

November 21, 2016

Mr. Herb Pollard, Chair  
Pacific Fishery Management Council  
7700 NE Ambassador Pl.  
Suite 101  
Portland, Oregon 97220-1384

## AGENDA ITEM I.5 – SWORDFISH FISHERY MANAGEMENT

Dear Chair Pollard and Members of the Council,

My name is Jonathan Gonzalez and I'm honored to be here today to speak on behalf of the Ventura County Commercial Fishermen's Association. I want to start out with a huge thank you to NMFS for considering the request to extend the comment period for the hard caps proposed rule. We are also very thankful for NMFS' thoughtful and pragmatic reasoning behind the decision not to include monitoring provisions with the hard caps proposed rule as well as their cautious cost/benefit analysis approach to reviewing monitoring alternatives. The VCCFA remains opposed to the hard caps proposed rule and we hope to see a SMMP in the future that does not include hard caps or 100% monitoring requirements because we want the DGN fishery to be able to stay in business.

As I mentioned yesterday during Agenda Item I.4 as well as our public comment in the advanced briefing book, in anticipation of some of the topics that are being discussed at this meeting the VCCFA conducted a survey among the 71 fishermen who currently (as of August 9, 2016) own HMS permits with DGN endorsements. We decided to conduct this survey for several reasons, but for the sake of relevance I'll focus only on the permitting aspects of the survey.

**(Slide 2)** The survey questions are listed below:

- 1.) Did you know that the PFMC is soliciting applications for, and has issued Exempted Fishing Permits to target swordfish using deep-set buoy gear in California over the last few years?  Yes  No
- 2.) Do you have any interest in applying for an Exempted Fishing Permit to target swordfish using deep-set buoy gear?  Yes  No  
Please explain why you answered, "Yes" or "No" to question 2.
- 3.) Do you have any interest in a deep-set buoy gear permit once it becomes an authorized fishery in the next few years?  Yes  No  
Please explain why you answered, "Yes" or "No" to question 3.
- 4.) Do you plan on renewing your HMS/drift gillnet permit next year?  Yes  No  
Please explain why you answered, "Yes" or "No" to question 4.
- 5.) How do you prefer to be contacted in the future if more info is needed (mail, email, phone, text, etc.)?
- 6.) Do you have any additional comments, questions or suggestions?

Regarding the authorization of the DSBG, one of the biggest unknowns is the ideal size of a permitted DSBG fleet. One of the purposes of our survey was to get a feel for overall interest in DSBG permits once the gear is authorized to provide a reference point moving forward as the ideal fleet size is considered.

Last September CDFW requested the HMSAS to consider at this meeting whether or not there is a need to reduce the number of DGN permits, and if so, what criteria should be established to renew permits. It appears this request was derived from a public comment presentation that referenced a reduction of capacity in the DGN fishery as being one of the objectives in the 2015 Draft SMMP. In response to this comment, one Council Member pointed out to the presenter that the SMMP he was referencing was merely a Draft. Also, back in June one Council Member pointed out that revoking DGN permits for no reason could result in lawsuits. According to the September 2016 HMSMT Report, the purpose of this proposed action is to rapidly and simply transition DGN permitting to MSA authority. The same report states that a reduction of permits has potential to cause negative economic impacts on permit holders and would require time to develop an accurate assessment of such impacts. But even though reducing DGN permits is in direct violation of the purpose and need of the proposed action and would likely result in multiple lawsuits, somehow the idea of reducing DGN permits still managed to make its way into the September 2016 Council discussion, so here we are. This is why another purpose of our survey was to get a feel for the permittees plans for renewing their HMS/DGN permit next year as they transfer from state to Federal authority.

**(Slide 3)** Here are the final results of our survey:

<b>VCCFA HMS/DRIFT GILLNET SURVEY SUMMARY</b>			
	<b>NUMBER OF PERMITTEES</b>	<b>% OF SURVEY RESPONSES (N=24)</b>	<b>% OF ISSUED PERMITS (N=71)</b>
<b>TOTAL COMPLETED SURVEYS</b>	24		33.8
<b>DEEP-SET BUOY GEAR EXEMPTED FISHING PERMIT:</b>			
Current PIER EFP participant	5	20.8	7.0
Interested in applying for DSBG EFP (not currently participating)	15	62.5	21.1
Only interested in EFP with no observer costs	1	4.2	1.4
Not interested in applying for DSBG EFP	3	12.5	4.2
Knew DSBG EFP existed prior to survey	20	83.3	28.2
Did not know DSBG EFP existed and want to apply	4	16.7	5.6
<b>DEEP-SET BUOY GEAR PERMIT:</b>			
Interested in DSBG permit once the fishery is authorized	23	95.8	32.4
Not interested in DSBG permit	1	4.2	1.4
<b>HMS/DRIFT GILLNET PERMIT:</b>			
Recent participant in CA DGN fishery (2015-17 fishing seasons)	8	33.3	11.3
Did not participate in last two or more fishing seasons	16	66.7	22.5
Plan to renew permit next year (2017-18 fishing season)	23	95.8	32.4
Do not plan to renew permit next year	1	4.2	1.4

As you can see, over 95% of fishermen that responded to our survey are interested in a DSBG permit once it is authorized. As the Council considers the ideal size of a permitted DSBG fleet and establishes qualifying criteria to determine permit issuance when DSBG is authorized, we support the recommendations presented by the HMSAS.

We can also see that only one out of three survey responses came from recent participants in the DGN fishery, meaning they have made landings during the last two (2015-17) fishing seasons. This figure is affected by the fact that 5 survey responses came from current PIER EFP participants, meaning the only reason they didn't fish with DGN gear the last two seasons was because they were testing DSBG. Our survey results also show us that over 95% of fishermen that responded to our survey plan to renew their HMS/DGN permit next year. One participant sold his permit 8 months ago, resulting the only answer "No."

Moving forward, we believe DSBG and DGN permits or permit endorsements should be two distinct and separate permits that are not linked. However, one survey participant has expressed interest in being able to trade his DGN permit for a DSBG permit/s. We support the ability to trade-in permits, but only if it is on a voluntary and individual basis. We strongly oppose the idea of mandatory permit trade-ins aimed at reducing, transitioning or sunsetting the DGN fishery in any way.

**(Slide 4)** Rather than transitioning gear or sunsetting a fishery, one study considered a West coast swordfish fishery with multiple gears that would achieve the highest profit and swordfish catch in order to provide a steady supply of domestically-caught swordfish throughout the year. In April of 2015, the Bren School of Environmental Science & Management concluded a yearlong thesis analysis titled "Evaluating Management Scenarios to Revitalize the California Commercial Swordfish Fishery." A NMFS economist and TNC were among clients that supported the project. Out of the 252 management scenarios modeled in the Bren report, the model with the highest profit and catch without exceeding proposed hard caps suggests the addition of 30 DGN vessels and 3 longline vessels to the West coast fleet. According to the report, this scenario would result in an increase of \$1.6 million profit and 281 metric tons of catch annually.

**(Slide 5)** A thought experiment was conducted in the Bren report to determine the number of California fishing vessels and California-caught swordfish required to completely replace all imported swordfish. While it may seem a bit far-fetched, we think this thought experiment is very relevant considering NMFS' recent final rule on import provisions of the MMPA. The profit, swordfish catch, and net number of turtle interactions reduced globally were calculated to simulate a complete displacement of imported swordfish with domestically caught swordfish. The results indicate that the California fleet would need 44 more DGN vessels, 71 more harpoon vessels and an additional 267 longline vessels in order to produce the additional 8,919 mt of swordfish needed annually to completely replace all imported swordfish. The results also indicate that this scenario would result in an annual reduction of 2,443 sea turtle interactions worldwide.

**(Slide 6)** Even though there has been discussion about latent permits, nobody knows exactly what a latent permit is because it hasn't been defined. Earlier this year, representatives from TIRN and State Senator Ben Allen crafted language in SB 1114 that defines a latent permit as a permit that has not been fished in at least 3 out of the last 5 years. The qualifying criteria mentioned in certain NGO public comments suggest defining a latent permit as a permit that has not been fished in the last 5 years. Some of these so-called "latent" permit holders testified during Senate Committee hearings in opposition to SB 1114 explaining why they have been inactive and why they wish to keep their DGN permit. These so-called "latent" permit holders are real people with individual needs and desires, and they have families that depend on them. These are our neighbors, our providers and my heroes. The thought of retiring permits is serious business and should not be thrown around loosely. Our survey resulted in several responses from so-called "latent" permittees voicing their intent to sue should the Council decide to revoke their permit. According to the September 2016 HMSMT Report, the concerns voiced over state bills such as SB 1114 is what brought federalization of DGN permits back to Council attention in the first place.

According to the September 2016 HMSMT Report, the proposed action is to create a Federal DGN permit which would mirror and replace the current state of California DGN LE permit. There is no legitimate purpose or need to reduce the number of DGN permits. The latest BiOp for this fishery resulted in a negligible impact determination. Plus, there is already natural attrition occurring in the DGN fishery, but more importantly, it is happening on an individual and voluntary basis. Also, because of DSBG EFPs there was 5 fewer DGN boats fishing last year (roughly 25% of the active fleet) and this is also happening on an individual and voluntary basis. As I mentioned earlier, the stated purpose of this proposed action is to rapidly and simply transition DGN permitting to MSA authority. To this point, we ask the Council to take final action in March 2017.

Despite the fact that the Council has already sent a letter saying how SB 1114 would materially impair the Council's ability to manage the fishery, Senator Ben Allen has recently stated in multiple interviews that he intends to either pull SB 1114 out of suspense or introduce a similar bill in 2017. Considering the February deadline to introduce state bills, we would also like to ask the Council to consider writing a second letter to Senator Allen voicing the Council's intent to create a Federal DGN permit which would mirror and replace the current state DGN permit, as rapidly and simply as possible.

Thank you for your attention and consideration.

Sincerely,



Jonathan Gonzalez  
President