

May 31, 2016

Dan Hull, Chair  
North Pacific Fishery Management Council

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Re: Comments related to Council Agenda Item C-5 for the June 2016 meeting of the North Pacific Fishery Management Council and the preparation of a Draft Environmental Impact Statement.

Council Members:

The organizations listed below represent the majority of fishery participants, both harvesters and processors, in the Gulf of Alaska inshore groundfish trawl industry. Our comments are provided in regard to Agenda item C-5, Gulf of Alaska Trawl Bycatch Management, for the June 2016 meeting of the North Pacific Fishery Management Council (Council) and as additional scoping comments pursuant to the National Environmental Policy Act (NEPA).

At the outset we want to express our appreciation for this opportunity to comment, and to emphasize our willingness to continue to work with the Council to craft a practical and workable program. This has been and will continue to be an iterative process, and we understand that the policy choices and program details will continue to evolve as the Council proceeds with preparation of a Draft Environmental Impact Statement (DEIS).

We also want to underscore the importance of these fisheries to Alaska and the communities of Kodiak, King Cove and Sand Point. For example, the recent McDowell report (May 2016) indicates that groundfish fishing and processing has the largest economic impact of any fishery in Kodiak, accounting for about half of the seafood jobs (1,952), half of the seafood labor income (\$111m), and half of the total seafood output (\$187m) in the Kodiak economy in 2014. In 2014, trawl vessels delivered 361 million pounds of groundfish worth \$50m in ex-vessel value and \$160m in first wholesale value. Groundfish harvesting and processing accounted for almost 20% of all Kodiak employment in 2014. The choices made through this action by the Council will have far reaching impacts on the local economy and must be developed thoughtfully to ensure that it continues to provide economic benefits to these communities into the future.

Our organizations continue to support development of Alternative 2. The core elements provide an effective management structure for the Gulf trawl fisheries to mitigate the impacts of the race for fish, provide mechanisms to control and reduce bycatch, better manage target and secondary species harvest, minimize discards and improve utilization, and provide for future economic opportunity for Gulf coastal communities. These are all part of your stated objectives.

With regard to Alternative 3, our concerns have been reinforced upon review of the June staff discussion paper and the changes made by the Council at the February meeting. It is still unclear what the Council is trying to accomplish with this proposal, but it does not appear to be a fisheries management program in response to the issue at hand. Council intent under Alternative 2 was clear: provide management mechanisms to the trawl sector to meet the Council's bycatch reduction measures while fostering an economically viable fishery founded on historical participation and investment in the fishery by harvesters, processors, and communities that are dependent on Gulf trawl fisheries. Alternative 3 appears to be focused more on redistribution of fishery benefits and mitigating perceived impacts of other catch share programs whether applicable or not to Gulf trawl fisheries.

The purpose of these comments is to provide perspective on the issues and concerns posed by the different approaches and to describe how Alternative 2 and Alternative 3 match up against the Council's stated goals and objectives for the action. Our comments provide context as to how Alternative 2 is structured to better meet the goals and objectives adopted by the Council, including the community protection objectives the Council has identified. We also provide comments in response to staff issues raised in the most current discussion paper with an emphasis on necessary clarifications under Alternative 2 in preparation for the DEIS.

Many of the issues and questions raised in these comments will be the subject of the analysis that will be conducted through the DEIS. We respectfully request that these comments, and the attachments to this letter, be included in the record for the DEIS and that the issues and concerns be addressed fully in the DEIS analysis.

#### 1. Background

Beginning in 2012, the Council adopted significant new bycatch constraints in the federal Gulf of Alaska trawl fisheries. These include a 15% cut in the halibut bycatch limit for the trawl fleet (2012), a new cap on Chinook bycatch in the pollock fishery (2013), and a new cap on Chinook bycatch in the non-pollock trawl fisheries (2015).

At the time, the Council acknowledged that current management under limited access, with its attendant race for target species and constraining PSC caps, was untenable and may not be practicable. The Council committed in late 2012 to develop a management framework with the primary objective to design a fisheries program to effectively manage and reduce bycatch while promoting increased utilization of both target and secondary species harvested in the Gulf. At the time, Council members acknowledged that significant improvements could be made in the management of the Gulf trawl groundfish fisheries.

The Council spurred action to develop this new management framework by stating on the record that these new bycatch caps/reductions were adopted without providing the groundfish trawl industry a management system that allows it to adapt to these new requirements. Without a different management system, it was expected that the fisheries would not be able to operate

cooperatively to minimize bycatch nor would they be able to fully prosecute the groundfish TACs.

Early in the process the Council encouraged the affected industry participants – harvesters, processors, and groundfish dependent communities – and other interested parties to provide concepts and proposals regarding the goals and objectives for such a program and the management structure that should be considered.

In October 2012, at the outset of this action and following extensive public comment, the Council established a purpose and need statement and objectives to guide development of a new program, and the purpose and need statement has been modified only slightly since 2013. It is a requirement of the Magnuson Stevens Act to specify goals and objectives for major management programs such as this, and the Council was well served by focusing on development of alternatives to meet its goals through 2014.

The Council also stated on the record that it was not going to develop alternatives for a new management system in the Gulf without fishery participants' active engagement in the process and support for the outcome. The Council noted that this would require some hard work by the three most affected sectors: groundfish trawl harvesters, shoreside processors, and groundfish dependent Gulf communities such as Kodiak, Sand Point, and King Cove. Representatives of these three sectors worked on various approaches over the course of almost two years, as the Council solicited public proposals, and the city and borough of Kodiak formed a fisheries working group to engage in the process.

Our organizations worked with a large group of Gulf trawl harvesters, inshore processors, catcher processors, and others to provide comments and concepts on the purpose and need for action, program objectives, and management structure.<sup>1</sup> One of the consistent goals of our proposals was to strike a fair balance between the interests of industry participants while protecting the interests of groundfish dependent Gulf communities. It was our belief that a properly structured management program could not only meet the Council's goals for improved management of target and secondary species while complying with newly imposed bycatch restrictions, but could also provide future opportunity for Gulf coastal communities and the seafood industry that supports their economy.

All public proposals were reviewed in June 2013, and all, with one exception, recommended forming a catch share program that allocates the most important target species and PSC species in the Gulf of Alaska trawl fisheries in a way that incentivizes bycatch avoidance and recognizes the dependence on and participation in the groundfish trawl fisheries, as required by the Magnuson Stevens Act (MSA).

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<sup>1</sup>[www.npfmc.org/wp-content/PDFdocuments/catch\\_shares/GOAtrawl/GOATrawlProposals613/AGDBplus.pdf](http://www.npfmc.org/wp-content/PDFdocuments/catch_shares/GOAtrawl/GOATrawlProposals613/AGDBplus.pdf)

As a result of that review, the Council developed a fishery cooperative alternative over the next year and a half (Alternative 2, adopted October 2014), using concepts from several proposals. The core of the alternative is most similar to the Central Gulf of Alaska rockfish cooperative and American Fisheries Act programs, under which the total allowable catch is apportioned as shares to cooperatives comprised of both harvesters and processors, based on the catch history of the members of these cooperatives. The Council included additional elements, different from previous programs, to meet the Council's stated goals and objectives relative to processor protections, community protections, active participation, and new entry opportunities.

Development of Alternative 2 was a deliberative and iterative process, with refinement at multiple Council meetings and active engagement by trawl fishery participants, Gulf communities, and the interested public. The Council stated upon formal adoption of this alternative that there was an expectation that refinement of the alternative would continue, as the Council receives analysis and proceeds through the NEPA/MSA process.

Our organizations supported this process because we believed the Council when it stated that this program would be developed with the active engagement and support of Gulf trawl industry participants. We supported the goals, objectives and purposes articulated by the Council. And we saw a path forward whereby the Gulf trawl industry could work cooperatively to comply with the Council's bycatch reduction measures, better manage target and secondary species harvest to minimize discards and improve utilization, and provide for future economic opportunity for Gulf coastal communities and new entrants.

We continue to support refinement of Alternative 2 but this effort has been overshadowed by the need to respond to Alternative 3. Alternative 3, favored by the new State of Alaska leadership and adopted in October 2015, was developed without public input, does not appear to meet the Council's stated goals and objectives for the action, and is not supported by current participants in the fishery. Alternative 3 does not meet MSA practicability requirements for bycatch reduction measures and ignores the considerations under Section 303(b)(6) for limited access programs. It does not appear operationally feasible and would harm the Gulf groundfish fisheries and the communities that depend on these fisheries. More detail is provided below.

## 2. Council's Purpose and Need

There continues to be broad support for the Council's stated goals and objectives. And while there are many details that need to be worked out among the multiple options currently proposed under Alternative 2, there is strong support for the core framework of Alternative 2 among the great majority of the participants in the fishery. This support should not be (paradoxically) discounted because several of the fundamental elements of the alternative are consistent with proposals developed and submitted (at the Council's request) by active fishery participants (harvesters, shoreside processors, communities). The alternative is supported by trawl participants because it is structured to create an effective fisheries management system, with core

elements proven to work in other fisheries, and those involved in the groundfish trawl fishery can see its potential to meet the management problems at issue.

The Council has made it clear at several meetings that it intends to seriously evaluate each of the four current alternatives against its stated goals and objectives. Below is a preliminary evaluation of the current Alternative 2 and Alternative 3 against the goals stated in the Council's purpose and need statement. The points below are also depicted in table form in Attachment 1 to this letter. Attachment 1 also compares the current structure of Alternatives 2 and 3 against the 14 objectives the Council has adopted for this action. This section does not address Alternative 4 at this time, as Council direction on this alternative is yet unclear.

➤ **The Council's stated purpose and need is to mitigate the impacts of a race for fish and provide tools for the fishery participants to control and reduce bycatch.**

It is widely understood that open access fisheries underperform fisheries operating under a catch share program in every relevant criterion by which performance can be measured. These include: conservation of the resource, bycatch avoidance, safety at sea, value of products produced from the resource, and the cost of harvesting and processing the resource. This Council has examples in the AFA, Am 80, BSAI crab, and the GOA rockfish cooperative programs, as well as national examples. This is why the Council's purpose and need statement first highlights that the action is intended to mitigate the impacts of a race for fish. Alternative 2 creates a cooperative program to end the race for fish that is specific to the needs and scale of the Gulf. This is why Alternative 2 incorporates community protections, limits on consolidation, processor protections, and provisions to facilitate new entry and active participation, different from other programs in the North Pacific.

Alternative 2 ends the race for fish by allocating target species and bycatch limits to fishery cooperatives comprised of harvesters and processors. Target species allocations could be limited to pollock and Pacific cod, or could be expanded to include Western Gulf rockfish and/or secondary species currently managed under maximum retainable amounts. With a secure share of the harvest and bycatch limits, harvesters and processors can work cooperatively to end the race for fish, cooperatives can form, and incentives shift from maximizing volume to maximizing value.

Cooperatives facilitate a coordinated effort among vessels and processors to avoid bycatch through slower fishing, real-time information sharing, contractual agreements for bycatch avoidance, and formal participation by the entire fleet. In a system in which both target species and bycatch species are allocated upfront to cooperatives, as in Alternative 2, participants can plan harvesting and processing operations to lengthen the season, gain the flexibility to target their fishing effort and experiment with new techniques, including test tows and gear designed to exclude bycatch, and improve utilization and develop new products. Studies of fisheries with

both LAPP and non-LAPP sectors confirm this finding.<sup>2</sup> Under Alternative 2, bycatch may be reduced in three ways: 1) cooperative contracts that create bycatch performance rules and incentives to minimize bycatch based on actual fishing conditions; 2) incentives and time for harvesters and processors to engage in bycatch avoidance measures at a much lower cost by working together (e.g., risk-pooling; increase profitability by increasing efficiency and reducing waste); and 3) options to further reduce Chinook salmon and halibut bycatch limits by up to 25%, if practicable.

In contrast, Alternative 3 continues the race for fish. This is true in part because it only allocates bycatch limits to cooperatives and not target species, which significantly undermines the ability of a cooperative to plan and control its operations. This in turn significantly increases uncertainty and instability in fishing, processing, support businesses, and community investment.

The analyses the Council has received thus far make a strong argument that bycatch quotas alone will not help the fleet manage PSC limits. For example, fishermen would try to catch as much of the pollock as they can before Chinook salmon bycatch rates increase, and once high bycatch rates are difficult to avoid, they would race and use all remaining PSC to catch as much of the pollock as they can before the season closes. Alternative 3 would foster a similar race for higher value species such as cod before halibut bycatch becomes limiting. Bycatch and discard rates are increased as a result, and fisheries often close before all the allowable fish are harvested, in order to stay within bycatch caps. These scenarios are unnecessary and can be avoided under a different management regime.

While Alternative 3 includes the same proposed range of additional bycatch reductions as Alternative 2 (up to 25%), it does not provide the tools necessary for the fleet to control and reduce bycatch on the grounds because it is still an open access fishery for target species. In effect, it establishes a framework that creates incentives to race for higher value species and disincentives for harvesters and/or cooperatives to plan and execute slower and more strategic operations to minimize bycatch and discards. There is little to no incentive to share information, risk-pool, and engage in transfers among cooperative participants because a vessel can clearly benefit through increased opportunity to harvest more of the TAC by another vessel reaching its individual PSC limit. These are exactly the sort of disincentives cooperatives are intended to avoid.

Alternative 3 also exacerbates the current race for fish because it encourages license holders without any previous participation in the Gulf groundfish fisheries to enter the trawl fishery, by apportioning equal shares of bycatch limits to any license holder and making it much more enticing to fish those limits individually as opposed to working within a cooperative (see limited access fishery provisions). Not only does this serve to increase inefficiencies in the fishery, but it

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<sup>2</sup> <http://www.edf.org/sites/default/files/sustaining-fisheries.pdf>

undermines the goals of bycatch avoidance as participants with no experience or previous investment in the Gulf trawl fisheries enter the race for fish.

➤ **The Council's stated purpose and need is to promote the increased utilization of fish.**

Alternative 2 allows for significantly more stability relative to the volume and timing of groundfish landings. When cooperatives comprised of both harvesters and processors understand how much fish can be harvested pre-season, they have greater opportunity to work together to plan the timing and volume of landings, reduce the amount of gear deployed, and deliver fish when the market demands, which allows for higher quality products and greater utilization of fish.

Alternative 3 continues the race for fish, and thus serves to reduce the value of Alaska fisheries by increasing the risk of early closures (foregone value), and foregoing the ability to focus on the most valuable product forms, fish quality, and increased use of currently under-utilized species. This type of early closure occurred in Kodiak in May 2015 when between 13,000 to 15,000 metric tons of groundfish would have been left unharvested in the second half of the year, had an emergency rule not made additional Chinook salmon available within the overall GOA cap. NMFS estimated approximately \$4.6 million in ex-vessel value and \$11.3 million in first wholesale value would have been foregone. While bycatch limits are allocated to cooperatives under Alternative 3, the race for target species catch is maintained and potentially exacerbated, leading to increased discards, less opportunity to develop underutilized species, and undermining the fleet's ability to harvest the total allowable catch.

➤ **The Council's stated purpose and need is to increase the flexibility and economic efficiency of the GOA groundfish trawl fisheries.**

Alternative 2 is structured to provide incentives and opportunity for all groundfish trawl participants to engage in cooperative behavior. Cooperatives would provide harvesters and processors with greater flexibility to determine the timing of harvests to maximize value and minimize costs. This means significant improvement in fisheries that are limited by bycatch, as timing, location and experience are the key factors in reducing bycatch, as well as improvement in the timing of harvest in high value fisheries.

Cooperatives with fishery allocations are proven to allow greater control of fishing decisions while remaining economically viable. Alternative 2, by providing for long term cooperative structures, provides stability to fishery participants which in turn fosters longer term planning for harvesting and processing operations. This in turn provides flexibility to manage operations to gain efficiencies in both harvesting and processing and opportunity to improve utilization and develop new fishery products.

Alternative 3, on the other hand, provides little incentive for harvesters and processors to participate in cooperatives, and offers little benefit to coastal communities that are dependent on Gulf trawl fisheries. This alternative maintains the current inefficiencies in the fishery, and will require that harvesters fish to maximize target species at the expense of other goals like bycatch avoidance and higher quality catch. There is little flexibility in a system in which target species are not allocated, primarily due to the need to race with other participants prior to the fishery closing and the inability to engage in risk-pooling or bycatch avoidance plans which slow down the fishery. In addition to the lack of ability to operate in a cooperative when target species are not allocated, Alternative 3 considers allowing vessels to use bycatch limits like individual quota, outside of a cooperative structure and potentially without further reductions in bycatch apportionments to the individual vessel due to that choice.

As a result, the benefits of cooperative management cannot be achieved under Alternative 3. The possibility of different numbers of vessels entering the fishery in any given year, coupled with the equal share distribution to any license holder that might choose to enter the fishery, will be highly destabilizing. Given the high number of latent licenses in the Gulf trawl fisheries, and the fact that each could be brought into the fishery with exclusive access to an equal share of PSC, the cooperatives cannot anticipate who will be participating in any given year, or how much PSC they might have available, until late in the game. This is a significant barrier to cooperative management, which will only serve to destabilize the Gulf trawl fishery and undermine the economic value of the fishery to Gulf groundfish dependent communities.

➤ **The Council's stated purpose is to support fishery-dependent coastal communities.**

Alternative 2 includes several community protection elements for consideration, including consolidation limits, provisions that preserve the historical delivery levels to the western and central Gulf regions, and port of landing requirements. These elements were added by the Council to ensure that the program design would support the sustained participation of fishery-dependent coastal communities, both in terms of future landings going to communities with high dependence on these fisheries and in terms of employment.

There has been relatively little discussion in the past year about the consolidation limits under Alternative 2 – these include vessel use caps, caps limiting the amount of cooperative quota one person could use, and processor use caps. Consolidation limits will be extremely important in determining how this program works for communities, harvesters, and processors. These sets of regulatory limits were proposed to mitigate significant and uncontrolled consolidation and thus negative impacts on crew, processing employment, and communities. For example, consolidation of licenses or quota on fewer trawl vessels directly affects the number of available crew jobs, shares paid to crew, and the amount of demand for shore-based vessel support services. The range of use caps for both harvesting and processing provided in Alternative 2 were based on data provided by Council staff that would let the Council evaluate caps that would allow for limited consolidation. These caps were also made species-specific by the Council and the



Council ensured that vessel use caps apply both *within* the cooperative and when engaging in inter-cooperative agreements. This is different from the BSAI crab program, where vessel use caps do not apply within the cooperative and this difference is intended to mitigate significant consolidation in both fishery sectors.

Regionalization is also included for consideration in Alternative 2, meaning target species quota would have a regional designation (WG or CG/WY) as a measure to preserve historical delivery levels to communities in each management area. These are not shoreplant specific designations, meaning the annual harvest allocations could be processed at any plant within the management area in which the qualifying catch history was processed. This element was part of several of the public proposals provided to the Council in 2013, and it was conveyed as an appropriate community protection under a cooperative structure that does not link a harvester to a processor in perpetuity (the current option in Alternative 2 would, for the first two years, require that those who choose to join a cooperative join with the processor to which they've delivered historically, for the purpose of processor and community stability). In addition, Alternative 2 includes caps to ensure that all processing is not consolidated into a few processors in the Gulf. This has been a critical issue to many industry participants and community advocates wanting to continue to have diverse markets in Kodiak and other coastal communities. The combination of consolidation limits and regionalization is intended to protect individual communities and the viability of the processors that those communities depend on.

The strongest community protections are inherent in a program that facilitates a stable and increased volume and value of landings in Alaska coastal communities that are clearly dependent on the trawl fishery. Such a program would provide stability and predictability to industry participants in the community, allow for expansion into new markets for these species after eliminating the race for fish, and reduce bycatch of species that are also critical to other economic interests in these communities. In effect, *the cooperative design* of Alternative 2 is intended to maintain or improve the existing operations of the fishery to the benefit of communities, and the *community protection elements* such as consolidation limits are a safeguard for communities to maintain the level of diversity in both the harvesting and processing sectors. These are issues critical to the communities under status quo, as well as a new program, and are only possible under Alternative 2.

Alternative 3 introduces levels of unnecessary and impractical instability in the trawl fisheries with attendant negative impacts on groundfish dependent Gulf communities. Alternative 3, which allocates bycatch quota to cooperatives, does not include vessel use caps (limits on the amount of bycatch that can be used on one vessel) or processing use caps. It limits the amount of PSC cooperative quota one person can use in the cooperative (up to 150% of what they brought into the cooperative) but provides no other consolidation limits relative to status quo or Alternative 2. It also does not include regionalization designations or port of landing requirements, given that there are no target species allocations.

A primary concern relative to how Alternative 3 meets the Council's goal relative to communities is that it clearly risks the ability to support year-round fishing and processing due to intermittent fishing and early closures typical in a race for fish. This directly affects thousands of Alaska residents in the harvesting and processing sectors. A year-round product flow is critical to the labor force, the ability for the plant to be open on the tail-end of seasonal fisheries such as salmon, and the processing companies' cost structure and market opportunities. Loss of year-round operations will undoubtedly impact seasonal fisheries such as salmon, weakening markets and limiting revenue streams to communities. It is difficult to see how Alternative 3 will result in positive benefits for Alaska communities, which are dependent on the groundfish trawl fisheries.

### 3. Clarifications regarding Alternative 2

Alternative 2 establishes a cooperative system for catcher vessels and processors based on historical participation. The cooperative structure would balance the interests of the two sectors, and allow them to work cooperatively to plan fishing operations to reduce PSC and facilitate use of all species more efficiently as a result of vessels fishing more slowly, strategically, and cooperatively. Selection of specific elements and options will affect whether those goals are achieved, but the overall structure includes provisions that can provide a stable and effective operating environment for harvesters, processors, communities, and support industries. Importantly, Alternative 2 recognizes the investment in and dependence on the resource by all affected sectors. Alternative 2 provides a strong starting point for the Council to consider how to effectively resolve the management problem at issue.

Council staff has provided several discussion papers over the course of the past year, intended to describe the elements of the alternatives and request clarification where needed to move into EIS development. While the majority of the outstanding questions lie with Alternative 3, there are several clarifications and suggestions from staff in the discussion paper under Alternative 2 that would be helpful for the Council to resolve in June. A few of those clarifications and suggested direction are provided below:

- Element 4a: Alternative 2 requires full retention of all allocated target species when those species are open to directed fishing. The discussion paper suggests that allowing directed fishing for pollock and Pacific cod from Nov 1 – December 31 may reduce discards as cooperative members could retain those species above the MRA using cooperative quota when fishing rockfish or flatfish late in the year (pp. 15 – 16). We recommend including options to extend the pollock and Pacific cod seasons through December 31 for analysis. The impacts of these changes would be addressed in the EIS and the ESA section 7 consultation necessary to revise season dates.
- Element 5b: The June discussion paper and previous papers request clarification regarding how to apportion historical halibut PSC use by sector (CP/CV) in the case that

a CV delivered offshore to a mothership or CP. The Council should clarify staff's assumption that halibut PSC use would accrue to the history of the sector in which the license holder operated (i.e., halibut PSC associated with vessels that operated as CVs would accrue to the CV sector's PSC apportionment, whether they delivered onshore or offshore).

- Element 5c: Staff requests further clarification on how PSC can be rolled from the Central Gulf Rockfish Program to other fisheries near the end of the year (after the regulated set-aside for halibut savings) (pp. 56-57). In the Rockfish Program, halibut PSC is allocated to each cooperative based on its members' rockfish quota, while Chinook salmon PSC is allocated to the CV sector (not allocated to cooperatives). This difference requires a different treatment for each PSC rollover. Unused halibut PSC (after savings) could be transferred to Gulf program CV cooperatives through inter-cooperative transfer. Unused Chinook salmon PSC could be transferred to the Gulf program CV cooperatives by NMFS in proportion to their initial annual non-pollock Chinook salmon PSC allocations. The Council could also clarify that unused PSC from the Rockfish Program is either rolled over to the Gulf program CV cooperatives or stays in the water; no rollover is provided to the limited access sector.
- Element 9: The transferability provisions include an allowance to sever allocated species catch history from a GOA CV trawl license (e.g., pollock and cod) and transfer it to another GOA CV trawl license (p. 6), the intent of which is to facilitate new entry into the fishery or allow an existing participant to build up their business without having to purchase the entire license with all associated endorsements and catch history. This element of Alternative 2 likely needs additional detail, such as options to limit the amount of catch history that could be severed from a license. If such an option was included, the Council could also include an option to allow those license holders that have very little allocated species history to transfer their entire catch history, in order to facilitate transfer to those that intend to participate in the fishery and avoid leasing, subject to the selected consolidation limits.
- Element 11: Staff suggests that those choosing to participate in the limited access trawl fisheries must also register annually by a selected deadline prior to the season, similar to the requirement for those joining a cooperative. This will allow NMFS to plan for management needs in the limited access fishery. We suggest including this registration requirement and a deadline of November 1, similar to the cooperative formation deadline.

#### 4. Comments related to Alternative 3

Numerous concerns have been identified with the management scheme proposed by the State of Alaska under Alternative 3, and we previously requested a clear statement of Council intent with

regard to this proposed program (see Attachment 2). Trawl fishery participants raised similar questions and concerns in a letter sent to Governor Walker during the Council's February meeting (Attachment 3). More recently, having not received a response to-date, we raised similar questions and concerns in a letter to Governor Walker dated May 5, 2016 (Attachment 4).

While many of the issues raised in our previous comments remain to be addressed, the June staff discussion paper reveals some of the shortcomings with the approach under Alternative 3. Two of the most significant issues include: mechanisms for determining dependency on the fishery and the race for fish that will continue under Alternative 3.

Dependency. One main shortcoming with Alternative 3 is related to dependency and how to measure it. This issue has plagued the proponents of Alternative 3 since it was introduced. In earlier versions, Alternative 3 attempted to address some level of dependency using surrogates such as vessel capacity, which were found to be overly complex and administratively unworkable. New approaches for determining dependency were introduced at the Council's February meeting, absent public comment or staff evaluation.

The result is an even more complex system of allocating PSC limits to cooperatives or individual vessels based on affidavits by vessel owners stating they are dependent on a particular species and area based on having a percentage of their total trawl pounds landed in a specific GOA trawl fishery compared to BSAI trawl fisheries of that type. The staff paper points out this is a fairly narrow definition of dependency, as it excludes harvest of fixed gear, harvests from outside Alaska, or harvests in state fisheries as part of the denominator. In effect, the dependency mechanism does not treat relatively new entrants, or vessels that are more dependent on other fisheries, any differently than it treats vessels that have a long history in the GOA. As long as a vessel has at least one year of past participation in the GOA non-rockfish program fisheries, the vessel is eligible to draw from one or all dependency pools if its GOA trawl/non-GOA trawl harvest meets the selected threshold (p. 38).

This raises the question: Why is the Council taking such great efforts to ignore some of its own objectives and incorporate an inadequate measure of dependency (as opposed to catch history)? One of the Council's objectives is to "authorize fair and equitable access privileges that take into consideration the value of assets and investments in the fishery and dependency on the fishery for harvesters, processors, and communities" while balancing the interests of all sectors.

Alternative 3 does not recognize historical participation or investment in the fishery (and suppresses future investment) as it allocates bycatch based on equal shares and potentially the measure of dependency described above, which provides very little consideration for active participants. Council staff analyses show that during the most recent time period, 90 of the 124 GOA trawl catcher vessel licenses were active, leaving 34 inactive licenses (p. 79). The large number of inactive licenses that could potentially be activated on new vessels or assigned to a vessel and receive a bycatch allocation would impact active participants by promoting

overcapitalization and diluting the amount of bycatch quota that their licenses would bring to the cooperative or the limited access sector.

The concept of recognizing dependency on a fishery is so important that the Magnuson Stevens Act provisions require that Councils authorize privileges to harvest fish to persons who *substantially participate* in the fishery; Councils must consider historical participation in the development of any limited access program under sec. 303(b) or LAPP under section 303A. Dependency is typically measured through actual historical participation (landings). In effect, it does not represent whether a vessel is dependent on GOA trawl as a business, it only means that a vessel is more dependent on GOA trawl than on BSAI trawl. For example, consider a predominantly pot boat that has 5% total GOA groundfish landings with trawl gear but no BSAI trawl landings. They would receive the same bycatch allocation as someone who was 100% dependent on the GOA trawl fishery. In another example, if a vessel with a latent GOA trawl LLP wanted to establish 'dependency' and access the same amount of bycatch as a long-term participant, they would only need to have one GOA trawl landing and no BSAI landings.

The May discussion paper states on page 38 “the analysts note that the dependency mechanism does not treat relatively new entrants any differently than it treats vessels that have a long history in the GOA. As long as a vessel has at least one year of past participation in the GOA non-rockfish program fisheries, the vessel is eligible to draw from one or all dependency pools...”. In other words, the mechanism in Alternative 3 is less a measure of how dependent a vessel is on the Gulf trawl fishery than an “in or out” criteria.

Proponents of Alternative 3 suggest that this will facilitate new entrants into the fishery, and staff agree that this may well be the case. On p. 46 the discussion paper states “one would expect that allocating PSC based on equal shares would entice a greater number of vessels to register for an allocation than the number that fished in 2015.” Staff also note that “vessels that are most likely to enter the fishery are those that are already operational and have low entry costs. These vessels could be AFA vessels that have focused their effort in the BSAI or west coast or vessels that have a trawl endorsement for both the WG and CG but have only been fishing in one area” (p. 47). Thus one of the outcomes of the approach taken under Alternative 3 could be to encourage the influx of capital creating an overcapitalized fishery, by large vessels from outside the area that have little to no history in the fishery.

In an ironic twist, Alternative 3 would rely on self-reporting of dependency by affidavit submitted by individual participants and include a one-year lag time. There would be no audit beforehand, only an after the fact audit by NMFS. Staff note this is the strict reading of the element adopted by the Council at its last meeting. With so much of Alternative 3 devoted to restricting flexibility of current trawl fishery participants to execute the fishery, one has to question the rationale to rely on self-reporting for one of the main allocation elements of this proposed program.

Staff also noted that this raises several questions and administrative challenges including the adjudication role NMFS may play in the event one fishery participant questions the affidavit of another fishery participant (p 52). NMFS would have to adjudicate such challenges, which in turn could affect all other participants in the fishery who, under the equal shares concept, will not know their allocation until the question is settled.

Race for fish. The second main question regarding Alternative 3 is why is the Council pursuing an approach that is not responsive to the primary identified management need, and instead is pursuing an approach that adds to management problems by increasing uncertainty and instability in the fishery by promoting overcapitalization coupled with a continued race for fish?

The groundfish fisheries are the anchor for many Alaska communities in that they provide the largest volume of fish entering these ports year-round. The recent McDowell report (May 2016) indicates that from 2010 to 2014, groundfish landings (pollock, Pacific cod, rockfish and flatfish) accounted for an average of 76 percent of all seafood landed in Kodiak, with the vast majority harvested by trawl. From the standpoint of processing, the groundfish fishery is important to these communities not only in terms of tax revenue, but because year-round plants are able to hire and retain more Alaskans than plants that are only open seasonally, and a year-round supply of trawl caught fish allows processors to remain open to accept deliveries from and provide supplies to boats participating in other, more seasonal, fisheries. The processing labor force in Kodiak includes over 1,300 Kodiak residents, which is the highest resident processor workforce in the state. Year-round employment allows families to live and thrive in Kodiak. The only way to increase the economic viability of this fishery, and protect the jobs of these Kodiak residents, is to provide a more stable operating environment and this requires ending the race for fish.

The ‘Management Considerations’ section of the staff discussion paper provides a clear description of the additional significant challenges posed by Alternative 3, primarily due to the continued race for fish. For example:

- “NMFS anticipates that under Alternative 3, participants will seek to maximize their harvest of groundfish as quickly as possible before the overall TAC is reached within the constraints imposed by PSC allocations made to cooperatives.” (p. 49)
- “Because Alternative 3 does not allocate groundfish TACs, NMFS would not be able to reliably predict the amount of groundfish harvests. This is similar to status quo management in the absence of voluntary arrangements...NMFS would anticipate using more conservative management to prevent exceeding TACs.” (p. 50)
- “It is unlikely that pollock and cod fisheries will be spread out over time under Alternative 3 compared to Alternative 2. Relative to Alternative 2, Alternative 3 would not provide the fleet tools to prevent a race for fish because it does not provide secure access to a portion of the groundfish TACs. Without secure access, each individual participant has an incentive to start fishing as early as possible after the season opens.” (p. 50)

- “Cooperative PSC limit allocations without cooperative groundfish allocations add multiple layers of complexity that will affect NMFS’ ability to make precise fishery closure projections, primarily due to variable effort...changes in fishing patterns would be expected to reduce the ability of inseason managers to predict and manage groundfish harvests”. (p. 50)
- “voluntary cooperation is also more likely when participation in the fishery is stable and the operators have established fishing patterns and working relationships.” “Because Alternative 3 would continue the race for groundfish in the same manner as the status quo, it is unlikely that voluntary organization by the industry to slow the pace of pollock fisheries would occur except at low TAC levels and when participation in the fishery is stable.” (p. 51)
- “the cooperative structure under Alternative 3 may provide limited incentives for the fleet to organize and communicate on the fishing grounds compared to status quo. Experience with other cooperative programs has shown that the primary benefits of cooperative membership are communication with other vessels...These benefits are possible because cooperative members collectively agree on groundfish harvest and PSC limits for individual vessels or business operations within the cooperative...Alternative 3 would not provide this specific type of cooperative structure. It likely would not be possible for cooperative members to collectively agree on groundfish harvest limits for individual vessels in the cooperative because the cooperative would not receive groundfish allocations. (p. 51)
- Alternative 3 is similar to the situation under the status quo, in which less than 100% agreement of all fishery participants to organize defaults to a race for fish. (p. 52)

From the discussion points above, it is clear that Alternative 3 includes provisions that will continue the race for fish and promote overcapitalization in Gulf trawl fisheries, which in turn will increase regulatory discards and make PSC avoidance more difficult. This approach does not address the management need identified by the Council, and is inconsistent with its stated objectives. Alternative 2 was designed to address capacity issues while also providing for reasonable opportunity for new entrants. Alternative 3 does not take into account current capacity issues or the potential for overcapacity. Instead Alternative 3 includes several elements to encourage new capital to enter the fishery. It is incumbent on the Council to clearly articulate the rationale for the management elements it is considering, and in this instance it is important to articulate the conservation and management benefits provided by a continued race for fish and increased capacity in the trawl fisheries.

#### 5. Comments related to Alternative 4

Alternative 4 currently includes two options: a Community Fisheries Association (CFA) and an Adaptive Management Program. There has been little interest in or work put into the Adaptive Management Program since it was introduced, so we suggest that the Council consider removing

this option from Alternative 4 in June, as it cannot be further analyzed or implemented without significant additional detail provided.

With regard to the CFA, the Council has indicated an interest in further refining the current option and has requested a more detailed proposal from proponents of the concept. The most recent proposal is included as Appendix 4 to the staff discussion paper. Given the uncertainty about what direction the Council may take with Alternative 4, we offer the following general comments.

First, the Council needs to specify the purpose of the CFA program, the impacts it is trying to mitigate, and how a CFA would improve the ability of Alternative 2 to meet the Council's goals. Is the purpose of the CFA to provide fisheries access and control by GOA trawl dependent communities or is it intended as a revenue source for GOA communities? The MSA Section 303A states that qualifying communities can receive quota in a limited access privilege program, to (among other considerations) mitigate negative effects of the proposed program. In the context of this proposed action, those impacted communities would be Kodiak, King Cove, and Sand Point; previous sections of this letter address the elements included in Alternative 2 to protect the sustained participation of those trawl-dependent communities.

There is confusion regarding the impacts the Council is trying to mitigate through Alternative 4 in part because the proponents of the CFA cite examples in Appendix 4 of other limited access or catch share programs (halibut/sablefish IFQ, salmon limited entry permit migration, etc) and their effects on small, rural communities that had more prior participation in those fisheries than they do today. Those impacts are well documented, yet it is more appropriate to address those impacts in the programs and fisheries in which the impacts actually occur, and they include some fisheries in which the Council has jurisdiction. For example, the Council is undertaking its first programmatic review of the halibut/sablefish IFQ program since the program was implemented in 1995. Perhaps the concerns raised about fisheries access for small, rural communities as a result of that program should be part of that review. In addition, the Council previously acted to allocate fixed gear cod licenses to eligible small, rural GOA communities (2012). As those have not been nearly fully utilized, the Council could evaluate why and whether that action should be amended or strengthened to meet its intent. It is worth noting that trawl licenses were not allocated to those same communities at the time; the Council cited that the trawl fisheries are not entry-level fisheries and these communities were not and had not been engaged in trawl fisheries. Would not a more appropriate response to these concerns be direct allocations to a CFA in the halibut/sablefish IFQ program, or in the fixed gear cod fishery, which are more conducive to small boat operations and rural community participation than the trawl fisheries?

Second, if the Council's intent is not focused on access to the trawl fishery by community residents and is instead to provide a revenue stream for GOA communities, the Council needs to consider the CFA program in light of the scale of the fisheries involved. For example, the BSAI fisheries support a robust CDQ Program in large part because of the large volume of fish



available. The available trawl groundfish in the Gulf is far less than that in the Bering Sea (see Fig 18, p. 168 of the discussion paper). The analysis needs to look carefully at the resource that would be available in the Gulf and what benefits can reasonably be expected to flow from a CFA allocation. Note that the proposal in Appendix 4 does not appear to support that intent, as it requires that revenues generated through CFA leases can only be used to cover administrative expenses of the CFA entity and are not redistributed to eligible communities.

The proponents of Alternative 4 have provided additional detail on this option only as it applies to Alternative 2. The LAPP provisions under MSA Section 303A(c)(3) require the Council to develop criteria which must be approved by the Secretary and published in the Federal register to allow for the participation of fishing communities in any limited access privilege program. These include criteria for community eligibility and for a community sustainability plan. The proposal in Appendix 4 provides suggestions for criteria for each of these requirements, which generate several questions:

- As stated previously, the Council needs to be clear about what it is trying to accomplish through the CFA and how it is related to the trawl groundfish fisheries at issue. This should be reflected in the community eligibility criteria in Alternative 4.
- If the intent is to mitigate potential impacts from a new Gulf trawl bycatch management program, then the communities likely to experience impacts from the program are those that substantially participate or are engaged in the Gulf trawl fisheries. In this case, the Council's criteria need to specify that CFA eligible communities be those with current or historical participation in Gulf trawl fisheries.
- If the intent is to provide benefits to communities that do not have current or historical participation in Gulf trawl fisheries, then the Council needs to be clear about its goals and how success will be measured. The proposal in Appendix 4 is not a CDQ Program, it does not create a revenue stream for any eligible community; leasing fees collected by the CFA are mandated to only cover administrative costs and the benefit is directing access to this portion of the TAC. Thus, the benefit to a community that does not participate in the Gulf trawl fisheries appears to be the ability to sit on the CFA Board and direct allocations to the trawl fleet.
- Once the Council has determined its overall intent, it should consider whether a CFA is the best way to accomplish the Council's community objectives or whether it will undermine community provisions in Alternative 2. Alternative 2 includes regionalization, port of landing options, and provisions to address consolidation, active participation, and other measures designed to mitigate potential effects seen in other catch share programs. In addition, Alternative 2 includes a loan program to aid new entrants. The Council should articulate what additional benefits a CFA program brings to Gulf communities and Gulf trawl fisheries that are not already addressed in the basic program.

- If the intent is that CFA quota be distributed directly to new entrants or crew to promote their direct and active participation in the fishery, then the Council needs to determine criteria to be used in this distribution. The proposal in Appendix 4 provides suggestions for allocation criteria; the Council will need to determine whether criteria are necessary to ensure broad access to the CFQ quota and to what extent criteria need to be prescribed in regulation.
- How will the CFA contribute to the stated goals and objectives of the Gulf trawl program, particularly bycatch reduction and improved utilization of target catch?
- How will the community sustainability plan demonstrate that the CFA will address the social and economic development needs of coastal communities, per the requirements in MSA 303A?
- How will the CFA affect prospective new entrants that are not from the CFA communities? For example, individuals from other Alaska coastal communities such as Petersburg, Dillingham, or Anchorage that might want to enter the fishery. Will the CFA put them at a disadvantage?
- CFA governance is a major part of the changes included in Appendix 4. The Council should review carefully prior to adopting to ensure it is consistent with the overall intent of the program and determine how to minimize conflicts of interest.
- What mechanisms will need to be in place to ensure that benefits flow to the affected communities, and how will this be monitored? Should an annual audit of funds be required as part of the CFA report to NMFS and the Council?
- The current Council motion applies Alternative 4 to both Alternative 2 and 3, although the new proposal in Appendix 4 is only applicable under Alternative 2. The Council needs to explore through the analysis whether the concept is necessary and viable under Alternative 3.

#### 6. General NEPA comments

We have previously identified issues with the analysis, and topics that need to be further considered, as the Council moves toward a full NEPA analysis. The current discussion paper refers in several sections to these previous analyses and does not provide additional information regarding many of these topics. Our comments on previous analyses remain relevant and we incorporate them here by reference. We request the Council ensure that they are fully addressed in future analyses as they are developed.

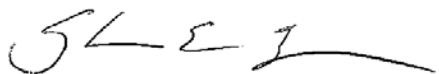
In addition, in the staff discussion papers provided to date, there has been more focus on the mechanics of the various alternatives and options, and little analysis of the effects of specific

elements. We understand that most of the analysis of impacts of various elements and options will be in the DEIS; however, that has made it difficult for the public to comment and the Council to determine the appropriateness of various elements to-date.

Finally, we note that staff have indicated that many issues will be dealt with through qualitative discussions and not quantitative analysis. We understand that this is permissible and sometimes necessary under NEPA, but encourage the Council to seek quantitative information to support decision-making for as many of the issues at hand as possible. Many of the provisions under consideration will have direct and measurable impacts on current participants in Gulf trawl fisheries and on communities that depend on the Gulf trawl fisheries. The Council and the public would be well served if those impacts are evaluated using hard data where possible.

In conclusion, we want to once again express our appreciation for this opportunity to comment.

#### SIGNATURES



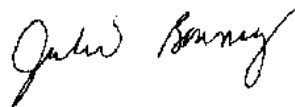
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Glenn Reed  
Pacific Seafood Processors Association



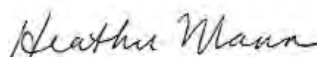
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Robert Krueger  
Alaska Whitefish Trawlers Association



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Julie Bonney  
Alaska Groundfish Data Bank



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Heather Mann  
Midwater Trawlers Cooperative

Attachment 1: Comparison of Alternatives 2 and 3 against NPFMC purpose and need statement and objectives for the GOA Trawl Bycatch Management action.

Elements for comparison	<b>Alternative 2: voluntary cooperatives with target and PSC cooperative allocations based on catch history</b>	<b>Alternative 3: voluntary cooperative with PSC allocations based on equal shares</b>
<b>Process by which the alternative was developed</b>	Developed through a transparent, two-year process of public input, after the Council established a purpose and need statement and objectives for this action and required that groundfish trawl harvesters, shoreside processors, and groundfish dependent Gulf communities all be onboard to start this process. Public proposals were reviewed in June 2013, and all, with one exception, recommended forming a catch share program that allocates the most important target species and PSC species in the Gulf trawl fisheries, in a way that incentivizes bycatch avoidance and recognizes the dependence on and participation in the groundfish trawl fisheries, as required by the Magnuson Stevens Act. Several drafts of the concept were proposed by the State of Alaska and approved by the Council for preliminary analysis, prior to Council adoption of the alternative in October 2014.	Developed without public input at the Council and not supported by participants in the GOA trawl groundfish fisheries. Proposed by the state and approved by the Council in October 2015.
<b>Council Purpose and Need Statement</b>		
<i>to mitigate the impacts of a race for fish and provide tools for the fishery participants to control and reduce bycatch</i>	Alternative 2 ends the race for fish by allocating target species and bycatch limits to fishery cooperatives comprised of harvesters and processors, with an option for community representation in the cooperative. Target species allocations could be limited to pollock and Pacific cod, or could be expanded to include Western Gulf rockfish and/or secondary species currently managed under maximum retainable amounts. With a secure share of the harvest and bycatch limits, fishermen no longer need to race, cooperatives can form, and incentives shift from maximizing volume to maximizing value. Cooperatives facilitate a coordinated effort among vessels and processors to avoid bycatch through slower fishing, real-time information sharing, contractual agreements for bycatch avoidance, and formal participation by the entire fleet.	Council analysis states that Alternative 3 continues the race for fish, because it only allocates bycatch limits to cooperatives and not target species, which significantly undermines the ability of a cooperative to plan and control its operations. This increases uncertainty and instability in fishing, processing, support businesses, and community investment. Alternative 3 also exacerbates the current race for fish because it encourages license holders without any previous participation in the Gulf groundfish fisheries to enter the trawl fishery. This undermines the goals of bycatch avoidance as participants with no experience or previous investment in the Gulf trawl fisheries enter the race for fish, and potentially fish without the structure of a cooperative to incentivize bycatch avoidance behavior. Initial analysis shows because Alternative 3

Elements for comparison	Alternative 2: voluntary cooperatives with target and PSC cooperative allocations based on catch history	Alternative 3: voluntary cooperative with PSC allocations based on equal shares
		would continue the race for fish in the same manner as the status quo, it is unlikely that voluntary organization by the industry to slow the pace of fisheries would occur.
<i>to promote the increased utilization of fish</i>	Alternative 2 allows for significantly more stability relative to the volume and timing of groundfish landings. When cooperatives comprised of both harvesters and processors understand how much fish can be harvested pre-season, they have greater opportunity to work together to plan the timing and volume of landings, reduce the amount of gear deployed, and deliver fish when the market demands, which allows for higher quality products and greater utilization of fish.	Alternative 3 continues the race for fish, and thus reduces the value of Alaska fisheries by increasing the risk of early closures (foregone value), and foregoing the ability to focus on the most valuable product forms, fish quality, and increased use of currently under-utilized species. This type of early closure occurred in Kodiak in May 2015 (NMFS estimated impact of approximately \$4.6 million in ex-vessel value and \$11.3 million in first wholesale value). Because the race for target species catch is maintained and potentially exacerbated, it leads to increased discards, less opportunity to develop underutilized species, and reduced ability to harvest the total allowable catch.
<i>to increase the flexibility and economic efficiency of the GOA groundfish trawl fisheries</i>	Alternative 2 provides incentive and opportunity for all groundfish trawl participants to engage in cooperative behavior. Cooperatives would provide harvesters and processors with greater flexibility to determine the timing of harvests to maximize value and minimize costs. This means significant improvement in fisheries that are limited by bycatch, as timing, location and experience are the key factors in reducing bycatch, as well as improvement in the timing of harvest in high value fisheries. Cooperatives with fishery allocations are proven to allow greater control of fishing decisions while remaining economically viable.	Alternative 3 provides little incentive for participants to engage in cooperative behavior. It maintains the current inefficiencies in the fishery, and will require that harvesters fish to maximize target species at the expense of other goals like bycatch avoidance and higher quality catch. There is little flexibility in a system in which target species are not allocated, primarily due to the need to race with other participants prior to the fishery closing and the inability to engage in risk-pooling or bycatch avoidance plans which slow down the fishery.
<i>to support fishery-dependent coastal communities</i>	Alternative 2 includes options for a community representative in the cooperative, consolidation limits on vessels, harvesters, and processors, provisions that preserve the historical delivery share to the western and central Gulf regions, and port of landing requirements. These elements were included by the Council to ensure that the program design would support the sustained participation of fishery-dependent coastal communities, both in	Alternative 3 does not include vessel use caps (limits on the amount of bycatch that can be used on one vessel) or processing use caps. It limits the amount of PSC cooperative quota one person can use in the cooperative (up to 150% of what they brought into the cooperative) but provides no other consolidation limits relative to status quo or Alternative 2. It also does not include regionalization designations or port of

Elements for comparison	<b>Alternative 2: voluntary cooperatives with target and PSC cooperative allocations based on catch history</b>	<b>Alternative 3: voluntary cooperative with PSC allocations based on equal shares</b>
	<p>terms of future landings going to communities with high dependence on these fisheries and in terms of employment. These sets of regulatory limits were proposed to mitigate significant consolidation and thus negative impacts on crew, processing employment, and communities. The cooperative design of Alternative 2 is intended to maintain or improve the existing operations of the fishery to the benefit of communities, and the community protection elements such as consolidation limits are a safeguard for communities to maintain the level of diversity in both the harvesting and processing sectors. These are issues critical to the communities under the status quo, as well as a new program, and are only possible under Alternative 2.</p>	<p>landing requirements. Alternative 3 risks the ability to support year-round fishing and processing due to the increased risk of intermittent fishing and early closures typical in a race for fish. This directly affects hundreds of Alaska residents in the processing labor force in these three particular communities and thousands of fishermen in both trawl and non-trawl fisheries. A year-round product flow is critical to the labor force, the ability for the plant to be open on the tail-end of more seasonal fisheries such as salmon, and the processing companies' cost structure and market opportunities.</p>
<b>14 Council Objectives</b>		
<p>1. Balance the requirements of the National Standards in the Magnuson Stevens Act</p>	<p>The Council staff discussion paper (Feb 2016) stated that Alternative 2 and Alternative 3 can balance the National Standards in different ways, and the options selected will make a significant difference in that balance. However, Alternative 2 provides a more effective starting point for balancing the requirements of the National Standards because it ends the race for fish and provides harvesters with greater flexibility to determine the timing of harvests to avoid bycatch and maximize value. This fundamental management change, coupled with the multiple community protection elements, means it is much stronger in meeting the requirements of NS 1, NS 5, NS 8, and NS 9.</p>	<p>The Council staff discussion paper (Feb 2016) stated that Alternative 2 and Alternative 3 can balance the National Standards in different ways, and the options selected will make a significant difference in that balance. Alt 3 provides a weaker starting point relative to the National Standards because it does not end the race for fish.</p>
<p>2. Increase the ability of the groundfish trawl sector to avoid PSC species and utilize available amounts of PSC more efficiently by allowing groundfish trawl vessels to fish more slowly, strategically, and cooperatively, both amongst the vessels themselves and with shore-based processors</p>	<p>Objective 2 reiterates the primary goal of the Council action, as established in the first element of the purpose and need statement (see treatment of that goal above in the purpose and need).</p>	<p>Objective 2 reiterates the primary goal of the Council action, as established in the first element of the purpose and need statement (see treatment of that goal above in the purpose and need).</p>

<b>Elements for comparison</b>	<b>Alternative 2: voluntary cooperatives with target and PSC cooperative allocations based on catch history</b>	<b>Alternative 3: voluntary cooperative with PSC allocations based on equal shares</b>
3. Reduce bycatch and regulatory discards by groundfish trawl vessels	Objective 3 reiterates the primary goal of the Council action, as established in the first element of the purpose and need statement (see treatment of that goal above in the purpose and need).	Objective 3 reiterates the primary goal of the Council action, as established in the first element of the purpose and need statement (see treatment of that goal above in the purpose and need).
4. Authorize fair and equitable access privileges that take into consideration the value of assets and investments in the fishery and dependency on the fishery for harvesters, processors, and communities 5. Balance interests of all sectors and provide equitable distribution of benefits and similar opportunities for increased value	Alternative 2 explicitly recognizes Objectives 4 and 5, consistent with federal law, through allocations to cooperatives based on historical participation of vessels, options to protect processor investments through an allocation of bycatch limits and cooperative membership with a vessel's historical processor for the first two years, and the community protections described in detail above. The overall structure includes provisions that can provide a stable and effective operating environment for harvesters, processors, communities, and support industries, and recognizes the investment in and dependence on the resource by all sectors. There is no more direct way to recognize investment in and dependence on a fishery than by historical participation, catch history, delivery patterns, and employment in the harvesting and processing sectors.	Alternative 3 does not recognize historical participation or investment in the fishery (and suppresses future investment) as it allocates bycatch based on equal shares, despite prior participation in the fishery. The Council's current measure of dependency in Alt 3 does not represent whether a vessel is dependent on GOA trawl as a business, only whether a vessel is more dependent on GOA trawl than on BSAI trawl. Council staff analysis states that the dependency mechanism does not treat relatively new entrants any differently than it treats vessels that have a long history in the GOA. During the most recent time period, 31% of the catcher vessel GOA trawl licenses were inactive; in effect, there would be no consideration for active participants and these licenses could control an equal amount of PSC. Alternative 3 serves to significantly redistribute fishery benefits, with disregard for long-term participants that have invested in the fishery and for the communities' dependent on these fisheries.
6. Promote community stability and minimize adverse economic impacts by limiting consolidation, providing employment and entry opportunities, and increasing the economic viability of the groundfish harvesters, processors, and support industries	See the discussion of community protections under the purpose and need above. Alternative 2 has significant and substantive community protection elements included in the context of a workable cooperative program design for the GOA groundfish trawl fisheries. The way to maintain or increase the economic viability of this fishery is to provide a more stable operating environment and this requires ending the race for fish. The groundfish fisheries provide the largest volume of fish entering many AK ports year-round. They are important to these communities in terms of tax revenue, seafood-related spending, and because year-round processing plants are able to hire and	Alternative 3 does not reflect a management program that will serve the Council's goals to mitigate the race for fish and support these year-round trawl fisheries; thus, it does not promote community stability for trawl groundfish dependent communities.

Elements for comparison	<b>Alternative 2: voluntary cooperatives with target and PSC cooperative allocations based on catch history</b>	<b>Alternative 3: voluntary cooperative with PSC allocations based on equal shares</b>
	retain more residents than plants that are only open seasonally. Refer to the previous discussion of consolidation limits (use caps) that are only proposed under Alt 2. Transferability provisions and severability of catch history from a license are also included, intended to facilitate new entry or those with low historical participation to build up a business at a lower cost.	
<p>7. Improve the ability of the groundfish trawl sector to achieve Optimum Yield, including increased product retention, utilization, landings, and value by allowing vessels to choose the time and location of fishing to optimize returns and generate higher yields</p> <p>8. Increase stability relative to the volume and timing of groundfish trawl landings, allowing processors to better plan operational needs as well as identify and exploit new products and markets</p>	Alternative 2 meets objectives 7 and 8 because it allows for significantly more stability relative to the volume and timing of groundfish landings compared to status quo or Alt 3. When cooperatives comprised of both harvesters and processors understand how much fish can be harvested pre-season, they have greater opportunity to work together to plan the timing and volume of landings, reduce the amount of gear deployed, and deliver fish when the market demands, which allows for higher quality products and greater utilization of fish. All of these conditions improve the ability of the groundfish trawl sector to achieve optimum yield, which goes beyond simply harvesting the TAC.	Alternative 3 continues the race for fish, and thus serves to reduce the value of Alaska fisheries by increasing the risk of early closures (foregone value due to not harvesting the entire TAC), as well as foregoing the ability to focus on the most valuable product forms, fish quality, and increased use of currently under-utilized species. Alternative 3 continues a system in which participants will maximize individual vessels' harvest of target species, before PSC caps are reached or TACs are exceeded. The focus will be to maximize volume as opposed to value, with little to no positive effect on PSC rates.
9. Increase safety by allowing trawl vessels to prosecute groundfish fisheries at slower speeds and in better conditions	The MSA 303A provisions require that any new LAPP promotes safety. The ability of a vessel/cooperative to prosecute a fishery at slower speeds and in better conditions is determined by whether slowing or delaying their harvest will impact the overall catch and value they derive from the fishery (Council paper, Feb 2016). Allocations of both target and bycatch species, as proposed under Alternative 2, provide the most flexibility regarding when and where to fish and facilitate the ability of the cooperative to take stand-downs or employ harvest strategies that prolong the season under constraining limits.	Alternative 3 will not stem the race for fish. The higher value winter and spring pollock and Pacific cod fisheries are most likely to continue to have vessel operators race to catch a greater portion of the TAC while it is still available (Council staff paper, Feb 2016).
10. Include measures for improved monitoring and reporting	Both Alternative 2 and 3 include measures for improved monitoring and reporting, including 100% observer coverage. However, only Alternative 2 provides a possibility for increased value in the fishery to help offset new monitoring costs (observer coverage, CMCP in processors, cooperative	Both Alternative 2 and 3 include measures for improved monitoring and reporting, including 100% observer coverage.



Elements for comparison	<b>Alternative 2: voluntary cooperatives with target and PSC cooperative allocations based on catch history</b>	<b>Alternative 3: voluntary cooperative with PSC allocations based on equal shares</b>
	management).	
11. Increase the trawl sector's ability to adapt to applicable Federal law (i.e., Endangered Species Act)	The ability for the trawl sector to adapt to federal law, such as Steller sea lion protection measures, is related to the Council's overall goal in the purpose and need statement to increase flexibility and economic efficiency in their operations. Alternative 2 is structured to provide incentive and opportunity for all groundfish trawl participants to engage in cooperative behavior. Cooperatives would provide harvesters and processors with greater flexibility to determine the timing of harvests to maximize value and minimize costs, and to adapt to changing environmental conditions or federal requirements.	There is little flexibility in Alternative 3, primarily due to the need to race with other participants prior to the fishery closing and the inability to engage in risk-pooling or bycatch avoidance plans which slow down the fishery. This alternative introduces additional pressures and instability in the harvesting and processing sectors at a time when markets are under significant pressure globally, with attendant social and economic impacts to fishery participants and fishery dependent communities.
12. Include methods to measure the success and impacts of all program elements	Both alternatives include a program review, with the intent to evaluate the program against the purpose and need and objectives established for the action and National Standards.	Both alternatives include a program review, with the intent to evaluate the program against the purpose and need and objectives established for the action and National Standards.
13. Minimize adverse impacts on sectors and areas not included in the program	The EIS will evaluate whether each alternative needs further refinement to minimize adverse impacts on sectors and areas not included in the program, primarily in the form of sideboards.	The EIS will evaluate whether each alternative needs further refinement to minimize adverse impacts on sectors and areas not included in the program, primarily in the form of sideboards.
14. Promote active participation by owners of harvest vessels and fishing privileges	Alternative 2 includes option to require partial vessel ownership or recent participation as captain or crew in the GOA trawl groundfish fishery in order to be eligible to purchase a GOA trawl CV license or catch history severed from a license. There is also an option to require that the active participation requirements must be upheld in perpetuity in order for a person to retain catch history on their license and thus continue to participate in the fishery. This represents a significant departure from, and strengthening of, the active participation requirements in other trawl fisheries. These requirements and criteria will be evaluated for their efficacy and appropriateness in the EIS, but are intended to serve the goal of promoting and increasing active participation in these fisheries. In combination with the consolidation limits (vessel use caps), these provisions would maintain a given level of active participation in the fishery and prevent	Alternative 3 includes provisions that prohibit a license holder from receiving economic benefits from the fishery cooperative unless they have three annual deliveries per species (pollock, cod, flatfish). There are several remaining questions on the implementation of the active participation requirements under Alternative 3, and the tradeoffs in requiring vessels to make 3 trips in each fishery in order to be eligible for an equal share bycatch allocation. One issue highlighted thus far is the notion of enticing additional new effort into specific fisheries, such as flatfish, in order to receive an equal share of that fishery's PSC limit. Incentivizing entry by vessels inexperienced in avoiding bycatch in these fisheries may have the unintended result of creating higher than average bycatch rates (Council staff paper, Feb 2016).

<b>Elements for comparison</b>	<b>Alternative 2: voluntary cooperatives with target and PSC cooperative allocations based on catch history</b>	<b>Alternative 3: voluntary cooperative with PSC allocations based on equal shares</b>
	persons who receive an annual allocation from leasing all, or a majority, of their quota.	

December 11, 2015

Dan Hull, Chair  
North Pacific Fishery Management Council

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

Re: Comments related to Council Agenda Item D 1 for the December 2015 meeting of the North Pacific Fishery Management Council and the preparation of a Draft Environmental Impact Statement and associated staff workplan.

Gentlemen:

These comments are provided in regard to Agenda item D1 for the December meeting, and as scoping comments pursuant to the National Environmental Protection Act (NEPA). NEPA requires that environmental analyses be informed by a thorough scoping of relevant issues to be analyzed and addressed in any associated Environmental Impact Statement. On July 14, 2015 NMFS announced its intention to prepare an EIS on this action due to significant impacts on the human environment. Although the official scoping period is past, we understand additional scoping and opportunities for public comment are ongoing on the range of issues that need to be evaluated as the Council considers developing a Gulf of Alaska Trawl Bycatch Management Program.

At the Council's October 2015 meeting, a new alternative was added to the suite of alternatives already under consideration. Alternative 2 has been the subject of numerous meetings and opportunities for public comment over the past 2-3 years. Despite the long record on this Alternative, a significant analytical workload remains. The new Alternative 3 (using staff proposed re-numbering) was presented at the end of the October meeting with no provision for the public to review and comment on the proposal. It was not available for public comment at the meeting, nor in scoping the comments NMFS collected prior to the October Council meeting. To our knowledge, there's no management structure globally like Alternative 3 for us to look to assess and understand likely impacts.

At the December meeting the Council is only considering the staff workplan for preparation of the Draft Environmental Impact Statement (DEIS). Review and public comment on Alternative 3 is again reserved for a future meeting.

The workplan reflects Council direction to use a “build up” approach rather than providing a complete analysis after an extended period. We urge the Council and the agency to follow the proven process for shaping significant amendment packages, through multiple iterations of alternatives based on comprehensive preliminary analyses. The staged approach outlined in the workplan appears to envision a process that would focus on different sets of issues each meeting rather than an iterative approach to refine alternatives. We are concerned the current schedule for this action will not provide sufficient opportunities for the affected industry and fishery dependent communities to fully evaluate and provide thoughtful comment on all the Alternatives under consideration. This action will be far reaching, and each of the Alternatives could have significant effects on harvesters, processors, and fishery dependent communities.

Below, we have identified major topics which we believe need to be addressed by staff analyses prior to the Council’s next review of this agenda item. If this is not possible to do in a thoughtful and reasonably complete manner by February, then we suggest the proposed schedule be adjusted accordingly. Failing to offer a full preliminary analysis, with ample time for review by all stakeholders prior to the Council meeting where these analyses will be discussed shortchanges the public process and increases the possibility of unintended consequences of Council action. The intent and requirements of NEPA must be met, and we urge the Council take advantage of the information a NEPA analysis will generate rather than make decisions that leave NMFS with the responsibility of meeting the analytical and public process requirements after Council action.

The issues outlined in this letter pertain primarily to the inshore sector, and include the following:

1. Alternative 4 - CFA development. Staff have based their workplan and proposed schedule on the desire to have community issues discussed at the June 2016 meeting in Kodiak, emphasizing that Kodiak is one of the main communities this action will affect. In order for the preliminary analysis to provide useful information regarding the effects of Alternative 4, and to provide a meaningful comparison between all the Alternatives, Alternative 4 must be more fully developed. Otherwise, the analysis will simply be speculative and of little value. It is a requirement of NEPA to fully consider all reasonable alternatives, so in order to ensure compliance with NEPA we support full analysis of Alternative 4. We believe that the Council should strongly encourage proponents of this Alternative to provide the needed additional detail for Alternative 4 at the next meeting where this agenda item is scheduled (currently February 2016) so it can be fully analyzed along with the other Alternatives and provide a basis for a thoughtful discussion at the June meeting in Kodiak. We believe that it is incumbent on the proponents of Alternative 4 to provide additional detail to what is currently before the Council in order for a meaningful analysis to be conducted, and reasonable opportunity

for public comment on this Alternative to occur. We understand the staff's desire to have discussion of community issues be a centerpiece in Kodiak and we concur with their approach. If time is limited, we urge the Council to prioritize review of Alternative 4 at the June 2016 meeting in Kodiak and reschedule review of the broader package for a later meeting.

2. Coop formation and linkages. The staff workplan describes several aspects of co-op formation (Alternative 2 and Alternative 3) that would be reviewed and discussed at the February meeting. Under the heading *Discussion Paper on cooperative formation* the staff workplan speaks solely of effects on harvesters. Both Alternative 2 and Alternative 3 have consequences for processors which need to be thoroughly reviewed and analyzed.

The staff paper also focuses on “fixed linkages” vs. “free association”. We are concerned that these are not accurate descriptions of what is before the Council and that these terms may unduly bias the analysis. For example, from a practical standpoint Alternative 3 is a “no linkage” alternative and should be analyzed in that context. How would control of PSC by a discreet number of harvesting vessels affect the interests of other harvesters as well as processors and fishery dependent communities?

Fixed linkages would be permanent linkages such as in the initial GOA Rockfish Pilot program. Alternative 2 has criteria for initial voluntary co-op formation and then explicitly allows for subsequent movement by harvesters from one co-op to another, or to a limited access fishery outside the co-op system. There are no permanent linkages under consideration under Alternative 2 or for that matter in any of the Alternatives or their various options. The analysis needs to be clear in this regard.

3. Co-op formation and incentive to participate. The staff workplan intends to explore what incentives may exist under each Alternative for harvesters to join co-ops. What is missing is analysis regarding what incentives there might be for processors to participate in the co-op program under each Alternative. It is clear that Alternative 2 envisions cooperative behavior between harvesters and processors to better manage bycatch and target species harvest. The intent is to provide incentive and opportunity for adding value to the fishery as well as to control bycatch. The Council recognized the benefits of cooperation between harvesters and processors as a way to provide opportunity for all parties: harvesters, processors, and fishery dependent communities. This was front and center when the

Council developed the goals and objectives for this proposed program. Alternative 2 was the result of these considerations. Alternative 3 is less clear in this regard. What needs to be fully explored for discussion in February is a clear description that compares and contrasts the incentives each Alternative provides to industry (harvesters and processors) to participate in co-ops, and how future opportunities for adding value to the fisheries can be achieved under each Alternative.

4. Co-op formation and the single co-op per region option. There are many questions about how the proposed single co-op per region structure would work and what are the potential benefits and pitfalls of such a management structure. In most other programs, co-ops are formed around a single processor. This proposal would have PSC control vested with a single co-op and allow for association with multiple processors.

What effect would this single co-op structure have on control of target catch or PSC? How would distribution of PSC between harvesters be accomplished, and what impact could this have on individual harvesters? What effect would this have on processor investments and operations? What effect could this have on consolidation within the harvester and processor sectors? What are the effects such an arrangement could have on fishery dependent communities? Could this structure affect price formation, and what monitoring and enforcement measures would be necessary to ensure compliance with anti-trust law? Would the effects of this proposed structure be the same for each fishery in each region? Or are the significant differences between fisheries or regions that need to be considered? These are fundamental questions that need to be addressed after careful analyses in order for the affected industry and the Council can make informed decisions about the Alternatives under consideration.

5. Historical dependence on the fishery. The MSA emphasizes consideration of historical participation by harvesters and processors when developing such programs. The analysis needs to fully and carefully evaluate how each Alternative takes into account historical participation in the fishery by harvesters and processors, and the associated dependence on the fishery by harvesters, processors, and fishery dependent communities. This is fundamental to understanding the tradeoffs within and between Alternatives. Alternative 2 is designed to take into account historical participation. It is less clear how Alternative 3 considers historical participation. The analysis needs to explicitly explore the effects of each Alternative not only on catch history, but also historical landing and delivery patterns, investments by harvesters and processors in the fishery and their dependence on the fishery, employment in the processing sector and support industries, and downstream

effects on the historical pattern of operations and potential effects on non-groundfish fisheries.

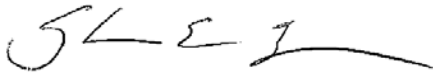
6. Effects on investment, and incentive for new capital investments. What are the effects of each Alternative on the capital assets and investments of harvesters, processors, and fishery dependent communities? Throughout the process of developing alternatives for this program, the vast majority of industry participants (harvesters and processors) have agreed that the program should be designed so that the capital assets and investments of one sector would not be devalued to benefit another sector. The analysis should describe how each Alternative would address this fundamental principle. As part of this discussion the analysis should also look at and identify what incentives each Alternative provides for new capital investment by harvesters, processors, and/or fishery dependent communities.
7. Target species allocations vs. PSC only allocations. A thorough review is required for each Alternative as it affects access to major target species and/or species groupings and the costs and benefits of the various approaches to harvesters, processors, and fishery dependent communities. Alternative 2 is explicit in this regard although there are different options regarding which target species might be allocated. Alternative 3 does not anticipate such allocations. There are costs and benefits to each approach. The staff workplan focuses on performing analyses on PSC only, and apparently does not include target catch. Understanding the costs and benefits of each of the Alternatives and the effect on target species catch is fundamental to understanding the differences between each Alternative.

For example, Alternative 3 has been described as not being a LAPP program under Section 303 (A) of the MSA because it does not specifically allocate individual quota or catch shares of target species. This interpretation of the MSA is novel and we believe the Council should request NOAA GC to provide guidance on this point. Nonetheless, the staff work plan does not speak to the question of control of target species harvest through PSC allocations. At some point control of associated PSC becomes de-facto control of access to the target catch. The analyses needs to explore under what conditions (levels of PSC allocated, number of vessels, etc) would control of PSC result in control of target species catch. The analysis should then describe the impacts such control could have on harvesters, processors, and communities on a fishery-by-fishery basis for each of the GOA regions.

8. Legal Review. Much has been made of the legal questions surrounding certain aspects of co-op formation under Alternative 2 but no comprehensive assessment has been made of other aspects of the alternatives being considered by the Council. A preliminary review of each Alternative and its relation to MSA requirements including national standards, attainment of OY, requirements for considering historical participation, and the provisions covering catch share or limited access privilege programs (LAPPs) under Section 303 (A) needs to be done. This should include an explicit analysis of how the CFA proposal fits under those provisions of Section 303 (A) regarding fishing communities.

As acknowledged in the workplan, there are many other issues and topics that the analysis will need to address. We believe that the issues identified above outline fundamental information that needs to be fully vetted and analyzed early in the process in order for the affected harvesters, processors, and fishery dependent communities (as well as other stakeholders) to understand and make meaningful comment on the various options within each Alternative as well as between Alternatives. There are complex interactions within each Alternative and between the coop alternatives and community protections that the staged or “build up” analytical approach is unlikely to adequately reveal or explain. We encourage the Council and NMFS to ensure that these analyses, and the information they will provide, will be available for public review and comment early in the process, and certainly well in advance of the Council making significant refinements to any of the Alternatives currently under consideration.

Thank you for this opportunity to comment.



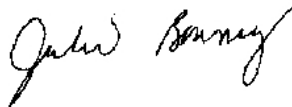
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Glenn Reed  
Pacific Seafood Processors Association



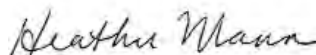
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Robert Krueger  
Alaska Whitefish Trawlers Association



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Julie Bonney  
Alaska Groundfish Data Bank



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Heather Mann  
Midwater Trawlers Cooperative



Governor Bill Walker  
Office of the Governor  
PO Box 110001  
Juneau, AK 99811

February 5, 2016

Dear Governor Walker:

The week of February 3rd the entire inshore trawl fleet for the Gulf of Alaska stood down from fishing to allow owners, skippers, crew and their families to attend the North Pacific Fishery Management Council in Portland, Oregon. The fleet took this unprecedented step to travel thousands of miles to express concern with the fisheries management proposal put forth by your Administration for the Gulf of Alaska trawl fisheries. The proposal put forward by Commissioner Cotten on trawl bycatch management was put out at the last minute at the October 2015 Council meeting with no opportunity for the affected harvesters, processors, or fishery dependent communities to comment on it, and no analysis of its effects on current participants in the fishery or the communities our fisheries support.

The proposal coming from your Administration undermines the value of investments made by harvesters, processors and communities in Gulf of Alaska fisheries. It will make it virtually impossible for our industry to maintain the kind of economic benefits we have provided to towns like Kodiak, Sand Point and King Cove. Gulf of Alaska trawl fisheries ensure a year round fishing economy and a large resident workforce that otherwise would not be there. This benefits the communities and other more seasonal fisheries such as salmon. Your Administration's proposal jeopardizes these benefits and yet does nothing to better manage bycatch and improve conservation. There is absolutely no support for this approach by the current participants in the fishery.

Governor, our fleet is a diverse group. We have vessels from Kodiak, King Cove and Sand Point. There are vessels out of Petersburg and other Alaska towns as well as the Pacific Northwest. Many of the fishery participants have been in this fishery for decades and we are all part of the Alaska fishing economy and these communities. Especially in this time of financial distress, we do not understand why your Administration would want to hamstring our ability to provide these economic benefits to Alaskan coastal communities as we also work to meet the goal to reduce and control bycatch.

The economy of the Gulf of Alaska is in jeopardy and we sincerely ask that you take whatever steps are necessary to ensure viable fisheries in the future.

Sincerely:

Letter to Governor Walker Signature Page

Julie Bonney	Julie Bonney	Alaska Groundfish Data Bank
Jim Cull	JASON CHANDLER	F/V TOPAZ
Wall	Vern Hall	F/V VANGUARD
Lu Woodward #	Lu C. Woodward II	F/V Leslie Lee + F/V Pacific Storm
<del>Stoian Iankov</del>	- Stoian Iankov	F/V Michelle Renee
Mark D Chandler	- Mark Chandler	F/V Topaz
Bert Ashley	- Bert Ashley	F/V GOLD RUSH
Mark Smith	- MARK SMITH	F/V HICKORY WIND
Dave Smith	- Dave Smith	F/V Lisa Melinda
Heather Mann	Heather Mann	Midwater Trawlers Coop
Jake Everich	JAKE EVERICH	F/V ALASKAN
Mi'u Schones	mi'u Schones	F/V COLLIER BROS.
Kristin Howard	Kristin Howard	F/V Collier Brothers.
Clayton Smith	Clayton Smith	F/V Hickory Wind
Eric Tower	Eric Tower	F/V Hickory Wind
Michael M. Okoniewski	Michael M. Okoniewski	Pacific Seafood
Sandra Schones-Johnson	Sandra Schones-Johnson	F/V Collier Brothers
Keith Cochran	- KEITH COCHRAN	F/V BAY ISLANDER

Letter to Governor Walker Signature Page

Krista Cochran

Krista Cochran

Bob Kroegey  
April G. Cochran

Don Ashley

Meinda E. Ashley

Scott Hockema

Cody Hockema

Peter Schonberg

Kiley Thompson

Tom Manos  
Julian Manos

John A. Foster Sr

Beth Stewart

Bruce Jacobson

John McCarthy

Krista Cochran

Krista Cochran

Bob Kroegey  
April D. Cochran

Don Ashley

Meinda Ashley

Scott Hockema

Cody Hockema

Peter Schonberg

Wendy Starnessen

Kiley Thompson

Tom Manos

Julian Manos

John A. Foster Sr

Beth Stewart

Bruce Jacobson

John McCarthy

F/V MARATHON

F/V NewLife

F/V Mar del Norte

F/V Bay Islander

F/V Gold Rush

F/V GOLD RUSH

F/V Pacific Storm

F/V Pacific Storm

F/V Equinox

FV ADVANTER

F/V Decision

F/V Cape St Elias

F/V Alaskan Lady

F/V HEATHER MARGARE

Peninsula Fishermen's Coalition

F/V EXCALIBUR II

FV PACIFIC STAR

Letter to Governor Walker Signature Page

Jody R Cook

Jody R. Cook

F/v Cape Reliant

Kirk Cortez

Kirk Cortez

F/v Elizabeth F

George Hutchins  
Curt Waters

Elizabeth F  
FV Mar Del Norte

Roger Oueva

Roger Oueva

F/v Cameron -

Patrick O'Donnell

F/v CARAVELLE

Candice Rodgers

F/v Hickory Wind

Mary D. Bisbee

M. Delany Bisbee

F/v Mau Pacifico

Mary D. Bisbee

M. Delany Bisbee

F/v Rosella

Marcus Sauer

F/v Leslie Lee

Ron Keese

Ron Keese

F/v Excalibur II

Juan Carlos Penalosa

F/v CARAVELLE.

Joseph Ham

Joseph Ham

F/v Chelissa, Dawn, Nichole

Zack Lynch

Zack Lynch

F/v nicole

Robert Harrington

F/v DAWN

Mike Lynch

Mike Lynch

F/v Nichole FV/DAWN

Paul McCabe

Paul McCabe

F/v Nichole

Governor Bill Walker  
Office of the Governor  
PO Box 110001  
Juneau, AK 99811

May 5, 2016

Dear Governor Walker:

We are writing about proposals being promoted by your administration addressing the Gulf of Alaska (GOA) trawl groundfish fisheries. Collectively, our organizations represent the vast majority of Alaskan and non-Alaskan harvesters and processors involved in the Central and Western Gulf of Alaska trawl groundfish fisheries which are directly impacted by these management decisions.

The management regime your administration is advancing last came up at the February meeting of the North Pacific Fishery Management Council (Council) held in Portland, Oregon. The February meeting was the first time the affected groundfish trawl industry participants were provided an opportunity to comment on Commissioner Cotten's proposed management scheme for the fishery. At that time the entire trawl fleet from the Central and Western GOA, both Alaskans and non-Alaskans alike, stopped fishing so that skippers and crew could leave the fishing grounds and travel to Portland to attend the meeting. This was an unprecedented action by very competitive fishermen, and they had the full support of the processors to which they deliver.

At the February Council meeting, not one participant in the GOA trawl groundfish fishery spoke in favor of the proposal put forth by Commissioner Cotten. In fact, there was widespread concern and opposition to his proposal, with strong emphasis on how the proposal would cause significant disruption in the fishery, will not solve the management problems the Council identified in the fishery, and will instead exacerbate current issues. It appears designed to do harm to current participants – harvesters, processors, and communities – that have taken the risk and made the capital investments and sacrifice necessary to develop these fisheries.

Commissioner Cotten strongly advocated for his management scheme, going so far as to amend the proposal in ways that make it even more problematic and unworkable to achieve the Council's stated purpose and need and objectives for the new management plan. At no time prior to, during, or since that meeting were the actual participants in the fishery consulted regarding the substance of your administration's proposal or the amendments put forth by Commissioner Cotten. Under all other significant management programs in the North Pacific, those who are

most affected by the proposed regulations are considered a key part of the development of those programs, such that the Council and the process benefit from their operational expertise.

On February 5<sup>th</sup>, while the Council was in session, a letter was sent to you by the fishery participants expressing their concerns about the proposal put forth by Commissioner Cotten. The letter was signed by over 50 individuals representing harvesters and processors from King Cove, Kodiak, Sand Point, Petersburg, and the Pacific Northwest. For your convenience, a copy is attached. The issues and concerns raised in that letter are still relevant regarding your administration's proposal, and we want to call attention to these concerns because there has been no response to the letter from your administration.

The Gulf of Alaska trawl bycatch issue will come up again at the Council's June meeting in Kodiak. It will undoubtedly be controversial. There is little or no support for your administration's proposal from participants in the GOA trawl groundfish fisheries. The individuals and businesses that depend on this fishery remain deeply concerned that your administration's proposal threatens their jobs and communities, and that the process used to develop and promote the proposal disenfranchises the active participants in the fishery. We remain concerned that proposals being put forward at the Council with your administration's support are being developed by individuals and organizations that have no experience, economic stake, or investment in the trawl groundfish fishery and in many cases are historically on the public record as being openly hostile to the fishery. Interestingly enough, none of the fisheries these individuals and organizations represent are being considered to be managed under the scheme put forth by Commissioner Cotten.

On a statewide basis roughly 89% of Alaska's federal fisheries are harvested using trawl gear. This is the only gear type for multiple major fisheries, including pollock. GOA trawl groundfish fisheries provide hundreds of year round harvesting, processing, and community support jobs and millions of dollars to the economies of towns like Kodiak, King Cove, and Sand Point. In these three communities alone, seafood processing employs about 1,400 Alaskans. Trawl groundfish fisheries ensure that processing plants can operate year-round on sound economic footing, which in turn benefits other important seasonal Alaska fisheries such as salmon. Given that this fishery supports year round jobs and economic activity in Alaska's coastal communities, we do not understand the purpose of putting this fishery and its success at risk.

We have also enclosed copies of two other letters to the North Pacific Fishery Management Council expressing concerns and issues with your administration's proposal. Like the letter sent to you on February 5<sup>th</sup>, the concerns and issues raised in these letters remain relevant and have not been addressed.

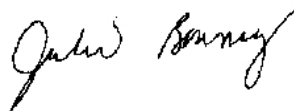
Governor, we are asking that you support the GOA trawl groundfish fisheries, which are critically important to Alaska, and reconsider the direction you are taking on this action. Our organizations stand ready to work with you to develop a program that protects the investments

made in the fishery by harvesters, processors, and Alaska communities that participate in this fishery, while meeting conservation goals in a practical and economically sound manner.



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Glenn Reed  
Pacific Seafood Processors Association



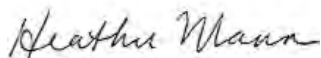
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Julie Bonney  
Alaska Groundfish Data Bank, Inc.



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Robert Krueger  
Alaska Whitefish Trawlers Association



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Heather Mann  
Midwater Trawlers Cooperative

cc: Lt. Governor Byron Mallott



NPFMC comments - NOAA Service Account &lt;npfmc.comments@noaa.gov&gt;

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**Alaska Jig Association comments (to be included in the June, 2016 comments packet)**

1 message

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Alaska Jig Association <akjig.assn@gmail.com>  
To: npfmc.comments@noaa.gov

Tue, May 31, 2016 at 2:15 PM

May 31, 2016

North Pacific Fishery Management Council  
605 West 4<sup>th</sup> Avenue, Suite 306  
Anchorage, AK 99501

RE: Agenda item C-5 GOA Trawl Bycatch Management Program

Dear Chairman Hull and Council members:

The Alaska Jig Association is a Kodiak based group made up of owner operator jig fishermen, who fish throughout Alaska.

We do not support any new management program in the Gulf of Alaska Trawl sector which monetizes the fishery resource. A new fisheries management program to control bycatch does not require privatizing the resource. The Council can develop a program which provides the tools to the fleet, without implementing another privatized rights based program. We stand opposed to Alternative 2 which monetizes the fishing rights.

We support entry level opportunity. The future of our fishing community depends on access to the fishery resource – maintain opportunity for the next generation of fishermen.

As community stakeholders participating in the jig fishery, this action will affect our sector in both markets and pricing. The large volume trawl fishery impacts all waterfront prices and additional processor control will further impact our sector. Coastal communities must maintain open and competitive markets. Any new management program must maintain open markets for all fishermen.

We support 100% observer coverage resulting in full time coverage, in all trawl fisheries in the Gulf of Alaska. We support the use of electronic monitoring and measures to reduce the cost to the fleet.

We respectfully request that you keep this action focused on bycatch. Any new management system must include means to further reduce bycatch of halibut, salmon and crab.

Sincerely,

Darius Kasprzak  
President, Alaska Jig Association



April 13, 2016  
Council Member  
North Pacific Fishery Management Council  
604 West 4<sup>th</sup>, Suite 306  
Anchorage, Alaska 99501-2252

**Real Estate Department**  
**TEL 907.265.2428**  
**FAX 907.265.2450**

Dear Council Members:

Within your continued deliberations regarding changes to the Gulf of Alaska Trawl Bycatch Management Plan, please consider Seward's important role.

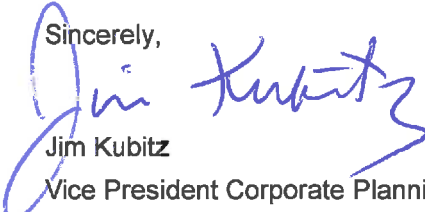
Seward has close proximity to the fishing grounds and provides a year round deep water ice-free port. Seward's transportation network via rail, air, road, marine State and Nationwide barge and International ship traffic provides essential access to major markets bringing added value to the landed product. The local vessel support and repair industry continues to grow meeting the demands of a full service port. Every need of the fishing fleet is met in Seward with a wide variety of amenities including travelifts, boat repair yards, potable water and power utilities, hardware and grocery stores, restaurants, United States Coast Guard Cutter Mustang support, training opportunities at Alaska's Institute of Technology and more.

Seward's contribution to the economic viability of groundfish harvesters, processors and support industries is evidenced by consistently being in the top twenty landing ports by volume in the US. The community demonstrates its capacity to efficiently move large volumes of product. Also, the City has begun construction on a \$20 million harbor improvement project designed to support the fishing fleet.

In addition to a spring 2016 upgrade with our accommodations for fishing vessels at our East Dock, the Alaska Railroad Corporation (ARRC) is currently conducting a \$3 million master planning project that includes both a Freight Traffic Study and a Transportation Connectivity Study. ARRC held numerous focus groups obtaining valuable input from external stakeholders including shippers, fishing vessel owners, fisheries and elected officials. Results from these studies will develop a Master Plan with dock design concepts and a prioritized approach to reimagining the uses and attributes of all railroad assets in Seward. We expect these future upgrades will further support the industry.

As you review the need for community protections, we ask you to promote stability and minimize the adverse economic impacts to Seward by ensuring the community remains eligible. Seward remaining an eligible port will only serve to increase the economic viability of the groundfish harvesters, processors and support industries in Alaska.

Sincerely,



Jim Kubitz

Vice President Corporate Planning & Real Estate

5/30/2016

Dan Hull, Chair  
North Pacific Fishery Management Council  
605 W 4<sup>th</sup> Ave, Suite 306  
Anchorage, AK 99501

Re: Alternative 2

Dear Dan Hull, Chair:

My name is Kori L. Allen. I am the bookkeeper for the following trawl vessels in Kodiak:

- **F/V Chellissa**
- **F/V Dawn**
- **F/V Nichole**

This is a family owned and operated business. My father, Joseph Ham, owns the F/V Chellissa and is partners on the other 2 vessels with Michael Lynch. He has been fishing in the Gulf of Alaska for about 20+ years. After years of suffering through the distance of living in Oregon, our whole family relocated to Kodiak. My brother in law who's 27 will be the captain of the F/V Nichole by 2017 full-time (he is part-time now and full-time crewmember) he has worked extremely hard over the last 7 years to get to this position within our fleet.

My 2 other sisters, brother in law and I all have a permanent position within this company and with these vessels. We hope that our growing boys have a promising position as well. Our father has suffered living 90% of his life away from his family to build this future for all of us.

We have many families relying upon this business, not just our own. My father has also trained Robbie Harrington over the years and he is now the captain of the F/V Dawn. He is 28 years old. He will also be included in the future of the vessels. There is another family friend and young fisherman that's 21 and has been working with us for a few years now.

Last year's closure greatly impacted all of our vessels. We struggled to pay vendors and to make our last quarterly vessel payments. We are still catching up from the set back. Due to my father's creative thinking we were able to squeak through the winter and carry on into the new year. He has been training us all in how to survive through these situations. We are the future in this industry and plan to continue to stay involved so that we can allow our sons to have a future in it as well.

We fully support Alternative 2. When the Rockfish program was implemented it resulted in bycatch being dramatically reduced and eliminating the "*Race for fish*" also, it did not result in a consolidation of the fleet. The rockfish program inflated and stabilized the price paid to fisherman unlike the polluck that was paid .08 cents in Kodiak and yet .14 cents in the west which is probably due to rationalization. This decision is important for not only the trawlers, but also, the plant workers who were affected by last year's closure, which all in the end impacts the community in whole and so forth.

I appreciate your time in reading over this.

Sincerely,

Kori L. Allen





May 31, 2016

North Pacific Fishery Management Council  
605 West 4<sup>th</sup> Avenue, Suite 306  
Anchorage, AK 99501

RE: Agenda item C-5 GOA Trawl Bycatch Management Program

Dear Chairman Hull and Council members:

Alaska Marine Conservation Council (AMCC) appreciates the opportunity to comment on the North Pacific Fishery Management Council's (Council) development of the Gulf of Alaska (GOA) Trawl Bycatch Management program. AMCC is a non-profit organization 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. We are committed to the long-term ecological health and social and economic well-being of GOA fishery-dependent communities.

AMCC has been engaged in the development of a new management structure for the Gulf of Alaska trawl groundfish fishery since 2012. We understand the importance of the GOA groundfish fishery to stakeholders and communities, both in Alaska and elsewhere. We appreciate the need for a new management program that achieves the Council's well defined Goals and Objectives and support a deliberative approach to this program, complete with a robust range of alternatives. To that end, we ask the Council to:

1. Continue to analyze and refine the full range of selected alternatives currently under consideration.
2. Ensure that any new management structure include 100% observer coverage, meaningful bycatch reductions, and robust community protections, such as an allocation to a community entity.

### **1. Continue analyzing the full range of selected alternatives.**

We support the Council's current approach of continued analysis and refinement of all four alternatives. The long-term health of coastal communities in the GOA depends on a trawl bycatch management program that reduces bycatch and protects the role of independent, community-based fishermen. To that end, any management plan should provide for viable entry opportunities, community stability protections, and meaningful reductions to bycatch.

There are substantial differences between Alternatives 2 and 3, and the potential for Alternative 4 to be used with either alternative. The selected range of alternatives is sufficient to foster informed decision making and public input. Both Alternative 2 and 3 provide several elements and options that are essential to healthy fisheries and fishing communities in the GOA. We view the full range of alternatives as essential to meeting the requirements of the National

Environmental Policy Act and encourage the Council to retain the broad range currently before it.

**2. Ensure that any new management structure include 100% observer coverage, meaningful bycatch reductions, and robust community protections including an allocation to a community entity.**

- **100% observer coverage**

Allocating species, whether bycatch or target, requires a robust catch monitoring system to ensure biologically accurate catch limits, as well as reliable reporting and enforcement of those limits. Full observer coverage leads to better accountability. Any management program for GOA groundfish trawl fisheries must include 100% observer coverage. Analysis should continue to address the effect of 100% coverage, anticipated costs, and whether electronic monitoring can become a viable means of reaching full coverage.

- **Bycatch reductions**

Bycatch in the trawl fisheries affects the economic, social, and cultural health of those dependent on healthy halibut and Chinook salmon stocks. The new program should incentivize further bycatch reduction. The Council should continue to analyze how well the various alternatives will allow the Council to meet its obligations under National Standard 9. Creating a program that properly incentivizes cleaner fishing practices will also allow the groundfish fishery to harvest additional target species.

Bycatch reductions must be built into the program design. Catch share programs (or bycatch allocation programs) do not have innate properties that reduce bycatch; specific elements designed to meet desired conservation objectives are needed.

- **Community stability provisions**

The impacts of traditional catch share programs—both positive and negative—are well documented. Every catch share program is different, and the make up of the fishery and the communities dependent on that fishery influence the level of community effects. In the North Pacific, the Council has over twenty years of direct experience with such programs. From a community perspective, the greatest challenge facing fishery managers and communities to date has been how to adequately protect communities and working fishermen from the effects of fisheries privatization. These include excessive consolidation and concentration of fishing privileges, crew job loss, rising entry costs, absentee ownership of quota and high leasing fees, and the flight of fishing rights and wealth from fishery dependent communities. These effects are long-lasting, in some cases completely severing the connection between Alaska coastal communities and fisheries.<sup>1</sup>

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<sup>1</sup> See e.g., Courtney Carothers, Tragedy of Commodification: Transitions in Alutiiq Fishing Communities in the Gulf of Alaska 91-115 (2010); Katy Reedy et. al., Traditional Foods and Corporate Controls: Networks of Household Access to Key Marine Species in Southern Bering Sea Villages. Polar Record 50, 364-378 (2010).

This experience is not unique to Alaska. Recognition that the stability and welfare of coastal communities was at risk due to catch share programs was a driving force behind the last reauthorization of the Magnuson-Stevens Act, which added specific community protection provisions (including community allocation measures), and is likewise visible in NOAA's National Catch Share Policy.

Based on this understanding, it is critical that the Council include community protections that recognize community and crew dependency at the outset of the program. Both Alternative 2 and 3 contain some community provisions that should remain part of the analysis. These include consolidation limits, target species regional delivery requirements (Alternative 2 only), and active participation criteria. The Council should seek continued analysis of these provisions in order to better understand how they further the Council's Goals and Objectives. Key to this analysis is a more detailed understanding of LLP ownership by processors and the effects of vertical integration and consolidation. Similarly, a better understanding of how the current active participation elements compliments Goal and Objective 14 is needed.

These provisions on their own do not go far enough to promote community stability or to minimize adverse economic impacts of the proposed management program (Goal and Objective 5). It is unclear the degree to which either Alternative 2 or 3 will create new or greater barriers to entry. These provisions likewise do not adequately address the dependence and investment of GOA communities in the fishery (Goal and Objective 4).<sup>2</sup>

It is therefore important that the Council continue to push for analysis of how Alternative 4 can be used with either alternative to further the Council's Goals and Objectives. A Community Fishing Association (CFA) offers an opportunity to strengthen the relationship of captain, vessel, vessel owner and crew to the community, to address transitional entrance into the trawl fisheries and provide opportunity for future generations, and to encourage equitable crew compensation. In addition, a CFA is the only mechanism being considered which directly anchors fishing quota in the community, ensuring community access to the fishery into the future. For example, the community can use this quota to maintain a local fleet, provide opportunities for transition and entry into the fishery (e.g. serving as a stepping stone for resident crew to transition into quota ownership), and ensure access to the resource for future generations. A CFA also provides a mechanism for maintaining equitable crew compensation and maintaining local crew hire.

Lastly, the Council should consider whether or not permanent allocations are required to meet the Goals and Objectives, as well as the management concerns caused by the race for fish. All that is needed to end the race for fish is the individual assignment of total allowable catch; this assignment can be fixed-term and limited in duration. While permanent allocations have the

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<sup>2</sup> For example, the Kodiak City and Borough have both invested heavily in infrastructure to support the the commercial fishing industry. These investments include

- approximately \$60 million in its electrical generation and management systems;
- more than \$36.5 million in upgrades to the City-owned Pier III;
- \$18 million for the city-owned Kodiak Shipyard; and
- \$11.6 million upgrading the city-owned Monashka Bay Pump Station and Shelikof Street Lift Station.

McDowll Group, Draft Economic Impact of the Seafood Industry on the Kodiak Island Borough 3 (2016).

advantage of providing increased economic security to privilege holders, they can also exacerbate the negative impacts of catch share programs, such as high barriers to entry, because they take on the value of all potential future wealth from the fishery. Fixed-term allocations, on the other hand, give the Council increased flexibility to meet the proposed program's Goals and Objectives over an extended period of time, while still incentivizing bycatch avoidance measures, such as test tows and communication. This is consistent with the U.S. Commission on Ocean Policy's recommendation that catch share programs "assign quota shares for a limited period of time to reduce confusion concerning public ownership of living marine resources, allow managers flexibility to manage fisheries adaptively, and provide stability to fishermen for investment decisions."<sup>3</sup>

Annual or limited-term allocations could be based on factors in addition to history, GOA dependence, or equal shares. These could include allocations based, in part, on active participation, duration in the fishery, or bycatch and compliance criteria (e.g., use of excluders or violation histories). Analyzing a broad suite of allocation criteria will allow the Council and stakeholders to better understand how the initial allocation (and subsequent allocations, if the Council chooses to annually allocate) reflects the Goals and Objectives of the proposed program.

We appreciate the opportunity to comment on a management action that will have a lasting impact on stakeholders throughout the GOA.

Sincerely,



Shannon Carroll  
Fisheries Policy Director  
Alaska Marine Conservation Council

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<sup>3</sup> U.S. Ocean Commission, An Ocean Blueprint for the 21<sup>st</sup> Century 290 (2004).



NPFMC comments - NOAA Service Account &lt;npfmc.comments@noaa.gov&gt;

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## Gulf Trawl Bycatch Management Comments...

1 message

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Greg von dem Bach <gregvdb@yahoo.com>

Thu, May 26, 2016 at 7:22 AM

Reply-To: Greg von dem Bach <gregvdb@yahoo.com>

To: "npfmc.comments@noaa.gov" <npfmc.comments@noaa.gov>

Hi,

I am writing to comment on the upcoming Gulf Trawl Bycatch Management Program meeting in Kodiak.

First, I do not expect the Council to make any significant progress. It is my experience that industry representatives have control of every aspect of our fisheries management and any efforts to rein in the waste they cause is nothing but lip service.

Regarding the proposed plan and alternatives, as I describe above all I see is pandering to the trawling industry without accomplishing anything. The only way bycatch will be reduced is to force every trawler to keep everything they catch and include all of it in the trawler's quota. Once they reach a specific poundage for all species combined they can no longer fish. Limits on percentage of each species towards the total poundage also need to be enforced so they don't target the bycatch species intentionally with severe fines and reduced future quota should they violate those percentage limits.

But, again, I don't see anything productive coming out of the upcoming session in Kodiak. I am 100% convinced the council will act like you want to accomplish something but then you'll turn around and do whatever the fishing industry tells it to do. You will continue to accomplish nothing while we continue to watch the populations of bycatch species like Chinook and halibut decrease.

Sincerely (but without much hope),

Greg von dem Bach  
Anchorage, AK





NPFMC comments - NOAA Service Account <npfmc.comments@noaa.gov>

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## Halibut by catch

1 message

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Brad Baldwin <fishing4kings99@gmail.com>  
To: npfmc.comments@noaa.gov

Sat, May 21, 2016 at 2:31 PM

Y not make draggers get better at what they do, or get out! We could b selling all that halibut by catch in a hook and line fishery. Troll and longline!  
Sent from my iPhone



NPFMC comments - NOAA Service Account &lt;npfmc.comments@noaa.gov&gt;

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**RE: Agenda Item C-5 Trawl bycatch Management Program**

1 message

robert carter &lt;seaside12000@yahoo.com&gt;

Tue, May 31, 2016 at 2:55 PM

Reply-To: robert carter &lt;seaside12000@yahoo.com&gt;

To: "npfmc.comments@noaa.gov" &lt;npfmc.comments@noaa.gov&gt;

**RE: Agenda Item C-5 Trawl bycatch Management Program**

Dear Chairman Hull and Council members,

My name is Robert Carter, I am the owner operator of the F/V Faith based out of Kodiak Alaska.

I Jig and longline Cod off my own boat, as well crew on Halibut, Black Cod and crab boats and have been living in Kodiak since 1984.

I am commenting regarding Agenda Item C-5 Trawl bycatch Management Program.

I like to first say i am completely opposed to any privatization. I know the trawl sector would like to have us believe that they need privatization in order to lower bycatch, but i don't think that's the case.

I understand the processors are getting on board with this and want processor linkage. I am COMPLETELY opposed to this.

This affects everyone. Processors being able to count on such a large portion of fish guaranteed to their docks have less incentive to be competitive in prices offered and it affect ALL SECTORS!!!

Processor linkage also excludes any new processors. I'm currently selling to a little fly by night operation that opened in an abandoned cannery. They're making money. I'm making a little bit extra. It's the American way!!

Processor linkage and privatization takes away these economic opportunities and everyone BUT the lucky few awarded quota suffers.

HOWEVER, before anything is considered, there should be 100% observer coverage for a period of years before anything as drastic as privatizing over 40% of the GOA ground fish is even considered.

100% observer coverage and then managers can TRULY understand the scope of the problem.

There are fewer and fewer economic opportunities for young people entering the workforce and more and more fish barons who now 100% control resources that were once public.

They own them now and forever. They own rights to fish that aren't even born yet.

They get rich while the rest of us work twice as hard for half as much.

I would be willing to bet my boat, you remove all monetary incentives toward privatization/quota shares and you won't see a single soul asking for it. Make it non transferable, non sellable, illegal to lease, and lets see who's still at the table asking for privatization!!

The agenda item is about bycatch, we need to focus on other ways to reduce bycatch BESIDES privatization. We need to keep our markets free and open. We need to keep opportunity for young fishermen.

Thank you for your time,  
Robert Carter F/V Faith

Robert Carter  
Box 2817  
Kodiak Ak. 99615

[seaside12000@yahoo.com](mailto:seaside12000@yahoo.com)

[907-654-9894](tel:907-654-9894)

**RESOLUTION 2016- 04**

**A Resolution of the City Council of the City of Port Lions Requesting 100% Observer Coverage on Trawl Vessels, Salmon and Halibut Bycatch Reductions, and Effective Community Protections as Part of the Gulf of Alaska Trawl Bycatch Management Program.**

**WHEREAS**, the City of Port Lions is an incorporated second class City recognized by the State of Alaska; and

**WHEREAS**, the Port Lions City Council is the governing body of the City of Port Lions, and

**WHEREAS**, sustainable fisheries form the economic basis and cultural foundation of fishery dependent coastal communities in the Gulf of Alaska; and

**WHEREAS**, the North Pacific Fishery Management Council (NPFMC), is currently considering a bycatch management program for the Gulf of Alaska groundfish trawl fisheries that proposes a range of alternatives; and

**WHEREAS**, alternatives within the Gulf of Alaska Trawl Bycatch Management program provide for the reduction of Halibut and Chinook salmon captured and discarded by the trawl fisheries as bycatch, for 100% observer coverage of the trawl fleet when prosecuting groundfish fisheries, and for the development of a Community Fishing Association; and

**WHEREAS**, incremental reductions of Halibut and Chinook salmon bycatch by the Gulf of Alaska trawl fleet will help to restore critically limited local Chinook salmon stocks and substantially depleted Gulf of Alaska halibut stocks and 100% observer coverage will provide accurate and reliable information about the magnitude, location and frequency of Halibut and Chinook salmon bycatch and a Community Fishing Association will enable fishery dependent coastal communities to encourage and sustain local resident fishermen; and

**WHEREAS**, a Gulf of Alaska catch share program will define access to the resource for the foreseeable future and thus shape rural communities' opportunities to participate in GOA trawl fisheries; and

**WHEREAS**, no significant catch share program adopted by any Regional Fishery Management Council anywhere in the United States has been substantially altered or changed in the allocation of quota once the program is adopted; and

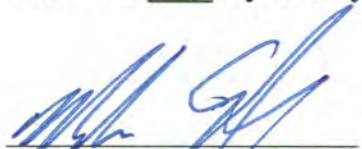
**WHEREAS**, Kodiak's experience with Alaska catch share programs has resulted in significant harm to Kodiak and the island's rural coastal communities. These harms include the loss of access to local halibut and sablefish fisheries, the reduction of crew jobs and vessel support services caused by excessive consolidation, and the ebbing of community engagement and support as large quota shareholders leave the community; and

**WHEREAS**, negative impacts from a Gulf of Alaska trawl bycatch management program can be mitigated by bycatch reductions, 100% observer coverage and providing quota to a Community Fishing Association; and

**THEREFORE, BE IT RESOLVED** that the City Council of the City of Port Lions, who represents a Gulf of Alaska Coastal Community, unanimously and steadfastly request that the NPFMC design a Gulf of Alaska trawl bycatch program that reduces the Halibut and Chinook salmon bycatch allocated to Gulf of Alaska trawl fishery, requires 100% observer coverage of all trawl vessels when fishing for Gulf of Alaska groundfish and allocates quota to a Gulf of Alaska Community Fishing Association;

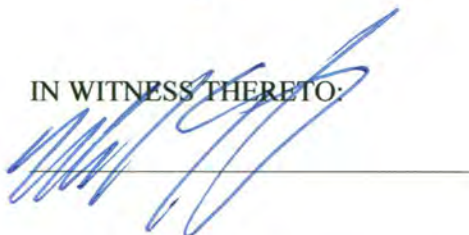
**BE IT FURTHER RESOLVED** that the NPFMC ensure that the Gulf of Alaska trawl bycatch management program adopted by the Council include clear provisions for the Council to review the program and re-allocate Gulf of Alaska groundfish based on criteria other than historical catch, including the redistribution of Gulf of Alaska groundfish quota based on fishery dependent community's economic, historic and cultural relationship with adjacent marine resources.

**Passed and Approved by a duly Constituted Quorum of the City Council of the City of Port Lions this 24 day of May, 2016**

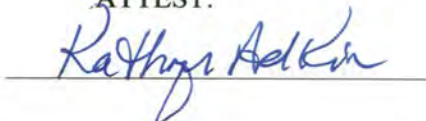
  
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Mayor, City of Port Lions

  
\_\_\_\_\_  
Attest, City Clerk

IN WITNESS THERE TO:

  
\_\_\_\_\_

ATTEST:

  
\_\_\_\_\_



NPFMC comments - NOAA Service Account &lt;npfmc.comments@noaa.gov&gt;

## Trawl ratz

1 message

Bill Connor <crfbc1124@gmail.com>  
To: npfmc.comments@noaa.gov

Mon, May 30, 2016 at 11:58 AM

Fairman Hull and council members,

My name is Bill Connor from Petersburg Alaska, an owner of Alaska Sustainable Wild Seafoods

I am an owner of a 58 foot trawler, longliner and Seine vessel, have been involved with the Gulf of Alaska Trawl fisheries since 1992, I also am involved in the Aleutian sablefish IFQ fisheries, longlining since before the IFQ implementation, (1975) to present day, and a salmon seiner since 1976. I HAVE A DOG IN ALL THE FIGHTS

In order to allow us trawlers the tools to manage by catch we need to throw out alternative 3, and implement alternative 2. If the only program that will work, I SAY THIS WEARING ALL MY FISHING HATS

I know as a fisherman in all these 3 fisheries we have the by catch issue, some in fact blame the same ones that blame only on the trawler

WE NEED TO GET OVER THE TRAWLER IS THE BAD GUY , KNOW

Give us the tools so all my fisheries can stay vibrant

ALTERNATIVE, 2 is the best choice, say no to alternative 3

Thanks for your time and service, a stakeholder and active fisherman

Bill Connor

5/24/2016 Agenda Item C5 - Trawl Bycatch Management

Chairman Dan Hull and Members of the council...

My name is Jody Cook. I am part owner and operator of the 58' vessel Cape Reliant. I trawl primarily out of Sand Point in the Western and Central Gulf.

In this letter I am not asking for some special consideration or to be granted some new or extra benefit. I am writing and reasoning for the chance to keep the opportunity that I already have enjoyed for 30 years in the Gulf of Alaska trawl fishery. I am asking that the council recognize the clear benefits to by catch management, fishing communities and fishermen, set forth in Alternative 2, of this Agenda item.

As I have testified before, I believe that there is a concerted effort to undermine trawling in the Gulf. I believe that there is a lobby and efforts to re-allocate fish away from the trawl sector, to the pot sector. The latest appointments to the council were clearly not favorable to the trawl agenda.

### **The Council Process was Hijacked:**

Following the due process of the council, we should have been in the last parts of final action on this issue. The motion presented in October of 2014 was the conclusion of years of public input and council action. The concept of psc as the focus, had already been considered through public testimony and did not have enough merit to be included. The October 2014 motion did not leave anyone celebrating. It was a compromise for many. The trawlers were unhappy with possible lower psc caps and increased observer coverage and costs. The anti-trawl advocates were unhappy that the possibility of catch shares could give trawlers a key to survival and sustainability.

Then came the new administration. The newly appointed Commissioner wasted no time... Without any immediate plan to redirect the process, he was able to put everything on hold under some pretense that the new administration needed time to fully understand things. (there really were no new people involved,.. same people with new positions of power). This kept the "Trawl Bycatch Tools" agenda from getting into final action. This gave the Anti-trawl proponents time to develop what they hope will derail any kind of outcome that may be of actual benefit to the trawl fleet. To add insult to injury,.. it was proposed to fast track 100% observer coverage, because the trawl agenda might drag out... Another blatant disregard for the trawlers economic survival. And, all this, with no urgent impending disaster or threat to any fishery or fish stock,.. from gulf trawling.

Then came the new "Alternative 3"... This is clearly intended to be the hatchet in the head for the gulf trawl fleet.

This current C5 Agenda item was originally called "Gulf Trawl Bycatch Tools". The council recognized that to implement the proposed lower psc caps and the increased observer coverage, the trawlers needed help. So,.. "tools", or ideas and methods were considered that would enable trawlers to cope with these imposed restrictions. The main issue was, "**the race for fish**". And the obvious "tool" to **end the race for fish**, was catch shares.

Obviously, the anti-trawl proponents never cared or intended for the trawlers to “cope” or survive, under their imposed restrictions. **Ending the race for fish** has led to many improvements to fishing programs throughout the world and especially in Alaska. These positive impacts that “**ending the race for fish**” would have on bycatch,.. have been completely ignored by the anti trawl proponents. Instead they have been in a frenzy to collude and conspire to stop anything that would make the trawl fishery whole and healthy. This effort has been strongly supported by the actions and words of the current Commissioner.

### **Gulf Trawlers Are Not the Problem:**

I have listened to testimony many times, by the same individuals apposed to trawling in the Western Gulf. There has always been this steady pressure to lower psc caps, and to increase observer coverage. There has always been this perception portrayed, that the trawl fleet was devastating salmon and halibut stocks and many other things. That we needed closely monitored and significantly cut back to save many gulf fisheries from ruin.

First of all,.. this is a lie.. Any salmon or halibut fisherman that is led to believe that there will be any windfall profit from these lowered caps, is going to be disappointed. Salmon fishermen and halibut fishermen will have no significant gain from the restrictive caps. The main effects that will be significant, will be the economic burdens imposed on the trawl fleet. Trawlers will be forced into survival options as regulators impose hardships, without recourse. This will push some trawlers towards supporting re-allocating trawl sector fish to the more dangerous pot sector. It will push others, that are unable to fish with pots, to sell out to the highest bidder,.. whether it is a processor connection or from out side of the State.

Recent genetic studies show that very few of the Gulf salmon are impacted by trawling. And that a large number of the salmon caught in trawls are actually hatchery fish. And, that the stocks being affected are generally very healthy stocks from farther south. So,.. it is more probable that there is justification to “**raise**”, (instead of lower), bycatch caps for salmon. With larger stocks there is more likelihood of more bycatch incidents, yet, at the same time, a **lower** overall percentage of the affected fish stock is actually caught.

As for Halibut,.. through decades when there was little to no caps or observers, the halibut stocks grew to robust levels. In 1995 the quota was over 44 million lbs. Over 4 years it rose to 74 million in 99’, and stayed near 70 million each year through 2003. This halibut boom cycled during steady trawl fishing in the gulf,..without these imposed caps or observers. The biggest negative impact on the halibut stocks may be closer to home, for longliners. The adjustment that sperm and killer whales have made in the last 10 to 15 years, to feed on blackcod and halibut, as longliners retrieve their gear, has possibly made a higher impact than trawlers. In many areas, this additional mortality has added quite a significant unaccounted overage to the longliners actual TAC, for many years. Or,.. as some have suggested,..the halibut is simply being displaced by our largest bycatch victim. After years and years of unrestricted, unmonitored bycatch mortality, arrowtooth flounder still stands as the 2nd most plentiful biomass on the ocean floor. Some say that its dominant strength may create hardship for halibut. Hmmmmmm...



Reduced caps and observers for the gulf trawl fleet will have very little to do with protecting salmon or halibut. It is by and large going to be a lot of money spent with very little monetary return. The saved salmon or halibut will have relatively little impact in the gulf. Sure, it will gather information and create a great data base. But, at a time when the state and federal government has no money to spare, it is a burden that will unfairly fall on the trawlers. You don't see one of our most corrupt professions monitored like this. The Federal and State legislators don't have observers that live with them to monitor who they collude with or how they spend our tax dollars on a daily basis. And if they did have observers, they wouldn't be paying for it.

### **Magnuson Stevens Act Created Gulf Trawl Fleet:**

Before 1976, most of the fish went to foreign factory trawlers and longliners. After Magnuson Stevens Act, it was **U.S.** factory trawlers and longliners. Then there was a significant sector set aside to be caught by smaller boats and delivered to onshore plants in Alaska. Then the State of Alaska took another sector and developed various "State Water" cod fisheries, inside 3 miles. For Cod, it became a bit of a tug of war between gear type sectors in the gulf. Through council action, each gear sector was granted a percentage of the overall TAC, in proportion to their historical catch, and involvement.

It would be great to have a complex data base. But,..currently, the Magnuson Stevens Act is by and large being satisfied, in Alaska. Pollock and Cod stocks are robust. A healthy Bering Sea trawl fleet, CDQ's in the Bering sea and the Gulf inshore sector for cod and pollock, are sustainable fisheries. These and more, all contribute to an Alaskan success story. The gulf trawl fleet is a significant part of this success story.

The inshore gulf trawl fleet consists of a number of smaller trawl vessels from a very diverse cross section of individuals, families and small businesses, from Alaska and the Northwest. This is the American dream come true, for many. Some of the Alaskan and Global benefits are: Trawling does not depend on the thousands of tons of bait that target squid, herring, sardine and saury stocks through-out the globe. Gulf trawl vessels are catching a large volume of relatively low consumer cost product, in the safest manner possible, for these smaller vessels. . The inshore gulf trawl fleet delivers to onshore processing facilities in Alaska, creating jobs and economic strength to Alaskan fishing communities and families.

The Magnuson Stevens Act established this North Pacific Management Council. The "national standards" established in this same legislation are the basis for argument that are usually used to justify each parties agenda.

It is always good to protect our fish, as a natural resource. Many "**fishermen**" understand this at a much more complete and balanced level than many so called "environmentalists". So,.. we are the first to want enough research and monitoring to safe guard against overfishing.

I fish in Western Gulf. In Sand Point and King Cove, for the most part, the trawlers are 58' combination salmon seine, pot, and trawl vessels. Several, also longline for halibut. So,.. our interests are not just vested in cod or pollock. Apposed to what many environmentalist would try to say, we do not want to deplete any stocks. Nor are we in the process of wiping out any stocks. And frankly, our operations are very small and our overall footprint is very small, in comparison to the huge factory trawl fleet of the Bering Sea, or many other International trawl fleets. In many cases the Gulf trawl vessels are the ideal ma and pa operations that fit the

Alaskan and small community model that was fought for through the Magnuson Stevens legislative process, and other Alaskan legislation.

### **Alternative 2 is Best Choice to Satisfy MSA Standards:**

I believe that Alternative 2, that presents a catch share plan with protections for fishing communities and safeguards against past catch share problems, is the best alternative. It will **end the “race for fish”** and enable the industry to take advantage of the many benefits that other catch share programs have experienced. These include safety, quality and marketing and, in light of the original idea of this agenda item, “bycatch management”.

I believe that newer measures added to the Magnuson Stevens Act encourage the catch share program outlined in Alternative 2. In contrast, I do not believe that Alternative 3 meets the intent of these measures. This was made evident in recent analysis that claimed Alternative 3 would not be classified as a Limited Access Privilege program. I am not sure of the motivation towards that analysis and conclusion, but I do not believe that Alt. 3 qualifies as a viable program at all. That is why I have questioned its actual purpose, and what really motivates its proponents. I believe it was designed primarily to avoid the advantages normal catch shares would bring to trawlers.(ie, added value to ownership). I do not know of a similar program to Alt 3, that is tested or working anywhere. What I do know, is that the supporters of this Alternative are by and large “anti-trawl”.

The biggest arguments I hear against Alt 2 catch shares are that it “**may**” redistribute wealth to catch share holders and that it “**may**” be detrimental to fishing communities.

There is a good chance that any increased value realized from catch shares will be offset by the recurring annual costs of observer coverage, and the detrimental affects of lower caps.

There is a good chance that with the proper safe guards in place , a co-operative catch share program outlined in Alternative 2 will give trawlers the tools to cope and even advance economically. A strong gulf trawl fleet naturally brings economic strength to fishing communities. I believe that recent social and economic studies done in Sand Point, King Cove and Kodiak show that trawling is a huge economic boost for these communities.

Two things I do know.. Reduced caps and observer coverage “**has and will**” redistribute wealth away from fishermen. Also,.. Trawlers going out of business in..Sand Point, King Cove, Kodiak or Petersburg,.. or selling out to wealthy outside investors, “**will**” be detrimental to fishing communities... Why is this not a concern for the Alaskan positions on the council.

### **The Gulf Trawl Sector Deserves Representation:**

I believe that much of the effort from the anti- trawl proponents is not just from so called environmentalist, but also from those who would like to see fish allocated away from trawling to the pot sector. There are those who are heavily invested into Super 58’ vessels that are geared up for fishing cod with pots. They have money and they have a lobby. They are not poor new entrants looking for a chance.

These will also be the type of new entrants to an Alternative 1, 2, or 3 fishery. And Alt 4 is simply an attempt to reallocate resource away from the traditional fishermen at a time when they are in the most need of help.

The last appointments to the council bring what I believe will be anti-trawl votes, all the way. There was a clear choice that would have made the council more fair and balanced in regards to a voice that understood the complete nature and needs of the trawl fleet. I fear that the council is trending towards an agenda that does not have a balanced approach to serve the people. But yet an approach to serve the agendas of the few with connections and power, and the money. The Alaskan representatives claim to speak for Alaska, but I would argue that the representatives from outside Alaska, actually represent as many or more Alaskans. In Sand Point, the fleet of trawlers are mostly 58' boats owned and operated by Alaskans. I do not see any significant benefit to pitting the State against the other States, or against the federal government. Especially at a time when the State of Alaska is in need of financial help.

I ask the council to please vote on this issue without biased. We deserve a seat at the table. We deserve fair representation. In January we left our work and came to Portland to be heard. No one else came. No concerned Alaskans came to say how terrible trawl catch shares were. No halibut fishermen and no salmon fishermen. Only the same paid lobbyists. Over 30 trawlers flew to Portland. All trawling stopped in the gulf for this. Most Alaskans do not care one way or other about Gulf Trawl catch shares. Please consider the voices of the people most affected by this Agenda item. Please vote on the merit of the Alternatives, and not in the nationally despised party or platform method.

**Avoid the Real Redistribution of Wealth and Economic Hardships in Perpetuity:**

A council vote that truly represents **Alaskan** trawlers and **Alaskan** fishing communities will be a vote that clearly **ends the race for fish**. Alternative 3 does not do this. Alternative 2 is a clear choice that includes safe guards to protect against past problems with catch shares.

Alternative 2 takes into account the welfare of all involved parties,.. including the fisherman.

Alternative 3 leaves the fishermen with no recourse to reclaim the wealth that has been redistributed away from them through 100% observer coverage and reduced caps. With Alternative 3,.. these expenses and hardships would be an economic burden in perpetuity.

For Real Progress and Balance to be possible, the **Race for Fish Needs to End**,....

Sincerely,  
Jody R Cook

**NORTH PACIFIC FISHERY MANAGEMENT COUNCIL**  
**June 6-14, 2016 — 229<sup>th</sup> Plenary Session**  
**Kodiak Harbor Convention Center**

**Public Comment of Ludger W. Dochtermann, F/V NORTH POINT, STORMBIRD**  
**Email submittal — npfmc.comments@noaa.gov**

**RE: C-5 GOA TRAWL BYCATCH MANAGEMENT – Discussion Paper**

Secretary Pritzker, Chairman Hull & NPFMC Members:

I'm Ludger W. Dochtermann of Kodiak, Alaska – owner and captain of two fishing vessels for Crab, Halibut, and salmon tendering operations. As I reminded you at the 225<sup>th</sup> session in October of 2015, my fishing rights have been harmed by hard-on-bottom trawling for decades. During that time, Council's actions to address GOA Groundfish Trawl Bycatch have been pitiful, falling far short.

**I strongly oppose Alternative 2 – IFQs; and find Alternative 3 – allocation rights for Bycatch of halibut, to be absolutely unacceptable and harmful to our directed halibut fishermen's and against the State of Alaska's best interests. How dare you even consider awarding rights to harm my business to trawlers?! Alternative 4 – CFAs – is simply ridiculous, unnecessarily costly and unworthy of serious consideration.**

You've made some bycatch reduction progress, and we welcomed those firm cutback percentages within various gear groups or sectors. However, the Kodiak region has shown surveyed biomass decreases each of the past 14 years for area 3A halibut.

**At this tipping point, it's critical what happens in the next few years.**

**Today, Alternative 1 – status quo remains the only direction: combined with strong percentage cutbacks in bycatch, as already begun.**

To repeat, as you well know, the current slate of trawl bycatch Alternatives is out of line because it is a mere politics & privatized approach to fisheries. It is not "sound fisheries management." It does not mandate reductions and mitigations to lessen trawl impacts on other species and fisheries sectors. Alternative 2 relies on false premises that Catch Share systems work, when it is globally clear they create major problems and cause negative economic impacts on our fishery dependent communities.

At 75, I remember dozens of GOA Groundfish FMPs at the NPFMC over the years. It's clear the existing motion cooperative measure was dominated by partisan desires of Washington and Oregon interests for the trawl sector, i.e. large industrial-sized, high poundage, low valued, fewer jobs, low economic-efficiency and low economic yield. Corporate serving, not fishing community serving.

All winter long in Kodiak, while working fishermen were out on the grounds doing their jobs, a political faction, the lobbying ilk of the trawl interests was busy twisting our City and Borough leaders to segregate out the Cooperative option – as if it is the pre-designated “preferred alternative” – and the only way to go.

Political tools do not, cannot lower bycatch problems at sea that are caused by failures to adjust gear, use extruders on all nets, timing, trawl speeds, reduce on-bottom contacts, and are just a means to the greed of about 36 players who want to get very rich off groundfish quotas (catch shares).

There is also a greater environmental context here on Alternative 3 – awarding bycatch allocations, that’s akin to “awarding permanent harms to the environment.” Carbon Credits globally did not reduce overall harms to the environment, and neither will Individual Bycatch Quotas. They are not incentives to behave, rather incentives to do harm to as high of a possible level that you allow. They come at a very high public price, while giving little to no public benefit. Alternative 3 would directly, financially harm my interests and that of many others. Trawlers can hurt halibut, salmon, and crab, and all other directed fishermen, while there is no way those fleets can harm pollock and flounder trawlers.

It’s time: Get tough on ecosystem and inter-sector fishery crime! Black cod rights should be stricken from “secondary species” status and no separate trawl targeting allowed, as well.

There is no problem of sustainability for the trawl specific species. It is the opposite for halibut, crab and some salmon. We cannot even begin to make a noticeable dent in groundfish but trawlers can decimate entire pods, millions of crab, barely noticed. *Incentivized!*

There is no justification for IBQs and catch shares. Quite the opposite. You need to place disincentives, punishments on avoidable harms. Don’t National Standards obligate you to consider the multispecies complexities?

And please answer me this, If this is a public process, then how come none of these alternatives and their vast slate of options is unfathomable and untenable to any sane and reasonable third person, i.e. a common man? Is the general public supposed to watch fish rights be pirated away, in IFQ public larcenies upon the Commons, and then pay a second price for the deleterious effects upon community well-being, and the “not trickling down” future such embezzlements bring?

National Standards also command you to address the dependency of fishing communities and the greater number of jobs available in a far more numbered competitive fleet. How will privatization for 36 greedy trawlers accomplish that?

It is early, still, to comment effectively. The NPFMC has not yet put forth an acceptable set of alternatives and options. Another motion at this

meeting, done correctly, will only be the start. An EIS and analysis are vital. You have yet to gather adequate data from all the affected fleets and communities, as well.

After 38 years of the FCMA, and over 30 attempts at GOA debauchery by the trawl interests, it should be clear: keep all of these fisheries open, competitive, and non-privatized. You've an obligation under the UN Civil and Political Rights Convention, as Iceland discovered. Catch shares are problematic, even internationally illegal all over the world's oceans.

The science is lacking. Trawl **Observer coverage is a joke.** Stop wasting NMFS budgets on political and legislative toolbox privatization toys. Implement full observer coverage on all trawlers, all the time. Put underwater cameras on their gear – do 'firsthand' direct observation. Build a factual database of information to remove existing inadequacies in obtaining best science.

Then come back to us a decade from now with some reality in hand. Do not give the trawl faction all (IFQs and bycatch) they are paying millions of dollars to lobby you and fool the public – greedy "get-rich-quick outlets." There is no safety issue; no pollock biomass and TAC issue; and LLPs already form a de facto wealth creating barrier to new entrants.

I end again on the same note as October: the trawlers can stay with status quo and fish their federal permits, not privatized rights. And don't even dare to award them bycatch allocation rights on halibut. There were vibrant crab and halibut fisheries, and we need to recover those stocks. Stay with stronger mitigation demands, particularly on trawlers, so that others remain in business, too.

Respectfully yours,

A handwritten signature in black ink, appearing to read "Ludger W. Dochtermann". The signature is fluid and cursive, written in a professional style.

Ludger W. Dochtermann; POB 714; Kodiak, AK 99615 Tel: 907-486-5450

May 27, 2016

Dan Hull, Chair

North Pacific Fishery Management Council

605 W. 4th Ave. Suite 306

Anchorage, AK 99501

Dear Chairman Hull,

I own and operate a 58' combination trawler, seiner based in Sand Point Alaska. I have always owned the boat and it first began trawling in 1990 with someone else running it. In 2000, after the sea lion injunction and all the uncertainties that came with that, I started operating the boat for trawling full time, and have been doing so ever since.

I am sick and tired of writing letters to the N.P.F.M.C. on G.O.A. rationalization. We don't seem to be getting anywhere, in fact we're going backwards. Three times now, since 2000, we have been to the water's edge on G.O.A. rationalization and every time the council has failed. I actually thought that we were close, I believe, in June of 2014 when I was in the room and Nicole Kimball told members of both the AK. B.O.F. and the N.P.F.M.C. that "the gulf will be fishing under a catch share program by 2017". That's not going to happen. I thought that I could actually believe a representative of the state of Alaska so I started making plans toward that direction. To date, I have spent \$17,433 on salmon and halibut excluders anticipating that I would be responsible for my own bycatch in the near future. I wish I had never spent the money. Ballpark \$11,000, was spent on buying and modifying salmon excluders that, I am convinced do reduce the amount of salmon bycatch. But what's the point? Out of all the small boat trawlers in the W. gulf, somewhere in the neighborhood of 20, there are only two of us that have made the investment in salmon excluders for our pollock and bottom trawls. What's the point of me towing around a large hole in my net in the hope that some salmon escape when the majority of the fleet does not? I am sharing in a salmon cap, since it is a fleet wide cap, with those same boats.

I was not able to attend the February council meeting in Portland. I read an article in the Alaska Journal of Commerce, by DJ Summers. When talking about the fleet stand down, so as many fishermen as possible could attend and protest Alt. 3, Commissioner Cotten asked "are there any other reasons you would stand down, perhaps bycatch?" The answer to that question is an emphatic, NO! On Feb. 3rd, the first day of the agreed upon stand down, I delivered 104,929 pounds of cod to the Trident plant in Sand Pt. That was an observed trip so our halibut rate was 0.015328. Nothing to be ashamed of there, and that is a good delivery for a 58' boat. We then sat, "stood down" during nice weather for the next 5 days. I would have liked nothing more than to have been fishing and it cost me enough money that it bothered me and my crew. That stand down cost me money, but nothing in comparison to the

amount of money that Alt. 3 will cost me, the rest of the industry, local communities and the state of Alaska for that matter, if it were to pass.

The anti trawl agenda of this administration is really becoming too much to bear. When we first saw a spike in immature Chinook salmon while trawling for pollock, the council, with strong persuasion from the state of Alaska, couldn't impose a Chinook cap on us fast enough. I understood that, because of the failures of so many Chinook salmon runs. Since then the genetic analysis shows that we are being hamstrung so we can save a whole lot of Chinook salmon for British Columbia and Pacific Northwest hatcheries. Additionally since that the state of Alaska is broke and you would assume that they would want the fishing industry to do as well as possible. This administration's agenda would ultimately put some of us out of business altogether.

There has been no mention of perhaps raising the salmon cap to give us a bit more breathing room. In the mean time the Area M seine fleet ( I own a permit for there, but my boat has fished Chignik for the last two seasons) caught 51,000 "mostly small king salmon", states A.E.B. newsletter, March 2, 2016, by Ernie Weiss. According to what Mr. Weiss wrote, 6,200 kings are caught on a normal year. It is my understanding that all of these same fish for which the trawlers are in so much trouble for, went to the meal plant. So when does it become a fair question to ask, why is it just fine to kill and immature king salmon in the state of Alaska with a seine and not with a trawl? In the article by DJ Summers Commissioner Cotten stated that he was following the main points of Governor Walkers "fish first" management. So am I to understand that it's fish first for trawlers and "votes first" for seiners? It is well and fine to have an agenda, but that agenda may be best rethought if it makes absolutely no economic sense for the businesses that are at the core of that agenda.

At this point of the process we should be working our way through Alt. 2. It was suggested by two people that I respect that the narrative at this meeting should focus on the positives of a catch share plan. My first response was, "How much more can be said?" The G.O.A. is surrounded by catch share plans, based on history in the fishery, that have been overwhelming successful in accomplishing their original goals. The cornerstone of all those plans was to stabilize the economic health of the fishing boats and the processing sector. Alt. 3 would put me out of business. As long as it is alive I'm going to do my best to persuade the council to kill it. I just don't see any way forward under Alt. 3. There is just nothing in there that we can even begin to work with.

If Alt, 3 were to pass there would be just too much risk and not enough chance of reward. I would sell the boat immediately, as a seiner, with way too much horse power, probably for about 10 cents on the dollar. I would keep the "paper" in hopes that cooler heads would prevail sometime in the future. If not, at some point Trident Seafood's will want to buy my bycatch to place on one of their boats. They, most certainly, can weather the storm.

Over the last 30 plus years that I have been fishing in Alaska I have grown somewhat used to the "non resident" bias, but this administration takes it to a whole new level. I'm going to be so bold as to suggest that as non residents what we add to the local economy in Sand Pt. is perhaps overlooked. Whenever we do gear work, Denise doesn't seem disappointed that we are renting a truck from her.



We have a crew rotation going so Hodges B&B know us by our first names. I have ridden on Peninsula Air when the plane wasn't full and they always thank me. John at Fleet Welding has told me a number of times that he appreciates my business. Luis Bravo the wood worker, is always really nice and accommodates me. Need I go on? Thousands of dollars worth of groceries and hundreds of thousands of fuel, all of which we pay tax on. That all goes away with Alt. 3. My fishing business is paid for and if I don't think that I can make it in the Western Gulf I'm pretty certain that most of the local fleet will not be able to survive either.

I didn't like everything in Alt. 2., but endorsed it enthusiastically. I would like just a simple co-op, much like the rockfish program. Peninsula Fisherman's Coalition, of which I was a member of at the time, asked that a large percentage of the quota would have to stay on under 60' vessels. If I want to sell quota I thought I should be able to sell to whomever I wanted, but I agreed to it, and would continue to agree to it. I did not like the 100% observer coverage for a number of reasons, first and foremost, expense. Last year we would have spent over \$75,000 on observer costs. We are just not making enough to be able to absorb those kinds of costs, but again I support Alt. 2 because we can lower our cost of doing business. When you're not racing for fish you can wring more pennies out of a pound of fish. When we fish cod almost every pound I deliver is to a tender. Every time you pump a fish you lose quality. The fish gets pumped off my boat and then gets pumped off the tender at the plant. If the processor and myself were not both racing for fish I could take the extra time and deliver the fish directly to the plant, resulting in better quality fish and eliminating the cost of a tender. Every year I hear from the plant manager that they are ramming fish through the plant just to keep us fishing. "We're doing more H&G than we'd like," which results in less value. I remember from A.F.A. hearing that a processing plant runs most efficiently at 60% of their maximum capacity. The minute a pollock dies the clock start ticking on quality. Last year in Sand Point the minute we got offloaded we would race out to get the boat full and maybe some on deck. Then we would come back to town and sit, sometimes for 2 days, all the while that fish is losing quality. In years past we may deliver to the plant who would then pump the fish to a tender (actually a Bering Sea trawler) and they would run the fish to Akutan for processing. They are all A.F.A. boats and held to a higher standard of quality and they refer to us as "garbage haulers". If we were not all racing to get more than our share you could schedule an off load time resulting in fresher, more valuable fish. If there is concern that benefits will not be passed on to the fishing vessels, then the council could look at the success of binding arbitration, for price, that has worked well in the crab plan. Personally, I could save money by not having to buy spare gear for my spare gear. When racing for fish you cannot afford to miss a day. It is not uncommon that 50-60% of my total season will be caught in just a few days of really good fishing. I try not to think of the amount of money that I have just sitting in a gear pile just in case I need it. I could go on and on.

Alt. 3 does nothing, absolutely nothing!, to address any of these issues, but it adds such a high level of risk that it will just make no sense to continue on.

Again, the G.O.A. is surrounded by successful catch share plans. There is a reason that a bycatch only, catch share plan has never been adopted any other place in the world, because it is brain dead. I was encouraged to read a letter to the editor of Seafoodnews.com (March 17, 2016) where Duncan Fields compared Alt. 3 to the Canadian system. Great, let's make this really easy for the council since the

British Columbia system is a catch share plan, and both target catch and bycatch is allocated to participants.

I encourage the council to scrap Alt. 3, put this behind us. Start to move forward on Alt.2. If the council lacks the will to do that, please consider raising the salmon bycatch caps Thank you for your consideration.

Sincerely,

Tom Evich

F/V Karen Evich



NPFMC comments - NOAA Service Account &lt;npfmc.comments@noaa.gov&gt;

## Comments Agenda item C5 Trawl Bycatch Management

1 message

Charlie Freeburg <fvalaskabeauty@gmail.com>  
To: npfmc.comments@noaa.gov

Tue, May 31, 2016 at 5:25 PM

Dan Hull, Chairman  
North Pacific Fishery Management Council  
605 W. 4th Ave. Suite 306  
Anchorage, AK 99501

Dear Chairman Hull,

I operate the F/V Alaska Beauty a 98' trawler based out of Kodiak, AK. I began trawling for Pollock in 1987. I know that in politics it is not smart to become emotional but it is extremely difficult to not feel angry and resentful towards the State of Alaska, ( which I reside in, own a home in, pay taxes in, work all resident crews almost exclusively, vote in, am a business owner in ) as it seems the current administration is hell bent on my economic destruction. I moved to Alaska and took up residence in Kodiak in 1991 because I was trawling in the Bering Sea and fell in love with the Great Land. I wanted my wife and children to get to experience this place. To become a part of this community and be able to fish out of the town I live in. I spend a vast majority of my year at sea trawling. It is a year round full time job for myself and most of the other participants.

The GOA fisheries for Pollock, Cod and POP are listed on Monterey Bay Aquarium Foundation's Seafood Watch App as best choice fish. Sustainably managed MSC Certified. Myself and the other participants of the GOA Pollock and Cod trawl fisheries have asked, begged, pleaded with the NPFMC to help us improve the management of the fishery. To help us to achieve the PSC bycatch caps that have been placed on us and still be able to harvest the fish. TO ACHIEVE THE PSC CAPS THE RACE FOR FISH MUST BE ELIMINATED! Alt 2 can do that. It is a proven coop catch share model that is successfully used in the RPP and AFA. It has ownership caps in processing and harvesting. It bases the allocation through historic usage as required under MSA.

Alt 3 on the other hand does stop the "race for fish" which is necessary to accomplish bycatch reduction. Creates value to latent permits that do not have recent history of active participation. It very well would cause a greater consolidation than other alternatives in that it has no caps of ownership and for a boat to be viable it would require multiple permits to have enough PSC to fish. Also if markets are able to own the PSC that will be necessary to prosecute the fishery they will have all the leverage on pricing. Alt 3 is the "Poison Pill Alt". Endorsement of it is a statement that you are out to eradicate trawling.

I am a hired captain my motivation for endorsing Alt 2 is to do the best possible job of protecting/ managing the resource the I depend on for my living and that contributes heavily to the economic stability of Kodiak, the community that I live in. I am amazed at input into this by parties that are not shareholders. People whose only reason for involving themselves in the process is that they are trawl haters. I don't get it. Trawling is just another gear type. MSA created the American trawl fleet to replace the foreign fleet that was harvesting the fish in our EEZ. We specialize in providing high volumes of cheap

protein to a hungry world. Most of the fish that we harvest can't even be economically harvested by other gear types.

I have been involved in gear development research, the Salmon excluder EFP, the halibut excluder EFP, Electronic monitoring EFP. I have always been interested in being able to harvest fish more efficiently. To have individual accountability of my fishing practices. I ask for your help to better manage the resources I depend on for a living. Scrape Alt 3 and move forward with Alt 2.

Thank you,  
Charlie Freeburg  
F/V Alaska Beauty



NPFMC comments - NOAA Service Account &lt;npfmc.comments@noaa.gov&gt;

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## Agenda item C5

1 message

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Paul <paulaura@hotmail.com>

Tue, May 24, 2016 at 11:06 AM

To: "npfmc.comments@noaa.gov" <npfmc.comments@noaa.gov>

My name is Paul Frost of Togiak, Alaska at [paulaura@hotmail.com](mailto:paulaura@hotmail.com), an Alaska resident, born and raised in Alaska, having been a commercial fisherman in Bristol Bay for over 40 years, I strongly object to both alternative 2 or alternative 3, to privatizing fish in the Gulf of Alaska for draggers. There has never been 100% observer coverage on the draggers, even though I repeatedly demanded such throughout the mid 1980's. Alternatives 2 and 3, is poor science and worse, a poor decision to privatize the draggers fishery. They have dumped billions of metric tons of edible protein over the side, which is causing "Economic Ethnic Cleansing of Alaska's Original Peoples", by upsetting the natural law of equilibrium and destabilizing the millennial balance of numerous ecosystems within the waters of Alaska. The N.P.F.M.C. policy makers and management decisions based within equity law are genocidal policies against "Alaska's Original Peoples" which must be punishable by law under the Nuremberg Code.

Sent from my Samsung Galaxy smartphone.

May 31, 2016

North Pacific Fishery Management Council  
605 West 4<sup>th</sup> Avenue, Suite 306  
Anchorage, AK 99501

RE: Agenda item C-5 GOA Trawl Bycatch Management Program

Dear Chairman Hull and Council members:

I appreciate the opportunity to comment on the Gulf of Alaska (GOA) Trawl Bycatch Management Program. I worked as a trawl gear specialist on the Miller Freeman in 1976. I am a 39 year resident of Kodiak. I arrived in Kodiak in 1977 worked as a the first of two groundfish observers on shorebased trawlers. I started commercial halibut fishing out of a skiff in 1980. I have fished every year since then and currently own a 50 foot steel vessel. Halibut is my main fishery I have tendered salmon and currently salmon seine with my vessel. I have paid off my boat built two houses and raised 3 children on the money I have made from halibut fishing. All of my children at some point crewed for me. I have also supported over 50 businesses in Seattle and Kodiak. I bought into the IFQ system. But have had to sell some to pay off my debt after quota declines.

Independent fisherman built the community of Kodiak. Halibut has carried us thru the end of the King Crab, Low salmon prices. What I see just about every year is increasing portion of the halibut allocated to bycatch and a gaming of the observer program to keep bycatch low. Less halibut allocated to halibut fishermen and less halibut on the grounds. This reverse allocations makes no sense . I quit longling for cod and switched to cod pots 25 years ago because I was catching 50 percent halibut. Yet a longline fishery for cod was allowed with no observers for until recent times. As recently as a few weeks ago a former crewmember told me a non observed tow on a trawler fishing near town caught double my IFQ allocation. I was out halibut fishing last week 15 mile off the coast a rockfish trawler was towing 3 miles from my gear. My halibut spots close to town in the chiniak gully are now the flatfish trawlers domain. last year I asked one trawler (Nicole)not tow next to me he came with 500 feet and turned around. There is so much resistance to doing anything. It cost money. Well its been costing halibut fisherman up to \$100 million dollars loss quota. Personally costing me dearly.

The truth is I have been on both sides of this issue in the past. But they trawl fleet has expanded .Fewer owners, Footrope longer, vessel horsepower much greater. We have a plethora of fisheries industrial complex funded scientists and fish lobbyists to tell us there is not problem with bycatch. I am even friends with some. But the truth is 100 percent observer coverage and bycatch reduction and incentives as the only hope to save the halibut fishery one of the oldest fishery in Alaska from extinction. The shelf is not that large in the gulf of Alaska. .

Around 60 years ago Seattle longline fleet took pictures of deckloads of halibut by Russian trawlers off Alaska to the Halibut Commission. Took years for the halibut to recover. The Russians had to stay 14 miles off the coast then.

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- National Standard 9 requires fisheries managers to reduce bycatch to the extent practicable. An improved management program will make additional reductions to bycatch achievable.
- 100% observer coverage ensures accountability among harvesters.

*Request:*

- Any new management option should include bycatch reductions that go beyond status quo.

**Community protections**

*Problem:*

- Nearly 20 years of direct experience with catch share programs in Alaska demonstrates clearly how catch share programs can adversely impact fishing dependent coastal communities. The problems encountered in catch share programs in Alaska and around the world are widespread, well-documented and now predictable. These include:
  - absentee ownership of quota
  - fewer locally based vessels
  - high leasing fees
  - excessive consolidation
  - lower crew pay and job loss
  - out-migration of fisheries based wealth and access opportunities from communities

*Solutions:*

- Consolidation caps that prevent against excessive consolidation.
- Management measures that recognize fleet diversity and dependence.
- Recognition that fisheries are a public resource and do not belong solely to harvesters. Coastal communities and Alaskan residents are important stakeholders and should have a voice in the management process.
- GOA groundfish dependent communities have invested heavily in infrastructure that supports these fisheries; coastal economies depend on the value of the groundfish fishery.

- Vessel owners and permit holders should be required to actively participate in the fishery. Without active participation requirements, people who have little or no ties to the fishery wield a disproportionate amount of influence.

*Requests:*

- The new program must ensure that some of the economic value of Alaska's fisheries benefits local economies in coastal communities.
- The new program should include measures that recognizes Gulf-dependency.
- Community Fishing Associations are a means to achieve many of these community protections by anchoring fishing rights to Gulf communities.

**Local fishing access**

*Problem:*

- Coastal residents depend on local fishing access to sustain their economies and culture; loss of access causes economic, cultural, and social ills.
- Commoditizing harvest privileges creates a greater economic barrier to entry for new and current participants.

*Solution:*

- Local fishing access helps to ensure that the benefits of this public resource stay rooted in coastal communities.

*Request:*

- Any new management program in the Gulf must provide viable entry opportunities for the next generation of fishermen.

We thank the Council for your attention to this important matter and urge you to move forward and design program which reflects the unique characteristics of the Gulf of Alaska. Thank you for your consideration of these comments.

Sincerely,

Daniel R. Miller owner captain F/V Anna D  
907-654-4621  
fvannad@gmail.com



May 27, 2016

North Pacific Fishery Management Council  
605 West 4<sup>th</sup> Avenue, Suite 306  
Anchorage, AK 99501

RE: Agenda Item C-5 GOA Trawl Bycatch Management Program

Dear Chairman Hull and Council Members,

I appreciate you all taking the time to read this letter concerning the Gulf of Alaska (GOA) Trawl By-catch Management Program. I am 31 years old and of those I am proud to say I have lived in Kodiak for 27. I own a 41-foot seiner which I salmon fish during the summer and jig for pacific cod during the winter and spring. I grew up playing in crab pots and climbing over trawl nets, and loved the feeling of our community come alive in anticipation of an announcement of an opener, or another fishery beginning, and seeing new faces arrive in town excited about the possibility of making a hefty paycheck. I remember my dad telling me hard work creates opportunity, and that fishing was a noble occupation because the harder you worked, the more money you could make, and I remember being introduced to people who had arrived in Kodiak without a dollar to their name and had worked into vessel ownership. This town had an aura of anticipation and hopefulness, because it felt like success was everywhere, and unfortunately that aura has changed. The decisions to rationalize fisheries such as halibut and crab, created a class of wealth Kodiak had never seen, and it also brought out the selfishness and greed of a number of fisherman who I had been raised my whole life to watch as mentors and role models. In addition, rationalization took away opportunities for eager, young fisherman to work towards vessel ownership, by consolidating the fishery. At the time, I did not fully understand the implications of rationalization, all I saw was a migration of people out of Kodiak, as people realized they didn't need to be in Kodiak, or even be fishing in order to make money as a result of rationalization. The wealthy vessel owners that were given quota based on historical participation in a fishery moved their families, many of whom I had befriended, and moved their money out of the Kodiak community.

I ask the council to take action to prevent the further migration of wealth out of our community. Rationalization of another fishery is not the correct management decision, as it will inevitably lead to consolidation. I believe Alternative 2 of the by-catch management plan is the wrong choice in preventing migration of wealth and preventing consolidation. In addition in order to protect the community of Kodiak, we need a management plan that doesn't create a situation where one processing entity has governing properties over a fishery by creating a monopoly in terms of market share. Competition amongst processors ensures a fair price for fisherman. I also ask the council to further explore options for limiting prohibited species by-catch, as that is the namesake of the By-catch Management Program. I believe accountability through 100 percent observer coverage is the only way to weed out

any disparity in landings reporting. Local tanner crab stocks have been in decline so much that the fishery hasn't been open for 3 years. Because tanner crab is not a prohibited species of by-catch, I have reason to believe the amount of crab discarded and unreported is very high. Small boat fisherman rely on this fishery as a source of revenue, and community members rely on tanner crab as a subsistence resource, and it would be a shame to fail at protecting tanner crab stocks.

In closing I ask the council to take into consideration the entry opportunities for future generations of fishermen and women. My wife and I welcomed my son Silas to the world last year, and I hope that when he grows up and makes the decision to fish or not to fish, that he has as many opportunities to choose what fishery he wants to participate in as the generations of hard working fishermen before him. I hope that I can introduce him to fishermen in our community who will nurture him and mentor him the same way I was. I hope that I can tell him that fishing is a noble occupation and the harder he works the more opportunities will open for him.

I thank the Council for taking the time to read this letter and hope that it gives you an insight into the concerns and challenges that we, the younger generation, of Kodiak fisherman face. I would also like to add that I will make every attempt to give testimony in person at the Council meetings this June, however as the salmon fishery is my primary fishery and source of income, I may not be able to be present, as our primary season opener occurs June 9<sup>th</sup>.

Sincerely,

Nathaniel Rose  
F/V Historian

May 31, 2016

North Pacific Fishery Management Council  
605 West 4<sup>th</sup> Avenue, Suite 306  
Anchorage, AK 99501

RE: Agenda item C-5 GOA Trawl Bycatch Management Program

Dear Chairman Hull and Council members:

We appreciate the opportunity to comment on the Gulf of Alaska (GOA) Trawl Bycatch Management Program, and especially appreciate the fact that the Council will be meeting in our hometown of Kodiak.

Unfortunately, neither of us will be in Kodiak during the meetings for public comment (Commercial Salmon Season) but trust that you will give written comments equal consideration.

We both have made Kodiak our home for over 40 years, our families have been involved with commercial fishing and processing in Alaska since the 1950s. We are the owner/operators of a salmon seiner/cod jigging/tanner crab vessel. Our family **DEPENDS** on sustainable fisheries management (both environmentally and economically). Although we do not own halibut IFQs, all of Kodiak and the Gulf of Alaska communities are affected by any bycatch allocation whether halibut, cod or crab.

We firmly believe that our **fisheries resources are a public resource**, but realize that the issues of managing a common resource are complicated at best. With that said, we believe that any fisheries management decision must **protect the role of independent, community-based fishermen**, as we are the life blood of our respective communities. We live here, our children go to school here, we pay property taxes here. Any plan designed to manage fisheries in the Gulf should not only be the most environmentally viable path but allow for

community protections, realistic entry opportunities for our young fishermen and meaningful reductions to bycatch.

Having attended Kodiak fisheries work group meetings and ‘combed’ through documents that compare the 4 alternatives (#1 being status quo) that are currently being considered by the council, we believe that **Alternative #4 or some form of it provides the tools necessary to support Kodiak’s local fleet and community as well as other GOA coastal communities. We support the concept of a Community Fishing Association (CFA)**, Having witnessed over the past 40 years the distancing of the fisheries economic compensation from the communities they should support (examples: absentee ownership of quota, fewer locally based vessels, excessive consolidation) we believe that **any new program must ensure that the economic value of Alaska's fisheries benefits local economies in rural coastal communities** and believe that CFAs would be a the strongest tool.

We realize that fleshing out and instituting Alternative #4 would require a lot more work from the council and the respective communities affected, but the effort will be worth obtaining the main goal of supporting the long term health of our coastal communities.

Respectfully submitted,

Bob Bowhay, Jane Eisemann  
F/V Moondance  
P.O. Box 192  
Kodiak, Alaska 99615



NPFMC comments - NOAA Service Account &lt;npfmc.comments@noaa.gov&gt;

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## Rationalization

1 message

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Tiffane Lara <tiffanelara@gmail.com>

Tue, May 31, 2016 at 12:07 PM

To: "npfmc.comments@noaa.gov" <npfmc.comments@noaa.gov>

Dear Chairman Hull,

My name is Tiffany McKenzie. I have lived in Kodiak since 1982. I have worked on the 114' Trawler Progress since 1994, and am now operating the vessel.

In that time I have seen the Pollock fishery in the Gulf rise and fall. And now we are looking at another crash as our future age classes are missing.

The Progress is an AFA boat, so we have experienced the good that rationalization can do. Not having to fish in extreme weather. Safety. Being able to take the time to find larger fish and staying away from bycatch. These are all things that come with rationalization.

Small fish has been a huge problem in the Gulf. When the race is on, and the boats are stacked up at the dock, the discard rate multiplies exponentially. Everybody suffers. We don't make money and the community doesn't benefit from the landing taxes.

As this state is in financial crisis, I would think it would be important to maximize the value of our resources, and protect our future.

Sincerely Tiffany McKenzie

F/V Progress

PO Box 8082

Kodiak Alaska 99615

*F/V Gold Rush Fisheries LLC*  
PO Box 425  
Kodiak, Alaska

May 31, 2016

Dan Hull, Chairman  
North Pacific Fishery Management Council  
605 W 4<sup>th</sup> Ave., Suite 306  
Anchorage, AK

Re: Agenda item C5, Gulf of Alaska Trawl By-catch Management

Dear Chairman Hull,

My brother and I own and operate the F/V Gold Rush, a Kodiak Trawler. We are extremely concerned that there is still no effective management plan in place for the Gulf of Alaska groundfish trawl fisheries and therefore still no effective tool for the management and control of by-catch.

For many years we have written letters and provided public testimony, asking for help from the Council. We even participated in the industry collaboration that resulted in the original Alternative 2, which was moving forward as the preferred alternative until the process was halted for further review. All the while, we continued to experience more reductions in PSC limits without the benefit of any of the tools we have asked for.

We have very productive and positive experience with the Bering Sea AFA Pollock fishery and the Central Gulf of Alaska Rockfish fishery. Both are cooperative style programs which have given us both the predictability and flexibility to manage our fishing plan to optimize yield and minimize by-catch.

Also with these existing programs, we are able to coordinate our fishing activities with the needs of our processing partners, to create more consistent and manageable product flow and produce a higher quality product.

Lastly, these two very successful programs, especially the AFA Pollock, have provided the necessary footing to consistently reinvest in our vessel to improve efficiency and safety.

We ask again, to please move forward with Alternative 2. It is necessary for the well being of our fisheries and our communities, and it is a program that will work.

Respectfully,

Don Ashley, F/V Gold Rush Fisheries LLC

**NORTH PACIFIC FISHERY MANAGEMENT COUNCIL**  
**June 6-14, 2016 — 229<sup>th</sup> Plenary Session**  
**Kodiak Harbor Convention Center**

**Public Comment of Stephen Taufen, Groundswell Fisheries Movement**  
**Email submittal — [npfmc.comments@noaa.gov](mailto:npfmc.comments@noaa.gov) Fax 907-271-2817**

**RE: C-5 GOA TRAWL BYCATCH MANAGEMENT – Discussion Paper**

Secretary Pritzker, Chairman Hull & NPFMC Members:

1 I'm Stephen R. Taufen, resident of Kodiak, Alaska – and founder of the  
2 Groundswell Fisheries Movement, a public-advocacy in federal and global  
3 fisheries. In particular we are concerned with the Resource Curse and  
4 Regulatory Capture in all Alaskan-related extractive industries — and the  
5 false valuation of exploited resources, like fisheries, and unfair global  
6 trade.

7 **Primary Imperatives:**

8 Secretary Pritzker, your duty is to **first stop federal Lay Share law**  
9 **violations; and** assist Treasury (Customs and IRS) in stopping **Abusive**  
10 **Transfer Pricing** and acknowledge proper crossborder trade values for the  
11 USA's seafood, and that means you must know the global transnational  
12 ownership profile of Alaska's fisheries before proceeding. Follow Article 6  
13 of the UN International Covenant on Civil and Political Rights re fisheries.

14 The Alaska Governor should **initiate a new Alaska fish industry/foreign**  
15 **invested Ownership Profile** — with federal agency assisted information  
16 gathering — which must be obtained and made public before proceeding.

17 Council members, your duties are to improve information gathering and  
18 **ensure that no schemes of allocation go forward until Processors**  
19 **completely share their cost data and revenue transactions,** and review  
20 Advanced Pricing Agreements (formula based) to understand unfair ex-  
21 vessel pricing. It is a public stewardship fisheries and the Social Contract  
22 must be met.

23 Together, you must also **first provide at least three years of “full time,**  
24 **every tow” observer coverage in the groundfish trawl fleet.** NOAA  
25 should pay for the biological component, and fishing permit holders and  
26 processors for the management component of these observer costs.

27 **Positions:**

28 **We strongly oppose all of the Alternatives as outlined,** but see elemental  
29 aspects or outcomes that may be instructional to a future management  
30 strategy. That is, **we support ongoing analysis.**

31 **Today, Alternative 1 – status quo remains the only course: combined**  
32 **with strong percentage (hard-cap based) cutbacks in bycatch,** as already

1 **begun.**

2 **Observer coverage improvements can be designed and controlled outside**  
3 **this C-5 package. There are additional imperatives, outlined below,**  
4 **before proceeding on any GOA package or schemes.**

5 **We oppose Alternative 2 → absolutely NO to Privatization via IFQs,**  
6 **Catch Shares. The USA does not own the fish. We believe existing “Ratz”**  
7 **programs violate the WTO and other trade reciprocity law, create**  
8 **government sponsored monopolies, provide for the foreign capture of**  
9 **our host nation resources, and are a Public Larceny that embezzles**  
10 **capital and income from real fishermen (captains and crew) in violation**  
11 **of Lay Share laws.**

12 Among their many harms, IFQs have been proven to exacerbate  
13 unsustainable fishing practices, globally; drastically consolidate  
14 profits for a few larger players, eliminate jobs, severely decrease crew  
15 pay, transfer ‘the labor surplus’ of actual fishermen to undeserving  
16 sealords and bankers, promote massive capital flight and otherwise  
17 diminish regional economic inputs; and do not improve fishery health  
18 nor provide sufficient benefits for fisheries dependent community  
19 economies.

20 IFQs have been shown to violate Article 26 of the International  
21 Covenant on Civil and Political Rights, by a case before the United  
22 Nations Human Rights Committee, as (among other findings) the fish  
23 are the common property of Iceland, not a free quota share group of a  
24 few sealords.

25 **We oppose Alternative 3 → allocation rights for Bycatch of halibut, is**  
26 **unconditionally insupportable. It is important to realize that a “CAP,**  
27 **CUT, and BALANCE” approach is superior to a “Cap and Trade” type**  
28 **scheme with offsets, credits, tradeable allocations bycatch, and that**  
29 **creates disastrously negative externalities upon other directed sectors.**

30 Awarding harms to the ecosystem is not a solution. It is not “market-  
31 based” in a fair competitive and capitalist business and social values  
32 economy.

33 It’s harmful to multispecies management, especially our directed  
34 halibut fishermen’s and against the State of Alaska’s best interests.

35 There are ridiculous “incentives” not disincentives or consequences to  
36 harms to the other fisheries sectors, gear groups, from bad trawl  
37 behavior. Why not TAX harms, and charge up front for the right to  
38 harm, and limit these to by-the-vessel, non-tradeable quantities? Why  
39 no mechanisms to design “offsets” – such as giving up the right to  
40 catch “x” pounds of Black Cod in return for “y” pounds of halibut or  
41 salmon or crab PSC damages, trade-offs that spur reduction and  
42 mitigation rather than incentivize dirty fishing or bad technologies?

43 More below.



1 **Throw out Alternative 4 – CFAs → a bizarre and costly aberration, and**  
2 **this deviation from common fishing privilege rights — to exercise**  
3 **permissions-only privileges upon the public commonwealth — is**  
4 **unworthy of serious consideration. If public commons rights are to be**  
5 **transferred from the federal level, it should only be the State of Alaska**  
6 **as recipient and steward.**

7 **Considerations:**

8 You've made some bycatch reduction progress, and the Public and other  
9 harmed sectors have welcomed those firm cutback percentages within  
10 various gear groups or sectors, as has Canada as signatory to the IPhC  
11 process.

12 However, the Kodiak region has shown surveyed biomass decreases each of  
13 the past 14 years for area 3A halibut. **At this tipping point, it's critical**  
14 **what happens in the next few years.**

15 **While we support ongoing biological and economic information and**  
16 **analysis**, as champions for greater public Transparency and Accountability,  
17 the only way to responsibly manage fisheries in the Gulf of Alaska is to **end**  
18 **the race for quota history.** There is no race for fish, no derby – other than  
19 alleged one created by the irresponsibility among trawlers and their  
20 processors. You can end this game by postponing GOA Groundfish Ratz  
21 cold, by first imposing required information, transparency, and observation  
22 and hard-cap cutbacks, as mentioned above (and below).  
23

24 **Groundswell's Duty for 229th Session:**

25 Our duty, today, is to distinguish our public thoughts in opposition of the  
26 State's motion, Alternative 3, as it is certain to be a politically unattainable  
27 one. This is demonstrated by no less than many Congressional attempts to  
28 deal with a USA Cap and Trade type law in carbon emissions (another harm  
29 to the environment) — most lately the failure of the Waxman-Markey bill;  
30 and how the Senate will not forward any House bill.

31 Allocating Harms to the Fishery Ecosystem is not the way to go. So, some  
32 thoughts for you:

33 **FAILURE OF CARBON CREDITS POINTS WAY NOT TO GO:**

34 By the mid-2000's it was clear that major global Carbon Credits (CC) and  
35 Emissions Trading Systems (ETS) markets, including carbon offsets were not  
36 working. Offsets, as 'compensatory measures,' earned credits and were then  
37 swapped or traded in markets for unregulated values, and created price  
38 volatilities, and under mandatory caps increased values of offsets – yet  
39 changing economic conditions (like energy cost downfalls) had later  
40 unanticipated effects.

41 By 2012, plenty of economic analyses examined what happened. And many  
42 nations understood only by government selling up front, for high prices —

1 using a ‘Standardized Price Adjustment Tool,’ i.e. a TAX, to correct for the  
2 disastrously negative externalities could meeting emission caps and attaining  
3 harm mitigations or reductions become possible. Giving away credits does  
4 not work. There must be a legitimate valuation, where experts in tax and  
5 trade and other fields consider the social impacts of a suggested tax rate.

6 The true cost estimates for the USA on carbon pricing was \$37 per ton, far  
7 higher than in most nations, then later determined (Stanford University) to  
8 actually be \$220 per ton, which tops existing carbon credit trade prices  
9 everywhere else in the world. You must proceed with similar expectations in  
10 mind, and at the least begin with ensuring the Nation sells and controls  
11 (standardizes) any BQA trade prices. Giveaways are unacceptable for  
12 Bycatch, just as we all know they are for Catch Shares.

13 Everything for nothing, everything for a few, no longer is an  
14 acceptable paradigm in fisheries or any other resource, in the USA and  
15 globally. The destruction of a wider middle class is an abomination  
16 of capitalism as much as of a social welfare based society, and  
17 promotes the destruction of capitalism itself.

18 We’ve lost at least 15 years in resolving global pollution and climate change  
19 problems, as a result of Cap and Trade failures. Europe lost well over \$400  
20 billion, and suffered damages to tourism and other social ills, with little if  
21 any gains in reducing emissions or costs of backup diesel standby power. The  
22 Carbon credits market was riddled with corruption and failure. As Europe  
23 now calls for scrapping the Emissions Trading Scheme(s), due to failures in  
24 the carbon ‘market-based solutions’ devices (carbon credits, offsets),  
25 Commerce/ the NPFMC must scrap this idea now, because you know it will  
26 fail and not serve public interests nor provide sustainability.

27 For fisheries, **Bycatch allocations are also awards of harms against the**  
28 **environment**, and the establishment of what can be called a Bycatch Trading  
29 System (BTS). Applying a standard bycatch tax would much more clearly  
30 price the negative externalities as accurately as possible, and provide funds  
31 to track the information required to make assessments and policy.

32 It is easy to predict the general results of a BTS or Alternative 3, given CCs,  
33 offsets, and other such systems, which are tools of politics not serving  
34 society, environment and resources. CCs were political tools of the large  
35 industrial players and their bankers/traders who knew the advantages they’d  
36 take of the system.

37 In like fashion, a BTS marketplace:

- 38 • Arguably will not provide incentives to invest in low-bycatch  
39 technology, at least sufficient to address harms to other directed  
40 fisheries and local economics.
- 41 • It doesn’t work to oversupply CCs, and it won’t work to oversupply  
42 BQAs, allocating in some cases more than needed; whereas other tools  
43 provide better for reduction and mitigation re NS#9.

- 1           ○ Why not larger mesh sizes in cod ends and in other net portions?  
2           Why not remove cookie gear that helps herd fish while damaging  
3           crab pods, stirring up halibut, etc.? Why not limit tow times and  
4           speeds? That is, why not use Bycatch Mitigation tools instead of  
5           privatization political allocation tools?
- 6           • Concentrates on providing a mere, negligible cost to industry for harms  
7           it does that are very costly to the other directed fisheries, in contrast.
- 8           • The approach does not deal with the linkages between a resource  
9           exploiting “supply market” in Alaska and the final products market, say  
10          in Japan. Ownership, economic global structural problems, tax  
11          avoidance and other factors loom large.
- 12          • Lack of transparency, will, like CCs, become infested or at least  
13          infected by corruption or the strong accusations of it. These political  
14          systems and the revolving doors they bring fuel that.
- 15          • Resource credit markets create a lot of income for consultants, bycatch  
16          brokers and validators: policy makers, NGO professionals and  
17          academics who make a living off the creation of these credit/allowance  
18          systems.
- 19          • There will be very little or no independent and democratic oversight in  
20          the system.
- 21          • Instead, many revolving doors will at least fuel the accusations of  
22          corruption.
- 23          • CC, contrary to claims of proponents or supporters, have often  
24          politicized a resource by-product of use to local sustainable  
25          agricultural systems, fertilizers like rice husks in Thailand, that would  
26          otherwise provide a local sustainable economy in other fisheries.
- 27          • Mistakenly relies on the vagaries of a bycatch trading system for which  
28          there is no design that converges with and uphold the Social Contract.
- 29          ➤ There are more powerful policies and tools (see appendix) available to  
30          address bycatch & gain local economic rewards
- 31               ○ The promotion of local economies, in Value-Added (NB:  
32               Trident’s EU German purchase in contradiction to doing USA  
33               based value adding, to meet USA consumer needs foremost.).
- 34               ○ Extending Kodiak’s Community Energy Conservation to a  
35               community-based fuel supply in order to escape monopolized fuel  
36               prices by outsiders, lower major vessel costs!
- 37               ○ But, possibly most of all, the Tool of Bycatch Taxes — both in  
38               the existence of State Core Report generated fashion, and in any  
39               new BQA standardized federal taxing: generated by proper export  
40               wholesale values in TNC/FCC processor structural economics,  
41               across borders. And in breaking the backs of ex-vessel price

1 fixing under their “linked” and IPQ powers. That means you  
2 must adhere to your federal duties re Lay Shares, Abusive  
3 Transfer Pricing, Clayton Act anti-monopolization; and ensure no  
4 Leasing of any fishing privileges as off-the-top-pre-voyage-  
5 settlement deductions.

6  
7 ➤ SUMMARY: we don’t need Appearances – the political tools of  
8 Bycatch Allowances and Bycatch Trading Systems [or Schemes]  
9 (BA/BTS) that Catch Shares mean. We need Solutions that actually  
10 work on the fishing grounds, in action, despite ownership cravings.  
11 No! to allocating harms to the environment!

12 ➤ Please consider the Appendices, as well. Follow the law, follow the  
13 money, follow the precautionary principle, follow the Human Rights  
14 Conventions, and follow the WTO rights for all global participants, not  
15 a select few. Thank you.

16 Respectfully,

17 ***Stephen R. Taufen, founder***

18 ***Groundswell Fisheries Movement*** – based in Kodiak AK (c/o POB 714)  
19 99615

# Bycatch 'Wedges' In Policy Debate

Transitional Possibilities to Abate  
Human Effects on Ecosystems  
& Promote Sustainability in  
North Pacific Fisheries – Alaska

GOA GROUND FISH PSC/  
BYCATCH REDUCTION

We can design and articulate bycatch  
reduction strategies using existing tools.  
Some of the most likely are trip and landing  
limits, trawl net design, BRDs, area and  
depth closures. These make up the  
"wedges" that can lead to reduction of PSC  
to acceptable levels...

**WE JUST HAVE TO OPEN UP THE  
EXISTING TOOLBOX'S DRAWERS  
& Make PRACTICABLE changes...**

Yet an inescapable fact  
remains that the first  
and most effective  
measure is: to stop  
targeting of secondary  
species, especially  
when primary catch  
has already  
been attained...  
**Political roadblock to  
opening the drawers  
of best science tools.**

**Table 2.1. - (source: PFMC)  
Bycatch Mitigation Toolbox**

**Harvest Levels**

- ABC/OY (Optimum Yield)
- Trip Landing Limits
- Catch Limits
- Individual Quotas

**Sector Allocations – if Economically  
Efficient to CONSUMERS**

**Discard Caps** (limits & prohibitions)

**Gear Restrictions:**

**Trawl** Mesh size

- Footrope diameter/length
- Net Height
- Codend mesh & dimensions
- Design: on-bottom or pelagic
- Bycatch reduction devices (BRDs)

**Line**

- Number of hooks
- Hook sizes
- Line length
- Retrieval requirements

**Pot/Trap**

- Number of pots
- Pot size
- Escape panel in net/pots
- Retrieval requirements

**Other**

- Setnets (gill and trammel nets)

**Time/Area Restrictions**

- Seasons
- Area Closures
- Depth Closures**
- Marine Reserves

**Capacity (number of participants)**

- Permits/licenses/endorsements
- Limited entry

**Capacity (Vessel Restrictions)**

- Vessel size
- Engine Power
- Vessel Type

**Monitoring/Reporting Requirements**

- Permits/licenses
- Registrations
- Fish Tickets (commercial landings/  
sales receipts)
- Vessel Logbooks
- Surveys – incl. new Specified to  
evaluate measures of Tools**
- Punch cards/tags (recreational)
- Port sampling/on-shore observers
- On-board observers**
- Vessel monitoring systems (VMS)
- Onboard video recording devices**
- Enforcement – NOAA OLE+**

**Individual  
Bycatch  
Quotas – IBQs**  
Tradable or Non-  
Tradable?

**LAPPs  
Not  
Adequate**

**TOTAL w/ TAKINGS LEVEL...**

**'Secondary Species'**  
Political Targeting =  
unacceptable  
**Can resolve by correcting  
legislation & Avoid by  
Implementing GAO  
recommendations**

**Incidental Bycatch – acceptable  
(When practicable)**

**Sustainable Harvest Levels  
(w/ Goal of 100% retention)**

**Primary/Target Species GHL/ACL  
Acceptable Harvest level...**

**Slowing Down!**  
Reducing Net  
Sizes & Tow  
Times

**The choice to privatize is a choice to give up on using the  
available tools of industry & scientific management.**  
NPFMC: We need the SSC and AP to determine the possible  
wedges/drawers & their practicable magnitudes = capable of  
reducing overall bycatch..., and getting rid of the secondary  
species target profiteering on PSC...

## BYCATCH MITIGATION

**NPFMCouncil**

### NS-9 Bycatch

Conservation and Management measures shall, to the extent practicable,  
1) minimize bycatch; and  
2) minimize mortality (when bycatch cannot be avoided)

Priority is First to AVOID BYCATCH,  
Second, return to the sea alive

**Int'l. Standard**

### Precautionary Approach

The councils should adhere to the Precautionary approach and UN Code of Conduct for Responsible Fisheries (Art. 6.5)

Within framework of Article 15, UNCED Rio Declaration... & **THE APPLICATION OF PRUDENT FORESIGHT**

#### Title 50 Wildlife & Fisheries, Sec. 600.350

Any proposed conservation and management measure that does NOT give priority to avoiding the capture of bycatch species must be supported by the **APPROPRIATE ANALYSIS**.

In their evaluation, the Councils **MUST consider the net benefits to the Nation**, which include, but are not limited to:  
[1] Negative impacts on affected stocks;  
[2] Incomes accruing to participants in directed fisheries, both in the short and long term;  
**[3] Incomes accruing to participants in fisheries that target the bycatch species, etc.**

The Councils **MUST select measures that**, To the extent practicable, **WILL minimize Bycatch and bycatch Mortality**:

Should consider the following factors:  
[E] changes in fishing, processing, disposal and marketing costs;

[F] changes in fishing practices and Behavior of fishermen;

**[H] changes in the economic, social, or cultural value of fishing activities and non-consumptive uses of fisheries resources,**

**[I] Changes in the distribution of Benefits and Costs**

#### **The Precautionary Approach & Burden of Proof:**

Recognizes that changes in fisheries systems are only slowly reversible, difficult to control, not well understood, and subject to changing environment and human values.

Takes into account the uncertainties in fisheries systems and the need to take action with incomplete knowledge, it requires, *inter alia*:

Exercises **PRUDENT FORESIGHT ...**

- A) consideration of future generations +
- B) **prior identification of undesirable outcomes and of measure that will avoid them or correct them promptly**  
– (risk = 'expected loss')
- C) that any necessary corrective measures are initiated without delay,
- ... H) appropriate placement of the burden of proof by adhering to the requirements above.

To establish legal or social management frameworks – rules controlling access to fisheries, data reporting requirements, etc. And adopt interim measures that safeguard the resources until such plan are adopted.

Links fisheries management intimately with general environmental management.



NPFMC comments - NOAA Service Account &lt;npfmc.comments@noaa.gov&gt;

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**comment**

1 message

Jarl Gustafson &lt;jargust@yahoo.com&gt;

Tue, May 24, 2016 at 10:21 PM

Reply-To: Jarl Gustafson &lt;jargust@yahoo.com&gt;

To: NPFMC Comments - NOAA Service Account &lt;npfmc.comments@noaa.gov&gt;

5-24-16

Re; Agenda item C5

We strongly urge the council to vote for 100% observer coverage on GOA trawl vessels, and maximum practical reduction in halibut PSC for the trawl fleet.

Thank You,

Jarl &amp; Kathleen Gustafson, Homer AK

Owner/Operator F/V Vigor

IFQ holder &amp; 30 year commercial halibut fisher



NPFMC comments - NOAA Service Account &lt;npfmc.comments@noaa.gov&gt;

**(no subject)**

1 message

Pete Hannah <mikado.kod@gmail.com>  
To: npfmc.comments@noaa.gov

Mon, May 30, 2016 at 3:51 PM

May 30, 2016

North Pacific Fishery Management Council  
605 West 4<sup>th</sup> Avenue, Suite 306  
Anchorage, AK 99501

RE: Agenda item C-5 GOA Trawl Bycatch Management Program

Dear Chairman Hull and Council members:

My name is Pete Hannanh and as a commercial fisherman I have ongoing concerns about the state of our oceans and fisheries. Clean water and healthy fish stocks – I rely on them. They're necessary for running my family business. I love seafood and 5 times a week it is the main course on my family's table. I love fishing with my family and it is my hope the next generation of all fishermen that inherit the consequences of what we users, managers and decision makers have left for them will be clean and maintained.

The time has come to build a new management program in the Gulf of Alaska for the trawl sector that reduces bycatch of important species to the ecosystem and for user groups such as halibut, salmon and crab. We can and should do better in the Gulf of Alaska. These waters are the lifeblood for many coastal communities. There needs to be 100% (24 hours) observer coverage and a means to further reduce bycatch from the current limits.

Any new management program should take into account the negative experiences from past catch share programs. There should be implements to provide a cooperative structure for the trawl fleet to address bycatch and regulatory discards without monetizing the resource. I do not support another privatized management system and encourage the Council to provide the tools without giving away the farm.

Thank you for the opportunity to comment. I will be out salmon fishing while the meeting is underway and unfortunately will not be able to testify in person.

Sincerely,  
Pete Hannah





May 31, 2016

North Pacific Fishery Management Council  
605 West 4<sup>th</sup> Avenue, Suite 306  
Anchorage, AK 99501

RE: Agenda item C-5 GOA Trawl Bycatch Management Program

Dear Chairman Hull and Council members:

I appreciate the opportunity to comment on the Gulf of Alaska (GOA) Trawl Bycatch Management Program (BMP). My name is Natasha Hayden and I was born and raised in Kodiak. My father came from the old Afognak Village that was destroyed in the 1964 earthquake and tsunami. My brothers and I fished with him growing up and have had a lifelong involvement in fisheries. My husband is the owner/operator of a longliner in Kodiak and we are raising our children as fishermen too. I have deep roots in Kodiak and the Gulf of Alaska.

I am 100% opposed to Alternative 2 of the proposed GOA Trawl Bycatch Management Program and any program that might include catch shares.

I have witnessed firsthand the negative impacts that limited entry and catch share programs have had on our coastal communities. Catch share programs in particular have driven the divide between the haves and the have-nots. They have restricted access to the resource and created economic, cultural and social devastation.

The act of commoditizing this very public resource has led to dramatic, and in some cases total reduction of local/residential participation in these fisheries. Our coastal communities need more access to our fisheries located outside our doors, not less. A GOA catch share program will further restrict local participation and negatively impact our coastal communities.

Any fisheries management plan in the Gulf must provide for a reduction of bycatch, community protections, and pathways for new entrants, while maintaining access to this very public resource.

I understand that the current observer program only provides coverage for about one third of all trawl fishing activities and the remaining two thirds of trawl vessel trips are completely unmonitored. This allows them to discard any and all fish other than the targeted species and results in a significant gap of information of the true impact of trawling on bycatch and all other fisheries. It is impossible to make an informed decision on the structure of any GOA bycatch management program without knowing the total impact of trawling on our resources.

The first action the NPFMC needs to take is to require 100% observer coverage on all trawl fishing vessels in the Gulf. The new observer program must stand alone, separate from the existing MNFS ground fish observer program, so as to not create an undue burden on our small boat fisherman. Once we have an accurate picture of the full impacts of trawling in the Gulf then the Council can proceed with developing an effective GOA BMP.

If the Council is unwilling to mandate 100% observer coverage prior to implementing a BMP than the program needs to consider the following problems and potential solutions regarding bycatch management.

### **The need for meaningful bycatch reductions**

#### *Problem:*

- Bycatch in the trawl fisheries affects the sustainability and economic viability of other commercial, recreational, and subsistence fisheries, while also affecting the economic, social, and cultural framework of those that dependent on halibut or salmon fisheries.

#### *Solutions:*

- Creating a program that properly incentivizes cleaner fishing practices will allow the groundfish fishery to harvest additional fish.
- National Standard 9 requires fisheries managers to reduce bycatch to the extent practicable. An improved management program will make additional reductions to bycatch achievable.
- 100% observer coverage ensures accountability among harvesters.

#### *Request:*

- Any new management option should include bycatch reductions that go beyond status quo.

### **Community protections**

#### *Problem:*

- Nearly 20 years of direct experience with catch share programs in Alaska demonstrates clearly how catch share programs can adversely impact fishing dependent coastal communities. The problems encountered in catch share programs in Alaska and around the world are widespread, well-documented and now predictable. These include:
  - absentee ownership of quota
  - fewer locally based vessels
  - high leasing fees
  - excessive consolidation
  - lower crew pay and job loss
  - out-migration of fisheries based wealth and access opportunities from communities

#### *Solutions:*

- Consolidation caps that prevent against excessive consolidation.
- Management measures that recognize fleet diversity and dependence.
- Recognition that fisheries are a public resource and do not belong solely to harvesters. Coastal communities and Alaskan residents are important stakeholders and should have a voice in the management process.
- GOA groundfish dependent communities have invested heavily in infrastructure that supports these fisheries; coastal economies depend on the value of the groundfish fishery.
- Vessel owners and permit holders should be required to actively participate in the fishery. Without active participation requirements, people who have little or no ties to the fishery wield a disproportionate amount of influence.

#### *Requests:*

- The new program must ensure that some of the economic value of Alaska's fisheries benefits local economies in coastal communities.

- The new program should include measures that recognizes Gulf-dependency.
- Community Fishing Associations are a means to achieve many of these community protections by anchoring fishing rights to Gulf communities.

### **Local fishing access**

#### *Problem:*

- Coastal residents depend on local fishing access to sustain their economies and culture; loss of access causes economic, cultural, and social ills.
- Commoditizing harvest privileges creates a greater economic barrier to entry for new and current participants.

#### *Solution:*

- Local fishing access helps to ensure that the benefits of this public resource stay rooted in coastal communities.

#### *Request:*

- Any new management program in the Gulf must provide viable entry opportunities for the next generation of fishermen.

Thank you very much for your attention to this important matter and I urge you to move forward and design a program which reflects the unique characteristics of the Gulf of Alaska. Thank you for your consideration of these comments.

Sincerely,

Natasha M. Hayden, P.E.  
Native Village of Afognak,  
Council Member

May 31, 2016

Chairman Dan Hull  
North Pacific Fishery Management Council  
605 West 4<sup>th</sup> Avenue, Suite 306  
Anchorage, AK 99501

RE: Agenda item C-5 GOA Trawl Bycatch Management Program

Dear Chairman Hull and Council members;

My name is Seamus Hayden and I have lived on Kodiak for 20 years and fished from there for 27 years. I own and operate a 58-foot longliner, the Clyde. I fish halibut, sablefish and pacific cod and conduct setline survey for the IPHC with my vessel.

I would like to make 2 statements to the Council.

Firstly, that I strongly oppose alternative 2 in the discussion paper GOA TBM. The allocation of catch shares is something I'm deeply familiar with, having fished in the halibut and sablefish IFQ fisheries since their inception. Since the creation of these catch shares, the value of traded quota (fishing privileges) has become much greater than the value of the vessel and fishing gear, to the extent that the value of quota fished on my vessel for instance equals 10 times the reasonable value of boat and gear. The vast majority of that quota is owned by someone other than myself and who does not reside in Alaska. It's been my experience over the 20 years of this IFQ system, that the lease money I send to an absentee quota holder every year, for ownership of a quota I cannot afford, has been the difference between being able to modernize my boat the way that it should be, or to have been set aside for the purchase of a new vessel to continue fishing into the future. The entry cost to new participants to this fishery is massively greater than it has ever been and that will be exactly what happens in the GOA trawl fleet, should a catch share program be implemented. The current Trawl boat owners will receive a windfall in financial wealth and the cost to new entrants will become staggering for individual fishermen. What has made Alaska different, a great place to fish, where hard work and a willingness to risk something can be rewarded well over a lifetime, will have gone away for good. For the future generations of those who are willing to go to work in the Gulf of Alaska, I urge you to please choose another alternative.

The second statement I would like to make concerns observer coverage. It is my opinion that the entire Gulf of Alaska fishing fleet is severely under-observed and that we need to take action to remedy this, whether this includes more live monitoring or the implementation of remote monitoring with camera systems. The GOA Trawl fleet has the ability to devastate other GOA sectors in a way that no other sector has, and as such, it is of the utmost importance that any GOA TMB implemented by the Council include 100 percent observer coverage.

Thank you for your consideration,

Seamus Hayden

May 31, 2016

Agenda Item GOA Trawl Bycatch Management

Chairman Dan Hull

North Pacific Fishery Management Council

605 4th ave. Suite 306

Anchorage Alaska 99501-2252

Dear Chairman Hull,

My name is Stefan Iankov, my family and I own and operator the F/V Michelle Renee, a shore side trawler out of Kodiak Alaska. I live and own a home here in Kodiak, my family has been involved in the Kodiak trawl fisheries for the past 31 years. I depend on the Gulf of Alaska Fisheries for my livelihood and I want our fisheries and our community to grow stronger and remain healthy for many generations. Alternative 2 will guarantee all of the above. We need the tools that have been promised to us for a long time now to deal with all the bycatch measures that have been put in place over the last few years!

Since I've been involved in harvesting ground fish out of the Gulf of Alaska I have not understood the reason for reductions in the Halibut PSC cap and the most recent Chinook PSC cap when I see no shortage of Halibut and Chinook, unless the reason is to shut us down for good, because that is what will happen if we don't move forward with alternative 2 !

I strongly oppose Alternative 3 because it will be the end of every GOA dependent vessel. We will be racing for fish ! There are catch share programs in place that are successful in the north pacific "AFA, AM 80, Rockfish Program" and in Washington, Oregon and California, Catch shares with allocated target species. They work! And they'll continue to work as long as we keep from reducing the tools that make it possible to harvest fish out of our very thriving oceans.

Alternative 2 has been a work in progress since 2012 , a lot of effort has been spent designing Alternative 2. PLEASE let's move forward with alternative 2, and disregard alternative 3 and 4 no reason to put GOA dependent vessel out of business!

Sincerely,

Stefan Iankov



May 31, 2016

Mr. Dan Hull, Chair  
North Pacific Fishery Management Council  
605 W. 4<sup>th</sup> Ave., Suite 306  
Anchorage, AK 99501

RE: Agenda Item C5, GOA Trawl Bycatch Management

Dear Chairman Hull,

Icicle Seafoods, Inc. is the owner of five catcher vessels and a processing plant with historical participation in the Western and Central GOA groundfish trawl fisheries. As participants in these open access fisheries, we recognize the need for tools to help the industry manage bycatch under more restrictive PSC caps. At the same time, a well-designed management structure can facilitate the improved safety of our fishermen and women, increase efficiencies at vessels and plants, and improve utilization of the resource by harvesters and processors.

The purpose and need statement's objective is clear that this program shall be "designed to provide tools for the effective management and reduction of PSC and bycatch, and promote increased utilization of both target and secondary species harvested in the GOA." If refined and implemented, Alternative 2 is the only alternative in the Council's motion that could achieve these dual goals. It is clear from the June discussion paper that Alternative 3 is in a nascent state of development, and if implemented, would very likely lead to the exact opposite of the Council's goals; it would increase – maximize – PSC and bycatch and decrease utilization of the groundfish resource in the GOA.

For these reasons, we urge the Council to continue analysis and refinement of Alternative 2, and the inclusion of these points:

**1. Analyze costs and benefits associated with industry-led management of the resource**

As the Council moves forward on a GOA rationalized fishery, it must be recognized that many of the costs of managing a sprawling, complex fishery will be internalized by the companies and people to whom access privileges are granted. Specifically, vessels with a secure access privilege will have the biggest stake in managing towards optimal yield of target groundfish. The larger and more complex the management of a fishery becomes, the costs grow exponentially. These include legal fees for drafting inter-cooperative agreements, day-to-day management of Chinook and halibut bycatch avoidance plans, and general administrative costs. These costs, on top of a LAPP cost recovery fee, landing taxes, and observer costs, are significant. However, only under a rationalized fishery will the benefits of these efforts be conferred upon industry, NMFS,



the State of Alaska, and the GOA coastal communities. These costs should be included in any future discussion papers or analyses.

## **2. *Community protections and global competitiveness***

The GOA groundfish resource is in competition with a global supply of whitefish protein. In most cases, the market conditions could best be described as commodity-driven. For all the focus on community protections, this protein resource is not immune from global market conditions, both in good and bad times. Currently, the Russian pollock fishery is MSC-certified, and competes directly with product from Alaska in Europe and elsewhere. This is a fishery that was larger than the GOA and BS pollock TACs combined in 2015. It is widely understood that the Russian fleet has and is undergoing a period of extreme consolidation, and along with that, is recapitalizing into their CP and inshore fleet to move away from H&G and into a more refined product that competes directly with the product forms that are produced in Alaska's pollock fisheries. Furthermore, the economies of scale and advantageous currency exchange that are enjoyed by the Russian pollock companies at this time give them a greater advantage in the marketplace.

Additionally, the GOA groundfish industry is already competing in the market place with a rationalized pollock fishery in the Bering Sea, the AM80 flat fish fisheries, and the rationalized West Coast bottom trawl fishery.

Measures that are put into place to limit consolidation of this over-capitalized fishery will ultimately lead to a less competitive trawl groundfish industry. It is the Council's unenviable task to decide the point at which these protections are counter-productive and lead to less investment in the communities on both a vessel and processor level. When weighing these questions, please look at the global picture, beyond Alaska, for the long term health of this industry.

## **3. *Pollock trip limits***

I support NMFS' position in lifting the pollock trip limit of 300,000 lbs. if the GOA pollock fishery is rationalized. It is a good policy decision that will allow the GOA fleet to be more competitive, increase operational efficiencies and vastly improve the safety of the working men and women on the North Pacific seas. With use caps, ownership caps and LLP MLOA and area endorsements in place, there is little chance it will dramatically change the face of Gulf communities or the fishery. The upside for achieving bycatch avoidance is high, as it will allow vessels to harvest to the maximum when fishing is the cleanest.

## **4. *CFA/Adaptive management allocations***

Element 1 in Alt. 4, Options 1 and 2, proposes to allocate 5-15% for all species under this program to either a Community Fishing Association or an adaptive management program. If adopted in conjunction with Alt. 3's PSC-only framework, this would result in the control and access by these non-fishing entities of a substantially larger share of the harvested target species than it would if adopted in combination with Alt. 2. This disparity should be corrected.

We appreciate the work that NMFS, the Council and committee members, and especially Council staff are doing on this important issue. We encourage the Council to remember that the intent of this action is to develop tools to manage bycatch. There are alternatives and elements being analyzed that are at best tangential to this goal; and many that, if implemented, would be counterproductive to that goal. We support the continued analysis of Alternative 2 with the additional elements as described. Thank you for the opportunity to comment.

Regards,

ICICLE SEAFOODS, INC.

A handwritten signature in blue ink, appearing to read "RH Berns", with a long horizontal flourish extending to the right.

Hunter Berns



NPFMC comments - NOAA Service Account &lt;npfmc.comments@noaa.gov&gt;

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## Comments GOA by catch management

1 message

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susan jeffrey <susanjeffrey@gmail.com>  
To: npfmc.comments@noaa.gov

Tue, May 31, 2016 at 4:57 PM

Chairman Dan Hull  
North Pacific Fishery Management Council  
Anchorage, Alaska  
Submitted electronically by email to: [npfmc.comments@noaa.gov](mailto:npfmc.comments@noaa.gov)

Dear Chairman Hull:

Monetizing (aka privatizing) the Gulf of Alaska groundfish fishery is a bad idea. Simply put, it would consolidate Alaska's vast wealth in the GOA by funneling it to a handful of owners. Moreover, the negative impacts of this transfer would multiply: That is, perpetual ownership of a significant portion of the GOA groundfish fishery would give those owners more leverage in other fisheries at the expense of other GOA fishermen and fisheries..

Those who stand to gain from privatization argue that they would suffer additional costs from bycatch management and need protection. However, is it not true that the benefits of owning a portion of the GOA groundfish fishery would more than offset these costs?

It also has been argued by those who support privatization that Kodiak's waterfront is greatly dependent on the GOA groundfish fishery. This is true. However, it certainly is not necessary to privatize the fishery to ensure that Kodiak's processors continue to process fish. This argument simply is ludicrous.

In conclusion, privatization will cause more harm than good for Kodiak's waterfront workers, its citizens, and the vast majority of GOA fishermen.

As a resident of Kodiak for more than 44 years, I very much appreciate your time and careful consideration of this extremely important matter.

Respectfully,

Susan Jeffrey

Chandler Johnson  
11330 S Russian Creek Rd  
Kodiak, AK 99615  
907-654-4090  
[kodiakchan@hotmail.com](mailto:kodiakchan@hotmail.com)

Dan Hull, Chair  
North Pacific Fisheries Management Council  
605 W 4<sup>th</sup> Ave, Suite 306  
Anchorage, AK 99501

05/31/2016

Chairman Hull and members of the council,

I am Chandler Johnson, and I have been fishing in the Gulf of Alaska, and the Bering Sea, for 31 years. I have run a local Kodiak trawler for 26 years. I would like to speak in favor of Alternative 2. We fish both AFA Pollock in the Bering Sea, and Gulf rockfish under the Rockfish Program, and we see huge advantages in those fisheries, as compared to the race for fish.

A few weeks ago we made a rockfish trip. There was some salmon around, so instead of continuing to fish, we were able to stand down and pursue another fishery. With a race for fish, we would not be able to do that. We can go back to rockfish later, when hopefully there are less salmon offshore.

Racing for fish is incredibly wasteful to the resource. Fishermen typically target whatever species they can make the most money at until the quota is used up, then move on to the next most profitable one. For instance, in a typical year, we may target Pollock, and fish it until the quota is met, then it switches to the MRA status. Then we will target cod, and have to discard Pollock over MRA amounts. It's the same situation when cod closes, and boats target sole, and end up discarding cod and Pollock. This is VERY wasteful and PREVENTABLE.

Alternative 2 allows for each vessel to have quotas of the main target species. If, for instance, you wanted to target sole, then you could save enough cod and Pollock quota that you wouldn't be discarding anything, and you could keep what you catch Doesn't this sound like a more reasonable way to fish?

As of now, when the season opens, we go to where the fish are. With SSL closures, and state water closures limiting where we can move to, and the pressure to catch fish under derby style management, we don't have the ability to wait until the fish move or bycatch rates fall.

Alternative 2 also encourages the fleet to work together and warn each other of high bycatch rates. Alternative 3 does not encourage that, and in fact encourages

the opposite. If I fail to warn another vessel of high bycatch, then they may catch their limit of bycatch which means more fish for me.

Weather is another issue. There are times in this derby style fishing where I fear for my crew's safety. We are able to fish some weather, but when something goes wrong in tough weather, it can get dangerous in a hurry. Trying to untangle a net or crossed doors on the stern, while the boat is surging is very dangerous. Cables can snap, shackles can break, gantries can bend, net reels can break – all not good. With Alternative 2, we would be more likely to wait out bad weather.

So, Alternative 2 would let us adjust our fishing to times when bycatch is lower, we could keep what we catch, we would be encouraged to work together to avoid bycatch, and safety would increase.

I don't see any other alternative that offers this and it's the only responsible choice. This has been discussed for so many years, that I think everyone has had time to realize the advantages and its time for action.

Thank you  
Chandler Johnson

May 31, 2016

North Pacific Fishery Management Council  
605 West 4<sup>th</sup> Avenue, Suite 306  
Anchorage, AK 99501  
Submitted electronically via email to: [npfmc.comments@noaa.gov](mailto:npfmc.comments@noaa.gov)

RE: Agenda item C-5 GOA Trawl Bycatch Management Program

Dear Chairman Hull and Council members:

Thank you for the opportunity to comment on the development of a new trawl bycatch management program for the Gulf of Alaska, as well as for coming to Kodiak to hear from our community. I am the owner-operator of the F/V North Star and currently participate in the cod and rockfish jig and salmon seine fisheries in Kodiak. I was born and raised in this community and my father fished here as well. As a young fisherman trying to move up in the industry, one of the main impediments to upward mobility is the lack of diversification options, particularly due to increased privatization of access. There are very few fisheries that we can enter into without substantial upfront capital expenditure for access rights and it is making it very difficult for fishermen to continue living in Kodiak while dependent upon only one or two fisheries.

As you develop a new program, please consider the perspectives of all Kodiak community members. The trawl gear sector impacts other fisheries and therefore I request that you include full-time 100% observer coverage, so that bycatch information is an accurate representation of what is happening on the water. In addition to 100% observer coverage, there must be some sort of bycatch reduction measures that the trawl fleet can utilize that does not monetize entry access to the resource and create further financial barriers for fishermen to move up in this industry. We have already seen the negative impacts of IFQs in Alaska and I urge you to avoid the problems of treating fisheries access like a tradable market commodity. Fishing is not just a job or a business; it is our livelihood in coastal Alaska. Please consider ways to reduce bycatch without closing off yet another fishery with a catch share program. It is also important to avoid processor consolidation power and monopolies, so that opportunity for independent trawl operations remains viable.

I will likely not be able to attend the Council meeting, as the schedule conflicts with the beginning of the Kodiak area salmon fishery. Thank you for your consideration of my letter.

Sincerely,

Christopher Johnson  
Kodiak Fisherman  
F/V North Star

North Pacific Fishery Management Council  
605 West 4<sup>th</sup> Avenue, Suite 306  
Anchorage, Alaska 99501

RE: Agenda Item C5 GOA Trawl Bycatch Management

Dear Chairman Hull and Council members,

Kodiak Crab Alliance Cooperative is a member organization of the permit holders of tanner crab limited entry permits we represent the majority of the permits held on Kodiak. We would like to share some of our observations with the council.

- (1) The Alliances main concern is observer coverage. Whichever plan moves forward in the Gulf of Alaska must have 100% observer coverage included.  
Our members feel that in the interim of the design of the Gulf of Alaska trawl bycatch management plan we should have increased monitoring of the interactions with trawl gear on our remaining stocks of crab on the island. Understanding of the interaction with trawl gear and crab will help inform the council on the frequency of occurrences with crab which we feel is missed under the current structure of the observer program. (The observer program is still gamed in our opinion) The stocks and locations of these schools of crab are well known. The membership sees a large portion of bottom fish taken from these same locations. Better understanding and science will lead to better decision making in the future. Waiting for this information while the program is being designed we feel is lost opportunity to fully understand the interactions this fleet is having on crab.
- (2) During previous attempts to rationalize the Gulf of Alaska we have encouraged the council to increase the observer coverage in shallow water flats and other trawl fisheries that may have interaction with crab. Since tanner crab are not in the FMP and are just a regulatory discard we feel that they are not getting the attention or protection that our members feel is needed. Our members hear and see the fleet working on known crab grounds and hot spots of the remaining crab. Anecdotally we hear about trawl interaction with crab and have grave concerns about the interruption of crab schools and the benthic habitat modification trawl gear has had and we know occurs on the grounds.
- (3) In conclusion we wanted to make the council aware that we are following the progress of the GOA trawl program, we will remain engaged and want the council to remember that our fishery is CLOSED!

Sincerely,

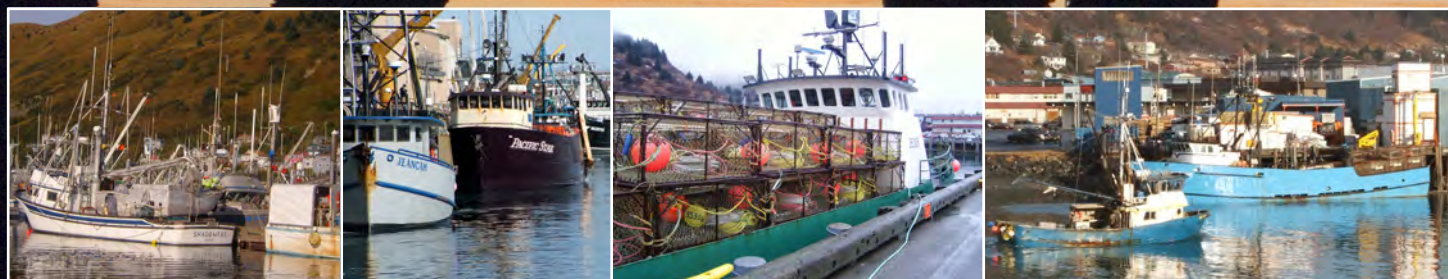
Kodiak Crab Alliance Cooperative	President, Luke Lester
Board of Directors	Brian Horn
P.O. box 65	Ryan Johnson
Kodiak, Alaska 99615	Secretary Pete Longrich
	Alexus Kwachka

# Economic Impact of the Seafood Industry on the Kodiak Island Borough

Prepared for:  
Kodiak Island Borough  
City of Kodiak

*Revised Report*

Prepared by:





*Economic Impact of the  
Seafood Industry  
on the Kodiak Island Borough*

Revised Report

*Prepared for:*

Kodiak Island Borough

City of Kodiak



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*Juneau • Anchorage*

*May 2016*

# Table of Contents

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Executive Summary .....	1
Introduction and Methodology .....	8
Commercial Fishing and Seafood Processing Activity in the Kodiak Island Area .....	10
Commercial Fishing Landings in the Kodiak Island Borough .....	10
Trends in Seafood Landings and Value by Species.....	11
Kodiak Island Borough Commercial Fishermen .....	14
Seafood Harvesting Employment .....	15
Seafood Processing .....	17
Salmon .....	22
Commercial Salmon Harvest Activity.....	22
KIB Resident Activity in Other Alaska Salmon Fisheries .....	23
Salmon Processing Activity.....	27
Crab.....	29
Commercial Crab Landings.....	29
Crab Processing Activity .....	31
Halibut and Sablefish.....	33
Commercial Halibut and Sablefish Fishing Activity .....	33
Landings by KIB residents.....	34
Resident Longline IFQ Participation.....	35
Halibut and Sablefish Processing Activity.....	37
Groundfish .....	39
Groundfish Harvest .....	42
Groundfish Processing Activity .....	46
Other Seafood .....	48
Other Seafood Processing Activity.....	49
Economic Impacts of the Seafood Industry in Kodiak .....	50
Sources of Economic Impact .....	50
Salmon Fisheries.....	52
Groundfish Fisheries.....	53
Halibut and Sablefish Fisheries.....	55
Other Fisheries .....	55
External Fisheries.....	56
Other Seafood Industry Economic Impacts in Kodiak .....	56
Summary of Seafood Industry Economic Impacts.....	61
Infrastructure-Related Economic Impacts .....	62
Role of the Seafood Industry in the KIB Economy.....	65
Considerations Regarding the Local Economic Impact of Changes in Seafood Industry Activity .....	66
Profile of Outlying KIB Communities.....	68

## List of Tables

ES Table 1. Volume and Value of KIB Landings, 2014 .....	1
ES Table 2. Estimated KIB Resident Earnings and Number of Permits Fished, by Fishery, 2014 .....	2
ES Table 3. Volume and Value of KIB Seafood Production, 2014.....	2
ES Table 4. Economic Impact of the Seafood Industry in the KIB, 2014 including Direct, Indirect, and Induced Impacts .....	6
ES Table 5. Harvest Volume and Value Relationships to Total Labor Income in the KIB, 2014.....	7
Table 6. Seafood Volume, Ex-Vessel Value, Permits, and Crew License Activity for KIB Residents, 2005—2014 .....	14
Table 7. Quarterly Fish Harvesting Employment in KIB, 2010—2014 .....	16
Table 8. First Wholesale Volume and Value of Seafood Processed in KIB, 2005—2014 .....	18
Table 9. KIB Seafood Processing Workers and Wages by Residency, 2005—2014 .....	20
Table 10. Seafood Processing Residency and Longevity in KIB, 2010—2014.....	20
Table 11. KIB Seafood Processing Employment and Wages, 2005—2014 .....	21
Table 12. Salmon Permits Fished by KIB Residents, by Gear Type, 2010—2014.....	23
Table 13. Estimated Value of Statewide Salmon Permits Held by KIB Residents, 2005 and 2014 .....	23
Table 14. Ex-Vessel Value and Volume of Salmon Harvested by KIB Resident Permit Holders, 2005—2014 ...	24
Table 15. Ex-Vessel Volume and Value of Salmon Harvested by KIB Resident Seine Fleet, 2014.....	25
Table 16. Estimated Gross Earnings by Quartile by Permit and Crew for Kodiak Seine Fishery, 2014 .....	26
Table 17. Ex-Vessel Volume and Value of Salmon Harvested by KIB Resident Setnet Participants, 2014.....	26
Table 18. Estimated Gross Earnings by Quartile by Permit for Kodiak Setnet Fishery, 2014 .....	27
Table 19. First Wholesale Volume and Value of Salmon Processed in KIB, 2005—2014 .....	28
Table 20. Alaska Crab Harvest by KIB Residents, 2010—2014.....	30
Table 21. Crab IFQ Ownership by KIB Residents, 2005—2014 .....	31
Table 22. First Wholesale Volume and Value of Crab Processed in Kodiak, 2005—2014.....	32
Table 23. Ex-Vessel Volume and Value of Halibut and Sablefish delivered to KIB, 2005—2014.....	34
Table 24. Ex-Vessel Value and Volume of Halibut and Sablefish Harvested by KIB Resident Permit Holders, 2005—2014 .....	34
Table 25. Longline IFQ Halibut Ownership by KIB Residents, 2005—2014 .....	35
Table 26. IFQ Sablefish Ownership by KIB Residents, 2005—2014 .....	36
Table 27. KIB Resident Participation in the IFQ Halibut and Sablefish Program, 2014 .....	36
Table 28. First Wholesale Volume and Value of Halibut and Sablefish Processed in KIB, 2005—2014 .....	38
Table 29. Groundfish Species Harvested and Permits Fished by KIB Residents, 2005—2014 .....	41
Table 30. Average Nominal Ex-Vessel Price per Pound for Key Groundfish Species in KIB, 2005—2014 .....	41
Table 31. Ex-Vessel Groundfish Landings in Kodiak by Trawl Vessels, by Species, 2014 .....	43
Table 32. KIB Resident Groundfish Jig Activity, 2005—2014.....	46
Table 33. Total KIB Economic Impact of Kodiak Area Salmon Fisheries in 2014 (including Direct, Indirect, and Induced Impacts).....	53
Table 34. Total KIB Economic Impact of Groundfish Fisheries in 2014 (including Direct, Indirect, and Induced Impacts) .....	54
Table 35. Total KIB Economic Impact of Halibut and Sablefish Fisheries in 2014 (including Direct, Indirect, and Induced Impacts).....	55
Table 36. Total KIB Economic Impact of “Other Fisheries” in 2014 (including Direct, Indirect, and Induced Impacts) .....	56
Table 37. Total KIB Economic Impact of “External Fisheries” in 2014 (including Direct, Indirect, and Induced Impacts) .....	56
Table 38. Total KIB Economic Impact of Seafood Processor Capital Expenditures (including Direct, Indirect, and Induced Impacts).....	57
Table 39. Total KIB Economic Impact of Seafood Related Taxes (including Direct, Indirect, and Induced Impacts) .....	59
Table 40. Total KIB Economic Impact of Seafood-Related Government Agencies and Non-Profit Organizations (including Direct, Indirect, and Induced Impacts).....	60
Table 41. Economic Impact of the Seafood Industry in KIB, 2014 including Direct, Indirect, and Induced Impacts .....	61
Table 42. Total Volume at City of Kodiak Marine Facilities, 2010—2015.....	63

Table 43. Earnings by Place of Work, KIB, 2014.....	65
Table 44. Harvest Volume and Value Relationships to Total Labor Income in KIB .....	66
Table 45. Akhiok Community Profile and Resident Fishery Participation, 2014.....	69
Table 46. Karluk Community Profile and Resident Fishery Participation, 2014 .....	70
Table 47. Larsen Bay Community Profile and Resident Fishery Participation, 2014.....	70
Table 48. Old Harbor Community Profile and Resident Fishery Participation, 2014.....	71
Table 49. Ouzinkie Community Profile and Resident Fishery Participation, 2014.....	72
Table 50. Port Lions Community Profile and Resident Fishery Participation, 2014.....	72

## List of Figures

Figure 1. Annual Ex-Vessel Volume and Value Landed in KIB, 2005—2014 .....	10
Figure 2. Ex-Vessel Volume and Value Landed in KIB, by Key Species, Five-Year Average (2010—2014).....	11
Figure 3. Ex-Vessel Volume Landed in KIB, by Key Species, 2005—2014 .....	11
Figure 4. Ex-Vessel Value Landed in KIB, by Key Species, 2005—2014 .....	12
Figure 5. Annual Change in Currency Value Relative to the U.S. Dollar, 2001—2015 .....	13
Figure 6. Groundfish Landed in KIB as a Percent of Total Seafood Landings, 2005—2014 .....	13
Figure 7. Proportion of Ex-Vessel Value Generated by KIB Resident Permit Holders, by Key Species, 2014.....	15
Figure 8. Monthly Commercial Fishing Employment in the Kodiak Area, by Species Targeted, 2014 .....	17
Figure 9. Percent of Quarters Worked by Seafood Processing Employees in KIB, by Quarter, 2014 .....	19
Figure 10. Average KIB Processing Employment by Month, 2014.....	21
Figure 11. Annual Ex-Vessel Volume and Value of Salmon Landed in KIB, 2005—2014.....	22
Figure 12. Ex-Vessel Price of Key Salmon Species in the Kodiak Area, 2010—2015 .....	25
Figure 13. Annual Ex-Vessel Volume and Value of Crab Species Landed in KIB, 2005—2014 .....	29
Figure 14. Estimated Ex-Vessel Tanner and King Crab Prices Paid by KIB Processors, 2005—2014 .....	30
Figure 15. Annual Ex-Vessel Volume and Value of Halibut and Sablefish Landed in KIB, 2005—2014.....	33
Figure 16. Estimated Real Ex-Vessel Halibut and Sablefish Prices in the Kodiak Area, 2005—2014.....	37
Figure 17. Annual Ex-Vessel Volume and Value of Groundfish Landed in KIB, 2005—2014 .....	39
Figure 18. Annual Ex-Vessel Volume of Groundfish Landed in KIB, by Key Species, 2005—2014.....	40
Figure 19. Annual Ex-Vessel Value of Groundfish Landed in KIB, by Key Species, 2005—2014.....	40
Figure 20. Ex-Vessel Volume and Value of Groundfish Landed in KIB, by Gear Type, Ten Year Average (2005—2014) .....	42
Figure 21. Annual Ex-Vessel Volume and Value of Groundfish Landed in KIB, by Trawl Fleet, 2005—2014....	43
Figure 22. Annual Ex-Vessel Volume and Value of Groundfish Landed in KIB, by Pot Fleet, 2005—2014 .....	44
Figure 23. Annual Ex-Vessel Volume and Value of Groundfish Landed in KIB, by Longline Fleet, 2005—2014....	45
Figure 24. Annual Ex-Vessel Volume and Value of Groundfish Landed in KIB, by Jig Fleet, 2005—2014 .....	46
Figure 25. First Wholesale Volume and Value of Groundfish Processed in Kodiak, 2005—2014.....	47
Figure 26. Annual Ex-Vessel Volume and Value of All Other Species Landed in KIB, 2005—2014 .....	48
Figure 27. KIB Severance Tax Revenue, by Species, 2008—2014.....	58
Figure 28. Combined Annual Fisheries Business Tax and Fisheries Resource Landings Tax Revenue Payments Shared with KIB, City of Kodiak, and City of Larsen Bay, 2005—2014 .....	59
Figure 29. Three-Year Estimated Average Processor Electricity and Water Consumption, by Month, 2013-2015 .....	63
Figure 30. Rural KIB Resident Permit Holder Participation, 2005—2014.....	68
Figure 31. Rural KIB Resident Halibut and Sablefish IFQ Quota Share Ownership, 2005—2014 .....	69

# Executive Summary

The purpose of this study was to measure the role of the seafood industry in the Kodiak Island Borough's (KIB) economy. Few regions in Alaska are more dependent on the seafood industry than the KIB, yet the industry's impact specifically on the local economy had not been assessed in many years. With the baseline of data and economic impact analyses provided in this study, the KIB intends to establish a predictive model that will allow it to better understand the impact on the local economy of proposed state and federal fisheries management actions.

This study provides measures of the economic impact in the KIB stemming from commercial fishing and seafood processing, including all direct, indirect, and induced impacts (i.e., the multiplier effects). The analysis is based in part on detailed harvest, production, and employment data provided by a number of state and federal data government agencies. To conduct economic impact modeling, that data was linked with information gathered by McDowell Group pertaining to the scale and type of local spending in support of harvesting and processing operations. The analysis relies on 2014 data, the most recent full year for which necessary data was available.

In 2014 the seafood industry accounted for an annual average of just over 3,900 jobs in the KIB, \$236 million in total annual labor income, and \$396 million in total output, including all direct, indirect, and induced effects. That represents, conservatively, 30 percent to 40 percent of the local economy, measured in terms of income and employment, respectively. More detailed summary results are provided in this executive summary, beginning with an overview of harvest and production statistics relevant to the KIB's economy. *Note: Citations can be found in the body of the report.*

## Kodiak Seafood Landings and Values

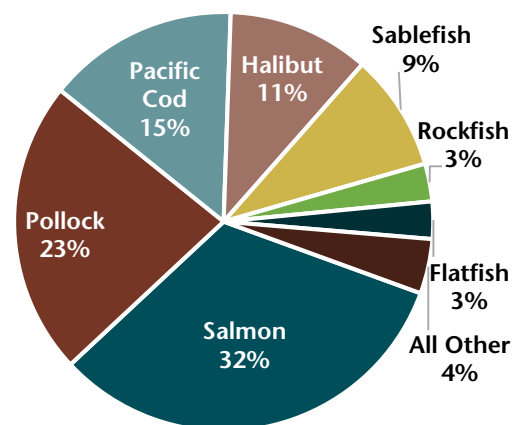
- Approximately 488 million pounds of seafood worth approximately \$151 million to fishermen was delivered to Kodiak Island processors in 2014. This includes landings by resident and non-resident fishermen.

ES Table 1. Volume and Value of KIB Landings, 2014

Species	Kodiak Landings (Million lbs.)	Total Ex-vessel value (\$Million)
Salmon	66.4	\$48.9
Pollock	273.0	\$34.2
Pacific Cod	69.5	\$22.2
Halibut	2.6	\$16.5
Sablefish	2.9	\$13.6
Rockfish	24.2	\$4.4
Flatfish	39.0	\$4.3
All Other	9.8	\$6.4
<b>Total</b>	<b>487.6</b>	<b>\$150.5</b>

Source: CFEC

Percent of Ex-vessel Value of KIB Landings by Species, 2014



Source: CFEC.

- Approximately 439 KIB resident permit holders fished 642 permits and harvested 325 million pounds of seafood worth approximately \$130 million in 2014. This harvest is from commercial fisheries located in the Kodiak region and elsewhere in Alaska, such as the Bristol Bay region and the Bering Sea, among other areas.

ES Table 2. Estimated KIB Resident Earnings and Number of Permits Fished, by Fishery, 2014

Fishery	Number of Permits Fished	Estimated Total Gross Earnings (\$million)
Trawl Groundfish*	27	\$35.2
Salmon Seine*	125	\$23.4
Bering Sea Tanner Crab*	10	\$16.6
Halibut Longlining	141	\$13.6
Pot Groundfish*	41	\$11.4
Bristol Bay King Crab	9	\$8.1
Salmon Setnet	94	\$6.4
Sablefish Longlining	22	\$5.3
Salmon Driftnet*	44	\$5.0
Other Shellfish*	17	\$2.1
Longline Groundfish*	16	\$1.8
Other Groundfish *	66	\$1.3
Herring*	20	\$0.7
Other Crab*	6	\$0.7
Other Salmon*	4	\$0.6
<b>Total</b>	<b>642</b>	<b>\$132.1</b>

Note: Permits fished is not equivalent to the number of resident vessels.  
\* Indicates average permit earnings were used to estimate the figure.  
Source: CFEC and McDowell Group estimates.

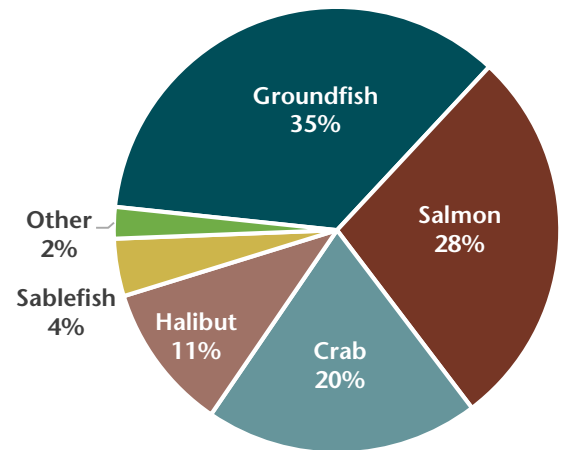
- In 2014, Kodiak Island processors produced 226 million net pounds of seafood products worth approximately \$325 million at the first wholesale level.

ES Table 3. Volume and Value of KIB Seafood Production, 2014

Species	First Wholesale Volume (Million lbs.)	First Wholesale Value (\$Million)
Salmon	46.4	\$115.5
Pollock	106.5	\$90.0
Pacific Cod	28.3	\$44.3
Other Groundfish	34.3	\$26.4
Halibut	2.7	\$22.1
Sablefish	2.5	\$17.0
Herring	1.9	\$7.9
Other	3.2	\$1.6
<b>Total</b>	<b>225.7</b>	<b>\$324.8</b>

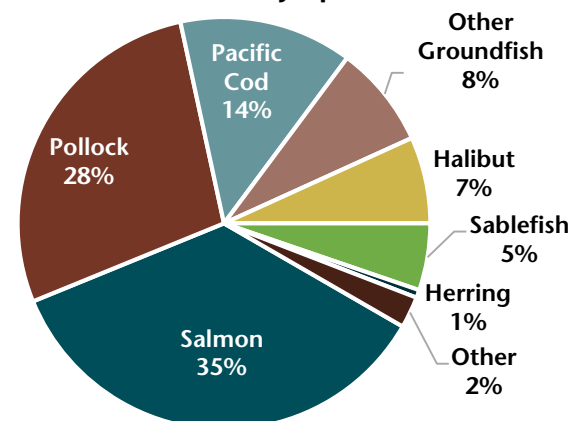
Source: COAR

Percent of Ex-vessel Value Paid to KIB Residents by Species, 2014



Source CFEC.

Percentage of Total KIB Processed Seafood Value By Species, 2014



Source: COAR

## **Trends in Landings and Value, 2005—2014**

This study provides a point-in-time “snap-shot” of the seafood industry’s role in the KIB economy. However, it is useful to consider current economic impacts in the context of recent trends.

- Total KIB landings in 2014 (488 million pounds) were 33 percent above the 2005 level.
  - Groundfish landings have nearly doubled, with pollock landings tripling.
  - Halibut landings fell by approximately 70 percent.
- Over the ten-year period, salmon landings peaked in 2006 at 142 million pounds and salmon ex-vessel value peaked in 2013 at \$67 million.
- The total number of KIB resident halibut IFQ holders has fallen every year, from 291 in 2005 to 219 in 2014. At the same time, the total quota shares owned by KIB residents has stayed relatively stable.
- Total KIB resident ownership of sablefish quota shares increased by nearly 30 percent and the number of resident owners increased slightly.

## **Local Investment**

The community of Kodiak has made substantial investment in seafood industry-related infrastructure. The City of Kodiak’s public utilities, transportation connections, and maritime infrastructure have been scaled to serve the needs of the seafood industry. A healthy seafood industry is critical to the community’s ability to pay for these investments.

- Seafood processors use approximately one-third of all electricity and half of water consumed in the City of Kodiak and surrounding area.
- The Kodiak Electric Association has invested approximately \$60 million in its electrical generation and management systems in recent years.
- More than \$30 million was spent upgrading the City-owned Pier III. A new crane owned by Matson Inc. expanded the capacity of the facility, allowing it to handle larger vessels.
- The city-owned Kodiak Shipyard offers the largest Travelift in Alaska, a washdown pad, electricity, and equipment rental. Costing approximately \$16 million, the facility has hauled about 50 vessels per year since it opened in 2009.

## **Economic Impact of the Seafood Industry**

A substantial share of the KIB’s working age population of approximately 9,500 residents earns income directly from the seafood industry.

- 1,269 KIB residents earned income directly from commercial fisheries in 2014, based on the number of active local permit holders and crew licenses sold to KIB residents.

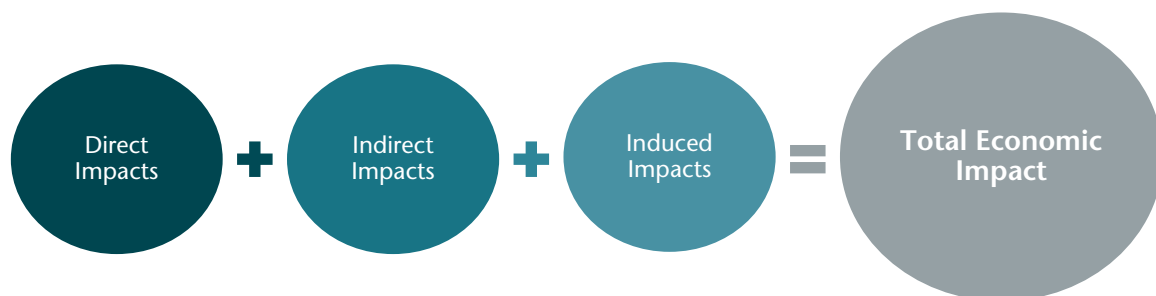
- Seafood processing activity directly employed 1,290 KIB residents in 2014.

The seafood industry's economic impact in the KIB includes local spending by these residents as well as local spending by non-resident participants. The number of non-resident permit holders who landed fish in the KIB in 2014 is not known, but non-residents accounted for an estimated 230 million pounds of landings in the KIB with an ex-vessel value of \$68 million. Seafood processing employed 1,758 non-KIB residents in 2014.

Measuring the economic impact of the commercial fishing industry involves careful examination of resident and non-resident spending in the KIB. Similarly, local spending in support of processing operations is an important aspect of the seafood industry's local economic impact. Ultimately it is the total amount of local spending, by fishermen, processing workers, and plant managers that determines the full economic impact of commercial fishing and seafood processing.

The seafood industry's economic impact includes direct, indirect, and induced effects:

- Direct effects include the skippers and crew who participate in commercial fishing and the income they earn from fishing. Direct effects also include seafood processing jobs with KIB processors and the wages paid to the workers who hold those jobs.
- Indirect effects include jobs and income created by fishermen purchasing supplies, gear, equipment, and services locally in support of their fishing operations. Similarly, local spending by plant managers on various goods and services creates processing-related indirect economic activity in the KIB.
- Induced effects are those created by local spending of the personal income generated by the seafood industry. This includes local spending of take-home pay earned by fishermen (boat owners, permit/quota owners, skippers, and crew) and local spending of the wages earned by processing workers. As this personal income is spent locally, additional jobs and wages are created. Employment with the school district, bars and restaurants, health care providers, grocery stores, and throughout the economy is represented in this category.



To better understand seafood industry-related spending in the KIB, a series of “key informant” interviews were conducted with participants in the commercial fisheries most important to the region. Similarly, a survey of Kodiak processors was conducted to model spending patterns in the processing sector. With informed assumptions about fishermen and processor spending in Kodiak (which varies by gear group and by species), McDowell Group modeled the total economic impact of the seafood industry in the KIB. The results of that analysis follow.



## OVERVIEW OF ECONOMIC IMPACTS

This economic impact analysis produced estimates of annual-equivalent employment connected with each fishery and for the seafood industry overall. It is important to recognize that annualized or “full-time equivalent” measures of commercial fishing employment generally underrepresent the total number of people that earn some amount of income from commercial fishing. However, annualizing commercial fishing employment estimates allows for direct comparison to other sectors of the economy. Further, annualized fishing employment estimates can be summed with indirect and induced employment estimates (which as annual averages) to produce a complete picture of the employment impact of the industry.

The following estimates of employment attributable to each fishery include direct, indirect, and induced employment. Non-resident fishermen are not counted in the KIB employment estimates, however the local spending effects of those fishermen is considered in the analysis of indirect and induced impacts. Estimates of processing employment includes resident and nonresident workers employed in KIB, though the analysis includes a substantially lower multiplier effect for non-resident workers.

### Key findings:

- Including direct, indirect, and induced impacts, commercial fishing accounted for the annual equivalent approximately 1,350 annualized jobs and \$88 million in labor income in the KIB in 2014. Economic output (total expenditures in the KIB) totaled \$156 million. This includes local economic impacts associated with the ex-vessel value of fish landed in the KIB, plus the economic impact of resident fishermen earning income from “external” fisheries, such as the Bristol Bay salmon fishery.
- Seafood processing in the KIB accounted for a total of 2,370 annualized jobs and \$132 million in labor income in 2014, including all direct, indirect, and induced effects.
- In total, in 2014 the seafood industry accounted for 3,920 jobs in the KIB, \$236 million in total annual labor income, and \$396 million in total output, including all multiplier effects. Economic impacts for various components of the seafood industry are summarized in the following table.

### RELATIVE IMPORTANCE IN THE KIB ECONOMY

- With seafood industry-related labor income totaling \$236 million, commercial fishing and seafood processing together accounted for about 30 percent of all personal income in the KIB economy in 2014 (directly or through multiplier effects).
- McDowell Group’s estimate of 3,920 seafood industry related jobs in the KIB indicates the industry accounted for 38 percent of all Kodiak area employment in 2014.

The employment, income, and output estimates presented in this study represent a snapshot of the seafood industry in 2014, the most recent year for which complete data is available. The seafood industry, however, is a dynamic industry, where values of landings can vary substantially year-to year. If this analysis had focused on 2013 or 2015, for example, the results of the economic impact analysis would differ according to landings values those years.

ES Table 4. Economic Impact of the Seafood Industry in the KIB, 2014  
including Direct, Indirect, and Induced Impacts

Category	Employment	Labor Income (\$Million)	Output (\$Million)
<b>Salmon</b>			
Fishing	342	\$22.3	\$39.5
Processing	664	\$37.4	\$58.6
<i>Salmon Total</i>	1,006	\$59.7	\$98.0
<b>Groundfish</b>			
Fishing	462	\$29.4	\$60.5
Processing	1,490	\$82.0	\$126.1
<i>Groundfish Total</i>	1,952	\$111.4	\$186.6
<b>Halibut &amp; Sablefish</b>			
Fishing	228	\$15.6	\$22.9
Processing	64	\$3.5	\$4.5
<i>Halibut &amp; Sablefish Total</i>	292	\$19.1	\$27.5
<b>Other Fisheries</b>			
Fishing	42	\$2.8	\$4.4
Processing	52	\$2.9	\$4.1
<i>Other Fisheries Total</i>	94	\$5.7	\$8.5
<b>External Fisheries</b>			
<i>Comm. Fishing Only</i>	275	\$18.3	\$28.4
Taxes	57	\$4.4	\$8.8
Processing-Related Capital Expenditures	99	\$6.5	\$16.1
Government and Non-Profit Organizations	144	\$11.2	\$22.1
Total Processing	2,370	\$132.4	\$209.5
Total Fishing	1,349	\$88.3	\$155.6
Total Other	201	\$15.6	\$30.9
<b>Grand Total</b>	<b>3,920</b>	<b>\$236.3</b>	<b>\$395.9</b>

Note: Job figures are annualized. Values may not sum due to rounding.  
Source: McDowell Group.

#### IMPACTS OF CHANGES IN HARVEST VOLUMES AND VALUES

By quantifying the relationship between harvest volumes and values and KIB labor income in 2014, this analysis provides guidance on the potential economic impact of changes in seafood industry activity in the region. For example:

- For every million pounds of salmon landed and processed in the KIB, \$900,000 in total labor income is created in the KIB economy, including all direct, indirect, and induced effects.
- For every million dollars paid to fishermen for salmon landed in the KIB, a total of \$1.22 million in labor income is created in the KIB, including all harvest and processing related multiplier effects.
- For every million pounds of groundfish landed in the KIB, \$270,000 in total labor income is generated.

- For every million dollars paid to fishermen for groundfish landed in the KIB, \$1.71 million in total local labor income is generated.

ES Table 5. Harvest Volume and Value Relationships to Total Labor Income in the KIB, 2014

Fishery	Volume of Landings (Million lbs.)	Ex-vessel Value (\$Million)	Total Labor Income (\$Million)	Volume to Labor Income Multiplier	Ex-vessel Value to Labor Income Multiplier
Salmon	66.4	\$48.9	\$59.7	0.90	1.22
Groundfish	405.6	\$65.2	\$111.4	0.27	1.71
Halibut & Sablefish	5.5	\$30.1	\$19.1	3.46	0.64
Other	9.8	\$5.6	\$5.7	0.58	1.02

Source: McDowell Group.

These figures provide a simplified indication of the relationship between landings and income for KIB residents. Actual “marginal” changes (meaning relatively small changes) in landings volume and value would have somewhat less economic impact than these averages suggest. The larger the change in harvest volume and value, the more accurate the multipliers presented in ES Table 5 become.

Finally, it is important to recognize that a myriad of factors may determine the socioeconomic impact of specific fisheries management measures. Some of those impacts could be immediate, in the form of reduced earnings for fishermen and lower volumes and values for processors. Other impacts may unfold gradually, with multiplier effects potentially occurring over a several year period, as the economy adjusts to changes in basic sector activity. In any case, this study documents the KIB’s very high level of economic dependence on the seafood industry and the risk (or opportunity) the economy faces associated with the health of fish resources and management of those resources.

## Rural KIB Communities

Most of the economic impacts measured in this study occur in and around the community of Kodiak. However, the borough’s outlying communities (Old Harbor, Akhiok, Karluk, Larsen Bay, Port Lions, and Ouzinkie) experience varying degrees of economic impact from the seafood industry, in addition to a traditional reliance on subsistence fishing.

- The total population of these outlying communities in 2014 was 770 residents, about 5 percent of the borough’s population.
- In 2014, rural KIB residents earned \$4 million in ex-vessel value from 48 permits, 11 percent of all fished KIB permits. In 2005, 53 permits were fished.
- From 2005 to 2014, rural KIB resident ownership of halibut quota shares fell nearly 30 percent; sablefish ownership fell 100 percent.
- Ocean Beauty operates a processing plant close to Akhiok, and Icycle Seafoods seasonally employs 200 workers at their Larsen Bay facility.
- Five of these six communities have formed a Gulf of Alaska Community Quota Entity (Old Harbor, Ouzinkie, Larsen Bay, Port Lions, and Akhiok) and two villages have purchased quota through their CQE: Old Harbor and Ouzinkie.

# Introduction and Methodology

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Located in the rich fishing grounds of the Gulf of Alaska, Kodiak's economy is closely tied to the seafood industry, and is one of the top commercial fishing ports in the United States.

The City Kodiak and Kodiak Island Borough contracted with McDowell Group measure the economic impact of commercial fishing and seafood processing on the Kodiak area economy. The first section of the report describes fisheries in which KIB residents participate, details seafood landings in the KIB, and summarizes the volume and value of seafood produced by KIB processors. The second section describes the economic impact the seafood industry (both harvesting and processing activity) had on the KIB economy in 2014 and briefly places this sector within the broader context of the entire KIB economy.

## Methodology

McDowell Group's research team used a variety of research and analysis tools, including key informant interviews, a survey of area processors, and economic modeling. Approximately 20 interviews were conducted with fishermen, processors, businesses, city and borough officials, and other individuals involved with or impacted by the KIB seafood industry. Qualitative information gathered during these interviews related to spending patterns associated with seafood harvesting and processing, public infrastructure, business investment, and trends and challenges impacting the region. A survey of the nine largest KIB processors gathered data on capital and operating expenditures by spending category.

Existing literature concerning KIB-area fisheries and socio-economic impacts on the KIB of fishery management decisions were reviewed prior to conducting this report. Sources included the Alaska Department of Fish and Game (ADF&G), Alaska Commercial Fisheries Entry Commission (CFEC), National Marine Fisheries Services (NMFS), Alaska Department of Labor and Workforce Development (DOL) and the North Pacific Fishery Management Council (NPFMC).

Other economic impact analysis conducted by McDowell Group that have addressed Kodiak area seafood industry impacts have had a much broader regional and statewide focus, including the impacts of resident and non-resident participants as well as activity in the Kodiak region that may not directly impact the local economy.

The economic modeling conducted for purposes of this study is described in the economic impact chapter.

## Definitions and Information Sources

### EX-VESSEL AND FIRST WHOLESALSA PRICES

This report provides ex-vessel and first wholesale price information. Ex-vessel prices are the amount processors pay fishermen for their catch. First wholesale value reflects the value of a processed product when sold by a processor to an entity outside of their affiliate network. It typically refers to the value of product as it leaves Alaska.

## ADJUSTMENTS FOR INFLATION

Some monetary values presented in the report are inflation-adjusted to 2014 dollars using the Bureau of Labor Statistics' Anchorage Consumer Price Index.

## DATA SOURCES

Data on harvest volume and value, processing volume and value, participation and other secondary information was drawn from a variety of sources. Following are brief descriptions of the primary sources of harvest information:

Alaska Department of Commerce, Community, and Economic Development (DCCED) data was used for general demographic information on each community.

Alaska Department of Fish and Game (ADF&G) data was used for ex-vessel prices and first wholesale volume and value of seafood which came Commercial Operator's Annual Reports (COAR).

Alaska Commercial Fisheries Entry Commission (CFEC) data included estimated ex-vessel gross earnings and ex-vessel harvest volumes by residents and non-resident. This data also included fishery participation by fishery, permit ownership by community and fishery, quartile gross earnings by fishery, and estimated permit values by fishery. CFEC operator cards are a "proxy" for KIB residents who are fishing in either state or federal fisheries. CFEC operator cards are used to measure resident participation by accounting for those KIB residents who are accessing any fishery (state or federal, limited or open access). While a more detailed analysis would require examination of federal license limitation permits (LLPs) and vessel ownership, using operator cards is sufficient for this report as its focus is on the economic impact of commercial fishing in 2014.

Alaska Department of Labor and Workforce Development (DOL) data included resident and non-resident wages and tenure for individuals employed in KIB's processing sector. Data from DOL also included harvesting positions by month and fishery in the Kodiak area, and estimated crewmember by vessel and fishery.

National Marine Fisheries Service (NMFS) data included resident ownership of sablefish, halibut, and crab individual fishing quota (IFQ) by community and management area.

Alaska Fisheries Information Network (AKFIN) data included first wholesale volume and value of seafood which originated with ADF&G's COAR.

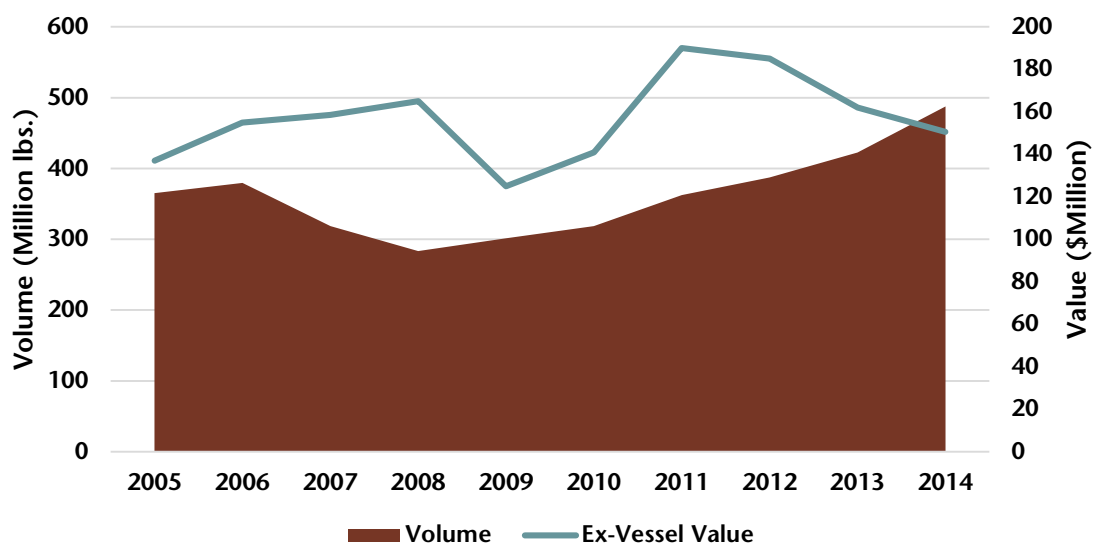
# Commercial Fishing and Seafood Processing Activity in the Kodiak Island Area

This chapter summarizes commercial fishing and processing volume, value, and employment data related to commercial fishing and seafood processing in the KIB. All values have been adjusted for inflation and are reported in 2014 dollars.

## Commercial Fishing Landings in the Kodiak Island Borough

Over the last decade, the volume of seafood landed in the borough has steadily increased, from 365 million pounds in 2005 (worth \$137 million in ex-vessel value) to 488 million pounds in 2014 (worth \$151 million). During this time period, volume peaked at 488 million pounds 2014 — driven primarily by pollock — and value peaked in 2011 when \$190 million of seafood was landed at KIB docks. Preliminary data indicates 2015 volume likely surpassed 2014, with pollock again driving the increase.

Figure 1. Annual Ex-Vessel Volume and Value Landed in KIB, 2005—2014

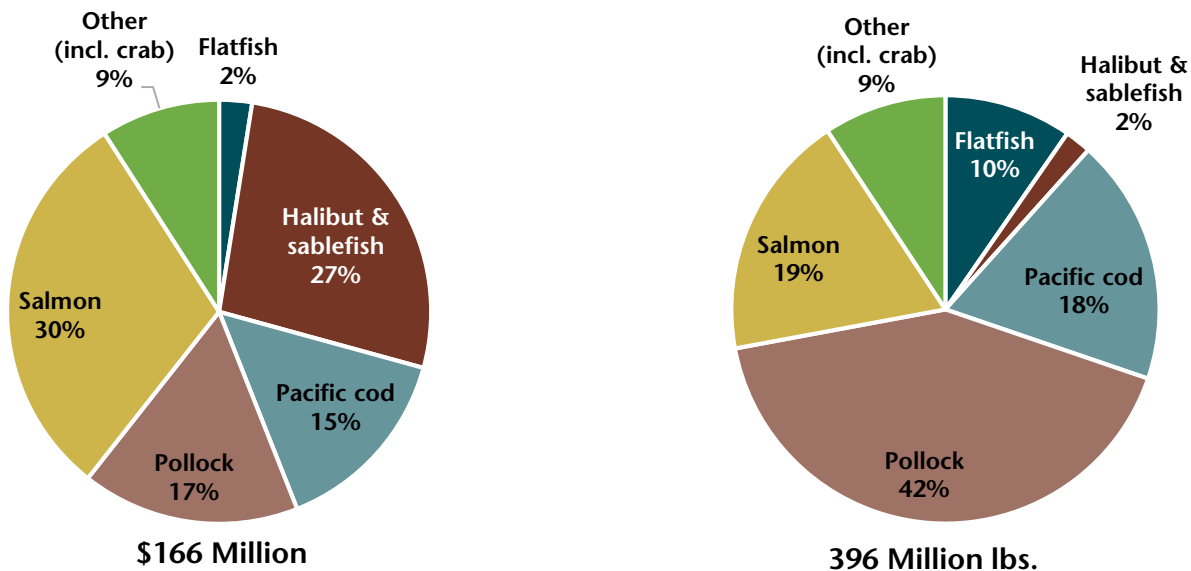


Note: Values are inflation adjusted.  
Source: ADF&G (COAR).

The five-year span from 2010 to 2014 has averaged 396 million pounds worth \$166 million in ex-vessel value landed in the KIB. Figure 2 shows the composition of this average annual catch, by species. Pollock dominates total landings (42 percent), followed by salmon (19 percent), and pacific cod (18 percent). Measured in terms of ex-vessel value, however, salmon dominates at 30 percent, followed by halibut and sablefish (27 percent), and pollock (17 percent).

Pollock is a high-volume fishery with low value per unit harvested. In contrast, the halibut and sablefish fisheries are low-volume with high value, averaging 2 percent of volume and 27 percent of value from 2010 to 2014.

Figure 2. Ex-Vessel Volume and Value Landed in KIB, by Key Species, Five-Year Average (2010—2014)



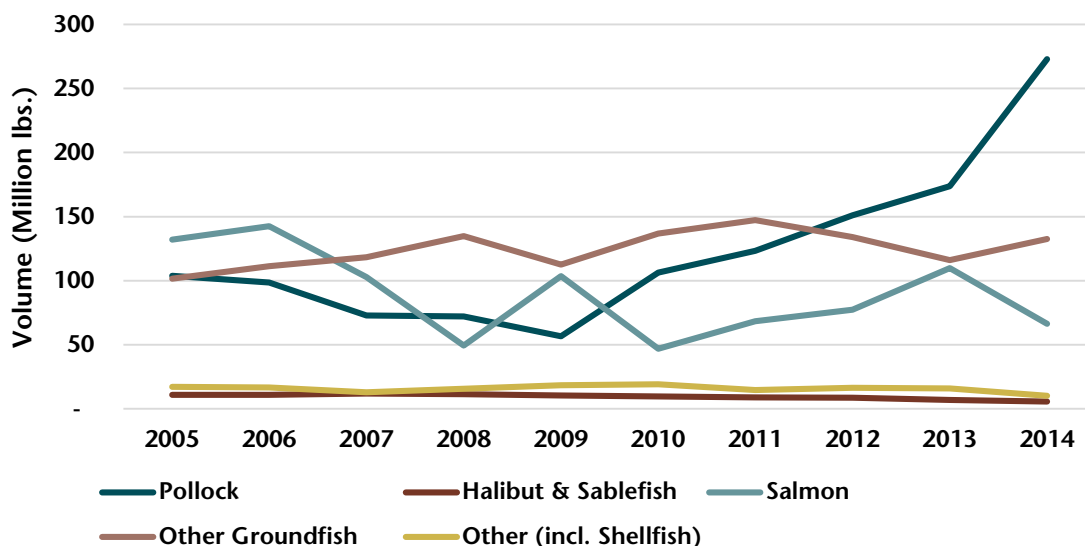
Source: ADF&G (COAR).

### Trends in Seafood Landings and Value by Species

Landings in Kodiak have trended up over the last decade, increasing 34 percent since 2005. The most notable increase – 162 percent over the last decade – has been observed in the pollock fishery. Other groundfish, including Pacific cod, rockfish, and flatfish, experienced increases as well, but not to the same degree as pollock. Salmon landings have fluctuated, primarily a result of pink salmon runs, with 2014 landings approximately half of 2005 landings.

Halibut landings fell about 70 percent over the last decade, largely a result of lower quotas. At the same time, sablefish landings have been relatively stable, peaking in 2012. Crab landings – including king, tanner, and Dungeness species – have trended lower, driven in part by intermittent closures of local tanner crab fisheries.

Figure 3. Ex-Vessel Volume Landed in KIB, by Key Species, 2005—2014

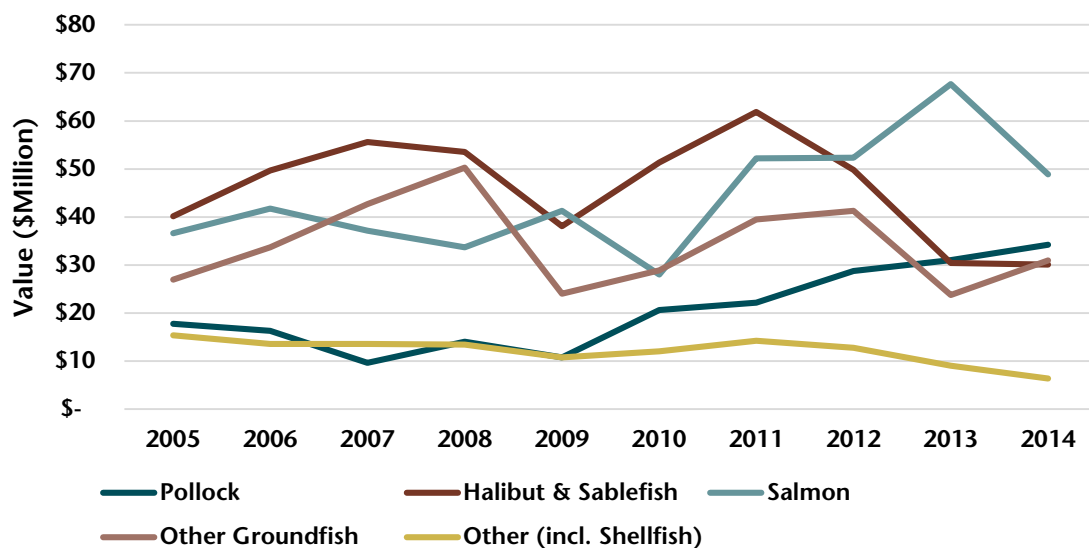


Source: ADF&G (COAR).

While total landings have risen 34 percent, total real ex-vessel value increased just 10 percent from 2005 to 2014. This is largely due to the fact that pollock drove the increase in volume. Even with a 162 percent increase in volume, total ex-vessel value of pollock landings increased 92 percent, representing a notable reduction in per unit value. The value of other groundfish trended up: Pacific cod increased just over 5 percent, flatfish values increased nearly 20 percent, and rockfish experienced a 91 percent increase. Total salmon values peaked in 2013 at nearly \$70 million before slipping to \$49 million in 2014 – a 34 increase over 2005.

Higher ex-vessel halibut prices helped temper a reduction in halibut landings but fishermen still saw a 50 percent decrease in halibut value in the last decade. In contrast, the value of sablefish landings increased 43 percent, primarily a result of high prices. The value of crab landings fell nearly 70 percent from 2005 to 2014.

Figure 4. Ex-Vessel Value Landed in KIB, by Key Species, 2005—2014



Note: Values are inflation adjusted.  
Source: ADF&G (COAR).

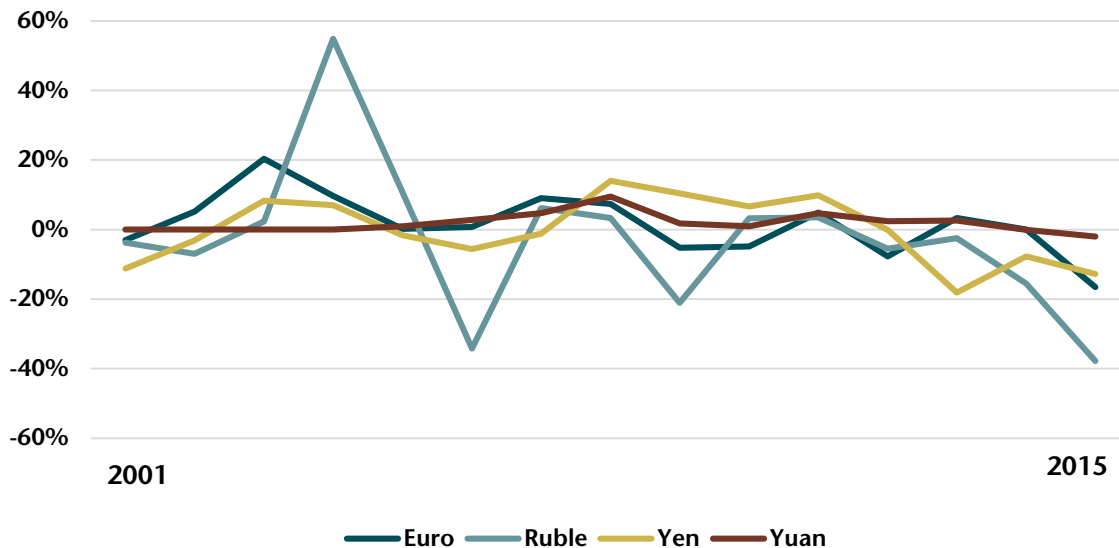
## Currency Rates

The value of Alaska’s seafood products – for both fishermen and processors – is impacted by myriad factors, with currency rates being one of the most prominent.

When the U.S. dollar is valued higher than other international currencies such as the yen (Japan), Alaska seafood is more expensive. At the same time, Alaska seafood must compete with product originating in countries with relatively weak currencies, a dynamic which makes the competing seafood cheaper than Alaska production. Between 2014 and 2015, the Japanese yen lost 20 percent of its value relative to the U.S. dollar while the Russian ruble fell 53 percent. In effect, Japanese customers have lost purchasing power when buying U.S. products while Russian products have become cheaper. Over this same time, the euro and yuan decreased 17 and 2 percent when compared to the U.S. dollar, respectively.



Figure 5. Annual Change in Currency Value Relative to the U.S. Dollar, 2001—2015

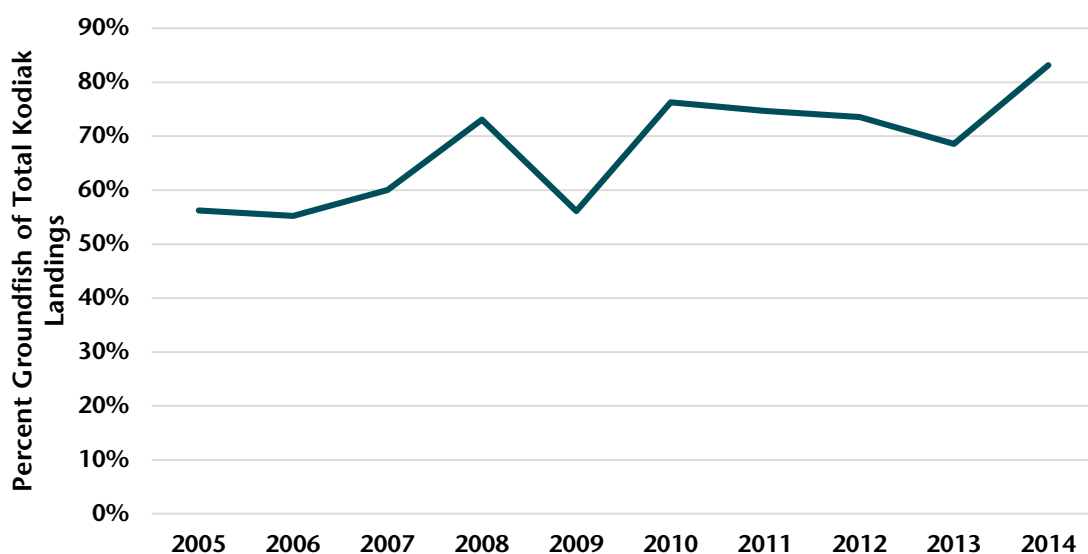


Source: <http://www.usforex.com/>, accessed 5/6/2016.

## Groundfish Landings

In 2014, the primary groundfish species (including pollock, Pacific cod, rockfish, and flatfish) made up 83 percent of all landings in Kodiak, up from a five-year average of 75 percent of total landings. Most of the additional groundfish harvest stems from an increase in pollock quota, which has increased from landings around 57 million pounds in 2009 to 273 million pounds. Quota for other groundfish species, including Pacific cod, flatfish, and rockfish, have remained relatively stable in the last five years.

Figure 6. Groundfish Landed in KIB as a Percent of Total Seafood Landings, 2005—2014



Source: ADF&G (COAR).

## Kodiak Island Borough Commercial Fishermen

In 2014, 599 KIB residents held permits to fish commercially in state and federal fisheries throughout Alaska. Of these, 439 KIB residents fished, harvesting 325 million pounds of seafood worth \$127 million in ex-vessel value, including harvests and landings throughout Alaska (not just KIB).<sup>1</sup> Many permit holders are issued permits to fish commercially but the fishery is never opened (e.g. Kodiak Tanner crab), or the fishery is uneconomic which lowers participation (e.g. Kodiak herring gillnet and seine).

The total number of Kodiak resident permit holders (which includes those who are fishing in federally managed fisheries) has fluctuated substantially over the last decade – most notably in 2011 when this category increased by 53 holders.<sup>2</sup> Over the same time period, volume peaked in 2014 at 325 million pounds and ex-vessel value peaked at \$167 million in 2011.

Qualitative sources indicate substantial participation by resident crewmembers in both local and other Alaska fisheries. Unfortunately, limitations in crew license data allow only a rough picture of crewing activity by KIB residents. (Crew licenses can be used for all commercial fisheries in Alaska, and there is no tracking of crew license usage by specific fishery).

In 2014, 830 annual crew licenses were sold to crew members who specified the KIB as their place of residence. Over the last 10 years, a peak of 909 crew licenses purchased by KIB residents occurred in 2013, and a low of 812 crew licenses was observed in 2008.

Table 6. Seafood Volume, Ex-Vessel Value, Permits, and Crew License Activity for KIB Residents, 2005—2014

Year	Volume (Million lbs.)	Ex-Vessel Value (\$Million)	Permit Holders	Fished Permits	Resident Crew Licenses
2005	288.7	\$124.7	679	872	855
2006	287.8	\$130.5	656	785	849
2007	278.0	\$143.5	657	755	814
2008	250.8	\$160.1	636	767	812
2009	237.2	\$114.6	620	716	820
2010	267.7	\$149.0	593	802	828
2011	296.5	\$179.1	646	863	890
2012	302.6	\$166.6	647	856	864
2013	298.9	\$143.7	608	678	909
2014	324.5	\$127.3	599	642	830

Note: These data do not include child or 7-day commercial fishing license sales. Permit figures are from CFEC and include participation in the federal fisheries, but do not differentiate between state and federally managed fisheries. Values are inflation adjusted.

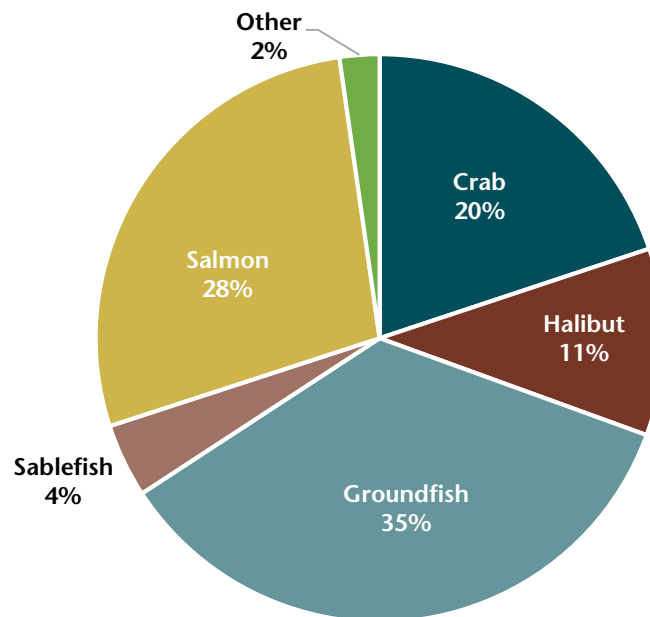
Source: CFEC and ADF&G (Crew License Statistics).

In 2014, more than \$127 million in ex-vessel value was generated by KIB residents in fisheries throughout Alaska, with groundfish (\$45 million), salmon (\$35 million), and crab (\$25 million) accounting for more than 80 percent of this total. Halibut, sablefish, and other species comprised the remainder (\$22 million).

<sup>1</sup>The \$127 million figure differs from the \$132.1 estimate presented in ES Table 2 because the latter figure is based on average gross earnings per permit. This estimate was made because CFEC withholds data for fisheries with limited participation.

<sup>2</sup> CFEC operator cards are used as a proxy for fishing activity.

Figure 7. Proportion of Ex-Vessel Value Generated by KIB Resident Permit Holders, by Key Species, 2014



Source: CFEC.

## Seafood Harvesting Employment

Accounting for seafood harvesting jobs is imprecise because of the seasonal nature of work performed and the self-employed classification under which most crewmembers fall.

Alaska's Department of Labor and Workforce Development (DOL) provides estimates based upon the typical number of crewmembers needed to operate in Alaska fisheries. For example, the DOL estimates 3.3 crewmembers per vessel are needed on the typical vessel active in Kodiak's salmon seine fishery. Note that this figure does not include the captain of the vessel.

Using these methods, DOL estimates seafood harvesting jobs on vessels participating in fisheries throughout the Kodiak region totaled a quarterly average of 775 positions in 2014 – above the 740 observed in 2005 and below the peak of 881 in 2012.<sup>3</sup>

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<sup>3</sup> Note: These data include both resident and non-resident employees. The Kodiak area is a designation by the Alaska Department of Labor and Workforce Development, which includes 36 fisheries surrounding Kodiak Island.

Table 7. Quarterly Fish Harvesting Employment in KIB, 2010—2014

Year	Q1 Average	Q2 Average	Q3 Average	Q4 Average	Quarterly Average
2005	689	832	1,136	302	740
2006	638	719	1,178	348	721
2007	509	850	1,244	453	764
2008	552	806	1,139	383	720
2009	462	847	1,134	320	691
2010	412	803	1,136	269	655
2011	531	778	1,307	381	749
2012	729	993	1,330	471	881
2013	558	900	1,283	338	770
2014	477	902	1,357	364	775

Source: Alaska Department of Labor and Workforce Development.

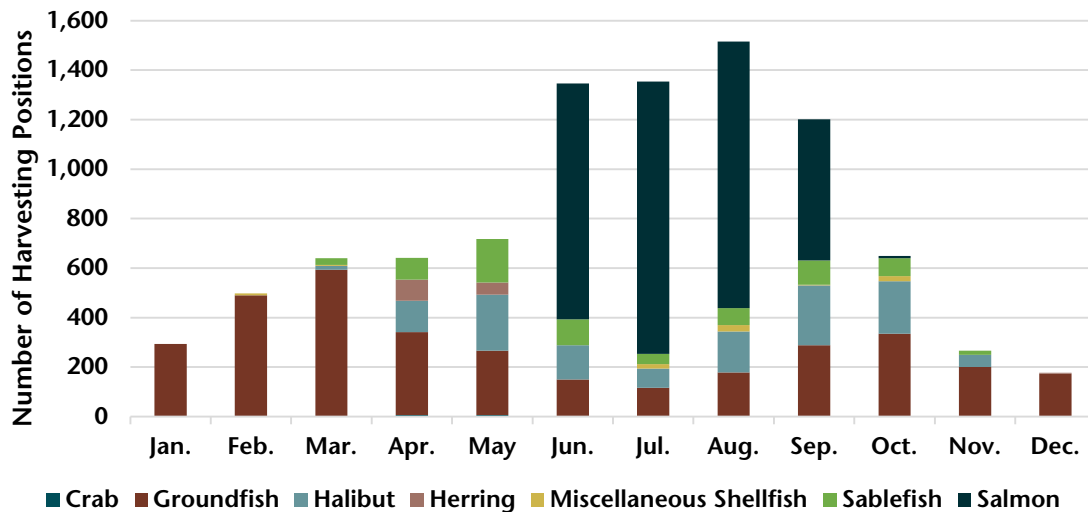
As shown in Figure 7 below, Kodiak fisheries employment is dominated by salmon setnet and seining activity from June through September. In 2014, salmon fisheries contributed an average of 925 positions during the salmon season, with a peak of 1,100 in the month of July. Averaged over the entire year, salmon was responsible for 309 average monthly positions.

While groundfish fisheries – such as pollock trawl, pot cod, and longline cod – had a lower peak employment (594 positions in March) when compared to salmon fisheries, groundfish fisheries are conducted nearly year-round, resulting in an average monthly employment of 285 positions. Groundfish-related harvest employment has two annual peaks, peaking in February/March and September/October.

Halibut harvest employment begins in March. In 2014, this fishery maintained an average of 104 monthly jobs. It is common for salmon fishermen to harvest halibut before and after summer salmon season. Consequently, peak employment occurs in May (227 positions) and September (242 positions).

Sablefish, herring, crab, and miscellaneous shellfish comprise the remainder of Kodiak-area harvesting employment. In sum, these fisheries totaled an average of 77 positions on a monthly basis.

Figure 8. Monthly Commercial Fishing Employment in the Kodiak Area, by Species Targeted, 2014



Source: Alaska Department of Labor and Workforce Development.

## Seafood Processing

Kodiak is regularly among the top U.S. ports by total seafood landings. The seafood processing sector in Kodiak handles deliveries year-round, including seafood harvested near Kodiak Island as well as in the Gulf of Alaska, Cook Inlet, Prince William Sound, and the Bering Sea/ Aleutian Island region. Most of KIB's processing capacity is located in the City of Kodiak with additional plants in Larsen Bay and Alitak. A variety of establishments have licenses allowing processing of seafood on vessels or at small facilities.

Commercial seafood processing began on Kodiak Island in the late 1800s when the first salmon cannery was built near the Karluk River.<sup>4</sup> Following statehood, and later with the establishment of the Exclusive Economic Zone, which prevented foreign fleets from harvesting seafood near Alaska's coast, seafood processing capacity expanded greatly. Following the collapse of regional crab fisheries in the 1980s, processing capacity pivoted to focus on developing groundfish fisheries. Today, salmon and groundfish comprise the majority of the seafood handled by KIB processors.

In 2014, Kodiak's processing sector produced 226 million pounds of seafood products worth \$324 million. Groundfish contributed the largest share (60 percent of the volume and 41 percent of the first wholesale value) of these products, followed by salmon (21 percent of the volume and 36 percent of the value). Crab, halibut, and sablefish species barely contributed 2 percent of overall volume, but made up 17 percent of the first wholesale value of seafood products produced by Kodiak processors.

Processing activity has increased in the last few years, primarily a result of increased pollock landings. While landings have increased from 2005 to 2014, the total value of products has not increased proportionally. Total first wholesale value of seafood products peaked in 2013.

<sup>4</sup> [http://www.afsc.noaa.gov/REFM/Socioeconomics/Projects/communityprofiles/Regional\\_Kodiak\\_Island\\_Archipelago.pdf](http://www.afsc.noaa.gov/REFM/Socioeconomics/Projects/communityprofiles/Regional_Kodiak_Island_Archipelago.pdf)

Table 8. First Wholesale Volume and Value of Seafood Processed in KIB, 2005—2014

Year	Volume (Million lbs.)	Real Value (\$Million)
2005	172.8	\$293.9
2006	180.4	\$305.5
2007	181.1	\$342.9
2008	154.9	\$329.1
2009	160.7	\$293.8
2010	174.4	\$331.8
2011	187.4	\$373.9
2012	198.8	\$383.6
2013	204.8	\$384.1
2014	225.7	\$324.8
10-Year Average	184.1	\$336.3

Note: Values are inflation adjusted.

Source: McDowell Group estimates based on AF&G COAR and AKFIN data.

The main product types produced in Kodiak are headed and gutted (H&G) pollock and salmon, canned salmon, salmon and groundfish fillets, surimi, and whole fish. The majority of Kodiak seafood products, other than canned salmon, are frozen and sold to secondary processors for additional processing. A relatively small amount of product is flown fresh to domestic and international markets, primarily halibut, sablefish, and salmon. Live crab shipments have occurred in the past.

Pollock, Pacific cod, rockfish, and flatfish have the most variety of product forms, including individual quick frozen (IQF) fillets, block fillets, and shatterpacks. About a third of salmon landed in the KIB are canned, with the remainder sold as H&G and fillets (both frozen and fresh). A small amount of high-value roe is produced from salmon, herring, pollock, and Pacific cod.

Fish meal and fish oil products are produced at a facility located in the City of Kodiak. Discards from processing activity are transported by truck or pipeline to the plant. These discards include scraps which remain after seafood has been processed, as well as undersized fish for which there is no other viable market. As a privately held business, no publically available data is available on the volume and value of products produced from this plant. However, it is safe to assume nearly all discards produced by processors in the City of Kodiak goes to this fishmeal plant.<sup>5</sup> The data presented in this report does not include volume or value derived from fish meal production.

## Processing employment

The State of Alaska tracks processing employment and wages through two primary databases: the Occupational Database (ODB) and the Quarterly Census of Employment and Wages (QCEW). ODB data includes the number of employees within a region who receive the majority of their annual income from the processing sector. ODB data tends to produce a lower wage figure than the QCEW data because individuals who generated the majority of their annual wage in a non-processing sector are not included. QCEW data complements ODB data by

<sup>5</sup> Personal communication, Dan James, Chief Operating Officer, Kodiak Fishmeal Company, 5/5/2016.

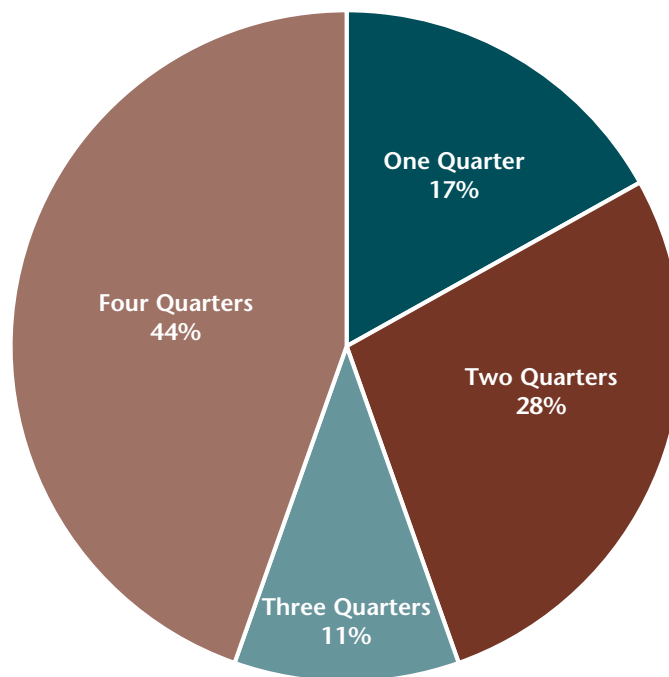
including the total number of employees and wages associated with the processing sector in a region by month. Both sources are presented below.

#### OCCUPATIONAL DATABASE

In 2014, slightly more than 3,000 workers participated in the KIB seafood processing industry according to ODB data. A “seafood processor worker” is defined as any worker employed by a seafood processing company, including individuals manually processing seafood, forklift operators, maintenance technicians, electricians, managers, office staff, or other positions. In contrast to other job numbers presented in this report, these figures are not annualized.

Seafood processing occurs year-round in KIB, reducing seasonal fluctuation often observed in processing employment. In 2014, more than half (55 percent) of all seafood processing workers were employed in the seafood processing sector for at least three quarters.

Figure 9. Percent of Quarters Worked by Seafood Processing Employees in KIB, by Quarter, 2014



Source: Alaska Department of Labor and Workforce Development, ODB.

Since 2005, this sector has grown from 2,368 workers to 3,048 workers in 2014. Over this period, an average of 48 percent of these workers were year-round residents of KIB, as defined by Alaska Permanent Fund Dividend residency standards. Most of the remainder were residents of other states or international workers. A small portion of KIB processing workers are residents of other Alaska communities. Kodiak’s seafood processors employ the highest percentage of local residents of any major production region in Alaska. This is primarily due to greater species diversification than fisheries in Southcentral or Southeast Alaska, and a larger population base than major ports in western Alaska.

Total real processing wages (including overtime) have increased from \$41 million in 2005 to \$53 million in 2014. While local residents composed 42 percent of the workforce, they received 69 percent of all 2014 wages. Local residents earn a higher share of wages because managers, processing machinery technicians, and other higher paid positions are more likely to be year-round KIB residents.

According to local processors, groundfish processing accounted for approximately 50 percent of total wages and benefits, followed by salmon processing (25 percent). Approximately 15 percent of all wages and benefits paid by processors went to processing activity not directly connected with a specific species, such as administration, management, and maintenance.

Table 9. KIB Seafood Processing Workers and Wages by Residency, 2005—2014

Year	Total Processing Workers	Local KIB Resident Processing Workers	Percent Local KIB Resident	Total Wages (\$Million)	Wages to KIB Residents (\$Million)	Percent Local KIB Resident Wage
2005	2,368	1,244	52.5%	\$40.6	\$26.9	66.3%
2006	2,984	1,248	41.8%	\$45.4	\$28.0	61.7%
2007	2,530	1,328	52.5%	\$44.8	\$30.7	68.7%
2008	2,503	1,251	50.0%	\$40.7	\$27.4	67.4%
2009	2,974	1,409	47.4%	\$46.6	\$30.4	65.2%
2010	3,074	1,437	46.7%	\$47.2	\$29.9	63.3%
2011	3,226	1,496	46.4%	\$51.1	\$33.7	66.1%
2012	3,154	1,596	50.6%	\$49.8	\$34.2	68.6%
2013	3,076	1,596	51.9%	\$49.4	\$31.8	64.5%
2014	3,048	1,290	42.3%	\$52.9	\$36.4	68.8%

Note: Seafood processing employment is defined as all NAICS 311700 employment. Values are inflation adjusted.  
Source: Alaska Department of Labor and Workforce Development, ODB.

From 2010 to 2014, approximately 40 percent of seafood workers had worked in the sector for five consecutive years. Over the same time period, nearly 13 percent of seafood processing workers also worked one or more other jobs in Alaska outside of seafood processing.

Table 10. Seafood Processing Residency and Longevity in KIB, 2010—2014

	2010	2011	2012	2013	2014
Worked in Seafood Processing Five Straight Prior Years	40.7%	39.0%	32.9%	45.2%	42.3%
Worked in Another Non-Seafood Processing Job in Alaska	14.0%	13.1%	12.2%	13.1%	13.6%

Note: Seafood processing employment is defined as all NAICS 317000 employment.  
Source: Alaska Department of Labor and Workforce Development, ODB.

#### QUARTERLY CENSUS OF EMPLOYMENT AND WAGES

According to QCEW data, a monthly average of 1,724 processing workers were employed in KIB in 2014. From 2005 to 2014 average monthly employment has trended up, peaking in 2012 at 1,821. Similarly, total wages have increased from \$68.4 million in 2005 to \$70.5 million in 2014, peaking in 2012 at \$80.6 million. While total employment increased 26 percent, wages have been slower to increase, rising only 3 percent.



Table 11. KIB Seafood Processing Employment and Wages, 2005—2014

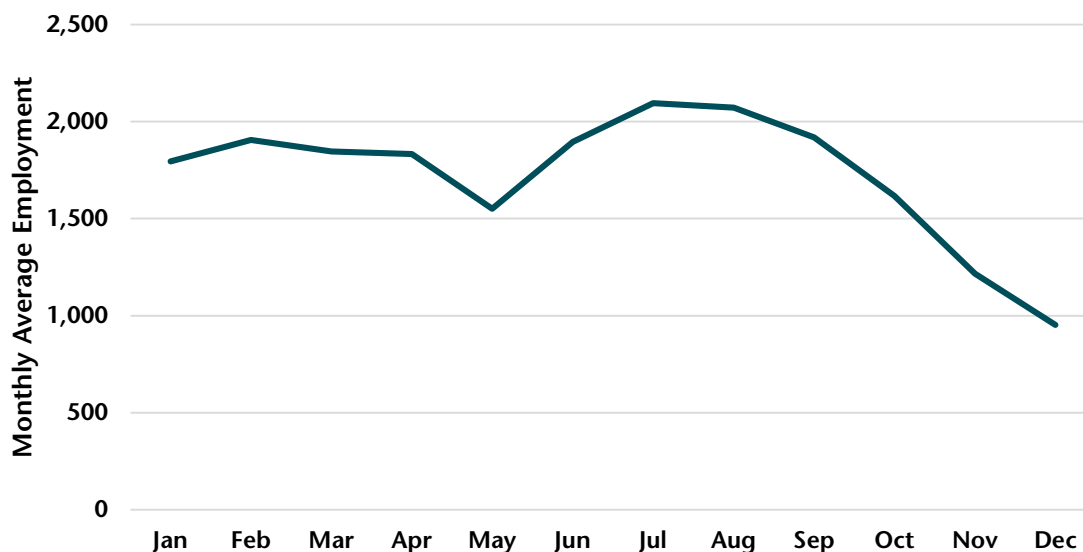
Year	Average Monthly Employment	Total Wages (\$Million)
2005	1,368	\$68.4
2006	1,458	\$69.3
2007	1,428	\$71.0
2008	1,507	\$67.9
2009	1,539	\$63.4
2010	1,598	\$75.7
2011	1,799	\$78.1
2012	1,821	\$80.6
2013	1,816	\$75.6
2014	1,724	\$70.5

Note: Values are inflation adjusted.

Source: Alaska Department of Labor and Workforce Development, QCEW.

In 2014, the seasonal variation of KIB processing sector employment fluctuated from a high of nearly 2,100 positions in July and August, to a low of 950 in December. Peak employment is driven primarily by salmon processing activity.

Figure 10. Average KIB Processing Employment by Month, 2014



Source: Alaska Department of Labor and Workforce Development, QCEW.

# Salmon

Commercial salmon harvesting and processing has been conducted on Kodiak Island since the late 1800s. More KIB residents work in the local salmon fisheries than any other Alaska fishery. This section details KIB salmon landings data, explores resident participation and ownership, and provides an overview of processing activity associated with salmon. All values (except where noted) have been adjusted for inflation and are reported in 2014 dollars.

## Commercial Salmon Harvest Activity

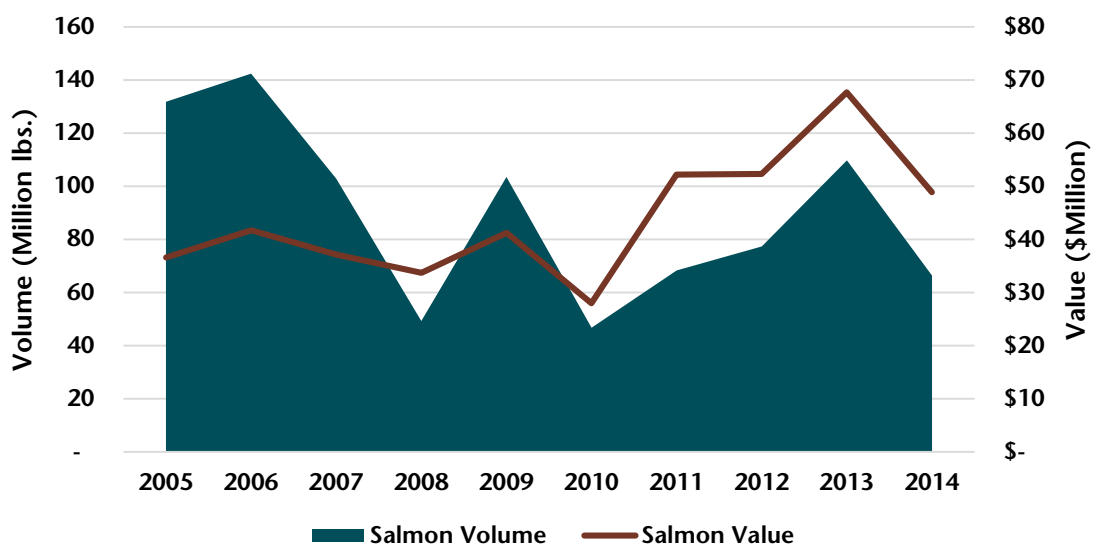
In 2014, Kodiak salmon landings totaled 66 million pounds with an ex-vessel value of \$49 million. Of these, an estimated 39 million pounds were landed by KIB residents with an ex-vessel value of \$29 million.

Landings have fluctuated significantly year-to-year, primarily as a result of pink salmon harvests which tend to be higher in odd years. From 2005 to 2015, salmon landings peaked at 142 million pounds in 2006; two years later, landings fell by two-thirds to 49 million pounds.

Ex-vessel value of salmon landed in the KIB has not fluctuated as much as landings, though it does tend to be more variable than other key species in the region. Even though landings fell by two-thirds from 2006 to 2008, value only slipped by roughly 20 percent. Total salmon values peaked in 2013 at nearly \$70 million before retreating to \$49 million the next year.

Preliminary 2015 figures show a relatively large harvest but lower salmon prices resulted in lower overall ex-vessel value in 2015. The 2015 ex-vessel value will be revised upwards later this spring, as bonuses and other supplementary payments are added, but it is unlikely that the revision will push the 2015 value above the prior year. indicate values have not recovered to 2013 levels.

Figure 11. Annual Ex-Vessel Volume and Value of Salmon Landed in KIB, 2005—2014



Note: Ex-vessel values are inflation adjusted.  
Source: ADF&G (COAR).

## KIB Resident Activity in Other Alaska Salmon Fisheries

While purse seining and setnet fisheries on Kodiak Island are the primary salmon fisheries pursued by KIB residents, local fishermen are active in other Alaska salmon fisheries. In 2014, residents fished 64 salmon permits outside the Kodiak Archipelago. Gillnet fisheries in Bristol Bay made up 70 percent of these permits, with the remainder in Prince William Sound, Chignik, Cook Inlet, and Southeast.

Table 12. Salmon Permits Fished by KIB Residents, by Gear Type, 2010—2014

Gear Type	2010	2011	2012	2013	2014
Kodiak Purse Seine	90	106	108	109	117
Kodiak Setnet	92	96	98	88	86
Bristol Bay Drift Gillnet	42	42	36	36	37
Bristol Bay Setnet	10	8	10	8	8
Prince William Sound Purse Seine	3	1	3	3	4
Chignik Purse Seine	2	2	4	5	4
All Other	13	17	9	11	11
<b>Total Fished Permits</b>	<b>252</b>	<b>272</b>	<b>268</b>	<b>260</b>	<b>267</b>

Source: CFEC.

The value of salmon permits held by KIB residents has increased substantially over the last decade. In 2005, residents owned 398 permits worth an estimated \$11 million. Ten years later, the 289 permits owned by residents was worth \$29 million.

Permit values in 2005 were shaped in part by a period of weak ex-vessel prices, while prices in the years leading up to 2014 were relatively strong. Following the price reductions in 2015, permit values have fallen relative to 2014 values. As of April 2016, sellers were offering Kodiak seine permits as low as \$35,000.<sup>6</sup>

Table 13. Estimated Value of Statewide Salmon Permits Held by KIB Residents, 2005 and 2014

Fishery	2005			2014		
	Permits owned by KIB Residents	Average Permit Value	Estimated Total Value of Permits	Permits owned by KIB Residents	Average Permit Value	Estimated Total Value of Permits
Kodiak Purse Seine	197	\$17,900	\$3,538,700	196	\$50,600	\$9,917,600
Kodiak Setnet	105	\$47,500	\$4,985,600	102	77,500	7,905,000
Bristol Bay Drift Gillnet	41	\$64,300	\$2,636,900	43	149,500	6,428,500
All Other	55	-	\$2,777,700	48	-	4,310,200
<b>Total</b>	<b>398</b>	<b>-</b>	<b>\$13,938,900</b>	<b>389</b>	<b>-</b>	<b>\$28,561,300</b>

Note: Values may not sum due to rounding. Values are inflation adjusted.  
Source: CFEC.

<sup>6</sup> <http://www.alaskaboat.com/permitpage.php>, accessed 4/7/2016.

## Statewide and Local Salmon Harvest

KIB permit holders harvested 45 million pounds of salmon worth \$35 million throughout Alaska in 2014. Volume peaked in 2006 at 80 million pounds, while gross earning peaked in 2013 at \$48 million. From 2005 to 2014, local seine and setnet fisheries accounted for an average of 83 percent of the total ex-vessel value generated by KIB residents in statewide salmon fisheries.

Table 14. Ex-Vessel Value and Volume of Salmon Harvested by KIB Resident Permit Holders, 2005—2014

Year	Total Volume (Million lbs.)	Total Ex-Vessel Value (\$Million)	Ex-vessel Value Generated from KIB Salmon Fisheries (\$Million)	Percent of Value from Local Salmon Fisheries
2005	74.3	\$22.2	\$18.9	85%
2006	80.0	\$25.2	\$21.3	85%
2007	67.9	\$25.7	\$21.9	85%
2008	33.8	\$23.1	\$18.4	80%
2009	62.7	\$26.9	\$22.4	83%
2010	34.6	\$22.2	\$15.1	68%
2011	42.9	\$34.6	\$29.2	84%
2012	51.1	\$35.8	\$31.1	87%
2013	76.7	\$48.5	\$40.6	84%
2014	45.2	\$35.3	\$29.0	82%

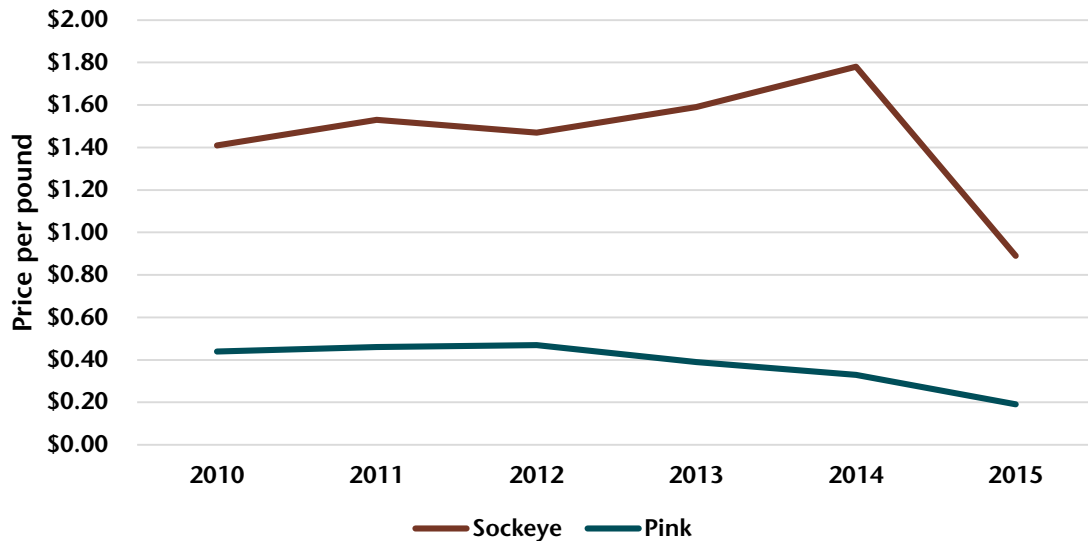
Note: Values are inflation adjusted.  
Source: CFEC, ADF&G (COAR).

## Ex-vessel Salmon Prices

While all five salmon species are harvested in the Kodiak area, sockeye and pink salmon generate the most gross earnings for commercial fishermen. Average ex-vessel prices for KIB sockeye salmon peaked at \$1.78 per pound in 2014 before slumping to \$0.90 in 2015.<sup>7</sup> Pink salmon prices averaged nearly \$0.50 per pound from 2010 to 2012 nearly \$0.40 record before declining to a low of nearly \$0.20 in 2015.

<sup>7</sup> 2015 prices are preliminary and are somewhat conservative as they do not include bonuses or other supplementary payments; however, the difference between final and preliminary prices is expected to be minimal in 2015.

Figure 12. Ex-Vessel Price of Key Salmon Species in the Kodiak Area, 2010—2015



Note: Values are not inflation adjusted. 2015 data is preliminary and will likely be revised upward slightly.  
Source: ADF&G (2010-2014: COAR and 2015: Fish Tickets and ADF&G estimates).

## Salmon Seine Fishery

Typically opening early June and running until the end of September, Kodiak’s seine fishery is one of the region’s most significant in terms of volume, gross earnings, and resident participation. In 2014, 187 permit holders participated in the fishery, including 120 KIB residents (64 percent). Total volume from the fishery was 51 million pounds, with resident fishermen harvesting 35 million pounds of the total (68 percent). Fishermen earned \$35 million, of which 65 percent (\$23 million) accrued to KIB residents. Average gross earnings for KIB resident seiners was approximately \$191,000; while gross earnings for non-resident seiners was approximately \$188,000.

Table 15. Ex-Vessel Volume and Value of Salmon Harvested by KIB Resident Seine Fleet, 2014

Category	KIB Residents	Non-Residents	Total Seine Permit Holders
Permit Holders Who Fished	120	67	187
Total Volume (Million lbs.)	34.5	16.3	50.7
Total Estimated Gross Earnings (\$Million)	\$22.9	\$12.2	\$35.1

Source: CFEC.

The typical employment arrangement observed on seine vessels is a skipper (who is typically the permit owner), two individuals on deck, and another crewmember running a skiff. Average crew shares are 10 percent for experienced deckhands and slightly more for the skiffman. Crew shares are typically calculated based on total earnings minus groceries and fuel costs. In 2014, with 187 permits fished and three crewmembers per permit, Kodiak seiners employed approximately 561 crewmembers. Quartile data available from the Commercial Fisheries Entry Commission (CFEC) provides additional details about how income is distributed throughout the Kodiak seine fleet. In 2014, one quarter of estimated gross earnings went to 16 permits (it is appropriate to consider this equivalent to 16 vessels), or nearly 9 percent of all permits. For this top quartile, average estimated

gross earnings were \$545,810. The bottom quartile includes 102 permits (55 percent of all permits) who averaged \$86,250 in estimated gross earnings.

Assuming a 10-percent crew share, estimated gross earnings per crewmember averaged slightly more than \$19,000 in 2014, before deductions such as fuel and groceries. Crew on vessels in the top quartile averaged approximately \$54,500, while the lowest quartile vessels generated crew shares averaging \$8,625.

**Table 16. Estimated Gross Earnings by Quartile by Permit and Crew for Kodiak Seine Fishery, 2014**

Quartile	Number of Permits	Percent of Permits	Total Estimated Gross Earnings (\$Million)	Percent of Estimated Gross Earnings	Average Estimated Gross Earnings	Average Estimated Crew Share at 10 percent
1 (Top 25 percent)	16	8.7	\$8.7	24.9	\$545,810	\$54,580
2	27	14.7	\$8.8	25.3	\$328,655	\$32,865
3	39	21.2	\$8.6	24.7	\$222,090	\$22,210
4 (Bottom 25 percent)	102	55.4	\$8.8	25.1	\$86,250	\$8,625
Total	184	100.0	\$35.1	100.0	\$190,575	\$19,060

Note: Crew shares typically have expenses such as fuel and groceries deducted. These estimates are before deductions. Values may not sum due to rounding. Number of active permits can be slightly different from the number of permit holders that fished. Source: CFEC, McDowell Group estimates (crew earnings).

## Salmon Setnet Fishery

In general, estimated gross earnings for a setnet site is lower than the average seine vessel. In 2014, a total of 149 setnet permit holders harvested 7 million pounds of salmon worth \$9 million.<sup>8</sup> KIB residents harvested 69 percent of the volume (5 million pounds) and earned 68 percent (\$6 million) of total estimated gross earnings. Average gross earnings for resident setnetters was approximately \$70,000; gross earnings for non-resident setnetters was approximately \$60,000.

The typical setnet operation has approximately one crewmember per permit, resulting in an estimated 149 crew positions in 2014. It is common to fish multiple permits at one setnet site. Nearly all salmon is tendered from setnet sites along the South and West side of Kodiak Island to processing plants around the Island. The tenders arrive every few days, bringing ice, groceries, fuel, mail, and other supplies.

**Table 17. Ex-Vessel Volume and Value of Salmon Harvested by KIB Resident Setnet Participants, 2014**

Category	KIB Residents	Non-Residents	Total Setnet Permit Holders
Permit Holders Who Fished	87	62	149
Total Volume (pounds)	4.7	2.2	6.9
Total Estimated Gross Earnings (\$Millions)	\$6.1	\$2.8	\$8.9

Source: CFEC.

The top quartile of earnings accrued to approximately 6 percent (8 permits) of all permits with average gross earnings of \$287,800. The bottom quartile included 92 permits, which earned an estimated average gross of \$24,620. It is important to note this data may contain errors as some setnet operators with multiple permits

<sup>8</sup> Because of inconsistencies with how landings are connected to permits, it is possible these figures understate the number of total active set net permits.

co-mingle all harvested salmon in one holding skiff. This could result in the actual volume of salmon not being accurately connected to setnet permits.

Table 18. Estimated Gross Earnings by Quartile by Permit for Kodiak Setnet Fishery, 2014

Quartile	Number of Active Permits	Percent of Permits	Total Estimated Gross Earnings (\$Million)	Percent of Estimated Gross Earnings	Average Estimated Gross Earnings
1 (Top 25 percent)	8	5.5	\$2.3	25.7	\$287,800
2	17	11.6	\$2.2	24.2	\$127,530
3	29	19.9	\$2.2	24.8	\$76,705
4 (Bottom 25 percent)	92	63.0	\$2.3	25.3	\$24,620
Total	146	100.0	\$9.0	100.0	\$61,370

Note: Values may not sum due to rounding. Number of active permits can be slightly different from the number of permit holders that fished.

Source: CFEC.

## Salmon Processing Activity

The KIB's processing sector has its roots in canning salmon from the 1880s.<sup>9</sup> Canneries began near the largest salmon-producing rivers in the region, in particular the Karluk River. Cannery production peaked in the 1930s, until overfishing contributed to the decline of wild salmon runs. Salmon enhancement programs from two area hatcheries have increased salmon populations, particularly for pink salmon.

Today, the majority of salmon processed in the region is frozen in a headed-and-gutted (H&G) format. Other products include canned salmon, fresh and frozen fillets, and roe. Located centrally in the Gulf of Alaska, the KIB often processes salmon from fisheries in the Bering Sea/Aleutian Island (BSAI) and Southcentral Alaska, especially pink salmon from Prince William Sound.

In 2014, Kodiak Island Borough plants produced 46.4 million pounds of processed salmon, worth \$116 million in first wholesale value. Peak volume and value was observed in 2013 when area processors produced 79 million pounds worth \$189 million. Following this record year, production volume and value fell in 2014.

<sup>9</sup> [http://www.afsc.noaa.gov/REFM/Socioeconomics/Projects/communityprofiles/Regional\\_Kodiak\\_Island\\_Archipelago.pdf](http://www.afsc.noaa.gov/REFM/Socioeconomics/Projects/communityprofiles/Regional_Kodiak_Island_Archipelago.pdf)

Table 19. First Wholesale Volume and Value of Salmon Processed in KIB, 2005—2014

Year	Volume (Million lbs.)	Real Value (\$Million)
2005	73.8	\$111.6
2006	74.4	\$124.6
2007	76.8	\$136.0
2008	47.5	\$110.2
2009	73.0	\$139.2
2010	53.0	\$122.5
2011	53.9	\$134.6
2012	57.1	\$157.7
2013	78.6	\$189.3
2014	46.4	\$115.5
10-Year Average	63.4	\$134.1

Note: Values are inflation adjusted.  
Source: AKFIN.



# Crab

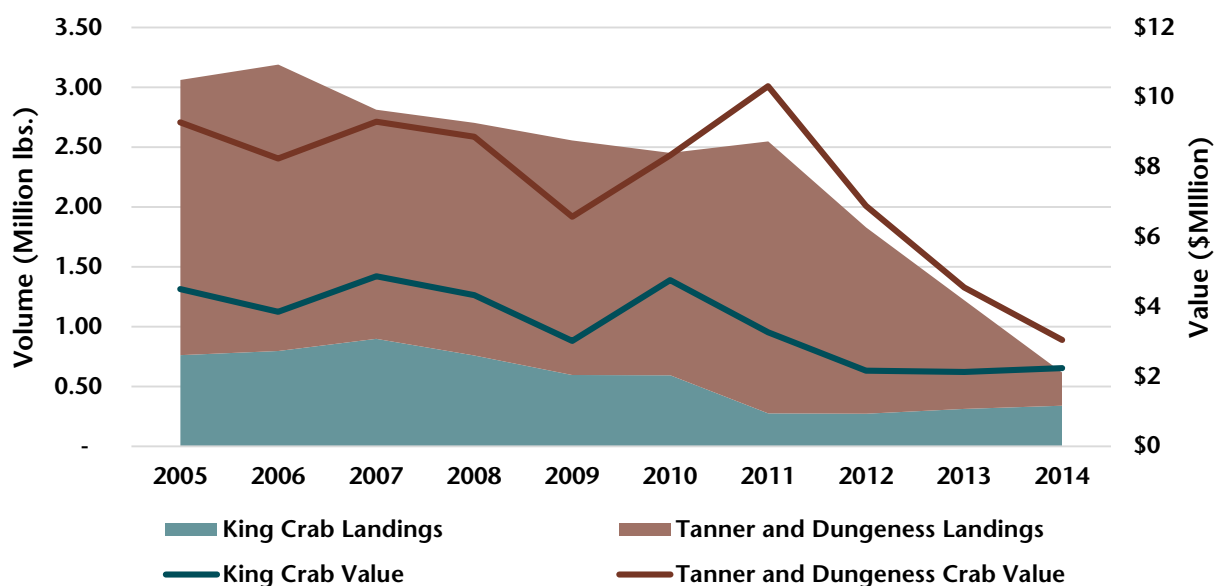
Historically, the City of Kodiak handled large landings of crab from local and BSAI region fisheries. Today – following the closure of nearby king crab fisheries, intermittent closures of local tanner crab fisheries, and a reduction of landings from the BSAI region – crab no longer plays as significant of a role. Similarly, crab harvesting activity by KIB residents has fallen substantially. This section details harvesting activity, landings, and processing volume and value associated with crab. All values (except where noted) have been adjusted for inflation and are reported in 2014 dollars.

## Commercial Crab Landings

Landings of crab – including king and tanner from the BSAI region and local tanner and Dungeness species – have trended lower since 2005. Approximately 620,000 pounds were landed in 2014, substantially less than the ten-year peak of 3 million pounds in 2006. Ex-vessel value has trended lower as well, with the exception of a peak in 2011 of \$10 million. The 2014 total value was slightly more than \$3 million.

Crab vessels harvesting species in the Bering Sea and Bristol Bay region use pot gear, are typically longer than 90-feet, and have 5 to 7 crew. Vessels active in smaller tanner and Dungeness fisheries around the Kodiak Archipelago are smaller vessels, typically less than 58-feet, with 1 to 3 crewmembers. Following rationalization of most BSAI crab fisheries in 2005, KIB resident participation fell as the number of vessels active in the fishery was reduced. In contrast to earlier years where crab fishermen could access the fishery relatively easily, rationalization allocated the annual quota among existing vessel owners, captains, and crews. Today, crab IFQs are often leased with quota owners typically charging 60 to 70 percent of gross ex-vessel value, depending on the species.

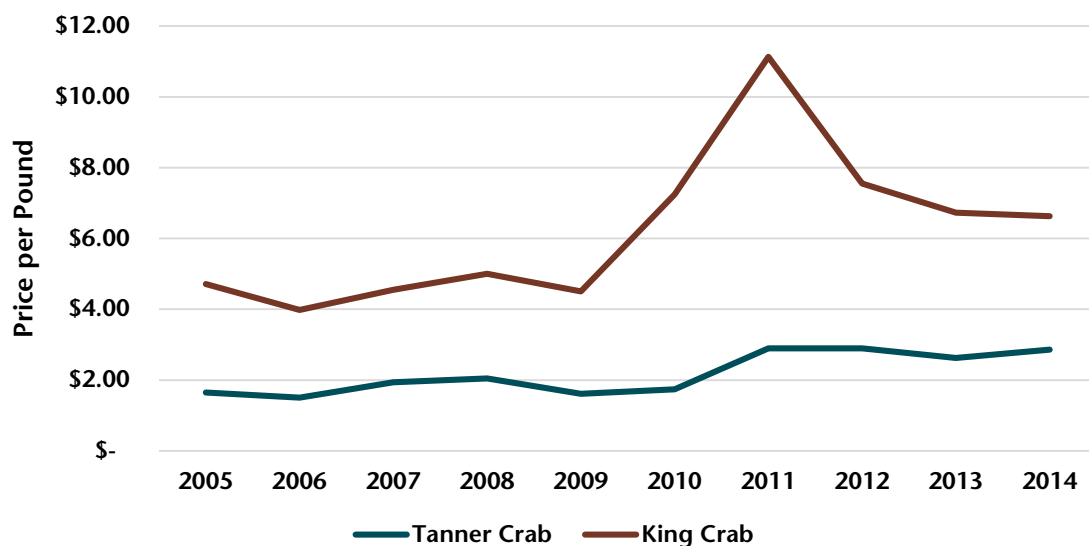
Figure 13. Annual Ex-Vessel Volume and Value of Crab Species Landed in KIB, 2005—2014



Note: Values are inflation adjusted.  
Source: ADF&G (COAR).

Crab is a low-volume, high-value fishery, capturing some of the highest ex-vessel prices per pound observed in Alaska fisheries. In 2014, KIB processors paid around \$7 and \$3 a pound king and tanner crab, respectively.

Figure 14. Estimated Ex-Vessel Tanner and King Crab Prices Paid by KIB Processors, 2005—2014



Note: Values are inflation adjusted.  
Source: ADF&G (COAR).

In most years, the majority of crab harvests by KIB residents takes place outside the Kodiak region, primarily in the BSAI region. In 2014, Kodiak residents earned \$25 million harvesting 8 million pounds of crab.<sup>10</sup> The Bering Sea tanner and Bristol Bay red king crab fisheries are the most important crab fisheries to KIB residents in terms of ex-vessel value. The Kodiak tanner crab fishery, which was closed in 2014, generates income for approximately 40 to 50 KIB resident permit holders on smaller vessels, typically less than 58-feet. Residents earned \$3 million from the fishery in 2011 and slightly more than 1 million in 2013.

Table 20. Alaska Crab Harvest by KIB Residents, 2010—2014

Fishery	2010	2011	2012	2013	2014
Bering Sea Tanner Crab	\$7.4	\$15.7	\$24.2	\$20.9	\$16.6
Bristol Bay Red King Crab	\$15.1	\$12.6	\$9.2	\$7.6	\$8.1
Other Crab Fisheries	\$2.2	\$5.5	\$4.2	\$2.1	\$0.7
<b>Total Value (\$Million)</b>	<b>\$24.7</b>	<b>\$33.8</b>	<b>\$37.6</b>	<b>\$30.6</b>	<b>\$25.4</b>
Bering Sea Tanner Crab	5.7	6.2	11.3	9.0	6.9
Bristol Bay King Crab	2.0	1.2	1.2	1.1	1.2
Other Crab Fisheries	1.1	1.7	1.4	0.7	0.2
<b>Total Volume (Million lbs.)</b>	<b>8.8</b>	<b>9.1</b>	<b>13.9</b>	<b>10.8</b>	<b>8.3</b>

Notes: BSAI opilio are included in Bering Sea Tanner Crab fishery. Values are not inflation adjusted.  
\*Other categories includes 12 other fisheries.  
Source: CFEC.

<sup>10</sup> CFEC.

During rationalization in 2005, many residents of KIB were allocated IFQs for BSAI crab fisheries. From 2005 to 2014, the number of residents who own crab IFQs expanded (from 46 to 53), along with the combined amount of quota shares owned by residents (from 146.1 million to 158.4 million). However, total ownership of crab IFQ in 2014 was 14 percent below the peak seen in 2011. No rural KIB community had residents who owned crab IFQ over this period.

Table 21. Crab IFQ Ownership by KIB Residents, 2005—2014

Year	Number of KIB Resident Quota Share Holders	IFQ Quota Shares Held by KIB Residents (Million)	Quota (Million lbs.)
2005	46	146.1	4.5
2006	47	170.4	4.4
2007	48	175.6	7.3
2008	54	175.5	6.7
2009	58	181.7	5.7
2010	57	174.2	5.7
2011	57	183.1	8.6
2012	55	173.9	6.3
2013	53	167.1	5.3
2014	53	158.4	7.1

Note: These figures include multiple BSAI crab fisheries.  
Source: AKFIN.

## Crab Processing Activity

While the area's processing sector had its roots first in salmon, increasing king crab harvests in the 1950s led to investment in seafood processing capacity.<sup>11</sup> Today, most crab landings occur in winter, with a peak in January. From 2005 to 2014, crab processing activity has slow substantially, from 2 million pounds of processed crab to less than 500,000 pounds.

Almost all of the crab landed in Kodiak is cooked and frozen into sections that are sorted into boxes based on the number of legs to fill a 10-pound box. In 2013 (the most recent year for which data is available), Kodiak's seafood processing sector processed 0.8 million pounds of crab, worth \$6 million in first wholesale value.

<sup>11</sup> [http://www.afsc.noaa.gov/REFM/Socioeconomics/Projects/communityprofiles/Regional\\_Kodiak\\_Island\\_Archipelago.pdf](http://www.afsc.noaa.gov/REFM/Socioeconomics/Projects/communityprofiles/Regional_Kodiak_Island_Archipelago.pdf)

Table 22. First Wholesale Volume and Value of Crab Processed in Kodiak, 2005—2014

Year	Volume (Million lbs.)	First Wholesale Value (\$Million)
2005	2.0	\$12.2
2006	2.1	\$12.0
2007	1.8	\$11.6
2008	2.6	\$17.5
2009	1.8	\$11.6
2010	1.7	\$14.3
2011	1.7	\$14.2
2012	1.2	\$9.5
2013	0.8	\$5.8
2014	N/A	N/A

Note: N/A indicates value was withheld to preserve confidentiality. Values are inflation adjusted.  
 Source: AKFIN.

# Halibut and Sablefish

Halibut and sablefish are high-value, low-volume fisheries. This has been especially true in recent years, which have seen suppressed total allowable catch (TAC) levels and high ex-vessel prices. In 2014, halibut and sablefish accounted for just 2 percent of KIB landings, but 20 percent of total ex-vessel value. This section reviews commercial fishing and processing activity associated with these two fisheries. All values (except where noted) have been adjusted for inflation and are reported in 2014 dollars.

## Commercial Halibut and Sablefish Fishing Activity

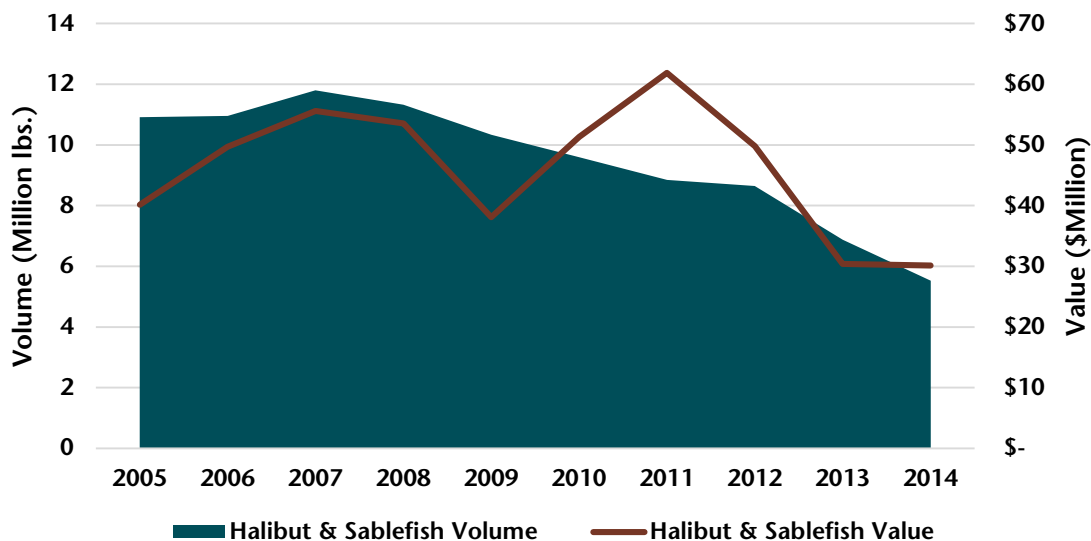
From 2007 to 2014, halibut and sablefish landings in the KIB have trended lower, primarily a result of reduced TACs. Over this period, landings peaked at 12 million pounds in 2007, before falling to 6 million pounds in 2014. Total ex-vessel value has also decreased, though not as significantly, with a peak of \$62 million in 2011.

Harvested primarily by longline vessels under 58-feet, it is common for fishermen to pursue halibut and sablefish from the same vessel. The typical longline crew size is 2 to 4, not including the skipper. The fishing season for longline halibut and sablefish opens in March and concludes in November.

In 2014, trawl vessels delivered 750,000 pounds of sablefish to KIB processors. While this is a small portion of trawler’s overall volume, sablefish are highly valuable relative to other groundfish species such as pollock. In the same year, jig vessels delivered 4,000 pounds of halibut.

The majority of landings of halibut and sablefish in the KIB take place in the city of Kodiak. In 2014, 3 million pounds of halibut worth \$17 million and 3 million pounds of sablefish worth \$14 million were landed in Kodiak.

Figure 15. Annual Ex-Vessel Volume and Value of Halibut and Sablefish Landed in KIB, 2005—2014



Note: Values are inflation adjusted.  
Source: ADF&G (COAR).

For most of the decade beginning in 2005, halibut landings exceeded sablefish landings, but at a declining ratio. From 2005 to 2009, approximately 1 pound of sablefish was landed for every 3 pounds of halibut. In 2014, halibut landings were lower than sablefish, the first time in the last decade.

Table 23. Ex-Vessel Volume and Value of Halibut and Sablefish delivered to KIB, 2005—2014

	Halibut Landings (Million lbs.)	Halibut Ex-Vessel Value (\$Million)	Sablefish Landings (Million lbs.)	Sablefish Ex-Vessel Value (\$Million)
2005	8.4	\$30.6	2.5	\$9.5
2006	8.5	\$39.7	2.4	\$10.1
2007	8.5	\$42.7	3.3	\$12.9
2008	8.7	\$42.5	2.6	\$11.0
2009	7.7	\$26.4	2.6	\$11.7
2010	6.7	\$35.8	2.9	\$15.6
2011	5.9	\$40.8	3.0	\$21.1
2012	5.1	\$30.0	3.6	\$19.8
2013	3.5	\$17.3	3.4	\$13.1
2014	2.6	\$16.5	2.9	\$13.6

Note: Values are inflation adjusted.  
Source: ADF&G (COAR).

## Landings by KIB residents

In 2014, KIB residents harvested 5 million pounds of halibut and sablefish throughout Alaska worth \$19 million – a significant reduction compared to 2005 when 12 million pounds worth \$42 million was harvested.

Table 24. Ex-Vessel Value and Volume of Halibut and Sablefish Harvested by KIB Resident Permit Holders, 2005—2014

Year	Halibut		Sablefish	
	Volume (Million lbs.)	Value (\$Million)	Volume (Million lbs.)	Value (\$Million)
2005	9.7	\$35.6	2.5	\$6.3
2006	9.0	\$40.7	2.5	\$7.2
2007	9.2	\$45.0	2.4	\$7.2
2008	9.6	\$44.5	2.5	\$8.4
2009	10.7	\$27.1	2.3	\$7.6
2010	10.5	\$40.6	2.4	\$9.3
2011	7.9	\$39.5	2.2	\$11.1
2012	5.4	\$22.8	2.1	\$8.1
2013	4.4	\$15.8	2.0	\$5.6
2014	3.0	\$13.6	1.6	\$5.3
10-Year Average	7.9	\$32.5	2.3	\$7.6

Note: Values are inflation adjusted. Earnings do not include trawl-caught sablefish.  
Source: CFEC, ADF&G (COAR).

## Resident Longline IFQ Participation

Rationalized in 1995, halibut and sablefish longline harvesters were allocated Individual Fishing Quota (IFQ) based on their catch history. In 2014, 137 KIB resident permit holders fished for halibut and 22 fished for sablefish.<sup>12</sup> Many fishermen in Kodiak lease halibut and sablefish quota, with lease rates reported around 60 to 70 percent of gross earnings.

The total number of KIB resident halibut IFQ holders has fallen each of the last ten years, from 291 in 2005 to 219 in 2014. At the same time, the total halibut quota shares owned by KIB residents has stayed relatively stable, only down around 4 percent.

Table 25. Longline IFQ Halibut Ownership by KIB Residents, 2005—2014

Year	Number of KIB Resident Quota Share Holders	IFQ Quota Shares Held by KIB Residents (Million)	Quota (Million lbs.)
2005	291	48.1	8.3
2006	288	50.0	7.9
2007	283	50.0	7.7
2008	268	51.6	8.0
2009	258	49.9	7.2
2010	252	48.8	6.6
2011	245	49.0	5.1
2012	230	48.4	3.8
2013	226	48.8	3.4
2014	219	46.2	2.1

Source: AKFIN.

In 2014, 60 KIB residents owned sablefish IFQs, representing slightly more than 1 million pounds of quota. From 2005 to 2014, the number of resident owners increased slightly, though the amount of quota shares they owned increased 30 percent. The annual quota available for fishing during this period remained fairly stable, averaging slightly more than 1 million pounds.

<sup>12</sup> CFEC.

Table 26. IFQ Sablefish Ownership by KIB Residents, 2005—2014

Year	Number of KIB Resident Quota Share Holders	IFQ Quota Shares Held by KIB Residents (Million)	Quota (Million lbs.)
2005	57	14.9	1.7
2006	58	17.0	1.8
2007	62	16.1	1.7
2008	62	16.9	1.5
2009	60	17.6	1.4
2010	63	19.2	1.5
2011	58	17.7	1.4
2012	60	18.2	1.6
2013	61	19.9	1.7
2014	60	19.4	1.4

Source: AKFIN.

## Proportion of Total IFQ Ownership

KIB is within IPHC management areas 3A and 3B, and its residents are quota shareholders in these halibut fisheries, as well as from the BSAI (Areas 4ABCDE) to Southeast Alaska (Area 2C).

In 2014, KIB residents owned 13 and 6 percent of all Alaska halibut and sablefish quota share, respectively. Residents tend to own higher proportions in areas closer to the Kodiak Archipelago, holding 21 and 16 percent of all 3B and 3A quota shares, respectively. Similarly, residents owned 9 percent of quota in the Central Gulf sablefish region which surrounds Kodiak Island and 11 percent of Western Gulf sablefish quota.

Table 27. KIB Resident Participation in the IFQ Halibut and Sablefish Program, 2014

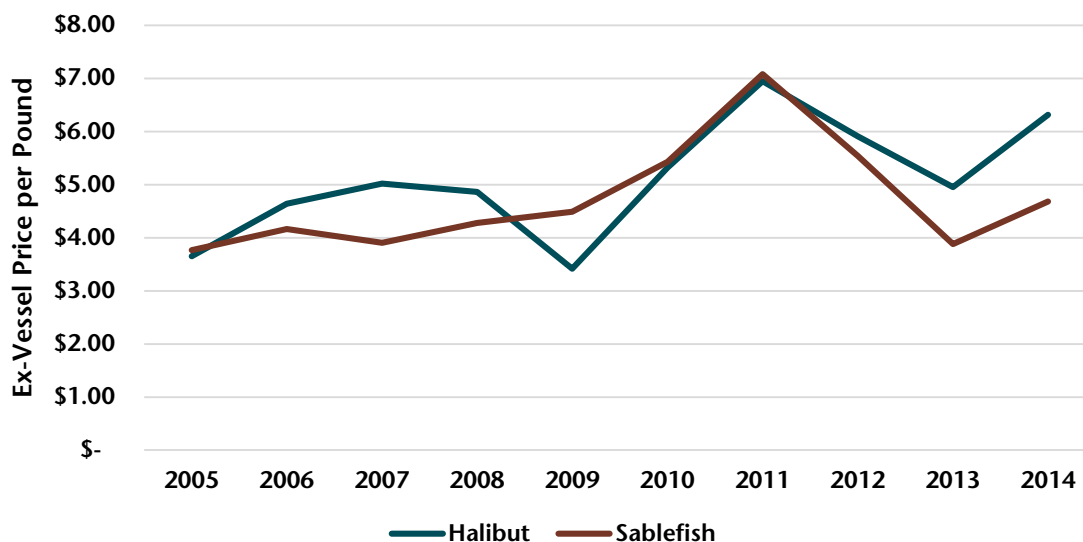
Species	IPHC Management Area	Percent of IFQ Owned by KIB Residents	Quota Owned by KIB Residents (lbs.)	Total Quota (lbs.)
Halibut				
	4B/C/D/E	13%	209,062	1,627,920
	3B	21%	585,227	2,840,000
	4A	18%	156,125	850,000
	3A	16%	1,194,010	7,317,730
	2C	<1%	110	3,318,720
<b>Total</b>		<b>13%</b>	<b>2,144,534</b>	<b>15,954,370</b>
Sablefish				
	Western Gulf	11%	276,872	2,610,246
	Central Gulf	9%	705,593	8,256,227
	Western Yakutat	6%	205,210	3,295,877
	Aleutian Islands	6%	145,588	2,394,196
	Southeast Gulf	1%	53,061	5,941,397
	Bering Sea	1%	14,152	1,181,666
<b>Total</b>		<b>6%</b>	<b>1,400,475</b>	<b>23,679,609</b>

Source: NMFS FAKR Permits and Licenses.



Between 2005 and 2015, average ex-vessel prices for halibut and sablefish increased to historic heights, both peaking at around \$7 a pound in 2011. In 2014, the estimated ex-vessel price for halibut and sablefish was approximately \$6 and \$5 a pound, respectively. Halibut prices vary depending on size with larger fish generating a higher price. Sablefish harvested by trawl typically receive a lower price than those harvested with longlines.

Figure 16. Estimated Real Ex-Vessel Halibut and Sablefish Prices in the Kodiak Area, 2005—2014



Note: Values are inflation adjusted. Includes all gear types.  
Source: ADF&G (COAR).

## Halibut and Sablefish Processing Activity

In 2014, slightly more than 2 million pounds of halibut products (mostly frozen fillets) were produced in KIB, worth \$22 million in first wholesale value. Similarly, nearly 3 million pounds of sablefish products (mostly frozen H&G fish) were produced worth \$17 million in first wholesale value. Kodiak processors tend to produce a higher proportion of frozen halibut and sablefish than other Alaska processors who typically sell fresh to market. This dynamic is likely due to logistics and relatively high volumes.

Table 28. First Wholesale Volume and Value of Halibut and Sablefish Processed in KIB, 2005—2014

Year	Halibut		Sablefish	
	Volume (Million lbs.)	Value (\$Million)	Volume (Million lbs.)	Value (\$Million)
2005	8.1	\$39.8	2.2	\$11.1
2006	6.2	\$33.7	2.3	\$12.3
2007	8.1	\$51.4	2.9	\$15.7
2008	7.6	\$46.7	2.3	\$14.1
2009	6.7	\$34.7	2.3	\$14.5
2010	6.1	\$46.7	2.6	\$19.5
2011	5.8	\$47.7	2.9	\$25.3
2012	6.9	\$35.4	3.3	\$23.2
2013	3.3	\$23.3	3.1	\$17.2
2014	2.4	\$22.1	2.5	\$17.0
10-Year Average	6.1	\$38.2	2.6	\$17.0

Note: Values are inflation adjusted. In 2011, 2012, and 2014, ex-vessel landings and values for halibut or sablefish have exceeded the first wholesale volume and value. Variations in methodology between data sources explain the difference. Source: AKFIN.

# Groundfish

From 2010 to 2014, groundfish landings accounted for an average of 76 percent of all seafood landed in KIB. The majority of groundfish volume consists of pollock, followed by Pacific cod, rockfish and flatfish species. This section details commercial fishing activity and processing activity associated with groundfish harvests.

Harvested primarily by trawl, pot, longline, and jig gear types, groundfish landings and ex-vessel value has nearly doubled in the last decade, with a record 406 million pounds worth \$65 million in ex-vessel value landed in 2014. Preliminary data indicate 2015 landings even higher than 2014 landings.

Figure 17. Annual Ex-Vessel Volume and Value of Groundfish Landed in KIB, 2005—2014



Note: Values are inflation adjusted.  
Source: ADF&G (COAR).

Much of this increase is due to larger TACs for pollock, which make up an average of 55 percent of all groundfish landings. Pacific cod are second at 25 percent, followed by flatfish (13 percent) and rockfish (7 percent).

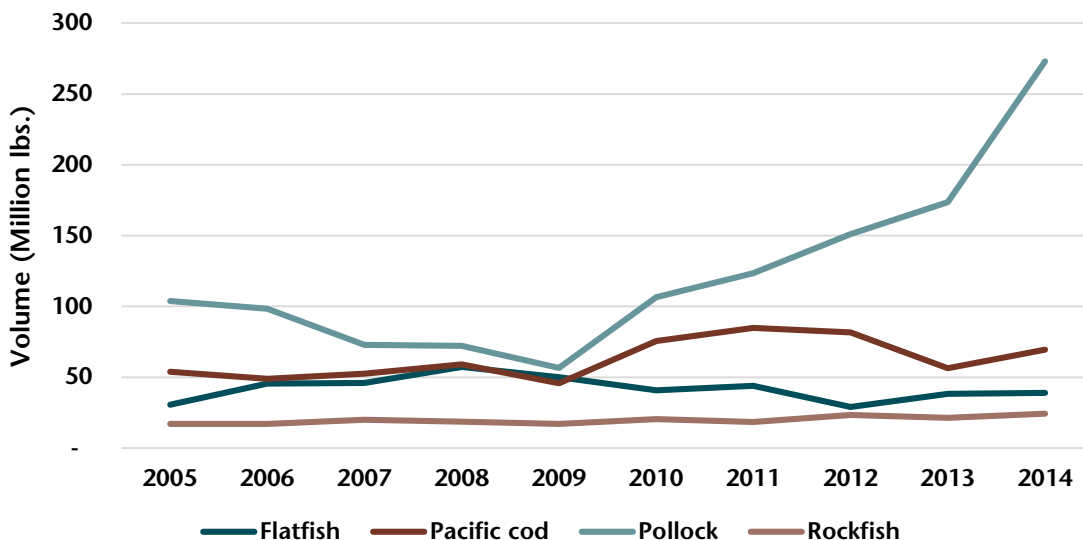
Groundfish harvest falls under a variety of management regimes, from the open access jig fisheries to rationalized American Fisheries Act pollock fishery in the Bering Sea and Central Gulf of Alaska Rockfish Program.<sup>13</sup> In 2014, KIB residents fished 150 permits in state and federal trawl, longline, pot, and jig groundfish fisheries.<sup>14</sup>

As shown in Figure 18, pollock landings nearly tripling since 2005, from 104 million pounds to 273 million pounds in 2014. Landings of other groundfish species remained roughly stable.

<sup>13</sup> The Central Gulf of Alaska Rockfish Program requires 100% of harvested volume from this program to be landed in the City of Kodiak.

<sup>14</sup> CFEC operator cards are used as a proxy.

Figure 18. Annual Ex-Vessel Volume of Groundfish Landed in KIB, by Key Species, 2005—2014

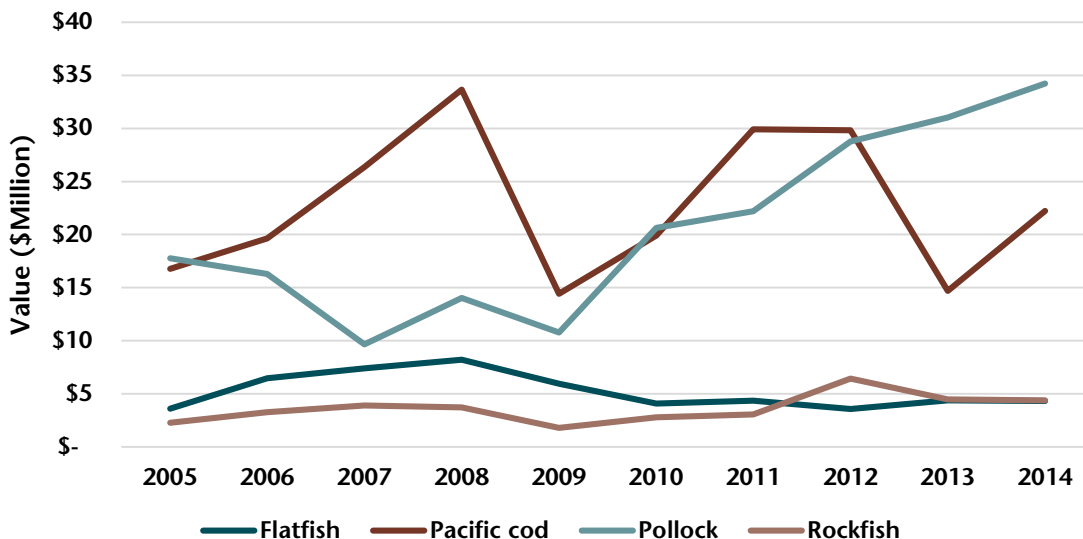


Source: ADF&G (COAR).

As shown in Figure 19, the ex-vessel value of Pacific cod landed in KIB has often surpassed those of pollock. This dynamic has shifted in recent years, as total pollock ex-vessel values have increased, exceeding the total value of Pacific cod in 2013 and 2014.

Over the last ten years, the combined ex-vessel value of all Pacific cod landings in KIB (\$253 million) was higher than those for pollock landings (\$205 million).

Figure 19. Annual Ex-Vessel Value of Groundfish Landed in KIB, by Key Species, 2005—2014



Note: Values are inflation adjusted.  
Source: ADF&G (COAR).

Total groundfish harvests by KIB residents have increased in recent years, with 2014 marking a record 250 million pounds. However, the value of this harvest has not increased at the same rate, with peak values actually occurring in 2008 at \$58 million.

Table 29. Groundfish Species Harvested and Permits Fished by KIB Residents, 2005—2014

	Volume (Million lbs.)	Ex-Vessel Value (\$Million)	Number of Permits Fished
2005	182.3	\$38.7	235
2006	177.2	\$42.2	196
2007	183.1	\$48.6	183
2008	177.7	\$58.1	199
2009	139.2	\$30.7	179
2010	188.9	\$43.6	180
2011	219.0	\$54.0	245
2012	219.6	\$55.1	251
2013	186.2	\$38.0	127
2014	250.1	\$44.9	150
10 Year Average	192.3	\$45.4	195

Note: Includes permits held for all groundfish gear types. Values are inflation adjusted.  
Source: CFEC and ADF&G (COAR).

Prices paid to fishermen for groundfish species are typically among the lowest of all major species in Alaska. In 2014, ex-vessel prices for pollock averaged \$0.13 a pound for pollock, \$0.32 a pound for Pacific cod, \$0.18 a pound for rockfish, and \$0.11 a pound for flatfish (sole/flounder).

Table 30. Average Nominal Ex-Vessel Price per Pound for Key Groundfish Species in KIB, 2005—2014

	Pollock	Pacific Cod	Rockfish	Flatfish
2005	\$0.14	\$0.31	\$0.11	\$0.09
2006	\$0.14	\$0.40	\$0.16	\$0.12
2007	\$0.11	\$0.50	\$0.16	\$0.14
2008	\$0.17	\$0.57	\$0.18	\$0.13
2009	\$0.17	\$0.32	\$0.09	\$0.11
2010	\$0.18	\$0.26	\$0.12	\$0.09
2011	\$0.17	\$0.35	\$0.15	\$0.09
2012	\$0.18	\$0.37	\$0.26	\$0.12
2013	\$0.18	\$0.26	\$0.21	\$0.11
2014	\$0.13	\$0.32	\$0.18	\$0.11

Note: Flatfish category includes Bering flounder, Alaska plaice flounder, arrowtooth flounder, stary flounder, Kamchatka flounder, butter sole, Dover sole, English sole, flathead sole, rex sole, rock sole, sand sole, yellowfin sole, and Greenland turbot. Values are not inflation adjusted.  
Source: ADF&G (COAR).

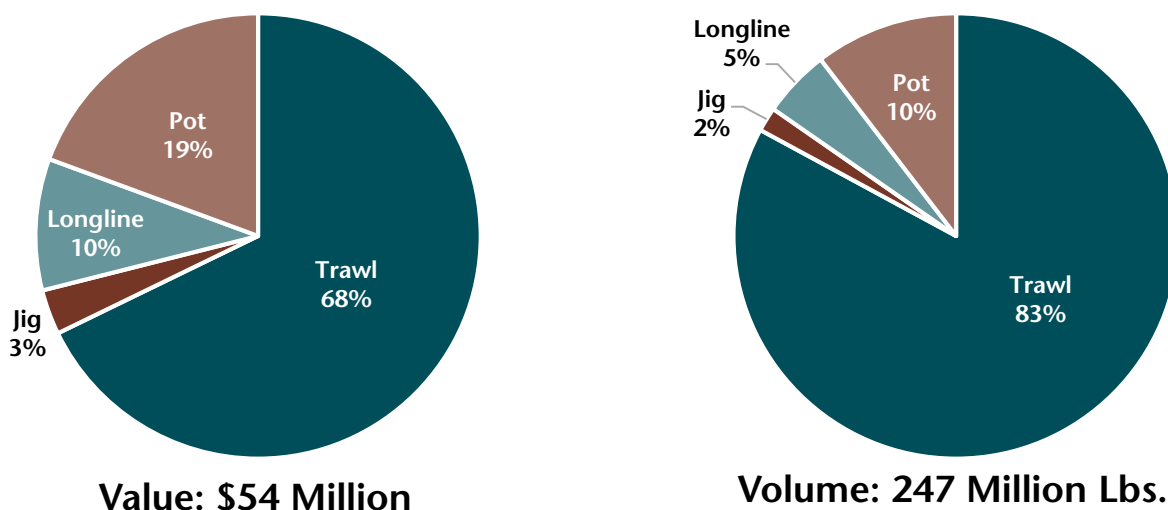
In 2015 and early 2016, fishermen and processors reported catches with a higher proportion of smaller-sized pollock than usual. Because of their abundance, it is a challenge for fishermen to avoid these smaller fish. Processors often divert a substantial portion of deliveries to the local fish meal plant because the smaller fish cannot be efficiently processed. Fishermen typically do not get paid for diverted landings. Recently however, a local processor reports they are developing markets for these smaller fish.

## Groundfish Harvest

Groundfish are harvested by trawl, longline, pot, and jig gear. In a typical year, trawlers harvest the vast majority of groundfish (83 percent), followed by fishermen using pot gear (10 percent), longlines (5 percent), and jig gear (2 percent). The largest trawl landings (by volume) are pollock, followed by cod, flatfish and rockfish. Pot, longline, and jig fishermen typically do not target pollock or flatfish, focusing instead on higher-value groundfish such as Pacific cod and rockfish.

Most trawl landings are pollock, while pot, longline, and jig fishermen typically target higher value groundfish such as Pacific cod and rockfish.

Figure 20. Ex-Vessel Volume and Value of Groundfish Landed in KIB, by Gear Type, Ten Year Average (2005—2014)



Note: Figures have been inflation adjusted.  
Source: ADF&G (COAR).

## Trawl Fleet

The trawl fleet in the KIB is unique in its versatility. Each vessel operates in a variety of groundfish fisheries, with most of the vessels participating in the License Limitation Program (LLP) of the federal Western and Central Gulf of Alaska trawl fleet.<sup>15</sup> Most trawl vessels delivering to the KIB are above 90-feet with three crewmembers and a captain.

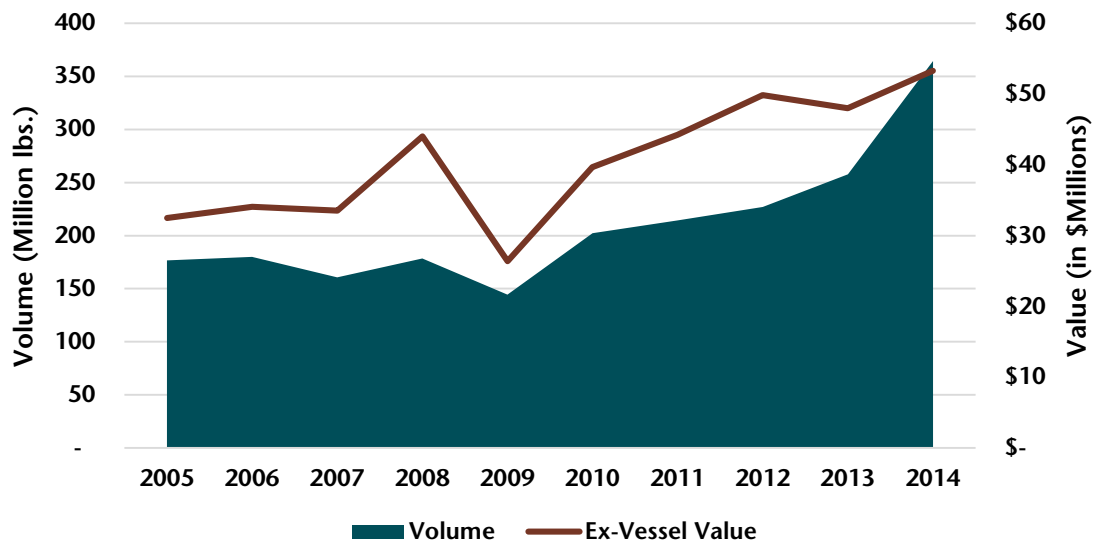
The trawl season generally lasts from January to through October, starting with the pollock A season and Pacific cod, moving into rockfish and flatfish, and finishing with pollock D season and Pacific cod. In the Kodiak area, it is also common for trawl vessels to tender salmon during the summer months. On a typical trawl vessel, it is common to have a skipper and three crew.

<sup>15</sup> According to NPFMC's Fishing Fleet Profiles, 35 total vessels operate in the Western Gulf trawl fleet and 69 operate in the Central Gulf trawl fleet.

In 2014, 49 trawl vessels delivered to the KIB 361 million pounds of groundfish worth \$50 million in ex-vessel value.<sup>16</sup> Roughly three quarters of these landings consisted of pollock, followed by Pacific cod and flatfish (approximately 10 percent each). Rockfish accounted for the remainder (see Table 32). Trawl vessels also harvest a relatively small amount of sablefish. These landings are detailed in the *Halibut and Sablefish* chapter.

It is important to note groundfish is also harvested in the Gulf of Alaska by a small number of catcher-processor vessels. While these landings bypass KIB processors, these vessels do purchase fuel, groceries, and other supplies within the KIB.

Figure 21. Annual Ex-Vessel Volume and Value of Groundfish Landed in KIB, by Trawl Fleet, 2005—2014



Source: ADF&G (COAR).

Table 31. Ex-Vessel Groundfish Landings in Kodiak by Trawl Vessels, by Species, 2014

Species	Ex-Vessel Value (\$Million)	Ex-Vessel Volume (Million lbs.)	Percent of Total Landings
Pollock	\$34.2	272.7	75%
Pacific Cod	\$7.7	28.8	8%
Flatfish	\$4.4	39.1	11%
Rockfish	\$3.6	20.3	6%
<b>Total</b>	<b>\$49.9</b>	<b>360.9</b>	<b>100%</b>

Note: Sablefish landings are not included in these figures.  
Source: ADF&G (COAR).

#### STATEWIDE LANDINGS BY KIB RESIDENTS

In 2014, KIB residents operated 27 permits to access different state and federal trawl fisheries.<sup>17</sup> Because of the relatively small number of KIB residents active in these fisheries, data is limited on ex-vessel volume and value. While publically available data shows gross earnings of approximately \$10 million on 65 million pounds of landings in 2014, McDowell Group estimates actual gross earnings are closer to \$35 million on an unknown

<sup>16</sup> ADF&G (COAR).

<sup>17</sup> CFEC.

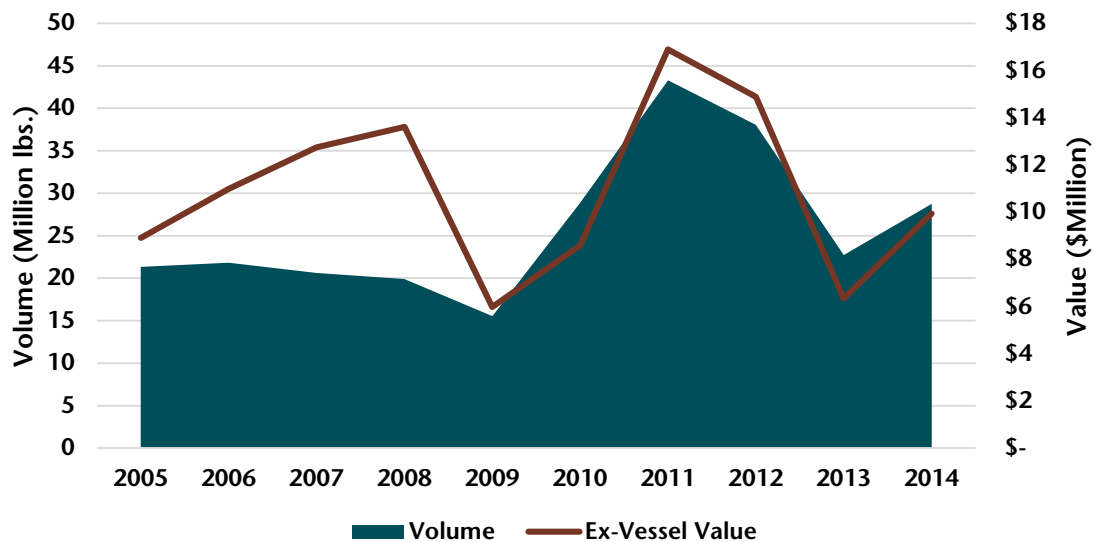
amount of volume based on the average earnings per permit from these fisheries. Most of these earnings come from GOA trawl fisheries, with some residents generating earnings from Bering Sea trawl fisheries.

## Pot Fleet

Pot vessels primarily target Pacific cod, with some rockfish and pollock harvested as well. Including state and federal fisheries, the seasons typically last from January 1st to February/mid-March and September to October/November (and sometimes lasting until December 31<sup>st</sup>). These vessels operate under a non-trawl LLP with the pot gear fleet receiving nearly 28 percent of the Central GOA Pacific cod TAC. In addition, a state-waters fishery for Pacific cod splits its annual Guideline Harvest Level evenly with the pot and jig fleets and opens after the closure of the federal fishery.

In 2014, 38 pot vessels landed 29 million pounds of Pacific cod worth nearly \$10 million in Kodiak. These figures are down from a peak in 2011 when slightly more than 42 million pounds worth roughly \$16 million were landed.<sup>18</sup>

Figure 22. Annual Ex-Vessel Volume and Value of Groundfish Landed in KIB, by Pot Fleet, 2005—2014



Note: Data does not include small amount of confidential data.  
Source: ADF&G (COAR).

### STATEWIDE LANDINGS BY KIB RESIDENTS

In 2014, KIB resident permit holders harvested an estimated 33 million pounds of groundfish (primarily Pacific cod) throughout Alaska with pot gear worth slightly more than \$11 million.<sup>19</sup> These landings include harvesting activities in the GOA and BSAI region.

## Longline Fleet

Longline gear is also utilized for groundfish harvests off the coast of Kodiak, targeting primarily Pacific cod. Many of the vessels that are active in this fleet are under 58-feet, operate with 2-3 crewmembers, are

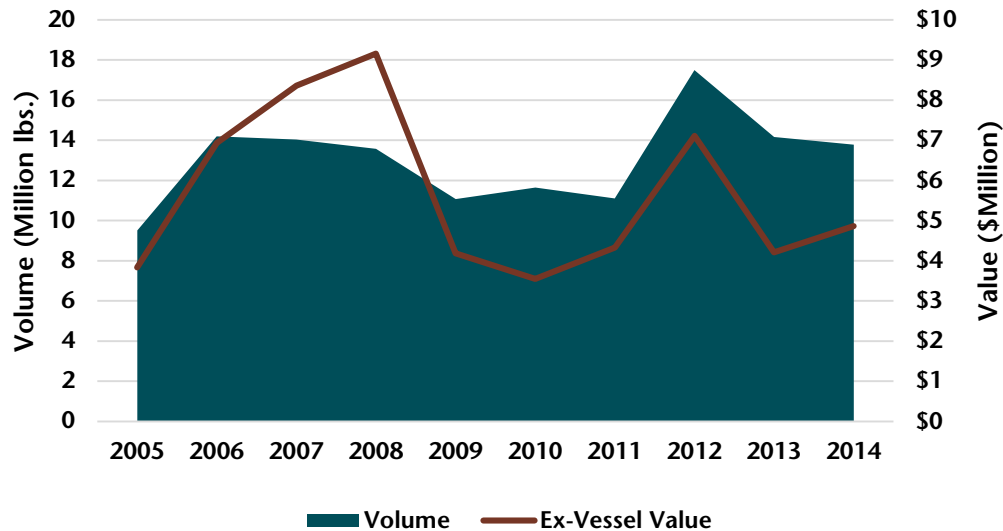
<sup>18</sup> DF&G (COAR)

<sup>19</sup> This estimate is based on data from CFEC on the average harvest volume and gross earnings per permit, by fishery. In contrast to trawl vessel, higher participation by KIB residents results in less data being withheld.



homeported in Kodiak or Southcentral ports, and also fish halibut and sablefish. In 2014, 114 longline vessels delivered 14 million pounds of groundfish to Kodiak, worth \$5 million.

Figure 23. Annual Ex-Vessel Volume and Value of Groundfish Landed in KIB, by Longline Fleet, 2005—2014



Source: ADF&G (COAR).

#### STATEWIDE LANDINGS BY KIB RESIDENTS

In 2014, KIB residents fished 16 longline groundfish permits through the state, earning an estimated \$2 million. This estimate is based on the average gross earnings in Alaska longline groundfish fisheries.

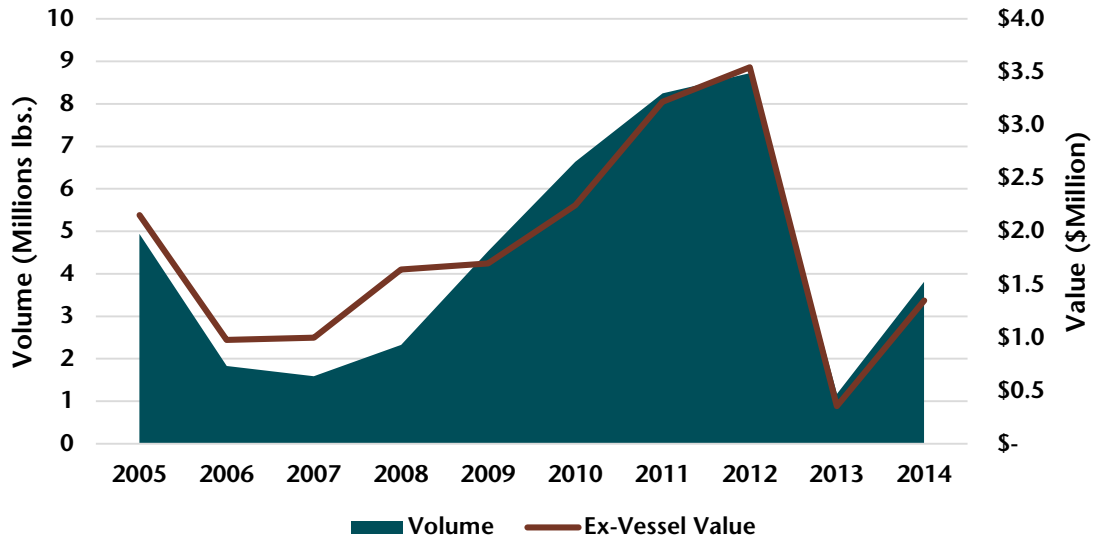
### Jig Fleet

A typical jig operation is a skipper and a crew member. With minimal upfront capital costs, the jig fishery is considered a “stepping stone” fishery into other, more capital-intensive fishing operations. It is also used as a supplemental fishery, with permit holders engaging in other fishing opportunities such as seining.

In 2014, the jig fleet was allocated 1 percent of the federal Pacific cod allocation in the Central Gulf of Alaska region and nearly 2 percent in the Western Gulf of Alaska region. This allocation is floating and increases/decreases based on the prior year’s harvest with a cap of 6 percent. The A season opens in January and closes when quota is reached. The B season begins in June. Many of the jig vessels also participate in the state water jig fisheries, alongside the pot fleet. The majority of the fleet is homeported in Kodiak and a typical vessel is less than 58-feet.

In 2014, 80 vessels landed 4 million pounds of groundfish (primarily Pacific cod) worth slightly more than \$1 million dollars in the KIB. Nearly of these landings came from residents.

Figure 24. Annual Ex-Vessel Volume and Value of Groundfish Landed in KIB, by Jig Fleet, 2005—2014



Source: ADF&G (COAR).

#### STATEWIDE LANDINGS BY KIB RESIDENTS

In 2014, KIB residents harvested 4 million of groundfish (primarily Pacific cod) with jig gear worth approximately \$1 million in 2014. Most harvest volume came from harvesting activity close to Kodiak Island.

Table 32. KIB Resident Groundfish Jig Activity, 2005—2014

	2010	2011	2012	2013	2014
Permits Fished	79	142	135	44	65
Gross Earnings (\$Million)	\$1.6	\$2.7	\$2.7	\$0.5	\$1.3
Volume Harvested (Million lbs.)	5.4	7.8	7.1	1.8	4.2

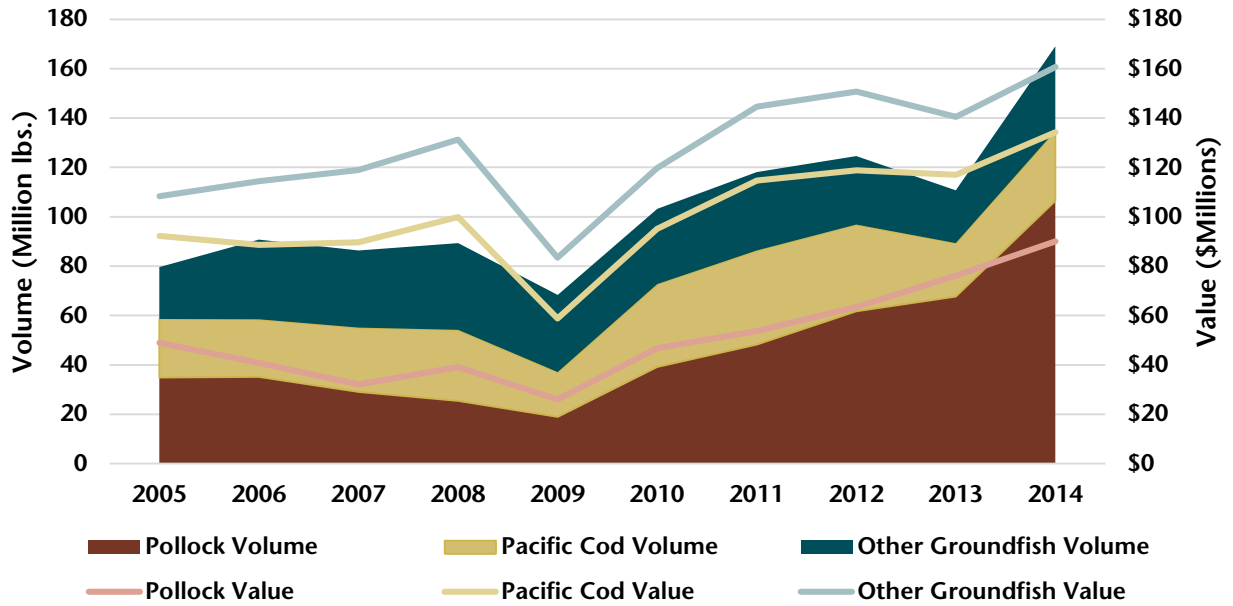
Note: Data from one participant in the dinglebar troll fishery is not included.  
Source: ADF&G (COAR)

## Groundfish Processing Activity

Groundfish processing capacity in the KIB (mainly in the City of Kodiak) increased in the 1980s, partly in response to falling crab landings. Today, KIB’s processing sector handles groundfish landings throughout most of the year, with peak production occurring in the spring and fall. Most groundfish are processed frozen into H&G or other products, including frozen blocks, individual quick frozen and shatter packs, fillets, roe, and surimi. Groundfish waste or species too small for effective processing are turned into fishmeal at the local meal plant. A significant proportion of groundfish undergoes primary processing before being transported to reprocessing facilities located primarily in Asia. After undergoing final processing, the groundfish is exported to its final market.

Pollock quota has substantially increased in the last few years. As a result, KIB processors produced more than triple the amount of pollock products in 2014 compared to 2005. In 2014, 106 million pounds of processed pollock was produced worth \$90 million, 28 million pounds of Pacific cod was produced worth nearly \$44 million, and other groundfish species totaled 34 million pounds worth \$26 million. Other groundfish species include rockfish, sole, and other species.

Figure 25. First Wholesale Volume and Value of Groundfish Processed in Kodiak, 2005—2014

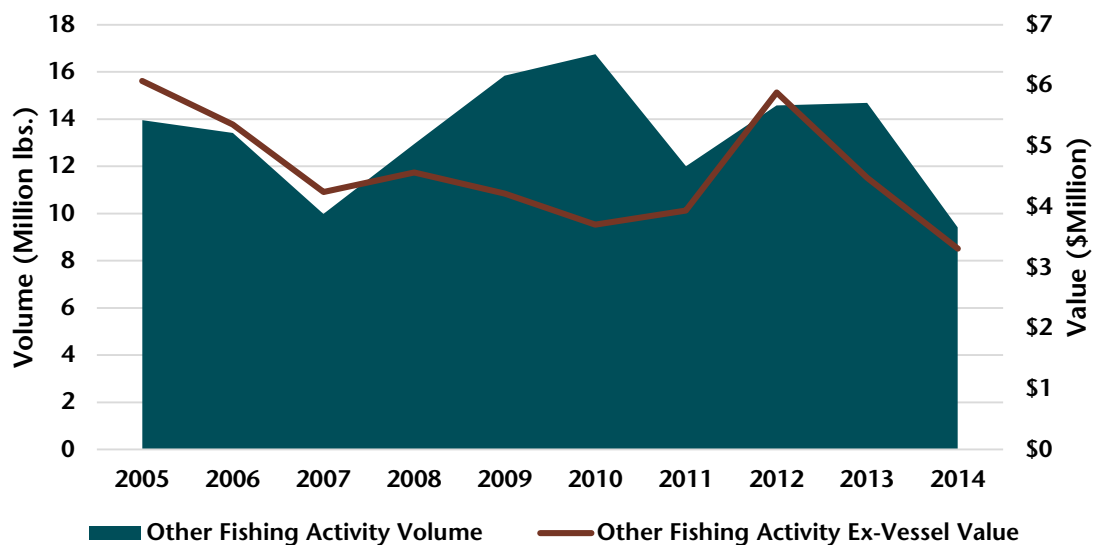


Source: AKFIN.

## Other Seafood

The diversity of Kodiak’s fishing fleet extends beyond groundfish, salmon, halibut, and sablefish. In 2014, 9 million pounds of herring, scallops, sea cucumbers, and other seafood, worth slightly more than \$3 million, was landed in the KIB. These landings make up approximately 2 percent of total ex-vessel value and 2 percent of seafood landings in the KIB. Other species landed in the KIB include lingcod, skates, geoduck clams, sea cucumbers, and octopus.

Figure 26. Annual Ex-Vessel Volume and Value of All Other Species Landed in KIB, 2005—2014



Source: ADF&G (COAR).

### Herring

Nearly 5 million pounds of herring worth \$405,000 was delivered to KIB processors in 2014 by 27 vessels. Herring is harvested primarily by seine with a portion coming from gillnet fisheries. Ex-vessel herring prices have fluctuated substantially in the last few years, with low prices reducing participation.

In 2014, 20 KIB resident permit holders participated Southeast, Kodiak, and Bristol Bay herring fisheries, harvesting nearly 16 million pounds worth slightly more than \$700,000 in ex-vessel value in 2014. Kodiak’s herring seine fleet typically travels to Sitka in the early spring to follow the herring north to Kodiak and on to Bristol Bay.

### Other Fisheries

A number of small fisheries harvesting miscellaneous species accounted for almost 5 million pounds of landings in the KIB worth nearly \$3 million in ex-vessel value. Confidentiality constraints restrict the amount of data available for these fisheries, but it is likely scallops and sea cucumbers make up the majority of value from these species. In 2014, KIB residents generated slightly more than \$2 million from approximately 200,000 pounds harvested in miscellaneous Alaska fisheries.

## **Other Seafood Processing Activity**

Many other species are processed in Kodiak include herring, scallops, sea cucumbers, geoducks, octopus, and other species. Due to the small numbers of processing plants handling these species, data is limited. In 2014, about 3 million pounds of herring was processed in Kodiak, worth approximately \$2 million in first wholesale value. Other shellfish products produced in recent years averaged 500,000 pounds annually.

# Economic Impacts of the Seafood Industry in Kodiak

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The seafood industry impacts the Kodiak Island Borough (KIB) economy in complex and profound ways. In fact, as this analysis reveals, commercial fishing, seafood processing, and related activity in the support sector are the core of the economy. This chapter begins with an overview of how various components of the seafood industry effect the local economy, and how those effects can be measured. Following that, the results of McDowell Group's economic impact analysis are presented.

## Sources of Economic Impact

One way to describe KIB's seafood economy is to consider all of the various local activities required to produce \$325 million in seafood products in KIB. That dollar amount is the total first wholesale value of seafood production in KIB in 2014 and provides a measure of the seafood industry's total direct "output" that year. The key sources of spending and income that are required to generate that output include:

- Payments to commercial fishermen for their catch (paid at ex-vessel prices)
- Payment of wages to seafood processing workers
- Purchases of goods and services required to handle, process, and add value to fish and seafood

In addition to the economic impact with seafood landed and processed in KIB, the impact of the seafood industry also includes the income earned by KIB-based fishermen who fish and sell their catch elsewhere in Alaska, including Bering Sea groundfish and crab fisheries, Bristol Bay salmon fisheries, and other fisheries.

The economic impact of commercial fishing varies from fishery to fishery but generally depends on:

- The residency of boat owners, permit and quota holders, and crew.
  - KIB resident fishermen are more likely to secure a greater portion of their service and supply needs locally than their non-resident fishermen typically secure a smaller portion of their service and supply needs locally.
  - KIB resident fishermen will spend locally more of the personal income they earn by commercial fishing than their non-resident counterparts.

Similarly, the economic impact of seafood processing varies from species to species and product to product, but generally depends on:

- Where seafood processors purchase the supplies, equipment, and services they need to conduct processing operations.
- The residency of processing plant employees, with resident workers spending more of their wages locally than non-resident workers.

Where fishermen and processing workers reside is a particularly important aspect of the economic impact of the seafood industry. In addition to spending more of their seafood-industry generated personal income in the

KIB economy, local residents are more likely be home-owners (paying property taxes), have children in local schools, seek medical care from local providers, and have other forms of socioeconomic impact.

Ultimately, it is the total amount of local spending by fishermen, processing workers, and plant managers that determines the economic impact of commercial fishing and seafood processing. The economic impact of this spending can be described as either “indirect effects” or “induced effects”:

- “Indirect effects” include jobs, income, and other economic activity created by fishermen purchasing supplies, gear, equipment, and services locally in support of their fishing operations. Similarly, local spending by plant managers on various goods and services creates indirect economic activity in Kodiak.
- “Induced effects” are those created by local spending of the personal income generated by the seafood industry. This includes local spending of take-home pay earned by fishermen (boat owners, permit/quota owners, skippers, and crew) and local spending of the wages earned by processing workers. As this personal income is spent in Kodiak, additional jobs and wages are created.

Together, indirect and induced economic impacts are termed “multiplier effects.” Economic impact models provide guidance on the scale of these multiplier effects. IMPLAN is a predictive input-output model of local and state economies, and is widely used in Alaska and across the country to measure the economic impact of industrial and commercial activity. The model provides a means to measure the employment and labor income effects of money as it flows through various sectors of the economy. While IMPLAN includes the framework to generate overall, aggregated measures of the multiplier effects of commercial fishing and seafood processing, the model’s output often produces inaccurate results because it fails to capture the effect of non-resident participation in the industry. As such, IMPLAN nearly always requires some degree of modification to reflect local conditions. For this study, IMPLAN is used to measure multiplier effects at the sub-industry and household level (retail, food services, professional services, etc.), rather than at the whole-industry level.

In this study, the economic impact the seafood industry in the KIB is measured in terms of employment, labor income, and output:

- *Employment* is measured in terms of annualized numbers rather than peak or total participation. Annualizing commercial fishing employment estimates, while understating the number of people that earn income by commercial fishing, allows for “apples-to-apples” comparison to other sectors of the economy.
- *Total participation* is the total number of people earning income from commercial fishing or seafood processing. This number is higher than the annualized employment estimates.
- *Labor income* is a measure of wages, salaries, and net income earned by harvesters, processors, and support sector workers.
- *Output* as defined in this report is a measure of total direct, indirect and induced spending related to seafood industry operations.

A key research challenge in this study was to develop estimates of local spending versus non-local spending for fishermen and processors. KIB resident fishermen meet some of their service, supply and equipment needs

through businesses located outside of KIB and outside of Alaska. Conversely, non-resident fishermen purchase some services and supplies locally (in KIB). The same is true for processors, who meet their service and supply needs through a combination of local and non-local purchases. McDowell Group conducted “key informant” interviews with fisherman and processors, and conducted a formal survey of processors to gather information regarding purchasing patterns and values.

Measures of seafood industry economic impacts presented in this chapter are organized by species, broken out by harvesting and processing activity. Estimates of impacts associated with harvesting activity are based on a variety of data, particularly gross earnings by residency and fishery. For processing-related impacts, KIB processors were asked to allocate expenditures on wages and salaries to species. Additionally, information gathered from interviews with processors was used to inform species-specific impacts.

Estimates were made, by fishery, of the proportion of gross commercial fishing income that stayed in the KIB economy. Local business and fishermen across gear types were interviewed to develop or refine these estimates. Processors provided data on spending in KIB by categories including utilities, fuel, food and food service, professional services, and others.

The results of McDowell Group’s economic impact analysis are summarized in the following tables; economic impacts are aggregated and described for the salmon, groundfish, halibut/sablefish fisheries, and all other fisheries combined. The economic impact of income earned by KIB-based fishermen who fish elsewhere in the state (in Bristol Bay, for example) is described separately.

## Salmon Fisheries

In 2014, salmon with a total ex-vessel value of \$49 million was landed in KIB. Processors more than doubled the value of that salmon, producing a total of \$115 million in first wholesale value. The study team estimated a total direct local impact of approximately \$30 million in 2014 associated with commercial salmon fishing, including income to skippers and crew, and local purchases of goods and services. The direct impact of salmon processing was estimated at \$38 million, including resident payroll and local purchases of goods and services (this estimate of processor purchases does not include payments to fishermen for their fish).

As noted previously in this report, 187 Kodiak seine permits were fished in 2014, including 120 resident permit holders and 67 non-resident permit holders. A total of \$35.1 million in ex-vessel earnings were generated; \$22.9 million by residents and \$12.2 million by non-residents. Assuming three crewmembers per permit, participation in the salmon seine fishery totaled approximately 748 skippers and crew.

The Kodiak salmon setnet fishery had 149 active permit holders in 2014, including 87 residents and 62 non-residents. Residents earned gross income (ex-vessel) of \$6.1 million while non-residents earned \$2.8 million, for a setnet fishery total of \$8.9 million. Assuming one crewmember per permit, total participation in the setnet fishery is estimated at 298, including permit holder and crew.

Processors indicated that approximately 23 percent of labor costs are attributable to salmon. This would suggest that salmon processing accounted for about \$16 million in wages for an annual average of about 400 processing workers. These are a somewhat artificial measures, as processing workers will handle multiple species over the course of their time on the job. Further, salmon processing is highly seasonal, so peak season



participation in processing is well above this hypothetical annual average. At the peak of the summer processing season, there may be 1,500 workers or more engaged in salmon processing, borough-wide, including residents and nonresidents.

The total economic impact of Kodiak area commercial salmon fishing in 2014 is estimated at 342 jobs, \$22 million in labor income, and just under \$40 million in total output. These estimates include all direct, indirect, and induced economic impacts. The estimate of salmon fishing-related jobs is an annualized figure, and is not a measure of total participation in commercial salmon fishing (which would include a total count of permit holders and crew). The annualized employment estimate includes resident permit holders and crew, and the effects of their spending in Kodiak. Only the local spending effects of non-resident permit holders and crew are including in the employment estimate (a non-resident permit holder is not counted in the estimate of total salmon-related employment in KIB).

Salmon processing generated an estimated 664 jobs (annual average), \$37 million in labor income, and \$59 million in output. Salmon processing impacts include activity associated with tendering and processing fishing harvested outside the Kodiak area (such as Prince William Sound seine fisheries). This estimate of processing employment attributable to salmon includes resident and nonresident workers, though with reduced multiplier effects assigned to the non-resident processing workforce.

In total, salmon harvesting and processing in KIB accounted for just over 1,000 jobs (annualized estimates), approximately \$60 million in labor income, and just under \$100 million in total output in 2014, including all multiplier effects.

Table 33. Total KIB Economic Impact of Kodiak Area Salmon Fisheries in 2014  
(including Direct, Indirect, and Induced Impacts)

Category	Employment	Labor Income (\$millions)	Output (\$millions)
Fishing	342	\$22.3	\$39.5
Processing	664	\$37.4	\$58.6
<b>Total</b>	<b>1,006</b>	<b>\$59.7</b>	<b>\$98.0</b>

Note: Employment figures are annualized. Values may not sum due to rounding.  
Source: McDowell Group.

As described above, the total number of people who earn income from salmon fishing and processing is well above this annualized estimate of about 1,000 jobs. Including all resident and non-resident fishermen and processing workers, and workers in the local support sector who benefit from fishermen and processor spending, there are certainly over 3,000 people who derive some amount of income from the salmon fishery.

## Groundfish Fisheries

In 2014, groundfish with a total ex-vessel value of \$65 million was landed in KIB from trawl, longline, pot, and jig fisheries. The first wholesale value of the groundfish processed in KIB totaled \$161 million. Because groundfish make up the majority of landings in the KIB (83 percent in 2014) they play an important role in maintaining a workforce that assists in the viability in processing other, lower volume species.

In 2014, 49 trawl vessels delivered groundfish to KIB processors, along with 114 longline, 80 jig, and 38 pot vessels. This represent an estimated 907 resident and non-resident fishermen, including skippers and crew.<sup>20</sup>

According to KIB processors, approximately 57 percent of total annual processing labor costs in 2014 were attributable to processing groundfish (including 27 percent for pollock, 18 percent for Pacific cod, and 12 percent for rockfish and flatfish combined). This suggests that an annual average of 900 processing jobs and \$40 million in total annual payroll were groundfish-related in 2014. Peak participation in groundfish processing is higher than this annualized estimate. In January and February of 2014, seafood processing employment in KIB averaged 1,850 workers, which is largely attributable to groundfish.

Local spending in support of commercial groundfish harvest (including trawl, longline, pot, and jig) was estimated at \$46 million. An estimated \$81 million was spent in KIB by processors in support of their groundfish processing operations.

The total economic impact in KIB of groundfish fishing in 2014 is estimated at an annualized average of 462 jobs, \$29 million in labor income, and just under \$61 million in total output, including all direct, indirect, and induced economic impacts. Similar to the salmon fishery analysis, the annualized employment estimate includes resident permit holders and crew, and the effects of their spending in Kodiak. Only the local spending effects of non-resident permit holders and crew are including in the employment estimate (a non-resident permit holder is not counted in the estimate of total groundfish-related employment in the KIB).

Groundfish processing generated just under 1,500 total jobs (annual average), \$82 million in labor income, and \$126 million in output in the KIB economy. This estimate of processing-related employment attributable to groundfish includes annualized estimates of resident and non-resident processing workers, though with induced impacts based on reduced multiplier effects from the non-resident processing workforce.

The total economic impact in KIB from groundfish harvesting and processing was measured at just over 1,950 jobs, approximately \$111 million in labor income, and just under \$187 million in total output in 2014, including all multiplier effects.

Table 34. Total KIB Economic Impact of Groundfish Fisheries in 2014  
(including Direct, Indirect, and Induced Impacts)

Category	Employment	Labor Income (\$millions)	Output (\$millions)
Fishing	462	\$29.4	\$60.5
Processing	1,490	\$82.0	\$126.1
<b>Total</b>	<b>1,952</b>	<b>\$111.4</b>	<b>\$186.6</b>

Note: Employment figures are annualized. Values may not sum due to rounding.  
Source: McDowell Group.

Similar to other fisheries, the total number of people who earn income from groundfish harvest and processing is greater than the annualized estimate, including 650 fishermen and as many as 1,800 processing workers. Including all resident and non-resident fishermen and processing workers, and workers in the local support

<sup>20</sup> In addition to a skipper on every vessel, this estimate assumes an average of 3 crewmembers per trawl and pot vessel, 2.5 crewmembers for longline vessels, and 1 crewmember for jig vessels.

sector who benefit from fishermen and processor spending, there may be 3,000 people who derive some amount of income from groundfish (a number similar to the salmon fishery).

## Halibut and Sablefish Fisheries

In 2014, halibut and sablefish with a total ex-vessel value of \$30 million was landed in KIB. The first wholesale value of the halibut and sablefish processed in KIB totaled \$39 million. In 2014, approximately 154 longline and 6 jig vessels delivered halibut to the KIB; 77 longline and 31 trawl vessels delivered sablefish. From this activity, commercial halibut harvesting provided income for an estimated 628 crew and skippers and sablefish harvesting provided income for 432 skipper and crew.<sup>21</sup>

According to KIB processors, halibut and sablefish account for a small percentage of overall processing employment in KIB, at approximately 3 percent. Based on that percentage, approximately 50 jobs (annualized) and \$2 million in wages in the processing sector are attributable to halibut and sablefish.

Local resident and non-resident spending in support of commercial harvest of halibut and sablefish was estimated at \$18 million, with processing related expenditures totaling \$4 million.

The total KIB economic impact of halibut and sablefish harvest in 2014 is estimated at an annualized average of 228 jobs, \$16 million in labor income, and just under \$23 million in total output, including all multiplier effects. Halibut and sablefish processing generated just over 60 total jobs (annual average), \$3.5 million in labor income, and \$4.5 million in output.

The total economic impact in KIB from halibut and sablefish harvesting and processing was measured for just over 290 jobs, approximately \$19 million in labor income, and just under \$28 million in total output in 2014, including all multiplier effects.

Table 35. Total KIB Economic Impact of Halibut and Sablefish Fisheries in 2014  
(including Direct, Indirect, and Induced Impacts)

Category	Employment	Labor Income (\$millions)	Output (\$millions)
Fishing	228	\$15.6	\$22.9
Processing	64	\$3.5	\$4.5
<b>Total</b>	<b>292</b>	<b>\$19.1</b>	<b>\$27.5</b>

Note: Employment figures are annualized. Values may not sum due to rounding.  
Source: McDowell Group.

## Other Fisheries

A variety of other fisheries generate economic activity in KIB, including king crab, herring, and other lower volume and value fisheries. The total combined landed ex-vessel value of these fisheries was roughly \$5.5 million in 2014. The first wholesale value of the harvest was \$11.7 million. Estimated local spending in support of these fisheries totaled \$3.4 million by fishermen and \$3.2 million by processors.

<sup>21</sup> In addition to a skipper on every vessel, this estimate assumes an average of 3 crewmembers per trawl and longline vessel and 1 crewmember per jig vessel.

The aggregate economic impact in KIB of commercial harvest in these other fisheries in 2014 is estimated at an annualized average of 42 jobs, \$2.8 million in labor income, and \$4.4 million in total output, including multiplier effects. Processing of these fish and seafood generated 52 total jobs (annual average), \$2.9 million in labor income, and \$4.1 million in output.

The total economic impact in KIB from harvesting and processing associated with these other fisheries was measured for just over 94 jobs, approximately \$5.7 million in labor income, and just under \$8.5 million in total output in 2014, including all multiplier effects.

Table 36. Total KIB Economic Impact of “Other Fisheries” in 2014  
(including Direct, Indirect, and Induced Impacts)

Category	Employment	Labor Income (\$millions)	Output (\$millions)
Fishing	42	\$2.8	\$4.4
Processing	52	\$2.9	\$4.1
<b>Total</b>	<b>94</b>	<b>\$5.7</b>	<b>\$8.5</b>

Note: Employment figures are annualized. Values may not sum due to rounding.  
Source: McDowell Group.

## External Fisheries

KIB-based fishermen participate in a variety of fisheries in Alaska where their harvest is not sold or processed in KIB. In total, KIB residents harvested an estimated \$44 million in seafood that was not landed and processed in KIB. Bering Sea crab (\$25 million) and Bristol Bay salmon (\$5 million) are the largest external fisheries, based on publically available data. Groundfish fisheries in the BSAI are also likely to contribute heavily to KIB resident earnings, but data is withheld because of relatively low participation. An estimated \$22 million in spending occurred in KIB to support these commercial fishing activities.

The economic impact in 2014 of these “external” fisheries was measured at 275 jobs, \$18.3 million in labor income, and \$28.4 million in total output. These figures include all direct, indirect, and induced effects.

Table 37. Total KIB Economic Impact of “External Fisheries” in 2014  
(including Direct, Indirect, and Induced Impacts)

Category	Employment	Labor Income (\$millions)	Output (\$millions)
Fishing	275	\$18.3	\$28.4
Processing	-	-	-
<b>Total</b>	<b>275</b>	<b>\$18.3</b>	<b>\$28.4</b>

Note: Employment figures are annualized. Values may not sum due to rounding.  
Source: McDowell Group.

## Other Seafood Industry Economic Impacts in Kodiak

The economic impact of the seafood industry includes jobs and income generated by taxes paid by the industry, capital expenditures made by processors on new and upgraded facilities, and by government agencies and non-profit organizations with seafood industry-related missions.

## Processor Capital Expenditures

For the three-year period including 2012 through 2014, seafood processing companies spent a total of \$117 million on capital improvement projects (capex) in KIB. The 2014 KIB capex total was \$60 million. The most important economic benefit associated with this spending is the long-term return on that investment in terms of increased capacity to efficiently process and add value to larger volumes of fish, enhancing KIB's role as a key processing center, as well as drawing in additional taxes (fish and property taxes) to the community.

Not all capex directly impacts the KIB economy. The materials and equipment that often account for a large share of processing facility capex are generally not sourced locally. Further, not all the specialized labor required for equipment installation and other aspects of construction projects can be provided locally. Based on McDowell Group's experience assessing the impact of other facility construction projects in Alaska, the annual economic impacts of processing-related capex are estimated at just under 100 jobs, \$6.5 million in labor income, and \$16 million in output. These are annual averages based on expenditures made during 2012 through 2014.

Table 38. Total KIB Economic Impact of Seafood Processor Capital Expenditures  
(including Direct, Indirect, and Induced Impacts)

	Employment	Labor Income (\$millions)	Output (\$millions)
Total	99	\$6.5	\$16.1

Note: Employment figures are annualized.  
Source: McDowell Group.

## Economic Impacts of Seafood-Related Taxes

The seafood industry is a critical source of tax revenue to support local government operations. Sources of revenue includes severance taxes, property taxes, and shared State fisheries taxes. Each of these taxes is described in more detail below.

### KIB SEVERANCE TAXES

A severance tax is levied on seafood landed in the KIB. The tax is based on the Borough's mill rate, currently at 10.75 mills or 1.075 percent. To calculate the tax payment, the mill rate is multiplied by the ex-vessel value of fish landings.

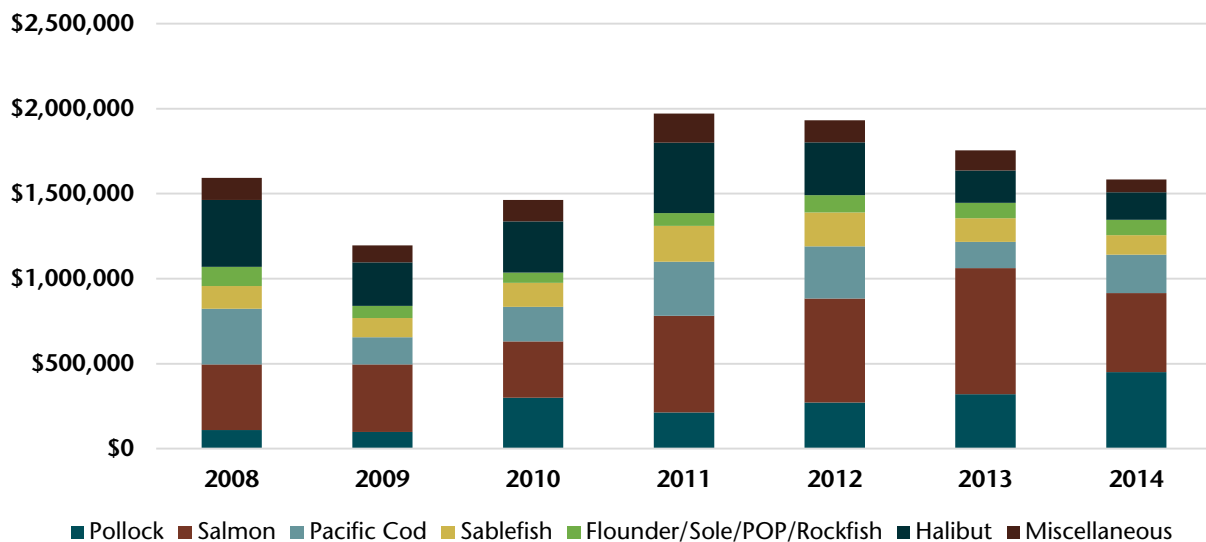
In 2014, severance tax generated \$1.6 million in revenue, including \$465,735 from salmon harvests, \$450,090 from pollock, \$225,750 from Pacific cod, \$161,500 from halibut, \$113,768 from sablefish, \$91,328 from other groundfish, and \$75,961 from other miscellaneous harvests.

From 2008 to 2014, approximately \$11 million in revenue was generated. Over that period, salmon harvesting accounted for slightly more than 30 percent (\$3.5 million) of total tax revenue, halibut about 18 percent (\$2.0 million), pollock slightly more than 15 percent (\$1.7 million), Pacific cod 15 percent (\$1.7 million), and sablefish added approximately 9 percent (\$1.0 million). Flounder, sole, Pacific ocean perch (POP), rockfish, and miscellaneous species accounted for the remaining 13 percent (\$1.4 million).

Over this same six-year period, pollock has increased from just 7 percent of the total in 2008 to 28 percent in 2014. Halibut has trended lower over the same time, falling from 25 percent of the total in 2008 to a low of

10 percent in 2014. Before falling to 29 percent of the total in 2014, salmon contributed a record 42 percent of KIB severance tax revenue in 2013.

Figure 27. KIB Severance Tax Revenue, by Species, 2008—2014



Source: Kodiak Island Borough.

#### PROPERTY TAXES

In 2015, the City of Kodiak’s eight largest processors were all among the top 20 property tax payers in the KIB, with processors taking the top four places. These eight processors had a total assessed value of \$113 million, and at the 12.75 mill rate, accounted for approximately \$1.4 million in tax revenue. With the acquisition of Westward Seafood’s Kodiak facility and investment in a new plant, Trident Seafoods is the largest property tax payer in Kodiak with facilities assessed at approximately \$32 million. Ocean Beauty Seafoods is the second largest with \$28 million in assessed value, and International Seafoods is the third largest with \$17 million in assessed value. Total assessed value of seafood processing facilities in the KIB is anticipated to increase in the near term as a result of investment and periodic adjustments made by the Borough’s Assessing Department.

#### REVENUE SHARING

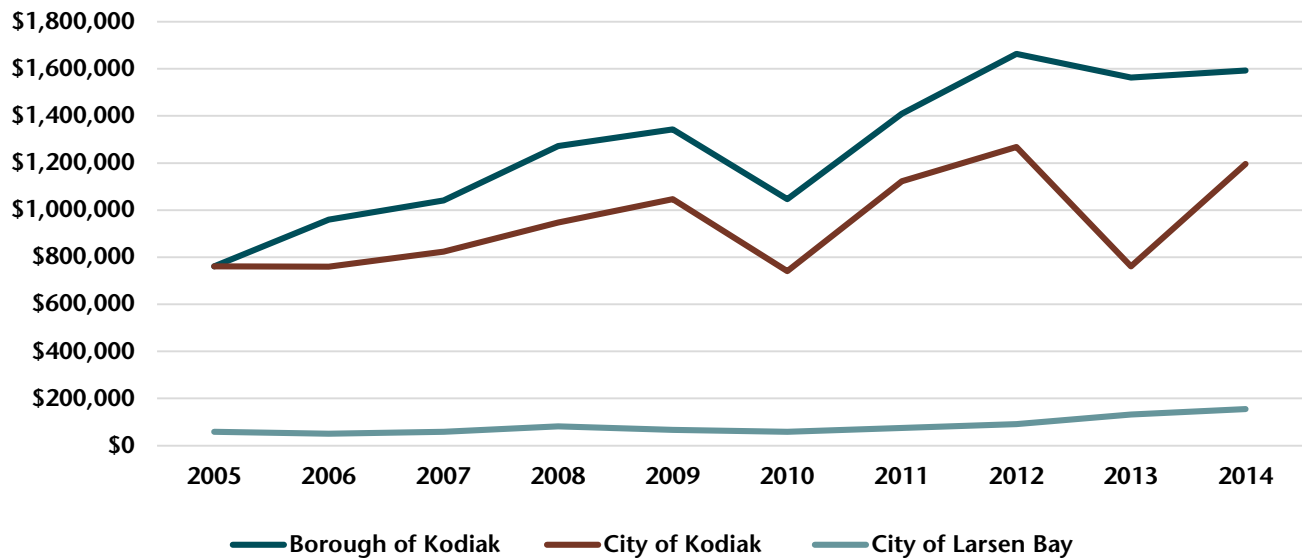
The State of Alaska levies two primary fisheries-related taxes which is shared with the community or borough where seafood is landed or processed.<sup>22</sup> The Fisheries Business Tax is a 1 to 5 percent tax on the ex-vessel value of seafood landed in Alaska, within state waters. The Fisheries Resource Landings Tax is a 1 to 3 percent tax levied on the ex-vessel value of seafood landed outside state waters but moved through Alaska ports for transshipment. Most of this tax revenue is generated from factory trawlers and offshore processors. The Fisheries Business Tax is typically the larger of the two taxes, typically generating over 95 percent of the combined total.

While Old Harbor, Port Lions, Akhiok, and Ouzinkie have received sporadic payments in the past, the KIB, City of Kodiak, and Larsen Bay have generated the most consistent payments over the last ten years, due to

<sup>22</sup> A portion of tax revenue generated by these taxes are transferred to the Alaska Department of Commerce, Community, and Economic Development from the Alaska Department of Revenue for disbursement to Alaska communities. In 2014, \$1,883,694 was transferred with payments made to all KIB communities and the KIB. Payments ranged from slightly more than \$20,000 for smaller villages to nearly \$100,000 for the City of Kodiak and the KIB.

processing capacity located within the boundaries of the respective governments. Payments have trended up over the last ten years. In 2014, KIB received \$1.6 million; City of Kodiak received \$1.2 million; and City of Larsen Bay received approximately \$107,000.

Figure 28. Combined Annual Fisheries Business Tax and Fisheries Resource Landings Tax Revenue Payments Shared with KIB, City of Kodiak, and City of Larsen Bay, 2005—2014



Source: Alaska Department of Commerce, Community, and Economic Development.

#### ECONOMIC IMPACT OF SEAFOOD INDUSTRY-RELATED TAXES

Severance taxes, state (shared) landing taxes, and property taxes together accounted for a total of \$6 million in revenue for local government in 2014. This money supports a variety of local government services and as it circulated through the local economy creates jobs and wages. Based on modeling conducted for purposes of this study, tax-related employment (including all multiplier effects) was estimated at 57 jobs, with \$4 million in total annual labor income. Total tax-related output was estimated at \$9 million. This tax-related economic impact does not include sales taxes paid by fishermen or processors, or property taxes paid by KIB households supported by the seafood industry.

Table 39. Total KIB Economic Impact of Seafood Related Taxes (including Direct, Indirect, and Induced Impacts)

	Employment	Labor Income (\$millions)	Output (\$millions)
Total	57	\$4.4	\$8.8

Note: Employment figures are annualized.  
Source: McDowell Group.

### Economic Impact of Seafood Industry-Related Government Agencies and Non-Profit Organizations

The economic impact of the seafood industry in KIB includes the jobs and wages at various agencies and organizations that pursue a fisheries related mission. This includes the Kodiak Regional Aquaculture Association (KRAA), an important economic contributor from the salmon it produces and the jobs, wages and local spending it directly accounts for.

In 2015, approximately 5.2 million salmon produced by KRAA were harvested, worth an estimated \$4.5 million in ex-vessel value. These hatchery salmon comprised 15 percent of KIB’s pink salmon harvest, 10 percent of the sockeye and coho harvest, and 5 percent of the chum harvest. KRAA operates two hatcheries: Kitoi Bay Hatchery located on Afognak Island, producing the majority of the organization’s annual production of pink, sockeye, chum, and coho salmon; and Pillar Creek Hatchery located on the Kodiak road system, producing king, sockeye, and coho salmon, as well as rainbow trout (which are released for recreational harvest).

KRAA employees about 20 full-time and 20 seasonal employees with an annual payroll of \$1.8 to \$2.0 million. An estimated \$1 million is spent annually in Kodiak by the organization on groceries, maintenance supplies, equipment rentals, and other expenses.

The Alaska Department of Fish and Game has a significant contingent (approximately 100 full-time and seasonal workers) in KIB. Other fisheries-related organizations such as the Kodiak Seafood and Marine Science Center, Kodiak Fisheries Research Center, and National Oceanic and Atmospheric Administration hosts jobs in the KIB and have indirect and induced economic impacts associated with its activities.

The total direct, indirect, and induced impacts of this non-profit and government activity in KIB is estimated at 144 jobs, \$11 million in annual labor income, and \$22 million in total output. This employment figure is an annual average. The total number of workers employed in these activities is higher during the summer when fishing and hatchery operations are at a peak. These estimates do not include the economic impact of the KRAA salmon that are harvested in commercial fisheries.

Table 40. Total KIB Economic Impact of Seafood-Related Government Agencies and Non-Profit Organizations (including Direct, Indirect, and Induced Impacts)

	Employment	Labor Income (\$millions)	Output (\$millions)
Total	144	\$11.2	\$22.1

Note: Employment figures are annualized.  
Source: McDowell Group.



## Summary of Seafood Industry Economic Impacts

In summary, the seafood industry accounted for 3,920 jobs in KIB in 2014, \$236 million in total annual labor income, and \$396 million in total output, including all direct, indirect, and induced effects. The relative importance of this economic activity in the overall KIB economy is described in a following section of this report.

Table 41. Economic Impact of the Seafood Industry in KIB, 2014  
including Direct, Indirect, and Induced Impacts

Category	Employment	Labor Income (\$millions)	Output (\$millions)
<b>Salmon</b>			
Fishing	342	\$22.3	\$39.5
Processing	664	37.4	58.6
<i>Salmon Total</i>	1,006	\$59.7	\$98.0
<b>Groundfish</b>			
Fishing	462	29.4	60.5
Processing	1,490	82.0	126.1
<i>Groundfish Total</i>	1,952	\$111.4	\$186.6
<b>Halibut &amp; Sablefish</b>			
Fishing	228	15.6	22.9
Processing	64	3.5	4.5
<i>Halibut &amp; Sablefish Total</i>	292	\$19.1	\$27.5
<b>Other Fisheries</b>			
Fishing	42	2.8	4.4
Processing	52	2.9	4.1
<i>Other Fisheries Total</i>	94	\$5.7	\$8.5
<b>External Fisheries</b>			
<i>Comm. Fishing Only</i>	275	18.3	28.4
Taxes	57	4.4	8.8
Processing-Related Capital Expenditures	99	6.5	16.1
Government and Non-Profit Organizations	144	11.2	22.1
Total Processing	2,370	132.4	209.5
Total Fishing	1,349	88.3	155.6
Total Other	201	15.6	30.9
<b>Grand Total</b>	<b>3,920</b>	<b>\$236.3</b>	<b>\$395.9</b>

Note: Employment figures are annualized. Values may not sum due to rounding.  
Source: McDowell Group.

## Infrastructure-Related Economic Impacts

Economic impact modeling often does not fully capture the economic importance of industries that are large component of the overall economy. For example, KIB's seafood industry provides economies-of-scale in public services and infrastructure that can reduce costs for all consumers. These and similar benefits are described below.

### Electricity and Water

Seafood processing consumes significant amounts of electricity and water. Seafood processors located in Kodiak City use approximately one-third of all electricity generated by Kodiak Electric Association (KEA) and half of the water treated and collected by the City of Kodiak.<sup>23,24</sup> Electricity and water demand by processors has two peaks per year related to peak fishing periods. The first peak typically occurs in March, primarily as a result of the pollock A and B seasons. Demand tapers in May and June before climbing again in August/September as a result of salmon and pollock harvests.

Peak electrical consumption for processors in the City of Kodiak is approximately 5.0 million kWh per month and the annual low has averaged 1.4 million kWh per month. At the current rate of 13.23 cents per kWh, processors have paid more than \$5 million annually for electricity. Recent investments in capacity have been driven, in-part, by increased seafood processing.<sup>25</sup> Iccle Seafoods' plant in Larsen Bay is connected to the local utility which generates electricity with hydropower and diesel. Ocean Beauty Seafoods' Alitak plant is powered with diesel generators.

Approximately \$60 million has been spent by KEA to upgrade its electrical generation and management systems in recent years. Since 2009, six wind turbines were installed, hydroelectricity generation was expanded, a stand-by battery was purchased, and a flywheel system was developed.<sup>26</sup> These projects were funded primarily by KEA through bonding and grants from the State of Alaska.

From 2013 to 2015, Kodiak processors used an estimated average of 934 million gallons of water per year with monthly consumption averaging nearly 80 million gallons.<sup>27</sup> Peak consumption increases to approximately 140 million gallons per month, and the low is approximately 25 million gallons per month. At the current water rate of \$1.75 per 1,000 gallons, local processors have paid the City of Kodiak slightly more than \$1.6 million annually for the last three years. The city's new treatment plant, built in 2011 and 2012 cost approximately \$6.5 million with most funding originating from the State of Alaska.

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<sup>23</sup> Personal communication, Tina Fairbanks, Executive Director, Kodiak Regional Aquaculture Association, 2/16/2016.

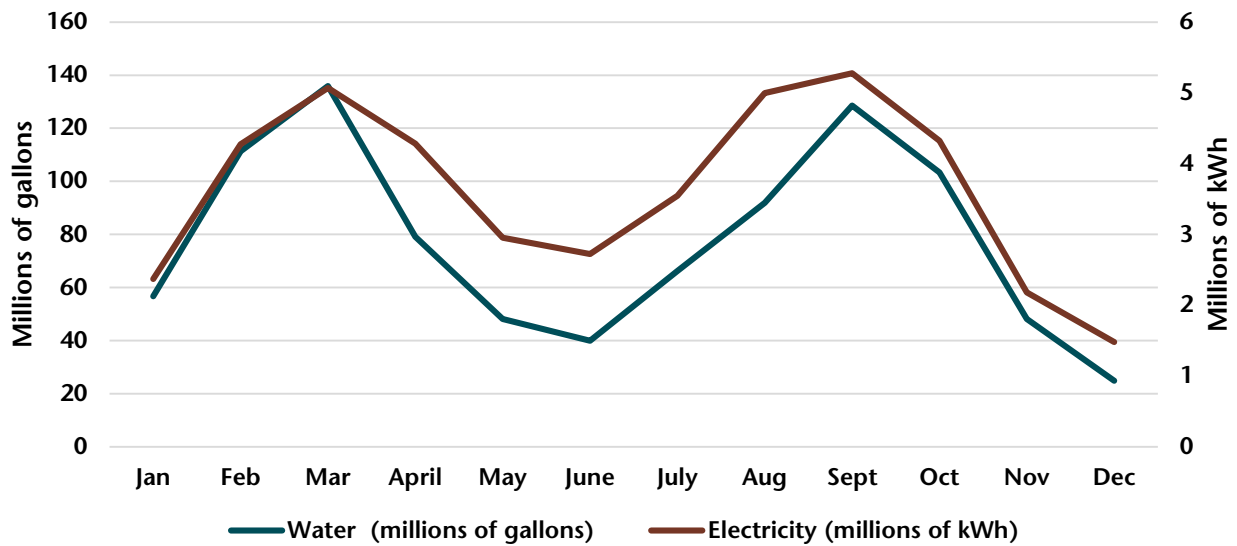
<sup>24</sup> Personal communication, Mark Kozak, City of Kodiak Public Works Director, 2/17/2016.

<sup>25</sup> Personal communication, Darron Scott, President of Kodiak Electric Association, 2/23/2016.

<sup>26</sup> Personal communication, Darron Scott, President of Kodiak Electric Association, 5/9/2016.

<sup>27</sup> Note: Figures on water consumption are for total industrial and commercial water meters, of which processors were estimated to comprise 90 percent of total volume, per Mark Kozak, City of Kodiak Public Works Director. The numbers presented above have been adjusted by McDowell Group.

Figure 29. Three-Year Estimated Average Processor Electricity and Water Consumption, by Month, 2013-2015



Note: City of Kodiak processors are not included.  
Source: Kodiak Electric Association (electricity), City of Kodiak (water).

### Marine Transportation Services

KIB processors use marine shipping as the primary method to transport processed seafood from the region. Samson Tug and Barge, and Matson provide scheduled service, and a number of contract carriers provide one-off or as-needed transportation. Matson operates from the city-owned Pier III, Samson Tug and Barge operates their own facility in Womens Bay, and contract carriers use both public and private facilities. The two processing plants in Alitak and Larsen Bay are served by Samson Tug and Barge, Alaska Marine Lines, and other contract carriers.

Because cargo flows through both private and public shipping facilities, data on shipping volumes are limited. However, the City of Kodiak tracks volume through its facilities, with Pier III providing most of the volume. From 2010 to 2015, total bi-directional volume averaged approximately 277 million pounds annually. A majority of this volume was out-bound processed seafood. It is not possible to estimate how in-bound freight rates would differ in the absence of large volumes of seafood being shipped out of Kodiak, but it is clear that costs for other Kodiak businesses and households would be substantially higher.

Table 42. Total Volume at City of Kodiak Marine Facilities, 2010—2015

Year	Freight (Million lbs.)
2010	297.5
2011	230.4
2012	265.8
2013	258.6
2014	289.3
2015	318.4
2010-2015 Average	276.7

Source: City of Kodiak

## Local Investment in Key Facilities

Recognizing its importance to the local economy, both the KIB and City of Kodiak have made substantial investments in infrastructure and facilities that support the industry. Examples are described below.

### MARINE TRAVEL LIFT

Kodiak has made substantial investment in boat maintenance and repair facilities, including a 660-ton marine Travel lift and development of related uplands for vessel staging and work areas. The \$16 million project includes state and federal funds, but is primarily a local investment. The lift is the largest in Alaska and can handle vessels up to 180-feet long and 42-feet wide. Since beginning operations in 2010, the City's travel lift has served an average of approximately 50 vessels per year. Approximately 85 percent of the vessels using the facilities are local vessels with the remainder coming from Southwest Alaska, Seward, Homer, other Cook Inlet locations, Cordova, and Valdez. In an average year, local trawlers account for 45 percent of haul-outs, other commercial fishing vessels total 40 percent, and non-commercial fishing vessels (such as tugs and freight vessels) equal the remaining 15 percent.<sup>28</sup> This facility plays an important role in keeping commercial fishing-related dollars circulating in the local economy – dollars that would otherwise go to haul-out facilities and service providers local elsewhere in Alaska or Washington.

### DOCK FACILITIES

The City of Kodiak owns a variety of marine facilities which assist the local fishing fleet and attract outside vessels to the community. Most recent improvements or replacements have been funded by a combination of City of Kodiak and State of Alaska monies.

The City of Kodiak owns and operates two marinas: the 250-slip St. Paul Harbor for vessels 24-feet to 60-feet, and the 325-slip St. Herman Harbor for vessels 17-feet to 150-feet. While some of St. Herman Harbor is new, most of it is more than 30-years old. The City of Kodiak is examining options to fund this estimated \$30 million project. The 400-foot, 50-year old Channel Transit Float is slated for replacement, pending funding from the State of Alaska.<sup>29</sup>

Pier I was built in 1965 and functions primarily as the dock for the M/V Tustumena, with some use by fuel barges and other vessels. The city-owned facility is being replaced at a cost of approximately \$14 million, with completion anticipated summer of 2016. Recently upgraded and expanded, Pier II is a multi-purpose dock which serves large government vessels (e.g., the R/V Oscar Dyson and M/V Kennicott), cruise vessels, commercial fishing vessels, and other vessels.

Originally constructed in 1972, the city-owned Pier III handled the majority of incoming and outgoing marine shipments until replacement in 2015. Funded in part by a \$33 million grant from the State of Alaska, the expanded facility allows efficient movement of shipping containers on and off vessels. A new 65-ton gantry crane, which is owned by Matson Inc., doubled the capacity of the facility, and will allow service of larger vessels than previously possible. While the old crane used diesel fuel, the new crane uses electricity, resulting in larger electricity demand. The local electrical utility installed a \$4 million flywheel system to handle the increase, funded by State of Alaska, City of Kodiak, and private sources. Discussions with shipping

<sup>28</sup> Personal Communication, Lon White, City of Kodiak Port and Harbor Director, 3/28/2016.

<sup>29</sup> Personal Communication, Lon White, City of Kodiak Port and Harbor Director, 5/9/2016.

representatives indicate the seafood industry is the main factor resulting in continued investment Kodiak area marine transportation assets.

## Role of the Seafood Industry in the KIB Economy

This study has documented the substantial economic impact of the seafood industry in KIB, as the source of over 3,900 jobs and \$236 million in annual labor income. Placing these jobs and income in perspective requires a basic understanding of the size of the entire KIB economy. Data from the Bureau of Economic Analysis (BEA) several measures of the KIB economy. According to BEA, in 2014, KIB residents had total personal income of \$752 million, with per capita personal income of \$53,792.

KIB resident personal income included \$499 million in earnings including wages and salaries, benefits, and proprietor’s income, transfer payments totaling \$109 million, and a broad category of income described as “dividends, interest, and rent” totaling \$144 million (this is mainly investment income).

Table 43. Earnings by Place of Work, KIB, 2014

Type	Amount
Net Earnings	\$499.1
Dividends, interest, and rent	\$144.1
Personal Transfer Payments	\$109.2
Total Personal Income	\$752.3

Note: Values may not sum due to rounding.  
Source: United States Bureau of Economic Analysis.

With seafood industry-related labor income totaling \$236 million, it is evident that commercial fishing and seafood processing together account for about 30 percent of all personal income in the KIB economy (directly or through multiplier effects). This is an imprecise measure, but serves to illustrate very broadly the relative importance of the seafood industry in the KIB economy. *(Note: the seafood industry dependent population accounts for some of the transfer payments flowing into the KIB economy, through Permanent Fund Dividends, for example. Those transfer payments are not included in seafood industry-related labor income.)*

BEA employment data provide another measure of the relative importance of the seafood industry in the KIB economy. BEA data indicates the KIB economy included 10,235 full and part-time jobs in 2014. This included 7,533 wage and salary jobs, and 2,702 proprietors. Seafood processing workers are counted among the wage and salary jobs, and fishermen are included in the proprietor category. McDowell Group’s estimate of 3,920 seafood industry related jobs in KIB indicates the industry accounted for 38 percent of all KIB employment in 2014.

Another way to consider the role of the seafood industry in the KIB economy is in terms of the borough’s export base and support sector economies. A base (or basic) industry is an industry that provides a good or service to outside market and draws money back in the local economy. The support sector recirculates money already drawn into the economy by basic industry. The seafood industry is, by a wide margin, KIB’s largest basic industry. The U.S. Coast Guard, which of course has a mission closely tied to the commercial fishing industry, is the second largest basic industry, with more than 1,000 active duty and civilian personnel based in Kodiak

and total annual labor income of approximately \$100 million. The visitor industry is another basic industry in KIB, though its role in the local economy is unclear because employment in the industry is not specifically identified in published data sources (visitor industry employment is spread throughout the retail, services and transportation sectors). It is beyond the scope of this study to fully model the KIB economy in terms of its basic and support sectors. However, it is likely that the seafood industry accounts for two-thirds of all basic sector employment and earnings.

## Considerations Regarding the Local Economic Impact of Changes in Seafood Industry Activity

This study describes the important role the seafood industry plays in the KIB economy. It also provides guidance on the potential economic impact of changes in seafood industry activity in the region by quantifying the relationship between harvest volumes and values in 2014, and total labor income generated in Kodiak.

For example, based on 2014 data, for every million pounds of salmon landed and processed in KIB, \$900,000 in total labor income is created in the KIB economy, including all direct, indirect and induced effects. Similarly, for every million dollars paid to fishermen for salmon landed in KIB, a total of \$1.2 million in labor income is created in KIB, including all multiplier effects. At the first wholesale level, for every million dollars of salmon produced in Kodiak, just over half a million in labor income is created (note that the ex-vessel and first wholesale multipliers are not additive).

This analysis indicates that for every million pounds of groundfish landed in KIB, \$270,000 in total labor income is generated. For every million dollars of first wholesale value of groundfish produced in KIB, \$690,000 in total local labor income is generated. These relationships are presented in the following table, along with similar analysis for other fisheries.

Table 44. Harvest Volume and Value Relationships to Total Labor Income in KIB

Fishery	Volume of Landings (Million lbs.)	Ex-vessel Value (\$Million)	First Wholesale Value (\$Million)	Total Labor Income (\$Million)	Volume to Labor Income Multiplier	Ex-vessel Value to Labor Income Multiplier	First Wholesale Value Multiplier
Salmon	66.4	\$48.9	\$115.5	\$59.7	0.90	1.22	0.52
Groundfish	405.6	\$65.2	\$160.7	\$111.4	0.27	1.71	0.69
Halibut & Sablefish	5.5	\$30.1	\$39.1	\$19.1	3.46	0.64	0.49
Other	9.8	\$5.6	\$11.7	\$5.7	0.58	1.02	0.48

Source: McDowell Group.

In interpreting the results of this analysis, it is important recognize that changes in seafood industry employment and labor income may or may not be immediately connected to changes in the volume and value of seafood harvested and processed. Changes in ex-vessel value resulting from higher or lower prices, for example, may not be accompanied quickly by a change in fishing effort. Similarly, a change in the volume of seafood landed and processed in KIB could have immediate processing employment effects, while changes in value might not be reflected in processing employment. Further, the indirect employment and labor income effects associated with an increase or decrease in fishery harvest volume and value would be gradual, potentially occurring over

a several-year period. Multiplier effects unfold over time, over a period of years, as an economy adjusts to changes in basic sector activity.

More detailed research and more complex analysis would be required to understand the economy impacts of shifts in harvests between gear groups, processor consolidation, or changes in harvest volumes for particular species of groundfish. While the economic impact modeling conducted for this study did consider the spending and crewing patterns for each groundfish gear group (for example), processing sector implications are more complex and beyond the scope of this analysis.

In summary, this study answers important questions about the role of the seafood industry in the KIB economy. Accounting for just over 3,900 jobs and \$236 million in annual labor income, the industry provides the foundation for the KIB economy. Changes in fisheries resource management policies or priorities, to the extent that such changes effect the volume and value of fish harvested by local fishermen and processed in KIB, will have a range of direct, indirect and induced economic effects over time. The magnitude of those effects can be broadly predicted with the results of this study.

## Profile of Outlying KIB Communities

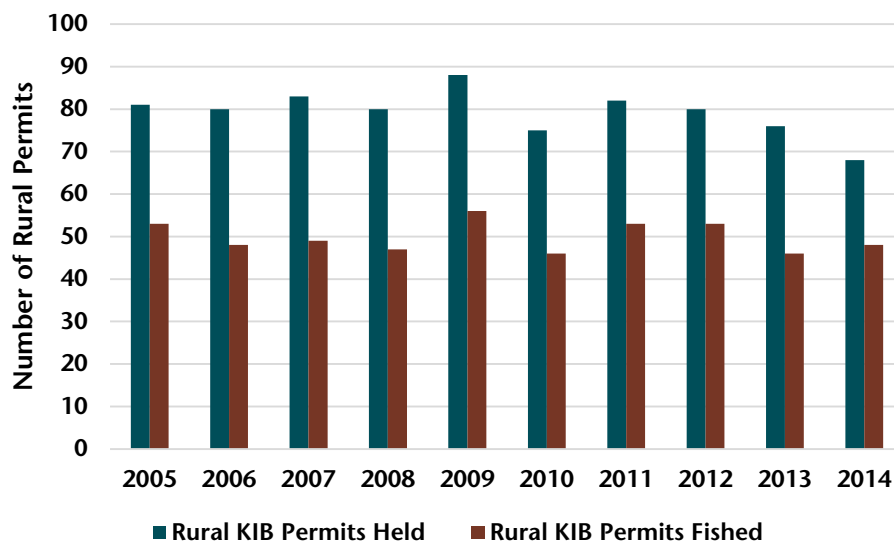
Outside of the City of Kodiak, rural communities include six Alutiiq villages that traditionally rely on a subsistence hunting and fishing lifestyle. Many of these communities have residents which participate in commercial fishing. The total population of these villages in 2014 was 770 residents.

Many rural residents are employed by local government entities, including Tribal Councils, Native corporations, and local Tribal non-profit organizations. Some of the top employers in these rural communities include the regional Native corporation (Koniag, Inc.) and Kodiak Area Native Association (KANA).

While these six villages located in the KIB are not eligible for the BSAI Community Development Quota (CDQ) Program, they are eligible for the Gulf of Alaska Community Quota Entity (CQE) Program, which allows non-profit organizations to form to purchase halibut and sablefish quota on behalf of the community for lease to community residents. Five of these six villages have formed the requisite CQE to participate (Old Harbor, Ouzinkie, Larsen Bay, Port Lions, and Akhiok) and two villages have purchased quota through their CQE: Old Harbor and Ouzinkie.

In 2014, 48 permits were fished in rural Kodiak Island communities, or 11 percent of all permits in KIB. Measured by IFQ and permit ownership, participation has slipped in halibut and sablefish fisheries while remaining relatively steady in salmon and other limited entry fisheries.

Figure 30. Rural KIB Resident Permit Holder Participation, 2005—2014

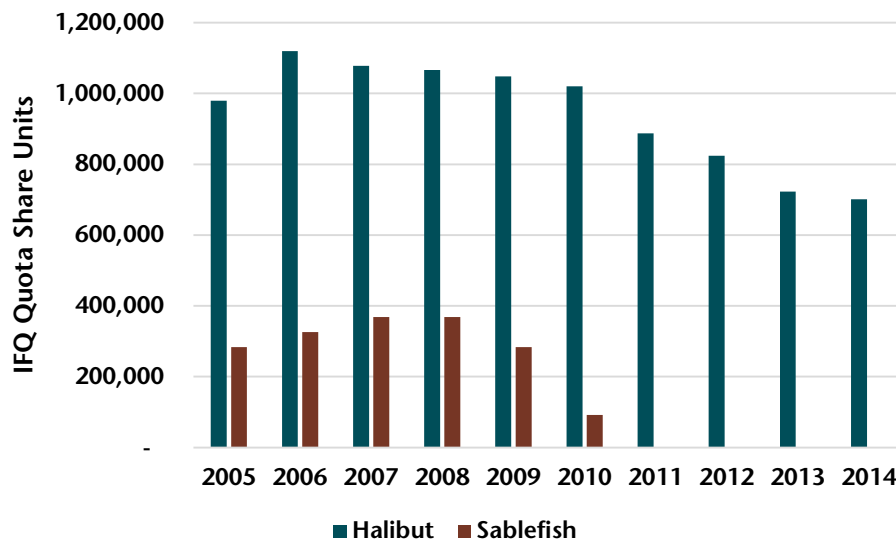


Source: CFEC.



From 2005 to 2014, the amount of halibut residents of rural KIB communities were allowed to harvest fell from more than 150,000 pounds to 31,000 pounds, a result of reduced TACs and a nearly 30 percent reduction in quota share ownership. Over the same period, sablefish quota share ownership declined 100 percent; from 2011 to 2014 no residents of rural KIB communities owned sablefish quota shares.

Figure 31. Rural KIB Resident Halibut and Sablefish IFQ Quota Share Ownership, 2005—2014



Source: AKFIN.

## Akhiok

Akhiok is located on the southern end of Kodiak Island, about 80 miles southwest of the City of Kodiak. Located close to Ocean Beauty’s Alitak plant (which primarily processes salmon), residents fished six salmon and two groundfish permits in 2014. The current population of Akhiok is about 90 people. Total resident wages amounted to \$511,418 in 2014. The largest employers include KANA, Kodiak Island Housing Authority, and the City of Akhiok.

In 2014, there were seven active commercial fishermen, with six fishing for salmon and one fishing for groundfish. There are no IFQ quota shareholders in Akhiok.

Table 45. Akhiok Community Profile and Resident Fishery Participation, 2014

Category	Amount
Total Resident Wages	\$511,418
Median Household Income	\$20,500
Total Population	90
Total Permits Held	6
Total Permits Fished	8
Total Fishery Gross Earnings	\$34,265
Total Fishery Landings (lbs.)	49,332

Note: Total fishery gross earnings and landings are reported from DCC&ED.  
Source: CFEC, DCC&ED, and DOLWD.

## Karluk

Karluk is located on the Karluk River, about 90 miles southwest of the City of Kodiak. The Karluk River was one of the top salmon-producing streams in the 1900s and home to the first canneries in Alaska. Karluk's 39 residents rely heavily on a subsistence lifestyle, with minimal commercial fishing participation. There are several sport fish and hunting lodges operating close to Karluk.

Table 46. Karluk Community Profile and Resident Fishery Participation, 2014

Category	Amount
Total Resident Wages	\$467,622
Median Household Income	\$19,375
Total Population	39
Total Permits Held	0
Total Permits Fished	0
Total Fishery Gross Earnings	0
Total Fishery Landings (lbs.)	0

Source: CFEC Vessel Database, DCC&ED, and DOLWD.

## Larsen Bay

Larsen Bay is located 60 miles southwest of the City of Kodiak, with an estimated population of 85 residents. Total resident wages in 2014 was \$673,857, with top employers being local government, seafood processing, sport fishing lodges, and commercial fishing. Residents fished nine salmon and one groundfish permits in 2014, generating nearly \$500,000. Larsen Bay had a single IFQ halibut shareholder in the last ten years, owning 254 pounds in 2014. Located nearby, Icicle Seafood's plant employs approximately 200 workers each summer, processing salmon and halibut.

Table 47. Larsen Bay Community Profile and Resident Fishery Participation, 2014

Category	Amount
Total Resident Wages	\$673,857
Median Household Income	\$45,750
Total Population	85
Total Permits Held	11
Total Permits Fished	10
Total Fishery Gross Earnings	\$492,164
Total Fishery Landings (lbs.)	1,256,816

Note: Total fishery gross earnings and landings preliminary 2015 numbers reported from DCC&ED.  
Source: CFEC Vessel Database, DCC&ED, and DOLWD.

## Old Harbor

Old Harbor is located on the southeast corner of Kodiak Island, about 70 miles southwest of the City of Kodiak. Its primary industries are local government, tourism, and Old Harbor's Finest (a small-scale seafood processing facility which processes seafood for commercial and sport fishermen). Total wages in 2014 were \$1.3 million.

While its 228 residents largely live a subsistence lifestyle, many residents hold commercial fishing permits or are crew members. Fishing permit ownership has remained relatively stable in the last ten years. In 2014, residents

fished ten salmon, two herring, and two halibut permits. While residents averaged slightly more than 5 million pounds of ex-vessel landings from 2009 to 2013, landings slipped in 2014 to approximately 2 million pounds.

National Marine Fisheries Service (NMFS) implemented its CQE Program in 2005, in an effort to maintain the economic viability of small coastal communities. Throughout Alaska, few villages have participated in the program, but in 2014, Old Harbor's CQE non-profit organization held quota worth slightly less than 7,900 pounds of halibut in area 3B.<sup>30</sup>

While other villages have seen steep decline in halibut IFQ ownership, Old Harbor has been relatively successful at keeping these assets. Between 2005 and 2014, the number of residents owning halibut quota has been stable at seven while the amount of halibut the quota shares represents has fallen from 27,100 pounds to 14,500 pounds. Much of the decline is due to reduced halibut TACs.

Table 48. Old Harbor Community Profile and Resident Fishery Participation, 2014

Category	Amount
Total Resident Wages	\$1,332,361
Median Household Income	\$41,000
Total Population	228
Total Permits Held	18
Total Permits Fished	10
Total Fishery Gross Earnings	\$1,280,479
Total Fishery Landings (in lbs.)	1,995,523

Source: CFEC Vessel Database, DCC&ED, and DOLWD.

## Ouzinkie

Located on the west coast of Spruce Island, the community of Ouzinkie's 172 residents is about 10 miles northwest of the City of Kodiak. It had a population of 172 in 2014. From 2005-2014, the number of resident permit-holders who fished fell from 15 to 9. Ownership of halibut and sablefish IFQ fell as well with the number of resident quota owners slipping from 18 to 7. In 2005, Ouzinkie residents owned quota shares equaled to approximately 92,100 pounds of halibut and 10,500 pounds of sablefish; in 2014, residents owned quota equaled to 9,900 pounds and no resident owned sablefish quota shares.

In 2014, residents fished seven halibut permits, five salmon permits, and one groundfish permit, generating more than \$1 million. Ouzinkie has a dock which can accommodate vessels up to 80 feet in length. In 2014, Ouzinkie's CQE non-profit held quota shares equaled to slightly more than 9,100 pounds of halibut in area 3B.<sup>31</sup>

<sup>30</sup> [http://www.afsc.noaa.gov/REFM/Socioeconomics/Projects/communityprofiles/Old\\_Harbor\\_Profile\\_2000\\_2010.pdf](http://www.afsc.noaa.gov/REFM/Socioeconomics/Projects/communityprofiles/Old_Harbor_Profile_2000_2010.pdf)

<sup>31</sup> [http://www.afsc.noaa.gov/REFM/Socioeconomics/Projects/communityprofiles/Old\\_Harbor\\_Profile\\_2000\\_2010.pdf](http://www.afsc.noaa.gov/REFM/Socioeconomics/Projects/communityprofiles/Old_Harbor_Profile_2000_2010.pdf)

Table 49. Ouzinkie Community Profile and Resident Fishery Participation, 2014

Category	Amount
Total Resident Wages	\$1,792,008
Median Household Income	\$37,857
Total Population	172
Total Permits Held	13
Total Permits Fished	13
Total Fishery Gross Earnings	\$1,479,855
Total Fishery Landings (in lbs.)	1,888,107

Source: CFEC Vessel Database, DCC&ED, and DOLWD.

## Port Lions

Port Lions is located on the north coast of Kodiak Island, about 19 miles west of Kodiak in Settler Cove. In 2014, the population of Port Lions was 174 people.<sup>32</sup> It is accessible only by air and water, with regular flights available to the City of Kodiak. Total resident wages in 2014 for Port Lions were \$1.7 million. In the past, there has been processing activity nearby, most recently aboard a floating processor until 1980.<sup>33</sup>

The number of unique fishermen participating in Alaska fisheries has remained relatively stable from 2005 (12 permits) to 2014 (11 permits). It is common for fishermen to fish multiple permits. In 2005, these residents fished salmon (nine permits), halibut (five permits), crab (three permits), herring (two permits), groundfish (two permits), and shellfish (two permits). In 2014, residents fished for salmon (ten permits), halibut (three permits), herring (one permit), and shellfish (one permit). Port Lions residents landed more than 1 million pounds worth nearly \$1 million in 2014.

Similar to other rural KIB communities, ownership of halibut and sablefish quota has declined between 2005 and 2014. In 2005, 14 Port Lions residents owned quota shares worth 34,500 pounds of halibut and one resident owned 23,800 pounds worth of sablefish quota. By 2014, no residents owned sablefish quota and just seven residents owned quota shares worth 6,200 pounds of halibut.

Table 50. Port Lions Community Profile and Resident Fishery Participation, 2014

Category	Amount
Total Resident Wages	\$1,757,281
Median Household Income	\$60,833
Total Population	174
Total Permits Held	17
Total Permits Fished	11
Total Fishery Gross Earnings	\$837,542
Total Fishery Landings (in lbs.)	1,495,496

Source: CFEC Vessel Database, DCC&ED, and DOLWD.

<sup>32</sup> <https://www.commerce.alaska.gov/dcra/DCRAExternal/community/Details/9d10822b-d342-4af2-9f27-668b0ff75b6b>

<sup>33</sup> [http://www.afsc.noaa.gov/REFM/Socioeconomics/Projects/communityprofiles/Port\\_Lions\\_Profile\\_2000\\_2010.pdf](http://www.afsc.noaa.gov/REFM/Socioeconomics/Projects/communityprofiles/Port_Lions_Profile_2000_2010.pdf)

**CITY OF KODIAK  
RESOLUTION NUMBER 2012-31**

**A JOINT RESOLUTION OF THE COUNCIL OF THE CITY OF KODIAK AND THE KODIAK ISLAND BOROUGH ASSEMBLY SUPPORTING COMMENTS TO THE NORTH PACIFIC FISHERY MANAGEMENT COUNCIL ON PENDING ACTIONS REGARDING COMPREHENSIVE MANAGEMENT OF PROHIBITED SPECIES CATCH BY THE TRAWL FISHERY IN THE CENTRAL GULF OF ALASKA**

WHEREAS, the North Pacific Fishery Management Council is considering the need for and beginning development of a comprehensive program to manage prohibited species catch by the trawl fleet of the central Gulf of Alaska; and

WHEREAS, any such comprehensive management program for fisheries in the central Gulf of Alaska will have major and direct effects on the economy and well-being of residents of the Kodiak region; and

WHEREAS, National Standards of the Magnuson-Stevens Fishery Conservation and Management Act require that federal fishery management decisions take into account the importance of fishery resources to fishing communities, in order to provide for the sustained participation of such communities and minimize adverse economic impacts on such communities; and

WHEREAS, the City of Kodiak and the Kodiak Island Borough represent the communities of the Kodiak region, rather than individual user groups or fishing interests; and

WHEREAS, the City of Kodiak and the Kodiak Island Borough have begun a program to participate directly in public processes for fishery policy decision-making as outlined in Resolution No. 2012-30 of the City of Kodiak.

NOW, THEREFORE BE IT RESOLVED by the Council of the City of Kodiak and the Assembly of the Kodiak Island Borough that these bodies support the Kodiak Fisheries Workgroup's proposed overarching purpose for consideration of fishery management issues of interest and concern to the Kodiak region as follows:

**Overarching Purpose:**

1. Maintain healthy, sustainable resources in the central (and western) Gulf of Alaska.
2. Promote a sustainable, vigorous economy in the Kodiak region with healthy and competitive harvesting and processing sectors and support industries.
3. Maintain quality of life and social well-being in Kodiak.

BE IT FURTHER RESOLVED by the Council of the City of Kodiak and the Assembly of the Kodiak Island Borough that these bodies support the Kodiak Fisheries Workgroup's proposed goals for management programs as follows:

Goals for Management Programs:

1. Provide effective controls of prohibited species catch and other bycatch to provide for balanced and sustainable fisheries and healthy harvesting and processing sectors.
2. Maintain or increase target fishery landings and revenues to Kodiak.
3. Maintain or increase employment opportunities for vessel crews, processing workers, and support industries.
4. Provide increased opportunities for value-added processing.
5. Maintain opportunities for fishermen to enter the fishery.
6. Maintain opportunities for processors to enter the fishery.
7. Minimize adverse economic impacts of consolidation of the harvesting or processing sectors.
8. Maximize active participation by owners of harvesting vessels and fishing privileges.
9. Maintain the economic strength and vitality of Kodiak's working waterfront.
10. Establish methods to measure success and impacts of all programs, including collection and analysis of baseline and after-action data.



CITY OF KODIAK

A handwritten signature in blue ink, appearing to read "Pat Pina", is written over a horizontal line.

MAYOR

ATTEST:

A handwritten signature in blue ink, appearing to read "Debra M...", is written over a horizontal line.

CITY CLERK

Adopted: September 27, 2012

1 Introduced by: Borough Assembly  
2 Requested by: Kodiak Fisheries Workgroup  
3 Drafted by: Borough Clerk  
4 Introduced on: 09/20/2012  
5 Adopted on: 09/20/2012

6 **KODIAK ISLAND BOROUGH**  
7 **RESOLUTION NO. FY2013-10**

8  
9 **A JOINT RESOLUTION OF THE KODIAK ISLAND BOROUGH ASSEMBLY AND THE**  
10 **CITY OF KODIAK COUNCIL SUPPORTING COMMENTS TO THE NORTH PACIFIC**  
11 **FISHERY MANAGEMENT COUNCIL ON PENDING ACTIONS REGARDING**  
12 **COMPREHENSIVE MANAGEMENT OF PROHIBITED SPECIES CATCH (PSC) BY THE**  
13 **TRAWL FISHERY IN THE CENTRAL GULF OF ALASKA**  
14

15 **WHEREAS,** the North Pacific Fishery Management Council is considering the need for  
16 and beginning development of a comprehensive program to manage prohibited species  
17 catch by the trawl fleet of the central Gulf of Alaska; and

18  
19 **WHEREAS,** any such comprehensive management program for fisheries in the central  
20 Gulf of Alaska will have major and direct effects on the economy and well-being of  
21 residents of the Kodiak region; and

22  
23 **WHEREAS,** National Standards of the Magnuson-Stevens Fishery Conservation and  
24 Management Act require that federal fishery management decisions take into account the  
25 importance of fishery resources to fishing communities, in order to provide for the  
26 sustained participation of such communities and minimize adverse economic impacts on  
27 such communities; and

28  
29 **WHEREAS,** the Kodiak Island Borough and the City of Kodiak represent the  
30 communities of the Kodiak region, rather than individual user groups or fishing interests;  
31 and

32  
33 **WHEREAS,** the Kodiak Island Borough and the City of Kodiak have begun a program to  
34 participate directly in public processes for fishery policy decision-making as outlined in  
35 Resolution No. FY2013-09 of the Kodiak Island Borough

36  
37 **NOW, THEREFORE BE IT JOINTLY RESOLVED BY THE KODIAK ISLAND BOROUGH**  
38 **ASSEMBLY AND THE CITY OF KODIAK COUNCIL** that these bodies support the Kodiak  
39 Fisheries Workgroup's proposed overarching purpose for consideration of fishery  
40 management issues of interest and concern to the Kodiak region as follows:

41  
42 **Overarching Purpose:**

- 43 1. Maintain healthy, sustainable resources in the central (and western) Gulf of Alaska.  
44 2. Promote a sustainable, vigorous economy in the Kodiak region with healthy and  
45 competitive harvesting and processing sectors and support industries.  
46 3. Maintain quality of life and social well-being in Kodiak.

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**NOW, THEREFORE BE IT FURTHER JOINTLY RESOLVED BY THE KODIAK ISLAND BOROUGH ASSEMBLY AND THE CITY OF KODIAK COUNCIL** that these bodies support the Kodiak Fisheries Workgroup's proposed goals for management programs as follows:

**Goals for Management Programs:**


1. Provide effective controls of prohibited species catch and other bycatch to provide for balanced and sustainable fisheries and healthy harvesting and processing sectors.
2. Maintain or increase target fishery landings and revenues to Kodiak.
3. Maintain or increase employment opportunities for vessel crews, processing workers, and support industries.
4. Provide increased opportunities for value-added processing.
5. Maintain opportunities for fishermen to enter the fishery.
6. Maintain opportunities for processors to enter the fishery.
7. Minimize adverse economic impacts of consolidation of the harvesting or processing sectors.
8. Maximize active participation by owners of harvesting vessels and fishing privileges.
9. Maintain the economic strength and vitality of Kodiak's working waterfront.
10. Establish methods to measure success and impacts of all programs, including collection and analysis of baseline and after-action data.

**ADOPTED BY THE ASSEMBLY OF THE KODIAK ISLAND BOROUGH  
THIS TWENTIETH DAY OF SEPTEMBER, 2012**

ATTEST:

  
\_\_\_\_\_  
Nova M. Javier, MMC, Borough Clerk

KODIAK ISLAND BOROUGH

  
\_\_\_\_\_  
Jerome M. Selby, Borough Mayor





**Kodiak Island Borough**  
710 Mill Bay Road, Rm. 101  
Kodiak, AK 99615  
907.486.9310



**City of Kodiak**  
710 Mill Bay Road, Rm. 220  
Kodiak, AK 99615  
907.486.8636

May 31, 2016

Chairman Dan Hull  
North Pacific Fishery Management Council  
Anchorage, Alaska  
Submitted electronically by email to: [npfmc.comments@noaa.gov](mailto:npfmc.comments@noaa.gov)

Re: Agenda item C5, Gulf of Alaska Trawl Bycatch Management

Dear Chairman Hull:

The City of Kodiak and Kodiak Island Borough have been active participants in the Gulf Trawl Bycatch Management development process since 2012. At every opportunity, we have shared our perspectives with the North Pacific Fishery Management Council, based on the ten goals identified by the community.

Kodiak municipal leaders consider the community to be a stakeholder with equal weight and importance to all harvesting and processing interests affected by a new trawl management program. The welfare of all stakeholder groups will continue to be our focus as the Council moves forward.

We believe it is imperative to let the Council know that the whole Kodiak Archipelago – the health and strength and culture of the communities – is dependent on fisheries. This community needs to continue to be at the table in the ongoing management of the program, to be a part of how fishery management evolves over time.

We attach here a revised draft of a McDowell economic study commissioned by the City and Borough to gather information and help analyze the economic effects of fisheries on the community. This study provides a baseline profile of the community's direct involvement in the fishing and processing sectors; estimates economic effects on support businesses; catalogues municipal infrastructure and utilities' relationship to the industry, and clarifies the enormous contributions of the seafood and support industries to the community economy.

In addition, the KFWG has sponsored in the last year two community round table discussions, as well as public presentations by industry, NGO, Council, State and academic experts.

NPFMC  
Page 2 of 6  
May 31, 2016

Through joint resolutions, the City and Borough identified ten community goals (attached for your reference), which continue to guide the community in evaluating the proposed management program. Six consecutive KFWG meetings were devoted to discussions of these goals, analyzing how each goal might be furthered by specific elements in the GTBM program alternatives. We invited individual sector representatives to the table, and opened the floor to public dialogue and involvement in the KFWG discussions.

We focused particularly on those proposed program elements that relate to community stability, and noted where community protection aspects were the strongest, as well as where they might be lacking. In short, we are dedicated to understanding and communicating what an eventual management program should include, to ensure the continued economic and social health of the community as a whole.

**We respectfully submit the following comments:**

**We support creating a universal community stability element** (such as Element 8 of Alternative 2), and analyzing: 1) consolidation limits, 2) target species regional delivery requirements and 3) active participation criteria, for inclusion in all the alternatives as applicable. These elements deal with many of the key community goals and concerns; we provide more detail as to their importance in subsequent comment sections.

**Regarding Community Goal #1:**

**Program element: 100% observer coverage**

We agree that 100% monitoring is an essential part of a bycatch management program, and should be an objective. We support further Council analysis of: 1) the effectiveness of 100% observers, and 2) the cost to the trawl fleet.

In addition, we support further investigation of electronic monitoring, and how it could provide enhanced and improved observation.

**Healthy harvesting and processing sectors**

We support cooperative management as a mechanism to control bycatch. We recognize the need to end the race for fish.

Last year's trawl fishery closure as a result of bycatch exceeding PSC hard caps placed on a traditional non-rationalized fishery resulted in substantial losses to processors and their employees, fishermen and their crews, and support businesses. The continued race for fish could result in less than optimum harvest of the target groundfish species. The ideal is optimum yield, but with maximum participation. Also, fish coming across the dock in an orderly fashion would contribute to better product quality, and allow opportunities for adding value.

We believe that to maintain economic benefits to the community the regulatory structure must be efficient, and result in a functional fishery.

**Program element: Salmon and/or halibut bycatch cap reduction**

NPFMC  
Page 3 of 6  
May 31, 2016

We agree that bycatch reduction is one of the goals of the program, and believe it should be based on good science. We encourage continuing government and industry research on bycatch species and innovations in bycatch avoidance technology. We also support the use of incentives for bycatch reduction, as well as penalties for not achieving goals.

**Regarding Community Goal #2:**

**Program element: Regional and/or port delivery requirements based on historical landings.**

As indicated above, we strongly support the inclusion in the program of regional (Kodiak Archipelago) and/or port delivery requirements based on historical landings, as one of the key provisions to maintain or increase target fishery landings and revenues.

The economic study commissioned by the community confirms the dependence of Kodiak on the harvesting and processing of groundfish (as well as other species). The community has made a large investment in physical infrastructure to support the seafood industry, and the water and electrical infrastructure is predicated on its continued use by the processing sector.

From page 3 of the study:

- Seafood processors use approximately one-third of all electricity and half of water consumed in the City of Kodiak and surrounding area.
- The Kodiak Electric Association has invested approximately \$60 million in its electrical generation and management systems in recent years.
- More than \$36.5 million was spent upgrading the City-owned Pier III. A new crane owned and contributed by Matson Inc. for \$10 million expanded the capacity of the facility, allowing it to handle larger vessels.
- The city-owned Kodiak Shipyard offers the largest Travelift in Alaska, a wash-down pad, electricity, and equipment rental. Costing approximately \$18 million, the facility has hauled about 50 vessels per year since it opened in 2009.
- \$11.6 million was spent upgrading the City-owned Monashka Bay Pump Station and Shelikof Street Lift Station.

**Regarding Community Goals #3 and #7:**

These community goals are closely related; consolidation of harvester ownership and use, and processing, is tied to employment levels in both sectors.

**Program element: Harvester ownership and use caps**

We believe that higher levels of harvester consolidation would mean fewer vessels, fewer crews, reduced need for support services and businesses, and would have negative effects on the community. The group supports caps on harvester ownership and use, but expects that continued analysis will be useful in determining what level of caps is appropriate.

NPFMC  
Page 4 of 6  
May 31, 2016

From page 5 of the study:

- Including direct, indirect and induced impacts, commercial fishing accounted for annual equivalent of approximately 1,350 annualized jobs and \$88 million in labor income in the KIB (Kodiak Island Borough) in 2014. Economic output (total expenditures in the KIB) totaled \$156 million. This includes local economic impacts associated with the ex-vessel value of fish landed in the KIB, plus the economic impact of resident fishermen earning income from “external” fisheries such as the Bristol Bay salmon fishery.
- For every million pounds of groundfish landed in the KIB, \$270,000 in total labor income is generated.

We recognize the importance of independent fishermen, and the need for a mix of LLP and vessel ownership. The vitality of the community is based on the continued existence of small independent fishermen. We have concern that some harvesters may not be able to continue to operate with smaller amounts of quota and increased costs, and lower caps may negatively impact those fishermen.

We are also concerned about increasing numbers of vessels/LLP’s owned by processors, and what effects that pattern might have on the fishery and the community. We request more information in the analysis on processor ownership of LLP’s, and the effects of vertical consolidation.

#### **Program element: Processing caps**

We agree that more processor consolidation could mean fewer processing worker jobs, and reduced economic activity in the community. We are concerned that the current level of consolidation, in combination with processor automation, may already be having a negative effect on the processing workforce and the community economy.

From page 5 in the study:

- Seafood processing in the KIB accounted for a total of 2,370 annualized jobs and \$132 million in labor income in 2014, including all direct, indirect and induced effects.
- In total, in 2014 the seafood industry accounted for 3,920 jobs in the KIB, \$236 million in total annual labor income, and \$396 million in total output, including all multiplier effects.
- With seafood industry-related labor income totaling \$236 million, commercial fishing and seafood processing together accounted for about 30 percent of all personal income in the KIB economy in 2014 (directly or through multiplier effects).

The table on page 6 summarizes economic impacts from both harvesting and processing.

We support processing caps, but recognize that limiting consolidation too severely could force inefficiencies. The economic realities and efficiencies realized from consolidation must be balanced against the benefit to the community of retaining both vessels and processing facilities. We support further analysis of this balance.

NPFMC  
Page 5 of 6  
May 31, 2016

We support further analysis on the economic effects of grandfathering in of those harvesters and processors with history above whatever caps are chosen.

**Regarding Community Goal #4:**

We support the goal of obtaining more value from the fish brought across the dock, specifically through value-added products made in local processing plants. While this is a worthwhile goal, the decision to process value-added products is an individual business decision and dependent on world markets and production costs.

The group supports government and industry research into value-added processing.

**Regarding Community Goal #5:**

We agree that entry opportunities are important to the sustained growth of the community and should be encouraged by program provisions; any alternative chosen should include entry as well as exit opportunities.

We recognize the concern that a catch share program for target species would add to the economic hurdle to gain entry to the fishery. Also, the concern that trawl fisheries in the Gulf, because of the already substantial capital needed to begin, may not ever be entry-level fisheries. We request continued analysis to determine how much the value of LLP's would increase as a result of a target species catch share program.

We support analysis of an additional concept of quota being held by a community trust, in order to facilitate new entrant opportunities, based on the need for community sustainability.

Such a concept may have the potential to stop the race for fish and accomplish the goal of bycatch reduction without a quota ownership program. Quota in a community trust could be managed and administered by the industry, with community and NMFS participation. Quota would not be subject to lease fees, and could be allocated to harvesters, both current and new. The quota could be allocated on a two or three-year basis for stability, and allocation could be based on historical catch levels, with a certain percentage reserved to facilitate new entry.

We would like the analysis to explore whether this concept might get over the hurdle of private ownership of a public resource that has been a major concern of the public and the non-trawl sector, while providing benefits to the community.

The analysis could also include the concept of access to the resource based on a set of criteria, including experience as a skipper or crewman, and dependence on Gulf fisheries.

We also support analysis of the lack of opportunities for outlying rural community residents to participate in a history-based quota program without having been able to build a history of participation.

**Regarding Community Goal #6:**

We support a management program having no barriers to the entry of new processors, because an adequate number of processors is needed for harvesting stability, and the number of processors in part determines the number of processing workers.

NPFMC  
Page 6 of 6  
May 31, 2016

**Regarding Community goal #9:**

Maintaining the economic strength and vitality of Kodiak's working waterfront is an overall goal of the community. The consideration of any new program should include analyzing the impacts of new groundfish management action on other fisheries in Kodiak. Salmon fishing and processing is also very important to the community. Kodiak has a diverse and multi-species fishing industry, and all the fisheries are interdependent – which is both a benefit and a challenge.

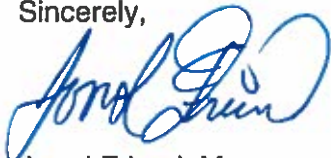
**Regarding Community Goal #10:**

We believe that any program should include optimum data collection to develop understanding of the impacts of a management program so adjustments can be made as needed. If the data mandated for collection is insufficient, change should be considered.

Thank you for your consideration of our comments and requests for additional analysis. We hope you enjoy your stay in Kodiak, and the activities planned for your visit. The community is anticipating this Council meeting will reinforce your understanding of the diversity of fisheries that are the lifeblood of Kodiak; we expect you will hear a wide range of opinions.

Finally, as community leaders representing the City of Kodiak and the Kodiak Island Borough, we remain focused on achieving the best for the whole community. We fully recognize that your decisions on Gulf Trawl Bycatch Management will have lasting, multi-generational impacts on our entire community.

Sincerely,



Jerrol Friend, Mayor  
Kodiak Island Borough



Pat Branson, Mayor  
City of Kodiak

Attached:

McDowell Economic Study  
KIB and City Resolutions



NPFMC comments - NOAA Service Account &lt;npfmc.comments@noaa.gov&gt;

---

**bycatch**

1 message

George Kirk &lt;fvphantom2@gmail.com&gt;

Mon, May 16, 2016 at 6:59 AM

To: npfmc.comments@noaa.gov

the goa draggers need to be more responsible for the amount of bycatch that's going on on, 100% observed catches at least for a year or so would be the only way to get real good scientific evidence of whats being caught and dumped, the best science available is not an accurate accounting, it is not cost prohibitive, lets see what the catches really are. and than make good sound responable decisions, theres to much at stake to continue staus quo. process workers will have evan more work because of halibut and tanner crab rebounding. thank you for reading this, George kirk, kodiak

**KODIAK ARCHIPELAGO RURAL REGIONAL LEADERSHIP FORUM**

3137 MILL BAY ROAD  
KODIAK, ALASKA 99615  
907-299-6185

[kodiakruralleadershipforum@gmail.com](mailto:kodiakruralleadershipforum@gmail.com)

**A resolution requesting 100% observer coverage on trawl vessels, salmon and halibut by catch reductions, and effective community protections as part of any Gulf of Alaska Trawl Bycatch Management program.**

**WHEREAS**, the Kodiak Archipelago Rural Regional Leadership Forum is a consortium of tribal, municipal, Alaska native corporation and other leaders from the coastal communities of Akhiok, Larsen Bay, Old Harbor, Ouzinkie and Port Lions; and

**WHEREAS**, sustainable fisheries form the economic basis and cultural foundation of our fishery dependent coastal communities in the Gulf of Alaska; and

**WHEREAS**, the North Pacific Fishery Management Council (NPFMC), is currently considering a bycatch management program for the Gulf of Alaska groundfish trawl fisheries that proposes a range of alternatives; and

**WHEREAS**, alternatives within the proposed Gulf of Alaska Trawl Bycatch Management program provide for the reduction of halibut and Chinook salmon captured and discarded by the trawl fisheries as bycatch, for 100% observer coverage of the trawl fleet when prosecuting groundfish fisheries and for the development of a Community Fishing Association; and

**WHEREAS**, incremental reductions of halibut and Chinook salmon bycatch by the Gulf of Alaska trawl fleet will help to restore critically limited local Chinook salmon stocks and substantially depleted Gulf of Alaska halibut stocks and 100% observer coverage will provide accurate and reliable information about the magnitude, location and frequency of halibut and Chinook salmon bycatch and a Community Fishing Association will enable fishery dependent coastal communities to encourage and sustain local resident fishermen; and

**WHEREAS**, a Gulf of Alaska catch share program will define access to the resource for the foreseeable future and thus shape rural communities' opportunities to participate in GOA trawl fisheries; and

**WHEREAS**, no significant catch share program adopted by any Regional Fishery Management Council anywhere in the United States has been substantially altered or changed in the allocation of quota once the program is adopted; and

**WHEREAS**, Kodiak's experience with Alaska catch share programs has resulted in significant harm to Kodiak and the island's rural coastal communities. These harms include the loss of access to local halibut and sablefish fisheries, the reduction of crew jobs and vessel support services caused by excessive consolidation, and the ebbing of community engagement and support as large quota shareholders leave the community; and



*Kodiak Archipelago Rural Regional Leadership Forum  
Resolution to the North Pacific Management Council- May 2016*

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**WHEREAS**, negative impacts from a Gulf of Alaska trawl bycatch management program that implements catch shares can be mitigated by bycatch reductions, 100% observer coverage and providing quota to a Community Fishing Association; and

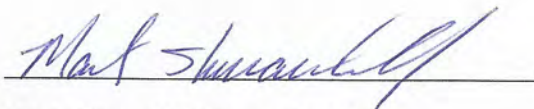
**THEREFORE BE IT RESOLVED** that the State of Alaska and the North Pacific Fisheries Management Council carefully consider whether or not a Gulf of Alaska trawl groundfish catch share program is needed, consider 100% observer coverage for 3 years and additional bycatch information before implementing a Gulf of Alaska trawl groundfish catch share program;

**BE IT FURTHER RESOLVED THAT** If the State of Alaska and the North Pacific Fisheries Management deem it necessary to develop a Gulf of Alaska trawl groundfish catch share program, **Kodiak Island's rural communities unanimously and steadfastly request** that the NPFMC design any Gulf of Alaska trawl bycatch program so that it reduces the halibut and Chinook salmon bycatch allocated to Gulf of Alaska trawl fishery, requires 100% observer coverage of all trawl vessels when fishing for Gulf of Alaska groundfish and allocates quota to a Gulf of Alaska Community Fishing Association;

**BE IT FURTHER RESOLVED** that the NPFMC ensure that the Gulf of Alaska trawl bycatch management program adopted by the Council include clear provisions for the Council to review the program and re-allocate Gulf of Alaska groundfish based on criteria other than historical catch, including the redistribution of Gulf of Alaska groundfish quota based on fishery dependent community's economic, historic and cultural relationship with adjacent marine resources.

*PASSED AND ADOPTED by the Kodiak Archipelago Rural Regional Leadership Forum by the 42 community leaders present from Akhiok, Larsen Bay, Old Harbor, Ouzinkie and Port Lions on May 20, 2016.*

IN WITNESS THERETO:



Marty Shuravloff, Executive Director



NPFMC comments - NOAA Service Account &lt;npfmc.comments@noaa.gov&gt;

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## Gulf of Alaska Bycatch

1 message

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Matt Kopec <fishtoomuch2002@yahoo.com>

Sat, May 28, 2016 at 6:26 AM

Reply-To: Matt Kopec <fishtoomuch2002@yahoo.com>

To: "npfmc.comments@noaa.gov" <npfmc.comments@noaa.gov>

Dan Hull, Chairman  
NPFMC  
605 W. 4th Ave. Suite 306  
Anchorage, AK 99501

Chairman Hull and members of the Council,

I'm writing this letter in an effort to convey extreme frustration with the current levels of bycatch and waste allowed in the Gulf of Alaska and other areas. While such waste should be minimized at any time, it is especially appalling while other resource users, such as myself, are taking large harvest reductions. These cutbacks are angering the public and putting my 18 year old business in jeopardy.

Over the years, I have known many that have had a history in the trawl industry. Without fail, they have spoken about how dirty that industry is. Many have said that it is far worse than the public knows. Our resources simply cannot be managed in such a way if they are to have a sustainable future. The history of the world's fisheries have shown this to be true. With today's technology, there is no reason for current practices.

Please work toward cleaning up this industry.

Thank you for your time.

Matt Kopec

### **Whittier Marine Charters**

Matt Kopec  
Winter/mail: PO Box 2693  
Soldotna, AK 99669  
Summer: Harbor Loop Dr., Whittier  
[907.440.9510](tel:907.440.9510)  
[www.fishwhittier.com](http://www.fishwhittier.com)



NPFMC comments - NOAA Service Account &lt;npfmc.comments@noaa.gov&gt;

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## Agenda Item C-5

1 message

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Dave Kubiak <yarevik9@gmail.com>  
To: npfmc.comments@noaa.gov

Mon, May 30, 2016 at 5:41 PM

May 30, 2016

North Pacific Management Council

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

Anchorage, AK 99501

RE: Agenda Item C-5 GOA Trawl Bycatch Management Program

Dear Chairman Dan Hull and Council members,

Thank you for the opportunity to comment C-5. I am the owner operator of the F/V Mythos and have been fishing in Kodiak since 1965. I fish halibut, cod, and salmon. I have fished all crab species as well, back in the day. I may be absent to testify in person as I am engaged in fishing, but am deeply concerned about the future of my town of Kodiak

Item C5, the Gulf of Alaska Trawl Bycatch, of the June agenda contains a range of lengthy alternatives for the Council to consider: Alternative 2, which gives the trawlers their history of groundfish to bring into a co-op, (preferred by the trawlers) and Alternative 3 which gives them a limit on their bycatch of Chinook salmon and halibut to bring into a co-op (introduced by the State of Alaska). GOA trawlers already participate in a limited licenses program (LLP) which prevents new entrants from competing with them unless they have an LLP, but they say they cannot control their group's "race for fish" and so must be allocated (given) the ownership of the resource.

My concern is that allocating the resource blindly is poor management policy. Blindly, because there is such poor data on observed bycatch in the Gulf; including halibut, salmon, crab, and other fish and organisms. Current science says that the mortality rate for trawlers of these unintended catches is above 80%. Dead. Meanwhile allowable catches of commercial halibut are something like 70% lower than they were ten years ago, and crab is no longer a viable commercial catch around Kodiak, and King salmon catches are restricted in various streams around Kodiak due to low numbers, and observation of trawling has dropped to less than 30% of all trawl vessel trips in the restructured observer program. (It is far lower for all trawl vessel tows.)

The complaint is that observers are too expensive for 100% coverage. Nonsense. The loss of our resources, the productivity of our ocean is a far greater loss. Managers have dragged their feet over the option of electronic monitoring (EM) aboard fishing vessels. They claim the data is expensive, incomplete, and doesn't give them the biological samples they need. When the software for facial recognition is readily available, the algorithms for fish recognition is certainly obtainable. Observation of fishing should not be confused with biological samples.

Such samples are more easily and cheaply gathered at the shore-side off loading points than at sea.  
Observation and biological sampling should not be lumped. If NMFS wants biological data, let them pay for it.

The unobserved bycatch by trawlers must be reckoned with before such sweeping and irreversible decisions as granting exclusive rights are made. Extrapolations of bycatch built upon theoretical 'models' is not good enough, never was, never will be. The stats drawn from heavily gamed observations are deeply flawed. Until such time as 100% observation by human or video monitoring has the hard data, no rights to the Gulf should be relinquished or granted.

Dave Kubiak



NPFMC comments - NOAA Service Account &lt;npfmc.comments@noaa.gov&gt;

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**FW: C5 GOA trawl bycatch management**

1 message

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Alexus <nopoint@gci.net>  
To: npfmc.comments@noaa.gov

Tue, May 31, 2016 at 11:46 AM

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From: Alexis [mailto:nopoint@gci.net]  
Sent: Tuesday, May 31, 2016 10:41 AM  
To: 'Alexus'  
Subject: C5 GOA trawl bycatch management

North Pacific Fishery Management Council

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

Anchorage, Alaska 99501

RE: Agenda item C-5 GOA Trawl Bycatch Management Program

Dear, Chairman Hull and Council members

My name is Alexis Kwachka I have lived and fished out of Kodiak for the past 30 years, the majority of my adult life. I have witnessed many changes over that time many good and many bad. It can't be stressed enough that monetizing the resource has had very negative social consequences in this community. The 2 programs that have had and are having the most apparent impacts have been the halibut/sablefish rationalization and Bering Sea crab rationalization. To put it simply the job loss, boat loss, and the IFQ recipients who no longer live in this community have really hurt us.

These impacts are not felt immediately, they have accumulated since implementation. First we feel the job loss, less boats equals fewer jobs. Then since there is less crew we feel less money sourcing through our economy. When that settles down we feel the final blow! The now owners of the resource leave our community. Not all but a high percentage, after all living here is expensive! Our wealthy business owners provide lots to our community, generous donations to non profits, community projects and most importantly the money stays in our economy for a much longer period of time.

The Goa rock fish program has added a new element to the mix. When you rationalize the fisheries to better allow utilization of the resource you also allow the processing sector to control man hours, while this makes for a very orderly process it undermines our local community based processor workforce. Overtime is the name of the game for local processors. When we become more efficient, there are many trade off's that the council has yet to consider. (Whichever plan you move forward with make sure it is flexible enough to make the changes

necessary to fix your unintended consequences. Previous plans have not!)

- (1) Do Not monetize the resource again.
- (2) 100% plus observer coverage
- (3) No processor linkage or processor quota
- (4) Realize that the intertie between fisherman, processor, community is much more subtle in the Gulf of Alaska this is not the Bering Sea or industrial fishing, this management plan Must be done differently.

I encourage the council to continue to think outside of the box on GOA issues. many communities and a very diverse group of fisherman depend on well thought out management plans that will ultimately affect us all. This action may appear to be just a trawl issue but depending on the final motion it Will change our waterfront and access to both fish and canneries forever. I often think of one of the driving factors for Statehood and that was cannery control of our salmon resources, are we really going to try this again and expect a different result?

Sincerely,

Alexus Kwachka

326 Cope St.

Kodiak, Alaska 99615

[907-486-5558](tel:907-486-5558)



NPFMC comments - NOAA Service Account &lt;npfmc.comments@noaa.gov&gt;

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## Comments for the Gulf of Alaska Trawl By-Catch

1 message

Wild Legacy Seafoods &lt;wildlegacyseafoods@gmail.com&gt;

Thu, May 26, 2016 at 9:29 AM

To: npfmc.comments@noaa.gov

Good Morning Council Im writing in regards to the Trawl By-Catch as we all know and the NOAA is always avoiding the question to either shut down the trawl fleet or get there by catch raised as all the other fisheries do. This does not justify just because the trawl fleet has more funding and grants given to them to fight a lobby the state and federal fishery to subsidese the trawl fleet. If NOAA or the federal and state government does not look at the small fish coming in and the decline in the fisheries in Alaska. On top of all that the state under budget and the trawl fleet going to over fish and kill all the fish without anyone to stop them. Then its going to be to late. All the Trawl Fleet and NOAA need to make sure there is no over fishing and put a leash on the Trawl Fleet just like NOAA does to any other fishery. Quit being naive and Quit procrastinating saying that the Trawl Fleet does not do harm. The Trawl Fleet is over fishing and killing all by-catch squishing the by-catch like a bug.. Do something right for a change and make Alaska a great place to fish quit killing all seafood in the trawl fishery. That is why we elect and vote for a council if the council only going to work for there own interest then why do we have a council in the first place.

F/V Ocean Ranger  
Kiril Z. Basargin  
P.o Box 2395  
Homer, AK 99603  
[fv.oceanranger@gmail.com](mailto:fv.oceanranger@gmail.com)

Dear NPFMC

Regarding GOA Trawl bycatch and PSC, please do the right thing and implement 100% observer coverage on the Trawl fleet ASAP to protect the valuable fishing resources of Alaska. Dirty, destructive, wasteful, sloppy, and deceptive Trawling has gone on long enough. Clean it up or shut it down. Wasteful Trawling affects all fisheries and it is not fair to the rest of us who work hard to fish clean, only to have our resources wasted by the Trawl fleet.

The two main components to reduce Trawl Bycatch and PSC are 100% observer coverage and accountability. Trawlers should not be rewarded with IFQ's for decades of dirty deceptive fishing. Trawl IFQ's will not guarantee reduction of bycatch and PSC. Only 100% observer coverage and shutting down dirty boats can do that, so why even have Trawl IFQS?

Canada has reduced its Trawl bycatch and PSC by 85% with out IFQ's. Canada has 100% observer coverage and weekly bycatch quotas that if exceeded shuts down the vessel for the rest of the year! Canada has proved that Trawlers can fish clean, so what are we waiting for? Alaska and the NPFMC need to implement a similar program ASAP. The NPFMC needs to do the right thing and aggressively reduce PSC bycatch. Alaska's fisheries need to be managed responsibly and honestly with an effort to minimize bycatch not exploit it.

What if all fisheries were as wasteful as the Trawl fleet? Would you allow that?

The Trawlers are allowed to waste thousands of metric tons of valuable fish and shellfish that you know about . Many Trawlers have hydraulic powered stainless steel conveyor belts with teeth for discarding huge piles of dead PSC all day. With out conveyor belts, the crew would be exhausted from shoveling PSC, and the captains would think twice about making Tows in areas with lots of PSC. Would It be reasonable for the other fisheries to waste Thousands of metric tons of all the



various species TAC's for their convenience just to make a buck? Who would even consider such an abomination?

Clean it up or shut it down. You have the power to do the right thing. The Trawl fleet can fish clean if they have 100% observer coverage and individual vessel accountability. Let's do this Its 2016, Stop allowing the waste of Alaska's Resources!

100% percent Observer coverage of the GOA trawl fleet is the first step that will ensure the Reduction of Waste of GOA fish and shellfish and the increase of abundant resources to the benefit of all Alaskans and Fisherman.

Peter Longrich Captain F/V Shuyak, Fishes Black Cod, Halibut, Tanner Crab and sport fishes King Salmon.



**North Pacific Fisheries Association**  
**P.O. Box 796 · Homer, AK · 99603**

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To: Mr. Dan Hull, Chairman  
North Pacific Fishery Management Council  
605 West 4<sup>th</sup> Avenue Suite 306  
Anchorage, AK 99510  
May 31, 2015  
Re: Agenda Item C5 GOA Trawl Bycatch Management

The North Pacific Fisheries Association was founded in 1955 and is a multi gear, multi species commercial fishing organization based in Homer, Alaska. Our members fish throughout Alaska from Southeast to the Aleutian Chain. Our organization has long been concerned with bycatch and is supportive of a Halibut Bycatch Management Plan. We appreciate the work that has gone into the documents to date and recognize that a lot of analysis still needs to be done. The current alternatives do not provide a solution.

There are certain elements that we see as crucial to a plan. Individual accountability for bycatch would be a new and potentially powerful tool in managing prohibited species. Reducing the amount of PSC by at least 25% is an achievable goal that could be reached through individual accountability. 100% observer coverage would be the only way to verify and manage any system that moves forward. Simplifying the management to two seasons could be another tool to allow the harvest of the target species that is most available.

Ultimately our board feels that the management plan going forward should not allow for the permanent privatization of the fishing rights. We do not support a plan that would allow for consolidation of the access to the resource and hope the council will preserve this dynamic. We'll continue to digest the information and plan on participating in a solution.

Thank you for your consideration,

A handwritten signature in cursive script that reads 'Malcolm Milne'.

Malcolm Milne  
President, North Pacific Fisheries Association



May 24, 2016

Dan Hull, Chairman  
North Pacific Fishery Management Council  
605 West 4<sup>th</sup> Avenue  
Anchorage, AK 99501  
RE: Agenda Item C-5: GOA Trawl Bycatch Management-Community Fisheries Associations

Dear Chairman Hull:

This letter is in reference to groundfish community protections scheduled to be discussed by the Council in June as part of the GOA Trawl Bycatch Management program. We are particularly interested in the Community Fisheries Association (CFA) option being proposed as part of the community protection package.

Aleutia is not prepared to debate the merits of Gulf rationalization or the various Pollock bycatch management program options in this correspondence. However, as the Council contemplates CFAs, we feel it's important to make clear that, if the Council elects to implement a CFA program, the Western Gulf must be represented by its own CFA (element 2, option 2). Further, Aleutia as the defacto regional fisheries organization, is willing and capable of administering the program as the Western Gulf CFA for its local communities if the program is implemented.

As you will recall, the Aleutians East Borough (AEB) recently terminated a National Fish and Wildlife Foundation (NFWF) grant agreement that would have funded creation of a single Western and Central Gulf CFA. The grant was terminated in response to grave concerns by local residents, harvesters and community leaders who discovered that one of the grant's core milestones was the creation and legal establishment of a single CFA for the Western and Central Gulfs.

The Western and Central Gulfs are unique with different histories, participation and fishing patterns. Community members of the AEB voiced strong concern that lumping these two distinct areas into a single CFA is inappropriate and would fail to adequately protect AEB communities and its local families. Further, allocating quota earned in the Western Gulf to a group that is either wholly or partly tied to another region would create adverse economic impacts to local communities. Such an allocation would not adequately protect the Western Gulf and would not provide for the sustained participation of local residents and communities.

If the Council ultimately opts to establish a CFA program under GOA Trawl Bycatch Management or any other fisheries management plan, we ask that council members respect local community interests and support a program in which the Western Gulf is represented by its own CFA and is allocated quota historically earned in the region.

Aleutia is the natural choice to play this role. Established as a legal entity by the AEB in 2001, Aleutia is run by an active Board of Directors made up of local residents from around the region for the benefit of our local communities. Board members participate in a number of state and federal fisheries, they include trawl and non-trawl gear groups, local government representatives and others with a vested interest in the health of Western Gulf fisheries and communities.

On the federal level, Aleutia acts as the region's Community Quota Entity (CQE) to administer the Council's P. cod and halibut community shares program for local communities eligible to participate. It is the Eligible Crab Community Organization (ECCO) under the BSAI crab program (it also works on behalf of the community of King Cove and Port Moller in this capacity). On the State level, Aleutia acts as the area's Regional Seafood Development Association (RSDA).

While the Aleutia Board of Directors is not in the position to debate fisheries management program options related to the Gulf, if the Council ultimately opts to implement a CFA program now or in the future, Aleutia is willing, capable and best suited to undertake the role of Western Gulf CFA for the best benefit of local families and communities in the Western Gulf.

Sincerely,

A handwritten signature in black ink, appearing to read 'D. Cumberlidge', with a stylized flourish at the end.

Dan Cumberlidge  
President



NPFMC comments - NOAA Service Account &lt;npfmc.comments@noaa.gov&gt;

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## Gulf Coast Trawl Management Program

1 message

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Randy Moseman <rmoseman@hotmail.com>

Thu, May 26, 2016 at 2:50 PM

To: "npfmc.comments@noaa.gov" <npfmc.comments@noaa.gov>

Hello,

I am an Alaskan Resident and would like to submit some comments for the upcoming Gulf Trawl management program.

I would like to see observers on 100% of the Trawl Vessels.

I would like to see major reductions in the Trawl Vessel bycatch for all non-target species, especially rockfish, halibut, and Chinook Salmon.

The amount of bycatch that this fishery discards is simply not acceptable.

Thank You,  
Randy Moseman  
[907-602-4002](tel:907-602-4002)

May 31, 2016

Agenda Item C-2 GOA Trawl Bycatch Management

Chairman Dan Hull

North Pacific Management Council

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

Anchorage, AK 99501

Dear Chairman Hull,

My name is Ron Naughton and I am the operator of the F/V Cape Kiwanda, a Trawler fishing out of Kodiak and King Cove. I am a lifelong resident of Kodiak and have been Trawling since 1989, the year of the Spill in Prince William Sound. I was on the one of the first 6 Trawlers to leave Kodiak to go over and help with the Spill. I have also Tendered salmon with Trawlers, delivered bait to pot boats, towed longliners to town, and feel that the Trawl fleet is an integral part of the Gulf fishing community.

The Cape Kiwanda currently employs 2 other crewmen from Kodiak and purchases fuel, food, and supplies in several Gulf communities in addition to landing product that is processed onshore.

Recent reductions in Halibut bycatch caps and the creation of Chinook caps have made it clear that Gulf fisheries cannot continue without ending the race for fish.

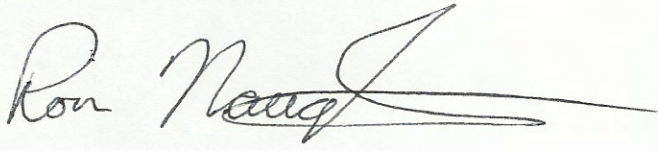
I have been a Fisherman since I was old enough to hold a fishing pole, and have subsistence fished for Salmon, seined Salmon and Herring, longlined for Halibut, Blackcod, and Greycod, and pot fished for Crab. All of these methods have some degree of bycatch involved and the more in a rush you are to catch fish the more by-catch you will have, plain and simple.

I also participate in the GOA Rockfish Program and the AFA BS Pollock fisheries, two programs that have been very successful at reducing bycatch by eliminating the race for fish. If the Council is truly interested in reducing bycatch, then you must stop the race for fish.

Allocating bycatch only will not eliminate the race for fish.

The Gulf Trawl Fisheries provide a significant portion of my income and any changes in management structure will greatly influence my ability to provide for myself and my family. Please move forward with Alternative 2 and please do not experiment with my livelihood with Alternative 3.

Sincerely,

A handwritten signature in black ink, appearing to read "Ron Naughton". The signature is stylized with a large, sweeping flourish that extends to the right and then loops back under the name.

Ron Naughton

F/V Cape Kiwanda



NPFMC comments - NOAA Service Account &lt;npfmc.comments@noaa.gov&gt;

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## C-5 Comments

1 message

Patrick O'Donnell &lt;gwfisheries@yahoo.com&gt;

Tue, May 31, 2016 at 4:27 PM

Reply-To: Patrick O'Donnell &lt;gwfisheries@yahoo.com&gt;

To: NPFMC Comments - NOAA Service Account &lt;npfmc.comments@noaa.gov&gt;

Patrick O'Donnell  
1353 Mountain View Drive  
Kodiak, Alaska 99615

May 30, 2016

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

### Re: Agenda item C-5 GOA Trawl Bycatch Management

My name is Patrick O'Donnell and I own and operate the F/V Caravelle home-ported in Kodiak, Alaska. I have fished out of Kodiak for 27 years, and lived in Kodiak for 22 years where I am currently a stay at home dad raising my two teenage children as a single parent. My goal since I was a boy fishing off the coast of Ireland was to own a vessel and I am proud to have accomplished that and to be able to share my knowledge and experience with my children.

The Caravelle is engaged in trawl fisheries from September through December and January through May each year, and I take the boat salmon tendering during the summer months. I bought the Caravelle in 2002 and have invested heavily in my vessel to make it safer and more competitive with other vessels around me as well as investing in ongoing maintenance to ensure it's not broken down and under repair during the fishing season. When I started tendering I made further investments in equipment and modifications to the Caravelle to make it function better as a tender vessel. The NPFMC's Goal and Objective #4 acknowledges that the value of assets and investments in the fishery and dependency on the fishery for Harvesters should be considered. This is important to me because I took a huge financial risk when I borrowed money to buy the Caravelle and every time I borrow additional money to invest in capital improvements to the vessel I put my business on the line because if I can't make my payments then I risk losing my business and everything I have worked for the last 27 years.

In 2012 the Council said it would provide tools to the fleet to allow it to operate successfully under new halibut and chinook caps. Here we are four years later back in Kodiak again, with subsequent reductions in Halibut PSC and Chinook PSC, and no closer to having the tools we need to be able to effectively operate the fishery and meet the new PSC reductions. The concern of fishery participants about imposition of lower caps without first providing tools for the fleet is real; in May, 2015 the non-pollock non-rockfish trawl fishery was shut down for exceeding the new chinook cap (implemented in January, 2015). This



June 2016

closure hurt my business, it hurt the processing businesses and processing workers and it hurt Kodiak's economy.

The chinook cap reduction was not based on good science. Subsequent genetic testing conducted in 2014 and 2015 has shown that most of the chinook caught in the GOA trawl fisheries are hatchery fish from the West coast, not from stocks of concern in Alaska or ESA chinook from northwestern stocks. Further, the extrapolation methodology used to estimate the number of PSC chinook is severely flawed particularly considering the very low number of chinook involved.

As we approach the June, 2016 council meetings in Kodiak I sit and think about how my business and the Kodiak community will be impacted due to political pressure, high emotions or hearsay and uninformed opinion from those who are anti-trawl and would just as soon see the entire trawl fishery shut down completely.

I hear the argument from halibut fishermen that they are fishing for dollars while trawlers are fishing for pennies based on ex-vessel price per pound. I have a problem with this argument because it ignores the fact that we are both fisherman trying to make a living on the water, albeit going after different fish with different gear. Secondly, to put it in economic terms, for every pound of halibut PSC the Caravelle catches it generates \$83 in ex-vessel revenue in target species (based on a four year average in the rockfish program).

We should all know the importance of trawling in Kodiak and how much it contributes to the economy of this island. Trawl vessels harvest 83% of all groundfish landed in Kodiak and account for 68% of ex-vessel value (2015 McDowell Economic Analysis, page 42), and help support employment for 1,300 resident year-round cannery workers. The City of Kodiak has invested heavily in infrastructure to support trawl vessels and trawl fisheries, including the shipyard with a 660 ton travel lift that is used by the trawl fleet in Kodiak. I myself have used the travel lift five times since it was installed and I hire local repair crews and support local business as much as possible.

I am concerned about the reliance on Pollock in the trawl harvest and processing sectors over the past several years, and about what will happen when Pollock crashes and there is insufficient halibut PSC to effectively prosecute flatfish (which historically accounted for a larger percentage of vessel revenue). Over the last few years we have been fortunate in having a high abundance of pollock available and the highest quotas in recent history available to the fleet. However, reports from the NOAA Oscar Dyson spring 2016 survey indicate very little new recruitment into the pollock fishery and show that only the 2012 year class out in the water and being harvested by the fleet. This data tells me that in the near future the fleet will need to shift effort back to flatfish fishing as was the case in the 90s and early 2000s when pollock quotas were low. Any further reductions in halibut PSC is going to impact the fleet's ability to operate, regardless of what type of bycatch management program is adopted, and I strongly recommend that any new program be given time to work prior to any additional PSC reductions.

Alternative 3 does not meet the purpose and need statement nor does it meet any of the goals and objectives outlined by the Council. It is apparent to me that the State is opposed to catch shares and is doing everything possible to derail any Council action that creates catch shares, without any regard for how the trawl fishery and trawl dependent communities like Kodiak will be negatively impacted. I do not support Alternative 3 because there is

June 2016

nothing within this alternative that meets the purpose and need or any of the goals and objectives outlined by the Council. Alternative 3 will cripple the economy of Kodiak and create significant uncertainty because allocating shares of PSC without allocating target catch will not end the race for fish and is more likely to result in closures.

I do not support Alternative 4. First there are no CFAs in existence today and proponents of CFAs have not clearly stated what is to be gained by creating CFAs. CFAs will create additional administrative costs, collected through lease fees, and will result in less money being available for crew. Any CFA quota lease allocation scheme will create uncertainty for recipients of those annual leases which is not conducive to new entrants or creating a stable fishery.

It is up to the NPFMC to see that the trawl fishery is managed in a way that allows it to successfully prosecute the trawl fisheries and be sustained into the future, while addressing the purpose and need of effectively managing bycatch. There are existing catch share programs in place today that have proven to successfully manage bycatch and these should not be discounted by the Council in favor of an ill-informed and unworkable alternative that does nothing to address the purpose and need of this action.

Thank you,

Patrick O'Donnell



317 Shelikof St. Kodiak AK 99615

May 31, 2016  
Chairman Dan Hull  
North Pacific Fishery Management Council  
605 West 4<sup>th</sup> Ave., Suite 306  
Anchorage, Alaska 99501-2252  
[npfmc.comments@noaa.gov](mailto:npfmc.comments@noaa.gov)

Re. Agenda Item C5-Trawl Bycatch Management:

Dear Chairman Hull,

Please accept our comments on behalf of Pacific Seafood Group. Pacific operates plants in Kodiak, Nikiski, Seward and Wrangell. In addition, we are purveyors and buyers of Alaskan seafood products from a large number of Alaskan based producers. We rely on Kodiak trawl groundfish production to build a suite of seafood options for our customer base.

We have issued comments and testified at numerous Council meetings on the matter of GOA Trawl Bycatch Management. We have supported the trawl industry alternative (Alternative 2) for reasons we have outlined and stated before. We ask you to review our written comments most recently presented to the Council in February as well as the nearly unanimous opinions of the GOA trawlers, many of whom are Alaskan residents, as well as the processors that also support the industry alternative.

Our comments have basically concentrated on the lack of alignment in the State of Alaska's Alternative 3 with the reality and functionality of the basic elements which need to be included in a regulatory program to manage an industrial scale fishery, in order for that fishery to be viable, sustainable, and achieve the goals and objectives outlined in Appendix 1 of the Discussion paper. We believe Alternative 3 could injure the GOA Trawl Fishery to the point it may not recover, resulting in massive consolidation of the remnants of the fleet and processors that survive. We also believe Alternative 3, based on its own operational elements and merits, will only achieve bycatch reduction by truncation of the fishery for the target species (i.e. acute reduction in harvest of the target species as a result of bycatch reduction). Unfortunately, this could put a lot of fishermen and processors out of business and eliminate many processing and deck hand jobs in the community of Kodiak.

Please take these and other comments from the Trawl industry seriously in your deliberations. There is a huge amount of business acumen and knowledge that is represented by these Trawl Industry commenters and those groups that represent them.

Sincerely,

Mike Okoniewski, Alaska Operations Manager, Fisheries Policy & Management  
Ana Kujundzic, Economist

A handwritten signature in blue ink, appearing to read "Ana Kujundzic", positioned above a horizontal line.



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THE TENTH FLOOR  
2200 SIXTH AVENUE  
SEATTLE, WA 98121-1820  
206.728.6000  
OPERATION FAX 206.441.9090  
SALES FAX 206.728.1855

May 30, 2016

Dan Hull, Chairman  
North Pacific Fisheries Management Council  
605 W. 4<sup>th</sup> St., Suite 306  
Anchorage, AK 99501-2252

RE: C5 – GOA Trawl Bycatch Management

Dear Chairman Hull:

Peter Pan Seafoods is a processor of trawl caught pollock and cod from the Western Gulf which we process at our facility in King Cove. With regard to the Council's consideration of a GOA Trawl Bycatch Management Program, we are in support of Alternative 2.

We also process Bering Sea crab and pollock, thus are very familiar with the rationalization programs under which they are currently managed. The overarching goal of these programs was to stop the race for fish which results in multifaceted benefits. Crew safety and fleet stability has been improved, more value is able to be extracted from the catch, seasonal peaks and valleys have been smoothed for more efficient production and opportunities for bycatch reduction have been enhanced. Of the alternatives under consideration for GOA bycatch reduction, only Alternative 2 provides the means for eliminating the race for fish as well as meeting the other requirements presented in the Council's Purpose and Needs Statement for this program.

As the Gulf fisheries vary greatly from the Bering Sea fisheries, so does the Western Gulf differ from the Central Gulf. These differences from the scale of the fisheries to the make-up of their participants have made rationalization a complex process that has experienced fits and starts for many years. Most Western Gulf participants have been very wary of rationalization feeling there was likely more to be lost than gained with very little wiggle room for successful change. As fishing restrictions have mounted, first with sea lion protection and now with tightening PSC regulations, some form of rationalization appears to be the only way to maintain a viable fishery. The incremental gains that can be achieved by eliminating the race for fish appears to be the best means to mitigate a potential loss of access to the resource and the mounting costs to operate.

It is evident that the clearest path for a community to participate in and be protected by a rationalization program is for processing to be located there. You will see a report on how important the trawl industry is to the City and Borough of Kodiak. Likewise, the cities of Sand Point and King Cove as well as the Aleutians East Borough are supported by this activity. The smaller scale of the fisheries here as well as the situation where there is only one processor in each community magnifies the

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dependence we have on each other. We have made and continue to make major investments in our plant in order to successfully be a part of these fisheries. The trawl fisheries are an important component in what makes our plant in King Cove a nearly year round operation. This provides longer term employment for our employees which helps stabilize our workforce in a time when hiring willing, qualified people is becoming more of a challenge. It also brings much needed activity and income to King Cove, its harbor and support business's, during which would likely be much slower shoulder seasons without the trawl fisheries. Attempts to use the GOA Trawl Bycatch Management Program for goals or structural realignment other than actual bycatch management will most likely harm the entities that already have skin in the game; the communities, the local fleet and the processors.

At the February Council meeting in Portland there was an unprecedented almost unanimous showing of disapproval of Alternative 3 going forward from the Gulf participants. What was lost in this loud objection was the opposite almost unanimous support for Alternative 2 by these same people. This support is the result of years of work on this issue going back to the AFA and sea lion restriction implementations. There has been give and take from all portions of the Gulf participants, this is the compromise agreement from the folks that have the most to lose. In the big scheme of things, the trawl fishery in the Gulf, particularly the Western Gulf is fairly new. The current participants are mostly the people that pioneered the fishery and those who have made it a successful one for the region, the state and the nation. These people deserve to be kept as whole as possible, to be given the tools to continue to productively pursue these fisheries in a sustainable responsible manner.

Sincerely,

A handwritten signature in black ink that reads "Dale Schwarzmiller". The signature is written in a cursive, flowing style.

Dale Schwarzmiller – Vice President  
Peter Pan Seafoods, Inc.

May 31st, 2016

Darren Platt

F/V Agnes Sabine, Kodiak

To the North Pacific Fishery Management Council

**Agenda Item: GF-16-004**

I'm submitting this letter out of concern for the community of Kodiak and the future of our fisheries here. I am the owner/operator of the fishing vessel Agnes Sabine, and I participate in the local salmon and herring fisheries. I'm 34 years old and always looking to grow my fishing business as opportunities arise. Since becoming a commercial fisherman, I've learned that my ability to thrive in a fishery is often more dependent more on management decisions than my own abilities and ambitions. The choice to rationalize fisheries such as halibut, black cod, and Bering Sea king crab has made it financially impossible for new entrants to make a profit in those fisheries, regardless of how safe, efficient and effective they are. Lease fees and quota acquisition costs exceed profit margins for individuals who were not initially given quota. Quota reductions or in increase in interest rates could easily drive a fisherman into bankruptcy, as these programs force new entrants to operate at their margins. Additionally, traditional crew shares, which are cornerstones to fishing culture, have eroded as revenue is shifted away from active fishermen to quota holders, who often don't materially participate in the fisheries. As the council considers another rationalization program for the gulf, it is my hope that these issues are given a priority in the management scheme so that mistakes of the past can be avoided in future management decisions.

**Leave the gulf accessible:**

The experiences outlined above are the inevitable result of fishery privatization. The current GOA trawl fleet is overstretched, working nearly year round as harvesters and tenders, and taking what little down time they have for necessary repairs. The fleet is unable to catch their quota as it is, so no rationalization could slow down the fishery without sacrificing harvest. Consolidation resulting from a rationalized fishery would only exacerbate this problem. Instead of making this fishery even more exclusive, the council has a unique opportunity to both institute a more orderly harvest while fostering opportunities for new entrants to enter the fishery. Accessibility should be given a priority in order to avoid the many negative social and economic outcomes of catch shares, encourage competition and innovation in bycatch reduction and gear conversions, and to ensure that the community of Kodiak remains healthy by allowing residents to readily access the fish caught off our shores.

For the sake of Kodiak's cultural heritage and the future of this town, the NPFMC should craft a program based on the expected outcomes for subsequent generations of fishermen.



**NATIVE VILLAGE OF PORT LIONS  
PORT LIONS TRADITIONAL TRIBAL COUNCIL**

**RESOLUTION NO. 2016-13R**

**A RESOLUTION REQUESTING 100% OBSERVER COVERAGE ON TRAWL VESSELS, SALMON AND HALIBUT BYCATCH REDUCTIONS, AND EFFECTIVE COMMUNITY PROTECTIONS AS PART OF THE GULF OF ALASKA TRAWL BYCATCH MANAGEMENT PROGRAM.**

**WHEREAS,** the Native Village of Port Lions is a federally recognized Indian Tribe as defined in Section 3(c) of the Alaska Native Claims Settlement Act, as amended; and

**WHEREAS,** the Port Lions Traditional Tribal Council is the governing body of the Native Village of Port Lions; and

**WHEREAS,** the Native Village of Port Lions has consistently implemented and operated successful membership and community services since its formal inception in August, 1978; and

**WHEREAS,** sustainable fisheries form the economic basis and cultural foundation of fishery dependent coastal communities in the Gulf of Alaska; and

**WHEREAS,** the North Pacific Fishery Management Council (NPFMC), is currently considering a bycatch management program for the Gulf of Alaska groundfish trawl fisheries that proposes a range of alternatives; and

**WHEREAS,** alternatives within the Gulf of Alaska Trawl Bycatch Management program provide for the reduction of halibut and Chinook salmon captured and discarded by the trawl fisheries as bycatch, for 100% observer coverage of the trawl fleet when prosecuting groundfish fisheries and for the development of a Community Fishing Association; and

**WHEREAS,** incremental reductions of halibut and Chinook salmon bycatch by the Gulf of Alaska trawl fleet will help to restore critically limited local Chinook salmon stocks and substantially depleted Gulf of Alaska halibut stocks and 100% observer coverage will provide accurate and reliable information about the magnitude, location and frequency of halibut and Chinook salmon bycatch and a Community Fishing Association will enable fishery dependent coastal communities to encourage and sustain local resident fishermen; and

**WHEREAS,** a Gulf of Alaska catch share program will define access to the resource for the foreseeable future and thus shape rural communities' opportunities to participate in GOA trawl fisheries; and



**RESOLUTION NO. 2016-13R**

Page 2 of 2

**WHEREAS,** no significant catch share program adopted by any Regional Fishery Management Council anywhere in the United States has been substantially altered or changed in the allocation of quota once the program is adopted; and

**WHEREAS,** Kodiak's experience with Alaska catch share programs has resulted in significant harm to Kodiak and the island's rural coastal communities. These harms include the loss of access to local halibut and sablefish fisheries, the reduction of crew jobs and vessel support services caused by excessive consolidation, and the ebbing of community engagement and support as large quota shareholders leave the community; and

**WHEREAS,** negative impacts from a Gulf of Alaska trawl bycatch management program can be mitigated by bycatch reductions, 100% observer coverage and providing quota to a Community Fishing Association.

**NOW THEREFORE BE IT RESOLVED,** that the Port Lions Traditional Tribal Council unanimously and steadfastly request that the NPFMC design a Gulf of Alaska trawl bycatch program that reduces the halibut and Chinook salmon bycatch allocated to Gulf of Alaska trawl fishery, requires 100% observer coverage of all trawl vessels when fishing for Gulf of Alaska groundfish and allocates quota to a Gulf of Alaska Community Fishing Association, and

**BE IT FURTHER RESOLVED** that the NPFMC ensure that the Gulf of Alaska trawl bycatch management program adopted by the Council include clear provisions for the Council to review the program and re-allocate Gulf of Alaska groundfish based on criteria other than historical catch, including the redistribution of Gulf of Alaska groundfish quota based on fishery dependent community's economic, historic and cultural relationship with adjacent marine resources.

**CERTIFICATION:**

We, the undersigned members of the Port Lions Traditional Tribal Council, do hereby certify that the foregoing resolution was duly adopted by Port Lions Traditional Tribal Council, on the twenty sixth day of May, 2016 with a quorum present and 6 votes for, 0 votes against, and 0 abstaining.

  
ELIZABETH PENNINGTON, President

  
JULIE KAISER, Vice-president

May 31, 2016

Dan Hull, Chairman  
North Pacific Fisheries Management Council

Dear Chairman Hull,

I own and operate a 58' trawler based out of Sand Point Alaska in the winter.. I have been trawling every year in the Western Gulf since 1991.

I would encourage the Council to scrap Alt.3 and move forward on Alt.2 .

Sincerely,

Joseph Puratich  
F/V Marauder



NPFMC comments - NOAA Service Account <npfmc.comments@noaa.gov>

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## Halibut trawl by catch reduction

1 message

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Marty Remund <remundmarty@yahoo.com>  
To: npfmc.comments@noaa.gov

Thu, May 26, 2016 at 10:16 AM

Sent from my iPhone. I support a large halibut trawl bycatch reduction. Sincerely Marty Remund, Port Alexander, AK.

May 31, 2016

North Pacific Fishery Management Council  
605 West 4<sup>th</sup> Avenue, Suite 306  
Anchorage, AK 99501  
Submitted electronically via email to: [npfmc.comments@noaa.gov](mailto:npfmc.comments@noaa.gov)

RE: Agenda Item C-5 GOA Trawl Bycatch Management Program

Dear Chairman Hull and Council Members:

I appreciate the opportunity to comment on the development of a new Gulf of Alaska (GOA) Trawl Bycatch Management Program. As a Kodiak community member, fisherman's wife and UAF graduate student researching the graying of the fleet, I believe that the creation of new fisheries governance is an important issue for all fishing community stakeholders. While this particular program is focused on trawl bycatch, it is important to acknowledge that any management changes will have trickle down impacts into other fisheries within GOA communities. Furthermore, any proposed rationalization program poses severe threats to existing and future fishermen not currently in line for initial allocations. The proven negative industry and community impacts resulting from access rights commodification and transferability, such as fleet consolidation, increased barriers to entry and inequitable leasing practices, must be addressed and avoided. The Kodiak Fisheries Workgroup has said that trawling may never be "entry-level" due to existing high costs, but I assert that there must be entry access points into the trawl fleet without additional financial hurdles, in order to sustain the fleet and Kodiak community.

I believe very strongly that bycatch mitigation is crucial for the trawl fleet and also agree with industry representatives that individual boats that reach high levels of bycatch should not have the ability to shutdown the entire fleet. I request that you include full-time 100% observer coverage so that bycatch information is an accurate depiction of what is happening on individual vessels. I would like to also see alternatives that require reasonable active participation in trawl fisheries in order to support independent fishermen, as processor consolidation is already a problem facing Kodiak. Lastly, please appreciate that Kodiak community members are genuinely concerned about the implementation of another program that privatizes access to a public resource.

Thank you for coming to Kodiak to hear from community members and fishermen on this important issue and for your consideration of these comments.

Respectfully,  
Danielle Ringer

*Kodiak Community Member, Kodiak Fishing Family, UAF Graduate Student*



May 27, 2016

Dan Hull, Chairman  
North Pacific Fishery Management Council  
605 West 4<sup>th</sup> Avenue, Suite 306  
Anchorage, Alaska 99501

RE: Comments on C-5, GOA Trawl Bycatch Management

Dear Chairman Hull:

The City of Sand Point is concerned with GOA Trawl Bycatch Management and the effects that rationalizing another Gulf fishery could have on the health and well-being of our community. Our residents benefit directly from the cod and pollock fisheries as the owners, operators and crew on the vessels that harvest these valuable resources.

As I noted in a letter to the Council last November, we are proud to be the homeport to the local groundfish fleet and to vessels based in our harbor, and we strive to provide professional services and be a good partner for the industry. Having that fleet located in our community is important to the city both financially and socially. The trawl fishery, in particular, provides revenues that help sustain local families. This means that our population remains stable, our school is full of children, and folks are spending money in town which helps our local businesses and our tax base.

As you deliberate the intricacies of the of the GOA Trawl Bycatch Management program, I just want to reiterate the uniqueness of this fishery to the Alaska Peninsula communities of Sand Point and King Cove, and to the obvious importance of maintaining jobs in our fishing dependent communities. The following few findings were taken from the *Western Gulf Trawl Bycatch Management Social Impact Assessment*, a 2015 report prepared by Dr. Katherine Reedy for the Aleutians East Borough:

- The resident Western Gulf groundfish trawl fishermen were the first to develop the region's small vessel trawl fishery for both the Western and Central Gulfs.
- Early community-based developers of this groundfish fishery intentionally created a fishery for a multitude of local vessels in order to support more families and fish more consistently throughout the year.
- The majority of the Western Gulf Catcher Vessel fleet resides in the predominately Aleut communities of Sand Point and King Cove.
- The majority of the Western Gulf small vessel trawl fishery is Aleut vessel owners, hired skippers, and crewmen.

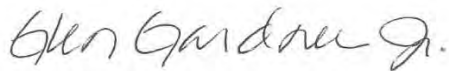
- Local resident Western Gulf fishermen are diversified across all state and most federal commercial fisheries available to them.
- Every fishery is important to Sand Point and King Cove, and the communities would suffer greatly with the loss of any of them.
- King Cove and Sand Point cannot be compared to Dutch Harbor and Kodiak: they are smaller, more vulnerable, locally owned and operated fishing businesses, with only two processors.
- Western Gulf communities are often lost in GOA discussions that center around the fishermen, processors, and support industry of Kodiak.
- The winter fishery for cod and pollock represents between 30% and 80% of the total annual income for hired skippers on trawl vessels. This changing percentage is largely based upon the relative success of the summer salmon fishery and the winter fishery.
- Fishing operations in Sand Point and King Cove largely consist of extended family networks. The compositions of these networks shift slightly between the summer and winter fisheries.

Sand Point is a “fish first” community that revolves solely around the commercial seafood industry, and year-round diversity is key. The same could be said of King Cove. We want to keep the local fleet healthy, and all the jobs that go hand-in-hand with a productive industry. We need to keep revenue and profitable fisheries in our communities, especially as state assistance programs continue to dwindle.

Sand Point is a working town; always has been, and always will. Our people would never ask for a hand-out. All we are seeking is to keep boats active and participating in our community, which translates to supporting local businesses and donating to good causes, keeping kids in our school, and injecting local tax dollars that can further develop our town. Our hope is that families that have always lived in Sand Point, and have a desire to continue, will have the opportunity to stay here and invest in our community for generations to come.

Thank you for considering our comments.

Sincerely,



Glen Gardner, Jr.  
Mayor



NPFMC comments - NOAA Service Account &lt;npfmc.comments@noaa.gov&gt;

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## C-5 GOA trawl bicatch management program

1 message

Scrimshaw &lt;scrimshaw53@gmail.com&gt;

Sat, May 28, 2016 at 8:12 PM

To: npfmc.comments@noaa.gov

Dear Chairman Hull and council members,

Thank you for having this meeting in Kodiak and giving us opportunity to speak on this subject. I am Steven Mathieu of Kodiak. I own and operate the F/V KAHUNA in the jig and halibut longline fisheries and would like my 4 sons and 4 grandsons to have the same opportunity. I believe that all 4 of the proposed "rationalization" plans include some kind of processor association and for that reason, all should be ruled out. They are a direct attack on the national Trust, which is our fisheries here in Alaska. All the plans should be presented to all federal legislators in a way that would make it clear that everyone, in the country would lose access to our national fishery resource if any of these plans were imposed. And anyone advocating these plans considered accomplice.

Directly on bi-catch, full time observers for at least 10 years before any such plan was put in place would provide some actual, unbiased numbers on bi-catch to see what are the best methods to reduce it. It would of course allow enforcement to see if any effort at all was being made to reduce bi-catch. It is common knowledge that high halibut, salmon and crab bi-catch has continued, so further efforts to avoid these fish or fishing areas in needed regarding the trawl fleet.

I don't think the jig fishery should be considered the only "start-up" fishery and that 20% of each fisheries quota should be somehow reserved for beginners in each gear group. As should opportunity be given to each community, allowing them to decide how to protect free enterprise, in each of their communities. We need to maintain open, competitive, free markets to insure a future for our children and future for our local economies. There are many consumers and many ways to get those fish to the consumer for the best return.

I am in transit to Bristol Bay taking my grandson for the first time. We have no shortage of time for consideration to get this right and nothing should be done of course, unless there is an alternative in case whatever is done, doesn't work out for the community and our future fisheries participants. We will try to be there to speak in person on the 11th. There would probably been more participation if this meeting had been held May 1st. Thank you

Respectfully, Steven Mathieu



May 31, 2016

Chairman Dan Hull  
605 W. 4<sup>th</sup> Street, Ste. 306  
Anchorage, AK 99501

RE: C5 GOA Trawl Bycatch

Dear Chairman Hull,

My name is Samantha Weinstein and I am Executive Director of the Southeast Alaska Guides Organization (SEAGO). SEAGO is a non-profit dedicated to the sustainability and profitability of the sport fishing industry in Southeast Alaska. We work to promote the tradition of sport fishing in Southeast Alaska through reasonable regulations that ensure the long-term sustainability of our **members'** businesses and fish resources. We are writing today to encourage the NPFMC to take meaningful action to decrease halibut and Chinook salmon bycatch in the Gulf of Alaska fisheries.

Guides have the unique opportunity to speak with and educate members of the public who travel to Alaska in order to catch halibut and salmon. While most guided anglers are not fans of increased restriction on their take, they understand cuts for conservation and rebuilding purposes. **However, when asked about the commercial fleet's cuts,** guides have to explain that bycatch in the trawl fisheries has not been reduced in years. As you can imagine, the public does not see a conservation intent when more salmon and halibut are dumped overboard as trash than are landed by the entire sport harvest.

The directed fisheries have taken on a heavy burden during these times of declining abundance. In Southeast Alaska, both guided anglers and longline harvesters have had their catch limits reduced and restricted time and time again, accepting the responsibility of conserving and rebuilding stocks. During this same time period, the trawl bycatch remains relatively unchanged.

Halibut and salmon are valued species in Alaska, and all user groups must contribute to their conservation and rebuilding for the economic stability of all harvesters. As such, SEAGO respectfully asks the Council to reduce both halibut and Chinook salmon PSC by 25%. This reduction moves the trawl fishery closer to a restriction representative of the burden placed on other harvesters. To ensure that these limits are respected and complied with, this fleet requires 100% observer coverage.

Sincerely,

Samantha Weinstein

SEAGO, Executive Director





Woody Island Tribal Council

Monday, May 26, 2016

North Pacific Fishery Management Council  
605 West 4<sup>th</sup> Avenue, Suite 306  
Anchorage, AK 99501  
npfmc.comments@noaa.gov

**RE: Agenda item C-5 GOA Trawl Bycatch Management Program**

Dear Chairman Hull and Council members:

The Tangirnaq Native Village Tribal Council appreciates the opportunity to comment on the Gulf of Alaska (GOA) Trawl Bycatch Management Program.

The long-term health of coastal communities in the GOA depends on a fisheries management plan that protects the role of independent, community-based fishermen and minimizes the effects of the trawl fishery on other directed fisheries such as halibut. Any plan designed to manage fisheries in GOA should allow for community protections, viable entry opportunities, and meaningful reductions to bycatch.

**The need for community protection:**

Nearly 20 years of direct experience with catch share programs in Alaska demonstrates clearly how catch share programs can adversely impact fishing dependent coastal communities. The problems encountered in catch share programs in Alaska and around the world are widespread, well-documented and now predictable. These include:

- absentee ownership of quota
- fewer locally based vessels
- high leasing fees
- excessive consolidation
- lower crew pay and job loss
- out-migration of fisheries based wealth, and
- loss of access opportunities from communities

**The need to ensure local fishing access:**

Coastal residents depend on local fishing access to sustain their economies and culture. Loss of access causes economic, cultural, and social ills including:

- Commoditizing harvest privileges creates a greater economic barrier to entry for new and current participants.
- Local fishing access helps to ensure that the benefits of this public resource stay rooted in coastal communities.
- Any new management program in the GOA must provide viable entry opportunities for the next generation of fishermen.

**The need for meaningful bycatch reductions:**

Bycatch in the trawl fisheries negatively affects the sustainability and economic viability of other commercial, recreational, and subsistence fisheries, while also harming the economic, social, and cultural framework of those that dependent on halibut or salmon fisheries.

- Any new management option should include bycatch reductions that go beyond status quo.
- 100% observer coverage is necessary to accurately monitor bycatch.

**Potential Solutions Include:**

- Recognition that fisheries are a public resource and do not belong solely to harvesters. Coastal communities and Alaskan residents are important GOA stakeholders and must have a voice in the management process.
- The new program must ensure that some of the economic value of Alaska's fisheries benefits local economies in rural coastal communities.
- Community Fishing Associations are a means to achieve many of these community protections.

Thank you for your consideration of these comments.

Sincerely,



Chrislyn Hoen, Vice President  
Tangirnaq Native Village



## RESOLUTION 2016-07

**TITLE: TANGIRNAQ NATIVE VILLAGE aka WOODY ISLAND TRIBAL COUNCIL RESOLUTION REQUESTING 100% observer coverage on trawl vessels, salmon and halibut bycatch reductions, and effective community protections as part of the Gulf of Alaska Trawl Bycatch Management program.**

**WHEREAS,** Tangirnaq Native Village (aka Woody Island) is a Federally Recognized Tribe as defined in P.L. 103-454, The Federally Recognized Tribe Act of 1994; and

**WHEREAS,** Tangirnaq Native Village (aka Woody Island) is listed as a Federally Recognized Tribe in the Federal Register under the listing "Tangirnaq Native Village (aka Woody Island)"; and

**WHEREAS,** the Woody Island Tribal Council is the governing body for Tangirnaq Native Village which has the right to exercise its inherent right to self-determination and the powers granted to it within the Articles of the Constitution of Tangirnaq Native Village; and

**WHEREAS,** the core purpose of the Woody Island Tribal Council is to cultivate our culture, identity, values and traditions; and

**WHEREAS,** sustainable fisheries form the economic basis and cultural foundation of fishery dependent coastal communities in the Gulf of Alaska; and

**WHEREAS,** the North Pacific Fishery Management Council (NPFMC), is currently considering a bycatch management program for the Gulf of Alaska (GOA) ground fish trawl fisheries that proposes a range of alternatives; and

**WHEREAS,** alternatives within the GOA Trawl Bycatch Management program provide for the reduction of halibut and Chinook salmon captured and discarded by the trawl fisheries as bycatch, for 100% observer coverage of the trawl fleet when prosecuting ground fish fisheries and for the development of a Community Fishing Association; and

**WHEREAS,** incremental reductions of halibut and Chinook salmon bycatch by the GOA trawl fleet will help to restore critically limited local Chinook salmon stocks and substantially depleted GOA halibut stocks and 100% observer coverage will provide accurate and reliable information about the magnitude, location and frequency of halibut and Chinook salmon bycatch and a Community Fishing Association will enable fishery dependent coastal communities to encourage and sustain local resident fishermen; and

**WHEREAS,** a GOA catch share program will define access to the resource for the foreseeable future and thus shape rural communities' opportunities to participate in GOA trawl fisheries; and



May 31, 2016

North Pacific Fishery Management Council  
605 West 4<sup>th</sup> Avenue, Suite 306  
Anchorage, AK 99501

RE: Agenda item C-5 GOA Trawl Bycatch Management Program

Dear Chairman Hull and Council members:

My name is Peter Thompson and I have commercially fished out of Kodiak for over 36 years. In that time I have participated in all of the major fisheries and gear groups (including both bottom and midwater trawling).

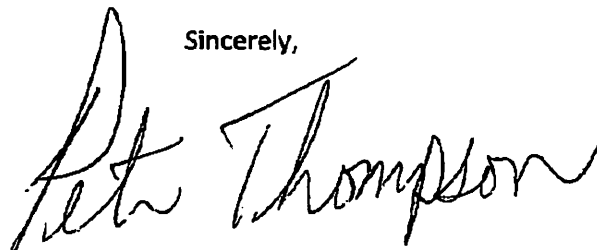
We are at a junction in the GOA where the trawl fleet is asking for tools so they can assure a stable future for themselves, the local communities, and the processing sectors that rely on their catches. One of my concerns in this undertaking is the impacts that the trawl fleets are having on other important species that are utilized by a large and diverse portion of Alaskans. Currently the makeup of the trawl fleet is becoming largely more corporate owned and there are very few owner/operators any more. This leads to a culture and mindset of having to produce at all costs or face the risk of being replaced.

Any new management program MUST include 100% full observer coverage for the trawl fleet. NO exceptions! And NO opportunity to game the observer system as currently practiced. If you put a trawl in the water there is to be a full accounting of what is brought aboard EVERY time and Every tow. This I feel has always been the crux of the problem of mistrust that has troubled the community of Kodiak for decades. Outside of the trawl fleet there is very little believability in the accuracy of what is being reported. The system has had loopholes that are exploited to circumvent the real numbers and don't tell the true story. At the June NPFMC meeting in Kodiak you will see and hear examples of this.

The decision making process would benefit from a trial period where 100% coverage was practiced to gather the real data on what it would take to implement a future program that would benefit all sectors and interests.

Although trawling is an important piece of the community and economy of Kodiak there are other gear groups and sectors that are of equal importance. In whatever future management program that is decided upon I would urge the NPFMC to please recognize how important it is to have an accurate and believable accounting of what is really being caught. This will ensure that there will be a sustainable future for those families that rely on salmon, halibut, and crab for subsistence, sport, and commercial purposes.

Sincerely,

A handwritten signature in black ink that reads "Peter Thompson". The signature is written in a cursive, flowing style with a large initial "P".



NPFMC comments - NOAA Service Account &lt;npfmc.comments@noaa.gov&gt;

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**Letter re: Agenda item C-5 GOA Trawl Bycatch Management Program**

1 message

Kip Thomet &lt;kipandleigh@yahoo.com&gt;

Sun, May 29, 2016 at 11:09 AM

Reply-To: Kip Thomet &lt;kipandleigh@yahoo.com&gt;

To: "npfmc.comments@noaa.gov" &lt;npfmc.comments@noaa.gov&gt;

May 31, 2016

North Pacific Fishery Management Council  
605 West 4<sup>th</sup> Avenue, Suite 306  
Anchorage, AK 99501

RE: Agenda item C-5 GOA Trawl Bycatch Management Program

Dear Chairman Hull and Council members:

My name is Leigh Gorman Thomet and as a commercial fisherman I have ongoing concerns about the state of our oceans and fisheries. Clean water and healthy fish stocks – I rely on them. They're necessary for running my family business. I love seafood and 5 times a week it is the main course on my family's table. I love fishing with my family and it is my hope the next generation of all fishermen that inherit the consequences of what we users, managers and decision makers have left for them will be clean and maintained.

The time has come to build a new management program in the Gulf of Alaska for the trawl sector that reduces bycatch of important species to the ecosystem and for user groups such as halibut, salmon and crab. We can and should do better in the Gulf of Alaska. These waters are the lifeblood for many coastal communities. There needs to be 100% (24 hours) observer coverage and a means to further reduce bycatch from the current limits.

Any new management program should take into account the negative experiences from past catch share programs. There should be implements to provide a cooperative structure for the trawl fleet to address bycatch and regulatory discards without monetizing the resource. I do not support another privatized management system and encourage the Council to provide the tools without giving away the farm.

Thank you for the opportunity to comment. I will be out salmon fishing while the meeting is underway and unfortunately will not be able to testify in person.

Sincerely,

Leigh Gorman Thomet



NPFMC comments - NOAA Service Account &lt;npfmc.comments@noaa.gov&gt;

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## Trawlers proposals

1 message

Chris Trosvig &lt;christrosvig@yahoo.com&gt;

Mon, May 30, 2016 at 9:55 PM

To: npfmc.comments@noaa.gov

Hello counsel members,

My name is Christian Trosvig. Owner/ operator of the F/V Grayling. I am a small boat fisherman who eeks out a living jigging pacific cod and seining salmon, out of Kodiak. The past few seasons there has been small fish all over the entire island. From Afognak to Alitak. I truly believe this is direct result from the over fished trawl fleet. They are dwindling the natural resources of Kodiak at an alarming rate. Open your eyes to the hideous amount of waste and bottom destruction these trawlers do. They work there way around the federal observers by not having 100 percent coverage. When observers are present they fish clean. When they are not present they rape and pillage the bottom of our magnificent ocean. Crab, halibut and salmon, to name a few, get caught in their crosshairs. I will be unable to attend the June 11th meeting here in Kodiak. That is why I'm writing you. To state my opinions. By no means shall they, the trawlers, be allow to privatize their fishery. What happened to free enterprise? Privatization would be an insult to the up and coming future generations of fisherman here in Alaska. I have seen their proposals and can hardly believe that you would allow any of them. Do to greed and monopoly by having their sector split they will go after whatever the processors tell them to target. This relationship is sickening. I just hope that when the vote come up you all decline these manipulate tactics of the Alaska Draggers Association. They do not deserve a fair shake, because what they do is criminal, under wanton waste laws. But they continue to reek havoc on our depleting marine life. Halibut and crab will never bounce back if you allow this to continue. I hope this short note weigh heavy on your hearts. And impacts your decision in not giving into these diabolical villains, that love to destroy, and will continue to destroy until they are stopped, the innocent species that live in our wonderful depths. Sincerely,

Christian Trosvig

May 31, 2016

Chairman Dan Hull  
North Pacific Fishery Management Council  
Anchorage, Alaska  
Submitted electronically

Re: Agenda item C5, Gulf of Alaska Trawl Bycatch Management

Dear Chairman Hull:

Over the past several years, I have attended fisheries meetings and listened to stakeholders present their arguments for and against the options being considered by the North Pacific Council for the proposed Gulf of Alaska Trawl Bycatch Management Program. As you know, lines are clearly drawn between supporters of Alternative Two and supporters of Alternative Three. The conflict that exists can simply be described as differences between economic and ideological perspectives, each of which have merit.

The trawlers who support Alternative Two are legitimately concerned that their very livelihoods are at stake in the face of increasingly restrictive salmon and halibut bycatch caps. We saw evidence that the trawl sector's fears over imposition of bycatch caps without appropriate measures to better manage bycatch has real merit, as evidenced by last year's unanticipated closure of the non-pollock groundfish fishery when the salmon cap was hit. This closure resulted in an emergency rule to increase chinook caps necessary to prosecute the fishery. From a community perspective, this closure had a pervasive impact throughout the economy, impacting fishermen, processing workers and support industries.

Kodiak's processing sector which currently comprises 6 active processors is similarly concerned that their investments are at risk under both the status quo and under a vessel-only catch share program. Equally at risk is Kodiak's large resident processing workforce, the largest resident workforce in coastal Alaska. The McDowell study commissioned by the City and Borough, shows a large dependence on trawl-caught fish to support our local workforce. Using data from the McDowell study, it clearly illustrates that a reduced or weakened trawl industry will harm workers who are least capable of surviving unanticipated financial hardship.

On the other side of the issue, based on outcomes from prior rationalization schemes, stakeholder groups have raised valid concerns over the transfer of a public resource to private individuals. Concerns exist that when a public resource is transferred to private ownership in a quota share system, wealth is created in a manner that has long term, negative consequences to coastal communities. Kodiak has experienced adverse consequences from capital flight in both the halibut IFQ and crab rationalization programs. This capital flight impacts community stability in many ways from erosion of the tax base to reduced contributions to non-profit organizations. Opponents of Alternative Two also argue that there is no flexibility to allow new entrant trawlers access into the fishery.



Given the division that currently exists between stakeholder groups, I have become convinced, that meaningful compromise is not likely. As a result, after considering various aspects of the stakeholder positions and arguments, I would like to propose a structural framework which represents a middle ground in an attempt to reach a compromise that addresses most of the concerns and has a community focus. I fully recognize the need to expand the details. This framework would need substantial work before it is a mature proposal and may need some type of enabling legislation before it is implemented. It would, however, meet the objectives of the Gulf TBM problem statement. More importantly, it provide community sustainability for the Kodiak and Western Gulf regions. The elements of the framework are as follows—

**Public Trust:** The TAC would be transferred to a public trust similar to the Community Fishing Associations authorized by the Congress. The trustees would be the local governments. There would be either be a single board comprised of both Western Gulf and Central Gulf communities and boroughs or two individual boards, one each from the Central Gulf and Western Gulf. The purpose of the Board is to ensure that the agreed allocation methodology is being administered fairly and not being used to disenfranchise existing harvesting and processing participants or new entrants. Standards would be established to guide the Board's oversight in determining whether the administration of the fishery was being conducted on a fair and equitable basis. The administrating entity would be required to file a community sustainability plan to the National Marine Fisheries Service for periodic review, as well as reports on the actual implementation of these plans. The Trust would not lease the fish to the industry. There would likely be some nominal administrative fee assessed to offset the cost of public oversight. To address one of the concerns, there would be a regional landing component.

Board composition would be comprised of industry representatives and elected Borough and City officials to ensure community oversight.

**Ownership:** There would be no private ownership of the resource. The quota would be held in public trust for the benefit of the Gulf region, its industry participants, dependent businesses, and the local workforce. Similarly, there would be no Community Fishing Association formed which would receive an allocation of the quota to be leased back to the existing industry or new entrants. The Gulf trawl fishery is extremely fragile at present, and cannot be burdened by more layers of management and the tax imposed on it by newly created entities that imposed lease fees on quota.

**Allocation:** The trawl sector fishery should be administered by those with the actual day-to-day knowledge of, and experience in, the fishery. The trawl sector is currently attempting to manage bycatch through a voluntary effort. This concept would be formally adopted in this proposal as the administrative mechanism in some fashion. Individual vessel allocations would be made periodically (every two or three years). Allocations would be based on some objective standard of historic participation, realizing that a revised historical participation time segment might be required. Western Gulf and Central Gulf fishermen would have their historic participation recognized in all of the Gulf reporting areas. Fishermen would need to enroll in fishery cooperatives designed to collectively maximize their harvests within their available bycatch limits. To promote stability within the harvesting and processing sectors, harvestors

should stay with their cooperative for a period of time (two years). If the harvester opts to leave the cooperative after two years, there would be no penalty since the harvester does not own the shares.

**New Entrants:** Flexibility would be incorporated into the program to allow for new entrant harvesters to develop history if they are willing to take the risk of making the substantial investments necessary to become trawlers. I believe this flexibility needs to be focused on pure new entrants. American Fisheries Act vessels with no current history in the Gulf should stay in the Bering Sea. From a community sustainability perspective, it is critical that existing harvesters have a mechanism to exit the fishery and new entrants are not overly constrained from entry.

Flexibility would also be included to permit new entrant processors to become historic processors. This could be accomplished by providing means to acquire facility history in the event of a sale or closure. Additionally, there could be a quota pool established to provide new entrants with a portion of the quota, similar to the original Gulf of Alaska Rockfish Program which was modeled along these lines. Mechanisms can be developed for new entrant quota pools.

**Consolidation:** Lastly, there needs to be safeguards built into the proposal which prevent undue consolidation in both the harvesting and processing sectors. It is in the community of Kodiak's interest to stabilize jobs for skippers and crew. It is also in the community of Kodiak's interests to promote the stability necessary to have multiple processing companies who employ resident workers and who serve as markets for our diverse, non-trawl fisheries.

I recognize that existing processors have invested heavily to manage peak seasons in the Pollock fishery. Additionally, they have invested in other processing capabilities to accommodate non-trawl fisheries, so it is vital to maintain the maximum sustainable number of processors. One concept that has been briefly discussed is grandfathering existing processors. This is an area that needs further discussion, but it seems reasonable to establish a current baseline of processing capacity and build that into any discussion of processing caps. The Council has substantial experience with consolidation safeguards. Those concepts could be adapted to this proposal.

This framework that I am proposing is perhaps not new, but is an attempt to address the concerns expressed by harvesters, processors and community members. My goal is to offer a starting a discussion that enables participants to move beyond the existing stalemate and work towards a plan that provides for a sustainable fishing community in Kodiak and other Gulf areas. I would ask that this proposal be considered for further analysis.

Respectfully,

John Whiddon  
Email: [jbwhiddon52@gmail.com](mailto:jbwhiddon52@gmail.com)



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## Gulf Trawl Bycatch Management Program

1 message

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Jill Wittenbrader <jillwitt@gmail.com>

Wed, May 18, 2016 at 11:18 AM

To: "npfmc.comments@noaa.gov" <npfmc.comments@noaa.gov>

To Whom it May Concern:

I am writing to urge you to reduce bycatch in the Gulf Trawl Fisheries. The long-term health of Alaska Gulf communities depends on a management plan that that protects the role of independent, community-based fishermen and the health of fisheries.

The Gulf Trawl Bycatch Management Program should allow for viable entry opportunities, community protections, and meaningful reductions to bycatch.

Please take the necessary steps to reduce bycatch and insure the health our our future fisheries and communities.

Sincerely,  
Jill Wittenbrader

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Law Office of Jill Wittenbrader  
506 Marine Way Suite 3  
Kodiak, AK 99615  
[\(907\) 486-1004](tel:9074861004) Phone  
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NPFMC comments - NOAA Service Account &lt;npfmc.comments@noaa.gov&gt;

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## Trawl Bycatch

1 message

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Aaron Woods <cootholler@gmail.com>

Sun, May 22, 2016 at 3:05 AM

To: "npfmc.comments@noaa.gov" <npfmc.comments@noaa.gov>

The trawl fishery must be further regulated regarding Bycatch. The waste generated in dead halibut, crab, salmon and other non targeted bio is going to be the destruction of our great fishery. You must put an end to this. Setting the trawl restriction to 3 miles is s start but more must be done. Such a wasteful fishery. Historically trawl fisheries allowed to fish unchecked have created far reaching impacts to great fisheries. Act now to prevent Alaska from being another sad after thought

Sent from my iPhone

Mr. Chairman, Council members, my name is Lee L Woodard II. I am a natural born citizen of the United States of America, my mother and father are also natural born citizens as well, and I am a commercial fisherman. At the present time I am the managing and operating partner of the F/V Leslie Lee and the sole proprietor of Pacific Storm fisheries and the F/V Pacific Storm, both top tier C.G.O.A. Trawlers. I had at one time 5 siblings, I am now down to 3. I am the only fisherman in my immediate, and extended family. I believe this is because being a fisherman is as dangerous and uncertain a career path as almost all of the other options. I also believe that some people are just meant to be fisherman, just like some are natural talents at say, piano playing or mathematics. This year marks the 40th anniversary of the M.S.A. This groundbreaking act took over the waters surrounding this country and was federally mandated. The fisheries that soon developed were federally permitted, federally managed (through regional councils created by N.M.F.S.) and have grown and developed as federal fisheries. Many states have coastlines that retain state management from zero to three miles. All, or most of these states also have federally managed waters surrounding them. The tremendous risk and work that has taken place as these federal fisheries developed in the past 40 years has brought great benefit to these states and many new challenges to these fisheries. One thing is without any plausible argument, these states have all benefitted from the individual efforts of those brave enough to build and develop these fisheries once dominated by foreign fleets. I have no contention with the fact that all of these states have a very keen interest in the security and stability of these federal fisheries and the benefits they enjoy on a daily basis from them. There are many factors involved with creating and sustaining this stability and security in the current times. Most if not all of the federal fisheries are fully developed, capitalized, utilized, exploited, and are currently depended on by those of us who risked everything, including our lives to build them. It is even a precedence that the federal government has created "buyback programs" to mitigate the problems of overcapitalization. All the time we participants in the federal fisheries of this country have been paying federal income tax. These taxes have built and funded from the foundation up, many of the federal programs in place to manage and secure these fisheries, including the N.M.F.S. The state of Alaska has benefitted tremendously from the federal fisheries virtual from day one. Kodiak Alaska hosts one, if not three, largest and most revenue generating Coast Guard stations in the country. Landing taxes are paid by myself and others in the federal fisheries for the "opportunity" to deliver our fish into Alaska ports. When I say "our fish" I define that as the fish we caught under federal regulation and guidelines. Now is where the lines become blurred. I am required to stamp a State of Alaska Fish and Game fish ticket for every fish I deliver, regardless of whether it was caught inside or outside of federal waters. Crab fisherman, Scallop fisherman, and any other fishery I am aware of that is "State Managed", yet operates in federal waters, are not required to stamp a federal Fish Ticket. I believe that from the inception of the federal fisheries that the State of Alaska has developed a sense of entitlement to these federal fisheries, and remember Alaska was purchased from the U.S.S.R. by the federal government of the United States of America, so here we are today, trying to untangle the mess of an overcapitalized federal fishery. If you believe I am mistaken about the fisheries being in deep trouble, look at my bank account. I am going bankrupt right under your noses. Not because of a lack of fish. Not because of a lack of technology. Certainly not by a lack of effort. Are my words offending you? they should. It is the fiduciary responsibility of this regional council to protect and assist in managing these federal fisheries. Vertical integration, monopolized production capabilities, i.e. Surimi, Mince, Meal, Oil, these are the problems that need attention. Why has no fisherman in Kodiak

ever received compensation for fish and fish or base products that are made into a valuable commodity at the meal plant in Kodiak? During one whiting season several years ago I was paid the same exact price for every pound of whiting I delivered to my offshore processor, regardless of the final product, including meal! That's right, full price for every fish that went to their meal plant. Right now under the guidance and management of the federal fisheries by the N.P.F.M.C. I am being systematically stolen from. It is a great business plan for the meal plant owners in Kodiak, you should all be ashamed of yourselves, to get their primary product for free. They can do this only through a monopoly in meal production. Wait, there is a better business plan than that, lets charge the fisherman per ton to make meal from their fish!, better yet! Stability in the C.G.O.A. can be accomplished two ways in my opinion, it's simple. We as individual boat owners and operators, myself for 26 years, can either be recognized for our survival against some incredible hardships (think Judge Zilly, unfair Bycatch management, climate changes, monopolized markets and product options, and finally the political attempt to take it away completely). If you determine that I am a wingnut and a conspiracy theorist, you are ignoring every fact involved in this mess. Now there is a consolidated effort for the State of Alaska to take back, wait, take away what I have spent a lifetime building. Does full rationalization using the factors of investment, dependency, historical participation and the amount of catch associated with said participation, the possession of a fully viable and completely dependent L.L.P that passed the scrutiny of this council through the regency reduction action taken by this council mean nothing to you. Let's lend a short moment to that. This council seeing that the trawl fishery was overcapitalized, revoked the eligibility of many permits that were inactive. Now there is discussion of "what do we do to protect new entrants"? Why would anyone in their right mind want into a fishery that some of the most efficient, experienced, and formally successful participants are going bankrupt in? There are people, including me, that reinvested millions of dollars over the years in upgrades, vessel acquisition and fast advancing technology for bycatch avoidance, avoidance that WE have pioneered and paid for just to survive! Now comes 2016, the most financially devastating first quarter for trawling I have ever seen. I was advised that bringing words like these will be offensive and seem unwarranted. It is way past any point for me to be afraid to bluntly expose what is going to bankrupt my business. If alternative three wastes any more time as even a long shot proposal, I will not survive to fight the implementation variables if it succeeds. The State agenda is flawed. It was at one time on course when it provided a grant to a Kodiak processor to install one of, if not the first, shore side Surimi production lines. That very line was instrumental at stabilizing the states interest in the federal fishery for Pollock. That Surimi line is no longer in existence. Now there is only one, after the only other fully functional Surimi line was dismantled as a business plan by an expanding processor in Kodiak that now holds a monopoly on Surimi production. While this council sat back and did nothing while coming up with idiotic proposals like alternative three. Does the state want to see stability for its future stake in the federal fisheries? You don't need some new age anti allotment non allocation based plan. If the people behind alternative three succeed. They will give the integrated operations the ability to use processor owned vessels to harvest during the peak C.P.U.E. opportunities and force private operators, unless protected under a coop structured processor harvester unit with individual quotas, and, that can match and compete on ALL possible final products. Giving them the ability to push us few remaining operators into low C.P.U.E. times burning our "bycatch only allotment. This plan will create a monopoly on the best fishing opportunities. I am far from the sharpest crayon in the box, but to me it is clear that alternative three is biased and flawed. It is designed

only to prevent quota division. Division to the very operators that built these fisheries, simply for the State of Alaska representatives in the council process to look good to Alaskan residents, who by the way wouldn't have a state at all if the federal government hadn't purchased it. Then there is the argument by these individuals that because of consolidation and job losses in the Bering Sea state managed crab fishery that quota allotment was to blame. This is so absolutely far from the truth I am amazed it is being used in their argument. So why didn't Crab Rationalization protect all the boats and jobs? Hello, there was a catastrophic collapse of the Oplio Crab population, which by the way is managed by the State of Alaska. 90% of the biomass disappeared, do you not expect 90% of the jobs would too? or that 90% of the boats would as well? How were the remaining participants supposed to survive? It makes way more sense for one boat to catch what was once a normal amount of crab, then everyone catching enough crab just to cover the cost of the fuel to catch them? To use the problems of the rationalization of the Bering Sea Crab as a comparative to the G.O.A. is ridiculous. The loss of jobs and the consolidation was a result of the collapse of the Crab population not the rationalization of the fishery! The most obvious issue in the C.G.O.A. is an abundance of fish, both targeted, and incidental, as compared to the drastic decline in the crab population in the Bering Sea. Secondly, as a State managed fishery there is further less comparison. If stopping consolidation is the primary consideration of alternative three, it will simply guarantee and ensure beyond repair the very thing it was supposedly meant to stop. The State of Alaska would do way better to go back to its roots and provide grants to the few remaining nonintegrated processors left standing, and you better do it quick. They need the equipment and technology badly. Politics and politics alone are the only disease burdening the C.G.O.A. federal trawl fisheries. The State of Alaska needs to get off of the game of grabbing at what was built, and is in place, by those who risked everything to build the damn fisheries. The most proactive and long term beneficial action the State of Alaska can do is invest in the ports of delivery in the C.G.O.A. You can even throw in an alternative that ensures that regional history be protected requiring regionally historic deliveries. Forget alternative three, it is ridiculous. The State of Alaska is bordering on tampering with a federal fishery that you have no business tampering with. If this behavior continues I will be forced to bring a Class Action Lawsuit of tremendous proportion, inviting every federally permitted trawler that will be bankrupted by the insidious and malicious alternative three. Stop the politics and get on the right path, and do it quickly, before there is nothing left to protect.