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Risk Pools, Control Limits and Overfished Species, CFAs.

Risk Pools

Risk Pools should be assigned the highest priority as it is possible that inability to access constraining species could otherwise close the fishery early in the year. Risk Pools should be considered as a single and critical component of the Quota Share Program distinct and separate from Community Fishing Associations (CFAs).

The council has, to date, shown no interest in adjusting the constraining species caps and control and ownership caps in general, that issue may need to be reviewed in the future to insure long term success of the program. If we accept that we have to work within that current construct of Ownership and control caps for the near term, then we need to consider other ways to mitigate the effect of constraining species on the fishery.

So consider the following:

1. It is unlikely that constraining species caps will change short term.
2. It is reasonably likely that, with no changes in the caps, many will go over their quota share of constraining species.
3. Any permit or permits that exceed their quota share of constraining species will, at some point, be forced to leave the fishery for some period of time.
4. Without a vehicle available to allow access to additional pounds of constraining species any or all permits active in the fishery are at a high risk of losing their season.
5. Those in the fleet who have experience with risk pools think, under the circumstances, that risk pools will mitigate the effect of inadequate total pounds of constraining species available to the fishery.

My thoughts are:

1. Define Risk pools, CFAs and Financial Institutions as individual, stand alone, bits of the quota share program with risk pools taking the highest priority.
2. Address each of these separately at the council level.
3. Establish sideboards to eliminate CFA access to risk pools beyond their ability to bring pooled species to the pool.
4. Assist the fleet in each port to establish Risk Pools with control language unique to their ports and traditional fishing areas.
5. Individual risk pool rules apply only to that pool's defined fishing area.
6. Vessels moving from one area to another must abide by the rules established for the area in which the vessel is fishing.
7. Allow free inter pool movement of constrained species pounds.

I think risk pools are necessary to the success of the Quota Share program until such time as the availability of existing constraining species pounds is no longer a constraining factor to the fishery.

The presentation prepared and presented by Merrick Burden EDF and Joe Sullivan, Mundt Macgregor, LLP at the September meeting provides an excellent framework for creation of Risk Pools for port areas, regionally and coast wide. The support and reasoning is indisputable; However, the conclusion in that presentation that Risk Pools by necessity must have CFAs to appropriately manage them and pass through Adaptive Management Pounds (AMPs) to provide the benefits to communities, processors and harvesters is flawed.

The testimony defines community "a physical location within one of the three west coastal states where commercial fishing vessels dock and commercially harvested species are unloaded." (I would add and processed). This suggests that ports in which the economic emphasis has, for many years, been shifting from commercial fishing to tourism turn back the clock through the tying of Risk Pools inextricably to CFAs, and CFAs to the appropriate distribution of AMPs. As most, if not all, of the fish received in these marginal ports is currently processed at another location, it is disingenuous to suggest that the greatest economic benefit to the nation will be generated by restoring a fishery based economy to these locations. Additionally, it is unlikely that benefits in resource conservation will be garnered by inextricably linking Risk Pools, CFAs and AMPs. Sufficient conservation measures already exist in the forms of RCAs, EFHs, MPAs and precautionary tools included in the calculation of ABCs, ACLs etc. There is no need for yet another layer of precaution/conservation and further, there is no need for an additional level of administrative/managerial/distribution complexities. AMPs can be distributed by the council through processors based on fleet location and activity, on a prorata basis, to the vessels in a given port proven to have been substantially damaged by the Trawl IFQ Program through an independent application process.

Initially it is critical that the council address those issues that have the potential to render the Trawl IQ program DOA.

1. Overfished Species, Risk Pool control Limits
2. Halibut IBQ

Ignoring these issues will virtually assure the failure of the program before the council has a chance to appropriately evaluate the program and its other potential unintended consequences.

Halibut IBQs

Although Halibut is managed outside of the council process, for the Quota Share Program it should be considered a constraining species eligible under the risk pool cap exemption. The problem is the result of the current IBQ being set *below* the assumed trawl fishery catch and can be easily corrected by raising the Trawl IBQ allocation to the current assumed level.

Community Fishing Associations (CFAs)

CFAs should be considered independently of Risk Pools and be assigned a much lower priority.

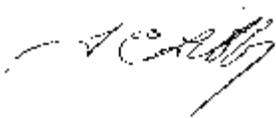
CFA Criteria, among other things, should include:

1. CFAs should be limited to communities with existing processing capacity, having stated an interest to the council, through a specified application process, in the formation of a CFA.
2. No exception to the control rule should be granted for CFAs.
3. Adaptive Management Pounds (AMPs) should not be tied in any way to CFAs.
4. Access to AMPs should be available through a separate application process with specified criteria that include restriction of AMPs distribution to areas with currently viable, functioning processor and harvester capacities.

The definition of CFA's should not be so restrictive as to exclude those communities desiring to form an association from doing so independently or by contracting administrative expertise; however, the existence of outside administrative expertise should not be mandated in the program. Currently there are groups proposing the only practical approach is, for these groups, to seek out communities with fishing history, no matter how far in the past, and restore the economic contribution from fisheries to these communities to some historic level. The Quota Share program anticipated a reduction in fleet and in active fishing ports. Historically the fleet has been tending toward consolidation and historically active fishing ports have consciously promoted tourism to replace fisheries in their economic structure.

I believe it is the responsibility of impacted communities, once being made aware of the opportunities available under CFA's, to start the CFA qualification process. Outreach programs should be set up by NMFS or the Council and directed to community representatives to insure their understanding of the program. Those communities with a need and desire to maintain a fishing culture will make the effort to apply for CFA status.

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