

#### Joint Protocol Committee of the NPFMC and Alaska BOF Area O Pacific cod proposals 12, 13, and 14

October 2018

### Who we are

- 11 Alaska and Washington-based members, including family-run businesses and CDQ organizations committed to sustainable harvest and protection of the Pacific cod resource.
- <u>FLCC:</u> Voluntary cooperative of 23 active vessels (2018; 36 permits) that almost exclusively target Pacific cod in the BS and AI.

• Coop established in 2010; 35+ years of history in fishery.

• In 2017, FLC members employed over 1,700 full time workers (in FTEs) in Alaska and Washington.

- Alaska connections with FLC members:
  - FLC vessels between 33%-100% Alaskan-owned: 14
  - Members with 33%-100% Alaskan ownership: 5 (of 11)
  - Members w/Alaskan partners in fisheries: 11 (of 11)
- Annually, nearly 100% of landings are in Alaska, all of which is assessed a 3% fishery resource landing tax and a separate seafood marketing assessment (0.5%).
  - In 2017, ~\$2.75 million contributed by fleet to State of Alaska for Pacific cod harvest
    - 98% of 251 m lbs x \$.32 (state avg ex-vessel value) x .035%

- Examples of FLC member investments in Alaska:
  - <u>CDQ groups</u>: Economic development and education resources in western AK communities
  - <u>Prowler Fisheries</u>: Arctic Prowler constructed in Ketchikan, AK; completed in 2013
  - <u>Clipper Seafoods and Siu Alaska</u>: Cod oil processing facility in Dutch Harbor
  - <u>Alaskan Leader Foundation</u>: Grants for rural Alaskan communities in Kodiak, Bristol Bay regions
  - <u>FLC:</u> Partnerships with NMFS on research to better understand Pacific cod stocks, e.g. genetics research

- Commitment to sustainability
  - <u>Cooperative management:</u> Established voluntary coop in 2010, following rationalization of BSAI cod fishery.
    Ended race-to-fish, facilitates spread out fishery over time, space.
  - Observed fleet: All vessels 100%+ human observed and use cameras, flow scales to ensure precise catch data.

#### o Bycatch reduction:

- o Seabirds: Pioneers in seabird mitigation, use of streamer lines
- Halibut: Weekly catch reports; halibut PSC numbers ~1/4 of limit (2017); early adopters of careful release practices
- <u>MSC/RFM</u>: The BSAI FLL Pacific cod fishery was first cod fishery in the world to obtain MSC certification.
  Maintains certification through MSC, RFM.

### Impacts on fleet of GHL increase

- <u>Pacific cod-dependent fleet:</u> FLL fleet harvests almost exclusively Pacific cod
  - >95% of targeted catch is Pacific cod (Gturbot, IFQ sablefish)
  - 90% of total catch (retained) is Pacific cod (2017)
  - Historically, 92% of FLL Pacific cod harvest is in BS
    - 2018: ~99% of Pacific cod harvested in BS
  - Highly specialized: FLL vessels are highly specialized and cannot easily convert to participate in other gear types or fisheries (due to configuration and federal license requirements).

- <u>Reduction in operations</u>: With less Pacific cod to harvest, vessels get tied up and jobs are lost.
  - In 2018, four fewer vessels operating vs. 2017 (27-23) due to 80% decline in GOA, reductions in BS.
  - More expected in 2019 if GHL increases, BS stock declines.
- <u>Higher GHL=Lower TAC</u>: Particularly in times of low abundance, any reduction to the BS Pcod ABC = a reduction in BS Pcod TAC.
  - Cod needed by all sectors. TAC set to ABC except in years of very high abundance.

- <u>Compounding reductions</u>: An increase in GHL would be 3rd decline in the available harvest for our fleet in the past two years, with more expected in 2019
  - 2018 GOA: 80% reduction of ABC, TAC from 2017
  - 2018 BS: 16% reduction of ABC, TAC from 2017
- <u>Buy-back loans</u>: Reductions in available harvest threaten ability for fleet to pay back federal buy-back loans initiated to promote sustainability of fishery.
  - To address overcapitalization in sector and latent permits, FLL sector took out federal loans in 2007 (\$39m for 30 yrs) for voluntary buyback of 3 vessels and 13 permits/licenses.
- <u>Investment in Alaska</u>: Less harvest means less revenues to invest in Alaska, less reinvestment in future of fleet.

### **FLC Recommendation**

 Request the proposals to increase the allocation to the GHL in the Dutch Harbor Subdistrict (Area O) Pacific cod fishery <u>not</u> be adopted.

 $\circ$  Proposals 12, 13, and 14

- Rationale:
  - Conservation of resource in period of high uncertainty
  - O Unjustified costs to federal fishery participants primarily for benefit of selected few within single sector.