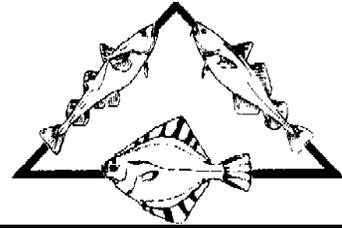


Alaska Groundfish Data Bank

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April 1, 2022

North Pacific Fishery Management Council
1007 West Third, Suite 400
Anchorage, Alaska 99501-2252

C-4 CGOA Rockfish Program Adjustments – Initial Review

Dear Chairman Kinneen and Members of the Council,

Alaska Groundfish Data Bank, Inc (AGDB) is a member organization representing Gulf of Alaska (GOA) shoreside trawlers and shoreside processors that participate in the Central Gulf of Alaska (CGOA) Rockfish Program. AGDB is also the Rockfish Co-op manager for all of the shoreside Rockfish Cooperatives and the intercooperative manager. Since 2007, the Rockfish Pilot Program (RPP) and the Rockfish Program (RP) have brought significant benefits to the fishery in terms of conservation, fish quality and stability for participants. The program has increased vessel accountability, reduced waste and discards, controlled fleet capacity, improved safety, reduced halibut bycatch and provided caps on Chinook salmon bycatch.

All five of the rockfish cooperatives support selecting the four options in alternative 2. These options will meet the Council's purpose and need for the action – *increase flexibility and efficiency, improve functionality, and better ensure that rockfish TACs are fully harvested and landed in Kodiak as intended*. These are relatively simple regulatory changes, but meeting these objectives will have a direct positive impact on the fishery and the community. We believe the Regulatory Impact Review (RIR) should be released for public review and that a preliminary preferred alternative should be selected at this meeting.

April 1 start date: Allowing the cooperatives to start fishing a month earlier (April 1 versus May 1) will provide additional flexibility for both processors and harvesters. The original goal of the RPP and the RP was to not have the two primary summer volume fisheries – rockfish and salmon – competing for processing capacity. The goal was to spread processing and harvesting over the entire calendar year to provide benefits to the year-round Kodiak resident processing work force. The goal of the program has not changed, yet fishery conditions have.

The processing sector has consolidated over time due to multiple factors, and rockfish is a smaller but important part of the diversity of fisheries landed in Kodiak. Kodiak's number of processors who process rockfish peaked at seven, compared to four now. CGOA rockfish quotas have significantly increased; the CV primary rockfish CQ was 6,790 mt in 2007 and is 21,581 mt in 2022. Processing significantly more rockfish with fewer processors constrains the fishery in the current season timeframe. Yet due to poor flatfish market conditions in 2021 and 2022, there has been no April arrowtooth fishery, making April an ideal time to begin processing rockfish. While the rockfish season does remain open over the summer, prosecuting the fishery during this time frame is challenging due to other vessel opportunities and the need to process salmon. Most harvesting vessels try to incorporate other opportunities into their business plans during the summer months – whiting, pollock, or salmon tendering. On the processing side, all of Kodiak's processors use the same space (freezers, holding tanks, conveyor belts, and processing machinery) and processing crew which makes it impossible to process two high volume fisheries at full capacity simultaneously. Since salmon must be harvested and processed during summer months when salmon are returning, it makes sense to harvest the

majority of rockfish outside the summer months since rockfish can be harvested at other times of year. An April 1 start date would provide additional flexibility to both harvesters and processors to get the increased quota landed and processed. It would also help fill a current gap in the season left by flatfish, which would allow more continuity in processing work in the community.

Eliminate the cooperative holding cap: As the analysis points out, the cooperative holding cap is unnecessary because the design of the program allows a harvest cooperative to annually associate with any processor it chooses, and a processor can work with more than one cooperative. The processing caps are the controls on consolidation, not the cooperative cap. In addition, eliminating the cooperative holding cap will reduce the administrative and management costs associated with cooperative management. In the original pilot program, when a processor could only be associated with one cooperative, the 30 percent CV cooperative holding cap did serve a purpose to limit cooperative consolidation and provide greater opportunity for shorebased processors. However, the current RP cooperative holding cap serves no purpose since for example, four cooperatives can form and all still be under the 30% CQ holding cap and yet all four could be associated with the same processor. That is not the reality of the program, but it illustrates the unnecessary nature of the cooperative cap.

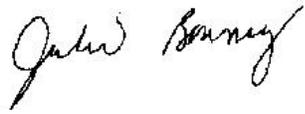
Increase the processing caps to 40% for CV primary rockfish, sablefish and cod quota: The processing caps are a pressing issue for the harvesters; they are the ones advocating for this change. Raising the caps is necessary for all quota to be landed without inadvertently exceeding one of the three caps that need to be closely monitored by the vessels, processors and the coop manager, especially towards the end of the season. Note that the cap for cod was exceeded in 2020 and the sablefish cap was exceeded in 2021, clear evidence that these caps are restrictive. Selecting either 35% or 40% is only a marginal difference since in both cases it requires a minimum of three processors to remain in the rockfish fishery; the rockfish cooperatives prefer the higher cap of 40% across all three species/species group caps.

Kodiak processors buy fish year-round and rockfish is only one species that contributes to a processor's business plan. Kodiak has seen several processing plants close in the last five or so years – Alaska Fresh Seafoods, Western Alaska Fisheries, and Global Seafoods. Pacific Seafood Group remains operational but does not currently process trawl caught fish. While processing caps distribute the processing market share across Kodiak rockfish qualified processors, they do not determine the success or failure of a processor. The viability of a processing operation in remote communities is dependent on a myriad of other factors. Increasing the cap will provide some additional flexibility to ensure all the CV quota can be delivered and processed for the primary aggregated rockfish species, Pacific cod, and sablefish – the harvesters' main concern.

Change the vessel harvest cap to 8% of the CV POP quota. There are 26-28 catcher vessels that typically participate in the program but only a few harvest the majority of the northern and dusky rockfish; this is because these species are more difficult to catch. As the analysis notes, removing both northern and dusky rockfish from the harvesting cap will provide an incentive for those few CVs that have routinely harvested a larger portion of northern and dusky rockfish to catch more so we can more fully prosecute the available TAC. In addition, the analysis notes, only one to three CVs have approached the harvest cap and based on the participation patterns of the CVs since implementation of the RP, revising the vessel use cap will likely not contribute to CV consolidation in the fishery.

We want to thank the Council for their willingness to address these four modest changes to the RP that will make the program more flexible, efficient and improve functionality based on the present state of the fishery. Our overall goal is to continue the benefits of the program and try to harvest the available TAC as much as possible for delivery into Kodiak.

Sincerely,

A handwritten signature in black ink that reads "Julie Bonney". The signature is written in a cursive style with a large initial 'J' and a long, sweeping underline.

Julie Bonney
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