



Central Bering Sea Fishermen's Association

P.O. Box 288 | Saint Paul Island, Alaska 99660 | Phone: 907.546.2597 | Fax: 907.546.2450 | cbsfa.com

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

Agenda item C5: BSAI Pacific Cod Trawl Catcher Vessel Cooperative Program

Chairman Kinneen and Council Members:

The Central Bering Sea Fishermen's Association (CBSFA) appreciates the opportunity to provide the North Pacific Fishery Management Council (NPFMC) with comments on the Initial Review of the Bering Sea Aleutian Islands (BSAI) Pacific Cod Catcher Vessel Cooperative Program. CBSFA participates in the cod trawl Catcher Vessel (CV) sector and welcomes the benefits associated with a rationalization program.

We encourage the Council to acknowledge and further analyze the potential cumulative impacts of this far-reaching rationalization program on other cod sectors, and on Alaska communities. We also encourage the Council to more definitively identify bycatch reduction as an objective of this proposed action, and explore additional options for bycatch management. Finally, we support the gear conversion element of the program and recommend the analysis of a leasing option.

Background

CBSFA is the management organization for St. Paul Island under the Western Alaska Community Development Quota Program (CDQ). Through the CDQ Program, created in 1992, the federal government awarded a portion of the major species of crab and fish, including halibut, from the BSAI commercial fisheries to six CDQ groups. Pursuant to the CDQ Program Statute, the CDQ groups are charged with managing these allocations to promote social and economic development in their respective regions.

CBSFA is committed to developing a fishery-related economy that enhances the social and economic well-being of our community. CBSFA manages cod, pollock, crab, halibut and groundfish CDQ allocations, as well as our acquisitions of additional quota shares and fishing vessels. All are

important to CBSFA's business operations, and to our ability to fund projects and programs that benefit St. Paul Island in furtherance of CDQ Program objectives. With its community location in the middle of the Bering Sea, CBSFA is uniquely positioned to provide for a diversified, fisheries-based economy in the BSAI based on the resources in the North Pacific.

CBSFA has been involved in the Pacific cod fishery in the BSAI since cod was made part of the CDQ program in 1998, utilizing trawl and fixed gear. The CDQ Program receives 10.7% of the BS TAC and 10.7% of the AI TAC. Among the six CDQ groups, CBSFA has the smallest allocation of both BS and AI cod. Because CDQ allocations are a percentage of the TAC, they rise and fall each year as stock abundance changes.

CBSFA's history in the non-CDQ trawl cod fishery goes back to 2004 through its ownership interest in three trawl vessels – the Fierce Allegiance, the Starward and the Starlite – that have cod sideboards and are members of the UniSea Fleet Cooperative and United Catcher Boats.

CBSFA built two 58-foot fixed-gear cod boats in 2008 and 2011 – the Saint Peter and the Saint Paul – that currently participate in the Federal, State water, and CDQ fisheries. CBSFA has a wholly owned subsidiary, Village Cove Seafoods (VCS), that purchases cod harvested by its vessels. The cod is custom processed and marketed, maximizing the value of cod harvested by CBSFA vessels in the three fisheries.

CBSFA is also actively engaged in the Pacific halibut fishery in IPHC Area 4CDE and is committed to maintaining a viable IFQ and CDQ halibut fishery for St. Paul residents that enhances the social and economic well-being of our community. From a historic, cultural, subsistence, and commercial perspective, halibut is a critically important species to the mostly Unangan (Aleut) residents of St. Paul Island. As such, CBSFA has a direct interest in ensuring that Pacific halibut stocks are equitably utilized among user groups and that they are managed to ensure a sustainable fishery for St. Paul Island in the long-term.

CBSFA is also involved in the BSAI crab fisheries, holding significant amounts of both harvester and processor quota, and has ownership in three crab vessels that operate in the Bering Sea and Aleutian Islands. Crab is important to CBSFA's business operations and its ability to fund projects and programs that benefit St. Paul Island in furtherance of CDQ Program objectives. Given its stake in multiple fisheries, CBSFA is uniquely positioned to understand the balancing that is needed under the Magnuson-Stevens Act's (MSA) National Standards to provide for healthy, diversified, fisheries-based economies in communities in the BSAI.

Purpose and Need Statement

The purpose and need statement for this action notes that the race for fish “discourages fishing practices that can minimize bycatch.” However, reducing bycatch to the extent practicable is not

explicitly listed among the goals of the program. In removing the cod trawl CV sector from the halibut ABM action in February 2020, the Council specifically stated that they contemplated reducing bycatch in the sector as part of the upcoming rationalization action. We request that this oversight be remedied by adding the following underlined language to the purpose and need statement to clearly capture all the intended goals of the program, including bycatch reduction:

*Over the last several years, total allowable catch for Pacific cod in the Bering Sea-Aleutian Island has steadily decreased. The pace of the fishery has contributed to an increasingly compressed season, resulting in decreased ability to maximize the value of the fishery and negatively impacting all fishery participants (catcher vessels, motherships, shoreside processors, and communities). This race for fish also discourages fishing practices that can minimize bycatch and threatens the sustained viability of the fishery. The Council is considering the development of a cooperative-based program to improve the prosecution of the fishery, with the intent of promoting safety and stability in the harvesting and processing sectors, increasing the value of the fishery, providing for the sustained participation of fishery dependent communities, **reducing bycatch and bycatch mortality to the extent practicable**, and ensuring the sustainability and viability of the resource.*

Element 2: Allocation to LLP Licenses

Regarding Section 2.2, Harvester Allocations, CBSFA advocates for continued analysis of all the Options and Suboptions listed.

Element 3: Prohibited Species Catch Limits

CBSFA supports the Council reducing halibut and crab bycatch limits with the implementation of the Cod trawl CV rationalization program. NOAA Fisheries Catch Share Program Policy (NMFS Policy 01-121 - Jan 2017) notes “identifying bycatch reduction targets” as an example of specific measurable management goals for catch share programs. In the history of rationalization programs implemented through the NPFMC and elsewhere, the benefits of a cooperatively managed fishery have included substantial reductions in bycatch. This program should be no different.

We advocate for Option 3.2, with the range of reduction extended from 10% to 40%.

The halibut ABM action recently taken by the Council provides a range of Amendment 80 sector percentage reductions across the various Options from 20% to 40%. A similar range is appropriate to analyze for the cod trawl CV sector.

Cod trawl CV representatives have said again and again that the frantic pace and compressed range of the current competitive cod fishery does not permit a measured approach to bycatch avoidance. In addition, a more organized trawl CV sector could potentially decrease halibut

mortality by incorporating deck sorting procedures that have been successful in the Amendment 80 sector.

As mentioned above, when the Council agreed in February 2020 to remove the cod trawl CV sector from the Halibut ABM action, it was in order to NOT put that sector in double jeopardy – subject to bycatch reductions under Halibut ABM as well as under the upcoming rationalization action. At that time, the Council indicated that the imminent cod CV rationalization program would include bycatch reductions.

In October 2020, the Council simplified the method of determining halibut bycatch limits in the Amendment 80 trawl sector, using a look-up table based on categories of halibut abundance measured by the setline survey and the trawl survey in the Bering Sea. This change made the process of determining PSC limits based on abundance transparent and predictable, with a limited number of stairsteps.

Within the cod trawl CV cooperative management program, we advocate adding for analysis this new and responsive method of determining halibut bycatch limits. Halibut resource abundance is currently at the B33 level, according to the IPHC stock assessment scientists. It makes particular sense for the Council to manage halibut bycatch with a consideration for the halibut resource; the Council voted unanimously for that method for the A80 fisheries. It also makes sense for bycatch management to be consistent across sectors. Although Halibut ABM started five years earlier, that program and the cod trawl CV rationalization program are likely to be ready for final action at approximately the same time in 2021.

A similar stairstep approach to determining PSC limits is used for managing salmon bycatch in the pollock trawl fishery, as well as for several species of crab bycatch.

We also advocate for the inclusion of crab bycatch reductions. The crab industry, of which we are part, agrees with the clarifications and assumptions in Table ES-1 that included crab PSC, not just halibut PSC, in the analysis for both Suboption 3.1.1 and Option 3.2.

We also encourage the use of incentives to reduce bycatch and bycatch mortality and would like to see more in the analysis, such as exploring the use of individual bycatch quota (IBQ) for PSC species. Transferable IBQ has been shown to create the right incentives to dramatically decrease bycatch in some catch share programs.

Section 3.4 analyzes the effects of the alternatives for PSC catch in the cod target fisheries. In that section, the effects of reducing the PSC limit on crab are not described and should be added. In addition, **the analysis should describe the impacts of a range of reductions from 10 to 40% for both crab and halibut, rather than just 10% for halibut.** Without such an analysis as part of the

effects of the alternatives, the pros and cons of the alternatives for PSC and bycatch management, and for the BSAI cod trawl CV sector, will remain unclear.

Element 14: Gear Conversion

Flexibility, bycatch reductions, and adding value are critical components of all Council rationalization actions, both past and future. A gear conversion mechanism that provides maximum flexibility to the CV cod trawl sector could help accomplish each of these important Council goals.

As mentioned, CBSFA participates in the Federal, State water, and CDQ fisheries in the BSAI, and holds a pot cod C/P LLP endorsed for catching and processing cod in the Bering Sea. Flexibility to catch trawl cod catch shares with fixed gear will allow CBSFA to utilize its assets to maximize bycatch reductions, as well as maximize value from its cod assets, whether delivered on shore or landed and processed on a C/P vessel constructed or purchased by CBSFA in the future.

CBSFA supports a gear conversion mechanism that is completely optional or voluntary, allowing historically-dependent participants the ability to choose to use trawl gear, pots, or longline to harvest catch shares. Maximum flexibility through gear conversion will provide historical participants the tools necessary to meet important conservation and economic goals. The benefits of such flexibility for all participants should be further analyzed in the next iteration of the initial review.

Quota shares are transferable within and between coops – but it is not clear that trawl quota can be leased to fixed-gear boats outside the cooperative trawl program. We strongly support analysis of leasing of catch shares both within the final Coop structure and to fixed-gear vessels outside of it. This will allow companies such as CBSFA and others to fully maximize various cod allocations and access, creating efficiencies to accomplish the goals of the Council, the MSA, and the CDQ program.

Element 5: Processor and Community Provisions

CBSFA believes that Element 5 is currently incorrectly labeled as there are no direct, specific provisions being considered under this element that would protect community participation in this sector as it faces consolidation. Unlike other NPFMC programs which, for example, increased the CDQ share of the fishery being consolidated or rationalized, or developed concepts such as regionalization, community rights of first refusal, and cooling down provisions, there are no such specific community provisions currently being considered under this element.

However, the elements and options recognizing the history of processing companies in the BSAI Pacific cod trawl CV fishery will clearly be beneficial to communities that currently host those

processing operations, in terms of tax revenues, dependent businesses, and other services. The provisions of Element 5 could serve to stabilize landings in communities with a previous history of cod processing, but further analysis is needed to determine what the impact on a community would be if a processing entity moved processing activity to another community, for example.

Element 6: Aleutian Islands Processor Provisions

As a similarly situated remote community located amidst the Bering Sea's commercial fisheries, CBSFA as the CDQ group for St. Paul Island, supports the provisions in Element 6 designed to protect the participation of the communities of Adak and Atka in the BSAI cod fishery. In addition, during years in which a shoreplant has been available, in this case in Adak, it has been a valuable location for CBSFA vessels to deliver for processing golden king crab and other species that could otherwise remain partially unharvested due to the remoteness of those resources and the distances involved to the nearest alternative shoreplants in Unalaska.

For these reasons, CBSFA supports the set-aside under Element 6, Option 6.1, for delivery to a shoreplant in the Aleutian Island management region in any year when the community of Adak or Atka files a notice of intent to process. The percentage of the set-aside should be at the upper end of the range of 25% which is based on Adak's actual landings from 2003 - 2009. The NPFMC has previously concluded that these years are the most appropriate frame of reference for determining the share of Pacific cod landings made in Aleutian Island communities due to the availability of data.

Community Effects

The Initial Review draft reveals that the benefits of this action for Alaskan communities is limited, with most of the benefits accruing to Seattle, WA and Newport, OR communities where most of the BSAI cod CV trawl fleet are homeported. Moreover, the consolidation of harvesting effort that will ensue will likely reduce revenues to communities that provide support services to the CV trawl fleet.

Although it is located amidst the Bering Sea's fisheries, due to its history under the federally-managed commercial fur seal harvest, St. Paul was historically prevented from developing a stake in the surrounding fisheries, including cod. Since undergoing the congressionally-mandated phase out of the commercial fur seal harvest in 1983, pursuant to the Fur Seal Act Amendments (HR 2840), the Pribilof Aleuts of St. Paul Island have focused their efforts with heavy federal and state support on *"the development of a stable, self-sufficient enduring and diversified economy not dependent on sealing"* as directed by Congress. CBSFA has been an important part of this effort by leading the development of a local halibut CDQ/IFQ halibut fishery; acquiring quota, vessels, and other assets in the Bering Sea commercial crab and other fisheries; and contributing funds to the

construction of critical fisheries-related infrastructure, including the St. Paul Small Boat Harbor and the Vessel Repair Facility.

Although incomplete, these efforts have to date succeeded. In the 1990s, shortly after the construction of its main breakwater and harbor, St. Paul became one of Alaska's most important ports as a result of its participation in the snow crab fishery. During the same period, St. Paul developed a thriving local halibut CDQ/IFQ fishery which has been a key source of employment, as well as being central to the community's cultural, social, economic, and psychological well-being. However, the collapse of the crab stocks in 2000 and more recently the decline of the halibut resource have threatened these gains, and the community's long-term survival.

In response, St. Paul with CBSFA's critical participation has sought opportunities to diversify its fisheries-based economy; cod processing is a candidate. The community's top priority to achieve this diversification is to address seafood waste concerns associated with cod and other oily commercial fish species, which may affect the health of northern fur seals, Steller sea lion, and seabird populations that inhabit the islands. Seafood waste issues may be resolved either through extension of the existing waste outfall or the construction of a fish meal plant. Unfortunately, either of these options is expensive and given the current status of the cod stocks may be financially unviable at this time.

Regardless, further diversification into cod remains a top priority for St. Paul, and although it does not have direct processing history in the cod resource, St. Paul is taking steps to position itself as a more active participant in the cod fishery as the stocks shift northward. The BSAI cod trawl CV action as currently structured provides the flexibility through eligible processors for this to occur.

Impacts on GOA communities

CBSFA supports the retention and full analysis of the elements of the cod trawl CV program that protect the interests of Gulf of Alaska communities.

Impacts on other sectors

CBSFA vessels participate in the Under Sixty Cod Harvester sector, and we recognize the need in the next initial review to more thoroughly describe potential impacts to the under 60 fleet, and examine options to mitigate those impacts. As the under 60 fleet is partially dependent on rollovers from other sectors, we ask that the Council further analyze leaving the trawl C season unrationalized. This would leave this pool of quota that has historically not been fully harvested by the trawl sector available for reallocations.

We would ask that the analysis include the full history of reallocations between the trawl sector and the under 60 fleet, as well as options to protect continued availability of reallocations, including changes to the reallocation hierarchy.

Magnuson-Stevens Act National Standards

Concerning the Magnuson-Stevens Act National Standards, in CBSFA's view three of the standards must be carefully weighted in this action: National Standard 4 (NS4) regarding fair and equitable allocations; National Standard 8 (NS8) regarding sustained community participation and minimizing adverse impacts on communities; and National Standard 9 (NS9) reducing bycatch to the extent practicable. As stated earlier, St. Paul's long-term survival is dependent on its ability to develop a congressionally-directed "*stable, self-sufficient enduring and diversified economy not dependent on sealing.*"

The NPFMC must therefore construct an action that protects the Aleut Community of St. Paul's federally protected fishing rights in the Bering Sea (which includes cod) pursuant to the government-to-government relationship with federally recognized tribes (NS4); allows for St. Paul's sustained participation in the surrounding Bering Sea fisheries (NS8) through the potential for diversification into the cod fishery; and reduces bycatch of halibut, crab, and other species to the extent practicable (NS9) to the benefit of Saint Paul and other halibut and crab dependent communities.

Thank you for your consideration of our comments.

Sincerely,



Phillip Lestenkof, President
Central Bering Sea Fishermen's Association