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Agenda Item D.2.a
Attachment 3
November 2007

October 17, 2007

Mr. Donald K. Hansen, Chairman
Pacific Fishery Management Council
7700 NE Ambassador Place, Suite 101
Portland, Oregon 97220-1384

Dear Chairman Hansen:

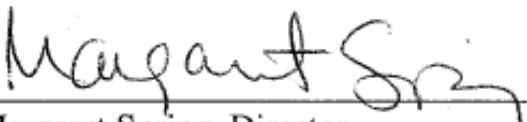
On behalf of all six sponsors, we are pleased to submit the attached application for an exempted fishing permit (EFP) to test the merits of utilizing six Limited Entry trawl permits with hook-and-line, longline, trap and pot gear under shared hard harvest and bycatch caps within the structure of a community based fishing association. This EFP is designed to provide the Pacific Fishery Management Council ("Council") with practical experience and data that could inform decisions relevant to future management of the limited entry groundfish trawl fishery. The applicants and the supporters of this EFP believe that both gear-switching and cooperatively-managed community-based fishing arrangements or associations hold the promise of reducing the unintended consequences of fishery rationalization. These tools might be of particular importance to smaller and more remote fishing communities, such as those throughout the Central Coast, that have long relied on access to the groundfish resource. Finally, the use of these tools may help the Council to meet the goals and objectives of the Pacific Coast Groundfish Fishery Management Plan (PCGFMP).

In June, the Council voted to forward the EFP for consideration at the November meeting and several members of the Council and its advisory bodies expressed strong interest in this project. However, the sponsors of this project received clear guidance that several issues needed to be addressed prior to the November meeting. We took that guidance seriously and have spent the time since the June meeting revising the proposal to address those issues. Attached to this letter is a list of specific changes.

We strongly support the Council's current management efforts to rebuild stocks, protect habitat, promote fishery sustainability and address overcapacity. This EFP will complement those efforts and serve as a test of useful tools that may help align economic incentives with resource conservation objectives.

We deeply appreciate the interest that members of the Council and its advisory bodies have shown in this project. We hereby submit it for the Council's consideration at the November Council meeting and respectfully request your favorable consideration.

Sincerely,


Margaret Spring, Director
California Coastal and Marine Program
The Nature Conservancy

Specific changes to EFP proposal in response to Council Members' comments:

The purpose and goals of the project are unchanged. However, we have listed below are the major specific issues raised by the Council in June, with an explanation of how the EFP has been modified to address each topic:

Sablefish: Two issues were identified related to sablefish in the June Council meeting. The first was in regards to the request for an upfront set-aside or allocation of sablefish for the EFP project. To address this issue, we propose that no special set-aside be made for fishing under the EFP. The current proposal requests that fishing be constrained by not-to-exceed hard caps that will limit the total potential catch of all species.

The second issue related to the total potential catch of sablefish within the Conception Area. The June version of the EFP requested that up to half of the Conception Area OY for sablefish (112.4 metric tons) as the hard cap for fishing under this EFP. During the Council meeting, it was made clear to the sponsors that this proposed hard cap was high enough to negatively impact other fishing efforts in the Conception Area. Based on this feedback, we have drastically reduced the proposed hard cap for this species to 50 metric tons or 30% of the average Conception Area landings over the period of 1998 to 2006. In order to accommodate this change, we also significantly reduced the overall scope of the EFP so that we might still run a meaningful experiment, while decreasing the total potential catch of this important species.

We feel this sablefish hard cap is a modest reflection of the catch history of the six permits purchased by The Nature Conservancy, and the history of trawl landings in Morro Bay. From 1994 to 2004, Morro Bay trawl landings represented on average 46% of Conception Area landings of sablefish. Together, when the TNC permits were active, they accounted for approximately 30% of Conception Area landings for sablefish. Average total Conception Area landings of sablefish between 1998 and 2006 were 168 metric tons. The proposed hard cap is derived by taking 30% of the average or 50 metric tons.

Locations of fishing and fishery landings and participant selection: During the June Council meeting, questions were raised about the area that would be fished, whether the EFP would specify a port or ports where landings must take place. Others were concerned about how fishermen would be selected to participate.

This revision clarifies that fishing under the EFP would be restricted to the area between Point Lopez and Point Conception and outside the seaward boundary of the Rockfish Conservation Area and would require fish to be landed in Morro Bay or Port San Luis, California.

The sponsors have developed an application process that is being used to identify interested and eligible fishermen and will report on that progress at the November Council meeting. Early indications are that there are likely more interested fishermen than there will be slots available under the EFP. Eligible fishermen are Central Coast fishermen that meet regulatory requirements for participation, who have experience with the gear to be used in this EFP, who are willing to land in Morro Bay or Port San Luis, and who are interested in contributing

to this experiment. In the event the EFP is approved, the sponsors will select six fishermen to participate from those that are interested and eligible and begin work with them to establish the association.

Monitoring and Enforcement: During the June Council meeting, members of the Council asked for more specificity about how the EFP would be monitored and its conditions enforced.

The EFP will require 100% human observer coverage on all fishing trips and, we intend to take this opportunity to work with the NOAA Observer program to test the relative usefulness of Electronic Monitoring Systems for monitoring fixed gear groundfish vessels. EMS might offer a similarly effective but less costly option for monitoring the fishery.

TNC, as the owner of the permits that are the subject of this EFP, will take primary responsibility for developing lease agreements under which fisherman may participate that are consistent with the requirements and the goals of the EFP and for enforcing the terms of those leases. The terms of the leases will reflect the conditions of the EFP and require that participants abide by the rules of the fishing association. Those who fail to comply with these terms will have their leases revoked.

TNC will also be responsible for ensuring the project is fully accountable and meets all regulatory and reporting requirements.

Bycatch caps: A question was raised at the June Council meeting of whether the hard caps for bycatch of overfished species proposed in the EFP were appropriate in the context of rebuilding.

The hard caps for bycatch of overfished species included in this proposal are relatively unchanged from June, with the exception of bocaccio. These requests were based on recommendations from the California Department of Fish and Game and were reviewed by the Groundfish Management Team in September. The modified bocaccio recommendation is based on GMT recommendation. We recognize that these numbers are contingent upon the 2008 scorecard and we would be pleased to work with the Council and its advisory bodies to further refine these numbers.