

**WEST COAST SEAFOOD PROCESSORS ASSOCIATION**

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

Dear Mr. Chairman:

On behalf of the West Coast Seafood Processors Association (WCSPA), I am providing the following comments regarding potential trailing actions to Amendments 20 and 21 of the Pacific Coast Groundfish Fishery Management Plan.

We appreciate the fact that – with one exception – the Council has tentatively adopted the same priorities we recommended at the September meeting. As we noted then, modification of the halibut individual bycatch quota (IBQ), cost recovery, and modifications of control caps to allow pooling of bycatch species are all necessary and important to make sure the trawl groundfish fishery can continue to operate after January 1, 2011.

Regarding IBQ, there was concern expressed at the September meeting that a modification would result in changing the halibut catch-sharing plan. The IBQ is currently set at a level *below* the bycatch amount currently assumed to be taken or discarded by the trawl fishery. We believe that raising the IBQ by some modest amount would still keep trawl catch below the current assumed level and provide savings which could be applied to other gears and directed fisheries. We encourage the Council to continue analyzing this option so the trawl fishery and other halibut users can mutually benefit.

Regarding cost recovery, the law requires fees be collected to offset program costs. Although the proposed federal budget – if enacted by Congress – provides transition funding to get the trawl rationalization program up and running, we cannot depend on the vagaries of the Congressional appropriations process, nor should we be creating a subsidized fishery. Establishing a mechanism to collect program fees is a crucial step.

Regarding control cap modifications, ideally the Council should examine both the stringent ownership and control rules and the caps – and we believe the Council will eventually recognize

the need to do so. However, in the immediate term, there is need for an option that will allow fishermen with low overfished species allocations to pool those allocations as a type of self-insurance program so they can continue to access healthy species. Without that capability, we are concerned that during the first year or two of the program, most fishing will be terminated well before the end of the year. Because of the importance of maintaining Pacific groundfish market share in the face of increasing imports of competing species such as *Pangasius sp.* and tilapia, we need to as much as possible keep a year-round fishery.

In designing risk pools, as these programs have come to be known, we need to recognize that most will be developed in a single port and sometimes around a single processing plant. Each port has different concerns and different requirements, so there needs to be maximum flexibility in risk pool design and operation. We suggest the Council provide some minimum side-boards to ensure a risk pool is not used simply to evade the control caps, but otherwise allow them to be created based on the needs of the participating fishermen. For example, the Council should consider the following:

- setting a limit on how far above the current control cap a risk pool can go in pooling species;
- requiring a formal agreement among risk pool participants that spells out the rules for joining, participating in, and leaving a risk pool and clearly identifies who is in charge and who accepts responsibility;
- making clear that pooling of some species does not constitute joint control of or interest in quota shares / quota pounds for species that are not being pooled (e.g., if five fishermen agree to share their canary rockfish quota, that does not mean that all of their other quota species are considered shared and thus potentially in violation of even relaxed control caps); and
- allow agreements among risk pools (e.g., if the Astoria pool wants to trade yelloweye rockfish quota pounds with the Ilwaco risk pool, it can be accomplished).

Once the rules are established, we believe the Council can rely on the creativity of the fishing industry to make the program work.

In regard to community fishing associations, we continue to be concerned that the Council not develop an exception to control caps in order to accommodate the needs of one particular community and its current partners. Several communities on the west coast have lost fishing capacity and supporting infrastructure as a result of the trawl permit buyback; we have yet to see them come before the Council and ask for an exemption from control caps. It is unclear to us what the Council intends to accomplish by allowing establishment of community associations that are exempt from the strict rules that every other person must follow. If the desire is to ensure the continued flow of fish into a particular community or set of communities, this could have been accomplished in a variety of ways, including some the Council specifically rejected when approving Amendment 20. We continue to advocate that consideration of community fishing associations be given much lower priority.

A more simple action, and one we believe will lead to a wider suite of benefits for a larger number of fishery participants, is to further streamline the groundfish regulations and do away

with those that were based on trip limit management. If the intent of the trawl rationalization program is to encourage different fishing patterns and behaviors, then fishermen must be given the opportunity to engage in those behaviors. For example, the Council still bans the use of large footrope trawls shoreward of the Rockfish Conservation Area. If a fisherman can demonstrate conservation benefits from using a large footrope trawl in that area, why not allow it? Should the Rockfish Conservation Area still apply to limited entry trawl fishing? Are there changes in trawl mesh size or configuration or net construction that will allow more efficient fishing? Should we no longer have a separate whiting season or should the starting dates change? We suggest the Groundfish Advisory Subpanel and the Groundfish Management Team be given the task of examining current regulations and recommending a set of regulatory changes to the Council that can be incorporated either under the trailing amendment process or in the next set of biennial management specifications.

Thank you for the opportunity to comment. While some of our members have concerns about the implementation of Amendments 20 and 21, we intend to continue working with the Council to ensure as much as possible that we will maintain a steady and robust groundfish fishery.

Sincerely,

A handwritten signature in black ink, appearing to read 'Susan Chambers', with a long horizontal flourish extending to the right.

Susan Chambers  
Deputy Director

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October 15, 2010  
Dr. Don McIsaac  
Executive Director  
Pacific Fishery Management Council  
7700 NE Ambassador Place, Suite 101  
Portland, Oregon 97220-1384

Dear Dr. McIsaac,

If there is one thing everyone involved with west coast groundfish can agree upon it's that we have very little idea about the immediate impact that the January 1 catch share program is going to bring to the many stakeholders involved in this industry. Processors, fishermen, coastal communities, environmental NGOs and government agencies can only take their best shot at imagining what the first year under catch shares is going to look like.

That said, it doesn't mean we shouldn't be aggressively pursuing multiple management options in both the near and long-term management of this program to ensure the most benefits for all interests and the least collateral damage.

From our perspective at the Ocean Companies, including the independent business units of Ocean Gold Seafoods, Ocean Protein, Ocean Cold and Ocean Express, if nothing else gets resolved at the November council meeting we need to at least address the following items:

1. The severability of risk pools from the discussion of community fishing associations. Having spoken to a number of the fleet who traditionally deliver fish to us, we believe it is critical that we be given as much flexibility as possible within the new system to try to make some form of a cooperative pool work, both in terms of managing bycatch hot spots and managing the transfer of bycatch species. Tying up that ability with the need to define a CFA flies in the face of the ability to execute the fishery.
2. Control caps within risk pools need to be addressed. There must be an exception to control caps within a risk pool so that we can effectively manage the distribution of both risk within the constraints of bycatch and influence behavior for determining the best places to fish and the best places to avoid.
3. Multiyear contracts for risk pools are also critical. No management of risk pools will work if we are constrained to one-year contracts. We need to have the ability to develop multi-year contracts with the boats and processors involved in any risk pool in order to enforce the bylaws of the risk pool. What happens in one year directly affects the following years, and we need the ability to ensure any overages incurred within the development of a risk pool can be recouped by participants in following years. A multiyear contract is essential to be able to do that, or else there simply will be no teeth in the agreement and no incentive to maintain or abide by the rules.
4. Seasonal equity. We need to start our seasons across all sectors at the same time. Under a catch share program, we no longer need to have different start dates. This serves only to confuse the fishery, particularly as it relates to any kind of coop arrangements that may or may not develop with boats that fish both shoreside and offshore.

Quite frankly, while the consolidation of the fleet is a known outcome of catch shares (as evidenced in every other fishery where it has been implemented), we believe the integrity of this program is contingent upon our ability to reduce as much fall out as possible at the outset, providing opportunities for fishing vessels to continue

to fish, when it makes the most sense, enhancing necessary behavioral changes, and investing in new fishing practices.

We cannot remove our ability to manage risk as an industry in the short term because of constraining ideas of control caps, contracts and an even more nebulous idea of what a Community Fishing Association may or may not be in 2012 and beyond. The fact of the matter is that in a handful of weeks following this council meeting, we will be living in a new management world that aims to provide better economic opportunity and better management of the species. We cannot do that without the option to pursue risk pools outside of the restraints currently in place.

We look forward to an engaging discussion on this topic, along with many others pursuant to the start of this program.

Thank you in advance for your consideration.

Sincerely yours,  
Heidi Happonen