
Fwd: 5 Year Catch Share Review Public Comment

1 message

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From: **roger cullen** <dorado032002@yahoo.com>

Date: Mon, Oct 17, 2016 at 5:25 PM

Subject: Re: 5 Year Catch Share Review Public Comment

To: "pfmtc.comments@noaa.gov" <pfmtc.comments@noaa.gov>

Cc: "brett.l.wiedoff@noaa.gov" <brett.l.wiedoff@noaa.gov>, "gdrfish@cox.net" <gdrfish@cox.net>

Mr. Chairman and Council Members,

My name is Roger Cullen, owner/operator of the fishing vessel Dorado 1176819. I am a long time fisherman working out of Morro Bay for over 30 years now. I have invested in an "A" Fixed Gear Permit and fish for sable fish and short spine on a weekly basis.

I am very concerned about what has developed with the IFQ Gear Switching Program, particularly south of 36'. Large IFQ fixed gear vessels are now fishing in the waters south of 36', targeting sable fish with what appears to be an uncontrolled quantity of trap gear. These large boats are now piling southern sable quota up to the vessel cap limit (approx. 215,000 lbs), carrying and trucking hundreds of large traps to our town. Some are not here long, 3 to 6 weeks, but saturate our traditional long line areas extracting hundreds of thousands of pounds of sable fish in a very short time. Most everyone agrees, fishermen and scientist alike, that this is not good for the resource. We have noticed very poor fishing after they leave an area and recovery appears to take months.

Our once stable traditional fixed gear sector is now threatened with this injection of new IFQ participants into the fixed gear sector. For all intents and purposes, our fishing grounds for sable fish are from 36' south to just a bit below 34.27', not a lot of area when you think about it. In my opinion, our fishing grounds will not survive this new pressure. We have had declining CPUE since their arrival. Small town boats, so important to our small town fishing community, are under threat. How can this happen? Is there not something in fishing law that prohibits a new sector from affecting another in such a way?

We need some control mechanism here. Trap limitations south of 36', bringing in gear with each landing, reducing the outrageous IFQ vessel cap for southern sable fish or better yet, eliminate IFQ gear switching south of 36'.

I was one of a few fishermen out of Morro Bay that participated in the EFP for IFQ gear switching. It has failed to work with our small boat fleet due to the cost to operate under present conditions. At one time we thought this might be a way to enhance fishing opportunities for our small boat fleet and somewhat counterbalance consolidation. If we had any idea what this would result in, we would never have participated.

I urge you to move fast on this matter. Our small boat fleet is now shrinking and our sable fish stocks are declining.



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

Re. Agenda Item F.6
5-Year Catch Share Program and Inter-Sector Allocation and Review Plans and Fishery
Management Update

Dear Chairman Pollard,

Following is a synopsis of remarks submitted to the Community Advisory Board (CAB) prior to their November 2016 meeting:

- 1. Phase I: Points of consideration and actionable items that need to be expeditiously actuated in order to jump-start measurable progress toward the realization of Amendment 20 stated Goal & Objectives as listed in the A-20 EIS for the Non-Whiting sector**
- 2. Phase II: Review of IFQ Program elements that are required and necessary to provide economic success and long range durability for Harvesters, Processors, Markets, and Fishing Communities in the Non-Whiting Sector.**

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Phase I:

(Amendment-20 FEIS¹) “The primary stated goal of Amendment 20 is: 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 . . . on fishing communities,” and (#6) to “promote measurable economic and employment benefits through the seafood catching, processing, distribution elements, and support sectors of the industry.”

¹ Executive Summary A-20 FEIS http://www.pcouncil.org/wp-content/uploads/TRatFEIS_ES_June2010.pdf

Bullet points and thoughts for the CAB meeting:

The “*capacity rationalization plan*” is not achieving increased economic benefit, individual economic stability, or full utilization for the Non-Whiting sector as specified in the Goal.....nor is it achieving any of the above enumerated objectives. It appears that the Whiting sector has benefited and that those that have entered into the fishery under the gear switching provision have also benefited, however for the majority of the Non-Whiting vessels and owners, and processors highly dependent on the Non-Whiting species, A-20 has produced a decrease in overall profitability. Further the processors have lost a substantial number of fish processing employees, specifically nearly 50% of their skilled fillet crew. This has resulted in further fresh market erosion due to inconsistent and unpredictable harvest in juxtaposition with huge increases of foreign imported seafood. Pacific is at a point where it is arguable whether it would be a prudent business decision to continue Non-Whiting groundfish in all three of our groundfish facilities. Given the amount of underutilized fish available for potential harvest, processing, and marketing, this prospect is truly ironic. Given how many more jobs we would lose it is tragic.

Pacific Seafood conclusions:

1. **The Non-Whiting subsector is suffering the worst under this program.** From a regulatory perspective, Non-Whiting requires the most attention in the most expedient manner possible. If Non-Whiting does not receive the necessary “fixes” it will further degrade the businesses of harvesters and processors, and we will lose more ground in our present market base. This in no way understates the need to rectify problems in the Whiting fishery but in our estimation the issues in the Non-Whiting sector are much more dire and time sensitive.
2. **The quickest and most effective solutions** to resolve some of the more difficult and immediate economic issues, and turn the Non-Whiting sector around begin with getting the fish out of the water. We must harvest more fish and re-establish markets which will produce adequate income streams to cost effectively support the Non-Whiting fishery.
3. **As regards bullet point 2, the biggest roadblock** industry presently has, and in which NMFS and the Council can provide assistance, is to break through the regulatory blockade that prevents the vessels from harvesting at optimal levels. It is noted that for harvest year 2015 the first NMFS report we have seen suggests that the Non-Whiting sector had an aggregate harvest rate of barely 20%.

This utilization rate simply will not sustain the fishery. Short term, NMFS should put the highest priority on clearing the regulatory barriers so the fleet can fish in the RCA with mid-water gear on a year round basis. NMFS should have prepared and been ready to allow this before the ACL was increased. The Non-Whiting fleet and the processors simply cannot afford to wait for the regulatory processing timeline that NMFS has outlined. Further, allowing all boats to begin use of mid-water gear concurrent with the Whiting season opening and the start of the Alaska salmon season is a recipe for a market train wreck for rockfish.

In this Pacific Seafood sees no reason why we should not be able to harvest Whiting on a year around basis. Among other benefits, we could provide more year around jobs and

offer fresh whiting during the Lenten season. In addition during these years of high TAC's it would allow the industry a better chance to best utilize the available quota. This has not been vetted with the Whiting fleet but it may be a profitable opportunity for both harvesters and processors.

4. **EDC Report-our view:** We are sorry to say but we see no actionable value from this report. We do not mean to imply that it is less than professional or that somehow the authors were negligent in their work. The problem as we understand it, is that under the confidentiality rules and other government guidelines for data collection, the Report cannot establish a corrective direction nor can Industry use the Report to plot a compass course with any conclusions or data the report provides. The information for the IFQ non-whiting sector is too aggregated with other fishery information. I.e. shrimp, whiting etc. Without a separate subsection that accurately delineates what is occurring in the Non-Whiting sector, it is impossible for us to understand if the Report draws meaningful conclusions about the economic health of the Non-Whiting sector, whereas our business experience, and most of the testimony we have heard from other participants portrays a dismal business outcome to date.
5. **EDC Report-application:** Given the timeline we have to work with, and with the immediacy of the critical issues we must resolve for the Non-Whiting sector the responsible choice is to use "expert witnesses" to provide the roadmap for the corrective actions that must occur to rebuild the Non-Whiting fishery into a viable enterprise. This can be done in a relatively easy manner by collecting the testimony of participants in the Non-Whiting IFQ program that has already been provided, and by in-depth dialogue with the participants. We cannot afford the time to chase after ephemeral or inaccurate conclusions in the EDC report nor can we use the report as a foundational cornerstone for corrective action. In its present form the report might give a totally erroneous view of the state of the Non-Whiting fishery.
6. **Inter-sector allocation:** Although Pacific believes that a dialogue should eventually occur on inter -sector allocation, and/or trading onshore-offshore we believe this is not the time to start that conversation. The primary reasons for this are that
 - a. The non-whiting sector is presently in a state of disarray and critical weakness which results in the sector not harvesting 80% of its available IFQ quota. This is not the fault of the participants but they will be ones most impacted if it is decided to move certain quota pounds or quota share offshore. It may further exacerbate the present under-utilization trend of Non-Whiting. In addition the processors have no "processor harvest shares" to ensure fish will come to their facilities. If it is more lucrative for Non-Whiting fishermen to lease quota offshore than fish it will be the processor that is least protected and most impacted.
 - b. The other major objection we have with taking up inter-sector allocation at this juncture has been effectively communicated from NMFS: There is simply not enough qualified staff to take on more tasks with the resources they have. As we have heard this refrain over and over, and as the non-whiting portion of the rationalized program is still not

fully implemented after 5 years, we state that the Non-Whiting sector must be the area NMFS employs the most available NMFS staff and devotes the highest focus of resource.

7. **Resources:** If NMFS does not have sufficient resources to first properly analyze and then develop corrective, expedient action to solve the issues that hold back the stabilization of the Non-Whiting fishery; and which presently results in the failure of that fishery to reach the EIS Goal & Objectives, NMFS must either contract with private entities, other government agencies, or work with Industry to resolve these issues in the most expedient manner possible. The Non-Whiting sector simply will not achieve any part of the EIS Goal or Objectives if we continue down the present path.

Phase II: Pacific Seafood believes that Phase I of the review and corrective action plan needs to concentrate on the most expedient remedies that will stabilize the Non-Whiting subsector and slow further economic decay. Phase II should review and focus on IFQ elements which will establish a more flexible regulatory platform, provide the best opportunity for a durable and economically sustainable fishery, and fulfill the Goal and Objectives outlined in the A-20 EIS and meets the intent of the recent revisions in National Standard 1².

Concepts that should be reviewed for efficiency and effectiveness:

1. **Aggregate cap.** Is it necessary? We believe the aggregate cap does or will increase underutilization of target species and is a regulatory complication that misses the mark of its original intention. From the Informational Report on (NMFS) "Draft Guidance for Conducting Reviews of Catch Share Programs"³ Section VI "Describing and Analyzing Program Performance" paragraph 2 states that "Accumulation limits/caps" are "required or must be considered" in a catch share review. Pacific Seafood views the Aggregate Limit as a regulatory impediment to the long term realization of the A-20 EIS Goal and Objectives, specifically as relates to fullest utilization and economic net benefit. We refer again to report the Pacific Seafood issued to the Council in September of 2014 which compares elements of the British Columbia IFQ program to the U.S. West Coast Program⁴. It is important that this regulatory element be full reviewed, especially given the continued underperformance of the Non-Whiting sector under this program.
2. **Vessel accumulation limits**-are they right sized for the fishery? Given the underutilization of ACL left in the water why do we even need an accumulation limits for Dover or English at this point

² 2016 Revisions to National Standard 1 Guidelines

http://www.nmfs.noaa.gov/sfa/laws_policies/national_standards/ns1_revisions.html

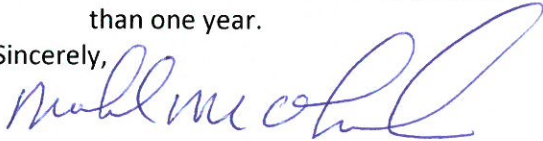
³ NMFS Informational Report 1, PFMC Nov. 2015 http://www.pcouncil.org/wp-content/uploads/2015/10/IR1_Draft_Guidance_ConductingReviews_CatchSharePrograms_Nov2015BB.pdf

⁴ Pacific Seafood, Supplemental Comment, Agenda Item J.1.d, PFMC Sept 2014
http://www.pcouncil.org/wp-content/uploads/J1d_Sup_PubCom2_SEPT2014BB.pdf

in time? The removal of the aggregate cap along with greater accumulation limits would open the door to specialization in harvest practice, increased utilization, offer a platform to rebuild market erosion, create jobs in the processor sector, and lead to increased revenues for harvesters and processors.

3. **Should vessel accumulation limits be reviewed EVERY SPEX process....**if the intent actually is to harvest the fish why should they be locked down when the utilization rates are so low? Flexible limits that could be adjusted based on actual harvest rates and ACL's would provide increased economic opportunities.
4. **"Soft caps" with in season adjustments.** Static management for dynamic fisheries countervails the stated principle of flexibility and further strangles economic output for the fishery.
5. **Excess Bycatch ACL made available** at a price at year end so that IFQ fishers in the "penalty box" are not penalized longer than the year in which they are penalized-this would only occur if there is excess ACL and may need to be allocative if there is not a sufficient amount to meet the need. This might follow and number of routes but the express purpose would be not to unreasonably penalize the harvester (and processors) when there is an allowance of bycatch in the ACL that could be made available in order to prevent the vessel from being excluded from the fishery for more than one year.

Sincerely,



Mike Okoniewski
Advisor: Fishery Policy & Management
Pacific Seafood