

WASHINGTON DEPARTMENT OF FISH AND WILDLIFE
COMMENTS ON
THE GROUND FISH ALLOCATION COMMITTEE REPORT
AND ON
THE CALIFORNIA DEPARTMENT OF FISH AND GAME
ADAPTIVE MANAGEMENT PROPOSAL CLARIFICATION

While recognizing the potential of the trawl rationalization program to greatly improve the overall profitability of the shoreside harvesting sectors, the Washington Department of Fish and Wildlife (WDFW) maintains significant concerns about negative consequences to coastal communities and fishery-dependent businesses in the state.

As described in Chapter 4 of the preliminary draft EIS, the trawl IFQ program is expected to lead to significant consolidation of the fleet that could potentially create disruptive shifts in the geographic patterns of landings and fishing activity on the west coast. Without any community protection measures in place, some businesses and coastal communities would face substantial uncertainty about their economic viability under the IFQ program, a situation that stands in stark contrast to the whiting harvest co-ops and the high degree of certainty they would provide to all participants in the at-sea sectors. In fact, the only reasonably certain guarantees provided by the shoreside IFQ program seem to be those enjoyed by recipients of quota share—and the considerable asset value that will likely accompany that quota—at initial allocation.¹

With these concerns in mind, WDFW included three proposals in its motion to adopt the Council's preliminary preferred alternative in June: (1) the regional landings zone program; (2) the adaptive management program; and, (3) issuance of 20 percent of the quota share to processors at initial allocation.² WDFW included these three options in the preliminary preferred alternative to further assess their potential effectiveness at providing stability to communities, shoreside processors, and other business that have been substantially dependent on the shoreside groundfish trawl fisheries.

WDFW proposed the regional landings zone program as a possible measure to ensure that communities continued to receive a substantial portion of their historical landings after the transition to the IFQ system. However, based on the Groundfish Allocation Committee's (GAC) recommendation in October against further consideration of the regional landings zone approach (Agenda Item F.3.e, GAC Report), WDFW is now focusing its consideration on the remaining two alternatives. It is WDFW's view that the Council should recommend one, but not both, as part of the preferred alternative.

With respect to the adaptive management proposal, the details of the program remained largely undefined until the California Department of Fish and Game's (CDFG) offered its clarification at the GAC meeting (Agenda Item F.3.f, CDFG Report). After further consideration of CDFG's clarification of the proposal and the discussion that occurred at the GAC, WDFW offers the following comments:

¹ See Appendix F, section F.3.1.5 of the preliminary DEIS for a discussion of how the future profitability of the fishery is capitalized into the asset value of the quota share.

² For a description of the regional landings zone proposal, see section A-8 of the DEIS (p. A-355). The adaptive management proposal is described in section A-3 (p. A-340) and further considered in CDFG Report. Allocation of quota share processors is considered in section A-2.1 (see e.g., p. A-48).

- The adaptive management program has been proposed with several objectives in mind, including facilitating new entry into the fishery and providing incentives to switch fishing gear types and strategies. Although these other objectives undoubtedly have potential value to the fishery, *WDFW believes community stability should be the paramount objective of any adaptive management program.*
- *To achieve this objective, the adaptive management program would need to be in place and ready to issue quota pounds (QP) at the start of the IFQ program.* Even with a prohibition against permanent transfer of quota share (QS) during the first two years of the program, quota holders will be still be allowed to transfer QP in season through leases and other arrangements. Transfer of QP could be enough to result in significant and disruptive shifts in fishing activity and landings.³ Moreover, as described in Appendix C of the preliminary DEIS, some communities and businesses could be disadvantaged based on the distribution of QS at initial allocation.⁴ WDFW does not believe it is reasonable to assume that all unintended consequences of the IFQ program could be adequately redressed after the fact.
- *The amount of QP available to each state would have to be sufficient to meet community stability objectives.* It is uncertain that 10 percent, or even 15 percent of the quota, spread across the three states and the competing objectives of the adaptive management program would be enough to achieve any meaningful degree of community stability. To date, there has been little analysis of the likely effectiveness of an adaptive management program at addressing the adverse impacts associated from significant degree of consolidation in the harvesting sector.
- The QP set aside for distribution by the adaptive management program would have to be *equitably distributed among the states* based on historical participation and the degree of projected and actual economic and social impacts associated with implementation of the IFQ program. Again, the goal would be to distribute the QP in a manner that would attempt to moderate any substantial disruptions in landings patterns among communities and the states. The distribution of adaptive management QP between the states could be altered over time through an annual or biennial process based on new information on the performance and adverse impacts of the program.
- The adaptive management QP would be awarded through *separate but parallel processes in each of the three states.* Priorities and impacts are likely to differ between states, thus the distribution of adaptive management QP should be based on local expertise and reflect local priorities. The Magnuson-Stevens Act provisions on limited access privilege programs appear to provide multiple tools—e.g., regional fishery associations and community sustainability plans—the Council could employ to address the specific needs of the three states and their coastal communities.⁵

³ The prohibition against permanent transfer of QS is intended to protect individual quota holders from making permanent business decisions before having sufficient information about the program and the asset value of their quota holdings. It is not intended as a community protection measure.

⁴ See section C.1.4 of the preliminary DEIS (p. C-14).

⁵ See sections 303A(c)(3) (“Fishing Communities”) and 303A(c)(3)(c)(4) (“Regional Fishery Associations”).

- The CDFG model of panel review of adaptive management applications based on a point system or other ranking criteria may not be effective or efficient for achieving community stability objectives. *Broader focused planning tools—such as community sustainability plans or regional fishery associations—might be more appropriate and should be explored.* Such tools could provide flexible, long-term measures for encouraging communities to build the infrastructure and business relationships that would lead to long-term viability under the IFQ system. In addition, evaluations by point and ranking systems are only as objective as the criteria they are based on. Unlike with initial allocation of QS, which is based on the relatively objective measure of landings history, some criteria in the adaptive management program would be very difficult to measure and rank. The application and point system could be helpful in evaluating competing uses of adaptive management QP, yet it seems unlikely that applications would fall out in a clean top-to-bottom list. If the trawl IFQ program does create significant disruption in the fishery, the demand for adaptive management QP could be high and the Council would be left with several allocative decisions that would be difficult to evaluate objectively.

In summary, WDFW's vision of the adaptive management program is one where quota is distributed amongst the states and then awarded based on independent, state-based processes designed to maximize local expertise and achieve local priorities. Minimizing adverse effects from the IFQ program on fishing communities and other fisheries to the extent practical is one of the eight objectives of the trawl rationalization program. In WDFW's view, this objective should be the primary objective guiding the distribution and use of adaptive management quota at the start of the program and should remain so until the Council has better information on the performance and effects of the IFQ system. Lastly, processing businesses are key components of fishing communities and the basic social and cultural framework of the fishery that the Council is required to consider in the design of the trawl rationalization program. Their economic stability and sustained participation should therefore also be important considerations in the design of the adaptive management program and its objectives.