

Proposal for a Gulf of Alaska Trawl Bycatch Management Program

Submitted by: Alaska Marine Conservation Council; Gulf of Alaska Coastal Communities Coalition; Ernie Weiss, Aleutians East Borough; Alexis Kwachka; Dave Kubiak

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Introduction

Bycatch of prohibited species, particularly halibut and Chinook salmon, in the Gulf of Alaska trawl fisheries has emerged in recent years as a primary management concern. Initial limits on bycatch of these species have been set or lowered over the past three years. However, the North Pacific Fishery Management Council (the Council) has been hesitant to significantly lower bycatch limits under the current management structure which allows for a race for fish given the challenges to the fleet. In the context of reducing bycatch, we understand the Council is now exploring changes to the overall management structure of Gulf of Alaska trawl fisheries. Individual fishing quota (IFQ) or catch share programs which allocate bycatch and/or target species have emerged as a means to provide the trawl fleet with the “tools” to reduce bycatch. Given the emphasis to date on catch share programs, this proposal presents a concept to apply if the Council decides to proceed with development of a catch share program.

In the North Pacific the Council has nearly twenty years of direct experience with catch share programs in a variety of gear types and fisheries. From the experience in Alaska, as well as that gained from catch share programs throughout the world, there is a wealth of experience to draw from in designing a new catch share program. At this point in time we have the knowledge and the ability to avoid the pitfalls of earlier programs. The North Pacific Fishery Management Council has a reputation for leading by example when it comes to fisheries management in the United States, developing innovative methods and approaches. The Council has an incredible opportunity here again to set the stage for the next era of catch share program development, utilizing the collective knowledge Council members, agency staff, community members and industry leaders have amassed in two decades of catch share program development and ongoing management under these programs. We encourage the Council to seize this opportunity and develop a new model of catch share program in devising a management system for the Gulf of Alaska trawl fishery.

This Council is well aware of the problems that have been encountered in catch share programs in Alaska, many of which are universally shared with other programs around the world. Notably, capital flight, rapid vessel consolidation, absentee ownership of quota and high leasing fees have emerged as issues in one or more catch share program managed by the Council. Overarching all these concerns is the challenges that the Council has faced to change the rules of a catch share program after its put in place and money has changed hands through quota transfers and other investments. In practice, when quota is distributed and takes on a financial value upon which people make business decisions, it has proven extremely challenging to make subsequent changes to a catch share program.

This proposal presents a new paradigm for a catch share program, and for distributing the public resource of our fisheries, which puts fishing communities¹ at the center of the program. The greatest challenge of past programs has been how to adequately protect communities. In this proposal, outlined in greater detail below, we outline a program in which 100% of the quota is allocated to a community fishery association (CFA). Fishing communities and fishing industries are symbiotic: they depend on each other. Yet many past programs have caused severe harm to communities. By allocating directly to a CFA, community concerns, including areas such as bycatch reduction, crew shares and seafood deliveries among others, can be addressed directly by the CFA. The Council can still set objectives for the fishery, but a CFA will be better able to address the interests and needs of fishing communities and provide ongoing quota distributions to the fishery in a much more flexible manner than the Council can do. Under this type of system, the benefits of a quota program in terms of slowing down the race for fish and allowing vessels to choose the time and location of fishing will be realized. The groundfish trawl sector will be better able to achieve OY, increasing landings and value for harvesters and processors. In addition, by distributing quota to a CFA rather than individuals, quota itself does not gain its own economic value. This alone assists in keeping harvesters/processors and quota owners/crew on an even playing field. This type of arrangement also makes future adjustments to the program possible. Since no money will change hands in exchange for quota, pursuing changes to the program will be possible. A multi-interest stakeholder board can provide continued public oversight to a public resource, rather than allocating a public resource, and the associated wind fall, directly to individuals. The outcome will be a stable management structure that ends the race for fish, improves operational efficiencies, enables the fleet to reduce bycatch more effectively, and provides clear opportunity for future generations of working fishermen, vessel owners and processors.

The proposal presented here represents a basic conceptual framework for this type of approach. We expect that further details and options would be developed by a stakeholder group as the Council moves forward with developing a management program. Thank you for your consideration of this proposal.

¹ There are many different definitions of what constitutes a “community.” Throughout this proposal our use of the term “community” refers to a place-based community.

Proposal for a GOA Trawl Bycatch Management Program

I. Bycatch Reduction

Bycatch reduction is the principle motivating factor for this action. Therefore it is critical that bycatch reductions are explicitly included as part of the program. Bycatch reduction is achieved in several ways via this program:

1. **Council Action:** For the first two years of the program existing bycatch limitations (e.g. halibut and Chinook salmon PSC limits and Tanner crab closure areas) will remain in place. At final action the Council will adopt additional bycatch reduction measures to be phased in after the initial two year transition period.
2. **Community Fishing Association Action:** Annual fishing quota allocations will be adjusted based on bycatch performance, e.g. vessels with lower bycatch will receive greater quota allocations (see below for more details).

II. Observer Coverage

- 100% observer coverage will be required to participate in the fishery.

III. Community Fishing Association

This provision would allocate the annual federal total allowable catch (TAC) for trawl target species, non-target species, secondary species and associated prohibited species catch (PSC) to a community fishing association (CFA), a non-profit entity described in more detail in section A. below. The CFA would be established under the Fishing Communities provisions of the Magnuson Stevens Act (MSA),² and would be required to comply with the provisions of that section. The CFA would determine how to distribute the annual harvest privileges according to criteria, goals and objectives established by the Council and set in federal regulation. Annual reporting to the Council would be required. The intent of the CFA is not to disrupt current harvesting practices, nor to provide a source of revenue generation, but rather to ensure that quota is anchored in the community and that community concerns, including bycatch reduction, crew shares and other community concerns are addressed in the program.

A. CFA entity/composition

The CFA entity must be a non-profit entity qualified by NMFS, with a community sustainability plan approved by the Secretary as specified in the MSA³. The administrative entity will be a single Gulf-wide administrative entity with two divisions, one for the Central Gulf of Alaska and one for the Western Gulf of Alaska. The CFA will be governed by an Executive Committee with administrative and oversight responsibilities for the organization. The Executive Committee will be selected from the Board of Directors for the Central and Western Gulf of Alaska regions. The Central and Western Gulf of Alaska regions will each have a Board of Directors consisting of 9 seats. The Board of Directors

² 16 USC 1853a(c)(3).

³ 16 USC 1853a(c)(3)(A)(i)(IV).

will be selected via a nomination process in which each interest group submits nominations to the relevant borough government (Kodiak Island Borough for the Central Gulf and Aleutians East Borough for the Western Gulf). The Borough Assembly will then appoint a representative from the nominees in a public meeting.

Membership for the Board of Directors will be subject to the MSA requirement that it “consist of residents who conduct commercial or recreational fishing, processing, or fishery dependent support businesses within the Council’s management area.”⁴ The Boards will consist of:

| <u>Executive Committee</u> |
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| Kodiak Island Borough/City Government: 1 seat |
| Aleutians East Borough: 1 seat |
| Trawl sector: 1 seat |
| Fixed gear sector: 1 set |
| Conservation: 1 seat |

| <u>Central Gulf (9 seats)</u> | <u>Western Gulf (9 seats)</u> |
|--|---------------------------------------|
| Kodiak City/Borough government: 1 seat | Aleutians East Borough: 1 seat |
| At-large community seat: 1 seat | At-large community seat: 1 seat |
| Trawl sector: 2 seats | Trawl sector: 2 seats |
| Processors: 1 seat | Processors: 1 seat |
| Fixed gear sector: 1 seat | Fixed gear sector: 1 seat |
| Salmon/Halibut/Crab Fisheries: 1 seat | Salmon/Halibut/Crab Fisheries: 1 seat |
| Crew/Independent Contractor: 1 seat | Crew/Independent Contractor: 1 seat |
| Conservation: 1 seat | Conservation: 1 seat |

B. Quota Distribution

- Eligibility to receive quota distribution on an annual basis will be tied to owning a qualified LLP/vessel.
- In the first two years of the program, quota will be distributed according to past fishing history.
- After the first two years, quota will be distributed based on a combination of fishing history and bycatch performance standards. For instance, quota distribution could be based 30% on history, 30% based on an even distribution between participants in the fishery and 40% based on performance standards, including bycatch performance. Specific scoring criteria will be developed by the board to provide benchmarks and allocations relative to meeting the performance standards.
- To receive quota, harvesters must join a cooperative. For the first 2 years of the program, harvesters must join the cooperative associated with their historical

⁴ 16 USC 1853a(c)(3)(A)(i)(III).

deliveries. After the first 2 years harvester/processor relationships will be subject to the criteria detailed below under harvester/processor relationships.

C. CFA Contract Terms

- To receive quota, vessels must comply with a set list of contract terms via a contract with the CFA. Contract terms will be phased in over the initial 2 year period to allow time for the fleet to adapt.
- Contract terms may include:
 - Delivery/landing requirements based on historical delivery patterns.
 - Membership in a co-op/risk pool and compliance with bycatch avoidance measures.
 - Active participation in the fishery – either owner on board or significant ownership interest in a vessel.
 - Crew share standards.
- Contract terms will be developed by the CFA in accordance with goals and objectives set out by the Council.

D. Lease Rates

- The CFA's lease rates will be capped at a level which will cover administrative costs for the quota entity and will not exceed reasonable administrative costs as audited by NMFS (not to exceed 5-10%).

E. Processor Co-operatives

- Vessels must be part of a co-operative to have access to quota distributions from the CFA and the co-op must include a processor.
- For the first 2 years of the program, co-op membership would be based on historical deliveries to the processor and vessels would be locked in to their historical processor.
- Vessels would select a co-op annually and would have to do so before January 1 to provide processors security in supplying their markets.

F. New Entrants

- When a new entrant joins the fishery by purchasing a vessel or permit, they will be eligible to lease quota for primary, secondary and PSC species based on an average allocation for that class of vessel capacity (not based on the vessel's or permit's history).

G. Consolidation limits

- A limit will be set for how much quota can be fished by any one vessel to ensure that quota is not consolidated onto a small number of vessels.
- Processors would also be limited by a cap to ensure that all processing is not consolidated into too few processors in each area (Western and Central GOA).