

Kozak & Associates, Inc.  
P. O. Box 2684 - Kodiak, Alaska 99615  
Phone 907-486-8824 - Cell 907-539-5585 - Fax 907-486-6963  
E-Mail - kozak@alaska.com

### **COMMENTS ON HJR 21- March 2009**

In reviewing HJR 21, I have concerns regarding the resolution that I would like to address. These concerns are divided into three categories in the hope to more efficiently articulate my thoughts. My proposal to the North Pacific Council can be found at the end of this document.

#### **History of the Issue and Some Facts**

In regard to HJR 21, I wonder how many members of the Legislature or staff have bothered to read the 80-page analysis or reviewed the problem statement or the history of this issue. In 1999, the Council, at the request of industry, began working on a comprehensive program that would provide individual fishing quotas for the Pacific cod fishery participants in the Gulf of Alaska. By April of 2003, the Council was prepared to begin discussions on a preliminary alternative for defining the program. The full analytical process began and for three years, hearings were held.

In 2006, shortly after a change in administration, the State of Alaska successfully removed the IFQ alternatives from the discussion and instead began to look at stabilizing the Pacific cod fishery by revising the limited entry licenses that are in place for groundfish and for creating sector allocations. The recency proposal was to provide for a specific endorsement to fish in the directed Pacific cod fishery and participation in that directed fishery would be necessary in order to receive the endorsement. It is important to note that when the original groundfish licenses were initially distributed that any landing of any type of groundfish qualified a person to receive the license. The proposal now is to simply provide a directed Pacific cod endorsement for those who have actually fished Pacific cod in the last nine or ten years.

The North Pacific Council has been dealing with the Pacific cod issue since 1999 and final action on this item is scheduled for April of this year. There has been plenty of time for people to provide comments and recommendations in the last ten years. Many Alaskan fishermen who are dependent on this fishery support the Council moving forward and providing some stability in this fishery.

#### **Agency Authority for Fishery Management**

For the state waters fisheries including salmon and herring, the authority to manage lies with the Alaska Board of Fisheries, with limited entry proposals being addressed by the Commercial Fisheries Entry Commission. For the federal fisheries, the North Pacific Fishery Management Council is tasked with recommending to the Secretary of Commerce various management and allocation decisions, as well as limiting access to the resource. Each of these bodies has a process for their decision-making, which includes proposals, analysis, hearings, and appeals. In regard to the North Pacific Fishery Management Council, the governor of the State of Alaska is represented by the ADF&G Commissioner or designee and there are five other Alaskans on the Council.

When the United States Congress or Alaska Legislature intervene in the management of fishery issues, problems are inevitable. Many times elected officials have been lobbied on an issue by a segment of the industry focused on achieving a specific goal, and they approach a friendly elected face to promote that idea. It is often the case that the information presented is lacking or even misleading and very little time is spent on attempting to understand the issue.

### **Specific Concerns Regarding the Resolution**

The resolution is specific to limited entry, but the WHEREAS statements mix limited entry with individual fishing quotas which results in a confusing and misleading document.

Some observations regarding specific sections are shown below:

#### **Page 2, line 6:**

The action in question is only for the federal waters and inside three miles, which are state waters, no limited entry exists. This is confusing.

#### **Page 2, line 12:**

The North Pacific Council under the leadership of the State of Alaska, in fact, reversed course in 2006 and is now only focused on the limited entry aspects of the fishery. This is not considered “rationalization” and should not be confused with an IFQ or cooperative fishery.

#### **Page 2, line 16:**

Limited entry is not known as “rationalization”.

#### **Page 2, line 18:**

The action being considered is not “rationalization” and other limited entry programs such as salmon and herring have not demonstrated significant job losses or consolidation, rather they have served to stabilize the industry.

#### **Page 2, line 20:**

The action being considered will not have negative impacts on businesses in coastal Alaska. Again, the action will not promote consolidation or job loss.

#### **Page 2, line 22:**

Active participation in a fishery is considered by some to be owner on board, while others consider it to be a vessel owner who hires a qualified skipper and crew to run their vessel. The tradition in the Pacific cod fishery in the Gulf is for some owner on board and some hired skipper situations. This will not change in the limited entry action being considered.

#### **Page 2, line 25:**

This statement does not appear to be factual.

#### **Page 2, line 27:**

All limited entry fisheries have some entry costs. The cost for entering the Pacific cod fishery will be substantially less than that for many salmon or herring fisheries in the state. This statement seems to say that all fisheries should revert to open access. Most salmon or herring permit holders would not agree.

**Page 3, lines 15 - 29:**

It is difficult to agree that all groundfish fixed gear licenses without a cod endorsement would be valueless. If you have never fished for Pacific cod and don't get an endorsement to fish Pacific cod in the directed fishery, you have lost nothing.

**Page 4, line 2:**

A limited entry program is not a natural progression towards "rationalization".

**Page 4, lines 4 - 12:**

The number of participants will not decline under one of the Council's alternatives. Instead it will simply grant an endorsement to participate in the directed Pacific cod fishery for those who already are or have even made one landing since 2000. No jobs will be lost or demand reduced for shore side support or services.

**Proposal for the North Pacific Fishery Management Council**

The proposal that I have been promoting for some time is that if anyone has demonstrated dependence in the last ten years by either purchasing a license or making even one landing, they would receive a fully transferable Pacific cod endorsement. This seems very generous and would not shut anyone out of the fishery. If you haven't made even one landing in ten years, you aren't dependent on the fishery.

In speaking with Council staff, there are about 900 groundfish licenses in the Central Gulf and around 300 in the Western Gulf for fixed gear. If the Council chose to award Pacific cod endorsements for those vessel owners who have made at least one landing in the last ten years, regardless of poundage, this would result in around 300 licenses in the Central Gulf and 150 in the Western Gulf. This action would provide stability for the fleet that is dependent on the fishery, demonstrated by their actual participation

The Council action would not preclude halibut IFQ harvesters from retaining cod taken incidentally, nor would it limit in any way the jig fishery. Of course, the state waters fishery has no license restrictions.