

Alaska State Legislature

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REPRESENTATIVE PAUL SEATON HOUSE DISTRICT 30

From: Representative Paul Seaton
To: Alaska Board of Fish
Date: January 7, 2014
RE: Comment on Proposal 369

I was involved with the development of the state waters Pacific cod fishery in the 1990's and strongly believe that state control of our resource to develop a longer duration and diversified fishery has had a huge positive impact on a number of Alaskan communities and fishermen.

The Board of Fish has another opportunity to enhance coastal communities and develop local industry by providing Alaskans with equal access to the scallop fishery off their doorstep.

I urge the Board to consider the problem that will be created if the Board does not incorporate a vessel size limit in its plans for a state water scallop fishery. A key component of the P. cod success was that the Board created a fishery that was of long enough duration and of a slow enough pace that smaller Alaska fishing operations could develop.

As the Board is aware, in 2002 the Legislature created the first state water corporate fishery ownership system since statehood in the weathervane scallop and Korean hair crab fisheries. In 2013 the Legislature terminated this program by allowing the statute to expire. The history of this 10-year experiment into vessel and corporate ownership of state-water permits was effectively the super consolidation of the fishery, as devised by the fishery participants.

Through a combination of suspension of CFEC permits and essentially paying people to stay in other parts of the country instead of coming to Alaska to participate, the group was able to solidify control of almost the entire fishery within two vessels. By forming multiple corporate names there was a

strategy to circumvent the ownership limits within the federal License Limitation Program system as well. The extent to which some out of state players went to monopolize the entire fishery should give Alaskans pause if the new state waters fishery system allows that same type of overall fishery control by a few big boat owners.

If the Board does not adopt vessel size limitations in the new scallop fishery management plan, it will allow a system where two or three boats that control the current federal fishery will effectively reserve their federal quota where they will face no competition throughout the year. Because of their size and efficiency, these vessels will quickly suck up the state quota as the state fishery represents only approximately 20% of the combined federal/state fishery.

I would anticipate little benefit to Alaska if the Board does not incorporate size limitations in its plan, as proposed by Homer fisherman, Don Lane, in his Agenda Change Request # 2 submitted to the October Board work-session in Girdwood. Without size limitations, no smaller boat and community fisheries will have a chance to develop. However, if the Board incorporates the element of the 80-foot vessel size limitation that was included in the privately offered agenda change request, benefits of a State water fishery may be achieved.

The CFEC has already created vessel size categories for vessels up to 80-feet and for above 80 feet. The Commission is charged with establishing fees commensurate with the value of the fishery based on the economic potential and CFEC has recognized a great disparity between the two size categories *for the state water fishery*. Larger vessels are determined by CFEC to be six times more competitive than those 80 feet and less. Their analysis demonstrates that over 80-foot vessels where the permit fee is \$450 - will drastically outcompete the 80-foot and under category, where the permit fee is \$75. Written analysis portrays the larger crews, greater deck space, and weather capability as essential elements of this large vessel advantage.

Principles of the development of the successful Pacific cod state waters fishery were a slow pace and low bycatch. If the Board gives too much weight to efficiency by allowing over 80-foot vessels in the state water scallop fishery, a safer, slow paced fishery with low bycatch will not have much chance to develop, and the value of developing the fishery for coastal Alaskans will be lost.

Limitations on efficiency have been implemented in other state water fisheries in anticipation of the problem that larger industrial operations present in terms of lost

opportunity for coastal Alaska. What would be the results if the recent Pollock or Atka Mackerel discussions allowed several large catcher/processors access to that state water quota in competition to the smaller coastal fleet?

The state-waters sablefish fishery required any federal IFQ permit holder to take any state water poundage off of their IFQ to reduce the incentive for those federal quota holders who are already protected from competition in their federal holdings, to additionally fish up the state waters quota.

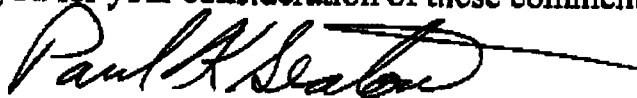
In the Pacific cod fishery, jig boats and the larger pot boats were apportioned separate quota limits in state waters. However, this is not practical for the relatively small state water scallop harvest and other means of limitation are necessary to allow the coastal fishery economics to develop.

Currently, a heavy steel ring trawl is the most efficient gear and the only gear allowed in the scallop fishery. This gear has been supported by the larger vessels that have the deck space and lifting capacity for the safe operation of the heavy dredges. This gear has a very negative impact on bycatch species. In a slower-paced small-boat fishery there is potential for much lighter, lower impact gear to be developed.

Likewise, processing at sea has always been a huge competitive advantage for the larger vessels. In the future, with modern sea-water circulation systems, live tanking and shore delivery could be authorized. An advantage would be shoreside processing jobs. Shore delivery would also make available the shells for another value-added product for tourist and art sales. This will help maximize the value derived from the state resources. Please note that this shoreside delivery is not essential for the state-waters fishery, but with the limited size and pace of the fishery some better opportunities could become available in the future.

I hope the Board of Fish will align the new scallop fishery with the principles that were developed for consideration of the state waters Pacific cod fishery, and that you only allow participation by vessels 80-feet and under. This would not preclude the owners of the current large boats from participating, but they would have to use vessels 80-foot and under, creating equal access to the scallop resource.

Thank you for your consideration of these comments.



Representative Paul Seaton