

June 2, 2006

Pacific Fishery Management Council
7700 NE Ambassador Place, Suite 200
Portland OR 97220

RE: June 16, 2006, Item F3 Trawl Individual Quota Analysis

Historically, the Central Coast harbors of California have sustained a vibrant trawl fleet whose year-round landings have provided the foundation for fishery-related businesses and harbor economic infrastructure. In recent years, seasonal/area closures, reduced quotas, and increased costs have caused severe stress on the participants in these fisheries and on related businesses, eventually impacting the harbors' ability to provide marine related services such as fuel, ice, chandleries and buyers. This is especially true in the California harbors that have only sporadic landings in other fisheries such as albacore, salmon and crab. These harbors and their marine related businesses are dependent on ground fish landings. We now understand that the PFMC is considering a major change in fishery governance and regulations in ground fish with the issues surrounding individual fishing quotas for trawlers.

Small, fishing-dependent harbors, have concerns about IFQs to insure that such a governance change does not further diminish our local businesses' capacity to support harbor infrastructure and our fishing fleets. Earlier this year with the much appreciated support of the PFMC and its staff, the Fishing Heritage Group (FHG), hosted an IFQ workshop in Morro Bay, California to try to evaluate our situation in the context of your current IFQ considerations and attempt to formulate input to the PFMC.

We are concerned that a change to IFQs, without appropriate safeguards, could result in consolidation of buyers and fishing operations into a few harbors on the West Coast. This inevitably will collapse the many small, fishing-dependent harbors that have relied on ground fish for year-round employment and services support. Once traditional fishing uses are eliminated in a coastal community they do not come back, representing a real and permanent loss to the nation's seafood supply, economy, and missed opportunities in promoting sustainable fisheries with improved gear under the umbrella of ecosystem based management.

We encourage you to move carefully in your development of IFQ alternatives and deliberately try to protect existing fragile fishing businesses and small fishing-dependent harbors. Concepts we support and recommend for further thorough analyses are:

- 1) A Community stabilization holdback allocation or some other mechanism to insure broad participation in fisheries and protect the local economic and cultural values of small fishing-dependent communities on the Central Coast.
- 2) Consolidation caps or some other mechanism to avoid consolidation of fishing efforts and businesses into a few harbors and a few corporate owners.
- 3) Provisions that would allow gear switching between gear sectors, in a measured way that will not injure existing participants.
- 4) Development of an IFQ allocation formula based on years in the fishery, contribution to fishing dependent communities and conservation performance as well as catch history.
- 5) Stewardship area management that will improve regional management already in place, encourage conservation practices, and take advantage of price and seasonal market opportunities while accessing regionally plentiful fish stocks.
- 6) Current work effort on community profiles for West Coast fisheries. Collection of this baseline information should be expedited and highlighted. It will be vital to decision

making in the IFQ process to insure that we understand the value and importance of these communities along with the potential impacts of major governance changes.

Concurrently with ongoing analysis of IFQs as a management tool, we ask that the Council support and approve Experimental Fishing Permits (EFPs) that will help to develop bycatch reduction methods and incentives, environmentally friendly gear types and access to those plentiful stocks in the RCA or other under harvested resources that may provide the platform for gear switching programs.

We are a unique voice, representing some environmental protection groups, fishermen and Central Coast communities/harbor managers that provide a forum for the resolution of conflicts associated with a variety of fishery management issues. Trust is being built with the FHG and its diverse stakeholders on developing constructive approaches to the issues that face us, unified by the desire to maintain sustainable fishing businesses, while protecting our ocean environment into the future. We hope we can be a powerful partner with the PFMC as we work together to accomplish mutual goals. We stand ready to assist the PFMC in working through the complex issues associated with ground fish trawl IFQ programs, especially as it affects fisheries and communities of the Central Coast of California. Thank you for your consideration.

On behalf of the Fishing Heritage Group -

Brian Foss – Santa Cruz Port District Director
Jay Elder – Harbor Manager, Port San Luis
Rick Algert – Harbormaster, City of Morro Bay
Jeremiah O'Brien – Morro Bay Commercial Fisherman's Organization
Chris Kubiak – Independent fishery consultant, fisherman
Rod Fujita – Senior Scientist, Environmental Defense
Chuck Cook – Director, Coastal and Marine Program, The Nature Conservancy

FISHING HERITAGE GROUP MEMBERSHIP

Harbors:

Linda McIntyre, Moss Landing; Steve Scheiblaue, Monterey; Rick Algert, Morro Bay; Jay Elder, Port San Luis Harbor; Peter Grenell, Half Moon Bay; Brian Foss, Santa Cruz

Fishermen:

Kathy Fosmark and Mike Ricketts, Alliance of Communities for Sustainable Fisheries; Jeremiah O'Brien, Morro Bay Commercial Fishermen's Organization

Nongovernmental Organizations:

Chuck Cook, The Nature Conservancy; Rod Fujita, Environmental Defense; Mike Sutton, Center for the Future of Oceans, Monterey Bay Aquarium

Observer/Advisors:

Greg Haas – District Representative for Congresswoman Lois Capps

cc: The Fishing Heritage Group



June 6, 2006

Agenda Item F.3
June 2006

Dr. Donald McIsaac, Executive Director
Pacific Fishery Management Council
7700 NE Ambassador Place, Suite 200
Portland, OR 97220-1384

Dear Dr. McIsaac and members of the Council:

On behalf of the Natural Resources Defense Council (NRDC) and our more than one million members and activists, we are writing to offer our comments on the Groundfish Trawl Individual Quota Stage I Analysis.

NRDC has a long-standing interest in the conservation of the Pacific groundfish fishery. While IFQs are an economic tool, they can be used to achieve conservation goals. If the Council determines that an IFQ system is necessary and appropriate for this fishery, the program should be done in a way that maximizes the conservation of groundfish populations and the protection of critical habitats and minimizes bycatch. After reviewing the Stage I analysis, we are concerned that many conservation tools are absent or appear to have been discarded without proper analysis. We ask that the analysis be revised to address the following concerns.

1. **Legal properties of quota.** We recommend that the Council adopt explicit language as part of any IFQ program clarifying that quota shares are privileges that can be revoked by NMFS or the Council. We suggest the following language, from S. 2012, stating that IFQs under this program:
 - shall be considered a permit for purposes of sections 307, 308, and 309 of the Magnuson-Stevens Fishery Conservation and Management Act;
 - may be revoked, limited, or modified at any time in accordance with the Act, including revocation for failure to comply with the terms of the plan or if the system is found to have jeopardized the sustainability of fish populations or safety of fishermen;
 - shall not confer any right of compensation to the holder if the privilege is revoked, limited or modified;
 - shall not create, or be construed to create, any right, title, or interest in or to any fish before the fish is harvested by the holder; and
 - shall be considered a grant of permission to the holder to engage in activities permitted by such limited access privilege.

2. **Gear switching.** If the only way to get, use, and hold quota is to trawl then trawl gear will continue to be a major part of the groundfish fishery. The bycatch and habitat impacts of a permanent trawl fishery—even with the Councils' EFH provisions—are likely to be much greater than that of a fishery that includes a higher ratio of fixed gear to trawl effort. The Council should include a program allowing quota holders to convert from trawl gear to other gears without losing their quota or landings history. Analysis of such an option could help identify measures that might be needed to avoid potential adverse impacts on other gear groups. For example, conversions could be limited to a certain amount of quota or vessels each year and linked to an analysis demonstrating the possible impacts of increased effort in areas open to fixed gear. We understand that Chris Kubiak and Rod Fujita have submitted a gear-switching proposal to the Allocation Committee, and we believe gear-switching should be explicitly addressed in the IFQ process.
3. **Initial allocation.** The analysis focuses primarily on using catch history and recent participation to award initial shares. NRDC strongly disagrees with this approach. One of the premises of an IFQ system is that they are a market-based approach to allocating fish, and yet Section 1.2.1 of the analysis indicates that market-based approaches to initial allocation, such as auctions, will not be considered. An allocation system based solely on past performance places the Council in the extremely difficult position of picking winners and losers, and invariably leads to extensive analyses of multiple allocation schemes as everyone strives to be in the winners circle. We believe it could be much more effective to structure a tiered auction, including categories for different size vessels and a cap on consolidation. This also has the benefit of returning more of the real value of the public resource to the public trust and providing start-up management funds. Tiered lotteries can provide many of the same benefits without forcing the Council to reward or punish individual fishermen. We ask the Council to reconsider auctions and lotteries in initial allocation.

At a minimum, catch history and recent participation should be part of a multi-factor allocation system that also includes conservation criteria, such as a vessel's history of low bycatch rates.

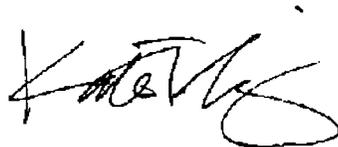
4. **Hard bycatch caps.** Because of the multi-species nature of the groundfish fishery, it includes several overfished species as well as species whose market value has changed dramatically over time. NRDC supports hard bycatch caps for overfished species, as well as measures designed to keep the total mortality of every managed species within its OY, and measures that will systematically reduce the bycatch of species without OYs over time (e.g. a bycatch cap with annual reduction targets until a minimum level is reached). NRDC does not support rollover of quota for overfished species.
5. **Processor quotas.** NRDC is opposed to a separate system of processor shares and we support the Council's current decision to forgo such a system and only focus on quotas for catching fish.

Designing and implementing an IFQ program is a complex process and we appreciate the Council's work in keeping its process accessible and open to the public. We look forward to continuing to work with the Council and staff on groundfish management.

Sincerely,

A handwritten signature in black ink that reads "Karen Garrison". The letters are cursive and somewhat stylized.

Karen Garrison

A handwritten signature in black ink that reads "Kate Wing". The signature is very cursive and stylized, with a large loop at the end.

Kate Wing