December 1, 2010

William Stelle
NMFS Regional Administrator, Northwest Region
7600 Sand Point Way NE, B1N C15700
Seattle, WA 98115-0070

Dear Mr. Stelle,

As concerned stakeholders of the groundfish trawl fishery, we write to you asking for a meeting to discuss a critical element of the groundfish trawl rationalization program – namely the monitoring program and the associated costs. Monitoring costs represent one of the primary factors that could make or break a successful transition to IFQ/co-op management. We understand that accountability is a vital component of a fishery managed under catch shares, but would like to discuss with you and your staff the agency’s policies and the status of the monitoring program development.

Of particular concern is the recent NMFS policy to reimburse fishermen only for “sea days.” It appears that some observer providers are requiring monthly contracts with fishermen in order to provide local observers that live in fishing communities. NMFS’ policy of only reimbursing for sea days does not take into account the reality of fishing off the west coast. The primary and laudable purpose of the decision to reimburse fishermen for 90% of observer costs in the first year was to provide fishermen time to adjust to the new regulatory environment including the costs that come with it.

In addition to seeking a better understanding of the monitoring program overall we would also like to begin the broader discussion of how to reduce the overall cost of the monitoring program.

We would like to find a time to meet with you and your staff this month about the issues presented above. Please contact Brent at (206) 282-2599 to see if we can find a time to meet.

Thank you very much,

Brent Paine, Executive Director, United Catcher Boats

David Jincks, Executive Director, Midwater Trawlers Cooperative

Brad Pettinger, Executive Director, Oregon Trawl Commission
 Permit holders, skippers, processors, and other stakeholders in the west coast groundfish trawl fishery are preparing for the transition to the new catch share management system that will be implemented on January 1, 2011. Under the new system, fishermen have the opportunity to improve both the economic and environmental performance of the fishery, however, to accomplish this goal key challenges must be overcome. Today, fishermen and the Pacific Fishery Management Council are developing tools and approaches to address these challenges. For instance, there is currently a program trailing amendment in development to outline how risk pools and community fishing associations can be used to help manage overfished species and stabilize traditional groundfish ports. Likewise, there has also been a tangible increase in the level of dialogue between fishermen and stakeholders related to gear innovation, collective arrangements and harvest planning, along with other tools that would allow to the fishery to best avoid constraining stocks while maximizing value from target stocks. Another key area of focus should be exploration and development of methods that can reduce the cost of monitoring while maintaining the full-catch accountability standard.

The purpose of this letter is to seek your support on the development of a new Electronic Monitoring system for the west coast groundfish fishery. The authors of this letter believe in the concept of full-accountability, however, we also strongly encourage the use of the best technology available to achieve that goal. The high cost of the 100% human observer requirement that has been placed on the fleet has created great concern among fishermen and other stakeholders because of its potential to have negative economic repercussions on the fleet as a whole, and in particular its potential to create a disproportionate impact on small operators as well as fishermen contemplating gear switching.

While this human observer costs will be subsidized in the first year and to a lesser extent in years 2 and 3, the industry’s responsibility to ultimately pay for monitoring costs will likely have significant impact on the current structure of the fleet. In order for an individual fishing operation to cover observer costs, it will require that the vessel reach and maintain a certain scale and revenue threshold. While some vessels may be able to achieve this, many smaller vessels may not. This dynamic could be another driver of quota share consolidation and net loss of fishery participation from smaller scale fishing ports.

The time to develop the Electronic Monitoring technology to provide more affordable catch accounting is in the first years of the program, while resources allocated to monitoring of the fleet are available. It is crucial that while the monitoring subsidies are being removed from the
fishery in years 2 and 3 of the program, that we compensate for the cost to the fleet with more affordable means of maintaining 100% catch accountability and Electronic Monitoring is a means of achieving this.

There are several Electronic Monitoring pilot programs now underway in domestic groundfish fisheries. The partners of the Morro Bay/Port San Luis Exempted Fishing Permit project have launched a second year of research testing the effectiveness of auditing captain catch records with video camera footage. Likewise, NOAA has launched a new Electronic Monitoring study in the New England groundfish fishery. Closer to home, the shoreside whiting fishery has been operating using electronic monitoring for several years. These projects, while providing critical information and experience, will not result in the implementation of Electronic Monitoring for the trawl rationalization program more broadly without the engagement and assistance of NMFS.

The authors of this letter request that NMFS engage in this effort by providing the fishery stakeholders with a clear and achievable list of criteria for a future Electronic Monitoring program that can be implemented to replace or supplement the current human observer catch accounting requirement. In contemplating what criteria will likely need to be met for an EM system to be declared acceptable by NMFS, we suggest the agency consider what information and data such a system would need to provide from a regulatory, scientific, and enforcement perspective. By providing this “target” outlining a viable process for the implementation of a new Electronic Monitoring program, NMFS will help catalyze the development of new partnerships and research efforts focused on building the technologies necessary to improve this aspect of the fishery. Ultimately, we believe EM could be a vital component of the success of the west coast groundfish catch share program.

Sincerely,

[Signatures]

FMA

Fort Bragg

California

San Francisco

Port

OTC

Brookings

Mckayville, MI
Ruth H. — F/V Little Joe — Brookings, OR
Christopher Kubel — CCSFA — Los Osos, CA
St. Pierre — TNC — Morro Bay, CA
Marina Piliero — Deep-Sea Catfishing with Deacon War —
Ralph — Midwater Trawlers Cooperative
Mark Conner — F/V Rosewere — Newport, OR
Paul Hyder — F/V Cape Windy — Warrenton, OR
L. R. — Bernstein Seafoods — Astoria, OR
Michelle Norucci — F/V Donna J — Fort Bragg, CA
Tom Estes — F/V Taradawn — Fort Bragg, CA
Gail Estes — Noyo Wares — Fort Bragg, CA
B. NORIEG

F/N DONONI S

FORT GRADE CA

LYNN LANGFORD WATSON
THE ILWICO COOPERATIVE

Ralph E. Detlich
F/N PACIFIC PEACE

H. BESS
F/N MORNING STAR
SEATTLE, WA

EDF
PORTLAND, OR
cc: Donald McIsaac, Executive Director, Pacific Fishery Management Council
    Mark Cedergreen, Chairman, Pacific Fishery Management Council
Dear Dr. McIsaac,

Please accept this letter as comments from Food & Water Watch (FWW) with regard to the public hearing held on the topic of commercial fishing associations (CFAs) in Monterey, CA on October 28, 2010. FWW is a non-profit consumer advocacy group working with grassroots organizations across the country to create an economically and environmentally viable future. Our Fish Program promotes safe and sustainable seafood for consumers, while helping to protect the environment and supporting the long-term well being of coastal and fishing communities. Among other issues, we defend and support public access to and management of natural resources, including fish.

We are deeply concerned with the way Amendments 20 and 21 (the Amendments) were developed and are being adopted. Privatized catch share schemes have a track record of hurting coastal and fishing communities, skewing fisheries towards industrial fleets and through poor initial allocations of shares, rewarding those that fish the hardest and fastest, without concern for historic fisheries participants or ecological impacts. The Amendments acknowledge that both smaller-scale processors and fishermen will be harmed, but provide little to no remedy.1 For the shore-side trawl sector alone, it is estimated that a 60% fleet reduction is necessary to achieve the economic goals of the program.2 Measures to assist in this sector include provisions for CFAs, which are only being discussed now rather than during the Amendments’ development process, and will be implemented after the initial allocation, further disadvantaging smaller-scale fishermen.

Despite our overall opposition to the Amendments, we will continue to monitor and participate in public comment periods for trailing actions. Recently, a representative from our organization, Marie Logan, attended a public hearing on CFAs held in Monterey, CA and this letter is to follow up on our public testimony at that meeting. We have many concerns with both how the meeting was conducted and some of the proposals put forth for the development of CFAs, in particular with regards to the discussion of quota for use as collateral.

First, we want to express our disappointment with the informal nature of this session. Although it was billed as a “public hearing” on the Council’s website, the only two administrators conducting the hearing were independent consultants for the PFMC (Don Hansen and Ron Boyce), and there were no sitting Council members in attendance.
when the hearing began, and for the first two hours of proceedings. That sends a clear
message to the participants that the hearings on CFAs were being conducted as an
afterthought – indeed, a “trailing action” – to be addressed by the Council’s staff, but not
worthy of meaningful discussion by the full Council, or even several of the members.
This is especially concerning given the expected severe socioeconomic affects from the
implementation of the Amendments on small boat operators and independent fishermen –
many of whom were in attendance at this meeting to share their concerns with the
Council.

Furthermore, those conducting the hearing appeared ambivalent, even dismissive of the
comments that were provided for the public record. As numerous fishermen voiced their
specific concerns with the implementation of the trawl rationalization program, and made
suggestions as to how the crafting of CFAs could help to protect their communities, the
administrators took few notes, relying on a small tape recorder to capture the comments,
but made no attempts to ensure that each person’s comments were in fact fully recorded.
Participants were permitted to speak from their seats, and it was not clear that voices
from the back of the room were adequately captured. Participants were also not asked to
identify themselves or their organizational affiliations. At the conclusion of the meeting,
Don Hansen remarked, perhaps jokingly, that “the Council doesn’t really like to read
things,” so explained to the audience that the comments that he would submit for
consideration by the Council would likely be “only a paragraph or two.” This is
outrageous.

Clearly, the Council is considering these hearings a mere formality in the implementation
of these Amendments, with insufficient regard for the smaller participants in the fishery,
many of whom will likely be adversely affected by the new regulations. That more than
twenty individuals attended this hearing in Monterey is evidence of their desire to be
actively engaged in the process. Thus, complete and thorough representation of the
public comments delivered at this meeting is necessary to ensure that participants’
messages reach the Council – especially since there were no current Council members
present at this meeting until more than halfway through, and only one in attendance for
the last hour of the meeting).

**Additionally, we propose that CFAs may be one means to lessen the negative impacts of catch share programs on fish, fishermen and the public.** We hope that all
fishermen, smaller-scale and historical participants in particular, will continue to have a
meaningful voice in the discussion. When designed with meaningful participation by
fishing communities, these programs may allow fishermen to retain some portion of their
historical catch, and share the earnings within their own community and local port. The
public hearing in Monterey however, clearly was not sufficient to gather meaningful
public input. It is questionable whether or not the testimony from participants will be
properly conveyed to the Council. Future meetings should be held with Council
members present for the entire hearing, and people should be required to identify
themselves and testimony should be clearly recorded with proper equipment.
One way to retain viable working waterfronts through CFAs may be to tie the allocated quota to shore-side activities of fisheries in individual ports. This would necessitate regulations allowing for geographically-based CFAs. We support efforts to analyze this approach further.

Finally, we have concerns about the proposed use of catch share allocations as collateral for loans.

We strongly urge the Council to carefully consider the harmful implications of allowing quota shares to be used as collateral in a loan, which is referenced on page 8 of “Trawl Catch Shares Trailing Actions Scoping Information Document” distributed at the meeting. Fisheries of the United States are a natural resource to be held in the public trust, and if these resources are permitted by the Council to be traded and utilized as if they are private property, it will create a weak and highly questionable financial structure.

Additionally, allowing shares of the total allowable catch to become property of banks is a clear privatization of a public trust resource. A collateral loan based on quota would necessitate that shares are private property to be repossessed by the bank in the event of a default. As financial institutions become shareholders, another powerful interest is created to maintain the status quo of a catch share system, even if the program or allocation has jeopardized the sustainability of the stock or the safety of fishermen. To avoid these problems, we strongly urge you to ban the use of quota share as collateral for loans.

Thank you for your consideration of these comments. Food & Water Watch will continue to monitor the implementation of the Amendments and plans to stay involved as the process moves forward.

Sincerely,

Christina Lizzi, Policy Analyst, Fish Program

Marie Logan, Policy Analyst and Researcher, Fish Program

CC: Members of Pacific Fishery Management Council and Staff

February 10, 2011
Mr. Mark Cedergreen
Chairman
Pacific Fishery Management Council
7700 NE Ambassador Place, Suite 101
Portland, Oregon 97220-1384

Dear Mr. Cedergreen,

As we enter our second month of the IFQ program in the groundfishery, a number of trailing amendments and “artifact” items are on the council’s agenda.

One of the primary goals of the IFQ program is to empower fishermen and permit owners to fish when they believe it is most beneficial for them based on their own unique fishing plans. To achieve that, we should have consistency between both the shoreside and offshore sectors when it comes to start dates for the whiting fishery.

Currently, shoreside continues to have a start date that is a month after offshore. This runs counter to the intent of the IFQ program and as an artifact of the previous management system should be addressed by the council and remedied.

We look forward to discussions on this issue in state meetings, the GAP and other subcommittees at the coming March meeting and encourage the council to make this issue a priority. We believe it can be dealt with relatively simply in comparison with some of the other more daunting tasks on the council’s agenda, which should encourage the council to take it under consideration rather than discourage discussion.

Thank you in advance for your careful consideration. We look forward to the discussion and to a timeline to be set in place for this issue to be resolved before the 2012 season.

Sincerely,

Heidi Happonen
Ocean Companies