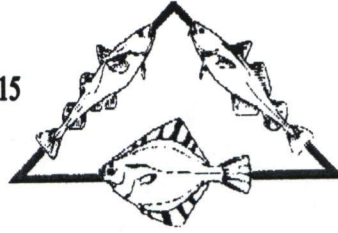


Groundfish Data Bank

Alaska

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November 30, 2015

Mr. Tom Kluberton, Chairman
Alaska Board of Fisheries
Alaska Department of Fish and Game
P.O. Box 115526
Juneau, AK 99811-5526

Re: Alaska Peninsula, Chignik, and Aleutian Islands-Bering Sea Pacific Cod Proposals

Mr. Kluberton and members of the Board of Fisheries,

Alaska Groundfish Data Bank (AGDB) is a member organization that includes shorebased processors and trawl catcher vessels home ported in Kodiak. The Kodiak trawlers are mostly family owned businesses who have participated in the federal groundfish fisheries since Americanization of the fisheries.

The members of Alaska Groundfish Data Bank oppose proposals 10, 11, 15, and 16 that would increase the guideline harvest level of Pacific cod in the South Peninsula (area M) and Dutch Harbor (area O) areas. These four proposals would reallocate the fully subscribed Pacific cod resource between federal and state participants. We also oppose proposal 9 that would repeal closures to fishing for Pacific cod with pot gear in Steller sea lion critical habitat and reinitiate a formal consultation under section 7 of the ESA according to NMFS.

The main reasons we oppose these proposals are:

- Destabilize cod user groups, both federal and state, due to reallocation of the cod resource across participants.
- Reopen the ESA with regards to SSL– both a section 7 and potentially a section 10 consultation. These five proposals erode SSL protection measures by compressing harvests within 3 miles and increasing “A” season harvests.
- Additional costs to the State of Alaska and the Department of Fish and Game for management and enforcement that would take funds away from already existing state fishery programs.
- Potential for overcapitalized State fisheries due to incentives to build new efficient super 8 vessels (see appendix A).

We look forward to participating in the committee of the whole process with the Board of Fish members.

Sincerely,
Julie Bonney
Executive Director

STATE WATER PACIFIC COD FISHERIES

Background: The Board of Fisheries (BOF) is considering Pacific cod proposals for the Alaska Peninsula, Chignik, Aleutian Islands, and Bering Sea management areas at their November 30 to December 1, 2015 meeting. There are a total of 21 proposals - a combination of Department of Fish and Game and stakeholder proposals. In some cases the proposals are aligning regulations within the state system or between the state and federal systems while others are about reallocating the resource between participants, either within state participants or between federal and state participants.

Starting in 1997, the Board of Fisheries created state water Pacific cod fisheries. With the addition of the area O fishery in the Bering Sea in 2014, state cod fisheries now exist in all areas across the state of Alaska.

The state-waters Pacific cod fisheries across the state of Alaska by registration type and allowed gear type are as follows:

Super Exclusive: Chignik; Gear: Pot and Jig
 Exclusive: Dutch Harbor; Gear: Pot only
 Exclusive: Kodiak, South Alaska Peninsula and Cook Inlet; Gear: Pot and Jig
 Exclusive: PWS; Gear: Pot
 Non-Exclusive: PWS; Gear: jig/longline
 Non-Exclusive: Southeast; Gear: Longline, Pot and Jig
 Non-Exclusive: Aleutian Islands Gear: Trawl, Longline, Pot and Jig

The management designation for exclusivity is determined by the BOF and is designed to meet management objectives while allowing the fleet to meet the available Guideline Harvest Level (GHL). Allowable gear types by management area is determined by the BOF and appears to be driven by a combination of factors: tolerance of specific gear types within a management area, the ability of the fishing fleet to harvest the area's available GHL, and management tools for managers.

The state does not have a groundfish observer program so there are no estimates of at sea discards within state groundfish fisheries based on observer coverage within these fisheries. The federal catch accounting system does use bycatch rates from federally observed vessels in federal fisheries and applies these rates to state fishery harvests. This results in estimates of bycatch within the state fisheries; however, there is no mechanism to determine if these federal rates are representative of what is actually occurring within state fisheries.

Participation: AGDB requested vessel participation data from the Department of Fish and Game to understand which vessels are participating in which state cod fisheries, and how vessel participation has changed with changes in the state cod fisheries. The data that follows is focused on the three areas for this proposal cycle: Chignik, South Peninsula, and Dutch Harbor management areas. Changes to these three areas of focus for the Pacific cod fisheries were as follows: BOF created the Dutch Harbor area O Pacific cod fishery in 2014 with 3% of the BSAI ABC for its GHL and increased the South Alaska Peninsula (SAP) area Pacific cod GHL, which was started in 1997, from 25% to 30% of the WGOA ABC. There was no GHL change for the Chignik cod fishery.

Over the years 2009-2015, 124 unique vessels participated in the Chignik, SAP and Dutch Harbor state cod fisheries. Table 1 shows vessel counts of participation by year and fishery, graphed in Figure 1. Except for a notable increase in 2011 and 2012 vessel counts have been fairly consistent from 2009 – 2015.

Table 1. Participation by year and fishery: no. vessels

Fishery	2009	2010	2011	2012	2013	2014	2015	No. unique vessels 2009-2015
Chignik	11	15	23	20	19	12	17	42
Dutch	na	na	Na	na	na	16	14	21
SAP	47	38	50	53	37	38	42	79
Total	58	53	73	73	56	66	73	124

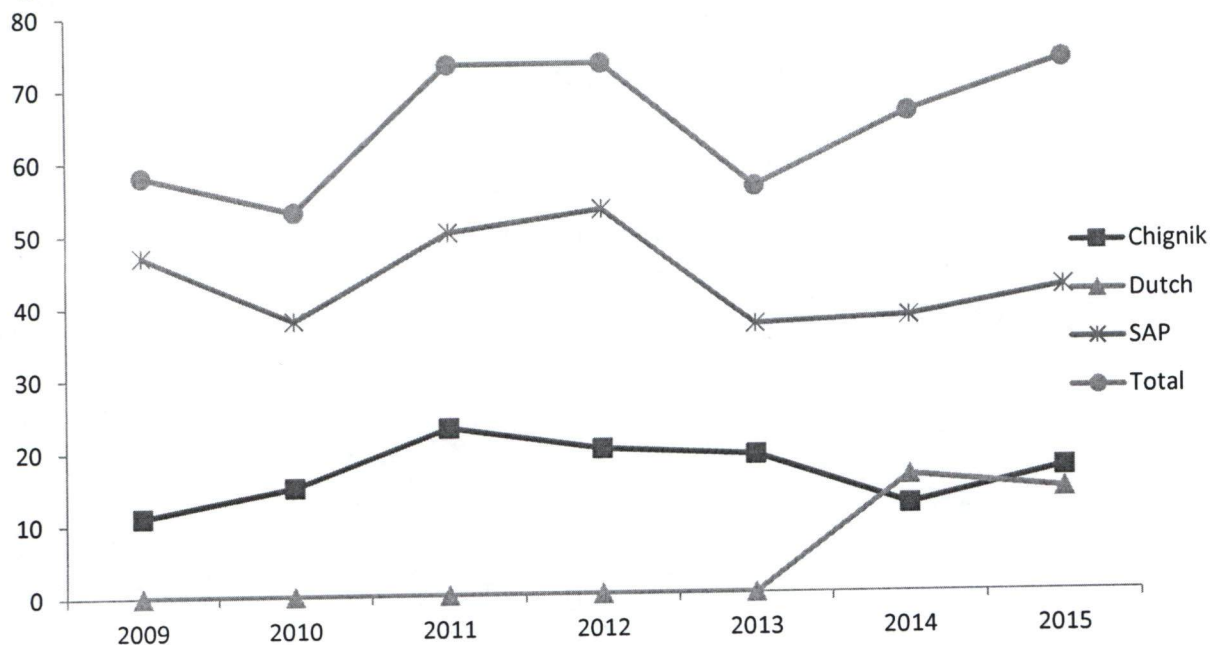
Figure 1. Vessel participation by year and fishery

Table 2 compares average ex-vessel value for each vessel by fishery assuming equal harvests in 2015 using a base price of 30 cents/pound for cod (<http://www.afsc.noaa.gov/refm/docs/2015/economic.pdf>). The Dutch Harbor fishery is the most lucrative of the three state fisheries at \$386K per vessel versus \$187K per vessel for Chignik and \$157K per vessel for SAP.

Table 2. Comparison of ex-vessel value per participating vessel assume each vessel caught an equal portion of the state GHL for the 2015 fishery

Category	Chignik	SAP	Dutch Harbor
Pot 2015 GHL	10,646,012 lbs.	21,757,443 lbs.	18,029,404 lbs.
# Participating vessels	17	42	14
Ex-vessel price / lbs.	\$.30	\$.30	\$.30
Share per vessel (equal)	\$187,871	\$155,410	\$386,344

Effects of the new Dutch Harbor fishery: AGDB was particularly interested in the new Dutch Harbor fishery – which vessels are participating, where did these vessels come from, are these vessels participating in both federal and state fisheries, vessel ownership and are these vessels high capacity super eights?

Table 3 shows the Dutch Harbor fishery participants and their participation history from 2009 – 2015 in the Dutch Harbor, Chignik and SAP state fisheries. A couple of points can be drawn from the table. The new fishery reduced the number of vessels in the Chignik area by three to four vessels annually and in the SAP area by two to five

vessels annually. Of the twenty-one unique vessels that participated in the Dutch Harbor fishery in 2014 and/or 2015, nine vessels were brand new to these state cod fisheries.

There are nine vessels that are truly new entrant with the Dutch Harbor fishery their first Alaska State cod fishery: Afognak Strait, Anthem, Biloxi Queen, Cerulean, Cascade, Magnus Martens, Kaia, Raven Bay, and Saint Peter. All but two of these vessels (Biloxi Queen and Raven Bay) are considered super-8's.

Table 3. Dutch Harbor fishery participants & their participation history from 2009-2015 in Dutch, Chignik and SAP state fisheries.

Vessel/Fishery	2009	2010	2011	2012	2013	2014	2015	Total
Afognak Strait						1	1	2
Dutch						1	1	2
Alaskan Star				1	1	1	1	4
Chignik					1			1
Dutch						1	1	2
SAP				1				1
Anthem						1		1
Dutch						1		1
Biloxi Queen						1		1
Dutch						1		1
Cerulean						1	1	2
Dutch						1	1	2
Commitment		1	1	1	1	1	1	6
Chignik		1	1	1	1			4
Dutch						1		1
SAP							1	1
Cynosure			1	1	1	1	1	5
Dutch						1	1	2
SAP			1	1	1			3
Deliverance	1				1	1	1	4
Chignik					1		1	2
Dutch						1		1
SAP	1							1
Devotion	1	1	1	1		1	1	6
Chignik		1	1	1				3
Dutch						1	1	2
SAP	1							1
Cascade							1	1
Dutch							1	1
Magnus Martens						1	1	2
Dutch						1	1	2
Icy Mist		1	1	1		1		4
Chignik		1	1	1				3
Dutch						1		1
Kaia						1	1	2
Dutch						1	1	2
Konrad I	1	1	1	1		1	1	6
Dutch						1		1
SAP	1	1	1	1			1	5
Raven Bay						1	1	2
Dutch						1	1	2
Sabrina				1	1		1	3
Dutch							1	1
SAP				1	1			2
Saint Paul		1				1	1	3
Dutch						1	1	2
SAP		1						1
Saint Peter							1	1
Dutch							1	1
Stanley K			1				1	2

Vessel/Fishery	2009	2010	2011	2012	2013	2014	2015	Total
Chignik			1					1
Dutch							1	1
Taurus			1				1	2
Dutch							1	1
SAP			1					1
Tradition	1	1	1	1		1		5
Dutch						1		1
SAP	1	1	1	1				4
Grand Total	4	6	8	8	5	16	17	64
Dutch (no. vessels in fishery)						16	14	30
SAP (no. vessels in fishery)	4	3	4	5	2	0	2	20
Chignik (no. vessels in fishery)	0	3	4	3	3	0	1	14

Table 4 details investment in the federal Alaska fisheries for the Dutch Harbor fishery participants (FFPs and LLPs for 2015). An FFP (Federal Fisheries Permit) is required for any vessel wishing to participate in a Federal GOA or BSAI groundfish fishery. This permit is also required for vessels used to fish for any non-groundfish species (e.g. halibut, crab, and scallops) that are required to retain any bycatch of groundfish. These are non-transferable, three year permits, issued on request and without charge to vessel owners. Any vessel using pot, hook-and-line, or trawl gear in the Federal directed fisheries for Atka mackerel, Pacific cod, or pollock have to register with NMFS and obtain endorsements for these directed fisheries on the vessel's Federal Fisheries Permit (FFP). Vessels that fish exclusively in the parallel State and State waters fisheries do not need an FFP, and vessels that do not hold FFPs are not subject to NMFS recordkeeping and reporting requirements, or Federal observer or VMS requirements.

A Federal LLP (License Limitation Program) license is required for vessels participating in directed fishing for federal groundfish species in the GOA or BSAI, or fishing in any BSAI federal crab fishery. Each LLP has area endorsements (AI, BS, CGOA, WGOA and SEO) which are necessary to fish within that particular area. To participate in the directed Pacific cod fishery, Pacific cod endorsements are required for non-trawl gear, however, fixed gear catcher vessels less than <60 feet are exempt in the BSAI. LLPs are transferable and can be purchased in the market place from current owners (similar to the state limited entry program). The LLP is a Federal program and LLP licenses are not required for participation in fisheries that occur in the waters of the State of Alaska.

Of the twenty-one unique vessels that participated in the Dutch Harbor fishery in 2014 or 2015, all but one have an FFP (95%) and all but five have at least one LLP (76%).

Table 4. LLP/FFP and cod endorsements for the 2014/15 Dutch Harbor State cod fishery participants.

2015		Endorsements for Pot						
Vessel #	LLP #	Vessel	FFP	LLP	CGOA	WGOA	BS	AI
1	1	Afognak Strait	32783	LLG1761	CV Pot		Non-trawl	
	2	Afognak Strait	32783	LLG1218		CV Pot		
2	3	Alaskan Star	32429	LLG3731		CV Pot	Non-trawl	Non-trawl
	4	Alaskan Star	32429	LLG1666	CV Pot			
3	5	Anthem	32761	LLG1888	CV Pot			
	6	Anthem	32761	LLG1447		CV Pot		
	7	Anthem	32761	LLG1873	CV Pot			
4		Biloxi Queen	773					
5		Cascade	32850					
6	8	Cerulean	33530	LLG1158		CV Pot	Non-trawl	
7		Commitment	3412					
8	9	Cynosure	31775	LLG3728	CV Pot	CV Pot		
9	10	Deliverance	2124	LLG3548	CV Pot		Non-trawl	
	11	Deliverance	2124	LLG1636	CV Pot			
10	12	Devotion	21644	LLG3545	CV Pot			
11	13	Icy Mist	31729	LLG1789		CV Pot		
	14	Icy Mist	31729	LLG1719	CV Pot		Non-trawl	
12	15	Kaia	32693	LLG3921		CV Pot		
	16	Kaia	32693	LLG3951			Non-trawl	Non-trawl
13	17	Konrad I	6134	LLG3851		CV Pot	Non-trawl	
	18	Konrad I	6134	LLG3949		CP Pot	Non-trawl	Non-trawl
14	19	Magnus Martens	33091	LLG1200		CV Pot		Non-trawl
15		Raven Bay	none					
16		Sabrina	11237					
17	20	Saint Paul	31074	LLG2518		CV Pot	Non-trawl	Non-trawl
	21	Saint Paul	31074	LLG3866			Non-trawl	
18	22	Saint Peter	32665	LLG1526		CV Pot	Non-trawl	Non-trawl
19	23	Stanley K	31423	LLG3920		CV Pot	Non-trawl	
20	24	Taurus	17058	LLG3562			Non-trawl	
21	25	Tradition	4316	LLG1962	CV Pot	CV Pot	Non-trawl	
Count					10	14	14	6

Super-eights: Table 5 lists the Dutch Harbor cod fishery vessel data according to CFEC (<https://www.cfec.state.ak.us/plook/#permits>). Of the twenty-one vessels, all but four are 58 feet in length. Based on web searches and industry knowledge fourteen of the twenty-one vessels (67%) would be classified as super-8 vessels (highlighted in table).

An ad hoc survey of the different shipyards known for super eight builds (Fred Wahl, Jensen and Delta) show four vessels currently in the construction pipeline at various stages, from beginning engineering to lofting / cutting plans and an additional 4 keels laid and documented that meet the new USCG guidelines.

Another factor that will effect demand for new vessel builds are the new safety requirements that are coming on line – the alternative safety compliance program starting in 2017 and a push for industry to replace old platforms. With this looming alternative compliance date and all the associative unknowns surrounding it, if faced with

expensive retro-fits to an aging, less competitive boat, the logical choice would be a new vessel build. This need to rebuild vessels opens the door for more 58 footers if additional fishing opportunity exists.

Table 5. ADFG Vessel owner information (2015). <https://www.cfec.state.ak.us/plook/#vessels>. Super-8 highlighted

ADFG #	Length	Home Port City	Home Port State	Vessel Name	Owner Name	City	State
76858	58	KODIAK	AK	AFOGNAK STRAIT	AFOGNAK STRAIT LLC	KODIAK	AK
76584	58	KODIAK	AK	ALASKAN STAR	ALASKAN STAR FISHERIES LLC	KODIAK	AK
76842	58	KODIAK	AK	ANTHEM	ANTHEM SEAFOODS LLC	KODIAK	AK
40631	50	DUTCH HARBOR	AK	BILOXI QUEEN	LEWIS HAL S	DUTCH HARBOR	AK
77211	56	DUTCH HARBOR	AK	CERULEAN	FAR WEST FISHERIES LLC	SEATTLE	WA
24592	58	UNALASKA	AK	COMMITMENT	ROWLAND ROGER K	UNALASKA	AK
76034	57	DUTCH HARBOR	AK	CYNOSURE	HAT LLC	SEATTLE	WA
5721	58	HOMER	AK	DELIVERANCE	HOPPE FISHERIES LLC	HOMER	AK
42892	58	JUNEAU	AK	DEVOTION	KILOKAK INC	KODIAK	AK
76935	58	DUTCH HARBOR	AK	FV CASCADE	DAVIS PATRICK C	DUTCH HARBOR	AK
77144	58	JUNEAU	AK	FV MAGNUS	FV MAGNUS A MARTENS LLC	JUNEAU	AK
75998	58	KODIAK	AK	ICY MIST	FV ICY MIST LLC	KODIAK	AK
76787	58	MOUNT VERNON	WA	KAIA	ALEUTIAN ISLANDS LLC	MOUNT VERNON	WA
69625	58	JUNEAU	AK	KONRAD I	APICDA INC (CDQ)	JUNEAU	AK
47511	56	DUTCH HARBOR	AK	RAVEN BAY	D & G FISHING INC	DUTCH HARBOR	AK
44862	58	KETCHIKAN	AK	SABRINA	JOHANSON, CYNTHIA R & JOHN M	KLAWOCK	AK
75473	58	ST PAUL ISLAND	AK	SAINT PAUL	SAINT PAUL LLC	WASILLA	AK
76769	58	STPAUL ISLAND	AK	SAINT PETER	SAINT PETER LLC	WASILLA	AK
75745	58	FALSE PASS	AK	STANLEY K	LAUKITIS MICHAEL	HOMER	AK
49747	58	DUTCH HARBOR	AK	TAURUS	CASTLE CAPE FISHERIES LTD	HOMER	AK
61331	58	ASTORIA	OR	TRADITION	PAINTER BLAKE C	ASTORIA	OR

Vessel ownership: There are multiple sources to determine “residency”: CFEC vessel license, CFEC vessel owner permit, LLP owner, FFP owner, home port according to ADFG, vessel owner according to the US Coast Guard.

Table 5 lists the Dutch Harbor cod fishery vessel ownership according to CFEC

(<https://www.cfec.state.ak.us/plook/#permits>). Of the 21 vessels, all but four would be considered AK-owned if the owner address on file with ADFG is used. All but two have a self-reported home port in Alaska. All information submitted with the CFEC vessel license and permit applications is self-reported under penalty of perjury. Vessel ownership is listed by either individual persons or corporations.

Summary points:

- Area O removed pressure off of the SAP and Chignik district cod fisheries when vessels changed historical fishing locations to participate in the area O cod fishery.
- Area O brought new vessel participants into the State cod fisheries.
- Area O has the highest average ex-vessel value of these three state cod fisheries.
- Area O vessels are virtually all federal participants (20 out of 21 vessels).
- Area O participants are mostly highly capitalized and efficient super eight vessels.
- Increased cod GHs may increase incentives for new rebuilds of the limit seiner vessel class (58 footers) to better access these state fisheries. This additional catching capacity will enter other fisheries, both state and federal fisheries, increasing the race for fish.