

Mr. Dan Hull, Chairman  
North Pacific Fishery Management Council  
[npfmc.comments@noaa.gov](mailto:npfmc.comments@noaa.gov)

Re: April 2015 meeting agenda item C-8 – observer  
coverage on small CPs

Dear Mr. Hull:

I am a member of Lone Larsen LLC, which owns the 98-foot fishing vessel Pacific Sounder. In 2013, the Pacific Sounder operated as a catcher-processor (CP) in the Bering Sea and Aleutian Islands (BSAI) hook-and-line sablefish & Turbot fisheries. Due to the heavy expense of the first year of doing 100% observer coverage and paying 100% of the fee it was not feasible for us to fish in 2014. We tendered instead, and as a result we left a lot of quota on the table.

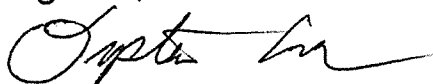
We support the following elements and options to fix this situation and allow small CPs to operate cost-effectively:

Element	Supported Option:
<u>Element 1</u> – Production threshold for placing CP in partial coverage for a fishing year?	Either <u>Option 1B</u> (average daily production of 15,500 round pounds) or <u>Option 2B</u> (average weekly production of 79,000 round pounds).
<u>Element 2</u> – “Basis year” of production that determines whether CP qualifies for partial coverage for a fishing year?	“Fishing year minus two years.” If there was no production in that year, most recent year of production before that year (but not before 2009).

<p><u>Element 3</u> – If no production in “basis year,” would CP initially be placed in partial coverage or 100% coverage?</p>	<p>Either <u>Option 2</u> (initially place all CPs without recent production in partial coverage until vessel has production history) or <u>Option 3</u> (initially place trawl CPs without recent production in 100% coverage and all other CPs in partial coverage).</p>
<p><u>Element 4</u> – Would vessel owner or NMFS select partial coverage for qualified CP?</p>	<p><u>Option 1</u> – vessel owner selects partial coverage by an annual deadline. NMFS’s suggested deadline of July 1 is acceptable.</p>
<p><u>Element 5</u> – should NMFS modify placement of small CPs in partial coverage based on any other factors?</p>	<p>We take no position on this element.</p>

I would urge the Council to move fast on this and get it done before start of next season otherwise we are going to have to sit out one more year or until observer i issue is resolved.

Regards,



Oystein Lone  
Operator/Manager Pacific Sounder

March 31, 2015

Mr. Dan Hull, Chairman  
North Pacific Fishery Management Council  
npfmc.comments@noaa.gov

Sent via Email

Re: April 2015 meeting agenda item C-8 – observer coverage on small CPs

Dear Mr. Hull:

We represent Far West Fisheries LLC, owner of the 57-foot fishing vessel CERULEAN. The CERULEAN currently operates as a catcher vessel (CV), mainly in the Bering Sea and Aleutian Islands (BSAI) hook-and-line halibut and sablefish fisheries under the individual fishing quota (IFQ) and Western Alaska Community Development Quota (CDQ) programs. The vessel also participates as a CV in pot cod fisheries in the Bering Sea and Gulf of Alaska (GOA).

Although the CERULEAN is currently operating as a CV, the vessel was designed to operate as a catcher-processor (CP) in the sablefish fishery and would be operating as a CP in that fishery but for the high cost of 100% observer coverage required of almost all CPs. At its December 2014 meeting, the North Pacific Fishery Management Council moved forward for analysis options for placing small CPs in partial observer coverage instead of 100% observer coverage. Subsequently, in March 2015, the National Marine Fisheries Service (NMFS) released an analysis addressing 5 elements that would place small CPs in partial observer coverage.

Far West Fisheries supports the following elements and options addressed by NMFS:

Element	Supported Option:
<u>Element 1</u> – Production threshold for placing CP in partial coverage for a fishing year?	Either <u>Option 1B</u> (average daily production of 15,500 round pounds) or <u>Option 2B</u> (average weekly production of 79,000 round pounds).
<u>Element 2</u> – “Basis year” of production that determines whether CP qualifies for partial coverage for a fishing year?	As NMFS proposes, “fishing year minus two years.” If there was no production in that year, most recent year of production before that year (but not before 2009).

<p><u>Element 3</u> – If no production in “basis year,” would CP initially be placed in partial coverage or 100% coverage?</p>	<p>Either <u>Option 2</u> (initially place all CPs without recent production in partial coverage until vessel has production history) or <u>Option 3</u> (initially place trawl CPs without recent production in 100% coverage and all other CPs in partial coverage).</p> <p>As discussed below, <u>Option 1</u> (initially place all CPs without recent production in 100% coverage) is contrary to this action’s intent.</p>
<p><u>Element 4</u> – Would vessel owner or NMFS select partial coverage for qualified CP?</p>	<p><u>Option 1</u> – vessel owner selects partial coverage by an annual deadline. NMFS’s suggested deadline of July 1 is acceptable.</p>
<p><u>Element 5</u> – Should NMFS modify placement of small CPs in partial coverage based on any other factors?</p>	<p>Far West Fisheries takes no position on Option 1. Options 2 and 3 are not necessary in light of independent requirement of 100% observer coverage in certain fisheries.</p>

Two of the above elements are particularly critical to the CERULEAN’s operation:

Element 1 (production threshold). NMFS’s analysis shows that there are two distinct groups of lower- and higher-production CPs, and that it is quite feasible to establish a threshold between the two under which partial observer coverage would apply to small CPs. The distinct grouping of lower- and higher-production CPs is made clear in Figure 4 at page 105:

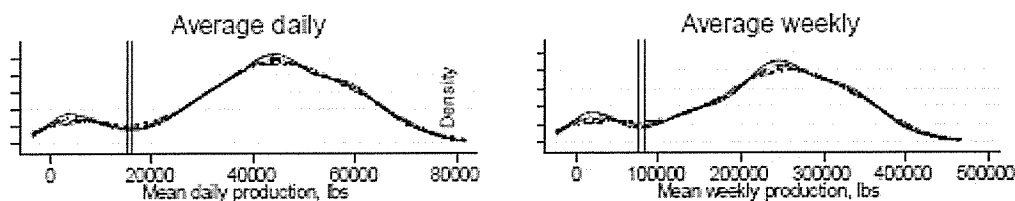


Table 12 at page 73 reinforces the clean separation between low- and high-production CPs reflected in Figure 4. Table 12 indicates that even if the higher of the average daily and average weekly production thresholds (Options 1B and 2B) are increased by another 25%, zero or one additional CPs could be expected to qualify for partial coverage. In other words, there are no-to-hardly-any CPs that are even close to those proposed higher production thresholds. It is therefore extremely unlikely that higher-production CPs will attempt to lower their production to qualify for partial observer coverage.

Finally, to put the limited scope of this action in the context of the overall observer program, at most 00.2% of BSAI and GOA groundfish production would be placed in partial coverage under the highest of the proposed production thresholds (Option 5B, average annual production of 2.665 million round pounds). NMFS analysis, p. 8. Consequently, NMFS has concluded that “the net impact of these actions on the information available for fisheries management appears to be small” and that “the impact of the action on inseason management will be negligible.” NMFS analysis, pp. 79, 82.

Element 3 (initial placement of CPs with no recent production). Far West Fisheries does not support Option 1. Under that option, all CPs without recent production history – even vessels like the CERULEAN that will have relatively low production once they begin operating as CPs – would initially be placed in 100% observer coverage. Option 1 would require those CPs to pay for 100% observer coverage for two years before they will have a “basis year” of production (“fishing year minus two”) on which to qualify for partial coverage. That expense could continue to keep vessels like the CERULEAN from commencing CP operations at all. Option 1 is not consistent with the intent of this action, which is in part being taken to assist vessels similarly situated with the CERULEAN.

Option 1 is also not necessary to ensure that any new, high-production CPs are subject to 100% observer coverage, for the reasons NMFS lists at page 33 of its analysis:

“The possible placement of a catcher/processor in partial coverage with relatively high production for up to two fishing years is mitigated by several factors. First, if a new catcher/processor is participating in a catch share program with  $\geq$  100% coverage, the new catcher/processor would still be subject to the 100% observer coverage requirements. Thus, a new AFA catcher/processor or a new Amendment 80 catcher/processor will be subject to  $\geq$  100% coverage requirements. Second, a catcher/processor in partial coverage is still subject to placement of observers according to a scientifically sound sampling plan developed through the ADP [Annual Deployment Plan] process. Theoretically, the ADP could even require 100% observer coverage for vessels that are in the partial coverage category. Third, if, under Element 4 of this action, a vessel owner must choose partial coverage, it is possible that the owner of a catcher/processor that would process in excess of the production threshold would choose full coverage anyway[.] (A vessel grossing in excess of about approximately \$21 million ... may have lower costs for an observer if the vessel owner chooses full coverage at a cost in the vicinity of \$367 a day rather than partial coverage with a 1.25 percent assessment).”

Thank you for your consideration of these comments.

Sincerely yours,

Sullivan & Richards LLP

*Andrew Richards*

Andrew Richards