

Ryan Kapp / Gulf Vessel Management / Darrell Kapp
F/V Ryan D. Kapp F/V Evermore F/V Resolution II

338 Bayside Rd. Bellingham, WA 98225
(360) 733-5455 (360) 714-0882 (360) 671-0209 fax
e-mail: kappjr@comcast.net or dkapp@comcast.net

October 24, 2004

Mr. Don Hansen, Chair &
Dr. Don McIsaac, Executive Director
Pacific Fishery Management Council
7700 NE Ambassador Place #200
Portland, OR 97220-1384

RE: Agenda item I.3.c – CPS FMP Amendment – Sardine Allocation

Dear Chairman Hansen, Dr. McIsaac, and Council members,

For the record, my name is Ryan Kapp and I am a sardine fisherman based in Astoria, OR. My father, Darrell Kapp, and I manage operation of three vessels in the NW sardine fishery. My father also owns interest in a freezing company in Astoria called Astoria Pacific Seafoods (APS). The issue of long term sardine allocation is very important to our family, our crews, all the employees at APS, and the coastal communities of both Oregon and Washington. I appreciate the chance to comment on this issue.

FMP Amendment Sardine Allocation Plan November 2004

Allocation of a resource to many users with many different needs is complicated. Installing a hard wired, basic, broad reaching plan does not address the many variables within the industry. A plan is needed to reflect the unpredictability of the industry as well as the resource itself. A plan is needed that will bolster an industry when opportunity arises as well as preserve an industry that has fallen under difficult circumstances.

This allocation proposal will provide increased opportunity to the NW during these times of abundance while still insuring a viable fishery to continue in California.

The basis of this plan is the agreed assumption that as the resource begins its eventual decline due to ocean conditions that the stock of fish will not be as broad reaching as it is today. This is to say when the resource declines it will no longer be available to industry in the NW and the decline in abundance will be felt in the NW first. It is also assumed that the market conditions today are better in the NW than they are in California. These situations could change for the better or worse for either area and this plan addresses this by not eliminating the importance of either.

This plan is not creating a “hardship” for anyone involved because the HG for the areas are based on current use and necessity and are adjustable if situations change. Hardship is created when you take something currently used... this allocation plan does not create hardship. Hardship will be realized by both areas once the resource abundance declines but, as stated earlier, the effects of a decline will realistically begin in the NW giving that area less of a chance of catching its HG and thus transferring the unused portion back to the Southern area helping to minimize impacts there.

Proposed Allocation Plan:

HG Release – Would remain January 1st. To change the HG start date would place an undue burden on the CPSMT. The CalCOFI cruise takes place in April and other data is gathered in the summer. There is no need to change the timing of the research results.

Harvest Areas – The HG would be allocated between the two areas already described in the existing interim plan. Oregon and Washington would be the Northern Harvest Area (NHA) and California would be the Southern Harvest Area (SHA). The line would remain the current limited entry line of 39 degrees north (Pt. Arena). It is known that these areas differ greatly in the fishermen’s ability to harvest sardine and the value of the sardine landed. The NHA is limited to summer weather and the SHA has year round access and availability. Landed value, per ton averages, are higher in the NHA than those in the SHA.

HG Transfer Rules – Transfer of HG is allowed when the uncaught HG in one subarea is greater than the transfer limits.

HG Transfer limits – Transfer of HG from area to area will be subject to the following limits:

1. When the coastal HG is over 100,000 mT the transfer will be equal to 10% of the coastal HG for that year.
2. When the Coastal HG is less than 100,000 mT the transfer will be 5,000 mT.

HG Transfer incorporated into HG allocation percentage of following year – The amount of HG to be transferred will be added to, or subtracted from, the current year harvest of each subarea. The total number (harvest + or - transferred amount) for each subarea will then be established as a percentage relative to that years coastal HG. The realized percentage will then be the initial allocation percentage to the respective areas of the following years coastal HG.

Area HG Caps – Either subarea may initially be allocated up to a maximum of 75% of the coastal HG. The other 25% would always be held for one area or the other in case resource or market conditions change for the better. No area should be completely eliminated from access. If one area fails to catch the other 25% there will be a re-allocation in September so the other area has the opportunity to catch it.

Start Point – Where do we start the percentages and transfers? There are many options. Implementation of this plan could begin from the start of the current interim plan. This is reasonable because over this time period landings in the NHA and SHA have appeared to stabilize reflecting now realized production, market, and abundance conditions. (This is the example used in the spreadsheet)

Another consideration for a start point is to use the option #2a (a California industry proposal) of the current suite of options.

We could also use 2005 as a start point.

The following pages contain possible wording of the plan, a demonstration of how this plan meets CPSAS objectives, and a spreadsheet of how the plan would work under various year to year situations starting from 2003 and continuing until 2008.

I feel that this plan addresses all concerns and fulfills the objectives set forth from industry members, the CPSAS, and hopefully the Council and NMFS. Please allow this allocation plan to be included with the others for CPSMT review.

Thank you for the opportunity to comment on this issue.

I am available to answer any questions you may have.

Sincerely,

Ryan Kapp
V.P. Gulf Vessel Management

Attachments: 3

Possible Wording of Allocation Plan CA 2a w/ Transfer Component
Addressing CPSAS Objectives for an Allocation Program
Spreadsheet example for years 2003 to 2008.

Possible Wording of Allocation Plan CA #2a with Transfer Component

Subarea line at Pt. Arena. Allocation January 1 60% to the South (So CA and Nor CA), 40% to the North (PNW); remaining HG open coastwide September 1st. Following the initial year (2006) the following rules will dictate the percentage allocated to each subarea.

Rule 1: Transfer of HG is allowed when the uncaught portion of the subareas HG is greater than the transfer limits in Rule 2.

Rule 2: Transfer of HG from area to area will be subject to the following limits: When the coastal HG is over 100,000 mT the transfer will be equal to 10% of the coastal HG for that year. When the Coastal HG is 100,000 mT or less the transfer will be 5,000 mT.

Rule 3: The amount of HG to be transferred will be added to, or subtracted from, the current year's harvest. The total number (harvest + or - transferred amount) will then be established as a percentage relative to the current years coastal HG. The realized percentage will then be the initial allocation percentage to the respective areas of the following years coastal HG.

Rule 4: No subarea may initially be allocated more than 75% of the coastwide HG.

Rule 5: Remaining HG will be reallocated coastwide on September 1st.

Addressing CPSAS objectives for an allocation program

The September 2004 CPSAS Report outlined objectives for an allocation program. The objectives are as follows:

1. Strive for simplicity and flexibility in developing an allocation scheme.
2. Transfer quota as needed.
3. Utilize optimum yield.
4. Implement a plan that balances maximizing value and historic dependence on sardine.
5. Implement a plan that shares the pain equally at reduced harvest levels.

I will address this plan relative to these objectives one by one:

1. Simplicity and flexibility do not always go hand in hand. This plan has simple rules to follow for adjusting the allocation of fish which makes the plan flexible.
2. This proposal allows for the transfer of HG between the Northern (OR/WA) harvest area and the Southern (CA) harvest area which is essential in order to keep pace with changing and emerging markets and resource availability. None of the other plans presented addressed the transferability issue.
3. By transferring unused HG from area to area better assists achieving OY. If one area exhibits potential while another fails the HG will be adjusted between the areas to have a better chance of obtaining OY.
4. This plan maximizes value by putting more fish in the hands of better valued markets while excess fish is available. Historic dependence is preserved in a couple of ways: The amount of initial allocation is capped to insure each area starts with a portion of the HG and if the sector catches enough of its initial allocation there will be no fish taken away from that sector regardless of how the other sector performs.
5. This plan shares the pain assuming that the NHA will feel the sting of low abundance first. This is a scientifically backed assumption that can be cited from many NMFS publications. When the NHA cannot harvest due to a lack of availability the unused HG will be gradually transferred to the SHA.

Year 2003

110,908 Allocation		Fish Harvested		Fish Not harvested	
Orwash	36,969	33.33%	36861	99.71%	108
Calif.	73,939	66.67%	36894	49.90%	37,045
Total	110,908		73755	66.50%	37,153

Orwash	36,969
Transfer	11,091
	<hr/>
	48,060
Calif.	73,939
Transfer	-11,091
	<hr/>
	62,848
Total	110,908

Notes: Data complete.
43.33% Fish transferred to north due to uncaught fish being greater than 10% of coastal HG in southern area.

56.67%

Year 2004

122,747 Allocation		Fish Harvested		Fish Not harvested	
Orwash	53,190	43.33%	40608	76.35%	12,582
Calif.	69,557	56.67%	39106	56.22%	30,451
Total	122,747		79714	64.94%	43,033

Orwash	53,190
Transfer	0
	<hr/>
	53,190
Calif.	69,557
Transfer	0
	<hr/>
	69,557
Total	122,747

Notes: Data For 2004 current through Oct. 16
43.33% After Oct. 16 assumed landings similar to 2003
No fish transfer necessary as both sectors left above 10% of the coastal HG uncaught.

56.67%

Year 2005 11% HG Incr.

136,249 Allocation		Fish Harvested		Fish Not harvested	
Orwash	59,041	43.33%	55000	93.16%	4,041
Calif.	77,208	56.67%	55000	71.24%	22,208
Total	136,249		110000	80.73%	26,249

Orwash	59,041
Transfer	13,625
	<hr/>
	72,666
Calif.	77,208
Transfer	-13,625
	<hr/>
	63,583
Total	136,249

Notes: Landings estimated to increase in both sectors.

53.33% Transfer of fish to north due to over 10% of coastal HG left uncaught in south.

46.67%

Year 2006 15% HG Decr.

115,812 Allocation			Fish Harvested		Fish Not harvested
Orwash	61,766	53.33%	45000	72.86%	16,766
Calif.	54,046	46.67%	55000	101.77%	-954
Total	115,812		100000	86.35%	15,812

Orwash	61,766	
Transfer	-11,581	
	<u>50,185</u>	43.33%
Calif.	54,046	
Transfer	11,581	
	<u>65,627</u>	56.67%

Notes: Landings estimated to decrease north and remain same in south.
Transfer of fish south due to over 10% of coastal HG remaining in the north.

Total 115,812

Year 2007 25% HG Decr.

86,859 Allocation			Fish Harvested		Fish Not harvested
Orwash	37,639	43.33%	15000	39.85%	22,639
Calif.	49,220	56.67%	55000	111.74%	-5,780
Total	86,859		70000	80.59%	16,859

Orwash	37,639	
Transfer	-5,000	
	<u>32,639</u>	37.58%
Calif.	49,220	
Transfer	5,000	
	<u>54,220</u>	62.42%

Notes: Landings dramatically decrease in north and remain same in south.
Almost back to original percentages after only a couple of off years in north.
Transfer of fish to south due to more than 5000 tons left in northern area.

Total 86,859

Year 2008 15% HG Decr.

73,830 Allocation			Fish Harvested		Fish Not harvested
Orwash	27,743	37.58%	12500	45.06%	15,243
Calif.	46,087	62.42%	55000	119.34%	-8,913
Total	73,830		67500	91.43%	6,330

Orwash	27,743	
Transfer	-5,000	
	<u>22,743</u>	30.80%
Calif.	46,087	
Transfer	5,000	
	<u>51,087</u>	69.20%
Total	73,830	

Notes: Landings still decrease in north and remain same in south.
Past original allocation percentages in favor of the south.
Transfer of fish south due to over 5000 mt left in northern area.

BUCCANEER FISHING

David Crabbe
PO Box 4224
Carmel, CA 93921

October 10, 2004

Mr. Don Hansen, Chair; Dr. Donald McIsaac, Executive Director and
Members of the Pacific Fishery Management Council
7700 NE Ambassador Place, Suite 200
Portland, OR 97220

SUBJECT: LONG-TERM SARDINE ALLOCATION

Dear Council members,

I am writing this letter on the behalf of Monterey sardine fishermen. We urge the Council to consider the historic importance of sardines to California, and the history of sardine fishing in Monterey and southern California, in your deliberations over long-term sardine allocation. Sardines are a key part of California's fishing industry, as they have been for over one hundred years. The sardine fishery is an important part of California's wetfish catch, which represents more than 80 percent of the total commercial harvest in California.

When the Council adopted the Coastal Pelagic Species Fishery Management Plan in 1999, it established a limited entry fishery in California consisting of 65 purse seine vessels; it later adopted a capacity goal, approving the management team's recommendation that these 65 boats had a "normal harvesting capacity equal to the long-term aggregate finfish target harvest level, approximately 110,000 mt, and with physical capacity available to harvest peak period amounts of finfish, 275,000 mt."

We feel it is important to acknowledge this harvest capacity, as well as the FMP's intent in establishing a limited entry fishery -- to avoid overcapitalization -- when considering long-term sardine allocation options. In addition, we believe it is important for the Council to use best available science as a guideline and adopt only those options that are based on current year field research.

As the history of the sardine resource shows, this is a cyclical resource subject to dramatic change. In the interest of providing a sustainable fishery for as long as possible, we ask the Council to adopt a range of options that consider the long-term impacts on the jobs, culture and social structure of California's historic fishing communities -- including both Monterey and southern California -- and protect this historic, limited entry fishery.

In conclusion and summary, we ask the Council to consider the following points:

- adopt a range of allocation options based on best available science (use of best available science – current year field research – necessitates beginning the season January 1, and if so,
- CA's limited entry fishery would be negatively impacted, curtailed, during our peak fall season in years when the harvest guideline is reduced, unless the Council approves a two-tier allocation system that protects CA's limited entry fishery when the harvest guideline drops.
- No single allocation formula is likely to work well in both high and low quota years, so we ask the Council to revisit this issue in two-to-three years, after more information becomes available on the status of the sardine resource.

Thank you for your consideration of our concerns.

Sincerely,

David Crabbe

The following Monterey Fishermen strongly support this letter.

Fisherman

Boat

Anthony Russo
Andy Russo
Richie Aiello
Dominic Alliotti
Sammy Mercurio
David Crabbe
Franco Sardina
Tommy Noto
Sal Mineo
Richard Deyerle
Frank Alliotti
Joe Davi
Frank Lombardo

King Philip
Sea Wave
New Stella
Alliotti Brothers
Sheri Renee
Buccaneer
Anna S
Lady J
Mineo Bros
Miss Kristina
El Dorado
Ocean Angel 2
Little Joe

This list of fishermen represents almost every boat in Monterey with a Coastal Pelagic Species Limited Entry Permit.