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Eric Olsen, Chairman NPFMC
605 W. 4th Avenue. Suite 306
Anchorage Ak 99501

Dear Chairman Olsen,

Adak Cod Cooperative, LLC is about to process its first cod on February 1st. By the time of the NPFMC meeting we could be well on our way to a good season. We hope to process 20 million lbs of cod this spring from the Federal (9 million) and State (11 million) fisheries. While we have invested heavily in the facility and improved the capacity significantly, we are uncertain whether we will get enough fish to support the operation.

There are no limitations as to where the cod has to be processed. It is quite possible that less than 1,500 tons from the federal fishery get landed in Adak and Atka with the balance being processed at sea or run to Dutch Harbor. While it is easy to discount the problems of a particular processing company like ourselves, it is hard to overlook the economic necessity the cod fishery has for the peoples and cities of Adak and Atka. Cod is the biggest economic driver in Adak. The city will suffer greatly and possibly not survive if the processing plant does not get enough fish to be viable. This community and Atka both need your protection.

Communities in the region have much larger landing requirements in other species, and a 5,000 ton shore-side landing requirement for cod in areas 541 and 542 is quite modest in comparison with what others have been granted.

Concern has been expressed that a shore plant landing requirement would give the processors too much pricing power to the detriment of the catcher vessels. We are sympathetic to this concern and propose that after 3/15 the shore-landing requirement be waived. The fleet would then have the ability to deny the processing plants fish if the price were not acceptable and wait out the 3/15 deadline.

I endorse the opinions and problems expressed in the ACDC letter regarding the C-9 Discussion paper.

Thank You for your consideration,

John Lowrance
Managing Member of Adak Cod Cooperative LLC

Adak Community Development Corporation

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January 26th, 2014

Eric Olson, Chairman NPFMC
605 W. 4th Avenue. Suite 306
Anchorage, Alaska 99501-2252

Re: C-9 Discussion paper on AI Pacific cod processing

Dear Chairman Olson,

The purpose of this letter is to request the Council to take the next step and adopt a problem statement for Aleutian Islands community protection measures for the cod fishery and move toward taking regulatory action.

Subsequent to the last Council discussion on this issue we have learned that the Aleutian P. cod TAC will be 6,997 mt, less than a third of the average annual federal AI cod harvest over the preceding decade. We also know that the Board of Fish accepted ACDC's request to withdraw the proposal to increase the GHF to 4.5%. The outcome of the BiOp on changes to SSL measures remains unknown, however, the timelines for final action should allow coordination of the community protection action with possible SSL measures.

The problem statement that was developed for the December 2009 Initial Review Draft of the RIR/EA to Establish Aleutian Islands Pacific Cod Processing Sideboards is a good starting point, though incomplete.

"Problem Statement: The American Fisheries Act, BSAI crab rationalization program, and BSAI Amendment 80 program each provide benefits to processing vessels that were intended to protect investments in and dependence on the respective fishery resource. Each of these rationalization programs has afforded opportunities for consolidation, thus freeing some processing capacity to target the non-rationalized BSAI Pacific cod fishery at the expense of other industry and community investments."

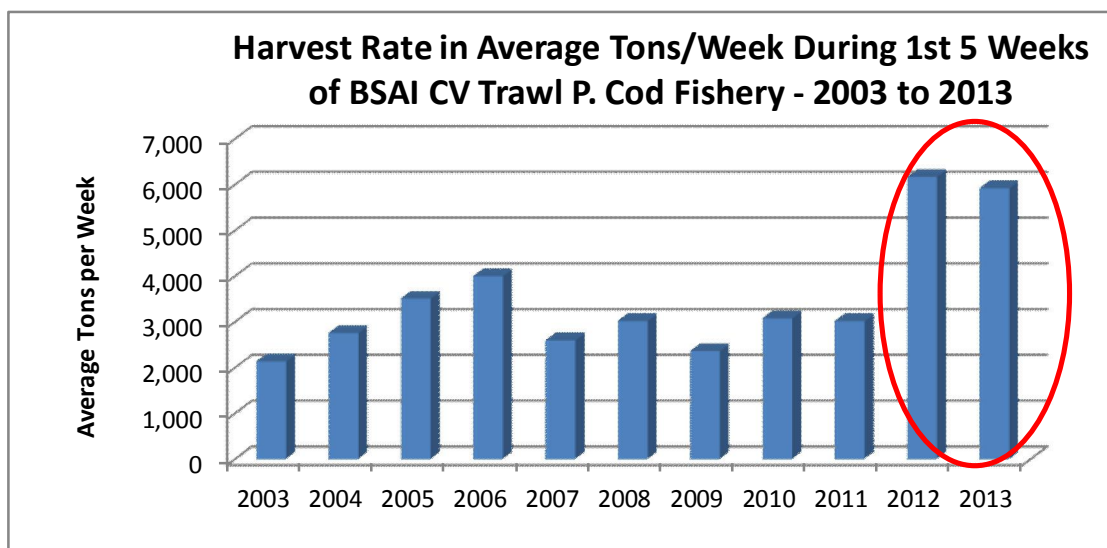
Since that analysis was prepared the situation has become more complex. In addition to being an un-rationalized fishery amidst a predominately rationalized industry, Adak has borne the brunt of new SSL restrictions and now faces the impacts the Aleutian Island cod split.

We request that the following elements be considered in drafting a new problem statement:

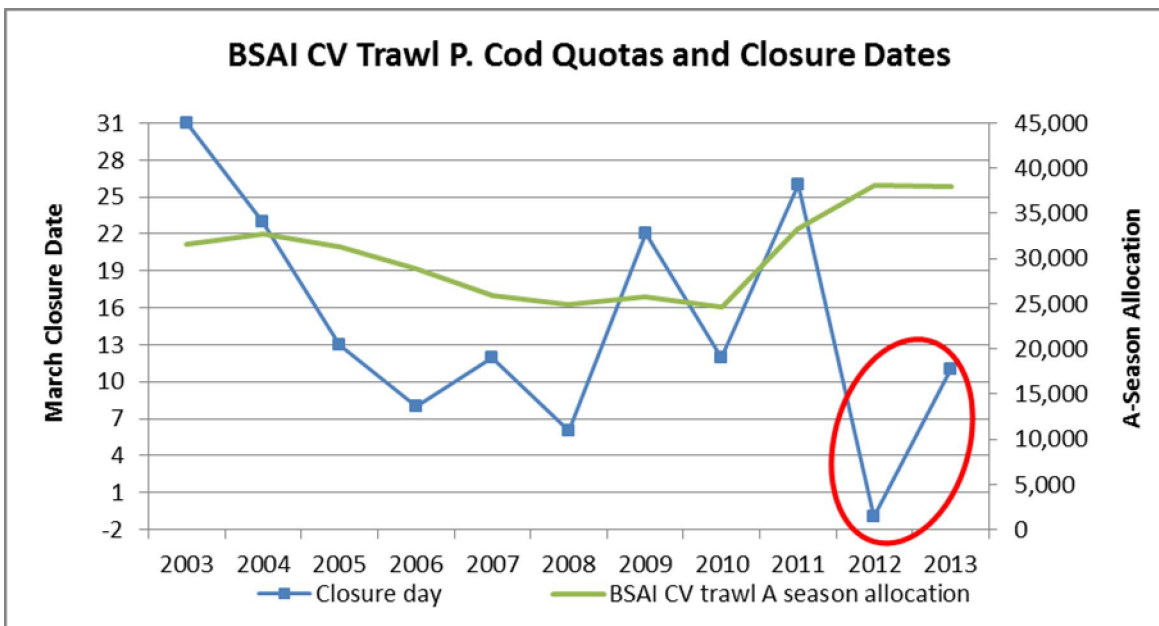
- With the AI cod split, the Aleutians has its own quota separate from the Bering Sea. However:
 - There are no sector apportionments within the AI quota, so CP harvests early in the year have the potential to pre-empt CV opportunity

- The sector allocations remain at the BSAI aggregate level, so even if CP AI harvests don't pre-empt CV harvests, the CV fleet in the AI will be shut down when CVs fishing in the Bering Sea harvest the sector's aggregate BSAI allocation.
- The timing of cod aggregating in the Aleutian lags about a month behind the Bering Sea, which means an Aleutian Island processor faces a one month shorter season.
- CV cod is the primary fishery for Adak, no processing plant can survive in Adak without a firm base in the cod fishery. For every other sector, what they don't harvest out of the Aleutians they can make up in the Bering Sea, with no loss to their aggregate amount of cod.
- All the CP fisheries sectors for cod are rationalized, this allows them the flexibility to:
 - Prioritize fishing in the AI to take a higher percentage of the AI harvest than historical share.
 - Shift their focus from catching their own fish to acting as motherships (something the Amendment 80 CPs didn't do to any great degree prior to rationalization.)
- Shorebased sectors in the non-cod BSAI fisheries, have their primary fisheries rationalized:
 - Unalaska, Akutan and St. Paul have community/processor protection measures in the crab fishery, which has freed up floating crab processing capacity to shift opportunistically to the cod processing in the Aleutian.
 - Unalaska and Akutan have the guaranteed stability provided by the AFA for pollock, which provides predictable processing employment eight months of the year, supplemented by crab and cod.
 - The AFA CV pollock fleet has increasingly shifted effort into its secondary cod target earlier in the year.
- SSL protection measures that close most of the cod fishing grounds proximate to Adak have compounded the problem.

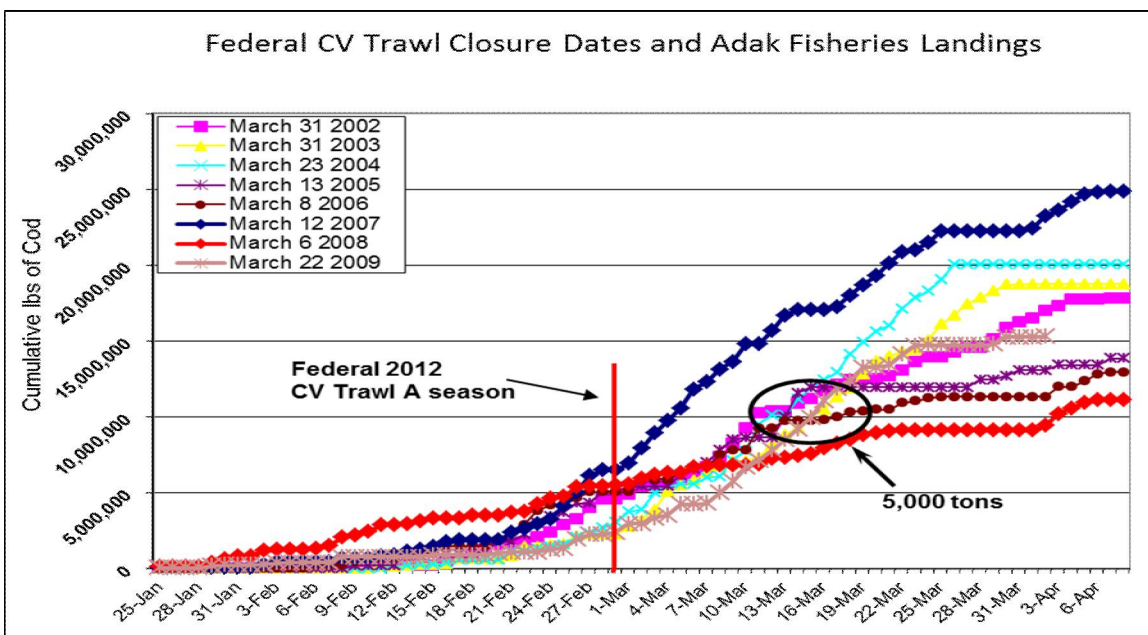
All of these factors compress the window of opportunity to operate successfully for a non-rationalized shorebased processing plant in the Aleutians that is primarily dependent upon cod.



The harvest rate in the CV Trawl P. cod fishery has accelerated dramatically in the last two years, nearly doubling the average weekly harvest rate for the 1st 5 weeks of the season (*data from table 10 of the April 2013 P. cod discussion paper.*) The impact of this accelerated harvest rate has been to shorten the season length despite increasing TAC's.



Early closures of the CV trawl sector due to accelerated harvest in the Bering have the potential to pre-empt the opportunity for CV trawl harvest in the Aleutians where cod aggregate later in the spring.



As the October discussion paper noted on page 20:
"With no other shore-based processor in the community, the Pacific cod processing activity at the Adak shoreplant accounted for a large proportion of effort and local employment in Adak. The A season

Pacific cod fishery "overwhelms anything else that happens during the rest of the year, not just in terms of volume at the plant, but in terms of crew utilizing local businesses (the fuel, dock, store, and bar); without A season cod, the plant does not survive" (EDAW 2008)."

Without the plant the community does not survive. The community of Adak can't afford to lose another processing company. We need a solution that takes shorebased processors in the Aleutian Islands out of a race for fish with the rest of the rationalized Bering Sea industry.

ACDC is not wed to a particular solution. We do know that while the new processor in Adak has modest goals for daily processing volumes, it needs the stability of knowing it has at least until mid-March to achieve a base level of around 5000 tons of production from the federal CV cod trawl. We also recognize that Atka needs cod to support their community.

Possible Alternative:

In the context of the BS-AI P. cod TAC split with aggregate BSAI sector allocations, meaningful Protection Measures for Aleutian Island communities require two components: preventing a race with the Bering Sea and protection from rationalized fisheries sectors.

One possible alternative that should be analyzed is to cap the CV trawl harvest in the BS at 7,500 tons (not to exceed the AI Directed Fishing Allowance) less than BSAI aggregate CV trawl sector A-season allocation prior to March 31st, combined with regionalized shorebased requirement in the AI prior to March 15th.

Advantages:

- It takes the AI CV trawl fishery out of a race with the BS CV trawl fleet.
- It addresses the increasing shift of effort early in the year by CVs that are primarily pollock CVs.
- It doesn't change any sector's Amendment 85 allocation.
- It addresses the increased participation by surplus processing capacity from rationalized sectors.
- It allows time for the BS CV trawl fleet and floating processors in the AI to 'mop-up' any un-harvested balance of the 'set aside' avoiding any issue of 'stranded' fish.

This is a modest request in the context of a 2,000,000 ton, 365 day, BSAI groundfish fishery.

Thank you for your consideration of our request.

Sincerely,



dave fraser
ACDC



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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 C-9, Aleutian Islands Pacific cod Catcher Vessel Allocation/Delivery –
Update/Discussion Paper

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 management measures that may be taken by Council to ensure that the FLC member fleet is assured an opportunity to participate in the federal P-cod fishery in the Aleutian Islands (AI). The FLC asks that these comments be considered under agenda item C-9, the discussion paper on AI P-cod catcher vessel allocation/delivery.

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 a P-cod single species directed fishery fleet, and, therefore, is nearly fully reliant on P-cod. P-cod catch by this hook-and-line fleet in the AI may be viewed by some as relatively small when compared to other fleets; however, these longliners rely almost exclusively on the catch of this species.

The AI P-cod fishery is important for FLC members as a whole as well as for individual member vessels within the fleet. For some FLC Members, up to 50% of their revenues were derived from AI P-cod prior to current SSL restrictions enacted for the AI under the interim final rule published in the Federal Register on December 13, 2010 (75 Fed. Reg. 77,535). While harvest is down in the AI with the SSL restrictions, AI P-cod remains an instrumental component of revenues for a number of FLC member companies. Members who harvest P-cod in the AI are skilled operators in these waters with decades of experience navigating and harvesting in the AI fishing grounds. This enables them to sustain fishing operations in the AI despite the higher crew and fuel costs relative to operations in the Bering Sea. Importantly, AI P-cod is typically larger in size than

those found in the BS and return stronger prices on the international market, creating unique benefits for operators who can efficiently participate in the AI fishery. It is important to keep these niche markets active with an ongoing supply of AI fish.

Recent developments impacting the AI P-cod fishery have brought to light a significant unintended consequence of the BSAI P-cod split. Specifically, the HAL CP sector will be shut out of the federal directed fishery for AI P-cod in 2014. This is a result of a confluence of factors that have created a small, open access fishery in the AI that is effectively open only to trawl vessels in the early months of the year. Council action to address this unintended consequence is necessary to ensure the HAL CP sector has an opportunity to participate in future years.

Based on discussions with NMFS In-Season Management, the following scenario appears likely in the AI P-cod fishery this year:

- NMFS opened the AI P-cod fishery for directed fishing on January 1st. Under the Council's default management plan, this is an open access fishery in the AI. However, given the small amount of fish available for harvest* and the existing SSL restrictions, the reality is there will very likely be no fish available for HAL CP vessels to participate in the fishery once they are able to begin fishing. Current SSL regulations prohibit HAL CPs from fishing in the AI until March 1st. Given the small amount of fish, it is almost certain the AI P-cod ITAC will be harvested by (predominantly) trawl CVs prior to that date. Trawl CVs (and one AFA trawl CP that targets P-cod) operate in the AI in the early part of the A season (the trawl CV season started January 20). FLCs understanding is the trawl CVs generally begin fishing on about Feb. 1st, meaning they will have a full month to harvest the AI P-cod allocation before HAL CPs begin operations. From discussions we've had, this would likely result in the full AI ITAC being harvested before March 1st and the HAL CP fleet being shut out of the AI fishery.

* Calculations for the AI ITAC is as follows:

- AI GHL: Combined 2014 BS and AI ABC (270,100 mt) x 3% = 8,103 mt
- AI ABC – AI GHL: AI ABC of 15,100 mt – AI GHL of 8,103 mt = 6,997 mt
- AI TAC: In 2014, ABC=TAC in AI; thus, AI TAC = 6,997 mt
- AI ITAC: CDQ allocation of 10.7% = 749 mt; 6997 mt – 749 mt = 6,248 mt
 - Additionally, NMFS In-Season Management (Mary Furuness) indicated in December they plan to continue setting aside a portion of the TAC for incidental catch. This, roughly, may be about 1500 mt (or more): 6,248 mt - ~1800 mt = 4,448 mt (depending on incidental catch amount).

Given this scenario, FLC would like to see the Council develop a long-term solution to the HAL CP sector being subject to exclusion from the AI P-cod fishery in future years. Based on current projections and modeling, the ABC for AI P-cod is unlikely to be significantly different from 2014 for the foreseeable future. The AI P-cod SAFE presented at the November 2013 Plan Team meeting projects the 2015 ABC to be identical to 2014, at 15,100 MT. Given this, it's critical that a management plan be developed that ensures the HAL CP sector will have an opportunity to continue operating in the AI.

FLC recommends that Council incorporate into the pending AI P-cod catcher vessel allocation/delivery discussion paper a new section examining potential management strategies to ensure participation in the AI P-cod fishery by the HAL CP sector. This section would consider two options for allocating the fishery and examine potential impacts on historical participants in the fishery relative to the current management plan now in place. Two specific suggestions to be analyzed under this section would be as follows:

- **AI sector split:** The first option for analysis is a split of the AI allocation between the sectors that have historically harvested AI P-cod. This includes the following sectors: HAL CP, trawl CP, trawl CV, pot CP, pot CV, jig CP, jig CV, and HAL CV. To accomplish an AI sector split, FLC proposes for discussion two options for allocations:
 - AI catch history in past 6 years, 2008-2013. This provides a substantial basis for participation in the fishery and includes participation for 3 years before and since the implementation of current SSL mitigation measures.
 - AI catch history in past 3 years, 2011-2013. This focuses on catch history since the implementation of current SSL mitigation measures. In the likelihood that final SSL measures are similar (if not the same) in scope to the current provisions, this may provide a strong indication of future fishing activity in the area by each sector.

Based on figures provided by NMFS on the harvest of AI P-cod, a sector split derived from these options would result in the following allocations:

AI sector catch history, 2008-2013: AI P-cod in all targets

- HAL CP: 18%
- Trawl CP: 17%
- Trawl CV: 62%
- Pot CP, Pot CV, Jig CP, Jig CV, HAL CV: TBD*; harvest totaled ~3% of overall catch

AI sector catch history, 2011-2013: AI P-cod in all targets

- HAL CP: 17%
- Trawl CP: 16%
- Trawl CV: 66%
- Pot CP, Pot CV, Jig CP, Jig CV, HAL CV: TBD*; harvest totaled <1% of overall catch

**Further analysis would need to be performed to confirm percentages for these sectors, as figures provided by NMFS for these sectors were combined for confidentiality purposes.*

FLC suggests that additional analysis be performed by Council to verify the catch history for these sectors. A discussion paper should also review impacts on each sector of allocations based on the above figures and provide additional options that may further address the needs of each sector to continue operations in the AI.

- **AI trawl – fixed gear split:** The second option for analysis is a trawl – fixed gear split. Under this proposal, the allocation in the AI would be divided between the trawl CP and CV sectors (trawl gear) and the HAL CP and CVs, Pot CP and CVs and Jig CP and CPs (fixed

gear). FLC recommends that Council review two options for allocation between trawl and fixed gear:

- AI catch history in past 6 years, 2008-2013
- AI catch history in past 3 years, 2011-2013

Based on the figures provided by NMFS, the catch history for trawl and fixed gear during these respective time periods is as follows:

- 2008-2013: AI P-cod in all targets
 - Trawl: 79%
 - Fixed gear: 21%
- 2011-2013: AI P-cod in all targets
 - Trawl: 82%
 - Fixed gear: 18%

The FLC believes that now is an appropriate time for Council to revisit efforts to address management in the fishery. Efforts in previous years to take on a more ambitious management plan were tabled, in part, due to uncertainties about a number of elements that would impact a future AI P-cod fishery, including the amount of fish available following a split, SSL-related management measures, and what unintended consequences may emerge the confluence of these elements and the default management plan established by the Council. Today, many of the uncertainties surrounding these matters are resolved and unintended consequences are emerging that require the attention of Council. Action to move forward to develop a new management plan for the AI P-cod fishery should be a priority for Council and all stakeholders in the fishery.

Thank you for your consideration of this important issue for the future of the freezer longline fleet and its operations in the AI. 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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January 28, 2014

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

Re: Agenda Item C-9, Aleutian Islands Pacific Cod CV Allocation with a Regionalized Delivery Requirement

Dear Chairman Olson,

Groundfish Forum is comprised of five quota share (QS) holders in the Amendment 80 (non-AFA trawl catcher-processor) sector. Groundfish Forum vessels have a long history in, and dependence on, the Aleutian Islands (AI) Pacific cod fishery. We are writing you to expand on our written comments from October 2013 regarding the proposed action to allocate Aleutian Islands Pacific cod to the catcher vessel sector with a requirement to deliver to shoreside processors in the Aleutian Islands.

Our previous comments highlighted the uncertain nature of the AI Pacific cod fishery at this time (splitting the Bering Sea/AI Pacific cod Total Allowable Catch (TAC), pending review of Steller Sea Lion protection measures, anticipated changes in the Pacific cod biomass in the AI) and pointed out ways in which the proposed action would conflict with National Standards contained in the Magnuson Stevens Act. We reiterate those concerns here, along with the following thoughts.

The revised discussion paper (February 2014) notes that there have been discussions between the President of the Adak Cod Cooperative and one Amendment 80 company that has a mothership operation, and that these discussions led to an agreement for the mothership to only process incidentally caught cod in the AI in 2014¹. Further, we are not aware of any other planned cod mothership activity in the AI for 2014, and we believe this type of industry cooperation is exactly how the situation should be addressed. The AI cod fishery continues to be highly uncertain given continuing changes in fishery management, Sea Lion protections, and cod stock levels. It is important to allow all parties the flexibility to adapt to these ongoing changes without imposing regulatory restrictions that may do more harm than good.

The Adak processing facility was purchased and renovated under the current cod management system, and will operate with no additional regulatory action. There is no problem to be fixed at this time.

¹ Aleutian Islands Pacific Cod CV Allocation with a Regionalized Delivery Requirement, NPFMC, February 2014, page 25.

Further, the proposed action is likely to create a problem with stranded fish in the Aleutian Islands. Any situation that limits CV harvest and delivery (shortage of processing capacity, unwillingness for CVs to deliver to only one processor, weather conditions, etc) means that there will be Pacific cod left unharvested in the AI. Under the new fishery management regime, these fish cannot be caught in the Bering Sea. There is no viable way to address the issue of stranded fish under a CV shoreside delivery requirement.

In addition, mandating shoreside delivery of Pacific cod – even if limited to the A season – effectively disenfranchises all other fishermen who have history in and dependence on the Pacific cod fishery in the AI. Longline and trawl catcher processors would no longer be able to prosecute fisheries that they have operated in for many years. While these vessels could harvest cod in the Bering Sea, it does not replace the higher-value, lower-by-catch fishery in the AI.

In summary, we continue to believe that the proposed action to mandate shoreside delivery for Pacific cod in the AI is unnecessary for the success of the Adak plant and creates real harm for fishermen who operate in the Aleutians. The proposal violates a number of National Standards and could create a monopoly on processing with the inability to fully harvest the Pacific cod TAC.

For all of these reasons, we recommend that the Council take no further action on the proposal.

Thank you for the opportunity to comment.

Sincerely,



Lori Swanson
Executive Director