

GROUND FISH ADVISORY SUBPANEL REPORT ON
NATIONAL MARINE FISHERIES SERVICE REPORT

The Groundfish Advisory Subpanel (GAP) discussed the National Marine Fisheries Service (NMFS) report (Agenda Item J.1.b, Supplemental NMFS Report 1) and offers the following comments and recommendations.

The GAP primarily focused on cost recovery and what it believes is an ongoing lack of transparency. To reiterate previous GAP statements on this issue, as specifically set forth in Agenda Item C.3.d, Supplemental GAP Report, April 2014, the industry is facing huge costs to participate in the trawl individual quota program, including: the 5 percent buyback loan payments (5 percent of ex-vessel value), the increasing costs of observers, and the 3 percent cost recovery fee. These are all in addition to the state landings taxes and other fixed costs associated with fishing. Overall these costs can be upwards of 20 percent of some businesses' gross income. The GAP believes that when industry is responsible for covering some of the costs of management, there should be a corresponding responsibility for the agency to delineate costs related to management, data collection, and enforcement at a much finer scale than is currently done. Currently there is little confidence in the numbers, and the industry feels more like a blank check is being written potentially for costs not associated with the program. We understand that cost recovery reports in the North Pacific are much more detailed, so there is no insurmountable barrier to providing the information the GAP would like to see.

The GAP is also concerned by comments we heard from Mr. Frank Lockhart that there will not really be an opportunity for stakeholders to make recommendations on the upcoming cost recovery report in a meaningful way. We had understood that there would be an opportunity to make suggestions, but now understand that any recommendations are unlikely to change the upcoming report due in April. To begin to remedy this disconnect, the GAP recommends reconvening the Cost Recovery Committee (CRC) in early 2015 in order to give meaningful input to NMFS.

PFMC
11/18/14