

September 28, 2023

North Pacific Fisheries Management Council 1007 West 3rd Ave., Suite 400 L92 Building, 4th Floor Anchorage, AK 99501

Re: <u>Issue D3: Central Council of Tlingit & Haida Indian Tribes of Alaska Comments on Draft IFQ Program Review Work Plan</u>

Dear NPFMC Members and Staff:

Central Council of the Tlingit & Haida Indian Tribes of Alaska (Tlingit & Haida) appreciates the opportunity to comment on the draft IFQ Program Review Work Plan. This mandatory 7-year program review is intended to assess the successes and failures of the Council's halibut and sablefish individual fishing quota program for the Bering Sea and the Gulf of Alaska.

As the traditional stewards of these lands and resources, we have a keen interest in seeing our fisheries managed responsibly, so that for generations to come our villages will continue to live our ways of life. Since time immemorial, Pacific halibut has been a culturally significant species for Tlingit and Haida peoples in the Gulf of Alaska; however, Alaska Native entry to commercial fisheries was delayed due to limited knowledge about commercial fishing gear, profound stratification of wealth and geographic position, and highly institutional relations among fleet management. Property rights forms of fisheries harvest have brought about a dramatic alienation of Alaska Native fishing rights and place-based livelihoods.

The impact of the IFQ halibut and sablefish program for the Gulf of Alaska has been catastrophic for our tribal citizens living in our traditional fishing villages (our "CQE communities" [named after a failed Council effort to assist these villages]). The CQE program has not fulfilled Magnuson-Stevens Fishery Conservation and Management Act National Standard 8, which states that management measures must "utilize economic and social data that are based upon the best scientific information available in order to:

- (1) Provide for the sustained participation of such communities; and
- (2) To the extent practicable, minimize adverse economic impacts on such communities."

It is unlikely that the IFQ/CQE interface will adhere to this standard without significant modification. Mitigation measures should consider the social factors that can lead to a

redistribution of fishing rights in privatized access fisheries. According to Carothers¹, "the multiplicity of fishing operations (individual, collective, kin-based), fishing motivations (profit-seeking, livelihood-based, mixed subsistence-commercial), and fishing values (monetary, cultural, social, familial, spiritual) need to be more fully accounted for in resource policy." Tlingit & Haida had hoped that the Work Plan would focus on a comprehensive, up-to-date analysis of the human and cultural toll that the IFQ program has wrought on these communities. Unfortunately, there is little in the draft Work Plan that gives us any comfort in that regard.

To survey the landscape: It is beyond dispute that the IFQ program has wrecked the fisheries' economy and culture of our villages, the "CQE communities". To begin with, and as the National Marine Fisheries Service (NMFS) found in its 2016 review, the IFQ program was initially structured to disadvantage small village fishermen:

Residents of CQE communities received small amounts of QS relative to the number of initial issues (NPFMC, 2010). CQE residents generally did not qualify for large QS allocations because prior to IFQ they fished multiple fisheries opportunistically (ibid.). Small QS allocations resulted in small amounts of IFQ pounds, which may not have been economically worthwhile to fish.

NMFS, Twenty Year Review of the Pacific Halibut and Sablefish Individual Fishing Quota Management Program (Dec. 2016) at 308 ("20 Year Review"). This, according to NMFS, created "an incentive to sell [the villagers' QS]" (id.). When that incentive was superimposed on local economies depressed by the loss of fishing opportunities, that is precisely what happened. According to NMFS, and for example, during that the IFQ program's initial 20- year period, village halibut QS holdings collapsed, reaching losses such as: Angoon (-100%), Hoonah (-66%), Hydaburg (-91%), Kake (-68%), King Cove (-34%), Larsen Bay (-41%), Metlakatla (-55%), Meyers Chuck (-92%), Old Harbor (-53%), Ouzinkie (-69%), Port Graham (-63%), Port Lions (-69%). All told, between 1996-2015, villages along the Gulf coastline lost an aggregate of 54% in IFQ fisheries' earnings. As such, the quota share holding group is becoming an increasingly closed class and that any transferees must have to have special knowledge or relationships to acquire quota. The privatization, the individualization, commodification, and marketization – of the right to fish marks a fundamental break in how fishing livelihoods are able to be pursued within villages.

To date, the Council's only response has been the CQE program—an experiment that NMFS found "has not proven to be effective in terms of providing a feasible mechanism to allow residents further access to QS holdings." ³ Indeed, a 2019 study by Dr. Alexander Kotlarov found that, by 2019, the 42 small GOA fishing communities eligible to form CQEs had experienced a 56% decline in individuals making landings, and a 79% drop in pounds landed—and this principally because these

¹ Carothers, C. (2010). Tragedy of commodification: Displacements in Alutiiq fishing communities in the Gulf of Alaska. *Mast*, 9(2), 95-120.

¹ / 20 Year Review at 305-307...

² / NOAA, Report on Holding of individual Fishing Quota (IFQ) by Residents of Selected Gulf of Alaska Fishing Communities 1995-2015 (Aug., 2016) at 47.

³ / 20 Year Review at 309.

communities had collectively experienced a 35% decline in halibut QS and a 55% decline in sablefish QS over the same period. ⁴

By NOAA's last count, only five CQEs had purchased quota share, and this often because of one-time local revenue windfalls. Otherwise, villages are left to choose between paying insurmountably high QS prices for a handful of shares or fund schools and health facilities. The CQE program did nothing to enhance the villages' financial barriers to participation in the IFQ program. It merely relocated those barriers from individual fishermen to local nonprofits.

The exodus of QS from these small villages is only the preface to the tragedy. The end came in the outmigration from these villages; increased unemployment; decreased economic choices; and the obliteration of ancient fishing culture that inevitably flowed from being denied the right to fish. The 20 Year Review bypassed any substantive discussion of those impacts. It resultantly understated the gravity of the mess that the IFQ program has created in the Gulf, and our fear is that the current Work Plan will make no improvements to our communities and local fishermen, and simply keep those blinders firmly in place.

Three matters in particular drive this concern:

First, The 20 Year Review laid out QS losses for each CQE village. The 2023 draft Work Plan (p. 24) states that "QS and IFQ holdings data will be provided in the Online Appendix at the community level by year." Burying one of the report's leads (i.e., the disappearance of village fishing rights as direct result of the IFQ program) in an appendix is concerning enough. Additionally, it is less than clear that this "community level" report will separately report QS losses in the CQE communities, rather than having their impacts lost in a larger mass. In that regard: in 2016, and for some impacts in 2023, a major subdivision of communities was/will be "rural/urban." The inadequacy of reporting only on a "rural/urban" basis is that the "rural" designation includes numerous much larger industrial fishing centers, as well as the communities along the Bering Sea coast that enjoy the benefits of the CDQ program. As a result, a "rural/urban" comparison completely masks the disastrous conditions in the Gulf of Alaska's CQE communities.

Second, the federal government has a trust responsibility to Alaska Natives and is both able, and often obligated, to focus specially on the impacts of its programs on Tribal community health. That obligation is underscored in the 2021 Conserving and Restoring American the Beautiful, to which the Department of Commerce (Department) is a signatory. That commitment obligates the Department to respect Tribal "fishing rights on and off reservations," in including their "subsistence rights," and compels to conserve fisheries in a manner that improves communities, including Tribal communities by fostering a "vibrant working waterfront." *Id.* at 14-15. Healthy fisheries mean healthy tribes; healthy tribes mean healthy communities.

Understating the impact of its IFQ program on our tribal communities—an impact that has pushed these communities to or beyond the cultural and economic breaking point—is hardly consistent with the Department's promises in *America the Beautiful*. As a first step in curing that fault, Tlingit

⁴ / Kotlarov, NOAA Technical Memorandum NMFS-F/AKR-23, *A Review of Community Support Measures Included in Alaska Fisheries and a Roadmap for their Use in Sustaining and Rebuilding Small Fishing Communities* (Nov. 2019) at 50.

& Haida would urge the Council to require the 2023 review to not only document QS losses within tribal villages, but, more importantly, credibly research and report upon the impact that these losses have had on Tribal members' traditional fishing opportunities and the villages' historic fishing culture; and

Third, The 20 Year Review suggested that, besides simply documenting QS losses, future reviews "may also choose to examine the impacts of the IFQ Program on Alaska communities by region" and "may also identify specific communities that are of interest with respect to the impacts of the IFQ Program...and these communities could be targeted for more in-depth analyses in the future." *Id.* at 310. However, it appears that the only impact that the 2023 review will cover are QS losses. Nothing about loss of fishing opportunities, employment diversity decline, unemployment, or outmigration—much less cultural erosion. There is an existing body of work on this topic, though it would profit both by updating and a providing a comprehensive examination of the range of economic and cultural casualties.

It is past time for the Council to own up to the misery it has caused along the Gulf of Alaska coastline. Our fishermen are economic powerhouses throughout the region. The wealth they generate directly supports not only their own families, but their employees, local businesses, and city governments. The disastrous economic domino effect of allowing things to continue as they have will cause lasting, if not irreparable, harm to local fishermen and the people and communities that rely on them.

Tlingit & Haida appreciates the opportunity to comment on the draft Work Plan.

Sincerely,

Richard J. Peterson.

President