



## West Coast Seafood Processors Association

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E.I

*Serving the shore based seafood processing industry in  
California, Oregon and Washington*

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### Coastal Pelagic Species Limited Entry Fishery - Capacity Goals and Other Issues

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The West Coast Seafood Processors Association represents those seafood packers who process the majority of coastal pelagic species landed on the west coast.

January 1<sup>st</sup>, 2001 marks the one-year anniversary of the implementation of the limited entry program for coastal pelagic species finfish south of 39° N latitude (Pt Arena). In March of 2000 the Council directed the CPS Management Team to analyze several aspects of the limited entry fishery. In June, the Council reiterated those instructions asking the CPS Team to provide recommendations to:

1. Establish a goal for the CPS finfish fishery (i.e. number of vessels and amount of capacity)
2. Establish a procedure for issuing new permits after the goal is attained (if the fishery becomes underutilized)
3. Evaluate the pros and cons of extending the current permit transfer window
4. Develop mechanisms for achieving the goal
5. Address transferability of permits after the goal is achieved

Now it is November of 2000. Frankly, I am thoroughly disheartened by the actions of this Council. Now, almost a year after a limited entry program was implemented, the Council is trying to figure out what the goal *should be*? I believe this was something the Council should have considered prior to instituting a plan that has significantly altered the existing fishery.

While this Council waits for the hard-working CPS Management Team to answer questions that I believe the Council should have already considered when initially implementing a limited entry scheme, an extension of the permit transferability window should have been exercised. The Council had the opportunity to begin this two-meeting process in September, but for reasons that I do not believe are reasonably justified, you did not.

When Amendment 8 was being drafted, and subsequently through the review and comment periods, the CPS Plan Development Team, the CPS Advisory Subpanel, and many stakeholders in the fishery continuously recommended to the Council that limited entry permits be fully transferable. Transferable permits were a critical element in making this plan a success. Without this particular component, members of the CPS panel and other stakeholders active in the industry would never have supported limited entry in the first place. The Council, acting on the recommendation of the state of California's designee, chose to ignore these recommendations from both the industry panel and the scientific team that they themselves had appointed.

We are all aware that the State of California believes the CPS finfish fleet should be smaller than its current configuration. California Department of Fish and Game has gone on the record stating their support for a fleet of 41 boats. Furthermore, Dr. Sam Herrick's recently completed capacity study indicates that the seventy boats that were *expected to qualify* under limited entry criteria adopted by the Council are capable of harvesting 268,000 metric tons of coastal pelagic finfish species annually. Dr. Herrick's study does not evaluate the fishery that is currently in place as a result of the implemented limited entry program. For instance, although 70 boats were expected to qualify, only 64 permits were actually issued. I do not disagree with Dr. Herrick's findings, in fact, I applaud his efforts at attempting to determine an estimation of capacity that is unarguably a difficult concept to quantify. I do, however, disagree with the application of these findings, if this Council and the state of California continues to believe that the CPS finfish fishery operates in a vacuum. It does not and it will not.

The state will tell you, and has told me personally that they were doing the industry a favor by making an attempt at a compromise. They would allow the upper range of boats into the fishery (70 as opposed to 41), and make the permits transferable for one year. Their expectation was that after the year 2000, through attrition, the fleet size would begin to shrink to a significantly smaller number. Forty percent smaller.

And so, when the issue of transferability was brought in front of this Council once again in September, the Council chose once again to do nothing, even though the deadline for transferring permits was fast approaching. I use the term Council loosely here, because for all intensive purposes, even though CPS are a federally managed fishery, the state of California decides how, when, and what will be done with this fishery. In this case, the Council through the state of California has chosen once again to ignore what the majority of stakeholders in the fishery have been saying, that is: that CPS limited entry permits should be freely transferable.

It was anticipated that 70 limited entry permits would be issued as a result of the limited entry scheme adopted by the Council. It turns out that only 64 permits were issued. I was interested in finding out how many of the 64 permits issued had actually made landings and in what quantities. When I went looking for that information it

was not readily available. I finally received the details after prompting PacFIN staff to begin tracking the statistics. On October 4<sup>th</sup>, Will Daspit reported the following information from the PacFIN database (included on Attachment 1). Of the 64 permits issued, 56 had made at least one landing. Two permits show only one landing each. Thirteen boats have made between 2 and 25 trips. Forty one boats have been relatively active and have made between 26 and 79 deliveries in 2000. A number of boats who have received permits have been identified as strictly bait boats, this may explain why some of the 64 permits do not have associated landings - a permit is not necessary to fish for bait. Total landings for the 56 boats are 60,346 metric-tons of CPS finfish. This is less than 30% of the available harvest of Pacific sardine alone.

The most active boat in the limited entry program has only fished for CPS finfish 28% of the available fishing days in 2000. In fact, only twelve boats have made between 60 and 79 trips, that equates to fishing between 21-28% of the days available through September of this year. These types of statistics support my earlier statement that the CPS finfish fishery does not operate in a vacuum.

*The available data indicate that there are, in fact, far less than 41 boats actively prosecuting the CPS finfish fishery.*

While the Council continues to explore what the goal of the fishery should be, we strongly urge you to consider the available data. Continue to debate and decide what the optimum fleet size for the finfish fishery should be. But in the meantime, do not continue to punish current participants and those who want to participate in the fishery. We are strongly recommending that the Council implement an emergency regulation that would allow for the extension of the transfer of limited entry permits past the deadline of December 31<sup>st</sup>, 2000. There is no justifiable reason that the permits should be non-transferable. The fishery is obviously underutilized. More than 10% of the permits issued have never been employed. There are fishermen with the existing ability to participate successfully in the fishery. There are processors in need of more available boats to deliver finfish. I am not suggesting issuing additional permits at this time- but at least make the permits that have been issued transferable and available for use.

While I recognize that the Council is under considerable pressure at this time in regards to groundfish. I would like to take this opportunity to remind the Council that there is an entire sector of the industry that relies on the CPS finfish fishery in conjunction with the squid fishery for their livelihoods. They are depending on this Council to evaluate the available data and take their concerns into consideration when crafting regulations. In this case it only makes sense to allow the issued permits to be transferred after December 31<sup>st</sup>.

**Number of trips per permitted vessel through September 2000**

<b>Number of Trips</b>	<b>% of days fished (out of 274 days)</b>	<b>Number of Vessels</b>
1-25	.3 - 9%	15 (2 vessels that show only one trip)
26-43	9 - 16%	15
46-58	17 - 21%	14
60-79	22 - 29%	12

**Catch in Metric Tons through September 2000**

<b>Catch in Metric Tons</b>	<b>% of total landings all CPS finfish (60,346 mts)</b>	<b>Number of Vessels</b>
8 - 239	.01 - .4%	15
254-976	0.4% - 2%	15
1,089 - 1,921	2 - 3%	14
1,952 - 3,349	3 - 6%	12

Source: Will Daspit, PacFIN database

Testimony of Rob Zuanich  
Purse Seine Vessel Owners Association  
CPS Management, Item E (1) --Limited Entry

**REQUEST: *Adopt an emergency regulation to***

- (1) *Extend the December 31, 2000 deadline for transferring a CPS limited entry permits to those persons holding a California market squid permit, and***
- (2) *Provide after December 31, 2000 that the CPS permit can only be transferred to a vessel of comparable capacity. This requirement would be consistent with current California law that prohibits the issuing of a squid permit to a vessel of greater (not comparable) capacity.***

In 1998 we strongly opposed this Council's adoption of a limited entry scheme under the CPS Fishery Management Plan. We did so for two reasons:

1. There was no showing that the CPS fishing fleet was overcapitalized and the sardine resource was then, and still remains, underutilized.
2. The CPS plan failed to consider the development of parallel-licensing scheme for squid--yet there was no dispute that squid and sardines were part of an economic package or unit for the fishing fleet. Both fisheries involve the same type of fishing vessel and number of crew, and utilize the same type of fishing gear. Squid was then and still remains the leading commercial fish species in California. The need or appropriateness of a CPS limited entry plan should have been reconciled in concert with squid. By not doing so, we now have a patchwork licensing scheme that disadvantages a majority of California fishermen and discourages new investment in the fisheries.

Earlier this year asked that this Council extend the permit transfer deadline. To date, the only response is that the question should wait for the establishment of a goal for the CPS fishery. This is nothing more than intellectual virtuosity. Can anyone articulate for me what major goals were not addressed in the current CPS plan? By allowing this very limited extension on transferability we accomplish the following:

1. Provide current CPS permit holders, who no longer wish to participate in the CPS fishing, an ongoing opportunity to sell the permit.
2. Remove this unnecessary barrier to allow for an orderly transition in the CPS and squid fisheries. Otherwise, we ignore the reality that participation in multiple fisheries is crucial to preserve a healthy and independent small boat fishing.