

October 5, 2016

Pacific Fishery Management Council  
7700 NE Ambassador Place, Suite 101  
Portland, Oregon 97220-1384

RE: 5-Year Catch Share Review Public Comment

Mr. Chairman and Council Members,

The purpose of this letter is to provide the Pacific Fishery Management Council with important information regarding the negative and deleterious consequences associated with the gear switching aspect of the trawl ITQ program. I believe this program is so deeply flawed and ill conceived, that it cannot be fixed with minor alterations and should be terminated as soon as possible. I will provide specific details throughout this letter examining how flawed logic and incorrect assumptions have resulted in the poor management decisions that allowed this program to move forward.

I am hopeful that you will take the time to consider the validity of this information. Your decision regarding the future of this program should be based on what is best for all sectors of the groundfish fishery and the sustainability of resource. If management mistakes were made they must be corrected before the resource suffers irreparable harm.

Clearly the trawl rationalization program has received the lion's share of the resources, attention, management actions and publicity. It is appropriate to place a higher priority on the damaging effects that bottom trawling can have on critical habitat and the unwanted species by-catch, relative to the fixed gear sector. Unfortunately, this myopic focus on trawl regulations has created a management vacuum that is sucking the life out of the fixed gear sector. It has resulted in damage not only to the economic viability of the fixed gear sector but also to the sustainability of the species it depends on. In this case, primarily black cod.

The gear switching program is having a profound impact on both the economic viability and biological sustainability of the fishery in my area. Gear switching introduces new, unwanted, and unsustainable fishing effort on species, and in locations already under highly restrictive management practices. The existing fixed gear management approach is incompatible with ITQ gear switching management. You are mixing unrestrained ownership based transferable pools of fishing effort into an existing highly restrained effort based management structure. The result is a classic example of ITQ failure.

Historically, trawl effort in the south of Point Conception region was not directed towards black cod, primarily due to bottom topography. With the advent of gear switching, and the failure to safeguard against effort consolidation, it is now economically viable for larger northern vessels to introduce gear switching effort onto southern habitat which was previously un-trawl-able without large roller gear which is no longer permitted. While this action may benefit a few vessels it directly violates the sustainability objectives of the strategic plan. It is also unfair to fixed gear fisherman who continue to struggle under restrictive rebuilding programs and bi-monthly catch limitations. In some cases, smaller

local boats are being pushed off traditional fishing grounds by new ITQ trawl gear switching effort. Gear switching quota can be purchased on the open market by tiered blacked permit holders, who have already reached consolidation limits thus bypassing consolidation limitation objectives. Consolidation limits are designed to protect the diverse nature of the fishing fleet. This practice is jeopardizing the economic viability of smaller operations. Fishery dependent data indicates a drop in CPUE below the 36 management line since the introduction of new gear switching effort. While gear switchers enjoy the freedom from no weekly or monthly trip limits, the fixed gear sector suffers due to reduced trip limits effective in 2017.

Managers should interpret this as a very important red flag indicating a management error is endangering the stock. The 218,000 lb. ITQ vessel cap is resulting in regional serial depletion of deep-water breeding stocks in our area that were never targeted with trawl gear. In fact, the gear switching harvest rate far exceeds any removal rates by any sector when analyzed on a regional level. The program endangers the blackcod stock. The NMFS should be very concerned that the attempt to reduce trawl gear specific impacts is in fact inadvertently collapsing the fishery.

Fishery management is a very complex procedural challenge. In order for management strategies to be successful, the unintended consequences of any management strategy must be properly considered and addressed in a meaningful manner. The five-year review of this program offers you that opportunity. Unfortunately, the good intentions behind this program have run headfirst into the unintended consequences caused by a lack of understanding of the complexities of a multi-gear-fishery. This program affords the trawl sector special ownership rights and privileges that negatively impact the fixed gear sectors disproportionately and unfairly. To make matters worse, the managers quest to reduce the ecological and biological impact of the gear sector with the highest negative footprint (trawling), ends up damaging the sectors with far less negative environmental impacts. In essence, the Council is rewarding unsustainable behavior and punishing fishing practices that tread lighter on the resource.

**In October 2000 the Pacific fishery Management Council (PFMC) adopted the ground-fish fishery Strategic Plan “transition to sustainability”. The problems caused by the gear switching program can be attributed to a failure to abide by several key principles laid out in the PFMC’s Strategic Plan.**

In order for the Council, federal managers, and NGO special interest groups to understand why the gear switching program is having such a profound negative effect, it is important to look back at the management strategy designed, outlined and implemented through the framework of the Groundfish Strategic Plan prior to the Trawl Rationalization Program. The trawl ITQ program must be guided by the principals adopted under the Strategic Plan if it is to succeed without disrupting other competing gear sectors. The Strategic Plan is the framework for these guiding principles. Below I will detail how ITQ gear switching conflicts with important key Strategic Plan principals, including the PFMC highest priority principle.

**The ground-fish Strategic Plan clearly states on page 4; “what will we do to get there?” (groundfish Strategic Plan text “in parenthesis” and underlined below) . PFMC Ground Fish Strategic Plan Transition to Sustainability.**

**1) “HIGHEST PRIORITY; Develop an implementation plan to reduce capacity initially by at least 50% in each sector”.**

***Trawl ITQ gear switching significantly increases fixed gear effort in the fixed gear sector, directly contradicting the stated goal of “decreasing effort by at least 50% in each sector”. The PFMC has taken the extraordinary mismanagement step of permitting the sale of overfishing capacity out of the trawl sector and directly into the fixed gear sector. This premature management error has been committed prior to any meaningful rationalization or consolidation of fixed gear permits. Trawl ITQ ownership privileges were intended and designed as a tool with a primary purpose of reducing trawl effort capacity within the trawl sector not the fixed gear sector. The miss-use of this management tool is harming the fixed gear sector which lacks ownership privileges and is struggling with highly restrictive management due to existing overcapacity and stock availability problems. Fixed gear permit holders are only permitted to harvest one cumulative trip limit per vessel even if they hold multiple fixed gear permits, as a management measure to control effort. Introducing or increasing new pools of trawl fishing effort into the fixed gear sector before the PFMC develops and adopt a plan to address existing over capacity issues in the fixed gear sector conflicts with the objectives of the Strategic Plan. It is a poor management decision resulting in negative unintended consequences that are irreparably harming the fixed gear sector.***

**2) “However, the capacity reduction goal will not be fully realized until capacity has been reduced to a level that is in balance with the economic value of the resource and those remaining in the fishery are able to operate profitably and flexibly”.**

***Any fishery that requires a permit holder to buy a separate fishing vessel for each and every limited entry fixed gear groundfish permit owned by that same individual permit holder lacks flexibility. It is far more profitable to catch multiple cumulative trip limits from a single vessel operating efficiently than from multiple vessels operating inefficiently. Any fishery that constrains its participants to cumulative weekly trip limits and bimonthly quotas has not balanced the economic value of the resource with those remaining in the fishery. These facts can lead to only one inescapable conclusion. Obviously the fixed gear sector is not operating profitably or flexibly and the capacity reduction goal has not been fully realized if these restrictions are still necessary to control fishing effort within the fixed gear sector. Allowing the trawl sector the ability to sell off an allocation based trawl right, granted under a trawl gear specific ITQ program and enter the fixed gear sector at this time, is destructive to the probability and flexibility of the fixed gear sector. This action directly violates the Strategic Plan’s stated goal and severely retards the fixed gear sectors ability to meet “the goal of balancing the economic value of the resource with the profitability of those remaining in the fixed gear sector of the fishery”. Gear switching subtracts economic opportunity away from both the trawl and fixed gear sectors. Termination of the program is warranted.***

**3) “The implementation plan should take into account the needs to implement other plan recommendations (i.e., allocations, nearshore rockfish delegation) prior to or at the same time as capacity reduction.”**

*The trawl ITQ program is primarily a capacity reduction tool. Converting trawl quota into fixed gear quota is an allocation issue. The PFMC has allocated trawl caught quota access to fixed gear habitat without considering the impact on the fixed gear sector. This is very poor planning and it clearly violates the plan recommendation that cross sector goals “require” coordination as they are implemented.]*

*4)“Reducing capacity will relieve the need to adopt management policies that are both inefficient and ineffective at achieving the FMP's goal and objectives.”*

*Crowding new gear switching effort into the fixed gear sector does not fit the definition of capacity reduction. it certainly is not achieving any effective fixed gear capacity reduction goals. Based on the feedback so far, gear switching has only succeeded at rescuing The Nature Conservancy (TNC) from a bad investment and creating golden parachutes for a few fishermen.*

*5)“By better matching fleet capacity to resource availability, the regulatory structure will become more stable, resulting in regulations that are more enforceable.”*

*The gear switching program is clearly introducing instability into the sector it came out of and instability into the sector it's going into. Had this program made the regulatory structure more stable we wouldn't be dealing with the chaos it is causing.*

*6)“Explore the use of higher landing limits or other incentives to encourage fisherman to fish with bycatch friendly fishing gear or to fish in areas where bycatch is less likely. Make the necessary allocation decisions so that fishery participants in each sector can plan on a specific share of future OY's. Allocation may be outright percentages or a framework with criteria that specify how the allocation changes as resource availability changes.”*

*Gear switching haphazardly attempts to achieve this objective without any concern for the rest of the fishing fleet or any of the other Strategic Plan's principal objectives. Gear switching diminishes the ability of fixed gear participants to plan on a specific share of future OYs. The program has “explored the use of fish friendly gear” but ignored the fact this particular fish friendly gear was already in use in a sector struggling under reduced allowable catches.*

*If gear switching is in fact necessary to mitigate environmental impacts in the trawl fishery, then the species requiring gear switching should not have been allocated to the trawl sector in the first place. The correct remedy to this management problem is to reallocate to the sector that historically deployed fish friendly gear not reward one that did not.*

*If you disagree with reallocation and insist on retaining the program, please understand that trawl effort pools, re-allocated into the fixed gear sector ‘MUST’ be restrained and contained regionally. For instance south of the 36 line restrain gear switcher to the same trip limits and bi-monthly quotas as the fixed gear sector. Establish block sector quota allocation similar to the Alaskan halibut ITQ program*

*throughout the west coast range. Block sector quota allocations should be based on the historic location of the catch history which supported the trawl sector allocation of the black cod species. This will help address the ongoing regional depletion attributed to management's failure to control quota consolidation regionally.*

*Remember the trawl allocation catch history was based on the individual trawl history of hundreds of vessels fishing the entire range of the management zone. ITQ gear switching cannot be allowed to concentrate this historic, spatially-distributed-fishing-effort, onto small regional reef structures that are incapable of supporting this level of extraction. Failure to abide by this simple principal is and will result in stock collapse and fishery failure.*

*Respectfully,  
Chris Hoeflinger  
Fixed gear goundfish permit holder.*

# FISHING VESSEL OWNERS' ASSOCIATION INCORPORATED

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Mr. Herb Pollard, Chairman  
Pacific Fishery Management Council  
7700 NE Ambassador Place, Suite 101  
Portland, OR 97220-1384

PFMC

RE: Trawl ITQ Program Review

Dear Chairman Pollard:

The following comments are on behalf of the members of the Fishing Vessel Owners' Association (FVOA). FVOA is a trade association that represents 95-fishing families, all of whom hold halibut and sablefish IFQs in Alaska and off Washington, Oregon, and California. The members operate 95 fishing vessels that crew 3-5 people and fish from Ft. Bragg, California to the Bering Sea. Our members fish 34 Sablefish Tiered permits and participate in the Trawl ITQ program.

A few of our members have actually purchased for permanent transfer trawl quota. Most of our members that fish trawl quota have used the marketing exchange Jefferson Trading or other services to annually lease trawl quota. As an example, the F/V St. John II crew 5 to 6 persons. They are leasing a trawl L.E. permit that fits the length of their vessel and they bid and acquired quota on the Jefferson Trading Exchange. They acquired trawl sablefish and the other species caught along with the sablefish. This vessel and crew deliver an eastern cut sablefish as their primary fish and receive prices in categories of 7 lbs. up, 5 to 7 lbs.; 4 to 5 lbs.; 3 to 4 lbs.; 2 to 3 lbs.

The average price for 2016 has been about \$5.60 a pound for eastern dressed sablefish. The price of short spine has been \$0.90, and other species such as Shortraker and Roughey have been about \$0.35 to \$0.50/per pound. The cost for leasing, paying the IFQ fee, buy back fee, and observer fees accounts for about half the value of the catch. So the crew and vessel are netting about \$3.00/pound, from which, fuel and trip expenses are taken plus the crew shares. Leasing the different rockfish species has not been a problem. However, Yelloweye can cost \$20 to \$25/pound.

We do find that some quota of course never comes to the market. Many trawlers who received the equal share of sablefish trade this for similar value and poundage of primary species such as

whiting. Trading quota is very common. One of our vessel owners that bought trawl poundage trades the ling cod to a person that trawls for that trawlers sablefish. One of our vessels, the F/V Golden Chalice, leases quota, most recently from the Moro Bay group. In Oregon and California there are live markets and the live market for short spine is very lucrative or any other species that can be delivered live including sablefish.

The market for the different rockfish species other than short spine is not very good in northern ports. We receive relatively poor prices for rockfish in the north, the prices ranging from \$0.30 to \$0.50 in the round. One of the competing factors for these poor prices is that the volumes delivered are not enough to have a 6-month menu for customers. There is also a lot of competitive products that are imported. Sometimes the very processors that are offering prices for coastal rockfish species are importing species such as tilapia and Vietnamese catfish, which are produced in volumes of a million tons each annually, which drags down the West Coast fish prices for different rockfish and flounders, such as Dover sole. Those who propose to limit the amount of sablefish available to be used by fixed gear are not going to affect the price of Dover sole or other white fish prices with the cheaper imports that are available. Restricting the amount of sablefish that can be used for fixed gear will artificially reduce the overall value of sablefish as trawl-caught sablefish does not command a premium price. It would seem some processors want cheaper sablefish and even cheaper Dover sole. The Council needs to be mindful that the TAC for Dover sole is 31,000 MT and only 7-10,000 tons is being caught. That is not due to a lack of sablefish, but the result of artificially imposed trip limits of Dover sole by the processors. Cheap sablefish is not likely to occur in the next couple years. It is also unlikely that competing products such as Tilapia imported by some processors, that also process Dover sole, are not likely to be reduced nor prices of either raised in the near future.

It should be recognized that major processors are bidding on the Jefferson Exchange for sablefish. One of the reasons the bid rates are high for sablefish is due to the oppressive bidding from processors who out bid both trawlers and fixed gear fishermen.

Not all the available rockfish and other species are being put up for lease. This is in part a function of some individuals who received quota pounds not receiving an amount to justify the operation of a vessel but also perhaps not enough to generate much income generally. This results in some quota being left unused. Perhaps there should be a requirement that all quota must demonstrate some level of being available. A person holding quota, even relative small amounts, needs to show that they made the product available through some public process such as a Jefferson Trading or public advertisement in the fishing magazines. For those who do not provide this over a period of time perhaps their quota is forfeited pro rata back to the active fleet.

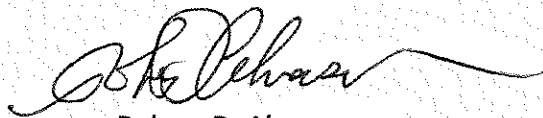
The Council may need to acknowledge a very difficult problem and that is even with the buyout and the current quota program additional downsizing of the fleet is probably required so vessels have an adequate amount of directed and bycatch species available to them. This is something only time will correct. Our members do not support forcing limitations on the

Chairman Herb Pollard  
September 30, 2016  
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current methods of harvesting given species such as sablefish. With the current design of the trawl ITQ program, the market will in time correct the behavior of harvesting and marketing fish.

The members of the FVOA that are participating in the Trawl ITQ program believe it is working as the Council members envisioned. The fixed-gear harvest of sablefish has increased the overall value of the resource with less impact on the marine habitat and has been able to market their bycatch species. Our members support continued use of the "gear switching" aspect of the trawl ITQ program.

Sincerely

A handwritten signature in black ink, appearing to read "R. Alverson", with a long, sweeping horizontal line extending to the right.

Robert D. Alverson  
Manager

RDA:cb



12 October 2016

Mr. Herb Pollard, Chairman  
Pacific Fishery Management Council  
7700 NE Ambassador Place, Suite 101  
Portland, OR 97220-1384



Dear Chairman Pollard,

At recent Public Hearings held as part of the Council's Five Year Review of the Catch Share Program, one of the issues raised centered on observer costs and how these costs are billed to fishermen. The complaint seemed to center around Alaskan Observers, Inc. (AOI) and our practice of billing by a calendar day, the implication being that this in some way "forced" vessels to leave port at midnight even when it is unsafe to do so.

The accusation that AOI's billing practices are forcing anyone to depart at any particular time isn't borne out by what's actually happening. No doubt some fisherman are reacting to observer costs in this way, but we know from a review of actual departure times that there are skippers who base their trip starts—with departure times like 2145 or 2230—on traditional factors. Furthermore, it isn't accurate to insist that AOI has no partial-day rate, since anytime a vessel arrives back in port and offloads on the same day, we charge that vessel for ½ day of coverage (the other ½ day gets billed to the First Receiver).

The skippers we work with demand that observers be available whenever they want to go fishing, and this availability has to be reliable—no trip can be missed or delayed because an observer is late or unavailable. Furthermore, these skippers have made clear that they far prefer carrying experienced observers to carrying new, untested observers. For five years, we've worked to satisfy these expectations, and we've done so successfully—we have never failed to cover a single vessel we're contracted with, and we've often been able to cover non-contracted vessels when they've been in need as well. We've held training to a minimum, working to provide good jobs to the biologists we hire so that we can retain them for years at a time. The reliability we've demonstrated and the experience of our observers go hand-in-hand—to provide the one, we need the other.

The service we provide has a cost, which is what we charge. The subsidy provided by the Government through the first years of the Program apparently left a legacy such that now fishermen believe that observers cost too much. Never mind that other small-boat observer programs, both on the east coast and in Alaska, cost more than \$1000.00 dollars a day: Catch Share Observers on the West Coast cost too much. But here's the thing—we charge what it costs to provide the service we provide, and if I were to direct my General Manager to figure out a partial-day rate or an hourly rate to silence the current complaints, I would insist any rate structure he designs be revenue neutral—and so our daily rate would go up. And of course, the complaints would continue in a new form, because at its root, I believe the complaint about our practice of billing by the calendar day is really a complaint about costs: fishermen believe that observers cost too much.

In 2010 I made a public commitment that the Catch Share Observer Program would not fail the industry; no other Provider was foolish enough to do so. No other Provider has made anywhere near the investment AOI has in this project. Not only has no other Provider stepped up, they've decided—wisely, probably—to step away. We've often heard fisherman on the West Coast complain that they're carrying observer costs for other fishermen—before they were provided EM free of charge by the Government, hakers complained that they were carrying the draggers; the draggers in Oregon complain that they're carrying the draggers down south; and so on. Here's some news: through 2013, AOI and the Government carried them all, the Government through its subsidy and AOI through its operating losses. Whatever AOI does going forward, the Catch Share Program will have to stand on its own.

AOI certainly has no interest in placing the vessels we work with, their crews, or our observers in unsafe situations. At this point, though, I fail to see how we're forcing any unsafe practices on anyone, in spite of accusations to the contrary. Please let me know if you have any questions.

Sincerely,

A handwritten signature in blue ink, appearing to read "Michael Lake", is written over the typed name.

Michael Lake  
President

Bob Eder  
F/V Timmy Boy  
Argos, Inc.  
PO Box 721  
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(541)961-0569

October 13, 2016

**Agenda Item F.6.**

**RE: Five Year Review  
Trawl Catch Share**

**Public Comment**

Dear Chairman and Members of the Council:

My name is Bob Eder and my wife and I own the F/V Timmy Boy and fish out of Newport, Oregon.

We bought this particular boat and its permits in 2011 largely because we planned to fish trawl quota with fixed gear. The F/V Timmy Boy had a long history as a shoreside trawl operation.

It's no surprise that everyone would like more sablefish quota, the most valuable groundfish. You will certainly not find a permit holder who feels he/she got too much.

I hear claims that fixed gear leases on black cod have driven prices to levels unaffordable for shoreside non-whiting fishermen. Not true. Information available on the Jefferson State Trading site shows that in recent years a preponderance of black cod sales has gone to high bidders representing the major processors. These buyers are able to distribute quota pounds through their accounts to their trawl or fixed gear vessels as they choose and then acquire more. We lease far more trawl IQ sable than we own, but haven't leased any at auction, and, like the trawlers who complain about the cost of quota, could not long operate at the prices you see on that site.

Figures previously supplied by NMFS show that the gear-switch sablefish catch, expressed as a proportion of the total trawl allocation, hasn't risen since 2011, year one of the trawl IQ program. It's likely that it will raise, given the changes in the North Pacific fleet that now allows pots. But so far, that hasn't happened.

The costs are high, the margins may be modest, but the gear switch aspect of TIQ is working. It represents one of the program's successes. With gear

switching, the value of the public resource is optimized. The program's stated goal of catching fish while somewhat reducing the trawl track is being met.

If the Council should choose to make any alterations to gear switching, please do not do it in such a way that it becomes economically unfeasible for those of us who have committed to the fishery. If you think there is too much growth in this new sector, call a time out – a moratorium on new participation. But don't create a second class of permit holders with lesser vessel caps or fishing opportunity.

/s/

Bob Eder  
F/V Timmy Boy





Mr. Herb Pollard  
Chair, Pacific Fishery Management Council  
7700 NE Ambassador Place, Suite 101  
Portland, OR 97220

**Re. 5 Year Amendment 20 Catch Share Review, Inter-Sector Allocation, and associated west coast community meetings sponsored by NOAA Fisheries and the Pacific Fishery Management Council (PFMC)**

*Pacific Seafood operates shore-side processing plants in California, Oregon and Washington, as well as a fleet of fishing vessels, and processes a major portion of both whiting and non-whiting ground-fish landed on the West Coast. Pacific participated throughout the development of the trawl IFQ program and we continue to be very engaged in the management process. Like the IFQ Harvesters, IFQ quota holders, the PFMC, and the NMFS, Pacific Seafood has a vested and substantial interest in a successful trawl ground-fish program.<sup>1</sup>*

Following the catch share review community meetings we continue to express concerns stated in the last 3 years. In essence, although the IFQ program has produced positive results in the areas of conservation and bycatch management, the program had detrimental impacts on the majority of the participants in non-whiting shore-side groundfish fishery. With the exception of several species, harvest attainment rates are down, profitability has suffered, we have not supplied our markets on a consistent or predictable basis, and we have suffered the loss of many key employees. These are diametric contradictions of the stated Goal and Objectives in the Amendment 20 (A-20) FEIS.<sup>2</sup> With this said we are encouraged by the Council's recent efforts to assist, alignment of major segments of the fishing community, and the support of other stakeholders to seek meaningful solutions for these issues.

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<sup>1</sup> Supplemental comment to the PFMC. Agenda Item B, Catch Share Review. Nov 2015  
[http://www.pcouncil.org/wp-content/uploads/2015/11/B1b\\_Sup\\_PubCom3\\_PacificSeafood\\_Nov2015BB.pdf](http://www.pcouncil.org/wp-content/uploads/2015/11/B1b_Sup_PubCom3_PacificSeafood_Nov2015BB.pdf);

<sup>2</sup> Goal & objectives A-20 FEIS: "Create and implement a capacity rationalization plan that increases net economic benefits, creates individual economic stability, provides for full utilization of the trawl sector allocation, considers environmental impacts, and achieves individual accountability of catch and bycatch. Additional stated objectives of Amendment 20 include: (#2) "Provide for a viable, profitable, and efficient groundfish fishery"; (#4) increase operational flexibility; (#5) "minimize adverse effects of the IFQ program on fishing communities"; (#6) "Promote measurable economic and employment benefits through the seafood catching, processing, distribution elements, and support sectors of the industry."; and (#7) "Provide quality product for the consumer."



At the community meetings Mr. Jim Seger and the chairs asked that we concentrate on two questions: What effects has the IFQ catch share program had on us individually--personally and/or in our businesses--and what were our thoughts on inter-sector allocation.

**The following additional comments include:**

1. A summary of Pacific Seafood's representatives' public testimony at the recent community meetings.
2. Perceptions and takeaways of other public testimony.
3. Follow-up conclusions and recommendations for the Catch Share Review.

**Summary of Pacific Testimony:** Pacific had representation at six of the community meetings. We repeated several key themes to the various audiences and different panel members at different meetings, but we also asked our team members to supply personal testimony to contrast what the trawl groundfish fishery was like prior to the IFQ program and after initial implementation. .

- **Theme:** Foreign competition: Swai and Tilapia whitefish fillets have increased from under 10 million pounds in 1998 to over 640 million pounds in 2015. These items now account for 14% of the annual per capita seafood consumption in the U.S.
- **Theme:** Markets are dynamic. Marketing is a disciplined exercise that requires a specialized skill set. Planning and customer knowledge are key. Once interested, customers demand consistency and predictability. Once a market is created it must be nurtured and maintained or it will be lost. Market dynamics must be understood and analyzed in order to base present day management programs on sound economic principle.
- **Theme:** The fact that we now have rebuilt a sustainable population of rockfish to harvest after 16 years of forgone opportunity, but are unable to access this fish due to a morass of archaic and unnecessary regulations, is the epitome of what is wrong with the management side of the IFQ non-whiting program. Flexibility is a stated objective, but the inability of NMFS to remove or amend regulations which prove an absolute barrier to economic success has created a Catch-22 state where incapacity to move forward is the rule not the exception. In essence this program has never been fully implemented.
- **Theme:** Pacific Seafood has lost 45% of their filleters since inception of the IFQ program.
- **Theme:** Inter-Sector allocation: Consideration should be delayed and the first priority for NMFS resources should be to repair the damage that has occurred to the non-whiting trawl sector. The time to consider reallocation is not when any sector is in a state of weakness or disarray due to management. Timing the analysis of inter-sector allocation during periods of weakness may lead to false conclusions as to what the necessary amount of choke, or target species are, and which must be retained in the shoreside

fishery in order keep it economically viable. Further, in a weak state condition it may motivate fishermen to lease quota offshore, further disrupting harvest utilization rates, eroding markets, reducing shoreside processing employment, and degrading processor income streams. In this equation consideration for downstream impacts to the processor does not exist.

- **Pacific: Personal statements (paraphrased):**
  - **Pacific comment: Half Moon Bay:** Whiting side is working reasonably well but non-whiting side is an economic failure:
  - **Pacific, Charleston:** used to have groundfish 3 to 4 boats unloading a week...this year went 6 months without 1 groundfish vessel unload. Was a groundfish fillet plant prior to the RCA's. Was hope that after target species rebuilt Charleston might again become a groundfish plant.
  - **Pacific Astoria,** had 40 people attend....annual pay has been reduced dramatically due to a lack of groundfish....had much higher landings of groundfish prior to the IFQ program.....lost many workers due to a lack of work...paychecks employees receive support other local businesses....employees don't understand why the regulations impact the fishing, but have felt the results in reduced incomes, subsidized school lunch programs for their children, cutbacks on household spending etc.
  - **Pacific Eureka,** lack of available sablefish for bycatch forced 3 vessels to cancel fishing for Dover for 3 months which forced the fillet crew onto unemployment. Dover filleting puts a relatively large number of processing people to work vs. sablefish production. Viability of continued groundfish program for Pacific in Eureka is questionable unless there are improvements in harvest and consistency.

#### **Perceptions and Takeaways from the Community Meetings: (paraphrased)**

- **Half Moon Bay:** when asked if better off under the IFQ program, all non-whiting trawl participants voted worse off which was the majority of those voting. One whiting participant and another participant voted they were better off. Port commissioner for Monterey Harbor said there have been no trawl deliveries in that port for over a year. Two brothers whose family has fished that area for decades have not made a delivery in over a year and one may move his operation to Oregon. No processors or fish buyers left on the central CA coast. No infrastructure left.
- **Eureka:** one participant said there was an ENGO target on the back of the trawlers over bycatch and that the IFQ program was necessary to keep the fishery going. One other participant suggested that with 100% observer coverage there may have been other options than catch shares which would achieve the bycatch savings.
- **Coos Bay:** a non-Pacific processor testified that they have lost employees and it



has become difficult to retain employees. Port commissioner said there were a large number of commercial vessel-tenants that were no longer capable of meeting there moorage payments.

- **Astoria:** Groundfish is the only fishery that can provide year around employment, if lost, there will be only seasonal fisheries left to attract workers. Not much opportunity in the town of Astoria for good paying jobs. Mayor of Warrenton stated that when they lost one processor utility bills went up to residents. Was hoping to see a return of a processor to that community. Understands the importance of a year around groundfish fishery. At one time there were 6 groundfish fillet plants on the Columbia Reive.
- **Westport:** one participant stated he was in favor of opening up inter-sector allocation if it lead to more choke species coming to shoreside. He felt we need a larger amount of perch to keep the shoreside vessels from forgoing their season. Was not in favor of moving more choke species or target species offshore. One fixed gear participant had bought a trawl LE permit to fish sablefish and felt the program was working well for him. He stated his partner wanted to invest in a trawl vessel to go after other quota they had available but could not make the business proposition pencil for repayment of the investment.

#### **Follow-up conclusions and recommendations for the Catch Share Review.**

We would like to first reference the many written and verbal public comments, analyses, and recommendations Pacific has submitted in the past 3 years. For the remainder of these comments we will only touch on several of the past ideas. Instead of a replay we will comment on several new areas of recommendations.

It is impossible to argue that the logjam of regulatory actions being processed at NMFS has bolstered the IFQ fishery. The constant refrain from NMFS is that they lack the resources to break this logjam and allow this fishery to begin fuller utilization and attain profitability. This hits the non-whiting fishery the hardest and is the most punishing to non-whiting fishermen and the processors of non-whiting species. It is also leading to further market erosion. We have several recommendations on this:

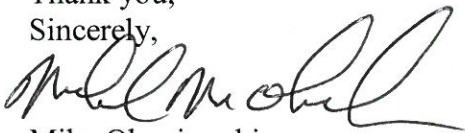
- First consideration for resource usage needs to be for the portion of the program that has suffered the most: non-whiting. NMFS pushed this catch share program for non-whiting. It was a known fact that it would be complex to manage the way it was structured. After 5 years this program is not fully implemented and it does not require a review to make this conclusion. Fixing the non-whiting portion of the program needs to be the highest ranking priority. More jobs, investment, and markets are in jeopardy in this sector than anywhere. Especially if there are no longer good shrimp or crab seasons.



- The ADC report must be redone to include analysis of the market side and to delineate what the actual profitability of the non-whiting sector is. If there are areas that are difficult to quantify then it must be supplemented with qualitative data gathered through expert witnesses that do business under this IFQ program.
- Resources: If NMFS cannot find adequate resources within NMFS they must either contract with third parties or collaborate with stakeholders to move those stalled regulations forward which are impeding the program from reaching its stated goal and objectives. Given the immediate and onerous downstream impacts inaction has on the program participants it is unacceptable to continue down the present path. We note that the recent revisions in National Standards are to make fisheries more stable and more flexible. We applaud this goal but NMFS must work to make it more than empty words; they must begin immediately and actively to turn this program around.

We thank you for the opportunity to comment. We are eager to work together to get this program righted, not only for non-whiting but for all sectors. However, we firmly believe that it is the non-whiting sector that is in the one sector that is most exposed to additional degradation. If a fix is not found soon the legacy will be one no one will wish to be associated with.

Thank you,  
Sincerely,



Mike Okoniewski

Fisheries Policy and Management Advisor

[Pacific Seafood](#) – Location (ie: Clackamas, OR... Kodiak, AK, etc.)

c. 360-619-2019

[mokoniewski@pacseafood.com](mailto:mokoniewski@pacseafood.com)



Jim Seger - NOAA Affiliate &lt;jim.seger@noaa.gov&gt;

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**Fwd: Catch Shares**

1 message

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**PFMC Comments - NOAA Service Account** <pfmc.comments@noaa.gov>

Mon, Oct 17, 2016 at 9:08 AM

To: Jim Seger &lt;jim.seger@noaa.gov&gt;

----- Forwarded message -----

From: **William Diller** <wdiller911@gmail.com>

Date: Mon, Oct 17, 2016 at 7:02 AM

Subject: Catch Shares

To: [pfmc.comments@noaa.gov](mailto:pfmc.comments@noaa.gov), [brett.l.wiedoff@noaa.gov](mailto:brett.l.wiedoff@noaa.gov), Gerry Richter <gdrfish@msn.com>

The "Catch Share" scheme has certainly proven to be successful in one area, the redistribution of the resource from many to a few. Besides that, the whole gear switching aspect in particular has been a disaster for the Morro Bay and Santa Barbara small boat longline fleet. We now have two and sometimes more large vessels coming to the Conception area from Washington every year, fishing only Sablefish with pots. They plaster huge areas with their strings of pots which they leave out for several months while they are here. This effectively blocks our access to these areas for the duration of their stay in the area. These pot boats have escape rings in their pots which allow smaller fish to escape. This at first glance may seem to be a great conservation technique but in reality, it has the opposite effect. The escape rings allow the pots to target the larger, more fecund fish while allowing the more plentiful smaller sizes to escape. Targeting these larger fish is something that did not occur during the days of the actual trawl fishery in this area. The majority of fish taken by the trawlers were in the 3-7 lb. category. Removal of the brood stock could hardly be considered a good conservation plan by any biologist. Allowing the boats to leave their pots on the grounds while they return to port is also deleterious to the resource. Most of the fish trapped during the days when the boats are in port will be eaten by sand fleas or hagfish and result in a complete waste of unknown numbers of fish. I understand that the observers have some formula to estimate this and it's counted against the boat's quota but it's still wastage. I would encourage the Council to take a bold move and do what's right for the fish and for the communities in the Conception area and reverse the rules that allow gear switching to pots or longlines while operating under "Trawl" permits. Thank you, William G. Diller. 4765 Curvado Circle, Atascadero, CA 93422 GF0632

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Pacific Fishery Management Council

7700 NE Ambassador Place, Suite 101

Portland, OR 97220

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Buck & Ann Fisheries, LLC  
POB 579  
Ilwaco, Wa 98624

Re: Trawl IFQ program 5 year review

Mr. Chairman and Council Members,

I am writing regarding the gear switching issue.

Flexibility and efficiency were key components in setting up this Catch Shares program. It still is today. There are elements of the program in the works to allow more than one gear type on the boat at the same time, whether that is allowing different nets on at the same time or nets and fixed gear. Being able to fish in more than 1 area in a trip adds flexibility. EM provides the choice to use it or use traditional observers. All of these and more offer flexibility and efficiencies.

I attended 3 of the community forums on the coast recently. I thank you very much for those. I heard a lot of people talk about all of the problems with the program and how it was hurting their bottom line. A gear package that they say is not moving through the system fast enough will add a lot of flexibility to their operations. One of the complaints at "Santa Rosa 3" in Portland was that "efficiency and flexibility are constrained".

The report from gear switchers at the community forums was that gear switching is working well and is profitable. There are several that would like us to go away so that the draggers would have more access to sablefish. I don't think that removing this option is the answer to the problem. I've since had some draggers meet with me and tell me that they don't switch to fixed gear now but don't want to lose the option to be able to do that someday. They want more flexibility, not less. Fixed gear isn't for everyone at this time but you never know what the future holds. I spoke at the forums that my business partner and I are sitting on the fence at this time regarding drag fishing. At this time we can't pencil it out and make it work financially but someday we hope to see something that would change our minds. If you took away our option to fish with fixed gear today, we would probably have to sell out.

Gear switching is a viable option that is working well at this time. Let's not move it over to the not working side.

John Corbin



Jim Seger - NOAA Affiliate &lt;jim.seger@noaa.gov&gt;

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**Fwd: Public comment for 5 year review of**

1 message

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**PFMC Comments - NOAA Service Account** <pfmc.comments@noaa.gov>

Tue, Oct 18, 2016 at 11:18 AM

To: Jim Seger &lt;jim.seger@noaa.gov&gt;

Cc: John DeVore &lt;john.devore@noaa.gov&gt;

----- Forwarded message -----

From: **Owen Hackleman** <ohackleman@gmail.com>

Date: Mon, Oct 17, 2016 at 7:46 PM

Subject: Public comment for 5 year review of

To: Gerry Richter &lt;gdrfish@msn.com&gt;, Owen Hackleman &lt;ohackleman@gmail.com&gt;, pfmc.comments@noaa.gov, brett.l.wiedoff@noaa.gov

RE: 5-YR Catch Review Public Comment

Dear Council and Chair,

Thank you for the opportunity to comment concerning the five year review of the trawl catch share program. I am a longline permit holder and vessel owner who relies on the year around groundfish fishery out of Morro Bay, south of 36 degrees latitude, to support my family. I am part of the limited entry longline fleet which has been operating in this area well before the trawl IFQ program began in 2011.

Allowing gear switching for southern sablefish trawl quota to use pots to target sablefish has been a disaster for my family and other local small-scale longliners in central and southern California. Completely unregulated amounts of typically poorly marked heavy pot gear regularly eliminates access to the productive fishing grounds within the range of small, local longline boats, making it impossible to safely set and recover longlines. Pot gear has been lost and in some cases even abandoned by the IFQ boats in prime fishing areas, forever preventing longline boats from accessing those areas because of costly and dangerous tangles with the massive gear used by the IFQ boats.

The IFQ boats frequently seek out the local longline boats, setting large numbers of traps, preventing the longliner from accessing the area upon returning for the next trip. These boats are effectively able to cordon off massive areas of the ocean with unlimited numbers of pots, preventing access to vital grounds by local fishermen for weeks or even months at a time. Unlike longlines, which are brought back to port every trip, pots are left on the fishing grounds while the IFQ boats return to port to land their catch. It is impossible for local boats to fish these areas without high risk of gear loss and damage from entangling our small longlines with the pots and the miles of heavy rope to which they are connected.

Central and southern California are also subject to a large amount of commercial shipping traffic. This traffic generally travels through the depths where sablefish are most abundant, which inevitably leads to the loss of unattended pot gear left while IFQ boats return to port to unload catch. These vast unrecovered strings of pots are miles long and cause very costly damage or loss to longline gear they come into contact with. Due to the gear loss of pots, longline fishermen are now forced to avoid grounds that have been vital to our income and more areas are taken from us every time a string of this large scale pot gear is lost due to heavy ship traffic or simply abandoned.

These boats often use escape rings in there pots, allowing them to only catch very large fish, over 5 pounds. This ensures that the IFQ boats are removing mainly the adult female sablefish from the biomass, which is quite different from the more varied sizes of fish a traditional trawl boat would catch. This has obvious implications for the future of the stock and judging by the last assessment, could have disastrous consequences.

Gear switching for trawl boats should not be allowed to continue. Our local longline fleet consists of small, owner operated businesses and every one of these has seen a dwindling bottom line due to conflict with large IFQ pot boats. At the very least, some common sense solutions must be enacted to prevent further economic losses to our communities. Requiring traps to be retrieved before landing each catch would reduce the loss of gear and allow longliners to access areas on a more level playing field. Pot limits would prevent local fishermen from being forced from accessible grounds by unlimited numbers of pots.

Thank you for your consideration,

Owen Hackleman

fishing vessel Provision

Longline Permit # GF0633

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Jim Seger - NOAA Affiliate &lt;jim.seger@noaa.gov&gt;

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**Fwd: 5 Year Catch Share Plan Review - Comments**

1 message

**PFMC Comments - NOAA Service Account** <pfmc.comments@noaa.gov>

Tue, Oct 18, 2016 at 11:18 AM

To: Jim Seger &lt;jim.seger@noaa.gov&gt;

Cc: John DeVore &lt;john.devore@noaa.gov&gt;

----- Forwarded message -----

From: **Steve Hackleman** <stevenwh1@yahoo.com>

Date: Tue, Oct 18, 2016 at 3:38 AM

Subject: 5 Year Catch Share Plan Review - Comments

To: [pfmc.comments@noaa.gov](mailto:pfmc.comments@noaa.gov), [brett.l.weidoff@noaa.gov](mailto:brett.l.weidoff@noaa.gov)Cc: Gerry Richter <[gdrfish@cox.net](mailto:gdrfish@cox.net)>

Mr Chairman and Council members,

My name is Steve Hackleman and I have fished the Conception area primarily for sablefish and thornyheads for almost 7 years out of my home port of Morro Bay. I am one of approximately 30-40 fixed gear permit holders who fish the Conception area, southern sablefish are a very important component of our livelihoods as groundfish fishermen. Most of us fish in boats less than 40 feet in length with hand baited artisanal longline gear. We are very concerned about the negative impacts the implementation of the current "catch share plan" is having on this established fixed gear sector.

Large out of town vessels fishing trawl quota are now targeting Conception area sablefish in the traditional fixed gear fishing areas of our small longline operations. We are concerned about the extremely high rate of harvest, restricted access to traditional areas, abandoned trap gear, and targeting of the spawning female biomass by these new large vessel entrants.

Beginning in 2011, large trap vessels began coming to central and southern California to take advantage of the gear switching provision of the new trawl IFQ program. These vessels, each with hundreds of sablefish traps, began inundating our traditional fishing areas with massive amounts of trap gear. Landings close to 100,000 pounds in a single month have been relatively common by IFQ boats. These vessels far exceed historic levels of take by the trawl fleet in central California. This fast extraction has had devastating effects on some of our local fishing grounds. Our CPUE has been significantly affected since our traditional fixed gear areas have been targeted by this new fixed gear trawl sector.

Each line of traps set by these large vessels is approximately 1 to 3 miles long and each vessel sets many of these sets. These traps are often kept in the same areas often close to our harbors for a significant amount of time as the traps are left unattended at sea when the boats return to port for offload and time off. This forces those of us in small vessels to venture farther from port to avoid losing our longlines by tangling with traps. This practice also effectively closes off many miles of prime fishing areas close to port for weeks or even months at a time. At a minimum there should be trap limits and all traps returned to port at the conclusion of each trip.

We are also concerned about the targeting of the large mature females by these vessels. Traps are fished in deep water with large escape rings, which allow all but the largest fish to escape. The importance of the spawning females to the future of the sablefish fishery is made very clear in the 2011 stock assessment. We think it would be prudent to limit the maximum size of escape rings used in sablefish traps, and special consideration given to the change in sizes of sablefish harvested by the trawl fleet since the beginning of the IFQ program began, to prevent over harvest of the spawning female biomass by what is essentially a new fixed gear sector, these rates of sablefish harvest by the fixed gear trawl sector do not reflect the historic nature of that fishery.

The significant negative effects on the existing fixed gear sector were not understood at the inception of this program and now the council has the opportunity to take a serious look at mitigating these impacts. This new program should not be allowed to flourish at the expense of a long established stable sector.

Sincerely,

Steve Hackleman  
(FV Ruth Anne II)

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**West Coast Seafood Processors Association**  
650 NE Holladay Street, Suite 1600  
Portland, OR 97232  
(503) 227-5076

October 18, 2016

Mr. Herb Pollard, Chairman  
Pacific Fishery Management Council  
7700 NE Ambassador Place, Suite 101  
Portland, Oregon 97220-1384

Re: Comments Re. Groundfish Trawl Catch Share Program Five-Year Review

Dear Chairman Pollard:

The West Coast Seafood Processors Association (WCSPA) submits the following comments for consideration during the Pacific Council's five-year review of the West Coast groundfish trawl catch share (IFQ) program. WCSPA represents shoreside processing companies and related businesses located in California, Oregon and Washington. **Our members process 80 percent or more of the non-whiting groundfish landed on the West Coast**, and many of them have been negatively affected – financially – by the catch share program. We offer the following comments and recommendations in hopes of affecting positive change in the management system to improve economic returns from the groundfish fishery.

The West Coast groundfish catch share program is often described, quite aptly, as a conservation success and economic failure. As stocks have rebuilt to sustainable levels, catches of economically-important groundfish have declined significantly, and this has had a negative ripple effect in many West Coast communities. Shoreside processors are a critical component of fishing communities; they provide jobs, maintain infrastructure necessary to support fishing vessels and fish processing, and supply distinctive seafood products to local, national, and global markets. Reduced catches under the groundfish IFQ program have made it impossible to maintain year-round employees in many non-whiting groundfish processing plants. As these employment opportunities are lost, skilled laborers and filleters are lost, and these jobs are very difficult and expensive to replace. Additionally, without a consistent and year-round supply of groundfish, access to important markets has been lost. In most cases, West Coast groundfish have been replaced in the marketplace with price-competitive and quality-competitive species like tilapia, swai fish, and catfish. Regaining access to these markets is going to be an uphill battle; it will not be easy, nor will it happen overnight. It will take a tremendous effort by fishermen and processors, and it requires support from the Council/NMFS and swift management action to ensure that access to healthy groundfish stocks can be provided as expeditiously as possible. Regaining access to these markets is absolutely critical to ensuring the future of West Coast fishing communities. We need to move quickly to address the problems in the groundfish management program. Towards this end, we offer the following specific recommendations.



## ***Specific Problems to Address***

The five-year catch share program review should specifically evaluate and address the following problems:

**1. The groundfish fishery is critically under-utilized and cannot achieve Optimum Yield (OY). The economic performance of the fishery has been very poor since the inception of the catch share program.**

The inability of participants in the fishery to utilize the available yield has caused undue economic hardship and reduced shoreside infrastructure to a critical level in many fishing communities along the West Coast.

Regulatory constraints and lack of flexibility in the current management system preclude opportunities to fully utilize OY for many groundfish stocks. This situation is in direct contradiction with National Standard 1 (NS1) of the Magnuson-Stevens Act (MSA) as well as the [Trawl Catch Shares \(Amendment 20\) Goal and Objectives](#). While it is likely the groundfish fishery will never achieve 100% utilization, the MSA requires the management system be structured to at least allow for OY to be achieved on a continuing basis. Problems with attaining OY under the trawl IFQ program should be fully explored during the five-year review, and recommendations should be developed to improve economic returns, net benefits to the Nation, and compliance with NS1.

With 30 species allocated to the groundfish fleet through IFQs, vessels must learn to “specialize” within the fishery to maximize utilization of their allocations throughout the year. That is, vessels must learn to fish for some groundfish species without catching others, either seasonally or temporally, and must try to avoid catching overfished/rebuilding groundfish species altogether. Limitations on where, when, and how vessels can fish, as well as limits on how many pounds of each groundfish species they can catch in a given year, further constrain the ability of participants in the fishery to utilize available yield. These limitations also discourage vessels from specializing within the groundfish fishery and exploring ways to fish more efficiently. This is not consistent with the intent of a catch share program, nor is it consistent with the Council’s intent with the recent trawl gear change package (March 2016), which encourages experimentation with gear and specialization within the fishery. Issues related to *vessel/fleet specialization* should be evaluated during the five-year review. Specifically, the review should identify constraints in the current management system that discourage or prevent vessels from specializing within the groundfish fishery.

**2. The costs associated with the groundfish management program continue to increase and are prohibitive in some cases.**

The five-year review should include a comprehensive technical evaluation of the required industry-funded monitoring programs (at-sea and shoreside) to determine whether the benefits still outweigh the costs, and to identify options to reduce costs to the industry. This analysis should address the following questions:

- *How are the data collected from the industry-funded monitoring programs in the groundfish fishery specifically utilized?*
- *Do the data collected through at-sea and shoreside monitoring support/enhance management of the groundfish IFQ program?*
- *Are both 100% at-sea monitoring and shoreside monitoring still necessary?*

The analysis should also compare the costs associated with the West Coast groundfish catch share program to costs borne by the industry under other catch share programs (with consideration of differences in scale/volume). At the very least, the West Coast trawl industry should be held to equivalent standards in terms of monitoring requirements and costs borne by the industry.

### ***Comments Regarding Data from Economic Data Collection (EDC) Program***

We have significant concerns regarding the accuracy and adequacy of the data collected through the NMFS Economic Data Collection (EDC) program. The EDC data should not be the only data utilized in the review, and we do not support utilizing these data as the primary data for any technical analysis of the performance of the groundfish IFQ program in the five-year review. Specifically, we have identified the following major concerns associated with the EDC data:

1. **The variability associated with the EDC data is significant.** The coefficients of variation (CVs) for some of the EDC data are extremely high and cannot be considered reliable for statistical modelling. For 2009-2014, the maximum CV in the EDC First Receiver report was reported to be 5.86. This suggests that the EDC data are not a good fit for just about any statistical model.
2. **First receivers are categorized as *whiting processors* and *non-whiting processors* for the purposes of evaluating the performance metrics in the EDC Report.** Under this approach, the majority of WCSPA shoreside plants are categorized as whiting processors, and performance data for these plants are grouped with whiting processors. This makes it very difficult, if not impossible, to identify impacts of the non-whiting groundfish program on the processing plants that may process both whiting and groundfish.
3. **Processing facilities are grouped by company in the EDC First Receiver report, masking impacts on specific plants.** For example, one WCSPA member company owns multiple shoreside processing plants. One of those plants processes only whiting, while the other plants process groundfish and other species. Because these multiple processing plants are owned by one company, the EDC reports from the individual plants are pooled together and presented in the EDC data under one company – a whiting processing plant. It is unclear how the costs associated with non-whiting groundfish, and the impacts of the IFQ program on this company's groundfish processing plants can be evaluated using the EDC data in this form.

### ***Additional Comments/Recommendations***

The five-year review should be constructed in such a way that it facilitates the swift development of management responses. Some of the possible management program adjustments that we would like to see considered during the review include:

- **Consideration of Alternatives to Address the Allocation of Quota Under the Adaptive Management Program (AMP)** – The Council should consider/evaluate ways to allocated the AMP quota share in ways to preserve fishing communities and the remaining shoreside infrastructure that supports the West Coast groundfish fishery. This includes consideration of allocating AMP to shoreside processors, who did not receive an initial quota share allocation for non-whiting groundfish. Allocating AMP to shoreside processors would be consistent with any intent to use the AMP for groundfish community preservation, since shoreside processors are the infrastructure that maintain/support fishing communities.

Processors did not receive a groundfish quota share, which was unfair and put them at a disadvantage economically, and it has exacerbated problems associated with loss of markets. Not allocating non-whiting groundfish to shoreside processors also did nothing to prevent consolidation of the shoreside processing sector if that was the Council's intent. Shoreside infrastructure consolidated under the IFQ program because fish are not being landed in a quantity that can sustain processing plants and supporting infrastructure. Not allocating quota share to shoreside processors was probably the quickest path to pushing out the marginal support businesses and consolidating shoreside infrastructure down to what is now a critical level. Allocating the AMP to shoreside processors would increase utilization of OY in the fishery because processors would utilize the 10% AMP in such a way that it would likely increase utilization of the major IFQ species by more than

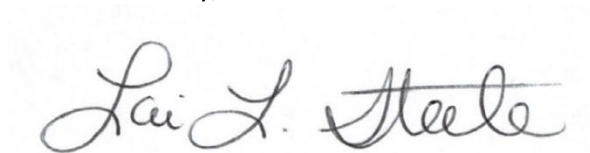
10%. The AMP quota pounds would still be fished by groundfish vessels, increasing economic returns for all participants in the fishery.

We also would like to make the very important point that we do not support allocating the AMP quota share to any individuals or entities other than those directly participating in the groundfish fishery, under any circumstances.

- **The performance of Vessel Caps (quota pounds) should be thoroughly analyzed during the five-year review.** The following questions should be addressed:
  - *Have the vessel caps achieved their intended objectives? Are the vessel caps preventing specialization in the fishery?*
  - *Are vessel caps preventing OY for some groundfish species from being achieved?*
- **Consideration of Alternatives to Address the Movement of Quota between Sectors** – Specifically, the current problem with the movement of sablefish quota from the trawl sector to the fixed gear sector should be addressed. Sablefish has become a choke species of sorts, since trawl vessels need sablefish in order to catch the higher volumes of slope species, such as Dover sole and thornyheads. This issue may worsen as the Alaska longline fishery regulations may now allow the use of pot gear to catch sablefish. Those vessels may not use the same pots (conical on the West Coast, rectangular in Alaska), but the deck equipment would be very similar. Alaska vessels could invest in West Coast pots and buy or lease a permit and additional sablefish quota for fixed gear use, thereby exacerbating an existing problem. This issue should be fully explored during the five-year review, especially as it relates to the inability of participants in the fishery to fully utilize available yield of other important groundfish species.

Thank you for the opportunity to provide comments related to the five-year review of the groundfish catch share program. WCSPA looks forward to continuing to participate in this process, and we will continue to problem-solve, think creatively, work cooperatively, and bring solutions to the Council.

Sincerely,

A handwritten signature in dark ink, reading "Lori L. Steele". The signature is fluid and cursive, with the first name "Lori" and last name "Steele" clearly legible. The middle initial "L." is also present.

Lori Steele  
Executive Director