

**ALASKA STATE LEGISLATURE
HOUSE SPECIAL COMMITTEE ON FISHERIES**

March 6, 2014

10:05 a.m.

MEMBERS PRESENT

Representative Paul Seaton, Chair
Representative Lynn Gattis
Representative Jonathan Kreiss-Tomkins

MEMBERS ABSENT

Representative Eric Feige
Representative Bob Herron
Representative Craig Johnson
Representative Kurt Olson

OTHER MEMBERS PRESENT

Representative Austerman

COMMITTEE CALENDAR

PRESENTATION: COMMUNITY FISHING ASSOCIATIONS - ESTABLISHING A SUCCESSFUL COMMUNITY BASED MODEL TO MEET THE SPECIFIC GOALS AND OBJECTIVES OF A GULF OF ALASKA CATCH SHARE PROGRAM

- HEARD

PREVIOUS COMMITTEE ACTION

No previous action to record

WITNESS REGISTER

THERESA PETERSON, Kodiak Outreach Coordinator
Alaska Marine Conservation Council (AMCC)
Kodiak, Alaska

POSITION STATEMENT: Gave a presentation entitled "Community Fishing Associations."

TERRY HAINES
Alaska Marine Conservation Council (AMCC)
Kodiak, Alaska

POSITION STATEMENT: Testified during discussion of the presentation on Community Fishing Associations.

ACTION NARRATIVE

[10:07:10 AM](#)

CHAIR PAUL SEATON called the House Special Committee on Fisheries meeting to order at 10:05 a.m. Representatives Kreiss-Tomkins, Gattis, and Seaton were present at the call to order. Representative Austerman was also in attendance.

The committee took a brief at-ease.

PRESENTATION: Community Fishing Associations - Establishing a successful community based model to meet the specific goals and objectives of a Gulf of Alaska Catch Share Program

CHAIR SEATON announced that the only order of business would be a presentation on Community Fishing Associations.

[10:07:33 AM](#)

THERESA PETERSON, Kodiak Outreach Coordinator, Alaska Marine Conservation Council (AMCC), stated that Community Fishing Associations were a means to strengthen the fishing communities in Alaska during the Gulf of Alaska catch share program for the trawl fleet. She explained that this presentation, slide 1, "Presentation Overview," would be about the Gulf of Alaska trawl bycatch management program, and it would look at lessons learned from past programs, as Alaska has had decades of experience with these catch share programs. She will discuss Community Fishing Associations and how they can help protect Alaska's coastal communities and noted a need to keep communities "front and center" as new program designs were discussed. She directed attention to slide 2, "Background: Gulf of Alaska Bycatch Management Program," and, in response to Chair Seaton, clarified that the North Pacific Fishery Management Council (NPFMC) was currently designing a new program for the Gulf of Alaska geared at reducing the bycatch. She said that, as there were significant declines in Chinook salmon, halibut, and Tanner crab, bycatch reduction was imperative. She stated a desire for a new management structure geared toward reducing the bycatch and better utilizing the target species. She pointed out that there were other user groups dependent on the aforementioned species. She projected that the new structure should be a catch share or a rationalization program, which would allocate species based on a vessels' historical catch, and the vessels would form a cooperative with a processor. She said that this would be an

improvement to past programs and resource management, as it would end the race for fish and would provide individual accountability.

[10:11:48 AM](#)

MS. PETERSON moved on to slide 3, "Lessons Learned from Past Catch Share Programs," and noted that, although Alaska had a tremendous amount of experience with these programs, not all of these were positive for the coastal communities. She listed some of the impacts to include absentee ownership of quota, high leasing fees, rapid vessel consolidation, lower crew pay and job loss, and an out-migration of fishing rights and wealth from the rural fishing communities. She stated that there was the desire, the knowledge, and the understanding to design a program geared to the future health of the communities.

MS. PETERSON showed slide 4, "What is a CFA?," and stated that a Community Fishing Association (CFA) was a tool to protect communities within catch share programs, and she detailed successful examples in Cape Cod and Morro Bay, communities which had anchored quota to the community thereby building resilient fishing communities. She said that direct allocations to the fishing communities were authorized in the 2006 reauthorization of the Magnuson-Stevens Act. She pointed out that the CFA model was for allocated quota, which was leased at a reasonable rate to the current participants and new entrants, based on the criteria developed and designed by the CFA. She stated that the CFA could effectively anchor the quota to the community in perpetuity, as no other tool would ensure the quota remained in the community. She emphasized that this would keep these fishing rights in the community.

[10:15:06 AM](#)

REPRESENTATIVE KREISS-TOMKINS inquired about past catch share programs and when a quota was moved from a community, where was it moved and to what cost to the rural community.

MS. PETERSON replied that in the current catch share structures, as an individual owned the quota rights, they could choose to live anywhere and could use lease fees to extract revenue through the fisheries resource.

CHAIR SEATON clarified that the state management program did not allow this, instead requiring the owner of the quota to be

onboard the boat; however, federal management programs allowed absentee ownership.

REPRESENTATIVE GATTIS asked that, although the quota owner could be onboard the boat, could they live outside of Alaska. She asked if there was a correlation with being onboard and where someone lived.

CHAIR SEATON explained that the limited entry programs in state waters required the owner to be onboard; however, in federal waters the rights were attached to the vessel and the owner did not need to be onboard.

REPRESENTATIVE GATTIS asked if the permit owner was required to be a resident of Alaska. She asked if an absentee owner was defined as a non-resident to that specific community.

MS. PETERSON said that under the federal fisheries programs, the owner could be a resident or non-resident. Under the current construct for some of the federal catch share programs, it was not necessary for the owner to be onboard during the harvest of fish. She said that the proposed program would be significantly different from other programs, acknowledging that there were very distinct differences between federal and state management of the fisheries.

REPRESENTATIVE GATTIS asked for clarification that "onboard" required physical presence on the boat while fishing and whether residence in the state or the community was also addressed.

CHAIR SEATON replied that these were distinct designations. When fishing in state waters, it was not necessary to be a resident of the state or the community, but the owner had to be on the boat. When fishing in federal waters, the quota was distributed to the vessel, and not to the owner, so presence was not required.

[10:19:36 AM](#)

REPRESENTATIVE KREISS-TOMKINS asked about out-of-state ownership for quota shares in other Alaska fisheries.

MS. PETERSON explained that a significant number of the vessels that participated in the Gulf of Alaska trawl fisheries were home ported primarily in Washington and Oregon. She allowed that there were some resident Kodiak-based trawlers, and they had a tendency to hire local crews.

REPRESENTATIVE KREISS-TOMKINS asked for clarification that a CFA would be a mechanism to ensure that the right to fish would be for an Alaska port.

MS. PETERSON expressed her agreement that a primary goal and objective of the CFA was for the community to own the quota and provide for the resident fleet, noting that Kodiak was one area that depended on this activity.

[10:21:28 AM](#)

MS. PETERSON addressed slide 6, stating that the CFA provided fishermen with an opportunity to enter the fisheries and provided access for coastal communities. She relayed that testimony from other communities had stated that the CFA program would benefit significantly from an initial allocation of fishing quota to the community, which would provide the opportunity to maintain and build strong local business, an ownership which the community could plan around. She emphasized that when the community was involved in the decision making, diversity and involvement with community values was reflected. Turning to slide 9, "Next Steps," she said that development of the program was at a critical crossroads. She reported that NPFMC would commence to review the issue in April, 2014, and then begin to refine its program design. She said that CFAs were not currently part of this program design discussion and emphasized that communities should have an ownership stake in the fishing resource and a portion of the quota be considered for anchorage in the community. She said that this allocation should be a part of the NPFMC discussion and analysis.

[10:24:44 AM](#)

REPRESENTATIVE KREISS-TOMKINS asked if it would help if the council heard from the Alaska State Legislature.

MS. PETERSON expressed her agreement, acknowledging the difficulty for tracking the major fishery policy discussions that influenced the state future. She concluded with slide 10, stating that CFAs presented a significant opportunity to ensure that coastal communities retained the ability to access their fisheries. She said that the Gulf of Alaska had many small communities which were dependent on access to the fisheries resource, and this is an opportunity to design a program that is best for Alaska communities.

CHAIR SEATON acknowledged the importance of maintaining the health of coastal communities across Alaska and the committee's responsibility to support that.

[10:27:06 AM](#)

TERRY HAINES, Alaska Marine Conservation Council (AMCC), shared that he had also served on the Kodiak City Council for the past 10 years. He stated that his decisions were determined by a practical concern for "dollars and cents," and he offered an example from the crab industry for what can happen to the economic viability of a local area when absentee owners were allowed. He reported that the local fisherman received 15 percent of the profit with 85 percent being paid directly to the owner, even with no active participation. He declared that the risk was shifted to the working Alaskan fisherman, with the benefit to the non-participating quota share owner, who could take the value outside the state. He stated that an initial allocation under the CFA concept could anchor a lot of the fishery resource to the local community. He said that this program discussion was only for the trawl-caught cod and pollock fisheries. This would ensure the continued economic viability and robust economy for the community. He noted that many rural communities were struggling and CFAs could support them. He asked that the governor's office put consideration of CFAs "on the table" as an endorsement for continued analysis by the communities. He said that the current plans did not allow for this program to be considered.

[10:30:43 AM](#)

REPRESENTATIVE KREISS-TOMKINS offered his belief that CFAs simply offered the opportunity for Gulf of Alaska fish to be caught by Alaskans and to recognize the economic benefit from staying in state. He suggested that the legislature and House Special Committee on Fisheries state its support to the NPFMC for the CFA program.

[10:31:27 AM](#)

REPRESENTATIVE GATTIS surmised that a quota owner takes a risk, even though it may not be a daily risk. She asked that Mr. Haines elaborate on the risk.

MR. HAINES explained that the person who was transitioning into the fishery had to take a large financial risk to buy in, but during the initial distribution of the allocation, these permits

to the resource will be given based on the risk taken to this point. He explained that the boat typically had a 40 percent share, with the remainder divided among the participants. He expressed his agreement with this percent based on the risk in boat ownership. He explained that the current program allowed a permit owner to have other boats and fishermen work the permit, and he said that this "is the sinister part of the program." He added that, although Alaskans were doing the fishing, they were not receiving the value, but a much lower compensation.

REPRESENTATIVE KREISS-TOMKINS opined that it sounded like sharecropping.

MR. HANES replied that this term had often been applied to describe the current program.

CHAIR SEATON declared that a goal of the committee was for Alaska resources to benefit Alaskans, for Alaskans to have the opportunity to participate in the fisheries, and to maintain resilient coastal communities.

[10:34:40 AM](#)

ADJOURNMENT

There being no further business before the committee, the House Special Committee on Fisheries meeting was adjourned at 10:34 a.m.