September 4, 2009

Mr. David Ortmann, Chairman
Pacific Fishery Management Council
7700 NE Ambassador Place, Suite 101
Portland, OR 97220-1384

RE: Amendment 20 Trailing Action on Community Fishing Associations

Dear Chairman Ortmann:

Attached please find the report on a series of discussions held between June and August 2009 to gather stakeholder views on the concept of Community Fishing Associations (CFAs). The Nature Conservancy (TNC) hosted this dialogue in hopes of eliciting ideas that may be useful to the Pacific Fishery Management Council in its deliberations on whether to authorize CFAs through a trailing amendment to the trawl individual quota (TIQ) program.

A reoccurring question during the course of the discussions was: **Why must the Council act on CFAs?** Although a number of different ideas were discussed, the element all had in common was that of multiple fishery participants working together in ways that would violate control rules or limits. It was difficult to sift out specifically which scenarios would or which would not trigger the control limit. In most cases where this has happened, the facts and circumstances of each case would be reviewed individually to determine if it complies with the control rule. This creates uncertainty and may have a chilling effect on small scale efforts that lack capacity and resources to defend their initiative, and may create room for undesirable initiatives that may simply proceed until their efforts are detected thereby undermining the goals of the control rule.

Council action is needed to create a “safe harbor” for the types of collaborative efforts it feels will support the goals of the Pacific Coast Groundfish Fishery Management Plan and Amendment 20. This safe harbor could describe in advance the facts and circumstances that the Council feels are appropriate within the goals of these measures. Such action would encourage groups to organize by providing them certainty and clarity of what is and is not permitted – and would also clarify which arrangements are illegal.

This understanding of why action is necessary seemed to make sense to participants; however, the details of the safe harbor were more contentious. For the purpose of these discussions and this report, the term “Community Fishing Association” was used broadly to refer to any type of collaborative effort organized at the local level to improve harvest operations under the TIQ program; as there are likely a variety of things that could contribute to community stability. The goal for these sessions was to understand the different models stakeholders envision, what elements might be needed to make these models work, and what negative consequences should
we seek to avoid. No attempt was made to achieve consensus on any particular model or policy recommendation. All views raised are presented in the report without prejudice and in including them here, TNC endorses no particular idea beyond what we have already presented to the Council, nor should any individual’s participation in these sessions be construed as endorsement of the CFA concept.

However, I will take this opportunity to offer one observation on a potential area of agreement in the three sessions. Throughout a common understanding was repeated that the transition to the TIQ in 2011 will necessitate “guys working together,” a shared desire for a flexible approach that may be tailored to local circumstances “from the ground up”, a general rejection of CFAs that are imposed or mandated “from the top down”, and a sincere desire for a strict interpretation of the control limits that balances the fleet’s need for rationalization and consolidation with the desire to maintain fleet diversity.

I hope that this report is useful to the Council in its deliberations. Please do not hesitate to contact me if you have any questions.

Sincerely,

/s/

Erika Feller,
Marine Project Director
The Nature Conservancy
Community Fishing Associations: Workshop Summary Report

Prepared by:
Stuart Nelson, Nelson Bros Fisheries Ltd

September, 2009

A report chronicling the outcomes of a series of three workshops hosted by TNC & EDF to flesh out the CFA concept, held June-August 2009. A summary of issues/themes, options, and design mechanisms brainstormed by participants in the working sessions.
# Table of Contents

Introduction..................................................................................................................3

Workshop Highlights..................................................................................................................3

1. Potential CFA Elements ........................................................................................................4

   Description of a Successful CFA (Vision).................................................................................4
   Size/Scope of CFA....................................................................................................................4
   Goals/Purposes........................................................................................................................4
   Mechanisms..............................................................................................................................5
   Participants in a CFA (list of candidates) .................................................................................5

2. CFA Options........................................................................................................................................6

3. CFA Issues/Themes........................................................................................................................................9

Summary ..............................................................................................................................................12

Appendix 1 - About the Workshops .................................................................................................13

First Session – Seattle ....................................................................................................................13
Second Session – Portland ................................................................................................................14
Third Session – San Francisco ........................................................................................................15

Appendix 2 – Summary of Indicators of Affiliation and Control.................................................16

Appendix 3 – Summary of Indicators of Community Impact .......................................................17
Introduction

In April, 2009 the Pacific Fisheries Management Council (the Council) approved a motion identifying community-led ownership or management of Quota Share (QS) or Quota Pounds (QP) through a Community Fishing Association (CFAs) as a mechanism to address community stability issues arising under the trawl individual quota (TIQ) plan. While the motion provided some direction for how CFAs might be structured, and the ends they would strive to achieve, significant latitude was left to define how the concept would be put into practice. From Council discussion it was evident that neither Council Members nor stakeholders shared a clear and common understanding of CFA goals, how CFAs would be organized and implemented to achieve those goals and avoid abuse, as well as a clear rationale for Council action.

To this end, The Nature Conservancy, with the support of Environmental Defense Fund, hosted a series of stakeholder workshops to explore the ideas behind the CFA concept in order to provide insights for Council to assist in its deliberations on CFAs, by seeking answers to the following questions:

- Do stakeholders share common interests or goals in organizing cooperative or community-based efforts?
- What sorts of activities or outcomes would stakeholders want to avoid through a CFA model?
- Could these efforts happen under the TIQ program as approved? Or is further Council action necessary? If so, what sort of action?
- What are the specific facts and circumstances of desirable or undesirable CFA approaches?

The workshops were designed to elicit maximal feedback from participants. CFA-related discussion topics were introduced, ranging from general (first meeting) to specific (last meeting), with a range of opinion recorded on each. This was not a consensus or decision-making process but rather a brainstorming process. A brief synopsis of the subject matter and attendance at each session is appended to this report.

The workshops were facilitated by an independent 3rd party, Stuart Nelson of Nelson Bros Fisheries Ltd. This report, prepared by Nelson, provides a summary record of the CFA workshops; the report objectively chronicles the work performed and key findings, and intentionally excludes recommendations or opinions from the author or the sponsors of this series of discussions. In addition to providing assistance to Council, it is intended that this report can serve as a resource for stakeholders wishing to develop their own CFA iterations.

Workshop Highlights

The key findings of the three CFA workshops are presented under three sub-headings:

1. Potential CFA elements – what are the “nuts and bolts” that could comprise a CFA?
2. CFA Options – what are some possible configurations?
3. CFA Issues/Themes – what are the important points that participants raised? What is the range of opinion on these themes?
1. Potential CFA Elements

Description of a Successful CFA (Vision)

Assisted by the implementation of CFAs at the outset of the TIQ process, the West Coast trawl fishery is characterized by:

- Productive, harmonious relationships amongst harvesters, and between harvesters and processors.
- Fully meeting the conservation goals and regulations of the Pacific Coast Groundfish Fishery Management Plan, including fishing within TACs, staying within bycatch limits (proven through a comprehensive monitoring program), and improving stock assessments (through information collection and greater involvement of industry).
- Maintenance of strong fishing communities up and down the coast, with QS “anchored” in communities assisting small family operations, local processing, and new entrants.
- A diverse fleet including small and large-scale operations, and a mix of trawling and other gear types.

The above vision would be undermined if CFAs are allowed to:

- Serve merely as a backdoor way of avoiding control limits.
- Occupying a disproportionate amount of Council and management time (i.e. Special monitoring, tracking, workload dealing with applications).
- Be “captured” by dominating individuals/organizations who co-opt the CFA for own-purposes.
- Lead to inter-community rivalries.
- Exclude legitimate interests. A CFA should be required to provide fair opportunity for access to eligible entities.

Size/Scope of CFA

Though the size/scope of a CFA, as measured by number of participants or the amount of fishing activity it may influence, amount of QS/QP involved, and goals & objectives can vary substantially, it was deemed that one distinction is most relevant:

1. CFAs that involve utilizing an amount of QS that is within the aggregate and species control limits. The term “cfa” (small caps) was used to denote a configuration that does not require any special consideration by the Council or NMFS.
2. CFAs where the QS exceeds the control limit. Discussion of the nature of circumstances that warrant (or require) an exemption from the control limit was the single biggest issue throughout the process.

Goals/Purposes

The following list of goals/purposes for CFAs was developed:

- Promote vibrant communities up and down the coast - An effective use of a CFA would be to maintain landings and access to the resource in a community. A CFA could be a limited check on the effects of quota consolidation that could result in loss of QS in some ports and consolidation in a few ports. A CFA could allow a community-oriented entity to hold and manage QS to assure local access; support for vulnerable communities.
- Maintain fleet diversity – A CFA could promote fleet diversity (number, type of operations, profile of owners, port locations) and could provide a mechanism for new entrants to come
into the fishery by having QS or QP reserved for that purpose. The Magnuson Stevens Act (MSA) directs that the needs and interests of communities, skippers, crew, and small boats be explicitly considered in development of a Limited Access Privilege Program. Survival of small family boats with limited capital in the business could be helped by allowing them to coordinate efforts, pool monitoring costs, and maintain needed infrastructure and shoreside services – all of which may require assurances of a certain amount of fishing activity to stay viable.

- **Center for organizing a community’s fishing operations** - A CFA could promote cooperative, mutually beneficial relationships among fishery participants in a community; e.g., pooling depleted species QS to better manage risk, forum for balancing harvester and processor interests, supporting marketing or branding initiatives (fresh, local seafood), maintaining or guiding investments in port infrastructure.

- **Contribute to fishery conservation and management** – A CFA could contribute to the conservation and management goals of the groundfish FMP by promoting greater local participation in science and management, including cooperative research activities or other efforts to improve stock assessment. A CFA could also provide capacity to address problems at finer scale of management, and be able to respond more quickly to locally identified issues.

**Mechanisms**

The following is a list of tangible activities that a CFA could engage in:

- **CFAs could control QS in several ways, including:**
  - QS could be owned by the CFA and distributed to members under agreements, including leasing it at sub-market rates to stimulate desired activities (e.g., opportunity for new entrants).
  - QS could be owned by the members of the CFA who are united by a legal agreement that commits them to use their QS in particular ways for the benefit of the community (e.g., agreement to land in a particular port).
  - QS could be leased by the CFA from QS holders and used to promote community benefits.

- **A CFA could be a vehicle for sourcing and distributing Adaptive Management Program QP.**

- **A CFA could provide a variety of services for a fishing community, such as:**
  - pooling QS or QP, with particular emphasis on bycatch (risk pooling), although this could also be done with target species.
  - sharing knowledge and information to help fishermen cope with the new management plan; education.
  - sharing administrative costs (observers, reporting, accounting, regulatory information, attending meetings, community outreach, writing leases and contracts).
  - Offering insurance pooling (business, group health) or other financial services such as low interest loans or other financial programs.

**Participants in a CFA (list of candidates)**

As indicated by the comprehensive list below, the inclination of the participants was that the CFA is not an area where limiting participation to a certain group of fishery participants is appropriate. To that end, all of the following groups could have a role in a CFA:

- **Harvesters:** Skippers, Crew, Vessels & vessel owners (want a range of vessel-types).
• Processors: including fish receivers and processors.
• Communities (local governments) – could include municipal government, city council, tax assessing/bond issuing entities, Port Authorities, Tribes.
• Fishing related businesses (fuel, gear, stores).
• Conservation organizations
• A diversity of fishery participants in the community (trawl, non-trawl… any fleet).

2. CFA Options

To foster a greater understanding of how, specifically, a CFA might be structured and how it could fulfill its mandate, a series of options were discussed. The methodology was to consider different CFA scenarios, and ask a consistent set of questions for each scenario. The intention was less to identify a single desirable approach than it was to stimulate thought by exploring a spectrum of scenarios.

Although time constraints and the leanings of the working group precluded answering the full slate of questions, the following queries were posed for each option to elicit the facts and circumstances that would describe different approaches to a CFA:

• Description of Option
• Who is involved?
• Does the CFA own QS? How much QS will it hold or control?
• How is the CFA governed?
• How does CFA attract QS?
• How does CFA fulfill its mandate? What are specific activities?
• What must Council do to enable the CFA (what exceptions are sought)?
• What does Council get in return? How does CFA contribute to FMP goals?
• What are reporting, review, and performance measures?

The discrete options considered, along with summary findings, are shown in the following table:

<table>
<thead>
<tr>
<th>Option Description</th>
<th>About the CFA Structure</th>
<th>Key Discussion</th>
</tr>
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<tbody>
<tr>
<td>1. Fishermen (QS holders) form a “loose knit” or informal organization to engage in risk pooling, cost reduction (monitoring program cost sharing), trading bycatch, and sharing information. The organization is formed recognizing that heightened cooperation is required to adapt to the new Plan.</td>
<td>Fishermen retain ownership of their own QS. An association is formed, with each fisherman serving as a Board Member. A written agreement governs the relationship. The aggregate QS holdings of the participating fishermen exceed the control limit, but no individual exceeds the limit.</td>
<td>These are the types of relationships that Council explicitly encourages. There should be no need for any action by Council to enable such as association; however it may require regulatory guidance. Must ensure that this type of behavior is not hindered…</td>
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Community Fishing Associations: Workshop Summary Report
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<tr>
<td>Similar to above but: 2. A more formal arrangement where the organization (CFA) formally holds the fishermen’s quota. The QS holders become “shareholders” in a CFA that holds the quota.</td>
<td>This scenario may apply if the above scenario is too informal to be effective; a more formal structure with broader ability to direct harvest activities is required to achieve community goals. What happens when someone retires? Can he pull out his quota or be compensated for his share? Etc. The CFA may  • acquire additional quota  • encourage additional participation (new members)  • generate additional benefits vs. prior option</td>
<td>In this scenario, a single entity, the CFA, could control &gt; 2.7% of QS, though no individual will exceed the limit. As the “formality” of the arrangement increases, the range of activities of the CFA may increase. The risk of “inappropriate” behaviors or control may also rise.</td>
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<tr>
<td>3. Processor Perspective: A processor working with a handful of boats. Processor may provide coordination function for vessels: perform transfer paperwork, handle bycatch quota, distribute quota to vessels based on individual fishing plans. Activities to ensure a supply of fish for local workforce and provide fishermen access to the best markets (timing).</td>
<td>QS pooled for operational purposes – could remain in individual hands, or be placed in an entity. Total will likely exceed control limit. Processor and fishermen involved under a formal agreement. Purposes: to use quota to maximum potential; processor stability (explicit goal of Council).</td>
<td>Concerns about consolidation... when processors are involved, the concern level rises! If control limit exceeded, processor would have to make some pledges, for example: transparency, to stay open for a period of time, to accept fish from CFA members... the sorts of things that secure employment and benefit communities. ITQ will only work if people work together. Timing of the market is a key component. This type of CFA would contribute to community stability – the concerns of processors and communities are aligned.</td>
</tr>
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</table>
4. Community-driven CFA:
An independent, newly created 3rd party entity forms to acquire and hold QS, and tie it to a particular place for the benefit of community members.
This is the version of a CFA envisioned for the central coast of California.

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<tbody>
<tr>
<td>4. Community-driven CFA:</td>
<td>CFA forms for many of same purposes as previous scenarios. Entity does not hold any quota initially… must acquire quota by same means as any other fishery participant attracting QS holders, purchases, AMP, or leasing. CFA inclusive of appropriate interests in the port may include: fishermen (QS owners and non-QS owners), processors, distributors, local government, and community members (individuals or businesses), conservation organizations. May include other fisheries (e.g., salmon, crab). Can use quota to encourage local activity, facilitate new entry. Total QS would likely exceed the control limit. Particulars will differ by port.</td>
<td>CFA could be a real asset for those looking to stay in business and make a living. Many practicalities and complexities to work out (acquiring quota, membership, rights/obligations of members, budgeting/funding, governance, etc). Clear articulation of how Council’s goals are met required for this model. Details would be worked out on a case-by-case basis. Entity would make clear statement of how it would achieve MSA standards, with periodic review required. Council wants to preserve community stability… this type of CFA is a way to try to smooth transitional impacts of the ITQ plan. Could create a burden for NMFS/Council.</td>
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The discussion on discrete CFA options revealed a divergence on how to implement CFAs:

- The need to explore options in fine detail in order to best understand and articulate the CFA concept. Through detailed option analysis, “best” approaches may emerge, likely hybrids of discrete options; versus
- The desire to set general guidelines for CFA – that is, Council to determine some parameters and performance measures to be met – and let the process commence. These discussions cannot contemplate all the details, so establish standards, start-up, and review. Thus, the system would evolve over time.

Workshop participants found merit in both approaches.
### 3. CFA Issues/Themes

In the course of discussing CFA design elements and options, a series of key issues or themes, often recurring from session-to-session, emerged. These issues are identified below, with a range of opinion provided.

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<tr>
<th>Issue/Theme</th>
<th>Point(s)</th>
<th>Other consideration(s)</th>
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<tr>
<td>Why are CFAs needed? Why does Council need to be involved?</td>
<td>Community stability is an explicit consideration of the trawl IQ plan. During the IQ transition period, significant changes are likely. CFAs are a promising vehicle for curbing unwelcome impacts on communities. With fishermen having now received their initial allocations, the need to pool efforts has hit home. Yet, fishermen working cooperatively may violate control limits.</td>
<td>Control and vessel limits were set to prevent undue consolidation of QS. 2.7% QS is a significant quantity... equal to Washington state’s expected share of the 10% AMP quota. Participants are free to form CFAs that conform to the FMP. Council does not have the resources to make a series of decisions on CFAs (who qualifies? Measuring performance).</td>
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<td>Definition of “vulnerable community”</td>
<td>Refine &amp; define standards, such as: role the fishery plays in the community, and how vulnerable the community is to change. Focus on communities of concern - those deemed to be at greatest risk. Vulnerability as the determining factor in whether a CFA is appropriate in a community.</td>
<td>Goal of the CFA is to provide stability, regardless of vulnerability. Let communities identify what they want to do. If a community comes forward with a CFA idea, that should be the criteria. At issue: if there is only so much “special privilege” to give out... who is going to get it? Is being at risk the key criteria, or should any community taking the initiative to come forward qualify for CFA status?</td>
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<tr>
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<tr>
<td>Safe Harbor concept</td>
<td>Fishermen (and processors) working cooperatively in groups will be key to adaptation under the new plan.</td>
<td>The facts of individual cases will determine the suitability of a CFA.</td>
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<td>(for cooperative fishing arrangements where individuals’ QS may</td>
<td>There is no intention that fishermen engaging in “risk pooling” (cooperating on bycatch and observers) should have control limit issues.</td>
<td>Don’t want creation of a system where an entity accumulates as impermissibly high amount of control – either direct or indirect.</td>
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<td>collectively exceed the control limit)</td>
<td>Council should set standards on what activities and outcomes are acceptable. What kind of undesirable behaviors &amp; outcomes are of concern?</td>
<td>If Council is to grant safe harbor privileges, the CFAs must be held to a very high standard.</td>
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<td>Need a “safe harbor” where, if you operate under the rules, you needn’t be concerned about control limits. What characteristics would make Council comfortable having higher limits?</td>
<td>CFAs should be based on proposals that Council considers individually based on their facts and circumstances.</td>
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<td>In this setting, it is less risky to allow further consolidation of quota.</td>
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<tr>
<td>Adaptive Management Program and CFAs</td>
<td>CFA is a good mechanism to put AMP to use… it’s important that the AMP is used and doesn’t sit on the shelf.</td>
<td>There is lots of overlap in CFA and AMP objectives, but it’s premature to say that CFA is the only means of distributing AMP.</td>
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<td>Community stability is a key goal of both CFA and AMP so it makes sense to use them in conjunction.</td>
<td>CFA’s may get preference for AMP, but not exclusive.</td>
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<td>Ability to access AMP could be a catalyst for CFA formation.</td>
<td>AMP is an allocation issue… if AMP becomes tied to CFA, then the CFA decision will be further complicated.</td>
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<tr>
<td>CFA means quota “sticking” to a community</td>
<td>QS sticking to a community as a means of fostering stability.</td>
<td>QS/QP can never be sticky, because fishing patterns and market dynamics are always changing.</td>
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<td></td>
<td>Keep the full multiplier of economic benefits in the community.</td>
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<tr>
<td>100% Observer Coverage – burden on small vessels</td>
<td>CFAs are an important way for fishermen to work together to pool information and quota, and try to reduce costs.</td>
<td>Even with CFAs, 100% observers won’t work for small boats.</td>
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<td>Without CFAs, the burden would be too great on individuals.</td>
<td>Is there a workable electronic monitoring alternative?</td>
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<td>Point(s)</td>
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| CFAs – for trawl fishery only? Or other fisheries as well? | Communities are reliant on a host of fisheries... CFAs should be inclusive of all interests. The health of communities depends on all fisheries.                                                                                                                                                                                                                                         | CFA focus must be on the trawl fishery at the outset; with a complex plan to adapt to, trawl interests have enough on their plates... CFAs will not be easy to form. The process of formally bringing different interests together is difficult and extremely time consuming.  
 IF CFAs allow too many exemptions to the trawl IQ plan, trawlers will protest. IQ program is not a give-away of trawl quota.                                                                                                                                                              |
| One CFA per port? Or more than one?             | If there are multiple processors in a port, each firm should be free to partner with its vessels. This could mean more than one CFA in a port. CFAs must be adaptable to differing port structures.                                                                                                                                                                                                                                       | When Council thinks about CFAs, it’s to support infrastructure in a community. More than one CFA in a port doesn’t fit this vision.  
 Competing CFAs in a port defeats the purpose (but you could have multiple RFAs...).                                                                                                                                                                                                                |
| Performance measures for CFAs                  | Table 4-61 from Chapter 6 of the dEIS (attached) provides a good list and starting point for considering how to measure effectiveness of CFAs on addressing community impacts. Could add to the list:  
• correlation between tourism and commercial fishing activity.  
• Economic impact of fishing activity (multiplier effect)  
• Incorporate questionnaire akin to Council Operating Procedure for Exempted Fishing Permit process – how will CFA meet the criteria?                                                                                                                                                       | We must remember that many of the problems facing the fishery and fishing communities can’t be resolved...                                                                                                                                                                                      |
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<td>Are CFAs just for fishermen? Or for any QS holder?</td>
<td>Active fishermen who are QS holders are the “target” for accruing benefit from CFAs, since they will be the ones taking risks and delivering fish in communities. Opening up CFAs to “armchair” QS holders substantially increases the potential for abuse.</td>
<td>Any qualifying entity should be permitted to participate in a CFA… after all; a community is not only an active fisherman.</td>
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<tr>
<td>CFAs: voluntary, not mandatory associations.</td>
<td>While Council may develop a set of rules to enable CFAs, they must be voluntary. This was one area of fairly clear consensus among participants in the discussion – no one should be compelled to join or form a CFA.</td>
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**Summary**

This report provides a summation of the activities and findings of three workshops on CFAs held in the summer of 2009. The goal of the workshops was to further-develop the notion of CFAs in order to enhance stakeholder’s common understanding of the concepts, and provide Council with the benefit of workshop participant’s views.

Because the subject matter of CFAs is relatively new to most of the participants, and highly complex, it was difficult to arrive at definitive conclusions. The following summary observations are deemed representative of the wide-ranging discussions held during three sessions:

- Control limits are the crux of the CFA issue. Justifying why (and if) exemptions from control limits are warranted was the dominant theme of the sessions. It was clear that some activities, such as participants working together to adapt to the new management Plan, are clearly desirable. A “safe harbor” is essential to foster these activities. It was also widely accepted that as the scope of a CFA is expanded, any exemptions sought must be well-justified and supported by performance review.

- For potential CFAs models that are not endowed with QS by QS holders, access to AMP is critically important. Goals for CFAs and AMP are similar, and careful consideration must be given to how the two mechanisms are linked.

- To understand exactly what CFAs mean, it is necessary to delve into the detail. At the same time, broader goals and guidelines must be set by Council to allow individuals the opportunity to customize approaches that meet both individual and Council objectives.

It is hoped that this report provides utility to West Coast trawl stakeholders as they proceed toward ITQ implementation.
Appendix 1

About the Workshops

Three workshops were held as follows:

3. June 24, 2009 - Seattle, WA
4. July 23, 2009 – Portland, OR
5. August 19, 2009 – San Francisco, CA

Invitations were sent to a wide variety of representatives, including fishermen, processors, community representatives, Council members, environmental organizations, and other industry participants. Those participating in the sessions attended either in person or utilized a telephone/web conferencing facility (except for the Seattle session, where the technology precluded linking-in remotely). There were attendees from each key sector at each workshop.

Attendance at the workshops varied, with some individuals participating in multiple meetings, others in a single meeting. Participation swelled through the process, with Seattle attendance the slightest and San Francisco the largest (25 persons).

The workshops were designed to elicit maximal feedback from participants. CFA-related discussion topics were introduced, ranging from general (first meeting) to specific (last meeting), with a range of opinion recorded on each. This was not a consensus or decision-making process but rather a brainstorming process. The subject matter covered at each workshop is summarized below:

First Session – Seattle

The initial session focused on the big picture of CFAs. The group:

- Reviewed and discussed the Council motion on CFAs for guidance (What is the context? What are the parameters?).
- Described, theoretically, a successful CFA (What does it look like? How is it working? What is it achieving? Effectively, a vision statement).
- Identified concerns about CFAs (What are the pitfalls?).
- Discussed “vulnerable communities” (How are these defined currently? How defined in the future? Need a community be deemed vulnerable to qualify for a CFA?).
- Examined already-expressed goals for CFAs (from the Council motion) and developed its own list of goals.

In Attendance:

- Corey Niles, Washington Dept. of Fish and Wildlife
- Dale Myer, Council member
- Dorothy Lowman, Consultant
- Frank Lockhart, NMFS
- Elizabeth Clarke, NMFS
- Heather Brandon, PFMC Staff
- Jim Seger, PFMC Staff
- Shems Jud, Environmental Defense Fund
- Joe Sullivan, Mundt MacGregor
Community Fishing Associations:
Workshop Summary Report

Second Session – Portland

With some over-arching work completed, the next step was drill-down into the subject matter, considering some of the potential design elements of CFAs, for example:

- Different sizes and scopes for CFAs - from small organizations, possibly not requiring any special accommodations from the Council, to larger entities needing enabling actions by Council.
- Varying goals and purposes – there may be different types of CFA for different purposes.
- Design mechanisms – what specifically, will a CFA do? How will it fulfill its mandate?
- Who will be the participants in a CFA (again, this may vary according to the purpose of the organization)?
- What are some of the key challenges or considerations accompanying CFAs (for example, unintended consequences)?

Through these discussions, the varying “pieces of the puzzle” were identified. It remained to organize the pieces into distinct options; this process was begun towards the close of this session.

In Attendance:

- Ed Backus, Ecotrust
- Steve Bodnar, Coos Bay Trawlers Association
- Rick Algert, City of Morro Bay
- Andrew Bornstein, Bornstein Seafoods
- Lynn Walton, Consultant
- Susan Chambers, West Coast Seafood Processors Association
- Corey Niles, Washington Dept. of Fish and Wildlife
- Dale Myer, Council Member
- Heather Brandon, PFMC Staff
- Astrid Scholz, Ecotrust
- Sarah Bahan, Ecotrust
- Tanaya Kilara, The Nature Conservancy (CA)
- Erika Feller, The Nature Conservancy (CA)
- Dick Vanderschaaf, The Nature Conservancy (OR)
Third Session – San Francisco

The emphasis for the final meeting was on option development. Specific CFA purposes and configurations were identified and fleshed-out. The intention was to make options as real as possible, since dealing with purely hypothetical examples can be challenging. Having exhausted this avenue of discussion, the group:

- Discussed how the Adaptive Management Program (AMP) might fit with CFAs.
- Considered specific performance measures for CFAS, using Table 4-61 from the draft Environmental Impact Statement as a template.
- Concluded the meeting by providing each participant the opportunity to render “final” advice or thought on CFAs.

In Attendance:

- Rick Algert, City of Morro Bay
- Lynn Walton, Consultant
- Heather Brandon, PFMC Staff
- Rod Moore, West Coast Seafood Processors Association
- Chris Kubiak,
- Jena Carter, The Nature Conservancy
- Kathy Fosmark, Alliance of Communities for Sustainable Fisheries
- Steve Scheiblauer, City of Monterey
- Larry Collins, San Francisco Crab Boat Owners Association
- Barbara Emley, San Francisco Crab Boat Owners Association
- Zeke Grader, Pacific Coast Federation of Fishermen’s Associations
- Henry Pontarelli, Lisa Wise Consulting, Inc.
- Dorothy Lowman, Consultant
- Kate Wing, Gordon and Betty Moore Foundation
- Cina Loarie, California State Coastal Conservancy/Ocean Protection Council
- Michael Bell, The Nature Conservancy
- Johanna Thomas, Environmental Defense Fund
- Erika Feller, The Nature Conservancy
- Stuart Nelson (facilitator)

By phone:
- Corey Niles, Washington Dept. of Fish and Wildlife
- Joanna Grebel, California Dept. of Fish and Game
- Kelly Ames, Oregon Dept. of Fish and Wildlife
- Joe Sullivan, Mundt MacGregor
Appendix 2

Summary of Indicators of Affiliation and Control - Handout from the 3rd Discussion

Table 1 - How might control be tracked? Examples of ways the federal government tracks affiliation and other control relationships that do not necessarily involve ownership. These are drawn from fishery regulations at 50CFR679.2 and 50CFR680.2 for other rationalized fisheries, and MARAD regulations at 46CFR356.

<table>
<thead>
<tr>
<th>Indicators of Affiliation</th>
<th>Indicators of Control Relationships</th>
</tr>
</thead>
<tbody>
<tr>
<td>Besides ownership interests, it may also be useful to understand how entities are affiliated with one another and how those relationships might lead to control. Business concerns, organizations, or individuals may be considered to be affiliates of one another if, directly or indirectly, either one controls or has the power to control the other – or a third party controls or has the power to control both, such as.</td>
<td>Control may be deemed to exist if an individual, corporation, or other business concern has any of the following relationships or forms of control over another individual, corporation, or other business concern:</td>
</tr>
<tr>
<td>• Interlocking management or ownership;</td>
<td>• Control over a large portion of the voting stock;</td>
</tr>
<tr>
<td>• Identity of interests among family members;</td>
<td>• Has the authority to direct the business of the entity which owns a fishing vessel or processor;</td>
</tr>
<tr>
<td>• Shared facilities and equipment;</td>
<td>• Has the authority to limit the actions of or to replace the chief executive officer, a majority of the board of directors, or any person serving in a management capacity of an entity that holds a large interest in a fishing vessel or processor;</td>
</tr>
<tr>
<td>• Common use of employees;</td>
<td>• Provisions that require consent of a minority shareholder to sell all or a substantial part of the assets, to enter into a different business, to contract with the major investors or to guarantee the obligations of majority investors;</td>
</tr>
<tr>
<td>• A QS holder or employee takes the leading role in establishing an entity that will hold QS.</td>
<td>• Has the authority to direct the transfer, operation, or manning of a fishing vessel or processor;</td>
</tr>
<tr>
<td>• If one QS holder has the right to preclude another holder of QS from engaging in other business activities;</td>
<td>• Has the authority to control the management of and entity that owns a large interest in a fishing vessel or processor;</td>
</tr>
<tr>
<td>• If QS holders use the same law firm, accounting firm, share office space, phones, administrative support, etc.</td>
<td>• Absorbs all the costs and normal business risks associated with ownership and operation of a fishing vessel or processor;</td>
</tr>
<tr>
<td>• If a QS holder provides start up capital for another QS holder on a less than arms length basis;</td>
<td>• Has the responsibility to procure insurance on a fishing vessel or processor, or assumes any liability in excess of insurance coverage;</td>
</tr>
<tr>
<td>• If a QS holder has the right to inspect the books and records of another QS holder;</td>
<td>• Has the ability through any other means whatsoever to control the entity that controls a large interest in a fishing vessel or a processor.</td>
</tr>
<tr>
<td>• If one QS holder uses the same insurance agent, law firm, accounting firm, or broker of any other QS holder with whom the former has entered into a mortgage, long-term or exclusive sales or marketing agreement, unsecured loan agreement, or management agreement;</td>
<td></td>
</tr>
<tr>
<td>• A business entity organized after the decertification, suspension, or proposed decertification of another business entity that has the same management, ownership, or principal employees.</td>
<td></td>
</tr>
</tbody>
</table>
Appendix 3

Summary of Indicators of Community Impacts – handout from 3rd meeting

Source: Chapter 4 of the TIQ Decision Document, pp. 480-481.

Table 4-60. Principal groundfish ports.

<table>
<thead>
<tr>
<th>Port name</th>
<th>Whiting</th>
<th>Nonwhiting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bellingham, Washington</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Anacortes, Washington</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Nehah Bay, Washington</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Seattle, Washington</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Westport, Washington</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Illwaco, Washington</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Astoria, Oregon</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Newport, Oregon</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Charleston/Coos Bay, Oregon</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Brookings, Oregon</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Crescent City, California</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Eureka, California</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Fort Bragg, California</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>San Francisco, California</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Moss Landing, California</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Princeton/Half Moon Bay, California</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Morro Bay, California</td>
<td></td>
<td>X</td>
</tr>
</tbody>
</table>

4.14.1.2 Impacts, Mechanisms and Metrics

Table 4-61 summarizes potential impacts, mechanisms for such impacts, and metrics and methods for assessing impacts. Impacts fall under six general topics: changes induced from changes to trawl harvesters, changes induced from changes in the processing sector, impacts to non-trawl communities and fisheries, cultural and social changes, changes in municipal revenues and community stability, and infrastructure impacts.
Table 4-61. Overview of impacts, mechanisms, and metrics used to assess community impacts.

<table>
<thead>
<tr>
<th>Potential community impacts</th>
<th>Mechanisms for impacts</th>
<th>Metrics or indicators</th>
<th>Data, models, and methods for assessing impacts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Changes in amount of trawl vessel activity</td>
<td>Fleet consolidation; Geographic shifts in delivery activity</td>
<td>Vessel and permit count, type, and location</td>
<td>Consolidation Model; Geographic shifts in fishery patterns; Initial allocation of IFQs</td>
</tr>
<tr>
<td>Changes in crew wages and number of crew jobs</td>
<td>Fleet consolidation; Changes in crew compensation structure</td>
<td>Estimated income in harvesting sector; fleet consolidation data; number and location of crew employed; hours of crew employment</td>
<td>Consolidation Model; Input from key informants</td>
</tr>
<tr>
<td>Changes in the relationships between crew and captains</td>
<td>Changes in compensation structure</td>
<td>Wages paid to crewmembers</td>
<td>Literature review of Ethnographic information; Qualitative assessment</td>
</tr>
<tr>
<td>Changes in the level of processing activity</td>
<td>Consolidation of processing sector; changes in bargaining power over ex-vessel prices; changes in the timing of deliveries</td>
<td>Number and type of active processors, municipal income data</td>
<td>Geographic shifts in fishery patterns; Consolidation model</td>
</tr>
<tr>
<td>Changes in the number of processing jobs and the seasonality of processing jobs</td>
<td>Changes in volume of landed catch, changes in the location of delivered catch, changes in the timing of harvest</td>
<td>Number and type of employment in processing sector; amount of seasonal/temporary employment vs. permanent employment</td>
<td>Geographic shifts in fishery patterns; Catch estimate model, qualitative assessment</td>
</tr>
<tr>
<td>Cultural and social changes</td>
<td>Families may experience increased stress due to economic and cultural change</td>
<td>Relationship between economic change and family stress</td>
<td>Qualitative assessment from relevant ethnographic studies</td>
</tr>
<tr>
<td></td>
<td>Community identity may change if certain fishery sectors are lost</td>
<td>Relationship between potential loss of an industry and community identity</td>
<td>Qualitative assessment from relevant ethnographic studies</td>
</tr>
<tr>
<td>Changes in municipal revenues and community stability</td>
<td>Public revenues may be lost if trawl or processing sector shrinks</td>
<td>Estimated municipal revenues; raw and processed product cost/value</td>
<td>Income impacts derived from other EIS sections</td>
</tr>
<tr>
<td></td>
<td>Depending on the importance of a &quot;working port&quot; to tourism to a community</td>
<td>Information on how important the local fishery is to the tourist industry</td>
<td>Qualitative discussion; community profiles; consolidation and geographic shift models.</td>
</tr>
<tr>
<td>Infrastructure impacts</td>
<td>Infrastructure may be lost if trawl or processing sector is reduced</td>
<td>Quality of infrastructure; vessel numbers, pounds of harvested species; change in landing patterns</td>
<td>Qualitative discussion; consolidation and geographic shift models.</td>
</tr>
<tr>
<td>Impacts to non-trawl communities and fisheries</td>
<td>Non-trawl communities may be affected by increased competition, impacts on infrastructure in trawl communities (resulting from gear switching and other fishery shifts)</td>
<td>Estimates of gear switching and shifts to other fisheries</td>
<td>NWFSC Consolidation Model; Geographic shifts in fishery patterns; Initial allocation of IFQs; NWFSC community profiles</td>
</tr>
</tbody>
</table>
September 4, 2009

Pacific Fisheries Management Council
7700 NE Ambassador Place, Suite 101
Portland, OR 97220-1384

Re: West Coast Groundfish Trawl Rationalization

Dear Mr. Chairman:

The Oregon Dungeness Crab Commission (ODCC) is an industry-funded commodity commission under the umbrella of the Oregon Department of Agriculture, representing 429 Oregon Dungeness crab ‘limited entry’ permit holders. In that capacity, we feel obligated to express our serious concerns about the potential negative impacts to the Dungeness crab fishery should the groundfish rationalization program move forward on its present course.

Specifically, the analysis that suggests that IQ’s will “relax the need for trawl harvesters to diversify into other fisheries...because they have more certainty about the future of trawling.” (8.2.1 Spillover of Vessel Participation) is hardly plausible, given the history of ‘effort shifts’ and the competitive nature of modern-day fisheries.

That “certainty”, in most cases, will simply provide trawl vessels the opportunity enter lucrative fisheries such as the Dungeness crab fishery with the comfort of knowing that their trawl quota is safe and can be harvested after their expectations have been met in the crab fishery. ‘Leasing’ and ‘trading’ options associated with IQ’s only add to the inevitability that the program will create more pressure on ‘fully-capitalized’ fisheries such as Dungeness crab and pink shrimp.

The “specialization” argument in the same analysis also doesn’t hold water. Given the derby-like aspect of the Dungeness fishery, it is relatively easy to maximize one’s potential in a short period of time and move back into the trawl fishery where specialization may or may not create cost efficiencies.

Due to the relatively high number of ‘dormant’ L/E Dungeness crab permits (upwards of 100 on any given year), the fishery will be extremely vulnerable to effort shift created by trawlers in possession of IQ’s and the capital, time and motivation to maximize their involvement in the industry with the simple purchase of one of these unused permits. The increased pressure to the crab fishery by introducing the kind of ‘capabilities’ many of these individuals and their vessels possess, will almost certainly have a negative impact.

Dungeness crab is the most valuable ‘single specie’ fishery in Oregon, accounting for on average, 38.5% of the ‘landed value’ of all the state’s seafood resources annually. Much has been done in recent years (i.e. pot limits, summer-time trip limits, log-book requirements) to insure its sustainability in the face of declining opportunities in other fisheries. It would be negligent of the Council to upset the delicate
balance of a healthy, well-managed fishery in its attempts to ‘fix’ problems facing the groundfish trawl or any another West Coast fishery.

We join in the chorus of industry voices and sectors asking the PFMC to re-think the proposed rationalization program in light of the significant concerns that have been articulated since the details have been made public over the past few months.

Sincerely,

Nick Furman, Executive Director
Oregon Dungeness Crab Commission
Newport Shrimp Producers

Mr. Chairman;

My name is Nick Edwards I am representing the Newport Shrimp Producers. I have participated in the Oregon Pink Shrimp industry for thirty years. I have been actively involved in seven different West Coast fisheries during my career. Fifteen years has been in the West Coast ground fish trawl fishery. The commercial fishing industry is the career path I have chosen. I have testified before the California Fish and Wildlife Commission and Oregon Dept. of Fish and Wildlife. This is the first opportunity to voice my concerns before the Pacific Fisheries Management Council. I have represented my industry, both shrimp and crab at supervised negotiations, with processors and the Oregon Department of Agriculture.

Newport Shrimp Producers are the largest shrimp association on the West Coast. We have been representing the West Coast shrimp industry for over fifteen years. Our membership has participated in many trade shows both Domestic and International.

The West Coast Fisheries are in a new risk adverse era. The impacts from the spillover from trawl rationalization will have negative effects on all West Coast Fisheries. How does the council prioritize which fisheries to be economically viable? The EIS (economic Impact Study) is very controversial depending on which state and federal fishery you participate in. In the EIS document Chapter 4 pages 396-404 talk about impacts to non ground fish trawl commercial harvesters (crabbers, shrimpers, Fix Gear). The EIS is in serious question regarding the economic impacts of these different state and federal fisheries.

The ground fish buyback program was implemented in 2003, in Sept 8 2005 the repayment for the buyback started in the shrimp industry. Since that date, my vessel F/V Carter Jon has paid $70,338.44. My business has personally paid for fleet capacity reduction in regards to Pink Shrimp Fishery. Oregon has averaged forty four vessels in the shrimp fishery since the buyback was imposed. MSC (Marine Stewardship Council)
was achieved with a low capacity level of forty five vessels. MSC has awarded pink shrimp a sustainable fishery. The spillover from Trawl rationalization will jeopardize our MSC certification.

The EIS document Chapter 4 page 305 under vessel monitoring cost; it states that “if at sea monitoring cost for vessel at $350 per day, this will tend to reduce the ground fish fleet from 40-60 vessels”. Because of attrition from the ground fish trawl fishery, ground fish trawl vessels will be forced to enter the shrimp fishery. The infrastructure for the shrimp industry has changed dramatically since buyback inception. The Processing sector has lost half of its processing capacity. There is no longer the economic infrastructure for the fleet to double. We, the Newport Shrimp Producers want to voice our concerns that are real and readily apparent.

Therefore we formally ask the council to go on public record and acknowledge the severe economic impacts that trawl rationalization will have on the West Coast Shrimp Industry. This recognition form the council is needed to start a movement to find solutions to provide economic stability in the Oregon Pink Shrimp Fishery.

Respectfully submitted

Nick Edwards
F/V Carter Jon

Secretary Newport Shrimp Producers

Justin Yeager  F/V Eddie Rod  Newport OR
Brent Winfield  F/V Libra  Newport OR
Craig Stoltz  F/V Zora Bell  Coos Bay OR
Brent Winfield  F/V Happy Sea  Coos Bay OR
Don Boyd  F/V Lady Helen  Coos Bay OR
Vince Doyle  F/V Verna Jean  Fort Bragg CA
Gerold Gunnari  F/V Coast Pride  Coos Bay OR
Fred Warren  F/V Galloway Ray  Coos Bay OR
Ted Gibson  F/V Lady Kay  Newport OR
Ted Gibson  F/V Cap Eliza  Newport OR
Rex Leach  F/V MS Julie  Coos Bay, OR
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Respectfully submitted

Nick Edwards

F/V Carter Jon

Secretary Newport Shrimp Producers

Tom Estes  F/V Tara Dawn  Fort Bragg CA
Richard Kelly  F/V Miss Haile  Fort Bragg CA
Richard Kelly  F/V Miss Kelly  Fort Bragg CA
Richard Kelly  F/V Miss Kelly II  Fort Bragg CA
Gerry Hermiston  F/V Pollux  Crescent City CA
Randy Smith  F/V Mista-Sea  Crescent City CA
Dale Adams  F/V Granada  Astoria OR
Terry Sheehy  F/V Amak  Coos Bay OR
Jarrod Johnson  F/V Storm Breaker  Eureka CA
Ian Roberts  F/V Good News  Eureka CA
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Respectfully submitted

George Fairbank
Canon-Davis Oil Co.

Edward Blauer
Encore Enterprises

James Bro
F/V Pacific Conqueror

Rex Leach
F/V M5 Suzie

Nick Edwards
F/V Carter Jon

Secretary Newport Shrimp Producers

Mark E. Bird
Industrial Steel & Supply Co.

Frank Scourtis
Russell Fuel

Sue Worthen
Forestry Elec.

Ray Coop
Giddings Boat Works/Treadcel Aluminum

OREGON PREMIERE CO.
August 17th 2009

Chairman
Pacific Fishery Management Council
7700 NE Ambassador Place, Suite 101
Portland, Oregon 97220-1384

Re: Amendment 20, Trawl Rationalization, Individual Fishing Quotas

Dear Mr. Chairman:

We are a coalition of Ground fish Trawler's, Shrimp Trawlers, Crabbers, and Business owners. We rely on the economic stability for our west coast fleet, we are the residents and permit holders from the port of [Ports A-G, ORE.]; our home fishing port. It is with grave concern that we are writing to inform you about the severe economic impacts of Trawl Rationalization on our individual businesses. Unfortunately, the permit related information that gives rise to our issues with Trawl Rationalization was not available to us during the public debate and decision making process of the Council. Had it been available when it was developed by Council staff, or when it was repeatedly requested by many in the industry, permit owner interest in moving forward with the plan would have differed substantially.

We share the Council's desire to improve resource management and are willing to continue to work towards that end. However, we do not support moving forward with the scheduled, January 1, 2011, Non-Whiting Groundfish Trawl Rationalization. Economically, it is a significant step backward from status quo. Quite different than we were led to believe. We have been repeatedly advised by those representing us at the Council, that, with the equal allocation and permit history allocation formula, we would have increased economic opportunity. In fact, the opposite is true.

That is why we are asking this Council to offer a referendum vote on this action. And, in the interim, take action to immediately suspend further Council staff and NMFS resources and effort until that vote is taken. If taking this extra step to hear new concerns, created with this new information, results in some interim steps or even if after all is discussed, Council moves forward as previously decided, then delay and further debate is not only reasonable, it is necessary.

So, we include for your review a few of our specific business concerns:

- The public process was completed without information that would have materially influenced the debate while it was occurring. Nearly every active permit is being forced to lease of purchase quota to maintain their current business opportunity; this includes those permits with the best available history. This was not the prevailing understanding during the process. It was widely understood that there would likely be winners and losers, it was never expected or represented that all would be losers with the change.
• The Council has moved forward without a full review of an economic impact statement on the adverse affects of all Fisheries both state and federal directly affected by the proposed IFQ program.

• The Trawl rationalization program is going to have a direct impact on Oregon’s pink Shrimp fishery. Increased effort shift, will occur potentially doubling the fleet. This will jeopardize Oregon’s MSC certification. The MSC label was achieved with a low capacity of forty five vessels. The MSC label is a marketing tool to market Oregon pink Shrimp in the E.U.

• The spillover to various State and Federal fisheries is very concerning to fisherman who have already paid for capacity reduction thru the 2003 Buyback plan. To maintain current opportunity, vessels will all have to buy or lease substantial amounts of additional quota.

• Now that we have had opportunity to review the economic impact to all of our individual businesses, it is clear that the program is not viable for any of us.

• We clearly understood the program is designed to rationalize the fleet; what we didn’t know was that we were the ones that would have to pay for it, just to remain viable. Not that we would have diminished opportunity with an opportunity to “buy back” to our current levels of opportunity.

The West Coast Fishing Industry is at stake. It is imperative that the Council consider our requests.

Sincerely

George Marine Electronics - Brenda Keckman

Permit Owner Signatures by Port

Nick Edwards F/V Carter Jon

Paavo Carroll F/V Titan

George A. Fairbank Carson-Davis Oil Company

Chris S. Davis Carson-Davis Oil Company

Paul R. Sauter Industrial Steel & Supply Co.

Jesse Watersco Jesse Hydraulics

Ray L. Wu Hi-F WE Forrester Electro

Ray L. Kiker OREGON Prime Co.

Ciddings Boatworks/ Turtitle Aluminum

Edward L. Blower Extral Enterprises

Ray Pac F/V Pacific Conquest
August 17, 2009

Chairman
Pacific Fishery Management Council
7700 NE Ambassador Place, Suite 101
Portland, Oregon 97220-1384

Re: Amendment 20, Trawl Rationalization, Individual Fishing Quotas

Dear Mr. Chairman:

We are a coalition of Ground Fish Trawlers, Shrimp Trawlers, Crabbers, and Business Owners. We rely on the economic stability of our West Coast Fleet. We are residents and permit holders of the Port of Charleston, OR; our home fishing port. It is with grave concern that we are writing to inform you about the severe economic impacts of Trawl Rationalization on our individual businesses. Unfortunately, the permit related information that gives rise to our issues with Trawl Rationalization was not available to us during the public debate and decision making process of the Council. Had it been available when it was developed by Council staff, or when it was repeatedly requested by many in the industry, permit owner interest in moving forward with the plan would have differed substantially.

We share the Council’s desire to improve resource management and are willing to continue to work towards that end. However, we do not support moving forward with the scheduled, January 1, 2011, Non-Whiting Groundfish Trawl Rationalization. Economically, it is a significant step backward from status quo. Quite different than we were led to believe. We have been repeatedly advised by those representing us at the Council, that, with the equal allocation and permit history allocation formula, we would have increased economic opportunity. In fact, the opposite is true.

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The Council has moved forward without a full review of an economic impact statement on the adverse affects of all Fisheries, both state and federal directly affected by the proposed IFQ program.

- The Trawl Rationalization Program is going to have a direct impact on Oregon's Pink Shrimp Fishery. Increased effort shift will occur, potentially doubling the fleet. This will jeopardize Oregon's MSC Certification. The MSC Label was achieved with a low capacity of 45 vessels. The MSC Label is a marketing tool used to market Oregon Pink Shrimp in Europe.
- The spillover to various State and Federal Fisheries is very concerning to fishermen who have already paid for capacity reduction through the 2003 Buy-Back Plan. To maintain current opportunity, all vessels will have to buy or lease substantial amounts of additional quota.
- Now that we have had the opportunity to review the economic impact to all of our individual businesses, it is clear that the program is not viable for any of us.
- We clearly understood the program is designed to rationalize the fleet; what we didn't know was that we were the ones that would have to pay for it, just to remain viable. Not that we would have diminished opportunity with an opportunity to "buy back" to our current levels of opportunity.

The West Coast Fishing Industry is at stake. It is imperative that the Council consider our requests.

Sincerely

_permit owner signatures by port_

F/V Western Seas  Gm California Shellfish

Dennis Atting  F/V Bernadette
Dennis Atting  F/V Solewheather
Dennis Atting  F/V Stormie C
August 17th 2009

Chairman
Pacific Fishery Management Council
7700 NE Ambassador Place, Suite 101
Portland, Oregon 97220-1384

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We share the Council’s desire to improve resource management and are willing to continue to work towards that end. However, we do not support moving forward with the scheduled, January 1, 2011, Non-Whiting Groundfish Trawl Rationalization. Economically, it is a significant step backward from status quo. Quite different than we were led to believe. We have been repeatedly advised by those representing us at the Council, that, with the equal allocation and permit history allocation formula, we would have increased economic opportunity. In fact, the opposite is true.

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- The public process was completed without information that would have materially influenced the debate while it was occurring.

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- We clearly understood the program is designed to rationalize the fleet, what we didn't know was that we were the ones that would have to pay for it, just to remain viable. Not that we would have diminished opportunity with an opportunity to "buy back" to our current levels of opportunity.

The West Coast Fishing Industry is at stake. It is imperative that the Council consider our requests.

Sincerely

**Permit Owner Signatures by Port**

Brent Winfield  F/V Lybra  Newport ORG
Brent Winfield  F/V Happy Sea  Coos Bay OR
Craig Statz  F/V Zora Bell  Coos Bay OR
Don Boyd  F/V LADY HELEN  Coos Bay OR
Vince Doyle  F/V Verna Jean  Fort Bragg CA
Gerold Guarnati  F/V Coast Pride  Coos Bay OR
Fred Warren  F/V Gallaway Bay  Coos Bay OR
Victor Pomicia  F/V Spirit Of America  Crescent City CA
Richard Kelly  F/V Miss Haile  Fort Bragg CA
Richard Kelly  F/V Miss Kelly  Fort Bragg CA
Richard Kelly  F/V Miss Kelly II  Fort Bragg CA
Tom Estes  F/V Tara Dawn  Fort Bragg CA
Gerry Hermiston  F/V Pollux  Crescent City CA
Randy Smith  F/V Misti Sea  Crescent City CA
Dale Adams  F/V Grand CA  Astoria OR
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Kenny Burns  F/V  AL W                  Eureka  CA
Ronnie Gerona  F/V  Gary B                    Eureka  CA
Gerry Herriston  F/V  Pollux  Crescent  CA
Jaw Roberts  F/V  Good News  Eureka  CA
Carol Johnson  F/V  Storm Breaker  Eureka  CA
August 17th 2009

Chairman
Pacific Fishery Management Council
7700 NE Ambassador Place, Suite 101
Portland, Oregon 97220-1384

Re: Amendment 20, Trawl Rationalization, Individual Fishing Quotas

Dear Mr. Chairman:

We are a coalition of Ground fish Trawler’s, Shrimp Trawlers, Crabbers, and Business owners. We rely on the economic stability for our west coast fleet, we are the residents and permit holders from the port of Astoria, Oregon. Our home fishing port. It is with grave concern that we are writing to inform you about the severe economic impacts of Trawl Rationalization on our individual businesses. Unfortunately, the permit related information that gives rise to our issues with Trawl Rationalization was not available to us during the public debate and decision making process of the Council. Had it been available when it was developed by Council staff, or when it was repeatedly requested by many in the industry, permit owner interest in moving forward with the plan would have differed substantially.

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<thead>
<tr>
<th>Name</th>
<th>Address</th>
<th>Vessel/Business</th>
</tr>
</thead>
<tbody>
<tr>
<td>David VanDeaver</td>
<td>P.O. Box 9876, Astoria, OR</td>
<td>F/V/Galley/Requirement/4940</td>
</tr>
<tr>
<td>Zucker</td>
<td>223 E. 6th St., Astoria, OR</td>
<td>F/V/Endeavor</td>
</tr>
<tr>
<td>Mark Bouwer</td>
<td>526 N.W. Deut Ave., Wrenton</td>
<td>F/V/General/Deck/Truck/1320</td>
</tr>
<tr>
<td>Charles Morey</td>
<td>371 Old Redwood Dr., Seaside</td>
<td>F/V/Pacific Hooker/Captain</td>
</tr>
<tr>
<td>Ernie Zuniga</td>
<td>38876 Norlund, McCoy, OR</td>
<td>Captain F/V/Pacific</td>
</tr>
<tr>
<td>Robert Smith</td>
<td>1020 S. Columbia, Seaside</td>
<td>Concerned Citizen</td>
</tr>
<tr>
<td>Darren But</td>
<td>1020 S. Columbia, Seaside</td>
<td>Concerned Citizen</td>
</tr>
<tr>
<td>NAME</td>
<td>ADDRESS</td>
<td>VESSEL/ BUSINESS</td>
</tr>
<tr>
<td>------------</td>
<td>----------------</td>
<td>------------------</td>
</tr>
<tr>
<td>Kurt England</td>
<td>1336 Irving Ave - Astoria OR 97103</td>
<td>Elkhound Marine</td>
</tr>
</tbody>
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August 17th 2009

Chairman
Pacific Fishery Management Council
7700 NE Ambassador Place, Suite 101
Portland, Oregon 97220-1384

Re: Amendment 20, Trawl Rationalization, Individual Fishing Quotas

Dear Mr. Chairman:

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Sincerely

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<table>
<thead>
<tr>
<th>Name</th>
<th>Sign / Print</th>
<th>Vessel</th>
</tr>
</thead>
<tbody>
<tr>
<td>P. Andersen</td>
<td>Rex Askelson</td>
<td>Captain Andy</td>
</tr>
<tr>
<td>Th mcKinley</td>
<td>John McMillin</td>
<td>EVOLUTION</td>
</tr>
<tr>
<td>M Smith</td>
<td>Lerry Evans</td>
<td>Constain</td>
</tr>
<tr>
<td>Mike T. Smith</td>
<td>MKE Schmest</td>
<td>COLLINS BROS</td>
</tr>
<tr>
<td>Phillip Carey</td>
<td>PHILIP D CALEY</td>
<td>WOESKA-OCEANUS</td>
</tr>
<tr>
<td>Ted Gibson</td>
<td>Ted Gibson</td>
<td>Lady Kaye</td>
</tr>
<tr>
<td>Tom Miner</td>
<td>Ted Gibson</td>
<td>CAPE ELIZA</td>
</tr>
<tr>
<td>Al Davis</td>
<td>AL DAVIS</td>
<td>MASTER CHRIS</td>
</tr>
<tr>
<td>W V. Boardman</td>
<td>JEFF W. BAARDMAN</td>
<td>MISS YVONNE</td>
</tr>
<tr>
<td>Shirley T Chestnut</td>
<td>Shirly A Chestnut</td>
<td>Golden Dolphin</td>
</tr>
</tbody>
</table>
Sign / Print

John W. Ryan
F.V. Eddie Rod

Mrs. Gordon
Foreman, Seab
August 17, 2009

Chairman
Pacific Fishery Management Council
7700 NE Ambassador Place, Suite 101
Portland, Oregon 97220-1384

Re: Amendment 20, Trawl Rationalization, Individual Fishing Quotas

Dear Mr. Chairman:

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Sincerely

[Signature]

Permit Owner Signatures by Port

F/V Western Seas 6m California Shelter

Thomas A. Martin  F/V Apache

Jeff Siler  F/V Seacruiser

Michael Schwartz  F/V NeL Ron Dic

Lenny Hardigg  F/V Margaret E

Lorraine Sweigert  F/V Ama K

Dave Good  F/V MS. Julie
August 17th 2009

Chairman
Pacific Fishery Management Council
7700 NE Ambassador Place, Suite 101
Portland, Oregon 97220-1384

Re: Amendment 20, Trawl Rationalization, Individual Fishing Quotas

Dear Mr. Chairman:

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Sincerely

Gary Ripka

Permit Owner Signatures by Port

Gary Ripka

F/V Western Breeze
August 17th 2009

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Pacific Fishery Management Council
7700 NE Ambassador Place, Suite 101
Portland, Oregon 97220-1384

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Signature

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Signature

Signature
August 17th 2009

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7700 NE Ambassador Place, Suite 101
Portland, Oregon 97220-1384

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7700 NE Ambassador Place, Suite 101
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• Active permit owners are paying for the 2003 buy-back. These are the same permit owners that believed that they would be the industry in the future. It comes as a shock to us that just to maintain our current opportunity we will all have to buy or lease substantial amounts of additional quota.
• We clearly understood the program is designed to rationalize the fleet; what we didn’t know was that we were the ones that would have to pay for it, just to remain viable. Not that we would have diminished opportunity with an opportunity to “buy back” to our current levels of opportunity.
• Cost estimates for implementation remain mostly unknown at this time.
• NMFS has stated that if they hit everything perfect, January 2011 will work; the process remains fragile.

The West Coast Fishing Industry is at stake. It is imperative that the Council consider our requests.

Sincerely
Kem P. Brander
President of Anchor Bay Inc.
Owner/Operator of Fly Orion

Permit Owner Signatures by Port
Chairman
Pacific Fishery Management Council
7700 NE Ambassador Place, Suite 101
Portland, Oregon 97220-1384

Re: Amendment 20, Trawl Rationalization, Individual Fishing Quotas

Dear Mr. Chairman:

We are a coalition of Ground Fish Trawlers, Shrimp Trawlers, Crabbers, and Business Owners. We rely on the economic stability of our West Coast Fleet. We are residents and permit holders of the Port of Eureka, CA; our home fishing port. It is with grave concern that we are writing to inform you about the severe economic impacts of Trawl Rationalization on our individual businesses. Unfortunately, the permit related information that gives rise to our issues with Trawl Rationalization was not available to us during the public debate and decision making process of the Council. Had it been available when it was developed by Council staff, or when it was repeatedly requested by many in the industry, permit owner interest in moving forward with the plan would have differed substantially.

We share the Council's desire to improve resource management and are willing to continue to work towards that end. However, we do not support moving forward with the scheduled, January 1, 2011, Non-Whiting Groundfish Trawl Rationalization. Economically, it is a significant step backward from status quo. Quite different than we were led to believe. We have been repeatedly advised by those representing us at the Council, that, with the equal allocation and permit history allocation formula, we would have increased economic opportunity. In fact, the opposite is true.

That is why we are asking this Council to offer a referendum vote on this action. And, in the interim, take action to immediately suspend further Council staff and NMFS resources and effort until that vote is taken. If taking this extra step to hear new concerns, created with this new information, results in some interim steps or even if after all is discussed, Council moves forward as previously decided, then delay and further debate is not only reasonable, it is necessary.

So, we include for your review a few of our specific business concerns:

- The public process was completed without information that would have materially influenced the debate while it was occurring.
  - Nearly every active permit is being forced to lease or purchase quota to maintain their current business opportunity; this includes those permits with the best available history. This was not the prevailing understanding during the process. It was widely understood that there would likely be winners and losers, it was never expected or represented that all would be losers with the change.
- The Council has moved forward without a full review of an economic impact statement on the adverse affects of all Fisheries, both state and federal directly affected by the proposed IFQ program.
- The Trawl Rationalization Program is going to have a direct impact on Oregon's Pink Shrimp Fishery. Increased effort shift will occur, potentially doubling the fleet. This will jeopardize Oregon's MSC Certification. The MSC Label was achieved with a low capacity of 45 vessels. The MSC Label is a marketing tool used to market Oregon Pink Shrimp in Europe.
- The spillover to various State and Federal Fisheries is very concerning to fishermen who have already paid for capacity reduction through the 2003 Buy-Back Plan. To maintain current opportunity, all vessels will have to buy or lease substantial amounts of additional quota.
- Now that we have had the opportunity to review the economic impact to all of our individual businesses, it is clear that the program is not viable for any of us.
- We clearly understood the program is designed to rationalize the fleet; what we didn't know was that we were the ones that would have to pay for it, just to remain viable. Not that we would have diminished opportunity with an opportunity to "buy back" to our current levels of opportunity.

The West Coast Fishing Industry is at stake. It is imperative that the Council consider our requests.

Sincerely,

Mike Anderson
FV Triple Starr