



IFQ Committee

REPORT

April 1, 2019

Anchorage Hilton, Dillingham/Katmai Room

Committee Members in attendance:

Buck Laukitis (Chair)
Matt Robinson
Peggy Parker
Natasha Hayden

Nicole Kimball
Jeff Kauffman
Erik Velsko
Bob Linville

Linda Kozak
Jeff Farvour

Members absent: Shawn McManus, Michael Offerman, Jared Bright, Dave Fraser

See Appendix below for public comments submitted to the IFQ Committee.

The Chairman called the meeting to order and the agenda was approved with no amendments. The Chairman advised that public testimony would be taken at the conclusion of each agenda item as time permitted. Public testimony was received after each agenda item.

Introduction and new information since the last Committee meeting

The IFQ Committee received an update from staff on related meetings and tasking items that have occurred since the last Committee meeting in February 2018. Specifically, staff summarized the discussion that occurred at the June 2018 outreach session in Kodiak, AK focused on entry-level opportunities and rural participation in the IFQ fishery. Staff noted that two discussion papers were added to the Council's IFQ task list at that meeting.

- A review of programs in other fisheries that promote access to quota-based fisheries (scheduled June 2019).
- Scoping of regulatory and non-regulatory approaches to promote voluntary transfer of QS from initial recipients to actives skippers and crew.

The committee discussed how those papers align with, and potentially contribute to, the broader discussion of the Council's direction regarding intergenerational issues in the IFQ fishery.

Committee members revisited previous discussions about factors that make entering the fishery or attracting labor to the fishery challenging. The Committee discussion reflected the fact that stakeholders have varying points of view about whether the program is meeting the objective of being a largely owner-operated fishery. This topic was discussed in more detail under the review of the IFQ Eligibility discussion paper (see below). As the Committee and the Council continue to consider measures that might modify quota-holding privileges based on types of participation, it was noted that information gaps about crew participation and business arrangements should be addressed to the extent possible.

With the understanding that some intergenerational change will occur naturally over time – though perhaps over several more decades – the Committee identified that the Council's first decision is whether it wants to act as a guide for that process as it occurs, or take affirmative steps to affect changes in the

near-term. **The Committee did not express a consensus on that matter. The Committee did, however, generally agree that it is important to have a clear definition of what it means to be an “owner-operator.”** The Committee noted that the definition of owner-operator, in regards to program objectives, might be different in 2019 than what it was when the program was implemented in 1995.

Committee members recalled that in October 2017 it had received a report on cost recovery fees and the activities that were contributing to costs. **The Committee noted that it would like to receive cost recovery reports routinely in the future.** Some members were also interested in a future presentation or interaction with a representative of NMFS Financial Services Division regarding the opportunities available under the Federal loan program.

NMFS staff provided an update on the status of implementing the action to allow halibut retention in pot gear for the BSAI. Staff noted that the public comment period would be open during summer 2019 and implementation was likely in time for the 2020 fishing year.

Public testimony was received from Simeon Swetsoff.

CQE Fish-Up in Area 3A (Initial Review)

Sara Cleaver (NPFMC) and Stephanie Warpinski (NMFS) provided a report on the discussion paper that will be presented to the Council under the C-6 agenda item. Staff described the limited scope of the potential action and highlighted several recommendations from NMFS that were included in the analysis regarding ease of administration and the associated administrative cost to the fishery. In answering the Committee’s questions, staff confirmed that administrative costs related to the CQE program do accrue to cost recovery. Staff also confirmed its interpretation of the Council’s intent that this action would only affect quota shares for Area 3A, not quota shares for Area 3B that a “3A CQE” might own. Finally, staff clarified that the action does not determine *which* C-class vessels would be able to fish the “fish-up” D-class quota; the vessels that could be used would be defined in the eligibility requirements that the CQE creates and submits to NMFS for approval.

The Committee had varied reactions to the NMFS suggestion that the action would be simpler to enforce and create fewer additional administrative costs if the fish-up provision was allowed to be in place throughout the entire year rather than only after a certain date.

- Some viewed this option as a way to help CQEs achieve their objectives, and noted that minimizing administrative costs would benefit all QS holders who pay cost recovery fees.
- Others questioned whether the option would increase the value of the quota (and thus the price), and expressed some concern about sending a signal that the Council might consider allowing fish-up for non-CQE quota holders or CQEs in other areas where fish-up is not currently allowed.
- To the extent that the effect on QS prices was discussed, members noted other IFQ program elements that are, or could be, putting positive pressure on prices (e.g., regional quota entities and guided angler fish [GAF]).

The Committee did not have a consensus recommendation on how this action should proceed.

Support was generally framed around the fact that this would, in fact, help CQEs achieve their goals and the fact that the amount of D-class quota that could be fished up in that area is relatively small. For some who questioned whether this action conflicts with the original intent of creating D-class quota, support was contingent on following the full-season recommendation because it reduces costs paid by all participants. One additional benefit that was noted by the Committee but was not in the analysis is that in some cases it could help a C-class vessel put together enough QS to make an economically viable trip.

Public testimony was received from Linda Behnken.

IFQ Eligibility Criteria (Discussion Paper)

Anna Henry (NPFMC) provided a report on the discussion paper that will be presented to the Council under the D-6 agenda item. The Committee’s discussion highlighted definitional and implementation items that the Council should consider if it chooses to initiate an analysis. These include:

- The scope of the action;
- The meaning of an “owner-operator” fishery;
- Questions related to enforcement and administration;
- Unintended consequences that could emerge depending on how alternatives are formulated.

Scope of action

The Committee asks that the Council first identify the categories of participants whose future eligibility might be in question as the result of a new requirement. Another way to frame that question – particularly in terms of identifying unintended consequences – is, “whose behavior would potentially be modified?”

- The Committee seeks clarification on the objective of the action and whether initial quota recipients who can use a hired master would be required to go to sea in order to retain their ability to own quota share. Whether or not these quota holders are exempted greatly affects the nature of the action and the analysis it would require. If indeed the Council is focused on initial quota recipients who use hired masters, the Committee was not clear how the intent behind this requested paper differs from the hired master paper that is not yet scheduled for review.
- If the problem that the Council is seeking to address has to do with non-initial issuees who go onboard but do not actively harvest the fish (“ride-alongs”), the questions to be answered and the data required will be different.

The Committee reached consensus that this action should not affect non-individual entities who own quota. These entities include quota shares held by corporations and CQEs. The Committee does not think the action would impact A-shares.

The Committee reached consensus that any eligibility requirement should be applied in an ongoing manner, and that a one-time qualification (“prove-up”) that covers an individual indefinitely would not meet the Committee’s interpretation of the action’s objective. The Committee recognized that an ongoing – or “rolling” – eligibility requirement would be more complex and potentially more expensive to administer and enforce.

Owner-operator objective

If the objective of the action ties back to the original IFQ Program objective of maintaining an “owner-operator” model for the fleet, **the Committee seeks a definition of what owner-operator means in the context of the fishery as it currently operates.** In 2019, the fishery contains a mix of vessel/quota owners who hire a master, vessel/quota owners who operate the boat, quota owners who fish on someone else’s boat, and second-generation “ride-alongs.” **The Committee generally agreed that an owner-operator owns quota that they fish but does not necessarily need to own a vessel.** The members noted that the perception of this definition might have evolved since the program objectives were framed in 1993. **The Committee did not have a consensus on whether the definition of owner-operator should exclude owners of a vessel and quota who hire a crew but do not go to sea.** Members had varying opinions as to whether the program is currently meeting the owner-operator objective.

Administration/enforcement questions & unintended consequences

The metric by which this action determines eligibility will dictate the data needed to administer and enforce a new regulation. The Committee noted that the metric is important in part because **once a standard is defined people will perform to that standard**. For instance, if eligibility is contingent on achieving a number of sea-days over a given period of time, people might fish differently, enter fisheries in which they would not have otherwise participated, or pack in extra fishing effort (in whatever metric meets the standard) as the qualification period nears its end. The need to alter behavior could be especially relevant to participants who hold a small amount of quota and/or fish part-time. Many such behaviors can result in negative externalities (unintended consequences). For example, entering other fisheries to accrue sea-days congests those other fisheries. Extra fishing effort for the sole purpose of meeting a sea-day requirement is economically inefficient by nature. Fishing more days than are necessary would not only be economically efficient, but it could devalue crew labor and add costs to the observer program.

The Committee did not address what should happen when someone fails to meet the eligibility criterion. Whether a person would be obligated to sell their quota share or whether NMFS would simply not issue the annual IFQ pounds remains an open question. The former outcome could have effects on the quota market; the latter would simply inflate the number of pounds issued to those who retained their eligibility. Whether a person could re-qualify was also not addressed. The Committee did discuss potential unintended effects in rural communities if failure to qualify required quota shares to be divested. Individuals who wish for their quota to remain in the community but cannot find a buyer at what he or she considers to be a fair value might have to accept a transfer offer outside of their community.

Presuming that sea-days is the Council's desired metric for this considered action, **the Committee noted that there are gaps in existing sources of information to track sea-days.** The Committee noted that the Coast Guard uses sea-days as a measure to maintain vessel qualifications, but also recognized that those requirements make sense for the Coast Guard context because the qualification is meant to reflect technical proficiency gained through experience. The question was raised as to whether sea-days is the right metric, thinking that perhaps a different metric would not modify behavior in the ways mentioned above (RE: unintended consequences). However, metrics such as number of landings would also present challenges for those who own small amounts of quota. If the Council is using this action to reduce the "ride-along" form of participation where a quota owner is present onboard but does not actually fish, it was not obvious to the Committee what data could be collected to delineate that sort of behavior.

Public testimony was received from Dan Falvey, Linda Behnken, Bob Alverson, Jim Johnson, Craig Evans, and Bernie Burkholder.

Sablefish Discards (Discussion Paper)

Jim Armstrong (NPFMC) and Joe Krieger (NMFS) provided a report on the discussion paper that will be presented to the Council under the D-8 agenda item. The Committee's discussion was focused on two topics:

- Whether any ability to discard small sablefish should be framed as a regulatory requirement (minimum size limit) or as a voluntary option
- How to proceed with this action since discard mortality rates (DMR) for this fishery are not established.

Mandatory versus voluntary discards

The committee agreed on a preference that any discard action should be voluntary.

- Members were concerned about how a mandatory size-based discard requirement would be enforced, and how difficult it could be for fishermen to comply if a fish is near the size threshold.

Members felt that fishermen could risk an accidental violation, and that they might have to substantially alter their fish-handling procedures at the rail.

- Mandatory discards could have a different economic impact on the value and profitability of a trip in areas where the proportion of small fish in the fishery is greater (e.g., BSAI). Requiring the discard of small fish that could still be sold for a profit, albeit a smaller one, would adversely impact crew pay and thus the ability to attract and retain a crew.
- Members noted that requiring fish to be discarded when in the presence of depredating whales could be counterproductive to the goal of returning to the sea fish that could survive, grow, and reproduce.

The staff presentation highlighted the past suggestion to consider a discard allowance (or requirement) only when a large incoming year-class is detected and small fish are recruiting into the fishery. While the Committee did not formulate a recommendation on whether or not a “togging” discard allowance should be analyzed, it did acknowledge staff’s description of how much uncertainty might be involved in identifying the presence of a new year class with some precision relative to a threshold.

Discard mortality rates

The Committee devoted most of its discussion to the question of how to proceed with this action when there is no established DMR for the fishery. **The Committee favored proceeding with action using a proxy DMR that could be derived from longline survey information or from other sablefish fisheries, and perhaps developing more particular DMRs for this fishery over time through viability studies.** The Committee expressed some concern that developing a DMR by adding to observer coverage needs and observer duties could drive up costs for the program. It was mentioned that IPHC already has a method to estimate “wastage” in the halibut fishery, and those methods could inform the way that a proxy DMR could be quickly developed for this fishery. The members noted that sablefish are targeted across a vast area in terms of geography, and that spatially differentiated DMRs might be preferable in the future.

The Committee recognized that discard mortality needs to be accounted for in total catch estimation, and failure to do so could have a negative impact on the resource. The Committee was comfortable with the notion that some amount of the ABC might need to be set aside as a discard mortality buffer so that total catch does not exceed that limit. This would likely mean that quota share units equate to fewer IFQ pounds than they otherwise would. Other methods of total catch accounting are possible, but it was understood that assumed discard mortality rates could not be applied at the individual level. In other words, the effect of allowing discards would be experienced equally by individual participants. **The Committee noted that eventually it would be beneficial to have DMRs that are specific to an area and/or to a harvest sector (CV vs. CP, and pot vs. hook-and-line).**

Finally, the Committee noted that expanding the use of logbooks in the sablefish fishery could provide additional information that could contribute to the tracking of discards. Currently vessels less than 60’ LOA are not required to fill out a logbook when fishing for sablefish.

Public testimony was received from Linda Behnken, Bob Alverson, Craig Evans, and Bernie Burkholder.

Three-year Review of GOA Sablefish Pot Gear Fishery

The Committee noted the upcoming three-year review of the GOA sablefish pot longline fishery. When the Council recommended the establishment of that fishery, it requested that a review be conducted after three years but it did not specify the contents of that review. To date, NMFS’s annual in-season management reports have documented vessel participation, sablefish catch, incidental halibut catch, number of trips covered by observers, and gear loss (information available through the NMFS pot-tagging program).

The GOA sablefish longline pot fishery first occurred in 2017, meaning that a three-year review should include data from the 2017, 2018, and 2019 fishing years. The fishery typically concludes by regulation in November. The Council has discretion over tasking as to when the review should be conducted and presented to the public. The Council could reasonably expect to have catch data for 2019 as early as the last months of that calendar year, but ex-vessel data and information derived from observers or EM would only be available later (2020).

The Committee noted its interest in conducting this review as soon as is practicable. In part, the Committee would like to see this report on the Council's agenda so that the Council can hear stakeholder testimony on the efficacy of the fishery and areas to consider change. The Committee did not create a list of reporting items that should be added to what is in NMFS's annual in-season reports, but it did note interest in the occurrence of "gear conflicts." Metrics by which gear conflicts could be assessed were not established.

Other Issues

The Committee concluded with a short discussion of how to proceed with the set of forthcoming discussion papers that all generally address the issue of different experiences under the program for initial quota share recipients and "second generation" participants. The Committee prefers to see these work products packaged to the extent practicable given staff availability. If any additional analytical tasks emerge from this meeting or the Council's June 2019 meeting, the timing of those tasks could be aligned with whatever next steps are taken on the IFQ eligibility discussion paper or the first review of the hired master discussion paper.

Finally, the Committee expressed a preference, when possible, to schedule IFQ Committee meetings outside of the IFQ fishing season. The Committee recognizes that this restricts the number of opportunities to meet, and also recognizes that scheduling is ultimately at the discretion of the Council's executives.

Others in Attendance

Staff: Sam Cunningham (NPFMC), Stephanie Warpinski (NMFS), Sara Cleaver (NPFMC), Anna Henry (NPFMC), Kurt Iverson (NMFS), Alicia Miller (NMFS), Bridget Mansfield (NMFS), David Witherell (NPFMC), Joceyln Runnebaum (ADFG), Chris Lunsford (NMFS), Sabrina Devereaux (NMFS), Rachel Baker (ADFG), Nathan Lagerway (NMFS OLE), Brent Priestas (NMFS OLE), Jim Armstrong (NPFMC), Joe Krieger (NMFS), Tom Meyer (NOAA GC – phone)

Signed-in: Jim Johnson, Bob Alverson, Patrick Lane, Bernie Burkholder, Craig Evans, Alan Gross, Rob Wurm, Dan Falvey, Andy Mezirow, Linda Behnken, Simeon Swetzoff, Keith Criddle.

APPENDIX

March 13, 2019

Mr. Simon Kinneen, Chairman
North Pacific Fishery Management Council
605 W. 4th Ave., Ste 306
Anchorage, AK 99501-2252

RE: **IFQ Committee Report**

Dear Chairman Kinneen:

The following proposed changes to the IFQ program are submitted on behalf of the Fishing Vessel Owners Association (FVOA) and the Deep Sea Fishermen's Union (DSFU).

1. Allow halibut to be delivered from pots from the Gulf of Alaska in order to compliment the same provision that is permitted in the Bering Sea and Aleutian Island areas.

The Council amended the Bering Sea Groundfish Plan to provide for halibut retention in pots. This proposed change for the GOA would help those vessels that fish both in the BSAI and GOA. Currently, a vessel that does fish both areas and used pots must change the gear they are using when moving from the BSAI to the GOA. In order to increase the efficiency of the vessel operation and allow the vessels to minimize whale depredation in the GOA, this change would be welcomed.

2. Allow those vessels that fish sablefish with pots in the S.E. Alaska to be able to leave their gear in the water when making deliveries.

Currently in the Western Gulf, Central Gulf and West Yakutat areas, there is no requirement to carry your gear into port when making a delivery. We are requesting the same for the S.E. Alaska area. The current requirement can create a safety/stability issue for vessels that make a delivery in the S.E. Alaska area. The current requirement to carry the gear puts smaller vessels at a competitive disadvantage to participate in this fishery as many are not able to carry all their pots plus a load of fish.

3. Allow new quota purchased by second generation quota shareholders following the future date of Council vote, to be exempt from the vessel CAP rule.

This suggested change is intended to encourage crew to purchase Quota Share. This change would also encourage vessel owners to assist in providing financial assistance to

Mr. Simon Kinneen

March 13, 2019

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their crews to become Quota Share holders. Currently, if a crew is on a vessel that is at a vessel CAP, there is no further opportunity for 2nd general fishers to buy in as they would not be able to catch their quota on the vessel they have their primary employment.

These proposed changes are supported and requested by the members of the Fishing Vessel Owners' Association and the Deep Sea Fishermen's Union. We believe they address the whale depredation issues on sablefish and halibut, vessel safety and promotes second generation quota share purchases.

Sincerely,

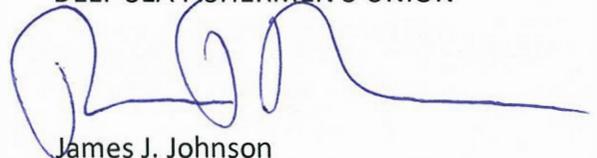
FISHING VESSEL OWNERS' ASSOCIATION



Robert D. Alverson
Manager

Sincerely,

DEEP SEA FISHERMEN'S UNION



James J. Johnson
Executive Director

RDA:cb

March 19, 2019

Mr. Simon Kinneen, Chairman
North Pacific Fishery Management Council 605
W. 4th Ave., Ste 306
Anchorage, AK 99501-2252

RE- IFQ Committee Process – Stakeholder Concerns

Dear Chairman Kinneen;

We are writing to express our serious concerns about how the IFQ Committee has been conducted over the last fourteen months, culminating with what has been reported by IFQ Committee Chair Buck Laukitis last week as to your decision not to allow proxy participation at the April 1, 2019 IFQ Committee meeting for IFQ Committee participants Michael Offerman from the Fishing Vessel Owners' Association and Shawn McManus from the Deep Sea Fishermen's Union of the Pacific.

The last time the IFQ Committee met was on February 5, 2018. Stakeholders and members from the Fishing Vessel Owners' Association and the Deep Sea Fishermen's Union attended this most recent IFQ Committee hoping to provide testimony on the numerous IFQ Committee proposals impacting their livelihoods (i.e., Use of Hired Master, Vessel Caps, Eligibility Requirements, etc.) and were informed by Councilmember Laukitis that after making the effort in the off season to travel to Seattle to participate in this process they would not be allowed to provide input and testify on the proposals.

Councilmember Laukitis only recently scheduled the follow-up to the February 2018 IFQ Committee meeting scheduled for April 1st in Anchorage. Mr. McManus and Mr. Offerman have made the very reasonable request to be allowed to send proxies in their place as they will be busy themselves fishing. As Mr. McManus has pointed out in his email requests to you and Councilmember Laukitis, their requests have considerable precedent as public sector Council representatives from National Marine Fisheries and the States of Oregon, Washington and Alaska all enjoy the ability to participate in the public process through proxies and not allowing member stakeholders that are potentially adversely impacted by the fruits of an untimely and uninformed process seriously calls into question the motivations of this IFQ Committee "stakeholder process".

We respectfully ask that you reconsider your decision and either postpone the IFQ Committee until the off season so that our members who are potentially most harmed by what is being considered can attend to represent their interests or that they be allowed to send proxies in their place.

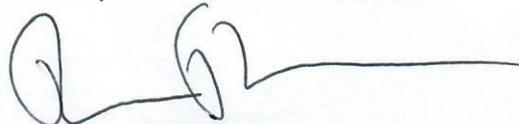
Sincerely,

Fishing Vessel Owners' Association



Robert D. Alverson
Manager

Deep Sea Fishermen's Union



James J. Johnson
Executive Director

Michael Offerman
Ifq committee/ FVOA
03/26/2019 02:46 PM AKDT

RE: D7 IFQ committee report

I am currently fishing in Alaska and will be unable to attend the April 1st meeting. On behalf of myself as a member of the IFQ committee and FVOA member I would like to express my opposition to any changes to the recency requirements and any changes to the hired master provision. The ability for enforcement of the recency requirement seems difficult at best. It seems to me it is a way to try and go after 1st generation quota holders. As to changes to the hired master provision, based on the average yearly transfer rate of 3.3 % of the quota from 1st to 2nd generation nearly 70% of the quota in both halibut and black cod should be in the hands of 2nd generation fishermen who already have the requirement to be onboard when their quota is harvested. The system is working. Maybe not as fast as some would like but it is. Let's focus the council's attention where it needs to be. Which is by-catch reduction and a properly working observer program. Thank you Michael Offerman
F/V Kristiana Ifq committee member FVOA member

Shawn McManus
Deep Sea Fisherman's Union and IFQ Committee Member
03/27/2019 06:28 PM AKDT

RE: D7 IFQ committee report

As a member of the IFQ Committee, I wish to go on record, that I oppose any change to the hired skipper provision in the IFQ program. Many of us second generation IFQ holders service our loans by putting fish on an ongoing fishing operation and some of us can derive extra share by serving as a hired skipper. I also oppose the residency requirements as proposed, many operations simply do not own enough IFQ's to meet any of the requirements as proposed. Thank you for accepting my comments, Shawn McManus

March 29, 2019

Mr. Simon Kinneen, Chairman
North Pacific Fishery Management Council
605 W. 4th Ave., Ste. 306
Anchorage, AK 99501-2252

Re: Proposed Changes to IFQ Program

Dear Chairman Kinneen:

Only after dedicating time and energy to researching the best possible course of action have I derived this proposal being delivered before you. I have prosecuted the Alaska longline halibut fishery for over four decades, and was one of only a handful of harvesters from Kodiak that attempted to harvest halibut back during the 1970s and early 1980s, before the boom of the 'derby fisheries' that began in 1984. During those 'derby days' of an open access fishery, in the 3A regulatory section alone, I would average an annual catch of close to 200,000 pounds. With the implementation of the Individual Fishing Quota (IFQ) program in 1995, while I was fortunate enough to receive quota as a vessel owner, I felt that immediate impacts of the limitations set by this new regime. I went from having an annual harvest in the 3A region of 200,000 pounds to just 87,000 pounds at the high point of the IFQ program. Considering that the number of participants had been reduced drastically with the introduction of the IFQ system, one might assume that allocation would have remained at the range of previous catch level, but instead, it started out more at about a 43% allocation level.

And then it just went downhill from there. The last time we had a substantial quota share for 3A was in 2007, when we had about 80,000 pounds to harvest. For the past few years, my quote share for the region has averaged about 24,000 pounds. That's only 28% of my original IFQ allocation for the region, and only 12% of what I used to historically catch when it was an open access fishery. It would appear that slowly, but surely, I am being put out of business. My only choice to get myself back to the original 87,000 pound range would be to purchase more share to make up for the missing 72%. According to the latest prices at PermitMaster, area 3A 'B' unblocked shares (for 9,000 pounds) is \$50 a pound. At that rate, I would need invest \$3.15 million to secure that addition 63,000 pounds. I'm sorry, but I don't have an extra \$3 million to make my operation wholly cost-effective again.

According to the 20 year program review, "In both of the IFQ fisheries, and increasing portion of Class B IF is landed on smaller size vessels...." This has been an unfortunate tendency, as it appears that a number of original 'B' quota share holders have chosen to divest, or reduce operations to a smaller vessel. Instead, I wish that I had the option to take advantage of the 'fish up' provisions that the Council had amended into the regulations years ago, but the provision is limited to 'D' class shares fishing up to a 'C' class vessel. No provision exists for 'C' or 'D' class shares to fish up to 'B' class vessels. For the interim, during this low resource

period, it might be helpful to allow 'C' or 'D' class holders to 'fish up' on a 'B' class vessel in order to realize cost savings by utilizing the scale of a larger 'B' class operation, but this provision does not exist. But at this time, it appears that my only other option at this time is to either attract other 'B' class shareholders to cooperate – which there are few of, and they are facing the same economic predicament as me - or to 'fish down' my 'B' shares on a 'C' class vessel. This would totally defeat the purpose of having my 'B' class vessel, as I have fixed costs for the vessel (insurance, maintenance, moorage, etc.), and with the decline of so many of the fisheries - my Bering Sea crab quota shares have shrunk, there are no other fisheries in the Kodiak that are feasibly cost-effective to prosecute. Some might ask why I don't sell the larger vessel, and replace it with a smaller one for the halibut/sablefish fishery, but that is not feasible, considering that I require a larger vessel (over 60 feet) in order to prosecute the Bering Sea crab fisheries of which I own quota, as well as for tendering salmon.

And what about the resource reductions that have contributed to these issues?

Recently I commissioned a halibut bycatch study – the third in a series, in which National Marine Fisheries Service data for both the Gulf of Alaska (GOA) and Bering Sea/Aleutian Islands (BSAI) has been analyzed to identify trends during the past 16 years (2003 to 2018). The study identified the following trends:

1. The total bycatch level for all combined federal groundfish fisheries in the GOA region (excluding the directed halibut fishery) during the 16 year period was 166.3 million pounds – an average of 10.4 million pounds a year (though for the 2018 year it was 5.4 million pounds).
2. The total mortality level for all combined federal groundfish fisheries in the GOA region (excluding the directed halibut fishery) during the 16 year period was almost 70 million pounds – an average of 4.3 million pounds a year (2018 was 2.8 million pounds).
3. The total bycatch level for the pelagic trawl fisheries in the region during the 16 year period was 750,000 pounds. – an average of 47,000 pounds a year (though for the 2018 year it was 84,000 pounds).
4. The total mortality level for the pelagic trawl fisheries in the region during the 16 year period was 520,000 pounds – an average of 32,500 pounds a year. The mortality rate continues to remain rather high, averaging 68%, and while the volumes had been decreasing the past few years, the 2018 level almost tripled, and the mortality rate is now listed as 100%.
5. The total bycatch level for the non-pelagic trawl fisheries in the region during the 16 year period was over 90 million pounds – an average of 5.6 million pounds a year (though for the 2018 year it was 3.5 million pounds).
6. The total mortality level for the non-pelagic trawl fisheries in the region during the 16 year period was over 59.8 million pounds – an average of 3.7 million pounds a year. Mortality rates have remained fairly high, and have been marginally increasing during this entire time period (averaging 67%) – for 2018 they were 72%. Mortality levels for 2018 were 2.5 million pounds; they still represent 88% of the mortality in the GOA region.

7. The total bycatch level for the hook and line fishery (excluding the directed halibut fishery) in the region during the 16 year period was over 71.7 million pounds – an average of 4.5 million pounds a year (though for the 2018 year it was 1.8 million pounds).
8. The total mortality level for the hook and line fishery (excluding the directed halibut fishery) in the region during the 16 year period was 9.1 million pounds – an average of 0.57 million pounds a year (though for the 2018 year it was 0.3 million pounds).
9. The total bycatch level for the pot fishery in the region during the 16 year period was over 5.3 million pounds – an average of 331,000 pounds a year (though for the 2018 year it was 59,000 pounds).
10. The total mortality level for the pot fishery in the region during the 16 year period was 805,000 pounds – an average of 50,000 pounds a year (though for the 2018 year it was 4,000 pounds).
11. The stocks GOA area pollock fishery appear healthy. The quota for 2018 was 322% of the 2003-year level; harvest for 2018 was 305% of the 2003-year level.
12. The stocks for all other trawl fisheries for the GOA area also appear healthy. The quota for 2018 was 149% of the 2003-year level; harvest for 2018 was 75% of the 2003-year level.
13. The stocks for the GOA area hook and line/pot sablefish fishery has fluctuating since 2016, but have been recovering the past two years. The quota for 2018 was 91% of the 2003-year level; harvest for 2018 was 75% of the 2003-year level.
14. The stocks for the GOA area halibut fishery has been on the decline for the majority of this time period. The quota for 2018 was 28% of the 2003-year level; harvest for 2018 was 27% of the 2003-year level.

It is apparent that that federal groundfish fisheries in the region have had a severe impact on the halibut resource. As well, it needs to be recognized that the directed halibut longline fishery in the region has no doubt played a role in the reduction of halibut stocks in the Gulf of Alaska region. As the average fish size has shrunk through the years, harvesters had been required to 'cull' through the stocks of under-sized fish repeatedly in order to find some legal-sized fish. With this increased level of handling, the mortality rate for the under-sized fish has no doubt increased.

What is clear is that the halibut resource in area 3A (as well as throughout all regulatory regions of Alaska) have been severely impacted. In 2003, the allocation for the IFQ fishery was 22.6 millions. For 2004-2006, the allocation averaged over 25 million pounds a year. In 2007, that allocation crested at over 26 million pounds. After that it took a precipitous drop, with it being reduced to a lowly 7.3 million pounds by 2014. For the past five years, it has averaged in the 7 million pound range. And while the quote for 2019, has increased to 8.06 million pounds, that level is still only 48% of the 20 year average of the 2000-1019 time period, only 34% of the 10 year average of the 2000-2009 time period, and only 31% of the peak level experienced in 2007.

Was this really the outcome that the Council intended when the IFQ system was implemented? IFQ and other rationalization systems were based on the pretense of economic efficiency and improved fishery management. Unfortunately long-term societal impacts appear to be occurring as a by-product of these new regimes. Capitalism has been replaced by privatized resource ownership. And the harvestable resource has shrunk to historically low levels.

In Section 303A (c)(1) of the Magnuson Stevens Act (MSA) it states that one of the requirements of a LAPP is to, “(3) Promote fishery conservation and management.” And the first, sixth, eighth and ninth standards of the 10 National Standards contained in Section 301 (a) of the MSA state, “(1) Conservation and management measures shall prevent overfishing....”, and “(6) Conservation and management measures shall take into account and allow for variations among, and contingencies in, fisheries, fishery resource, and catches.”, and, “(8) Conservation and management measures shall, consistent with conservation requirements of this Act (including the prevention of overfishing and rebuilding of overfished stocks)...”, and, “(9) Conservation and management measures shall, to the extent practicable, (A) minimize bycatch, and (B) to the extent bycatch cannot be avoided, minimize the mortality of such bycatch.”

When the NPFMC and the NMFS identified 10 objectives that it sought to accomplish with the implementation of the IFQ Program, none of these objectives contain language that explicitly identifies how to meet the requirements to fulfill Section 303A of the MSA. Specifically management is instructed enact to measures to prevent overfishing, minimize bycatch, minimize mortality, and rebuild overfished stocks. While attempt might have been fulfilled to prevent overfishing by the directed halibut longline fishery, there is no objective identified to prevent bycatch, mortality, and overfishing by other federal groundfish fisheries. Unfortunately it appears that efforts by management to address the massive reductions in the halibut resource were not addressed in a timely manner, and now we have a resource, industry, and communities that are struggling with this once a vibrant and profitable fishery.

The followed proposed changes to the IFQ Program are submitted:

1. In order to address and remediate the economic challenges of ‘B’ class quota shareholders that I have illuminated in this proposal, we propose that the NPFMC create and approve an amendment that will allow for a ‘fish up’ provision for ‘B’ class quota shareholders, allowing ‘C’ and ‘D’ class quota holders to harvest their quota on a ‘B’ class vessel for a temporary period of 5 (five) years. This provide ‘B’ class quota share holders to temporarily add harvesting capacity to their vessel in order to remain financially solvent during this era of a reduced resource. It would also provide the opportunity to allow ‘C’ and ‘D’ class quota holders the ability to utilize the larger ‘B’ class to extend the range of their harvesting grounds during this time of scarce resource. With the serious reduction in resource, larger vessels find themselves closer to cap thresholds. In order to fulfill the needs of the temporary proposal, use caps would be raised appropriately during this temporary period – if necessary.

2. In order to address the issue of overfishing in the 3A regulatory region, I propose a temporary, 5 (five year) ban on any and all federal groundfish fisheries in select areas of the Albatross and Portlock bank regions. This would encompass all fisheries, regardless of target species or gear type in these designated areas. These areas would serve as a pilot project to determine if the full cessation of harvesting activities in select designated areas would be a feasible management tool for assisting in the expeditious recovery of an overfished fishery.

I propose that the following be closed to any and all harvesting activities:

Albatross Bank – An area centered at the following coordinates, Latitude: 56° 30'00.0"N and Longitude: 152°30'00.0"W, and extending to encompass a 15 mile radius.

Portlock Bank – An area centered at the following coordinates, Latitude: 58° 20'0" N and Longitude: 150°30'0" W, and extending to encompass a 20 mile radius.

These regions have been historically significant harvesting grounds for the commercial halibut fishery. By our direct experience, during the better part of the last decade, the amount of legal-size halibut in these areas appear to be at historically low levels.

I support these proposed changes, and believe that they serve to provide temporary economic relief to quota shareholders, and will address the issue of rebuilding overfished stocks in the 3A regulatory region.

Sincerely,

Ludger Dochtermann, Harvester and IFQ Shareholder
PO Box 714
Kodiak, Alaska 99615

March 29, 2019

Mr. Simon Kinneen, Chairman
North Pacific Fishery Management Council
605 W. 4th Ave., Ste. 306
Anchorage, AK 99501-2252

Re: Halibut Nursery Protections

Dear Chairman Kinneen:

Starting in 1963, the International Pacific Halibut Commission (IPHC) began studying the juvenile populations of halibut inhabiting the southeastern region of the Bering Sea. Studies proved that juvenile halibut move to the shallow flats of the region during the summer and then migrate to deeper waters during the winter. Japanese fisherman began trawling for yellowfin sole in the eastern Bering Sea in 1954. By 1958, Soviet fisherman commenced harvesting efforts in the region, and within a few years, a trawl fishery for pollock was developed. In 1961, the IPHC began to express concerns about the impact of these trawl fishery on juvenile halibut. IPHC Scientific Report No. 60 (1976) identified that the estimated annual incidental catch of halibut in the entire Bering was nearly 25.4 million pounds – nearly 7 million fish (1971). It was noted in IPHC Scientific Report No. 62 (1977) that, “The abundance of juveniles varied inversely with the estimates of incidental catch of halibut by the trawl fishery.” The study revealed that during the winter, juvenile halibut tend to concentrate at the edge of the continental shelf. With warming of sea temperatures these populations migrate to the shallower flat regions. Time-area restrictions for the trawl fishery suggested by the IPHC were implemented, and appeared to be successful. This report recognized that, “Improvement in the abundance of juvenile halibut has been observed coincident with a reduction of the incidental catch by trawling.”

One of the duties outlined for the IPHC in the Convention is to, “Close to all taking of Pacific halibut any area or portion of an area that the Commission finds to be populated by small, immature Pacific halibut and designates as nursery grounds.” Intensive studies of this region by the IPHC have supported the continued closure of this region in the southeastern Bering Sea for all halibut fishing. Unfortunately, the IPHC has no bearing on management of other federal groundfish fisheries that operate in the region. If this area is such a sensitive and important nursery ground for juvenile halibut that halibut fishing would not be allowed in this area, why would trawl fisheries be allowed to operate in this region?

Recently I commissioned a halibut bycatch study – the third in a series, in which National Marine Fisheries Service data for both the Gulf of Alaska (GOA) and Bering Sea/Aleutian Islands (BSAI) has been analyzed to identify trends during the past 16 years (2003 to 2018). The study identified the following trends:

1. The total bycatch level for all combined federal groundfish fisheries in the BSAI region (excluding the directed halibut fishery) during the 16 year period was 289.6 million pounds – an average of 18.1 million pounds a year (though for the 2018 year it was 6.3 million pounds).
2. The total mortality level for all combined federal groundfish fisheries in the BSAI region (excluding the directed halibut fishery) during the 16 year period was almost 117 million pounds – an average of 7.3 million pounds a year (2018 was 4.6 million pounds).
3. The total bycatch level for the pelagic trawl fisheries in the region during the 16 year period was 7.7 million pounds. – an average of 483,000 pounds a year (though for the 2018 year it was 108,000 pounds).
4. The total mortality level for the pelagic trawl fisheries in the region during the 16 year period was 6.5 million pounds – an average of 409,000 pounds a year. The mortality rate continues to remain rather high, averaging 86%, and while the volumes had been decreasing the past few years, the mortality rate is now listed as 100%.
5. The total bycatch level for the non-pelagic trawl fisheries in the region during the 16 year period was over 118 million pounds – an average of 7.4 million pounds a year.
6. The total mortality level for the non-pelagic trawl fisheries in the region during the 16 year period was over 93.7 million pounds – an average of 5.9 million pounds a year. Mortality rates have remained fairly high, averaging 79% of the bycatch rate.
7. The total bycatch level for the hook and line fishery (excluding the directed halibut fishery) in the region during the 16 year period was over 162 million pounds – an average of over 10 million pounds a year (though for the 2018 year it was 3.5 million pounds).
8. The total mortality level for the hook and line fishery (excluding the directed halibut fishery) in the region during the 16 year period was 16.5 million pounds – an average of 1 million pounds a year (though for the 2018 year it was 0.3 million pounds).
9. The total bycatch level for the pot fishery in the region during the 16 year period was over 1.8 million pounds – an average of 112,000 pounds a year (though for the 2018 year it was 46,000 pounds).
10. The total mortality level for the pot fishery in the region during the 16 year period was 148,000 pounds – an average of 9,300 pounds a year (though for the 2018 year it was 4,000 pounds).
11. The stocks of the BSAI area pollock fishery appear healthy. The quota for 2018 was 92% of the 2003-year level; harvest for 2018 was 92% of the 2003-year level.
12. The stocks for all other trawl fisheries for the BSAI area also appear healthy. The quota for 2018 was 131% of the 2003-year level; harvest for 2018 was 124% of the 2003-year level.

13. The stocks for the BSAI area hook and line cod fishery has remained strong through 2016, but the resource has declined during the past two years. Still, the quota for 2018 was 101% of the 2003-year level; harvest for 2018 was 96% of the 2003-year level.
14. The stocks for the BSAI area hook and line/pot sablefish fishery has been on the decline 2006 through 2016, but have been recovering the past two years. The quota for 2018 was 68% of the 2003-year level; harvest for 2018 was 56% of the 2003-year level.
15. The stocks for the BSAI area halibut fishery have been on the decline for the majority of this time period. The IFQ quota for 2018 was 29% of the 2003-year level; harvest for 2018 was 29% of the 2003-year level. The CDQ quota for 2018 was 31% of the 2003-year level; harvest for 2018 was 36% of the 2003-year level.

It is apparent that that federal groundfish fisheries in the region have had a severe impact on the halibut resource. And especially considering the sensitivity of juvenile halibut stocks in the southeastern region of the Bering Sea, it might be prudent for the NPFMC to be reminded of some of the language outlined in Section 303 A

In Section 303A (c)(1) of the Magnuson Stevens Act (MSA) it states that one of the requirements of a LAPP is to, “3) Promote fishery conservation and management.” And the first, sixth, eighth and ninth standards of the 10 National Standards contained in Section 301 (a) of the MSA state, “1) Conservation and management measures shall prevent overfishing....”, and “6) Conservation and management measures shall take into account and allow for variations among, and contingencies in, fisheries, fishery resource, and catches.”, and, “8) Conservation and management measures shall, consistent with conservation requirements of this Act (including the prevention of overfishing and rebuilding of overfished stocks)...”, and, “9) Conservation and management measures shall, to the extent practicable, (A) minimize bycatch, and (B) to the extent bycatch cannot be avoided, minimize the mortality of such bycatch.”

This language not only provide the right, but all the responsibility, to minimize the mortality of federal fisheries.

The followed proposed changes to the IFQ Program are submitted:

1. **Ban all federal groundfish fisheries**, regardless of gear type, in the IPHC closed water/halibut nursery area. This would include all waters in the Bering Sea north of 55°00'00'' N. latitude in Isanotski Strait that are enclosed by a line from Cape Sarichef Light (54°36'00'' N. latitude, 164°55'42'' W. longitude) to a point at 56°20'00'' N. latitude, 168°30'00'' W. longitude; thence to a point at 58°21'25'' N. latitude, 163°00'00'' W. longitude; thence to Strogonof Point (56°53'18'' N. latitude, 158°50'37'' W. longitude); and then along the northern coasts of the Alaska Peninsula and Unimak Island to the point of origin at Cape Sarichef Light. All waters in Isanotski Strait between 55°00'00'' N. latitude and 54°49'00'' N. latitude.

I support this proposed change and believe that it will address the issue of protecting stocks of juvenile halibut in the southeastern Bering Sea region, as well as serve to strengthen the Alaska halibut resource in general.

Sincerely,

Ludger Dochtermann, Harvester and IFQ Shareholder
PO Box 714
Kodiak, Alaska 99615



Alaska Longline

FISHERMEN'S ASSOCIATION

Post Office Box 1229 / Sitka, Alaska 99835 907.747.3400 / FAX 907.747.3462

March 29, 2019

Dear Chairman Kinneen and Members of the IFQ Committee,

The Alaska Longline Fishermen's Association (ALFA) appreciates the Council's commitment to reviewing the Halibut/Sablefish quota share program and the IFQ Committee's engagement in developing amendments to achieve program objectives. ALFA actively participated in developing the IFQ program and remains committed to the fundamental principles that guided development, namely:

- Improve safety and product quality
- Reduce gear loss and resource waste
- Respect historic and current participation
- Limit consolidation
- Maintain an owner-operated fleet, and,
- Provide entry level opportunity that is accessible to residents of Alaska's fishery dependent communities.

As the committee is aware, the IFQ 20-year review and public testimony disclose that while resource and safety goals have been met, the socioeconomic impacts of the IFQ program have been significant. QS consolidation has reduced the number of IFQ holders and the number of participating boats to approximately half the initial allocation numbers. Hired skippers now harvest 37% and 51% of the catcher vessel halibut and sablefish quota, respectively. Entry level costs have soared and a significant amount of quota has been sold or moved out of rural fishery dependent communities. The impacts of these changes on the industry and the communities have been considerable.

ALFA has worked hard as an organization to address entry level challenges and to provide support for young fishermen. We recently launched a fund that reduces entry level costs and risks for borrowers called Local Fish Fund, which I would be happy to describe in more detail during the IFQ committee meeting if appropriate. We also offer a deckhand training program and other education opportunities for entry level fishermen. While we are doing what we can to address socioeconomic impacts, we understand that more is needed and support the IFQ Committee in considering amendments that transition the fishery toward meeting program goals.

ALFA also recognizes that many fishermen, including many of our members, have made significant investment in the IFQ program under the existing rules and that changes to address the impacts identified above must be carefully crafted and evaluated to minimize disruption. As the Committee identifies potential amendments, we ask that you develop transition strategies that allow the industry time to adjust. By way of example: if the Committee is interested in creating an entry level quota share pool, that you consider options that fund the entry-level pool with quota obtained through gradual bycatch reductions in other fisheries, with IFQ not issued to quota share holders taking advantage of medical provisions, or other mechanisms that ease the transition and minimize disruption. Likewise, if you recommend amendments that require current participation by QS holders, that transition time is allowed to accommodate part-time fishermen, students, and others not able to spend months fishing. We believe this balance is necessary to fairly accommodate all who currently participate in the fishery.

ALFA members and staff will be in Anchorage for the IFQ Committee meeting and Council meetings. We look forward to providing additional comment and participating in the process.

Thank you for your consideration.

A handwritten signature in cursive script that reads "Linda Behnken".

Linda Behnken
(Executive Director, ALFA)