



North Pacific Fisheries Association
P.O. Box 796 · Homer, AK · 99603

January 28, 2014

To: North Pacific Fisheries Management Council

Chairman Eric Olson

Re: Agenda Item E1 Staff Tasking

Dear Chairman Olson,

The North Pacific Fisheries Association is a Homer, Alaska based mixed gear commercial fishing organization representing about forty fishing operations. This letter is to inform the NPFMC that our Board of Directors has taken a position against changing the current Halibut IFQ Vessel Cap. We feel the cap was well designed and included in the program for good purpose. The current low abundance of halibut is a challenge across the fishery and everyone is feeling the burden. The quotas are consistently being attained in all areas that have processors buying during the halibut season. For the vast majority of the fleet a lower cap is an opportunity not a restraint. Our understanding is that this issue was extensively vetted in the AP during discussion on the IFQ Committee report at the December meeting and was voted 8/11/1 NOT to move forward with a discussion paper. We agree with the AP decision and feel the staff's time will be better spent on broader issues. We appreciate your consideration.

Thank You,

Malcolm Milne, President

North Pacific Fisheries Association



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January 28, 2014

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

RE: Agenda Item E-1, Staff Tasking: Sablefish IFQ Vessel Caps

Dear Chairman Olson,

On behalf of the Freezer Longline Coalition (FLC), I would like to submit comments to the North Pacific Fishery Management Council (the Council) suggesting potential changes to the sablefish IFQ program. The following provides information on the need for modifications to the program and specific changes we would recommend to be considered by the Council.

About FLC

The FLC represents the owners and operators of the nearly 30 vessels that participate in the hook-and-line catcher processor (HAL CP) sector of the federal P-cod fishery in the Bering Sea and Aleutian Islands. FLC member companies are the pioneers of the HAL CP sector in Alaska and have over 30 years of history fishing for P-cod in the North Pacific. The HAL CP fleet is predominantly a single-species P-cod directed fishery fleet, but a limited number of vessels are also historical participants in the sablefish IFQ fishery. This fishery provides an important additional source of revenues for the vessel operators and crew who participate in the fishery.

Problem statement - Why change the sablefish IFQ program?

There are two key purposes for pursuing changes to the current sablefish IFQ program: improving operating efficiencies for vessels participating in the fishery and maximizing utilization of sablefish in the Bering Sea and Aleutian Islands.

- *Improving efficiencies:* From an efficiency standpoint, the 1% vessel cap is too low for freezer longline vessels to operate in the fishery efficiently. The smallest freezer longline vessels are about 125' and hold about 325,000 lbs of fish. Under the 1% vessel cap, the 2013 IFQ allocation amounted to 280,139 lbs of sablefish, or about 204,000 H&G lbs. This amounts to about only half a load of fish for the smallest freezer longliners, and less so for larger vessels. The high operational costs of harvesting the

allocation makes it difficult to operate efficiently, minimizing revenues gained for the holders of the IFQ, vessel operators, and crew.

- *Maximizing utilization of BSAI sablefish:* The sablefish fishery in the BSAI is primarily a large boat fishery, with a small number of active participants. This is largely attributable to ocean conditions that limit the effectiveness of small boats and the high costs of owning and operating a vessel in the fishery. The current regulations limit the ability of vessel owners who have made the investment in the fishery to operate efficiently and to increase their harvest when additional fish is remaining in the water. Changes to improve their ability to harvest IFQ will result in better a utilization of the resource.

Proposed modifications for review by Council

The founding principal of the sablefish IFQ program was to create opportunity for new participants. Experience has demonstrated that the best opportunity for new entry into the fishery is to buy quota share and use it to go on vessels. Changes proposed to the IFQ program by FLC will provide more room on the vessels participating in the fishery for quota share owners to harvest their IFQ, resulting in additional opportunities for new participants.

The FLC proposes the Council initiate a discussion paper addressing the following changes to the sablefish IFQ program:

- *Increase vessel cap:* FLC proposes an increase in the current 1% vessel cap and asks that two options be reviewed by Council: an increase to 1.5% and an increase to 2.0%. FLC suggests that the discussion paper evaluate the impacts of each proposed increase.
 - FLC recommends that Council consider a percentage increase in the vessel cap in lieu of establishing a minimum vessel cap amount (e.g. 400,000 lbs). FLC does not oppose a minimum amount, but increasing the percentage of the vessel cap appears to be a more stable approach for operators and IFQ-holding crew. Not increasing the percentage of the cap could result in IFQ-holding crew losing out on their spot on a vessel if quota goes up without an increase in the percent that may be harvested by the vessel.
- *B share modifications:* In the BSAI, FLC proposes Council consider allowing B shares to be harvested on a vessel when A shares are being frozen on board. Council may also consider the following sub-options for B shares in the BSAI:
 - Allow no owner on board with B shares
 - Allow freezing with B shares

Thank you for your consideration of this important issue for the FLC and other participants in the sablefish IFQ fishery. Please do not hesitate to follow up with me if you have questions.

Sincerely,



Chad I. See
Executive Director
Freezer Longline Coalition



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