

- *Maintain functional Aleutian Islands shore plants west of 170 degrees*
- *Maintain trawl and fixed gear sector access to AI Pacific cod fisheries*
- *Minimize pre-emption of the AI CV cod fishery by the BS CV cod fishery*

To date, neither ACDC nor the city of Adak has been approached to participate in identifying an alternative that would better address the problem statement and meet the goals identified by the Council.

We believe that short of a rationalized CV cod fishery with regionalization, there are no other reasonable alternatives to analyze beyond what is in the Initial Review draft.

Comments on the Analysis

ACDC believes the Initial Review draft contains the necessary data for reaching decision and is substantively complete. As the document notes (page 45,) *“Assessing the effects of the alternatives and options involves some degree of speculation.”*

ACDC wishes to offer the following comments on some of the speculation concerning potential impacts.

Stranded Cod

The analysis includes a discussion of the potential for “stranding” cod in the AI (pages 62 & 63.) It states, *“both March 7 and 15 would likely result in some stranding of AI Pacific cod”* and that the AI cod fishery peaks during the 1st two weeks of March and then *“the fishery is quickly diminishing over the next few weeks.”*

While it is true that there is *“rapid decline in fishing and processing active over the next two weeks”* (page 62) during the years used in Figure 8 (2009-2014), the decline is not due to a decline in CPUE. It is due to the closure of the fishery. Table 26 provides the closure dates going back to 2003 and shows that the 2003 is the only year during which the fishery was open in the last week of March. Table 27 provides weekly catch rates but only goes back to 2010. The 2003 NMFS report on catch by week (https://alaskafisheries.noaa.gov/2003/halibut_psc.xls) shows 11,700 tons of trawl cod harvest in the AI during the last two weeks of March, of which over 3,000 tons each week was harvested by shorebased CV's.

Even if CPUEs were lower for trawl CVs during the last half of March (which we don't believe to be the case), cod not harvested by trawl CVs would be available to all other sectors for the remainder of the year. Given that the CP H&L and AM-80 sectors seem to want more AI cod, it is unlikely that any cod would ever be “stranded”. For the CV trawl sector, any cod they don't harvest in the AI, is available to them in the Bering, so there is no “stranding” issue for the CV trawl sector.

Capacity

Table 27 is a useful comparison of AI and BS CV cod catch by week versus the AI ITAC. Comparison against the effective directed fishing allowance (DFA) would be more appropriate since that is what closes directed fishing.

Another important bit of information is shown in table 27 though not directly discussed in the text. 2010 was a year that the shoreplant in Adak was essentially not operating and all but 298 tons (table 24) was taken by CVs delivering AI Pacific cod to CPs and floaters. The data in the table show that these at-sea processors took 4474 tons the 1st week of March and 4180 tons the 2nd week.

Adding in the potential catch of trawl and fixed gear CPs, the data in the analysis makes it clear that under status quo, the entire AI cod DFA could be taken in a week.

Redistribution

The analysis states (page 65) *"In those occasions that the BS Pacific cod fishery is closed to directed fishing to prevent preemption of the AI Pacific cod fishery, the effect of this limitation would be a redistribution of Pacific cod from trawl CVs operating in the BS to trawl CVs operation in the AI."*

The accuracy of this statement is dependent on the baseline used. Relative to what can happen under status quo, preventing preemption does "redistribute" from CVs fishing the BS to CVs fishing the AI. However, as the analysis shows (page 59 & table 16) that over the last decade Adak deliveries *"often ranged from 6,000 to over 9,000 mt"*.

Relative to that historic baseline, reserving up to 5,000 tons of the AI cod DFA for AI shorebased delivery, only limits the amount of "redistribution" from CVs fishing the AI to CVs fishing the BS.

Displacement/Redeployment

The analysis states (page 58) *"Vessels displaced from the AI Pacific cod fishery have limited opportunities for redeployment into other BSAI or GOA groundfish fisheries."* While there may not be opportunities in other non-cod targets, there is no need to shift targets for vessels "displaced" from AI cod. As the analysis points out elsewhere each sector has a sector allocation of cod at the aggregate BSAI level. Any cod harvest foregone by a sector in the AI is available to that sector in the BS.

PSC

The analysis notes (page 9) that trawl halibut bycatch rates in the AI are 1/10th the rates in the Bering Sea. It states *"the trawl halibut PSC limits could potentially prevent trawl CVs and CPs that historically participated in the AI Pacific cod fishery from catching their sector allocation in the BS."* It should be noted that to the extent the action alternative results in more AI CV catch, it benefits the BS CV fleet in halibut savings, offsetting the PSC impact on trawl CPs that substitute BS cod for AI cod.

H&L halibut rates are not mentioned in the analysis, but previous Council documents have shown higher bycatch rates in the AI for H&L CP than in the Bering. Thus, to the extent the action alternative constrains the amount of the H&L harvest being taken in the AI, it represents a halibut savings.

Relative Impacts

The analysis states (page 58) “Vessels shifting their Pacific cod harvests from the AI to the BS may receive a lower price for Pacific cod in the BS...” This is true, but it needs to be viewed in the context of the data provided in tables 8 and 10. These data show that the weighted averages of AI cod revenue for the period 2003 to 2013, by trawl and fixed gear CPs that retained AI cod, were 4.8% and 3.6% respectively.

Thus because cod catch foregone in the AI is available to the each sector in the BS, even if the average premium for AI cod is 25 to 30 percent, the net dollar loss is around 1%. Further, because the AI cod TACs are much lower than they were in the previous decade, most of this “loss” is a function of TAC rather than of the action alternative.

In contrast, communities in the AI experience 100% loss of revenue for every foregone pound of AI cod, as they have no means of substituting Bering Sea cod.

Competition and Innovation

The analysis includes a discussion on the impact of the alternative on ex-vessel price to AI harvesters (page 60). While it is generally the case that more buyers mean more competition and higher prices to harvesters, there are some offsetting factors that should be considered. Many of the non-shorebased processors that have participated in the AI cod fishery have company owned fleets. Because these processors have the ability to direct their vessels to fish at whatever price they set, it restricts the ability of independent vessels to negotiate price in a derby fishery such as AI cod. In contrast, processors operating in Adak have always had a high degree of dependence on deliveries from boats over which they have no control and no alternative source of supply, while the boats delivering to them generally have alternative markets.

This year, 2/3rds of the harvest of the AI cod DFA took place in a two week period, during which the Adak shoreplant was racing against a CP acting as a mothership. The Adak processor was an innovator who was trying to produce individual vacuum pack filet portions. The fact that he was racing against a mothership operation contributed to his decision not to operate the plant in the future. In this case excess capacity acted as a barrier to innovation.

At-sea Processing Baseline

Table 21 presents a comparison of at-sea processing with shorebased processing. It appears that in this table “at-sea processing” includes the directed catch of CPs. While it is possible by comparing other tables in the analysis to impute the amount of CV catch processed by at-sea processors, it would be helpful to have a discreet column of those data.

Such a presentation would demonstrate more clearly the shift of excess processing capacity from the rationalized sectors into the mothership mode in the AI cod fishery.

The document notes (page 61) that “those offshore processing vessels that have historically participated in the AI Pacific cod fishery will likely experience a reciprocal decline in

economic activity from the loss of AI Pacific cod harvesting and processing.” This statement overlooks the option these vessels have to buy from CVs in the Bering Sea.

Sideboards

The analysis summarizes sideboards applying to the AFA, AM 80 and Crab Rationalization program. It also notes (page 31) that the FLLC coop is effectively a rationalized fishery that allows H&L CPs to change the way they operate. Under status quo this could allow them to increase their A season AI participation. It should be noted that this is the only rationalized sector not subject to sideboards in the BSAI.

Definition of Shoreplant

The document suggests that the Council explicitly define a shoreplant (page 58.) Our preference is that a shoreplant be defined as a processing facility located on land.

Conclusion

The task at this meeting is not to choose an alternative, but to evaluate the adequacy of the analysis and the range of reasonable alternatives. The six year scoping process has produced one action alternative (with sub-options) that addresses the problem statement. The Initial Review draft is substantively complete and contains the relevant data.

It's time to “fish or cut bait” and move the document forward for final action.

Thank you for considering our comments.

Sincerely,

A handwritten signature in black ink, appearing to read "dave fraser". The signature is stylized and somewhat cursive, with a large loop at the end.

dave fraser
ACDC