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Testimony on Magnuson-Stevens Act Reauthorization

Senate Sub-committee on Oceans, Atmosphere, Fisheries and Coast Guard: A North Pacific Perspective

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Thank you for this opportunity to testify on reauthorization of the Magnuson-Stevens Fishery Conservation and Management Act.

I am a commercial fisherman and have been for 30 years. I served on the North Pacific Fishery Management Council from 1992-2001 and continue to actively participate in the Council process. I serve as the Executive Director of the Alaska Longline Fishermen's Association (ALFA), based in Sitka, Alaska, and I am representing ALFA's over 100 members and their families with this testimony.

ALFA members participate in the halibut/sablefish catch share fisheries, which are hook and line fisheries managed with Individual Fishing Quotas (IFQ). Our members are deckhands or owner/operators of vessels that range in size from 16 foot skiffs to 72 foot halibut schooners, with the majority of the vessels being less than 60 feet in length. ALFA is a community-based organization with a firm commitment to sustainable fisheries and healthy fishing communities. We strongly support the fishery management system created by the Magnuson-Stevens Act (MSA) and respectfully offer the following comments on reauthorization.

SUSTAINABLE FISHERIES

Important progress has been made since the Sustainable Fisheries Act strengthened MSA conservation objectives. Many depleted fish stocks have been rebuilt and struggling fisheries revived as a result. Healthy marine ecosystems are essential to healthy fisheries, healthy fisheries are essential to profitable fishing communities, and profitable fishing communities are important to this country.

North Pacific fish stocks have thrived under science-based management, annual catch limits, and innovative approaches to resource issues. The North Pacific Council frequently sets the standard for fisheries management, and did so again recently with a catch sharing plan that establishes percentage based allocations for commercial and guided sport halibut sectors. This catch sharing plan ensures that both commercial and guided sport sectors share in conserving fish stocks; it also creates a market-based mechanism for limited quota transfer between sectors. This market-based mechanism establishes a responsive solution to a long-term allocation conflict and allows harvesting opportunities to respond to client demand. These are important success stories to share with other regions.

Even as we recognize these successes and recommit to healthy fisheries, we must do more to address the challenges faced by independent fishermen and coastal fishing communities. Strong, resilient and profitable fisheries and fishing communities must be a goal of this reauthorization. I will highlight three objectives critical to achieving this goal. First, maintain productive fisheries that are accessible to coastal fishing fleets. Second, provide a regulatory environment that respects and supports fleet diversity and fleet diversification. Third, develop cost effective and fleet compatible catch monitoring programs that integrate existing tools to meet management needs. Congress has established National Standards and guidelines that highlight the importance of small fishing businesses and coastal communities, but we need to do more through reauthorization and implementation to realize their promise. With the rest of my testimony, I will describe the challenges coastal fishermen and fishing communities face and suggest solutions.

HEALTHY FISHING COMMUNTIIES

The primary challenge coastal fishermen face is the unintended consequence of success—success at addressing overcapitalization in U.S. fisheries. The Fisheries Conservation and Management Act of 1976 promoted the U.S. fishing industry's capitalization and exploitation of coastal fisheries by "consolidating control over territorial waters" and, eventually, eliminating the foreign fleets that were fishing close to our shores. We were so successful in capitalizing the nation's fisheries that the 1996 and 2006 amendments focused on controlling overcapitalization

in US fisheries and preventing overfishing. With the rallying cry of "too many fishermen chasing too few fish," management downsized fishing fleets and rebuilt fish stocks. Limited access programs focused on consolidation, and fishing fleets were reduced by half, and then halved again in some regions.

The unintended consequences of limited access and fleet consolidation have been two-fold: first, a dramatic reduction in fishing jobs, both at-sea and shore-side, and second, escalating cost of entry to limited access fisheries. Limited access programs have achieved the intended conservation and safety objectives, but in some cases have overshot consolidation objectives to the detriment of small fishing businesses and fishery dependent communities. I would call to Congress' attention that the new threat to fishing communities **is too few** fishermen, not too many. Our fisheries are fully prosecuted but by a fragment of the fleet that once filled the harbors, and empty harbors hurt coastal economies.

In Alaska, limited access privileges cost far in excess of the boats and fishing gear required for harvesting the associated quota. The capital costs to enter a fishery have become a significant barrier for independent fishermen in many coastal communities, particularly to residents of remote and, in Alaska's case, primarily native communities. Taken together, these unintended consequences are eroding coastal economies.

Historically, community-based small boat fishermen have prospered through diversification, engaging in multiple fisheries on an annual or periodic basis. Fishing is a risky business in every dimension—fish stocks fluctuate, markets fluctuate, and the weather changes by the minute. To address risk, fishermen have weathered the low in one fishery by shifting to another. The importance of this diversification was recently documented in a paper entitled: Income diversification and risk for fishermen, by Kasperki and Holland, along with a disconcerting evaluation of recent trends. Conclusions from the study, which was published in the 2012 Proceedings of the National Academy of Science (PNAS 2012) included:

- Diversification can substantially reduce the variability of income and therefore risk from commercial fishing.

- The current fleet of vessels on the US West Coast and in Alaska is less diverse than at any point in the past 30 years.[1]

In fisheries, less diversification means more risk, but in many fisheries diversification now demands large investments in access privileges. Consolidation of access privileges further escalates costs, making diversification challenging if not impossible for many small operations. Dependent on one or two fisheries, these small businesses are now economically vulnerable to cyclical downturns in fish stocks or prices.

In Alaska, commercial fishing is the largest private sector employer. In our remote and often isolated communities, few if any alternative employment opportunities exist. Once fishing jobs are lost, families must relocate to seek employment elsewhere with devastating impacts on community stability. I see the same dependence and community impacts occurring in Maine, Oregon, and North Carolina— in fact, all around our country. Losing access means losing a way of life and, ultimately, losing community. Our nation cannot afford to lose these jobs, these small businesses, or these coastal communities.

Congress has recognized the importance of community-based fishing fleets and fishery dependent communities in National Standard 8, in the Limited Access Privilege Provisions, and in Section 303(a)(9). We applaud these past efforts, but would suggest reauthorization needs to tip the balance more towards these standards and do more to provide for the sustained participation of small boats and fishery dependent communities. Experience has established that the conservation and management benefits associated with limited access can be achieved with limited consolidation of the fleet and limited consolidation of access privileges. With a rational framework for fishing that eliminates the race for fish, a healthy resource can support a relatively large fleet, which in turn supports harvesting and support sector jobs and coastal economies. On a national level, more emphasis needs to be placed on the fishery management goal of healthy fishing fleets supporting thriving fishing communities.

Congress can tip the balance toward healthy fishing communities by strengthening National Standard 8(B), removing "To the extent practicable," or with a change to Section 303(a)(9). This

[1] http://www.pnas.org/content/early/2013/01/16/1212278110

section currently requires a fishery impact statement; we suggest Congress consider requiring a fishing community plan that details how small fishing businesses will be accommodated and what strategy will be implemented to provide for the sustained participation of fishing communities. These plans could include any number of approaches, such as caps on quota and fleet consolidation, area and quota set asides for community-based boats, permit banks, or fishery trusts. The plans would be designed by regional councils with the engagement of stakeholders to promote viable community-based fishing operations and healthy fishing communities for specific regions and fisheries under their jurisdiction.

Certainly other aspects of the MSA could be amended to focus on the needs of small, independent fishing businesses and fishery dependent communities. We suggest these two areas as starting points and would be happy to work with the Committee and Congress to further develop these ideas.

REGULATORY FLEXIBILITY: OBSERVERS AND ELECTRONIC MONITORING

Commercial fishermen operate in an increasingly regulated environment, and one that seems increasingly challenging to small businesses. This regulatory inflexibility is the second major challenge community-based fishing fleets face. To explain this challenge, I would focus the Committee's attention on catch monitoring as a prime example and one that we ask be addressed through reauthorization.

Accurate monitoring of catch is important, and a goal ALFA embraces for all fisheries. The North Pacific has an industry funded observer program that was restructured in 2013. Among other changes, the restructured observer program expanded coverage to include the halibut fleet and sablefish vessels under 60 feet in length. The National Marine Fisheries Service (NMFS) clarified that the agency's "primary monitoring need" for the halibut/sablefish fleet was "total catch composition and species discards, to complement the existing [International Pacific Halibut Commission] dockside monitoring program."[2]

[2] http://alaskafisheries.noaa.gov/npfmc/PDFdocuments/conservation_issues/Observer/311_OACreport.pdf

Small boats represent 90% of the vessels directly regulated under the restructured observer program, and placing human observers on these vessels presents special problems. Living space on small boats is cramped at best. Fishermen, fisher women, and fishing families spend months living in a space that is roughly equivalent in size to a station wagon. Fishing time is weather-dependent, and boats can wait in town for weeks for fishable weather. Few boats have an extra bunk to offer an observer, and almost none can provide privacy. Observers must be fed and housed during and between fishing trips and vessel owners must purchase personal indemnity insurance and add safety equipment to accommodate observers. Observers need space for their sampling equipment and room to work both on deck and in cramped living quarters. In sum, human observers impose costs, safety issues, intrusions, and disruptions for small fishing boats and their crews.

In contrast, electronic monitoring (EM), which is used to monitoring the same fisheries in neighboring British Columbia, collects necessary data without any of these issues. An EM unit sits idle while the boat waits for safe fishing weather, requiring neither a hotel nor food. EM units do not need bunk space to sleep. EM units do not get seasick, nor are they precluded from working on deck by safety concerns during particularly rough weather.[3] Vessel owners do not have to buy additional safety equipment or purchase liability insurance for EM units. EM automatically turns on when a boat sets or hauls gear, providing an accurate and re-creatable record of catch. And EM is accurate. To quote a 2009 article that evaluated EM monitoring of yelloweye rockfish:

> Since these data come from video footage collected at the moment of capture, the video estimate cannot be corrupted by misreporting of discards or by dumping fish after being retained. Thus, the video data provide an unbiased and virtually independent catch estimate – rare in fisheries monitoring – that captures the extent to which the official catch accounting systems might be biased.[4]

[3] http://www.afsc.noaa.gov/Publications/AFSC-TM/NOAA-TM-AFSC-213.pdf. *See* page 54.

[4] http://dx.doi.org/10.1577/C09-005.1.

Alaska's halibut/sablefish fleet uses hook and line gear to harvest fish. Fish are hauled aboard one at a time, which makes this fleet particularly well suited to EM. As each fish is brought aboard, it can be recorded on video. Likewise the gear, a single line with hooks attached, is deployed from one point on the boat and can easily be video monitored. In short, EM can be used to secure the catch and bycatch data NMFS identified as its objective for this fleet.

During the two years leading to implementation of the restructured observer program, ALFA and other fixed gear organizations highlighted the importance of providing an integrated catch monitoring system that included EM to be compatible with small boats. To ensure EM was ready for implementation concurrent with the 2013 launch of the restructured observer program, ALFA initiated an EM Pilot Program 2011. Likewise, the Council signaled its intent that EM be used as an alternative to human observer coverage. The Council stated:

> "The Council also approved a motion to task the Observer Advisory Committee, Council staff, and NMFS staff to develop electronic monitoring as an alternative tool for fulfilling observer coverage requirements with the intent that it be in place at the same time as the restructured observer program."[5]

In the pilot program, ALFA's responsibility was to refine EM deployment and operation, capturing costs and equipment effectiveness. NMFS' role was to identify the performance standards and regulatory structure necessary to integrate EM with the restructured observer program. As the Council noted, the pilot program was "intended to provide operational experience and thus a basis for adding any necessary specificity to the regulations."[6]

EM lived up to the fleet's expectation regarding performance, dependability and costs. Over two years, EM systems were deployed on 41 fishing trips and monitored 215 longline hauls. The EM systems captured a complete video record of 95.3% of the hauls. Notably, 94% of captured fish on sets reviewed were identified by species, with the remainder identified to a species grouping

[5] http://alaskafisheries.noaa.gov/npfmc/PDFdocuments/conservation_issues/Observer/ObserverMotion610.pdf
[6] http://alaskafisheries.noaa.gov/npfmc/PDFdocuments/conservation_issues/Observer/Council_EMLtr051412.pdf.

(*e.g.*, rougheye/shortraker rockfish). It is also significant that at $200-$330 per day**,** EM monitoring costs were less than observer costs under Alaska's previous "pay as you go" observer program and 1/3 of the $980 per day observer costs under the 2013 restructured observer program. This finding is consistent with data from EM pilot programs in the US and with the British Columbia EM program, which have daily costs that range from $194 per day to $580 per day, with the upper end cost in a Canadian trawl fishery.[7] In short, EM promises significant cost savings to the fishing industry, where observer programs are industry funded, and savings to NMFS where the federal government is footing the bill. EM has also proved reliable and fully capable of providing the assessment of catch and catch composition that NMFS identified as the primary monitoring objective for the North Pacific halibut/sablefish fisheries.

Despite these promising results, EM was dropped from the restructured observer program months before implementation. In its place, NMFS provided a voluntary EM pilot program in 2013 that did not provide an alternative to observer coverage. NMFS' current focus is on testing new EM technology that automates review but requires stereo cameras in a controlled environment. This technology may prove reliable at some future point and may be compatible with small boats, although the former is uncertain and the later appears unlikely given costs and deck space requirements associated with this new system. Please remember that cost effective, reliable, and fleet compatible EM systems are available and in use now in other countries to gather at sea data. The absence of this monitoring alternative in the US is inflating observer costs and contributing to fleet consolidation and job loss, particularly in small boat fisheries.

ALFA supports the collection of at-sea fisheries data to support sustainable management of our marine resources. We also support ongoing technology development. That said, an open ended pursuit of the perfect should not be the enemy of the good. We continue to work toward EM integration in Alaska and, with the support of our Congressional delegation, recently engaged NMFS in an Alaska EM fixed gear workshop to develop EM cooperative research strategies for 2014. This cooperative research will continue to pilot test the new stereo EM systems but will

[7] http://www.pcouncil.org/wp-content/uploads/EM_AttB2b-Att1_FG_MorroBayPilot.pdf, p. 31.

also deploy proven EM technology with pre-implementation objectives, a focus on fleet and community capacity building, and rapid feedback to vessel operators to improve performance.

To ensure success of this cooperative effort and EM advancement on a national scale, long-term funding, open collaboration, and Congressionally mandated commitment to EM integration are a necessity. We ask that Congress assist in furthering EM in Alaska and nation-wide by strengthening two MSA sections and creating a catch monitoring section:

1) Section 313 of the Magnuson-Stevens Act authorizes the North Pacific Council, in consultation with the Secretary of Commerce, to establish a fee system to fund Alaska's observer program. The fee may be used to "…station observers or electronic monitoring systems on board fishing vessels..." [8] At present, the full revenue stream from the industry is dedicated to deploying observers on boats in Alaska and NMFS has determined that fees cannot be used to develop EM alternatives without further regulatory action. That needs to change. Observer fees paid by the industry must be available for EM development and deployment. A portion of the observer tax revenue generated by the sablefish/halibut fleet should be dedicated to EM deployment as an alternative to observers. Only then EM will have a sustained, industry-funded revenue source.

2) Section 303(b)(8) Discretionary provisions, amend to read: Require **electronic monitoring, as a first consideration,** or observers be carried on board a vessel of the United States engaged in fishing for species that are subject to the plan, for the purpose of collecting data necessary for the conservation and management of the fishery; except that such a vessel shall not be required to carry an observer on board if the facilities of the vessel for the quartering of an observer, or for carrying out observer functions, are so inadequate or unsafe that the health or safety of the observer or the safe operation of the vessel would be jeopardized; (change in **bold**)

[8] http://www.nmfs.noaa.gov/sfa/magact/

3) ALFA requests the following directives be included in a new catch monitoring/EM section:
    - Direct NMFS to identify fishery specific monitoring objectives for all fisheries with at-sea monitoring requirements, and to include all stakeholders in the planning process from the beginning to identify the right combination of cost effective and fleet compatible monitoring tools;
    - Direct NMFS to provide EM to small fixed gear boats now, as an alternative to observers, where at-sea monitoring is required.

Summary

In sum, ALFA's membership recognizes that the MSA created a successful management structure for our Nation's fisheries and we have benefited from that success in the North Pacific. The heightened emphasis on resource rebuilding that was central to the last reauthorization is still essential to long-term resource health and we ask that Congress recommit to resource goals. Healthy fisheries need fish and productive ecosystems.

We ask that the Committee also recognize the unintended consequences of fleet consolidation and the growing trend toward too few fishermen. These trends are creating significant challenges for the nation's small fishing businesses and fishery dependent communities. Independent small boat fishermen need affordable access to a diverse array of fisheries and a flexible regulatory system scaled to meet their needs. Coastal fishing communities need relatively large, diverse fleets that provide jobs, revenue and long-term viability. We ask that the Committee build on existing National Standards and guidelines to identify durable strategies that strengthen small fishing businesses and secure sustained community participation in local fisheries. Finally, we urge the Committee to consider amendments to support integration of EM with existing and proposed catch monitoring systems to collect high quality data that is cost effective and fleet compatible.

Thank you for the opportunity to testify.