

February 4, 2015

Dear Chairman Hull,

At its June 2014 meeting, the North Pacific Fishery Management Council (the Council) requested that all industry sectors that participate in the Bering Sea Aleutian Islands (BSAI) ground-fish fisheries voluntarily reduce halibut mortalities by 10% from their current five year average levels, through the 2014 and 2015 seasons. This appeal was made in recognition of declining trends in coast-wide halibut stocks and the resultant substantial socioeconomic harm that coastal communities and directed fishery participants in the BSAI were facing due to drastic reductions in available halibut quotas. This report provides an overview of the Community Development Quota (CDQ) sector’s halibut bycatch use and the measures under development by the sector to achieve reductions.

The Western Alaska Community Development Association (WACDA) represents the six Community Development Quota (CDQ) groups, 65 eligible CDQ communities, and over 27,700 citizens who reside in the Bering Sea Aleutian Islands region. The program aims to build strong fisheries-based economies and alleviate poverty by empowering the residents in the Bering Sea/Aleutian Islands to participate in ground fish, halibut and crab fisheries. The sector achieves this through industry partnerships, direct investments in fisheries and community development activities. Our sector maintains a strong commitment to the sustainable management and harvest of fisheries in the BSAI.

Historical Halibut PSC Usage by CDQ Sector

The CDQ sector has a sustained history in maintaining bycatch usage well below our sector’s allocation. Over the past five years (2009-2013) our sector has used an average of 57% of our bycatch cap, or 43% below our allocation of halibut PSC, effectively “saving” 1.8 million pounds of halibut during this time.

Figure 1: CDQ Sector Halibut PSC Usage – Average (2009-2013) vs. 2014¹

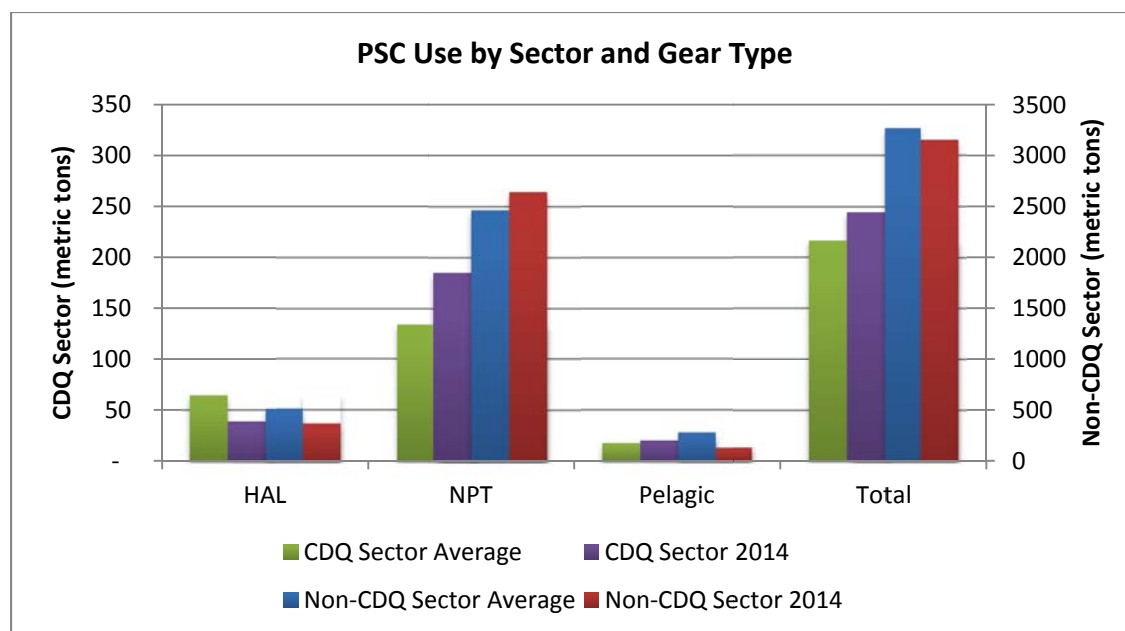
CDQ Sector Halibut PSC 2009-2014 (metric tons)				
Year	Bycatch	Cap	Remaining	% Used
2009	151	343	192	44.3%
2010	159	393	234	40.5%
2011	242	393	151	61.6%
2012	273	393	120	69.5%
2013	266	393	127	67.7%
Total	1091	1915	824	56.9%
Average	218	383	165	56.9%
2014	249	393	144	63.4%

¹ Bering Sea Aleutian Islands Prohibited Species Catch Report, NMFS, 2009-2014

In 2014, our sector’s use increased to 63.4% of our cap, leaving 36.6% un-harvested. This equated to a 31mt and 14.2% rise from our five year average. The Council recently released an initial review draft evaluating reductions in current bycatch caps from 10-35% across all sectors. Despite last year’s increases, only in two of the past six years (2012 and 2013) would our sector have been impacted by the reductions under analysis, and even then, only under the most restrictive 35%.

Since the Council’s June directive there have been many developments that have heightened the collective understanding of the effects of halibut bycatch on the directed fisheries and how reduction efforts will translate into meaningful gains back into the directed fisheries. During the recent International Pacific Halibut Commission (IPHC) and Council meetings, previously unknown factors were exposed that contributed to some sectors’ inability to achieve the intended goals of the Council’s motion for the 2014 season, specifically regarding how O26/U26 halibut are accounted for and the high concentration of bycatch present in IPHC regulatory area 4CDE relative to other areas within the BSAI. Because CDQ groups receive an allocation of all ground-fish species and rely heavily on partnerships with industry groups to harvest quota, the CDQ sector witnessed generally similar patterns as others, both in reductions and increases in PSC use in 2014.

Figure 2: PSC Use by Sector and Gear Type – Average (2009-2013) vs. 2014²

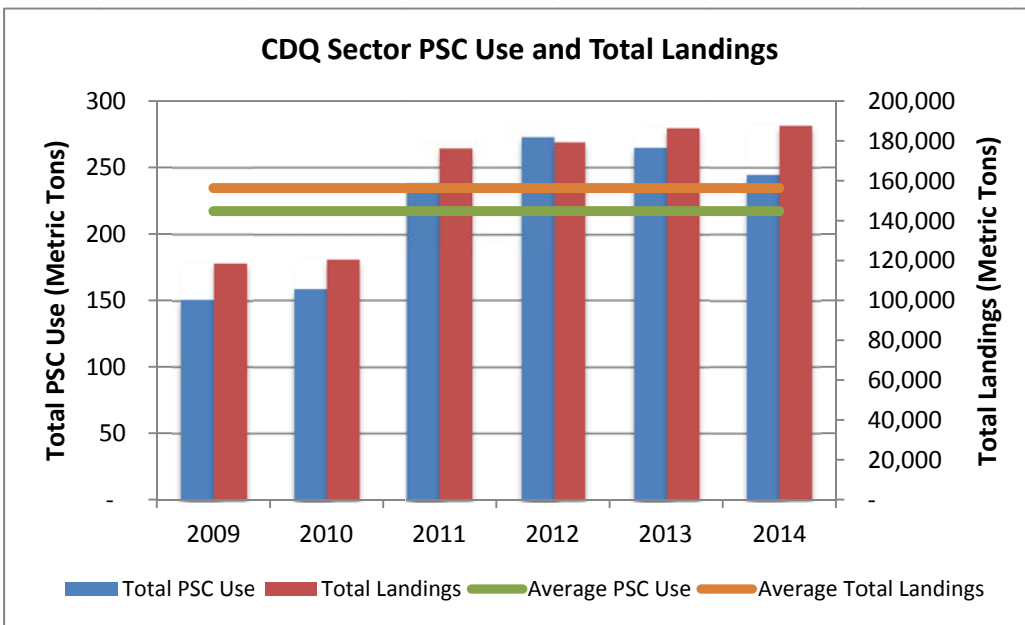


According to the National Marine Fisheries’ (NMFS) Service’s latest data, the CDQ sector achieved a 39.9% reduction in bycatch in the BSAI HAL sector versus a 27.4% reduction in the non-CDQ HAL sector over the five year average. The CDQ sector increased PSC usage in the non-pelagic trawl sector by 37.8% versus 7.2% in the non-CDQ sector. PSC use in the pelagic trawl sector increased by 14.1%, while the non-CDQ sector achieved reductions of 52.3%; this is the only sector where we saw reverse trends in our

² Ibid

usage versus non-CDQ usage. Overall, the combined CDQ PSC use for all fisheries increased by 12.7% above our historical average while non-CDQ sectors decreased PSC use by 3.4%.

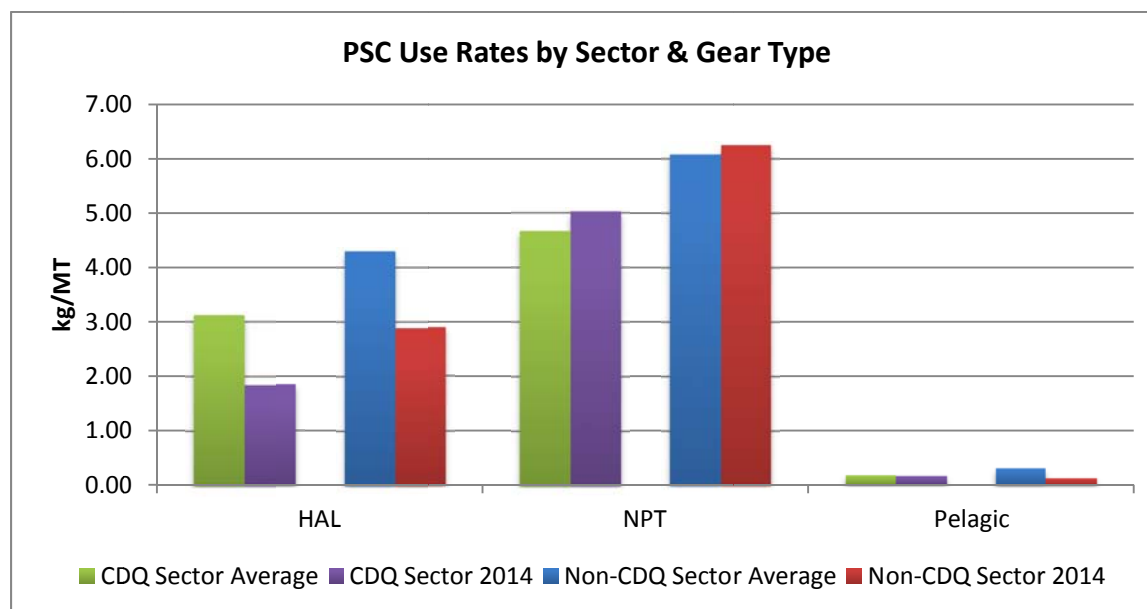
Figure 3: CDQ Sector PSC Use and Total Landings³



The increase in total PSC use can be largely attributed to overall increases in landings and fuller prosecution of CDQ fisheries. While a large proportion of the CDQ bycatch in 2014 is associated with an increase in landings and rates in the non-pelagic trawl sector, rates for both the pelagic trawl and the HAL sectors decreased, contributing to overall reductions in 2014 from our five year average (1.39-1.38). These trends are consistent with non-CDQ industry sectors.

³ Bering Sea Aleutian Islands Annual Ground-fish Catch Reports, NMFS, 2009-2014

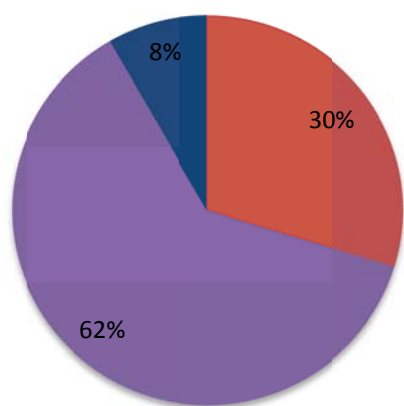
Figure 4: PSC Use Rates by Sector and Gear Type – Average (2009-2013) vs. 2014⁴



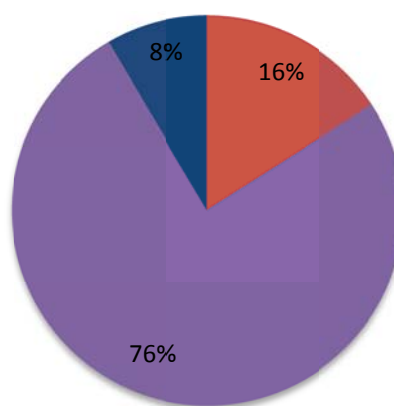
In 2014, CDQ non-pelagic trawl halibut PSC increased as a larger proportion of the sector’s total usage from the five year average, accounting for 76%. The sector’s HAL Cod PSC contribution decreased to 16%, while the pelagic trawl PSC proportion remained steady at 8%.

Figure 5: CDQ Sector Halibut PSC Usage by Sector – Average (2009-2013) vs. 2014⁵

Average PSC Use - CDQ Sector



2014 PSC Use - CDQ Sector



■ HAL Pcod PSC Use
■ NPT PSC Use
■ Pelagic Trawl PSC Use

⁴ Data provided by NMFS In-season Management Report, December 2014

⁵ BSAI Prohibited Species Catch Reports, NMFS, 2009-2014

Figure 6: BS Flats Landings and PSC Use⁶

Year	NPT Landings (MT)	NPT PSC Use	NPT PSC Use Rate (kg/MT)
2009	15,779	66,307	4.20
2010	18,792	77,228	4.11
2011	34,088	132,751	3.89
2012	36,400	202,293	5.56
2013	38,996	194,052	4.98
Total	144,054	672,631	
Average	28,811	134,526	4.67
2014	36,848	185,331	5.03
Comparison	27.9%	37.8%	7.7%

Bycatch Reduction Measures for 2015

Following the June Council meeting the CDQ groups formed a bycatch workgroup which has agreed to target reductions of an additional 10% from our sector’s five year average in 2015 while other regulatory options are being explored. This reduction from the collective CDQ bycatch usage translates into an additional 21mt of halibut savings. Our sector is committed to this reduction in 2015.

The CDQ sector is complex in that the CDQ entities manage PSQ over not only multiple species, but multiple gear types as well. In addition, many groups rely heavily on harvesting partners and are therefore dependent on these partners to establish effective methods on the water to reduce both CDQ and non-CDQ related halibut PSC. As other sectors have reported, these measures include continued research and implementation on reducing handling time, modifying gear and establishing best management practices. All CDQ groups are supportive of these ongoing actions.

The direct efforts that the CDQ sector can take to reduce bycatch are largely limited to how we manage our quota with our partners. The two methods identified by the bycatch workgroup entail further reducing internal halibut PSC allocations to target fisheries and establishing rate parity provisions in our harvest contracts. As mentioned in our June report to the Council, each CDQ group maintains a Community Development Plan (CDP) that contains bycatch avoidance provisions, and while each group’s CDP varies each gives the group the authority to define rate triggers, set conservative PSC allocations and distribute PSC in phases throughout the year. These considerations can be incorporated into harvest agreements as deemed necessary.

Each CDQ group has shared data on target harvests and related PSC usage and rates over the past five years. This information gathering has allowed us to identify both trends and distinctions between various target species amongst the groups. This exercise has highlighted that each group should retain

⁶ Bering Sea Aleutian Islands Annual Ground-fish Catch Reports, NMFS, 2009-2014

its autonomy to identify the most appropriate fisheries and methods to achieve reductions with their harvest partners.

In order to achieve sector wide reductions, each group will be responsible for a specified amount of PSC cut based on establishing the ten percent baseline off the sector's collective average use and then assigning individual targets based on a combination of historical use and/or percentage of each group's PSC allocation.

While we do not yet have consensus amongst the CDQ groups to require a bycatch rate parity clause for halibut, as we have done with chinook, we do have general support for the concept and some groups may implement such measures in 2015. Knowing that our harvest partners will likely be under similar constraints within their sectors to reduce or maintain low levels of halibut bycatch, the CDQ sector has some concern that harvesters may be inclined to put hauls with higher rates on their CDQ partners. To protect our interests, the parity concept mandates that over the course of the year, the harvester's halibut bycatch rate is no more than a specified percentage higher for their CDQ fishing than for their non-CDQ fishing. In discussions with our partners, we still have a few technical matters to sort out in mixed fisheries. When we initiated this concept in our sector agreement for chinook bycatch in the pollock fisheries, we learned that we didn't get the percentage right the first year, and we hope to avoid the same mistake in this fishery. We are also still sorting out whether in mixed stock fisheries we should consider single species, complex species groups, or all target fisheries for our parity comparisons.

Discard Mortality Rates

The CDQ sector's historic DMR rates have been consistently higher than almost all other non-CDQ sectors targeting the same species. While the CDQ groups anxiously await the Council's discussion on CDQ halibut DMR rates, we recognize that any forthcoming changes to our rates will not necessarily translate into significant reductions to our sector's halibut PSC usage, however we anticipate incremental change that may translate into slight reductions for some of our target species.

Other Actions under Consideration

The CDQ groups believe that immediate regulatory action is needed to decrease bycatch caps in the BSAI and that those levels should be established on an individual sector basis. As a longer term solution, the groups also support ongoing analysis of potential abundance based bycatch limits and establishing a more equitable allocation of the available biomass amongst various user groups, with particular consideration for times of low abundance. We understand that this analysis may necessitate a phased approach in order to have the continued effect of minimizing bycatch during all levels of halibut abundance.

The CDQ groups also support ongoing research of deck sorting measures and the expedited implementation of an Experimental Fishing Permit (EFP) for the 2015 season. While not without flaws, deck sorting seems to be the most effective and immediate tool that has measurable impacts on reducing handling time and mortality rates for the non-pelagic trawl sector.

Further reductions from our sector's current levels (43% below allocation) may mean foregoing some harvest of other fisheries that provide critical revenue back into our communities which support continued investments in rural infrastructure and increased job opportunities. However, we acknowledge that the current inequities in Area 4 in the BSAI between the directed fisheries and non-target fisheries are unacceptable and that as representatives of CDQ communities we have an obligation to contribute to the rebalancing of the interests of our small boat fishers and our ground-fish fisheries in the BSAI, both of which are equally as important to the livelihoods of our residents.

The CDQ groups recognize that reductions may be very challenging considering the achievements already made within the CDQ sector and the potential for rapidly shifting directives as the Council continues to evaluate a suite of potential bycatch reduction measures. While final action may not incorporate reductions that are equitably distributed across all sectors, we do believe that immediate actions are vital and we will continue to strive to take additional voluntary efforts that we believe will be applicable across a changing landscape.

Sincerely,

The six CDQ organizations of the Western Alaska Community Development Association