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NORTH PACIFIC FISHERIES TRUST

March 9, 2009

Agenda Item G.4.c
Supplemental Public Comment 3
March 2009

Mr. Donald K. Hansen
Pacific Fishery Management Council
7700 NE Ambassador Place, Suite 101
Portland, OR 97220-1384

Re: Agenda Item G. 4. Fishery Management Plan Amendment 20 - Trawl Rationalization - Accumulation Limits;

Dear Chairman Hansen:

Ecotrust and the North Pacific Fisheries Trust strongly endorse the Proposed Framework for the Establishment of Community Fishing Associations presented to the Council February 18, 2009 by The Nature Conservancy. This proposal would amend the preferred alternative (Rationalization of the Groundfish Trawl Fishery) such that it becomes conducive to the creation of Community Fishing Associations (CFA) or similar community-based entities for the purpose of mitigating the projected negative effects of trawl rationalization on some west coast fishing communities. Section 303A (Limited Access Privilege Programs) of the Magnuson-Stevens Fishery Conservation and Management Act, authorizes that fishing communities and regional fishery associations may organize to hold limited access privileges (quota).

We concur with The Nature Conservancy's (TNC) assessment (which is borne out by analyses of the impacts of quota systems on fishing communities in Alaska, British Columbia and elsewhere[1]) that it is the first 3 to 5 years after initial allocation of an individual fishing quota (IFQ) system are typically the period where most community upheaval is likely to occur. As noted in TNC's proposal, "after that period it becomes increasingly difficult for new participants or entities—including traditional fishing communities—to enter or re-enter the fishery."

The Alaska Community Quota Entity (CQE) program is a case in point: by the time the program was established, some 10 years after the inception of the IFQ program, the market for quota had matured to such an extent that very little quota is available, and only at very high prices. In 2006 Ecotrust formed the North Pacific Fisheries Trust, capitalized with $6 million, as a partial remedy to this problem, making low interest loans available to CQEs that are purchasing quota. The PFMC has the opportunity to obviate the need for such expensive "tail pipe" fixes by creating the space for community entities from the inception.

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[1] Catch-22: Conservation, Communities and the Privatization of BC Fisheries, Ecotrust Canada and Ecotrust, November 2004 (http://www.ecotrust.ca/files/Catch-22-November2004.pdf) and;
Lowe, M.E. and C. Carothers, editors. 2008. Enclosing the fisheries: people, place, and power. American Fisheries Society, Symposium 68, Bethesda, Maryland.

In distinct contrast, the Community Development Quota program of Alaska is the precedent for a fishery management council establishing this type of community entity and allocating quota to them.

There are several nascent community quota entities on the west coast that would benefit from these provisions. Since they are typically organized around multiple sectors and fisheries, and since groundfish traditionally has been an important part of the portfolio of diverse fishing communities, the Council has the unique opportunity to shape the trawl IFQ program in ways that fulfill the spirit and intent of the Magnuson-Stevens Act, creating and meeting the conditions for economic and ecological sustainability, and our responsibilities under National Standard Eight (8).

To reiterate the core of the TNC proposal in terms of requested actions of the Council;

- federal guidelines for the establishing community entities ***must be in place at the time the IFQ program is implemented.***

To ensure that this opportunity is available to communities, we request the Council take the following actions:

- Develop a framework for CFAs in the current set of trailing actions to be completed by June 2009, including specific accumulation limit rules for CFAs that meet the requirements.
- Allow entities that qualify for quota share in excess of individual accumulation limits the opportunity to divest if the excess after initial allocation.

A divestiture policy would create a supply of quota available during the same time period in which community entities would likely be most active in seeking quota acquisition; sale of this excess quota share could be constrained to benefit community entities, for example, through a price penalty in proportion to the distance from his/her home port that a quota holder wants to sell (thus creating an incentive to sell "close to home") or a right of first refusal for community entities in the home port. Such differences in asset classes are not unusual in other quota programs (e.g. blocked and unblocked halibut quota in Alaska and their differential pricing structures.)

Sincerely,

Edward H. Backus

Edward H. Backus
Vice President, Fisheries
Board Chair, North Pacific Fisheries Trust