thoughtful development of fishery management systems suggests the necessity of conducting a comprehensive analysis and consideration of the impacts and risks to the CGOA P. cod pot fleet that result from the Council action to advance two Control Dates and an allocation-based management or catch share program in the GOA trawl groundfish fisheries. Rather than only acting to exclusively address the GOA groundfish trawl sector, absent any consideration of impacts to other entities and sectors that are integrally tied to, and dependent upon, the GOA groundfish fishery, the Council has a responsibility to examine the benefits of advancing a Control Date and an allocation-based management or catch share program for the CGOA P. cod pot sector.

Thank you for your consideration of our comments with respect to this matter.

Sincerely,

A handwritten signature in cursive script that reads "Jeffrey R. Stephan".

Jeffrey R. Stephan

# Americans For Equal Access

- Working to

*ensure equal public access to America's natural resources*

May 28, 2012

Chairman Eric Olson  
North Pacific Fishery Management Council  
605 West 4th Avenue, Suite 306  
Anchorage, AK 99501

Via: email at [npfmc.comments@noaa.gov](mailto:npfmc.comments@noaa.gov).

RE: Agenda Item C-5 (a), discussion paper on GOA Trawl Bycatch management

Dear Chairman Olson:

On behalf of myself and the group Americans For Equal Access (AFEA),<sup>1</sup> thank you for this opportunity to provide comments for inclusion in the June Council meeting notebooks under Agenda Item C-5(a), the Council staff discussion paper on Gulf of Alaska (GOA) trawl sector bycatch management. We have reviewed the current and past Gulf trawl groundfish management papers and have been communicating with the Kodiak City Council and Borough Assembly. The comments below are designed to provide input to the North Pacific Fishery Management Council (Council) on the development of a catch share program for groundfish fisheries in the Gulf. However, I would also like to strongly state that I am deeply concerned with—and am disappointed by—the momentum a catch share program has taken on in the Council process.

Though the Council began with the goal of reducing bycatch and excessive use of prohibited species catch (PSC) in the Gulf trawl fleet, it has defaulted to a discussion of a cumbersome catch share plan that will benefit only the large vessel trawl fleet, preclude entry-level opportunities, and exclude protections for small vessel owner-operators, their captains, and crew.

*I hope that the Council will fairly balance the faulty assumption that successful management of bycatch in the Gulf groundfish fisheries can only be done through a traditional catch share program and target species allocations.*

The Council's statement of purpose and need as currently drafted (February 2013 motion) can accommodate a variety of different elements in any bycatch-reduction management program for the Gulf groundfish fisheries, including protections for smaller participants and fishing communities such as consolidation caps and quota set-asides. I implore the Council to remind itself that this is its opportunity to improve on stale catch share programs by taking active steps to eliminate or reduce the negative externalities of catch shares born heavily by fishing communities and smaller participants.<sup>2</sup> I am concerned that small vessel owners and operators, their captains, and crew will be marginalized and excluded from the Council analyses, and that the significant adverse social and economic impacts of a catch share program will be downplayed or ignored.

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<sup>1</sup> AFEA is a trade and community association of like-minded people who share the common goal of equal access for the public to public fisheries resources.

<sup>2</sup> For example, fishing communities in the Northeast are in an economic crisis because the groundfish fleet has been hit with severe cuts to its catch share quotas in key species like cod and yellowtail flounder. The fishery was officially declared an economic disaster in 2012. With such limited allocations for 2013, many fishermen could lose their jobs, which will devastate those northeast fishing communities.

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The Council has stated that it believes a good public, transparent, and responsive process is critically important to help ensure that the best, scientifically based management decisions are made. To that end, reading through the staff discussion paper, the numerous different outlines and tables make for tedious reading, and I am only concerned with trying to promote IBQa as well as crew and coastal community protection.

I find this a very long amount of crap to fix one problem—Gulf trawler PSC. So why cant we just have trawler PSC quotas? It is what the problem is all about; it is what will cure it, with or without catch shares. By itself, PSC quotas are the best solution. Participants who race for fish will use up their PSC quota and loose their chance of catching the target species. If PSC quota is given out by season to eligible parties, participants would have to manage it conservatively to prosecute a profitable target fishery. We can fix this problem now without drawing in the other Gulf fisheries and ruining our coastal communities.

## COMMENTS

**The asset value of catch shares must be limited to the extent practically possible, to limit the amount of windfall awarded to initial issues and to limit the potential cost of new entry.**

The most important aspect of any catch share program in the Gulf should be non-monetary quotas that are nontransferable, but "pool-able" for the purposes of cooperative structures within the groundfish trawl fleet to voluntarily report, monitor, and divide allocations, as individual bycatch quotas (IBQ) or prohibited species catch (PSC) quotas. To keep Kodiak and the other coastal communities in the Gulf economically viable, the initial allocation boon must be limited to protect smaller participants and ensure entry-level opportunities.

**Renewal or re-issuance of catch shares must be tied to performance standards, such as reduced bycatch or a high level of active participation.**

Such an approach to catch shares on the Gulf will absolutely bring individual responsibility into the management process as a performance standard. It is my goal to one day see any discard of a resource illegal, and that will not happen unless we begin down a path of individual responsibility for bycatch. I support requiring active participation in the fishery by vessel and permit owners, and any entities that receive or purchase bycatch or target species allocations. Public fish should not be turned into an exclusive private property right for those lucky enough to receive allocations. We also do not want to reward the most gluttonous fishermen who, though they may have the largest historical participation, are likely responsible for the most bycatch, by grandfathering them in for the largest share of future fish. Catch share allocations should be a privilege and not a right granted in perpetuity to so-called "armchair" fishermen.

**Any catch share program in the Gulf must be limited to bycatch species only allocations—IBQs or PSCs.**

There is absolutely no need for a target species allotment-based catch share program here because the problem in the Gulf is excessive bycatch in the trawl fleet. This bycatch problem can be solved through sensible management of bycatch with individual bycatch (IBQ) or PSC (or MRA) quotas for other trawl-caught bycatch.

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My idea is a bycatch or PSC quota "bank" of sorts, from which to draw individual bycatch or PSC allotments, by vessels per fishery or per trip. Each target species in the Gulf groundfish fisheries would be separated into an individual species-fishery, with a percentage of PSC divided and assigned to each species-fishery. The goal is to make every fish count and promote more efficient and cleaner fishing through incentives to avoid bycatch and PSC species, utilize allocations more efficiently, and gradually reduce the amount of bycatch or PSC allotments available, to overall reduce bycatch and required discards by groundfish trawl vessels.

Every participant in the fishery would need to have their vessel in the Gulf and ready to fish, to acquire any quota from the bank. Vessels would report in weekly. Upon reaching 85% of the quote, that vessel would be required to return to port and off-load. If a vessel fishes cleanly, they can keep fishing until the TAC is reached. If a vessel goes over their quota, perhaps 5% increments, the repercussions would gradually worsen until that vessel could no longer fish.

All bycatch and PSC would be required to come to the dock unless discarded—alive—and counted under the direct supervision of an observer. Halibut can be returned alive, and crab and salmon. For example, all caught crab would be counted and if still alive, returned to sea; if dead, the crab could be sectioned-off and iced, to be consumed. 100% observer coverage would be required – the fleet's bycatch or PSC would be sold to offset these costs

***Bottom line: if fish can be returned alive and counted, it must be; if not, it must come back to the dock to be processed and consumed.***

In closing, I would like to thank the Council and its staff for their work thus far, and for their inclusion in this ongoing discussion of other innovative bycatch management tools and catch share-comparable programs for the Gulf, particularly individual bycatch or prohibited species catch quotas whereby bycatch and PSC species would be allocated among all participants, and when a vessel has fully used its allocation, that vessel would no longer be permitted to fish.

Again, on behalf of myself and members of Americans For Equal Access, thank you for your consideration of these comments. I look forward to attending the June Council meeting and proving the Council with additional public testimony. Thank you for this opportunity to be heard, and to participate in the discussion as we move forward towards cleaner and more responsible fishing in the Gulf.

Sincerely,  
(signed)  
George Hutchings  
Commercial Fisherman

President  
Americans for Equal Access  
P.O. Box 8242  
Kodiak, AK 99615

# PUBLIC TESTIMONY SIGN-UP SHEET

Agenda Item: C-5(a) GOA Trawl Bycatch Management

	NAME (PLEASE PRINT)	TESTIFYING ON BEHALF OF:
X1	Brian Lynch	Petersburg Vessel Owners Assoc
X2	Geary Hutchins	A F E A
X3	JULIE BOWEN	AGOB
X4	BOB KRUEGER + <del>KEVIN HANCOCK</del>	AWTA
X5	GLENN REED	PSPA
X6	SUSAN ROBINSON + MATT UATON	GROUNDFISH FORUM
X7	Beth Stewart & Tom Erich	Peninsula Fishermen's Coalition
X8	Chuck McCallum & Becca Robbins Gisclear	GOACCC / comm. Workgroup
X9	Terry Haines	Fishheads
X10	Theresa Peterson	AMCC
X11	DENBY LLOYD	KODIAK IS. BOROUGH ; Comm of Kodiak
X12	BRENT PAINE	ULB
X13	Paul Gronholdt	AEB
X14	JOE PLESNA	TRIDENT SEAFOODS
X15	Heather McIntyre & Mike Okoniewski	Pacific Seafood
X16	Heather Mann	Midwater Trawlers Cooperative
X17	JOHN HOCEVAR	GREENPEACE
18	Paul Olson	Boat Company
19		
20		
21		
22		
23		
24		
25		

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.

# AMERICANS FOR EQUAL ACCESS

- Working to ensure equal public access to America's natural resources

June 7, 2013

Public Testimony for June Council Meeting  
PSC and MRA quotas for Gulf trawlers only

"Thank you Chairman Olson, members of the Council.

For the record, my name is George Hutchings, representing the group Americans For Equal Access - or 'AFEA' - which is a trade and community association of like-minded American citizens who share the common goal of equal public access to public trust resources, including our fisheries.

Thank you for this opportunity to provide testimony on the extremely important Agenda Item C-5, management of bycatch in the Gulf trawl groundfish fishery.

I am president of AFEA, but also a long-term Alaska resident and commercial fisherman based out of Kodiak.

Our idea is to have a "Bank" of PSC and MRA quota, from which to draw and individual bycatch quota share.

These shares would actually be hard caps because they would be a known entity and amount.

Because some fisheries require more PSC than MRAs, this amount could be calculated into how the quotas of bycatch - both PSC and MRA - could be divided among fisheries species and species complexes, like the shallow and deepwater sole fishery.

**Bottom line: the goal is to make each fish count, promote individual responsibility, and to ensure individual accountability.**

These fish could be acquired by qualifying vessels per fishery.

Any savings would be rolled into the next quarter or fishery.

These quotas - at this level - could join a co-op and deliver to a certain processor associated with that co-op.

However, none of the bycatch quota could belong to a processor, but it could belong to a processor-owned vessel.

There could be further incentives to reduce the bycatch of PSC by allowing performance-related rewards, much in the way AFA vessels now utilize and share - as well as prioritize - savings in the salmon bycatch plan they have implemented.

A vessel that catches too much PSC - goes over their IBQ - would face forfeiture of salmon in some amount from their next fishery, unless the co-ops agreed to cover vessels exceeding their fair share of the PSC.

# AMERICANS FOR EQUAL ACCESS

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A vessel would also be required to stand down upon reaching - for example - 70% of their PSC quota, per fishery, until said time when a co-op could safely determine a trip for said vessel.

Also, a vessel that acquired savings through performance standards could use those savings where the operator thought best - in some cases, keeping them below the bycatch problem threshold.

All PSC of salmon in all Gulf fisheries would be retained by regulation, and hopefully halibut as well in the future.

**Bottom line: a vessel fishing cleanly will catch more of the TAC; a vessel fishing dirty, less.**

In regards to MRAs, much the same can be said with that, as with PSC.

We need these PSC and MRA individual quotas to stop the wasteful regulatory mandate of discards over the MRA for that species in another target specie fishery.

This can also be accomplished through a co-operative structure, thereby eliminating the wasteful practice mandated by federal regulations.

With that, I will conclude my testimony and take any questions you may have.

Thank you, Mr. Chair, members of the Council.



**Changes in Halibut QS Holdings between Initial Issuance and Currently Issued June 8, 2013**

Area	Initially Issued				Currently Issued			
	Alaskan		Non-Alaskan		Alaskan		Non-Alaskan	
	# of Persons	QS Units	# of Persons	QS Units	# of Persons	QS Units	# of Persons	QS Units
2C	1,971	49,265,458	418	10,303,434	852	48,981,565	192	10,554,620
3A	2,436	118,598,696	637	66,893,737	979	111,407,166	346	73,476,683
3B	780	28,061,266	278	26,455,137	318	27,980,676	158	26,220,639
4A	377	7,069,344	156	7,565,095	128	7,170,995	78	7,415,016
4B	80	3,242,733	73	6,050,658	51	4,306,326	42	4,978,448
4C	48	2,199,603	33	1,816,749	30	1,837,175	23	2,179,177
4D	22	665,856	47	4,257,782	14	1,422,169	33	3,536,081
4E	98	127,392	6	12,607	84	117,285	12	22,307
<b>Total Unique Persons</b>	<b>3,976</b>		<b>855</b>		<b>1,973</b>		<b>569</b>	

1. "Initially Issued" means QS that is initially issued to its first holder. Initial issuance was accomplished primarily at the beginning of the IFQ program but may occur at any time as a result of adjudicated appeals.
2. Designation of "Alaskan" or "Non-Alaskan" is premised on holders' self-reported business mailing address; NMFS/RAM makes no effort to verify residency.
3. Changes over time between "Alaskan" and "Non-Alaskan" QS holdings are the result both of QS transfers and of QS holders' address changes.
4. Total QS units for a species/area may differ from published QS pool sizes as a result of QS units not assigned to any person (for ex., units in reserve or revoked mid-year).
5. The number of QS holders is not additive across area or species. "Unique Total" represents the unique number of QS holders for each species.
6. Additional information on changes in QS holdings and consolidation in the halibut and sablefish fisheries can be found on our web site at: [www.fakr.noaa.gov](http://www.fakr.noaa.gov).
7. Excludes persons with unknown addresses

**Changes in Sablefish QS Holdings between Initial Issuance and Currently Issued June 8, 2013**

Area	Initially Issued				Currently Issued			
	Alaskan		Non-Alaskan		Alaskan		Non-Alaskan	
	# of Persons	QS Units	# of Persons	QS Units	# of Persons	QS Units	# of Persons	QS Units
AI	49	7,112,625	87	24,405,551	37	9,380,059	53	22,552,433
BS	63	7,111,748	82	11,514,928	48	10,156,187	54	8,609,093
CG	396	43,441,061	248	68,103,400	198	43,955,406	167	67,731,206
SE	467	42,775,495	249	23,822,984	266	42,842,795	137	23,277,824
WG	108	8,523,936	125	27,562,419	65	9,235,917	99	26,793,662
WY	251	18,495,325	206	34,975,111	111	20,424,379	126	32,842,051
<b>Total Unique Persons</b>	721		334		502		333	

1. "Initially Issued" means QS that is initially issued to its first holder. Initial issuance was accomplished primarily at the beginning of the IFQ program but may occur at any time as a result of adjudicated appeals.

2. Designation of "Alaskan" or "Non-Alaskan" is premised on holders' self-reported business mailing address; NMFS/AM makes no effort to verify residency.

3. Changes over time between "Alaskan" and "Non-Alaskan" QS holdings are the result both of QS transfers and of QS holders' address changes.

4. Total QS units for a species/area may differ from published QS pool sizes as a result of QS units not assigned to any person (for ex., units in reserve or revoked mid-year).

5. The number of QS holders is not additive across area or species. "Unique Total" represents the unique number of QS holders for each species.

6. Additional information on changes in QS holdings and consolidation in the halibut and sablefish fisheries can be found on our web site at: [www.fakr.noaa.gov](http://www.fakr.noaa.gov).

7. Excludes persons with unknown addresses

**Subject: Bering Sea crab consolidation**

**From: Linda Dahl <dldahl918@att.net>**

**To: geor@gci.net**

**Fri, 31 May 2013 18:54:23 -0700 (PDT)**

**George, This is from Dutch Harbor Fish & Game :Red King crab Before rationalization,230 to 275 vessels participated. After rats 65 to 89. Opilio Before rationalization 196 to296 vessels fished, after rationalization 43 to 56 fishing now. The crews no longer get fare wages in sted of 5% based on 100% catch. Now crew gets 5% of 30% other 70% go to the vessel owner who no longer fish there vessels. Hope this helps Dave**

## GULF OF ALASKA

### SECTOR ALLOCATION AND CATCH SHARE PROGRAM

#### **INTRODUCTION**

Over the past few years the Council has adopted a number of actions to reduce prohibited species bycatch in the Bering Sea/Aleutian Islands (BSAI) and Gulf of Alaska (GOA) fisheries. The Council recently introduced Chinook salmon PSC limits in the GOA pollock fisheries, and most recently adopted measures for reducing halibut PSC caps in the trawl and catcher-vessel fixed gear fisheries in the GOA by 15%. The Council is considering introducing Chinook PSC limits in the non-pollock trawl fisheries in the GOA as well.

In other fisheries where the Council has adopted similar PSC reductions, fishery participants have had access to management tools such as catch shares and co-operative fishery management systems which allowed fishery participants to adjust internal fishing strategies to meet by-catch reduction goals and still attain harvest objectives for target species.

The Council has long recognized the benefits of such comprehensive management approaches whereby harvesters and processors could work together to better utilize target species catch, control and reduce bycatch including PSC bycatch, contain the costs of operations and management, and meet other conservation and community goals. The utility of this approach is amply revealed by examining the record of other trawl catch share programs in the North Pacific: BSAI pollock cooperatives, the Amendment 80 fishery, and the GOA rockfish program.

The trawl fisheries in the Central Gulf of Alaska and West Yakutat region do not have the management structure or the tools to adapt to new PSC reductions. What is needed is a new management structure whereby participants are able to adapt fishing effort to accommodate reduced PSC amounts without jeopardizing access to target catch. Such a structure needs to balance the interests of the harvesters and processors in the subject fisheries while meeting conservation objectives and community goals.

This proposal is for a new management program for the trawl fisheries in the Central Gulf of Alaska and West Yakutat management areas that provides industry with the tools and management structure to improve conservation and sustainability, better manage and control bycatch, and provide greater economic stability and opportunity for harvesters, processors, and communities.

The program is designed to minimize allocation disputes between the trawl catcher-processor and inshore trawl sectors, and to build cooperative arrangements between harvesters and processors within the inshore sector. Allocations between the inshore and catcher-processor

sectors will be based on historical participation levels by each sector. For underutilized species, the intent is to develop measures to fairly allocate future opportunities between the sectors.

The program will address effective management of PSC, provide incentives for the minimization of bycatch, define initial participants, specify measures for community protection, and include mechanisms for new entrants to participate in the fishery.

The inshore trawl fishery catch share program should recognize and be founded on historical participation and investments by both harvesters and processors in the subject fisheries. The overall objective is to develop a program that balances the interests of both sectors, does not erode the assets of either sector, and provides similar opportunities for increased benefits to all participants in these fisheries while meeting conservation goals and community needs.

The inshore catch share program includes measures to fairly allocate costs and benefits of the new management regime between harvesters, processors, and communities dependent on these fisheries. The program is based on the principle that the management structure should not result in devaluation of one sector's capital assets to benefit a different sector.

In addition, when considering alternative approaches for managing CGOA/WYAK trawl fisheries, industry considered the following objectives that are borne out of the National Standards set forth in the Magnuson-Stevens Act:

- The program must balance the requirements of National Standard 1, the requirement to achieve optimum yield, and National Standard 9, to minimize bycatch and bycatch mortality to the extent practicable.
- The program needs to consider and address historical community involvement in these fisheries as described in National Standard 8, including employment in the harvesting and processing sectors as well as the effects of management measures on community infrastructure, services, and support businesses.
- Recognizing that development of catch share programs, including co-op programs, has inherent and unavoidable allocative impacts, management decisions should take into account existing allocation schemes (Amendments 23, 83, and 88) to the extent possible and seek to avoid reallocation of target, secondary, or PSC species; and be based on historical participation in the fisheries while avoiding disruptions to existing business practices and meeting the requirements outlined in National Standard 4.
- Allocate between the inshore and catcher-processor sectors based on historical participation levels by each sector to balance the interests of both sectors without eroding the assets of either sector, and to provide similar opportunities for increased value to all participants in these fisheries.

- The program must include mechanisms and incentives to responsibly manage and control bycatch including PSC bycatch, accompanied with improved monitoring in the fisheries at the vessel and co-op levels.
- For underutilized species, the program should be designed to provide future opportunities to achieve optimum yield for these species, and seek a fair allocation of these future opportunities among fishery participants.
- The program needs to also be designed to provide opportunities to improve utilization of target species, promote efficiency, enhance safety as addressed in National Standard 10 and minimize management, and avoid spillover effects into other fisheries by establishing appropriate sideboards.

## **SECTOR ALLOCATION**

### **I. Sector definitions**

**Inshore Sector:** Harvesters and onshore processors that meet the qualifications under the Inshore Trawl Catch Share Program below.

**Catcher processor sector:** Those A80 vessels, and their replacement vessels, defined by Column A of Table 31 CFR part 679, and the LLP currently issued to them.

### **II. Sector allocations**

#### **a. Current allocations:**

- Allocations for the trawl CP and CV sectors for Western/Central Pacific cod (Amendment 83), CGOA rockfish program (Amendment 88) and GOA pollock (Amendment 23) are maintained with this fishery management plan.
- A80 target sideboards (per table 27 of the GOA harvest Specifications) and A80 GOA flatfish eligibility (per table 39 in 50 CFR part 679) are maintained.

#### **b. Target species (other not allocated) sector split options 8/12.**

- **CGOA Flatfish Allocation options:**

- No sector allocations, control through PSC

Suboption:

- Rex Sole
- Deep Flatfish as defined in the TAC sheet.

Options for analysis: Allocations above based on sector total catch/total trawl catch or sector total catch/ABC.

- WYAK Rockfish (optional);
  - Pacific Ocean perch
  - Dusky Rockfish

c. PSC Sector Allocations

Halibut PSC Cap

- Allocation of halibut PSC to the CP and Inshore sector. CP sector GOA wide.
- Allocation of halibut PSC is based on historical PSC usage by sector in the aggregate.
- Subdivide the Inshore sector halibut PSC allocation between the WGOA and CGOA/WYAK.

Chinook PSC Cap (placeholder)

d. Years for determining Sector allocation for PSC and target species (total catch):

- 2010 - 2012
- 2008-2012 (A80 begins)
- 2003 - 2012
- 1998 – 2004 (A80 qualification years)

## **INSHORE CATCH-SHARE PROGRAM ELEMENTS**

I. Species

a. Target

- Pollock (640/630/620)
- CGOA Cod
- WYAK rockfish option (POP, Dusky)
- CGOA Flatfish: Options include:
  - No directed allocation, control through PSC
    - Option: Rex Sole and/or Deep Flatfish

b. Secondary species

- Continue MRA management for all species not allocated.
- Option: Allocate sablefish, long-nose skate, and big skate.

c. PSC species

- Halibut.
- Chinook

II. Program structure: Cooperative style program. Co-op Formation Criteria

Voluntary Co-op with Harvester/Processor association. To participate, harvesters must form a Co-op and associate with a processor subject to the criteria specified in the program, including the requirement for an agreement signed by both the harvesters and processor. Co-ops formed upon implementation of the program will be based on historical participation of harvesters and processors. These initial Co-ops are termed Tier 1 Co-ops. There is not a closed class of processors, and after a cooling off period harvesters may associate with any processor. These are termed Tier 2 Co-ops. This is a voluntary program, and a harvester may choose not to join a Co-op, and remain in the LLP non-cooperative fishery.

a. Qualifying Years for QS.

- 2010-2012
- 2003-2008
- 2008-2012
- 2003-2012 Drop 0, 1, 2 years

Option: To be eligible for participation in this program and receive allocations of QS and PSC, a LLP must be credited with at least one trawl groundfish delivery in WYAK or CGOA the last \_\_\_ years before December 31, 2012 (range for analysis 2 -3 years).

b. Co-op Participants

Harvester participants.

- LLP owner. QS based on landings during qualifying years with a CV LLP, or a CP LLP license that did not process catch on board.
- Option: CP LLP license holder offered a one-time only choice, at time of implementation of the program, to retain CP designation or convert to CV. If retain CP designation, would not qualify for Inshore QS, would not be permitted for Inshore Co-op program, or otherwise authorized to participate in inshore fishery.

Community Landing Requirements/Processor Participants.

- CGOA/Kodiak Landing Requirements: Processors qualified to participate in Co-op program at time of implementation, and associate with a Co-op to



receive landings of CGOA groundfish must be located in the City of Kodiak and have processed trawl groundfish, excluding CGOA rockfish.

- Suboption: Processors that processed CGOA trawl groundfish in the City of Kodiak (excluding rockfish) during the qualifying period of \_\_\_\_\_ to \_\_\_\_\_.
- WYAK/Community Landing Requirements: Processors qualified to participate in the Co-op program at time of implementation, and associate with a Co-op to receive landings from WYAK groundfish include CGOA qualified processors above, and any additional processors that processed trawl groundfish, excluding CGOA rockfish, that was harvested in WYAK and delivered into Seward or Cordova.
  - Suboption: Processors that received WYAK trawl groundfish in the qualifying period of \_\_\_\_\_ to \_\_\_\_\_.
- All landings to qualified processors participating in the Co-op program must be made in the communities where the qualifying landings were made.
- Landings from CGOA go back to Kodiak; landings from WYAK go to Kodiak or WYAK communities, including Seward, depending on where the original landings were made. If no qualified processor in WYAK communities at time of program implementation, landings go to the Tier 1 co-op the harvester has a relationship with.

c. Options for determining QS allocations:

Allocations of target QS and PSC to Co-op based on aggregate history of LLPs in Co-op. (see Harvester/Processor association below). To access QS, must form Co-op and associate with a processor subject to the criteria specified in the program (including the requirement for an agreement signed by both the harvesters and processor). This is a voluntary program, and a harvester may choose not to join a Co-op, and remain in the LLP non-cooperative fishery. If that harvester decides at a later date to participate in the program, it must be pursuant to the rules for Tier 1 Co-op formation.

- Target species QS derived from landings made on LLP qualifying vessel during qualifying period.
  - Option 1: retained catch

- Option 2: retained catch without meal
- Allocation to Co-op based on aggregate history of LLPs in Co-op.
- Allocation of PSC
  - Chinook
    - Pollock Chinook hard cap divided based on Pollock landings
    - Non-pollock hard cap divided based on Non-pollock landings (excludes rockfish). May need to be modified based on Council action
  - Halibut (excludes rockfish)

Co-ops will receive an allocation of PSC in proportion to the allocation to the Co-op of target species. Halibut PSC will be apportioned based on historical usage within target fisheries or fishery groupings, and allocated on a pro-rata basis.

Options :

- All groundfish landings (excluding rockfish) combined
- NPT groundfish landings (excluding rockfish) combined
- Cod landings and Flatfish landings determined separately
- Cod landings, shallow flatfish/Flathead sole landings (combined), and deep flatfish/ arrowtooth/Rex Sole landings (combined) determined separately.
- PSC allocated to Co-op based on aggregate history of LLPs in Co-op.
  - Target QS and PSC may be transferred within Co-op or through inter-co-op agreement on annual basis subject to Co-op rules/contract.

d. Harvester-Processor Association Provisions

- Participation in program is voluntary. Harvester can decide not to participate in Co-op program, in which case harvester continues to fish in open-access fishery (status quo).
- For harvesters that choose to participate, must initially join Co-op in association with processor where QS historical landings were made (Tier 1 Co-op). Basis for establishing the initial association is the majority aggregate trawl groundfish deliveries, excluding rockfish, for all species combined:
  - Option1: During the QS qualifying period.

- Option 2: During the 2011-2012 period.
- e. Formation of a Tier 1 Co-op requires a Co-op agreement that meets criteria specified in this program, signed by the qualified processor and no less than \_\_\_ (range for analysis 51% - 80%) of the \_\_\_ (analyze both LLPs or QS) qualified for the Co-op.
- f. Options for Harvester movement from Tier 1 Co-op to another Co-op. Options include:
- QS Transfer Model. Includes target species QS and PSC.
    - A harvester may exit a Tier 1 Co-op and join a different Co-op and transfer \_\_\_\_\_% of target QS and \_\_\_\_\_% of PSC to the new Co-op pursuant to the new Co-op's rules. QS and PSC are linked. PSC shall be distributed proportionately to target catch. The remainder stays with the original Co-op (the one the harvester is exiting) subject to the rules of that Co-op.
  - Limited Movement Model
    - Require a Co-op agreement that meets criteria specified in this program, signed by the qualified processor and the harvesters qualified for that Co-op. Agreement must specify the terms and conditions whereby a harvester can exit the co-op after this period and join another co-op, which shall be agreed to by both harvesters and the processors before QS will be awarded to the co-op.

*Note: For both approaches above, the analysis should investigate the potential to meet the Council's goals and objectives as set forth in the problem statement. The analysis should investigate the potential for creating a stable business environment, the predictability for addressing community and other concerns, and the disposition of QS and PSC under various scenarios. For the quota transfer model, the analysis should explore the effects of moving different amounts of QS and PSC out of one Tier 1 co-op to another co-op. This should include consideration of whether these transfers should be permanent or temporary in nature, and if temporary, for what period of time. The analysis should address the effects on all affected parties (harvesters in the original Co-op and the associated processor, the harvester leaving the Co-op, and coastal communities with historic participation in GOA trawl fisheries, etc.) and their investments in the fishery. For both approaches, the analysis should also investigate the potential effect on employment (harvesting and processing), the goal of increasing value in the fishery without creating windfalls, and what kinds of mechanisms could accommodate the desire for flexibility on the part of harvesters while protecting*

*harvester and processor investments in the fishery and meeting the objective of developing measures that do not result in one sector's investments in the fishery being devalued to benefit a different sector.*

- Note: In all cases the LLP program would stay in place, thus vessels must have a LLP to participate in a WYAK/CGOA trawl fishery. References to “open access” are within this context.

f. Tier 2 Co-ops.

- After the cooling off period, Tier 2 Co-ops may form with new entrant processors. Harvesters may join Tier 2 Co-ops provided that they have met requirements for program participation and movement from one Co-op to another.
- Must be consistent with Community protections and landing requirements.
- Must have Co-op agreement that meets criteria specified in this program.
- Meets all other requirements of the program.

g. Processor caps.

- Include processor caps. Range for analysis 20% to 30%. Processors that exceed this amount are grandfathered into program.

h. Closed class.

- No closed class of processors. At program implementation, processor participation determined by qualifying criteria above for Tier 1 Co-op. After the cooling off period, and subject to movement rules and regional delivery requirements, any qualifying harvester may go to any other Co-op, including Tier 2 Co-ops established in conjunction with a new entrant processor, subject to the rules of the new Co-op.

i. Harvester Caps

*Note: the analysis needs to consider the effects of consolidation in the harvesting sector and should explore various mechanisms to address ownership and use.*

j. Bycatch reduction incentive program

*Note: If the Council decides to proceed with development of a program for the CGOA, a bycatch incentive program needs to be a component of that program. The bycatch reduction incentive program should be performance based and promote cooperative approaches to managing bycatch and reducing bycatch rates. The program should also provide incentives to access underutilized species to enhance OY from Gulf fisheries. Industry stands ready to work with the Council to develop a program tailored to the GOA trawl fisheries that addresses the need to address bycatch concerns.*

k. There shall be a cooling off period applied to the program. Range for analysis 2-5 calendar years after implementation.

l. Co-op Qualification and Agreement Criteria

The program is based on a voluntary co-op formed by qualified harvesters that associates with a qualified processor. The association is codified thru a Co-op agreement signed by the requisite harvester representation and the qualified processor. Allocations are to the co-op based on the aggregate history of the LLPs involved, and may only be accessed through the harvester-processor associated co-op.

- A Co-op, in association with a qualified processor, is eligible to participate in the program upon certification by NMFS that it meets the following criteria:
  - The harvesters and processor are qualified to participate in the program.
  - At Tier 1 Co-op formation, program criteria for initial harvester/processor association have been met, including the measures whereby a harvester may exit the Tier 1 co-op in compliance with program requirements.
  - A Co-op agreement, signed by the requisite harvesters and the processor, has been submitted that includes the by-laws and rules for operation of the Co-op.
  - Co-op membership agreements shall allow for the entry of other eligible harvesters into the co-op under the same terms and conditions as agreed to by the original agreement. The terms and conditions shall allow the owners of other qualified catcher vessels to enter into such contract after it is filed and before the calendar year in which fishing

will begin under the same terms and conditions as the owners of the qualified catcher vessels who entered into such contract upon filing.

- Co-op membership agreements will specify that processor affiliated harvesters cannot participate in price setting negotiations except as permitted by general antitrust law
- Terms and conditions are clearly spelled out and agreed to by the harvesters and the processor in the Co-op agreement whereby the harvester/processor association may be dissolved and a harvester may move to a different Co-op in association with a different processor. Processor affiliated vessels may participate in discussions regarding these terms and conditions, but not vote for their adoption.
- The Co-op agreement includes provisions for an annual fishing plan including agreements regarding deliveries, rotations, offload, and other operational matters.
- A clear and specific plan for monitoring, controlling, and reducing PSC bycatch is included in the Co-op agreement and annual fishing plan. The terms and conditions in the agreement shall specify that Co-op members are jointly and severally responsible for co-op vessels harvesting in the aggregate no more than their Co-op's allocation of target species, secondary species and PSC, as may be adjusted by inter-co-op transfers.
- The Co-op agreement provides for collection of appropriate harvest and processing data to measure Co-op performance to achieve the goals and objectives of this program
- Submittal of an annual performance report for review by the North Pacific Fishery Management Council and NMFS. Specific criteria for reporting shall be developed by the Council and specified by NMFS as part of the program implementing regulations.

*Becca Gisclair  
Chuck McCallum*

## **Proposal for a Gulf of Alaska Trawl Bycatch Management Program**

Submitted by: Alaska Marine Conservation Council; Gulf of Alaska Coastal Communities Coalition; Ernie Weiss, Aleutians East Borough; Alexis Kwachka; Dave Kubiak

June 4, 2013

### **Introduction**

Bycatch of prohibited species, particularly halibut and Chinook salmon, in the Gulf of Alaska trawl fisheries has emerged in recent years as a primary management concern. Initial limits on bycatch of these species have been set or lowered over the past three years. However, the North Pacific Fishery Management Council (the Council) has been hesitant to significantly lower bycatch limits under the current management structure which allows for a race for fish given the challenges to the fleet. In the context of reducing bycatch, we understand the Council is now exploring changes to the overall management structure of Gulf of Alaska trawl fisheries. Individual fishing quota (IFQ) or catch share programs which allocate bycatch and/or target species have emerged as a means to provide the trawl fleet with the "tools" to reduce bycatch. Given the emphasis to date on catch share programs, this proposal presents a concept to apply if the Council decides to proceed with development of a catch share program.

In the North Pacific the Council has nearly twenty years of direct experience with catch share programs in a variety of gear types and fisheries. From the experience in Alaska, as well as that gained from catch share programs throughout the world, there is a wealth of experience to draw from in designing a new catch share program. At this point in time we have the knowledge and the ability to avoid the pitfalls of earlier programs. The North Pacific Fishery Management Council has a reputation for leading by example when it comes to fisheries management in the United States, developing innovative methods and approaches. The Council has an incredible opportunity here again to set the stage for the next era of catch share program development, utilizing the collective knowledge Council members, agency staff, community members and industry leaders have amassed in two decades of catch share program development and ongoing management under these programs. We encourage the Council to seize this opportunity and develop a new model of catch share program in devising a management system for the Gulf of Alaska trawl fishery.

This Council is well aware of the problems that have been encountered in catch share programs in Alaska, many of which are universally shared with other programs around the world. Notably, capital flight, rapid vessel consolidation, absentee ownership of quota and high leasing fees have emerged as issues in one or more catch share program managed by the Council. Overarching all these concerns is the challenges that the Council has faced to change the rules of a catch share program after its put in place and money has changed hands through quota transfers and other investments. In practice, when quota is distributed and takes on a financial value upon which people make business decisions, it has proven extremely challenging to make subsequent changes to a catch share program.

This proposal presents a new paradigm for a catch share program, and for distributing the public resource of our fisheries, which puts fishing communities<sup>1</sup> at the center of the program. The greatest challenge of past programs has been how to adequately protect communities. In this proposal, outlined in greater detail below, we outline a program in which 100% of the quota is allocated to a community fishery association (CFA). Fishing communities and fishing industries are symbiotic: they depend on each other. Yet many past programs have caused severe harm to communities. By allocating directly to a CFA, community concerns, including areas such as bycatch reduction, crew shares and seafood deliveries among others, can be addressed directly by the CFA. The Council can still set objectives for the fishery, but a CFA will be better able to address the interests and needs of fishing communities and provide ongoing quota distributions to the fishery in a much more flexible manner than the Council can do. Under this type of system, the benefits of a quota program in terms of slowing down the race for fish and allowing vessels to choose the time and location of fishing will be realized. The groundfish trawl sector will be better able to achieve OY, increasing landings and value for harvesters and processors. In addition, by distributing quota to a CFA rather than individuals, quota itself does not gain its own economic value. This alone assists in keeping harvesters/processors and quota owners/crew on an even playing field. This type of arrangement also makes future adjustments to the program possible. Since no money will change hands in exchange for quota, pursuing changes to the program will be possible. A multi-interest stakeholder board can provide continued public oversight to a public resource, rather than allocating a public resource, and the associated wind fall, directly to individuals. The outcome will be a stable management structure that ends the race for fish, improves operational efficiencies, enables the fleet to reduce bycatch more effectively, and provides clear opportunity for future generations of working fishermen, vessel owners and processors.

The proposal presented here represents a basic conceptual framework for this type of approach. We expect that further details and options would be developed by a stakeholder group as the Council moves forward with developing a management program. Thank you for your consideration of this proposal.

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<sup>1</sup> There are many different definitions of what constitutes a "community." Throughout this proposal our use of the term "community" refers to a place-based community.



## **Proposal for a GOA Trawl Bycatch Management Program**

### **I. Bycatch Reduction**

Bycatch reduction is the principle motivating factor for this action. Therefore it is critical that bycatch reductions are explicitly included as part of the program. Bycatch reduction is achieved in several ways via this program:

1. **Council Action:** For the first two years of the program existing bycatch limitations (e.g. halibut and Chinook salmon PSC limits and Tanner crab closure areas) will remain in place. At final action the Council will adopt additional bycatch reduction measures to be phased in after the initial two year transition period.
2. **Community Fishing Association Action:** Annual fishing quota allocations will be adjusted based on bycatch performance, e.g. vessels with lower bycatch will receive greater quota allocations (see below for more details).

### **II. Observer Coverage**

- 100% observer coverage will be required to participate in the fishery.

### **III. Community Fishing Association**

This provision would allocate the annual federal total allowable catch (TAC) for trawl target species, non-target species, secondary species and associated prohibited species catch (PSC) to a community fishing association (CFA), a non-profit entity described in more detail in section A. below. The CFA would be established under the Fishing Communities provisions of the Magnuson Stevens Act (MSA),<sup>2</sup> and would be required to comply with the provisions of that section. The CFA would determine how to distribute the annual harvest privileges according to criteria, goals and objectives established by the Council and set in federal regulation. Annual reporting to the Council would be required. The intent of the CFA is not to disrupt current harvesting practices, nor to provide a source of revenue generation, but rather to ensure that quota is anchored in the community and that community concerns, including bycatch reduction, crew shares and other community concerns are addressed in the program.

#### **A. CFA entity/composition**

The CFA entity must be a non-profit entity qualified by NMFS, with a community sustainability plan approved by the Secretary as specified in the MSA<sup>3</sup>. The administrative entity will be a single Gulf-wide administrative entity with two divisions, one for the Central Gulf of Alaska and one for the Western Gulf of Alaska. The CFA will be governed by an Executive Committee with administrative and oversight responsibilities for the organization. The Executive Committee will be selected from the Board of Directors for the Central and Western Gulf of Alaska regions. The Central and Western Gulf of Alaska regions will each have a Board of Directors consisting of 9 seats. The Board of Directors

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<sup>2</sup> 16 USC 1853a(c)(3).

<sup>3</sup> 16 USC 1853a(c)(3)(A)(i)(IV).

will be selected via a nomination process in which each interest group submits nominations to the relevant borough government (Kodiak Island Borough for the Central Gulf and Aleutians East Borough for the Western Gulf). The Borough Assembly will then appoint a representative from the nominees in a public meeting.

Membership for the Board of Directors will be subject to the MSA requirement that it “consist of residents who conduct commercial or recreational fishing, processing, or fishery dependent support businesses within the Council’s management area.”<sup>4</sup> The Boards will consist of:

<u>Executive Committee</u>
Kodiak Island Borough/City Government: 1 seat
Aleutians East Borough: 1 seat
Trawl sector: 1 seat
Fixed gear sector: 1 seat
Conservation: 1 seat

<u>Central Gulf (9 seats)</u>	<u>Western Gulf (9 seats)</u>
Kodiak City/Borough government: 1 seat	Aleutians East Borough: 1 seat
At-large community seat: 1 seat	At-large community seat: 1 seat
Trawl sector: 2 seats	Trawl sector: 2 seats
Processors: 1 seat	Processors: 1 seat
Fixed gear sector: 1 seat	Fixed gear sector: 1 seat
Salmon/Halibut/Crab Fisheries: 1 seat	Salmon/Halibut/Crab Fisheries: 1 seat
Crew/Independent Contractor: 1 seat	Crew/Independent Contractor: 1 seat
Conservation: 1 seat	Conservation: 1 seat

**B. Quota Distribution**

- Eligibility to receive quota distribution on an annual basis will be tied to owning a qualified LLP/vessel.
- In the first two years of the program, quota will be distributed according to past fishing history.
- After the first two years, quota will be distributed based on a combination of fishing history and bycatch performance standards. For instance, quota distribution could be based 30% on history, 30% based on an even distribution between participants in the fishery and 40% based on performance standards, including bycatch performance. Specific scoring criteria will be developed by the board to provide benchmarks and allocations relative to meeting the performance standards.
- To receive quota, harvesters must join a cooperative. For the first 2 years of the program, harvesters must join the cooperative associated with their historical

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<sup>4</sup> 16 USC 1853a(c)(3)(A)(i)(III).

deliveries. After the first 2 years harvester/processor relationships will be subject to the criteria detailed below under harvester/processor relationships.

C. CFA Contract Terms

- To receive quota, vessels must comply with a set list of contract terms via a contract with the CFA. Contract terms will be phased in over the initial 2 year period to allow time for the fleet to adapt.
- Contract terms may include:
  - Delivery/landing requirements based on historical delivery patterns.
  - Membership in a co-op/risk pool and compliance with bycatch avoidance measures.
  - Active participation in the fishery – either owner on board or significant ownership interest in a vessel.
  - Crew share standards.
- Contract terms will be developed by the CFA in accordance with goals and objectives set out by the Council.

D. Lease Rates

- The CFA's lease rates will be capped at a level which will cover administrative costs for the quota entity and will not exceed reasonable administrative costs as audited by NMFS (not to exceed 5-10%).

E. Processor Co-operatives

- Vessels must be part of a co-operative to have access to quota distributions from the CFA and the co-op must include a processor.
- For the first 2 years of the program, co-op membership would be based on historical deliveries to the processor and vessels would be locked in to their historical processor.
- Vessels would select a co-op annually and would have to do so before January 1 to provide processors security in supplying their markets.

F. New Entrants

- When a new entrant joins the fishery by purchasing a vessel or permit, they will be eligible to lease quota for primary, secondary and PSC species based on an average allocation for that class of vessel capacity (not based on the vessel's or permit's history).

G. Consolidation limits

- A limit will be set for how much quota can be fished by any one vessel to ensure that quota is not consolidated onto a small number of vessels.
- Processors would also be limited by a cap to ensure that all processing is not consolidated into too few processors in each area (Western and Central GOA).

**United Catcher Boats  
Western Gulf of Alaska  
Over 60' Trawl Catcher Vessel Bycatch Management Proposal  
June 5, 2013**

The members of United Catcher Boats who participate in the WGOA trawl fisheries developed the following outline of suggested management alternatives and options for consideration by the NPFMC with regard to management of the WGOA trawl Pollock and P. Cod fisheries for vessels greater than 60 feet LOA. We ask that the NPFMC include these options in the Gulf of Alaska Bycatch Management analysis. As stakeholders in this fishery we believe the following suggestions will best meet our needs for stability as well as best address the tools necessary to reduce bycatch.

Based on experience in other catch share programs, we believe coop management is a proven mechanism for successful bycatch management. For this reason, our suggested elements are based on a version of that successful fishery management model. We also have read the Peninsula Fishermen's Coalition proposal presented to the NPFMC in January 2013 for vessels under 60 feet LOA and have limited this UCB proposal to vessels over 60 feet LOA.

We present two options. Both require that a separate sector for >60' trawl CV be created in the WGOA. The first option is based on coop management of a LAPP catch share fishery that would allow implementation of a bycatch reduction plan. The second option is based on an LLP closed sector fishery for >60' trawl CVs. The fishery would close to the sector if its bycatch caps were triggered.

**I. Cooperative Management Option**

- 1. Bycatch Management**
  - a. Incorporate Elements of the West Coast Whiting Mothership CV Coop's Bycatch Management Agreement**
    - i. Required Movement from areas of high bycatch encounter rates**
    - ii. Seasonal Pools of Target and Bycatch Species**
    - iii. Individual vessel bycatch incentives for Coop members**
    - iv. Pre-season and In-season Hot Spot Closure Authority for the Coop**
  - b. Incorporate Elements of the Amendment 91 Chinook Salmon Bering Sea AFA Catcher/Processor IPA-style Management.**
    - i. Allocate bycatch to participants on a pro-rata basis at level less than the sector cap amount. Exceeding that level in years of high abundance would require approval of the Coop Board.**
    - ii. Avoidance would be further facilitated by closing "hot spot" areas of high bycatch.**
    - iii. When 2/3<sup>rd</sup> of cap reached, time of closures would be extended to those with higher bycatch rates.**
    - iv. Buffers to avoid overages may be included**
- 2. Program Applies to vessels greater than 60' LOA participating in a Coop. Quota is allocated to a single Cooperative made up of eligible CV owners**

- a. Voluntary coop of CVs >60' who hold valid WGOA LLP Endorsements
  - b. Coop Allocation based on a set of qualifying history years and set of years for determining the allocation of quota to the Coop
    - i. 2000 – 2012
    - ii. 2000 – 2011
    - iii. 2000 – 2006 (same years used for LLP Recency Amendment)
    - iv. All date ranges include drop years of 1, 2 and 3 years
  - c. CV share of Coop's allocation based on what the CV brings into the Coop ('golden rule')
  - d. CV ownership Cap
    - i. Options include 20%, 25%, and 30%
  - e. CV Use Cap
    - i. Options include 30%, 40%, and 50%
  - f. Eligible CVs can opt out of Coop and remain in Non-Coop fishery ('Open Access')
3. Harvester Coop Member – Processor Agreement Requirement
- a. Single CV Coop with initial member commitment based on historic delivery to WGOA Processors
  - b. Coop Members required to have annual agreement with a processor
    - i. Initial Commitment based on historic delivery pattern (set of years TBD)
    - ii. Subsequent year commitments made by a date certain in the preceding year.
  - c. Movement of CVs between Processors
    - i. By participation in Open Access fishery for one year (similar to AFA Inshore APA CV rule)
    - ii. By Mutual Agreement between Harvester and Processor to allow release of delivery requirement
  - d. Processor Caps (% of quota allowed to be processed by an individual processor)
    - i. Options: 30%, 40% and grandfather
4. Duration of Allocation
- a. Perpetual, based on MSA LAPP provision that requires a 5-year review of the program
5. Transferability
- a. Allow for annual transfers of coop allocations between coop members of directed target species (Pollock and P. Cod) and PSC species (halibut and Chinook salmon)
  - b. Allow for annual transfers of allocations and bycatch between sectors (<60' & >60' CV sectors)
  - c. Coop percentages assigned to CV members can only be sold so that they remain in same sector

## II. Sideboard Management Option

This option would not create catch shares, only a sector allocation to >60 trawl CVs fishing pollock and cod in the WGOA.

- 1. Eligible vessel owners with current eligible LLPs with WGOA trawl endorsement would be limited to amounts of pollock and P. cod harvested historically, and the amount of halibut and Chinook salmon allocated, to vessels greater than 60' LOA.

- a. Voluntary coop of CVs >60' who hold valid WGOA LLP Endorsements
  - b. Coop Allocation based on a set of qualifying history years and set of years for determining the allocation of quota to the Coop
    - i. 2000 – 2012
    - ii. 2000 – 2011
    - iii. 2000 – 2006 (same years used for LLP Recency Amendment)
    - iv. All date ranges include drop years of 1, 2 and 3 years
  - c. CV share of Coop's allocation based on what the CV brings into the Coop ('golden rule')
  - d. CV ownership Cap
    - i. Options include 20%, 25%, and 30%
  - e. CV Use Cap
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- 1. Eligible vessel owners with current eligible LLPs with WGOA trawl endorsement would be limited to amounts of pollock and P. cod harvested historically, and the amount of halibut and Chinook salmon allocated, to vessels greater than 60' LOA.

*Theresa  
Peterson*



June 3, 2013

North Pacific Fishery Management Council  
605 West 4th Avenue, Suite 306  
Anchorage, AK 99501-2252

**Re: Agenda Item, C-5(a) GOA Trawl Bycatch Management Discussion Paper and Roadmap**

Dear Chairman Olson and Members of the Council,

The Alaska Marine Conservation Council is dedicated to protecting the long-term health of Alaska's oceans and sustaining the working waterfronts of our coastal communities. Our members include fishermen, subsistence harvesters, marine scientists, small business owners and families. Our ways of life, livelihoods and local economies depend on sustainable fishing practices and productive oceans.

Thank you for the opportunity to comment on the Gulf of Alaska (GOA) Trawl Bycatch Management Discussion Paper. AMCC appreciates the deliberate and careful pace at which the North Pacific Fishery Management Council (the Council) is considering changes to the management of Gulf of Alaska trawl fisheries. We remain committed to working with the Council and other stakeholders to develop a management regime which can provide additional mechanisms and incentives for reducing bycatch in the trawl fleet. At the same time, we remain concerned that the adoption of a catch share program, particularly following the model of past programs in Alaska, has the potential to cause significant adverse impacts on fishing communities. To this end, should the Council choose to proceed down the path of a catch share program for the Gulf of Alaska, we ask that you not simply adopt past catch share models. Rather, should you decide to pursue a catch share program, we ask the Council to seize this opportunity to innovate and develop a new model for catch share programs that can provide the trawl industry tools to reduce bycatch and increase profitability while protecting the interests of fishing communities.

The June 2013 discussion paper on this agenda item highlights two areas of particular interest to the needs of protecting fishing communities: Community Fishing Associations (CFAs) and Limited Duration Quota. We offer our comments on these sections below:

Community Fishing Associations (Section 4)

Community Fishing Associations were authorized in the 2006 reauthorization of the Magnuson-Stevens Act (MSA) under the fishing communities section.<sup>1</sup> Under this provision, fishing communities are eligible to receive initial allocations of quota, or to purchase or hold quota. CFAs can provide a direct benefit to communities in terms of anchoring quota in a community, as well as providing a mechanism for ensuring community interests are met. By allocating directly to a CFA, community concerns, including bycatch reduction, crew shares and seafood deliveries among others, can be addressed directly by the CFA. The Council can still set objectives for the fishery, but a CFA will be able to protect fishing communities and provide ongoing quota distributions to the fishery in a much more flexible manner.

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<sup>1</sup> 16 USC 1853a(c)(3) (2012).

The discussion paper provides a good overview of the MSA provisions related to fishing communities in the flow charts at the beginning of the paper.<sup>2</sup> However, the flow charts are somewhat confusing in that each starts with a top tier assumption that quota is issued to “persons.”<sup>3</sup> This appears to preclude quota issuance to communities or other entities, though they are listed below as eligible to receive quota. If these types of decision trees are to be utilized in the future, a more inclusive term than “persons” should be utilized to leave quota distribution decisions open.

Further, Section 4.2, CFA Structures, discusses a number of ideas as requirements of a CFA. In fact, only some of those are required by the Magnuson-Stevens Act. For example, the paper states that “CFAs should be required to demonstrate support from local governments, harvesters, processors, and other affected support businesses” and that “These goals and objectives should ensure that all sectors benefit (or harm is minimized from the structure of the CFA.”<sup>4</sup> While these are certainly laudable goals, these are not specific requirements in the MSA. The discussion paper also presents ideas generated by the Pacific Fishery Management Council in their exploration of CFAs. While the PFMC’s experiences are relevant, future discussions of CFAs should expand upon what is required in terms of the MSA separately from examining other councils’ development of CFAs, or the author’s opinions about CFA requirements.

In general, the discussion paper contemplates wide ranging variations in structuring Community Fishing Associations (CFA), repeating throughout that the formation of any CFA requires broad consensus to be effective. Since this would rarely, if ever, occur given the diverse nature of the fisheries and stakeholders involved, it would seem CFAs are doomed to failure. There is, however, nothing in the Magnuson-Stevens Act that requires consensus to form a CFA. CFA structures could be designed to ensure all stakeholders have a role and say in management of the CFA and its quota. Consensus at the outset is not a necessary component to ensuring widespread stakeholder participation.

Finally, the discussion paper concludes that a CFA would be added on to a catch share plan after the overall structure of the program has been selected by the Council. “Until the Council has better defined the overall program, it is difficult for communities to develop a community plan.”<sup>5</sup> We contend that a CFA should be part of the fundamental architecture of the program. The discussion paper suggests relegating it to later consideration as a tool to “mitigate adverse impacts of the quota program.”<sup>6</sup> We believe this misses the point. Allocation to a CFA creates the necessity for those with fishing and processing history and other community stakeholders to participate and is an opportunity to make a program that works. To this end, we urge the Council to include CFAs as a critical component of a catch share program from the outset.

#### Limited Duration Quota (Section 5)

The discussion paper identifies limited duration programs as an effective tool to help ensure that a catch share program meets the Council’s intended goals and objectives. In particular, limited duration programs provide fishery managers with the flexibility necessary to modify programs over time. The ability for the Council to adjust program features in order to adapt to changing circumstances and unintended consequences is integral to maintaining social and economic stability for various stakeholder groups and Gulf fishing communities. We encourage the Council to further explore catch share program designs which include limited duration quota as a central tenant. In particular, since the overall objective

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<sup>2</sup> North Pacific Fishery Management Council, GOA Trawl Bycatch Management Discussion Papers and Roadmap, June 2013 at 11 [hereinafter Discussion Paper].

<sup>3</sup> *Id.* at 7.

<sup>4</sup> *Id.* at 35.

<sup>5</sup> *Id.* at 38.

<sup>6</sup> *Id.* at 36.



of this action is bycatch reduction, we urge the Council to develop limited duration quota issuance in which future quota allocations are linked to bycatch performance metrics.

Section 5.2.2 of the discussion paper lists a number of examples favoring more permanent allocation of quota shares. Some of the assumptions and arguments underpinning the examples used to illustrate the detriments of limiting duration deserve closer scrutiny. For starters, permanent quota is identified as superior to fixed-term quota on “economic efficiency” grounds.<sup>7</sup> Drawing largely on the Pacific Council’s Trawl Individual Quota Program, the paper identifies more permanent allocations as providing “greater economic benefits to persons receiving an initial allocation relative to fixed term auctions” and further suggests that leasing practices or “resource rents can represent efficiency and sustainability and therefore are a benefit to society.”<sup>8</sup> The ways in which both economic efficiency and the creation and concentration of wealth (stemming from initial quota allocation and leasing practices) impact working fishermen and entire fishing communities in and beyond Alaska is well-documented. In many ways it is the cascading effects of 1) increased efficiencies and economic benefits to initial allocation quota holders and, 2) the transferring of fishing rights and wealth out of our fishing communities that the Council could address through consideration of limited duration and quota allocation to community entities. We urge the Council to consider the detriments of limited duration in the broader context of multiple stakeholders and fishing communities. The take home point here is that while the “benefits to persons receiving an initial allocation are greater under long-term allocations, benefits to other stakeholders are potentially greater under a fixed-term duration program.”<sup>9</sup>

Lastly, the linkages drawn between long-term allocation of quota shares and resource stewardship are tenuous and seem to disregard the role of leasing practice. These linkages assume that individual quota holders are the working fishermen out on the water. We should not assume that the permanent allocation of quota to individuals will innately promote sustainable fishing practices or change the behaviors of hired skippers and crew.

**The impetus driving the development of a catch share program in the Gulf of Alaska is bycatch management. Reducing bycatch in GOA trawl fisheries does not require permanent or long-term individual allocation of quota shares but rather access to a specific amount of resource to harvest. Limited duration quota benefits a broader group of stakeholders and is vital to adaptive management and ensuring program goals are met.**

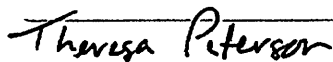
#### Conclusion

We urge the Council to explore CFA and fixed-term quota privileges further as foundational building blocks in the design of any catch share program from the GOA trawl fishery. This discuss paper represents a good starting point for exploring these design elements, but should be expanded as discussed above. We look forward to working with the Council in development of bycatch management for the GOA trawl fisheries. Thank you for your continued attention to this important issue.

Sincerely,



Kelly Harrell  
Executive Director



Theresa Peterson  
Kodiak Outreach Coordinator

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<sup>7</sup> Discussion paper, *supra* note 2 at 44.

<sup>8</sup> *Id.* at 43.

<sup>9</sup> *Id.* at 45.

Heather  
McCarty

**Proposal  
Pacific Seafood  
June 9, 2013**

**C5 Gulf Trawl Bycatch Management**

*In the document titled:*

*GOA Sector Allocation and Catch Share Program*

*In Section II, titled "Program Structure"*

*The current alternative contained there, titled "Cooperative-style Program" becomes Alternative B.*

*Add another alternative as follows:*

"Alternative A

One-pie split, a program of harvest shares allocated to both harvester and processor sectors, in certain percentages, ranging from \_\_\_\_ % to \_\_\_\_%. The allocation of quota share within sectors will be based on historical participation.

Suboption:

Quota share also granted to the community sector in a certain percentage.

Suboption:

Within this alternative, a voluntary cooperative management structure, including those pertinent elements from Alternative B deemed important and relevant in order to achieve a rationalized program, and to carry out the Council's goals and objectives, especially for effective bycatch management."

Paul Olson, Attorney-at-Law  
606 Merrell St.  
Sitka, AK 99835  
polsonlaw@gmail.com

June 5, 2013

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

Re: Agenda Item C-5(a) Trawl Catch Share Program

Dear Mr. Olson:

Thank you for the opportunity to comment on the discussion paper for the North Pacific Fishery Management Council's ("the Council") consideration of a bycatch management program for Gulf of Alaska trawl fisheries. I submit the following comments on behalf of The Boat Company (TBC). TBC is a tax exempt, charitable, education foundation that conducts multi-day tours in southeast Alaska aboard its two larger vessels, the 145' M/V Liseron and the 157' M/V Mist Cove and features sport fishing opportunities for halibut and chinook. Both species are experiencing ongoing declines, resulting in conservation-based harvest restrictions for targeted recreational, commercial and subsistence fisheries.

Bycatch control measures will affect coastal community residents and businesses for decades and the adequacy of control measures to a large extent will determine whether conservation, recreation, commercial and subsistence interests will have adequate access to public marine resources affected by trawl bycatch. The following comments respond to the June 2013 Discussion Paper which presents "Tier 1" decisions regarding the methods, chosen species, recipients and duration of fishery quota allocations.

In general, TBC supports the Council's consideration of alternatives from the discussion paper that can effectively reduce prohibited species catch (PSC) and respond to the negative socio-economic impacts associated with many catch share programs by including alternatives that provide for fixed-term allocations and Community Fishery Associations (CFAs). Also, it is important that the Council's decisions be informed by a more comprehensive review of the evolving and recent literature on catch share programs so that the Council understands the limitations of catch share programs in terms of conservation benefits and the need for other program components to address those limitations.

**Decisions on What Species to Allocate and How to Allocate Quotas Should Emphasize those Components of Catch Share Programs that Directly Address the Bycatch Problem**

TBC requests that the Council direct NMFS to review and discuss ongoing evaluations of the relationship between catch share programs for target species and broader conservation benefits in further environmental analyses. In the past two years, more than 30 published articles have addressed the socio-economic and environmental effects of catch share programs in a way that would help to inform Tier 1 and subsequent allocation decisions.<sup>1</sup> Target species catch share programs are not bycatch reduction measures but rather primarily aim towards improving the economics of target fishery harvests, and frequently

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<sup>1</sup> See, e.g. [http://www.seaweb.org/science/MSRnewsletters/MSR\\_FA\\_FisheriesManagement\\_4-2013.php](http://www.seaweb.org/science/MSRnewsletters/MSR_FA_FisheriesManagement_4-2013.php)

address management scenarios that involve overcapitalization in target species fisheries and declining target fish stocks.<sup>2</sup> Catch share proponents characterize privatization as an incentive for resource stewardship.<sup>3</sup> But this incentive does not extend to the larger ecosystem or bycatch species; it addresses *target* fishery practices in order to maintain consistent and predictable harvests.<sup>4</sup> One recent article concluded that:

Proponents of catch shares should acknowledge that, while there may be target-resource conservation benefits from catch share programs like ITQs, broader environmental stewardship by the industry has not been achieved .... Free market ideology, economic efficiency, political considerations or management fatigue may be valid reasons for welcoming the transition to catch shares, but ... efforts on behalf of ecosystems will still be necessary, perhaps even more so, when catch shares are adopted.” *Id.*

The literature thus raises questions about whether measures designed for improving economic efficiency adequately address other ecosystem effects, including bycatch. The relationship between privatization and conservation is assumed, but the scientific literature does not document a clear relationship, warranting caution “before broad generalizations about ITQs and resource outcomes are made.”<sup>5</sup> Two recent reviews of catch share system trends indicated that a more plausible hypothesis is that other components of the new programs – particularly improved catch monitoring and reporting – are the key to achieving conservation benefits.<sup>6</sup> Also, management measures that regulate fisheries in terms of the timing and location of bycatch are more important than economic efficiency measures.<sup>7</sup>

Because ecological benefits attributed to target species catch share programs arise from other program components, TBC submits that the Council’s Tier 1 decisions focus on PSC species. The concept of individual bycatch quotas, for example, may have some merit, particularly in light of the difficulties associated with in-season management of a fleet-wide quotas. TBC submits that the lack of vessel-specific bycatch data should not be an obstacle; rather, further alternative development on the amount of individual or cooperative bycatch quotas should respond to current declines of critical bycatch species of chinook, halibut and tanner crab rather than historical averages, which are unsustainable. For example, the

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<sup>2</sup> See e.g. Hannesson, R. Norway’s Experience with ITQs. *Marine Policy* 38: 45-53, 2013; Rieser, A., Watling, L. and Guinotte, J. Trawl fisheries, catch shares and the protection of benthic marine ecosystems: Has ownership generated incentives for seafloor stewardship? *Marine Policy* 40: 75-83, 2013; Emery, T.J., Green, B.S., Gardner, C. and Tisdell, J. Are input controls required in individual transferable quota fisheries to address ecosystem based fisheries management objectives? *Marine Policy* 36(1): 122-131, 2012; Nowlis, J. and Van Benthem, A.A. Do property rights lead to sustainable catch increases? *Marine Resource Economics* 27(1): 89-105 (2012).

<sup>3</sup> Nowlis, J. and Van Benthem, A.A. 2012.

<sup>4</sup> Rieser, A., Watling, L., and Guinotte, J. Trawl fisheries, catch shares and the protection of benthic marine ecosystems: Has ownership generated incentives for seafloor stewardship? *Marine Policy* 40: 75-83, 2013.

<sup>5</sup> Carothers, C., and Chambers, C. Fisheries privatization and the remaking of fishery systems. *Environment and Society* 3: 39-59, 2012 (explaining that catch share proponents overlook how the conservation goal is created by limits on overall harvests, which exist independently of ITQs, which simply divide up the overall harvest among individuals, and thus, where there is a conservation benefit, it results from the presence of a total quota than the division of that quota into shares).

<sup>6</sup> Essington, T.C., Melnychuk, M.C., Branch, T.A., Heppell, S.S., Jensen, O.P. Link, J.S., Martel, S.J.D., Parma, A.M., Pope, J.G., and Smith, A.D.M. Catch shares, fisheries and ecological stewardship: a comparative analysis of resource responses to a rights-based policy instrument. *Conservation Letters* 5(3): 186-195 (2012); Nowlis, J. et al. 2012.

<sup>7</sup> Emery, T.J. et al. 2012.

British Columbia program set its overall halibut bycatch mortality limit at half of the maximum historical bycatch level, and the U.S. West coast program reduced halibut bycatch in half and explicitly tied bycatch levels to abundance. Both programs required 100% observer coverage.

Also, further consideration of a GOA bycatch management program should include analysis of other management controls on bycatch. The amount of additional management control needed to achieve ecosystem objectives in catch share fisheries can vary by fishery, and non-selective fishing methods require more intensive spatial and temporal management because of habitat effects and non-target species interactions.<sup>8</sup> According to a 2012 review of catch share systems and ecosystem effects, “[i]ndustrial scale fishing methods and oversized and heavy fishing gear can result in high levels of mortality to pelagic marine life caught in or encountering the fishing gear, as well as extensive damage to the seafloor environment” and “[m]arket based instruments such as catch share arrangements are not designed to address these ecological costs.”<sup>9</sup> Thus, “[e]cological losses ... are not diminished unless additional regulations are imposed upon the owners of the fishing quotas.”<sup>10</sup>

In sum, TBC requests that prospective allocations reflect the relative decline in abundance of fishery resources taken as PSC rather than historical averages and are accompanied by an adequate monitoring and enforcement program. Further, the Council and NMFS should consider whether additional and alternative means of achieving PSC reductions in the trawl fisheries may be necessary in order to effectively reduce PSC.

#### **Action Alternatives Should Retain the CFA Option to Promote Community Stability**

TBC thanks the Council for proceeding with further development of alternatives that provide for management through Community Fishing Associations (CFAs) and urges the Council to direct NMFS to incorporate and discuss recent literature that reviews the socio-economic effects associated with traditional catch share programs to better inform the Council’s decision on how to allocate fishery privileges. These socio-economic effects include redistribution of wealth, job losses, increased fishery entry costs and disproportionate loss of fishing rights by small scale participants.<sup>11</sup> The negative impacts “often fall on less powerful segments of the fishing industry, namely the crew, or the small business owners” and newly created classes of fishing privilege owners have substantially altered compensation practices for captain and crews and thus the health of fishing communities.<sup>12</sup> There has also been decreased local ownership of fishing privileges, particularly in terms of a rural to urban shift in fishing ownership and operation.<sup>13</sup> One ITQ program eventually carved out a coastal fisheries option in response to these changes and set aside a substantial portion of the total catch for small boat fishermen using gear and vessel size restrictions.<sup>14</sup>

A substantial set-aside of groundfish resources for Community Fishing Associations is an appropriate management response to the goal and objective of limiting consolidation and should be a fundamental building block of the program at the outset. Consideration of

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<sup>8</sup> Emery, T.J. et al 2012.

<sup>9</sup> Rieser, A. et al 2012.

<sup>10</sup> *Id.*

<sup>11</sup> Loring, P.A. Alternative perspectives on the sustainability of Alaska’s commercial fisheries. *Conservation Biology* 27(1): 55-63, 2013.

<sup>12</sup> Olson, Julia. 2011. “Understanding and Contextualizing Social Impacts from the Privatization of Fisheries: An Overview.” *Ocean & Coastal Management* 54, no. 5:353-363.

<sup>13</sup> Carothers, C. 2012.

<sup>14</sup> *Id.*

community-based fishery management, and an expanded review of the scientific literature in further analysis, would help to meet National Standard 8's requirement to take into account the importance of fishery resources to fishing communities by utilizing economic and social data based on the best scientific information available.

### **Limited Duration Quotas/Fixed Term Privileges**

TBC requests that the Council avoid granting perpetual fishing rights and instead consider alternatives that acknowledge ocean resources as a public trust by including fixed term options in the catch share program. Alternatives for quota allocation should include low accumulation limits, owner-on-board requirements and exclude processor quotas. The discussion paper provides several reasons why limited duration quotas would be advantageous. Fixed-term privileges allow for greater flexibility if a program is not meeting its objectives and performance standards and thus having negative impacts on other stakeholders. Also, fixed term privileges would allow for redistribution of allocations and policy changes such as gear type conversions. In particular, the fixed term option allows for the ability to change the program in light of new developments, including a "rapidly changing understanding of the oceans" and a "shift towards ecosystem based science and management."

The discussion paper's assessment of the disadvantages of fixed term privileges merits further scrutiny. It quotes the findings of the Pacific Council's SSC, which argued that "fixed term/auction alternatives reduce incentives for stewardship." The relationship between catch share programs and non-target resource stewardship is unclear and likely varies based on the selectivity of fishing gear types and the implementation of other program components. Further, the extent to which fishing privileges incentivize a conservation ethic is more related to other aspects of ownership than duration. For example, the practice of leasing quota undermines the purported benefits of permanent duration privileges; the rural to urban migration of fishing privileges is another significant factor because coastal community residents, who are often dispossessed of fishing rights after resource privatization, have substantial interests in the long-term health of their marine ecosystems that may not be shared by non-local privilege owners who migrate in and out only for commercial fishing."<sup>15</sup>

### **Conclusion**

TBC thanks the Council for its effort to develop a bycatch management program and requests that the Council prioritize the measures that address ongoing depletions of bycatch species such as 100% observer coverage combined with bycatch quotas and alternatives that combine PSC quotas and improved monitoring with seasonal and area restrictions that protect halibut, chinook and crab. Because it is unclear whether permanent or long-term target species catch share programs will effectively accomplish the Council's bycatch reduction goals, fixed term privileges and CFAs that can implement incentive based programs are a more appropriate building block for this effort.

Sincerely,

Paul Olson

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<sup>15</sup> *Id.*; see also Emery, T.J. et al 2012.

**Council motion**  
**June 9, 2013**  
**C-5(a) GOA Trawl Bycatch Management**

The Council appreciates stakeholder efforts to respond to its request for proposed prohibited species catch (PSC) management measures in the Gulf of Alaska trawl fisheries. The breadth of preliminary proposals provides the Council with a variety of program structures to consider in development of a program. Recognizing that these proposals have been recently received and preliminary in nature, the Council requests that staff provide a discussion paper reviewing the proposals. This review should first briefly summarize each proposal and describe the program structure being proposed using the Tier 1 and 2 decision framework provided in the June 2013 'roadmap' document. Each proposal should then be examined in light of the Council's purpose and need statement. The paper should review each of the objectives identified in the Council's purpose and need statement and whether and how the elements of each proposal address those objectives.

This review is not intended to be an analysis of the proposals or their elements and options. Instead, the review is intended to provide a basis for the Council and stakeholders to develop program designs for more comprehensive analysis in the future with the necessary components and focus to address the Council's purpose and need statement. Additionally, the discussion paper should point out whether any of the proposals include elements that may not be authorized under Magnuson-Stevens Act. The result is intended to further the Council's objective of advancing bycatch reduction and management, providing industry with the necessary tools to adapt to present and future management needs, and meet other stated objectives of mitigating inequities between program participants that new management provisions might impose.

*for management of the  
legal new trawls*

In addition, the discussion paper should expand on the state waters section and explicitly discuss the effects on a federal program in a situation in which a substantial portion of the harvest has been historically harvested in state waters.

*assess what is required by Council to  
develop CFA's*

# PUBLIC TESTIMONY SIGN-UP SHEET

Agenda Item: C-5 (b) GOA Trawl Data Collection

	NAME (PLEASE PRINT)	TESTIFYING ON BEHALF OF:
<del>1</del>	TERRY HAINES	FISH HEADS
<del>2</del>	Bern Stewart	Peninsula Fishermen's Coalition
<del>3</del>	Bob Krueger	All Whitefish Trawlers Assoc
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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.



General Information

*Handout from NMFS  
Staff CSB*

Data type	Data element	Alternative	Notes
A80 QS Holder Information	Amendment 80 QS permits held		
	Name of A80 vessels owned		
	Contact information (phone, email)		
A80 Vessel Operator Information	Name, Company, Partnership, or other Business Entity		
	Contact information (phone, email)		
Person Completing the EDR	Name, Title		
	Contact information (phone, email)		
A80 QS Holder Certification	Signature		

Catcher Vessels

Data type	Data element	Alternative	Where we can get this data
crew	Payments to crew	GOA Trawl	
	Payments to captain	GOA Trawl	
	Crew license number/CFEC permit number	Trawl	
Costs	Gear purchases (expensed that year)	Trawl	
	Fuel used (gallons)	GOA Trawl	
	Fuel Used (USD)	GOA Trawl	

Catcher/Processor

Data type	Data element	Alternative	Notes
Vessel Identification	A80 QS Permit Number		Collected on A80 EDR
	A80 Vessel Name		Collected on A80 EDR
	USCG Documentation No.		Collected on A80 EDR
	ADF&G Vessel No.		Collected on A80 EDR
	ADF&G Processor Code		Collected on A80 EDR
	A80 LLP No(s).		Collected on A80 EDR
	A80 limited access fishery permit no.		Collected on A80 EDR
	A80 Cooperative		Collected on A80 EDR
	Home port		Collected on A80 EDR
	US gross registered tonnage		Collected on A80 EDR
	Net tonnage		Collected on A80 EDR
	Length overall		Collected on A80 EDR
	Beam		Collected on A80 EDR
	Shaft horsepower		Collected on A80 EDR
	Fuel capacity (US gallons)		Collected on A80 EDR
	Year Built		Collected on A80 EDR
Survey Value	Most recent survey value		Collected on A80 EDR
	replacement value		Collected on A80 EDR
	date of last value survey		Collected on A80 EDR
	include value of permits (Y/N)		Collected on A80 EDR
	include the value of processing equipment (Y/N)		Collected on A80 EDR
Fuel Consumption - annual (gallon), average (gallon/hour)	fishing and/or processing		Collected on A80 EDR
	Steaming (not fishing or processing) - fully loaded with product		Collected on A80 EDR
	Steaming (not fishing or processing) - empty (transiting)		Collected on A80 EDR
Freezer Space	Freezer space (measure in lbs of product) available at the beginning of the calendar year		Collected on A80 EDR
	Maximum freezer capacity (lbs/hr)		Collected on A80 EDR
Processing Capacity	Number of processing lines on vessel		Collected on A80 EDR
	product processed (Species and product)		Collected on A80 EDR
	Number of processing lines by product processed		Collected on A80 EDR
	maximum through put by product code processed by hour		Collected on A80 EDR
Vessel Activity	Days Fishing (A80 Fishery Days)		Collected on A80 EDR
	Days Fishing (All non-A80 fisheries)		Collected on A80 EDR
	Days traveling or offloading		Collected on A80 EDR
	Days inactive		Collected on A80 EDR

Catcher/Processor

Revenues	Total fishery product sales volume (metric tons and revenue)		Collected on A80 EDR
	All Other income (US dollars)		Collected on A80 EDR
	Income from sale of LLP licenses associated with this vessel during the calendar year		Collected on A80 EDR
	Quantity (metric tons) and royalty revenue (USD) from QS shares leased by other vessels		Collected on A80 EDR
Capital Expenditures and Material Usage	Fishing gear (USD)		Collected on A80 EDR
	Expenditures on processing equipment, including freezing and cold storage (USD)		Collected on A80 EDR
	Expenditures on vessel and onboard equipment (other than fishing processing, or storage) (USD)		Collected on A80 EDR
	Other capital expenditures		Collected on A80 EDR
	Purchase of LLP licenses for use on this vessel (USD)		Collected on A80 EDR
Expenses	Fishing labor		Collected on A80 EDR
	Processing labor		Collected on A80 EDR
	All other labor		Collected on A80 EDR
	Food and provisions		Collected on A80 EDR
	Recruitment, travel, benefits and other employee related costs		Collected on A80 EDR
	Lease expenses for this vessel and onboard equipment		Collected on A80 EDR
	Fishing gear leases, repairs, and purchases fully expensed in calendar year 2012		Collected on A80 EDR
	Repair and maintenance expenses for vessel and processing equipment		Collected on A80 EDR
	Freight, storage, and other sales costs for non-fob sales		Collected on A80 EDR
	freight and storage costs other than for products		Collected on A80 EDR
	product and packaging materials		Collected on A80 EDR
	fuel and lubrication		Collected on A80 EDR
	Observer fees and other fishery monitoring and reporting costs		Collected on A80 EDR
	Cooperative costs including lawyer and accountant costs, association fees, and other fees charged to you by the harvest cooperative		Collected on A80 EDR
General administrative costs		Collected on A80 EDR	

Catcher/Processor

	insurance		Collected on A80 EDR
	Fisheries landing taxes		Collected on A80 EDR
	Total raw fish		Collected on A80 EDR
	Quantity (metric tons) and royalty (USD) costs paid for QS shares leased from other vessels		Collected on A80 EDR
Calendar Year Labor	Fishing (deck crew) - average number onboard, total number		Collected on A80 EDR
	Processing - average number onboard, total number		Collected on A80 EDR
	How many hours per day did each processing line employee work (average)		Collected on A80 EDR
	Did the vessel use crew or revenue share system to pay processing or non-processing crew		Collected on A80 EDR
Harvest Crew	ADFG or CEFC Crew ID number		New data collection

Processor

Plant data type	Data element	Alt 1. (status quo)	Alt. 2	Notes
Labor	Average groundfish processing positions	n/a	monthly	all fisheries/areas/gear
	Processing employee man-hours	n/a	monthly by housing	all fisheries/areas/gear
	Total processing labor payments	n/a	monthly by housing	aggregated across all fisheries
	Payments to foremen, managers, and other non-processing employees at the plant	n/a	annual	all fisheries/areas/gear
Utility information	Community water	n/a	gallons/month	groundfish plants
	Community water	n/a	\$/month	groundfish plants
	Community electric	n/a	Kw hrs./month	groundfish plants
	Community electric	n/a	\$/month	groundfish plants

\* Housing is broken out by those persons living in company housing and those living on the local economy.

# PUBLIC TESTIMONY SIGN-UP SHEET

Agenda Item: C-5(c) Tendering

	NAME (PLEASE PRINT)	TESTIFYING ON BEHALF OF:
1	Georg Huber	myself
2	TERRY HAINES	<del>FISH HEAD</del> (ELI)
3	BETH Stewart	Peninsula Fishermen's Coalition
4	Paul Gronholdt	AEB
5	Bob Krueger	All Whitefish Trawlers Assoc.
6	SINCLAIR WILSON	WESTWARD SEAFOODS
7	DENBY CLOUD	CITY/BOROUGH KODIAK
8		
9		
10		
11		
12	KLENT PAINE	
13		
14	JOE PLESMA	TRIDENT SEAFOODS
15		
16	Walter Wilman	Widuck Trawlers Cooperative
17	John Hester	
18	Paul Green	Paul Green
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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.