

June 2000

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PFMC

Dear Members of Congress

The West Coast Fishermen's Alliance is a group of fixed gear fishermen and their families who are dedicated to preserving our way of life through sustainable fisheries and conservation of our natural marine resources. Our organization is comprised of approximately 80 fishermen located in Washington, Oregon and California. The types of fishing gear that we use are Fixed Gear Hook and Line, Fixed Pot gear, Hook and line, vertical drop gear and troll rockcod gear. All of the gear types that we use catch fish at a fairly slow rate, so it is easy for us to limit the amount of bycatch that we encounter. Our gear types also have very little interaction with habitat, some of the gear we use has no contact with the bottom at all. We can alter our harvest tactics to be species specific in mixed stock complexes allowing us to harvest selected species while avoiding stocks that are prohibited or threatened.

The West Coast Ground fish fishery is currently in a transitional period moving from a fishing down process, that has taken place over the past 30 years, to a fishery that is managed on the principals of sustainability. During this process dramatic changes will occur in the size and composition of the fishing fleet and its infrastructure.

These changes need to be orchestrated in a manor that will allow a fleet and enough infrastructure to remain intact so that after this transition into sustainable fishing, our fishing communities will again be able to carry on with the fishing tradition that is their heritage. If the infrastructure is allowed to collapse there will never be enough economic benefit from the resource to warrant rebuilding. We will loose our marinas, fuel facilities and processing capabilities, and access to federal dredging of our harbors.

Excessive Harvest Capacity:

Every fishery on the West Coast has excessive harvest capabilities! This has compounded the problem in a ground fish fishery that has been plagued in the past few years with declining

stocks, severe cutbacks on harvest and ex vessel price fluctuation. We desperately need a buy back plan that will take vessels out of the fishery and possibly allow permit stacking, on a case by case basis(fishery by fishery). I think stacking could work well in the Trawl fleet after the transition has taken place. Fisheries Managers needs to manage the resource for what the resource will support in terms of harvest pressure, Do not try to manage the resource to fit our existing fleet profile. The economics of the fishery will dictate the composition of the fleet as it evolves in the future.

We need also to provide incentives for people to get out of fishing, such as re-wording the capital construction fund language to allow use of those funds outside the fishing industry with out paying penalties. Also capital gains tax deferral for those who don't have capital construction accounts. This would allow Ex Fishers the opportunity to reinvest outside the fishery with all money's received from the sale of there fishing business and apply it to there new form of employment or business, and then repay the deferred tax after 5 or 10 year. This would allow fishers to move into another way of life and have a chance to become successful, and not become a burden on society

Limited Entry Open Access:

The ground fish fishery still has one segment of the fleet that is not limited with a cap on vessels, that is the Open Access Fishery. There numbers have grown from a few hundred vessels in 1994 to several thousand at current estimates. We believe that it is essential that a cut off date be established for entering this fishery with defining criteria for those who will be included in that fishery. It will be impossible for vessels in this fleet to remain viable if entry is unrestricted and unregulated.

Management Flexibility

Management measures that will be developed in the near future should be designed with an element of flexibility so that harvesters can have the opportunity to select the most appropriate type of fishing gear to harvest a particular species. This flexibility will allow harvester to avoid impacting species that are depleted and harvesters would be able to continue fishing in some sensitive habitat with out damaging it in the process.

Bycatch and Rebuilding:

One of the main contributing factors to the rapid decline and severe restrictions on the ground fish fishery is Bycatch and discard mortality. Bycatch is something that is caught by a fisherman accidentally while fishing for something else. A term that has just recently come to my attention is "Unavoidable Bycatch" I don't believe there is such a thing as unavoidable bycatch! What we need to do is allow the fishermen the opportunity to use harvest practices that will enable them or give them the ability to avoid situations that create bycatch.

Discards are those items that are discharged over the side for various reasons, they can be categorized as either regulatory or economic discards. With regard to fish many of these discards have a high mortality rate, meaning that many of these fish are either dead or dying when discarded. Discard mortality is wasted resource and should be reduced to the lowest possible rate. The rates at which the bycatch and discards occur in the ground fish industry is un-quantified. In the absence of this important information the Pacific Fisheries Management

Council is mandated to manage the groundfish stocks conservatively. This practice amplifies the economics impacts to the groundfish industry.

Observers:

There are 83 separate species of ground fish on the West Coast we know the life cycles of only 10% of them! The PFMCA has been mandated by the Magnuson Stevens Sustainable Act to assess all the ground fish species on the West Coast. As this takes place over the next 10 years I am sure we will find that many are over fished, and some will be considered threatened and require rebuilding.

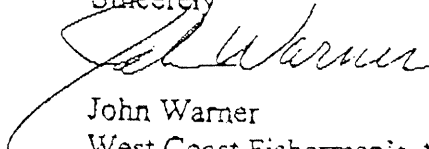
It has been determined by PFMCA that an observer program in the groundfish industry is the most effective way to quantify bycatch, discards and estimate mortality. In addition to this observers would be able to take data from those discarded fish (size, sex, depth, location, and complex). This data is currently not available for research. Observers are the key resolving many of the issues that face us in the ground fish industry today. Without them and the data they will produce we will not be able to identify harvest practices that generate excessive bycatch and discard mortality nor will we be able to quantify the composition of bycatch with any level of accuracy. How would we truly and accurately quantify rebuilding is occurring with our scientific observation? We support the implementation of an observer program in the West Coast Ground Fish fleet as soon as possible.

Disaster Relief:

As the 2000 West Coast ground fish season approaches it is becoming apparent that it will be the beginning of an economic and social disaster on the West Coast that will last for three to five years, many fishermen will not survive economically. I believe that the extent of this catastrophe will by far eclipse the salmon problems that we are so familiar with today. The rebuilding of some of the rock fish species on the coast could take several human lifetimes. If disaster aid becomes available to West Coast ground fishers a portion of this money should be funneled to the fleet for the purpose of conducting research. i.e. (establishing the location and extent of essential fish habitat) with side scan sonar, or by taking grab samples of the bottom. Also many of the vessels that will be idled could be used in collecting near shore data, on species assemblages and habitat. There is virtually no data on species or habitat inside of the thirty fathom depth curve (1 Fm. = 6 ft.) that information is desperately needed to allow managers to make informed decisions about near shore harvest sustainability and complexity. The use of disaster funds in this way would keep the fleet working, and support the infrastructure during transition. While collecting needed data for science and fisheries management that will move use closer to a sustainable fishery.

In closing I would like to encourage each of you to become more active in our groundfish fishery management. For fishery managers to meet the challenges of the future they will need all of your support.

Sincerely



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June 06, 2000

Senator, Ron Wyden
Senate Hart Office Building
Washington D.C. 20510

Dear Ms Froelich:

Enclosed is a short description of '**PERMIT STACKING**' proposed for the West Coast fixed - gear groundfish fleet. Our organization supports this management change in the sablefish fishery and assisted in developing the proposal.

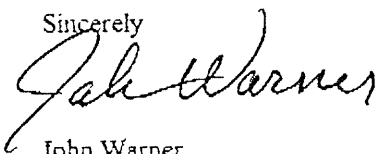
Please let Senator Wyden know about this proposal and make him aware of the fact that permit stacking has industry-wide support!

Permit stacking addresses the recent concerns of excess harvest capacity and ITQ management that Congress has been struggling with. This plan is being considered by the Pacific Fishery Management Council as a remedy for many of the problems we are facing in the West Coast groundfish disaster crisis. To be more specific it is an industry-supported, industry-funded, capacity reduction program that will measurably reduce harvest capacity, while producing conservation benefits.

The fixed-gear fleet has been working on a plan to reduce harvest capacity for several years. We believe that the most efficient way to provide actual fleet capacity reduction is to allow the fleet to fund its own harvest capacity reduction plan. This would require lifting the moratorium on ITQ's detailed in M-S Act Section #303-104-297(d).

The ITQ moratorium served the intended purpose; NMFS and the regional management councils have become increasingly aware of the potential problems associated with ITQ management. With this increased awareness both scientists and managers will be able to objectively look at ITQs fishery by fishery and use it as a management tool only where deemed to be appropriate, while using sustainable harvest as their primary objective.

Sincerely



John Warner
West Coast Fishermen's Alliance

Permit Stacking West Coast Groundfish Limited Entry Fixed-Gear Descriptive Proposal:

Fixed-Gear groundfish harvesters, with the support of PFMC staff, have developed a program that allows stacking groundfish permits. This proposed management change is in response to the economic hardship associated with declining value of the resource and reduction in harvest levels associated with the West Coast groundfish disaster.

An outline of permit stacking, including the provisions required to make it successful in the fixed-gear segment of the West Coast groundfish fleet, is provided below.

Permit stacking allows people who are willing to take financial risk, the opportunity to remain economically viable. Permit stacking allows Limited Entry Permits to be combined for the purpose of increased harvest opportunity. This is accomplished by combining the associated fishing rights from two or more vessels onto a single vessel. The benefits derived from this type of system are directly financed by the individuals who purchase those additional harvest opportunities. This eliminates the potential taxpayer burden (funding) associated with other capacity reduction programs.

This fleet restructuring plan would provide conservation benefits, but is primarily a business strategy that would stabilize the fixed-gear fleet economically, increase fleet efficiency, while reducing harvest effort.

When stacking occurs in the fleet fishers would need to have adequate time to harvest the additional product associated with the combined permits. Because of the ITQ moratorium, we now are harvesting under derby-style management that is extremely dangerous and has negative economic impacts on the fishery. Processor's have a take it or leave it attitude with derby-style fisheries resulting in fishermen receiving a substantially lower price for their product. We as an industry need the ability to take advantage of market opportunities that add value to ex-vessel prices.

WHO PARTICIPATES ?

All limited entry sablefish endorsed fixed-gear permit holders in the West Coast groundfish fishery. This includes both pot and longline gear types. Because the fixed-gear groundfish industry consists of an unequal distribution of permits between pot, and longline fishers (33 pot permits vs. 135 longline) the proposal includes waiving the gear endorsement and length endorsement enabling pot permit owners to participate equally in this capacity reduction plan.

FINANCING:

This program would be completely financed by the fishing businesses that would benefit from it. A vessel owner who participates in the stacking option would be paying for his increased harvest opportunity by purchasing another permit from a willing seller.

The difficult problem of allocating amounts of fish to each permit has already been accomplished. The Pacific Fishery Management Council allocated sablefish using a "tier system" in 1998. Each permit is assigned a cumulative limit that is caught in a directed derby-style fishery of 7 to 10 days at the present time.

ECONOMIC BENEFITS:

Fishing Businesses:

Provides immediate economic relief in the form of increased harvest opportunity. Permit stacking will lower overhead costs by increasing revenue per cumulative period, thus increasing the fleets efficiency, or increasing the CPUE (catch per unit of effort). Present conditions of sky rocketing fuel prices, escalating over head costs, coupled with declining harvest opportunities, leaves our fleet in serious economic distress and in urgent need of relief that will allow us to remain a viable element of the ground fish industry.

Communities:

Maintaining the economic viability of our local groundfish fleets, helps to maintain the infrastructures of our coastal communities. If the fishing infrastructure is allowed to collapse on the West Coast it will never be rebuilt. The commercial properties that were once occupied by fish processors, ice plants, and fuel facilities will be replaced with tourist shops, restaurants, and condominiums; displacing and destroying our fishing culture.

The steady business activities of a healthy groundfish fleet would stabilize the cyclical nature of our fishery based coastal economies and would help build confidence in our future. We realize that harvest capacity reduction also means reducing the size and characteristics of our infrastructure. This reduction needs to be done in a way they leaves adequate infrastructure in each port to support the smaller more efficient, and diversified fishing fleets of the future.

To ensure that groundfish resource benefits are shared among the coastal communities an appropriate mix of small businesses i.e. (vessels), must be maintained. This can be accomplished through a cap on the number of permits allowed to be combined. The proposal includes a cap of three permits on a single vessel. Second generation transfers would require the owner be onboard when the vessel participates in the groundfish fishery. This minimizes the threat of corporations and foreign interest buying up fishing rights.

Conservation benefits:

Decreased discards will result because fewer vessels will be fishing for and bumping up against their respective cumulative limits. If the fleet was reduced to its smallest number allowed by the stacking plan it would reduce the discards produced by regulatory trip limits quotas by 66%. Fewer fishing trips results in less fishing gear interactions with sensitive habitat, providing yet another conservation benefit. Permits would be purchased at true market value, limiting the amount of capital available for reinvestment and expansion into any of our otherwise over capitalized fisheries.

Summary:

Permit stacking is doable in the short term, non-controversial, provides immediate economic benefits, and has positive conservation aspects. This plan is totally funded by industry, and can realistically accomplish measurable and meaningful harvest capacity reduction without causing excessive capital infusion into other over capitalized fisheries. This plan would be relatively easy to enforce within the parameters of the existing process.

Stacking Provisions:

- 1: The Vessels initial Limited Entry Groundfish permit would have to fit the vessels length in order to be eligible to stack additional permits.
- 2: For the purpose of stacking, length and gear endorsements would be removed. Tier poundage will be accumulated by participants, i.e. a bottom tier longline permit could be stacked on a middle tier pot vessel. The additional poundage could then be harvested with pot gear.
- 3: A limit of three permits per vessel would ensure that the minimum fleet size would not fall below 58 vessels, leaving ample opportunity for processors to access their fare market share of product.
- 4: Stacking in a derby fishery forces a vessel to catch an additional tier limit in the single limit time frame. The increased pressure to take risks and fish harder by a factor of two or three creates unreasonable hardship. Industry recognizes the need for an extended season and requests the ITQ moratorium be lifted to allow additional time for fishers to harvest their combined tier allocations. A six month sablefish season, April - September, eliminates the dangers of a derby fishery. An extended season provides increased market opportunity as well as increasing the value of the resource.
- 5: When stacked permits are un-stacked original length and gear endorsements would be reapplied. Un-stacking permits is envisioned either when stock rebuilding is accomplished and a vessel is unable to catch the increased quota or if a fisher desires to reduce his level of effort, in the case of sickness or in preparation for retirement from the fishery.