TESTIMONY OF
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BEFORE THE SENATE SUBCOMMITTEE ON
OCEANS, ATMOSPHERE, FISHERIES AND COAST GUARD

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Thank you, Mr. Chairman and members of the Subcommittee, for the opportunity to testify on implementation of key provisions of the 2007 Magnuson-Stevens Fishery Conservation and Management Act (MSA) reauthorization.

I am testifying today on behalf of the At-sea Processors Association (APA). APA is a fishery trade association representing six companies that, among other commercial fishing and fish processing interests, own and operate 19 trawl catcher/processor vessels eligible to participate in the Bering Sea groundfish fishery. APA member vessels participate principally in the Nation's largest fishery, the Alaska pollock fishery, which yields on average nearly 3 billion pounds annually in landings. Some APA vessels also harvest and process Bering Sea cod and flatfish and west coast Pacific whiting.

Since 1974, I have worked in support industries for commercial fisheries, transitioning into the commercial fishing industry along the way. Since passage of the MSA, I have been closely involved in the fishery management process. My involvement includes serving from 2001 to 2007 on the North Pacific Fishery Management Council, chairing the Council for four of those six years. I served on the Council's stakeholder Advisory Panel prior to being appointed to the Council. Currently, though not a member of the Council, I chair its Ecosystem Committee. Much of my testimony today is informed by my involvement over the past three decades as a commercial fishing stakeholder and as a Council member.

As requested by the Subcommittee, my testimony focuses on three issue areas addressed in the 2007 MSA reauthorization. I will speak to: 1) the requirement for fishery management plans to include Annual Catch Limits (ACLs) for fisheries; 2) the requirement for Accountability Measures in fishery management plans to ensure that ACLs are not exceeded; and 3) NOAA Fisheries' catch share policy and Limited Access Privilege Programs (LAPPs) as a subset within catch share options.

1. Annual Catch Limits (ACLs) for Alaska Pollock

The 2007 MSA reauthorization required that each regional fishery management council specify annual catch limits (ACLs) for each managed fishery. Each council is directed to set ACLs for fisheries at, or below, the sustainable fishing level recommended by that council's scientific and statistical committee (SSC). While this is a new provision in statute, it essentially tracks the process established over three decades ago by the North Pacific Fishery Management Council to manage the groundfish fisheries, and other species, under its jurisdiction in federal waters off Alaska.

In the Alaska Region, NOAA Fisheries' scientists prepare annual stock assessment reports for each of the target groundfish species, including Alaska pollock, Pacific cod, Atka mackerel, and various flatfish species. The stock assessment report is peer reviewed in public sessions by the Council's groundfish Plan Team, which is composed of federal and state fishery scientists and qualified academics. Based on its review of the stock assessment reports, the Plan Team recommends an acceptable biological catch (ABC) limit and forwards the stock assessment with any proposed revisions to the Council's SSC, which is similarly populated with federal and state scientists and academics. The SSC, which like the Plan Team also meets in public and takes testimony from stakeholders, prepares an ABC recommendation for the Council's consideration as well. Most often there is a consensus view between these scientific panels on a precautionary ABC recommendation.

Informed by this comprehensive and transparent scientific review, the Council then develops total allowable catch (TAC) levels annually for each target groundfish fishery. Even prior to the 2007 MSA amendment, the North Pacific Council never set a TAC—which is synonymous with an Annual Catch Limit—above the ABC recommendation of its scientific panels. Not coincidentally, all of the Alaska groundfish stocks have been sustainably managed since the MSA was enacted in 1977. (Appendix #1 is a table showing the ABC and TAC levels for the Bering Sea pollock fishery from 1977 to the present.)

For groundfish, the North Pacific Council has had to make minimal changes to its current annual TAC setting process to be compliant with the MSA implementation regulations. The Bering Sea groundfish fishery management plan has been amended to identify ACLs for minor, non-target species that can be incidentally harvested in the commercial pollock, cod or flatfish fisheries, but that is more of an administrative change than a substantive one. (Appendix #2 is the ACL specifications sheet for Bering Sea groundfish fisheries for 2011.)

While the annual ABC recommendations for individual groundfish species can be highly anticipated by the commercial fishing industry, there is a distinct lack of tension or friction to the process. NOAA Fisheries' Alaska Fisheries Science Center has been adequately funded through the years, providing critical survey research necessary for estimating stock abundance with a high degree of confidence. There is also a comprehensive fishery dependent and fishery independent data collection program that supports analyses of stock characteristics that are essential to understanding whether the population trend is likely headed up or down and allows fishery managers to plan, accordingly. Commercial fishing stakeholders appreciate the quality of the information collection process, respect the analysis, and buy into the process because of its transparency.

The situation with Alaska pollock, a fish stock with a fluctuating biomass, is useful in appreciating the industry's support for NOAA Fisheries' work and the Council process. In 2004, the ABC for the Bering Sea pollock fishery was 2.5 million metric tons—the highest ABC level ever recorded—and the TAC was set at almost 1.5 million metric tons. Favorable environmental conditions that boosted pollock stock abundance in the early 2000's, were much less favorable in the latter half of the decade. NOAA Fisheries' bottom trawl surveys and hydro-acoustic surveys showed declining fish populations. By 2010, the ABC and TAC were set at 813,000 metric tons. The commercial fishing industry accepted NOAA Fisheries' stock assessments equally when the projections were high as when they were low, and accepted the necessary concomitant reductions in catch levels when the stock trended downward.

Good science and responsible, adaptive management pays off. The Alaska pollock stock is once again trending upward. The 2011 ABC is 1.27 million metric tons, a more than 50 percent increase from a year ago. The 2011 TAC, or ACL, is set just under the ABC and is just about at the 35-year average for the fishery.

Industry confidence in the quality of the science fosters a collegial working relationship between NOAA Fisheries' regional scientists and managers and the commercial fisheries. In this budget climate, both the agency and the industry are extremely concerned about maintaining current funding levels for fisheries science to ensure high quality, annual survey research. If basic fisheries science funding levels are reduced, catch levels will be sacrificed as more precautionary catch limits will be imposed to account for increased scientific uncertainty about fish stock trends and abundance. The Alaska groundfish fishery, which accounts for roughly 40 percent of all U.S. seafood landings, is valued at more than $1.0 billion at the primary processing level. Tens of thousands of men and women earn family-wage jobs fishing and processing Alaska groundfish, and the economic benefits of this commercial enterprise flow directly throughout Alaska coastal communities and the Pacific Northwest.

We urge Congress to continue to invest in fisheries science as a cornerstone to maintaining a healthy commercial fishing industry. We also urge Congress to continue to support a council process that is transparent, inclusive, and participatory.

2. Accountability Measures (AMs) in the Alaska Pollock Fishery

The 2007 MSA reauthorization included an Accountability Measures (AM) requirement designed to complement the new ACL requirement. The AM requirement is provided to ensure that, once established, sustainable catch limits are not exceeded. Because annual catch limits have been in place for Alaska groundfish stocks since U.S. fisheries management authority was extended out to 200 miles in the late 1970s, accountability measures that ensure compliance with such catch limits have been developed and improved upon as well over time.

The centerpiece of accountability measures is the North Pacific Groundfish Observer Program implemented in 1990. NOAA Fisheries' Alaska Fisheries Science Center administers this program, which has grown from providing minimal levels of observer coverage for some fisheries to a comprehensive observer program. The Alaska groundfish industry contributes approximately $13 million annually to help fund the placement of federally trained and certified observers on vessels and at processing plants. NOAA Fisheries covers some administrative costs, but the industry bears most of the cost of this world-class monitoring program.

With regard to the Alaska pollock fishery, two federally trained and certified fishery observers are stationed aboard all catcher/processor vessels, processing-only vessels, and at onshore processing plants during the fishing season. A single federal fishery observer is assigned to every Bering Sea pollock catcher vessel while it is fishing. Among other responsibilities, fishery observers record all catch amounts broken out by species, conduct fishery dependent research, and record any marine mammal interactions.

The federal fishery observer program is supplemented by other accountability measures developed through the council process to ensure that annual catch limits are not exceeded. At-sea processing and onshore processing facilities are required to use government-approved scales to weigh all catch, including non-target species. All fish caught, whether retained or discarded, are accounted for in this system so that the fishery's ecosystem impact is measured. Catch information is reported electronically to NOAA Fisheries by the vessel operator and by the fishery observer, providing real-time information to fishery managers. The fishery closes when the target catch limit is reached. For some Alaska groundfish fisheries, the fishery closes if certain limits on non-target species are reached even if the quota for the target fishery has not been achieved.

The Council and NOAA Fisheries also develop regulations stipulating when and where fishing occurs, regulations that include accountability measures to ensure compliance with time and area closures. For example, every pollock fishing and fish processing vessel is equipped with a Vessel Monitoring System (VMS) unit that transmits the vessel's location to NOAA Fisheries at random intervals several times per hour.

The accountability measures identified above, which are supported by industry funds in some cases, are viable because science-based catch limits on fish stocks (and an innovative catch shares program that I'll discuss below) lead to profitable fisheries. The fishing industry is better positioned to take on a greater financial share of stewardship responsibilities—such as contributing directly to the multi-million dollar observer program—when businesses are stable. That is what you see in the Alaska groundfish fishery in general and, specifically, with the Alaska pollock fishery.

3. Catch Shares—Fish Harvesting Co-ops and Limited Access Privilege Programs (LAPPs)

It was the experience of APA catcher/processor companies that ACLs and AMs alone were not sufficient tools to provide for a stable and prosperous fishing industry. During the 1990s, while ACLs and AMs maintained healthy Alaska pollock stocks, the Alaska pollock industry suffered from chronic overcapacity and the attendant economic instability resulting from a race to catch the available quota. The Alaska pollock fishery achieved socio-economic stability only when a catch share-style program was adopted, rationalizing the harvesting and processing of the resource.

The Alaska pollock catcher/processor fleet banded together in 1999 to form a fish harvesting cooperative, the Pollock Conservation Cooperative (PCC). PCC members allocate among themselves under private contract their sector's allocation of Bering Sea pollock. By apportioning the allowable harvest among eligible fishery participants (as determined through federal law and regulation), vessel operators need only utilize as much fishing and harvesting capacity as needed to catch the quota and to do so at a pace that optimizes performance. By making operational changes to maximize the value of allocated catch instead of racing to catch as much of the sector quota as possible, pollock catcher/processor vessel operators are producing almost 50 percent more food products per pound of fish harvested than in the last year of operations under the race for fish format.

Our Alaska pollock fish harvesting cooperative has measurable conservation benefits as well. Cooperative members share catch information on a real-time basis to inform fishing vessel captains about bycatch "hotspots" to avoid. In fact, the cooperative members have entered into a private contractual agreement that closes areas to fishing if incidental catch levels of certain non-target species of concern are high. The government simply cannot adapt that quickly to impose regulatory closures. The cooperative's area closure agreement supplements existing federal bycatch reduction rules and directly improves fleet performance. The contract imposes substantial monetary penalties for any member violating the agreement by ignoring area closures imposed under the cooperative fishing agreement.

The APA catcher/processor fish harvesting cooperative is a type of catch share program, though it is distinct from a LAPP. A LAPP is defined in section 2 of the MSA as a privilege "to harvest a quantity of fish...representing a portion of the total allowable catch of the fishery." The catcher/processor sector is assigned a portion of the overall Bering Sea pollock quota, but the individual allocation is determined through a private contract, not through law or regulation. Nonetheless, APA members' experience is that catch share-style programs, whether fish harvesting cooperatives or LAPPs or another variation on the theme, provide measurable conservation benefits and promote stable, family-wage jobs for commercial fishermen and fish processors.

We are aware of recent efforts in Congress to bar funding for developing or approving new LAPPs on the east coast or in the Gulf of Mexico. While that might leave the door open for other catch share-style programs, such as fish harvesting cooperatives, we hope that Congress will not support efforts to derail new LAPPs. We need to keep moving fisheries management forward.

Catch share-style programs are commonplace in the federal fisheries off Alaska, and they are working. All of the major federally managed fisheries that occur in the waters off Alaska are benefiting from catch share programs. The small boat halibut and sablefish fishery has had a successful Individual Transferable Quota (ITQ) program for nearly 20 years. The Alaska pollock cooperatives have been in effect for a dozen years, and they are an unqualified success. The crab fisheries and the non-pollock groundfish fisheries have converted more recently to ITQ and cooperative management schemes, respectively, and both have strong industry support. In those fisheries, catch share management is resolving overcapitalization problems, fostering a safer fishing environment, and maximizing utilization of fishery resources. Congress should continue to provide commercial fishing interests around the country with the same opportunities to improve their fisheries as those of us have on the west coast and in Alaska.

That concludes my testimony, Mr. Chairman. Thank you again for the opportunity to appear before the Subcommittee today, and I am pleased to answer any questions.

Appendix #1—Science-based ACLs for Bering Sea Pollock from 1977 to 2011—in metric tons
Source: Bering Sea Pollock Stock Assessment & Fishery Evaluation Report, December 2010

Year	ABC	TAC	Catch
1977	950,000	950,000	978,370
1978	950,000	950,000	979,431
1979	1,100,000	950,000	935,714
1980	1,300,000	1,000,000	958,280
1981	1,300,000	1,000,000	973,502
1982	1,300,000	1,000,000	955,964
1983	1,300,000	1,000,000	981,450
1984	1,300,000	1,200,000	1,092,055
1985	1,300,000	1,200,000	1,139,676
1986	1,300,000	1,200,000	1,141,993
1987	1,300,000	1,200,000	859,416
1988	1,500,000	1,300,000	1,228,721
1989	1,340,000	1,340,000	1,229,600
1990	1,450,000	1,280,000	1,455,193
1991	1,676,000	1,300,000	1,195,646
1992	1,490,000	1,300,000	1,390,331
1993	1,340,000	1,300,000	1,326,601
1994	1,330,000	1,330,000	1,329,350
1995	1,250,000	1,250,000	1,264,245
1996	1,190,000	1,190,000	1,192,778
1997	1,130,000	1,130,000	1,124,430
1998	1,110,000	1,110,000	1,101,165
1999	992,000	992,000	989,816
2000	1,139,000	1,139,000	1,132,707
2001	1,842,000	1,400,000	1,387,194
2002	2,110,000	1,485,000	1,480,195
2003	2,330,000	1,491,760	1,490,899
2004	2,560,000	1,492,000	1,480,543
2005	1,960,000	1,478,500	1,483,286
2006	1,930,000	1,485,000	1,486,435
2007	1,394,000	1,394,000	1,354,097
2008	1,000,000	1,000,000	990,566
2009	815,000	815,000	810,731
2010	813,000	813,000	813,000
2011	1,270,000	1,252,000	--
Avg.	**ABC 1,382,000**	**TAC 1,192,260**	**Catch 1,168,547**

Appendix #2—ACLs for Bering Sea Groundfish Fishery, 2011

NPFMC recommended TACs for 2011-2012 BSAI Groundfish; SSC recommended OFLs and ABCs

		2010		2011			2012		
Species	Area	TAC	Catch	OFL	ABC	TAC	OFL	ABC	TAC
Pollock	EBS	813,000	809,238	2,450,000	1,270,000	1,252,000	3,170,000	1,600,000	1,253,658
	AI	19,000	1,266	44,500	36,700	19,000	50,400	41,600	19,000
	Bogoslof	50	131	22,000	156	150	22,000	156	150
Pacific cod	BSAI	168,780	159,012	272,000	235,000	227,950	329,000	281,000	229,608
Sablefish	BS	2,790	721	3,360	2,850	2,850	3,080	2,610	2,610
	AI	2,070	1,049	2,250	1,900	1,900	2,060	1,740	1,740
Yellowfin sole	BSAI	219,000	114,600	262,000	239,000	196,000	266,000	242,000	197,660
Greenland turbot	Total	6,120	3,589	7,220	6,140	5,050	6,760	5,750	4,950
	BS	4,220	1,706	n/a	4,590	3,500	n/a	4,300	3,500
	AI	1,900	1,883	n/a	1,550	1,550	n/a	1,450	1,450
Arrowtooth flounder	BSAI	75,000	38,098	186,000	153,000	25,900	191,000	157,000	25,900
Kamchatka flounder	BSAI	n/a	n/a	23,600	17,700	17,700	23,600	17,700	17,700
Northern rock sole	BSAI	90,000	53,111	248,000	224,000	85,000	243,000	219,000	85,000
Flathead sole	BSAI	60,000	19,863	83,300	69,300	41,548	82,100	68,300	41,548
Alaska plaice	BSAI	50,000	15,771	79,100	65,100	16,000	83,800	69,100	16,000
Other flatfish	BSAI	17,300	2,179	19,500	14,500	3,000	19,500	14,500	3,000
Pacific Ocean perch	BSAI	18,860	16,567	36,300	24,700	24,700	34,300	24,700	24,700
	BS	3,830	2,267	n/a	5,710	5,710	n/a	5,710	5,710
	EAI	4,220	4,033	n/a	5,660	5,660	n/a	5,660	5,660
	CAI	4,270	4,033	n/a	4,960	4,960	n/a	4,960	4,960
	WAI	6,540	6,234	n/a	8,370	8,370	n/a	8,370	8,370
Northern rockfish	BSAI	7,240	4,039	10,600	8,670	4,000	10,400	8,330	4,000
Blackspotted/Rougheye	BSAI	547	232	549	454	454	563	465	465
Rockfish	EBS/EAI	n/a	n/a	n/a	234	234	n/a	240	240
	CAI/WAI	n/a	n/a	n/a	220	220	n/a	225	225
Shortraker rockfish	BSAI	387	252	524	393	393	524	393	393
Other rockfish	BSAI	1,040	676	1,700	1,280	1,000	1,700	1,280	1,000
	BS	485	179	n/a	710	500	n/a	710	500
	AI	555	497	n/a	570	500	n/a	570	500
Atka mackerel	Total	74,000	68,643	101,000	85,300	53,080	92,200	77,900	48,593
	EAI/BS	23,800	23,599	n/a	40,300	40,300	n/a	36,800	36,800
	CAI	29,600	26,387	n/a	24,000	11,280	n/a	21,900	10,293
	WAI	20,600	18,657	n/a	21,000	1,500	n/a	19,200	1,500
Squid	BSAI	1,970	402	2,620	1,970	425	2,620	1,970	425
Other species	BSAI	50,000	16,614	n/a	n/a	n/a	n/a	n/a	n/a
Skate	BSAI	n/a	16,419	37,800	31,500	16,500	37,200	31,000	16,500
Shark	BSAI	n/a	47	1,360	1,020	50	1,360	1,020	50
Octopus	BSAI	n/a	149	528	396	150	528	396	150
Sculpin	BSAI	n/a	5,168	58,300	43,700	5,200	58,300	43,700	5,200
Total	BSAI	1,677,154	1,347,836	3,954,111	2,534,729	2,000,000	4,731,995	2,911,610	2,000,000