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September 25, 2013

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

Re: Agenda item C-4(c): Report on BS Sablefish TAC Apportionment

Dear Mr. Chairman:

Thank you for the opportunity to provide comments on the pending discussion paper addressing Bering Sea sablefish TAC apportionments in IFQ/non-IFQ fisheries. The Freezer Longline Coalition (FLC) and the groups listed below appreciate the interest of the North Pacific Fishery Management Council (NPFMC) to receive comments from industry stakeholders at the October 2013 meeting prior to deciding on further action on this issue.

At the April 2013 NPFMC meetings, NPFMC staff presented a discussion paper, titled "Use of Bering Sea Sablefish Total Allowable Catch in IFQ/non-IFQ Fisheries." This paper was initiated following an inquiry by the FLC at the December 2012 NPFMC meeting seeking an update on the issue, initially raised by the FLC in 2006. The FLC appreciated the NPFMC's attention to this matter at the April 2013 meeting. However, not having seen the paper prior to the meeting, FLC and other industry stakeholders sought to have additional time to review the paper and the proposed approaches to addressing this issue proposed by the author. Following NPFMC's consent for industry to provide comments at the October meeting, the FLC organized two stakeholder meetings to discuss the paper and our respective recommendations to Council.

The discussion paper, as presented to NPFMC in April, presents two potential management approaches to reallocate unused sablefish trawl allocations and increase yield under the optimum yield (OY). As summarized in the paper, the approaches are:

1. Reapportion some of the non-specified reserve during the annual harvest specifications cycle (this would recover a small amount of foregone OY but could be accomplished in the next harvest specification cycle); and/or
2. Amend the BSAI Groundfish FMP to allow the Council to recapture some or all of the foregone OY (equal to the unharvested sablefish TAC) through greater flexibility in the annual harvest specification process.

We support the NPFMC going forward with further analysis on the second of these approaches (Approach 2), requiring a BSAI Groundfish FMP amendment and regulatory amendment authorizing Council to reapportion unused sablefish TAC now apportioned to the trawl sector. We believe Approach 2 offers the most effective avenue toward recapturing OY and allows

maximum flexibility for the NPFMC and industry to reapportion unused trawl TAC in a manner that best serves all participants. On the contrary, Approach 1, to reapportion non-specified reserve, only provides an opportunity to recapture a limited amount of OY while not addressing the 50/50 TAC split between trawl and fixed gear groups. Turning to the non-specified reserve to address this matter also raises potential conflicts with existing fishery management efforts that utilize the reserve for other purposes. In discussions with industry stakeholders, there was agreement that Approach 1 would not be an effective action for the NPFMC to address this issue.

The discussion paper, as presented at the April NPFMC meeting, includes possible FMP text for revising the BSAI TAC setting. We support this proposed text, as put forward in the paper, with one exception, as noted below (note: it appears the language was edited following an initial draft of the paper; the following references the text as edited):

BSAI: Separate Bering Sea sablefish TACs would be set for fixed gear and trawl gear. Vessels using fixed gear may be allocated 50% or more of the ABC in the Bering Sea and 75% of the ABC* in the Aleutian Islands; vessels using trawl gear may be allocated no more than 50% of the ABC in the Bering Sea and 25% of the ABC in the Aleutian Islands.

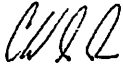
**Note: the discussion paper states "75% of the TAC", rather than the ABC*

In addition to discussion on the approaches proposed in the discussion paper, industry stakeholders considered additional analyses the NPFMC should undertake regarding this issue beyond what is proposed under the approaches. We recommend that an NPFMC analysis of Approach 2 should further include the following considerations:

1. *Underutilized harvest:* An analysis of all currently underutilized sablefish harvest, including by fixed gear, trawl, CDQ and IFQ sectors. In our meetings, industry stakeholders raised some questions about why some apportionments, including CDQ and IFQ shares are not being harvested 100%. This would provide some more clarity to the NPFMC as to the reasons for the underutilization and how Approach 2 would or wouldn't affect harvest rates.
2. *Effects on CDQs:* An analysis of potential effects of Approach 2 on CDQ groups. CDQ representatives raised some concern that both approaches proposed in the discussion paper could result in adverse impacts on CDQ participation in the fishery. This would seek to examine potential impacts for the NPFMCs consideration.
3. *IFQ use cap:* (Note: FLC recommends NPFMC move forward with this analysis whether or not other action is taken regarding this discussion paper). An examination of adjusting the IFQ use cap in the BSAI to enable increased sablefish harvest and better achieve OY. There was significant discussion by industry stakeholders about the possibility of adjusting the IFQ use cap in the BSAI. Currently, regulations state that no more than 1% of the IFQ shares can be harvested by any one vessel in the BSAI. It was suggested that an increase in the use cap could help address concerns about underutilization. This analysis could include a look at the effects of increasing the use cap and consideration of how much the cap should be increased to achieve the desired outcome. Industry stakeholders concurred that this analysis should include a separate analysis for both A and B shares.

Thank you again for your interest in receiving comments from industry on potential adjustments to BS sablefish TAC apportionments. We invite further engagement with NPFMC on this matter as you consider additional action on the effective management of this fishery.

Sincerely,



Chad I. See
Executive Director
Freezer Longline Coalition

On behalf of:

Bob Alverson, Fishing Vessel Owners' Association (FVOA)
Kevin Kaldestad, Kaldestad Fisheries, LTD

Cc: Chris Oliver