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April 29, 2011

VIA EMAIL

AMERICAN ALBACORE FISHING ASSOCIATION 4364 Bonita Road, #311 Bonita, CA 91902

Re.: Meetings of the PFMC – April 2011

Dear AAFA Board Members and all AAFA Members:

I recently attended the April meetings of the Pacific Fishery Management Council (PFMC) which were held in San Mateo, California, along with the associated meetings of the Highly Migratory Species Management Team (HMS-MT) and Advisory Subpanel (HMS-AS).

North Pacific Albacore Stock Assessment

Due to the devastating earthquake and tsunami in Japan, the ISC Albacore Working Group has had to postpone its assessment meeting until June 4-11, 2011. The Council may receive a briefing on the assessment at the June Council meeting. The International Scientific Committee (ISC) Plenary will provide conservation advice based on the assessment results at their annual meeting July 19-25, 2011. The Northern Committee of the WCPFC will meet and likely discuss the results of the ISC albacore assessment September 6-9, 2011 and may develop recommendations for revised conservation measures depending upon the results of this assessment.

North Pacific Bluefin Tuna Overfishing

One of the items discussed was a recent letter from NOAA informing the Council that overfishing is occurring on Pacific bluefin tuna in the North Pacific. The determination on bluefin was made pursuant to section 304(i) of the Magnuson-Stevens Act. This action does not directly affect albacore but it is insightful in that we will have a chance to see how the U.S. and the international community address this issue.

In the 2008 stock assessment, as well as in updates in 2009 and 2010, the International Scientific Committee (ISC) reported that the fishing mortality rate (F) for Pacific bluefin was greater than many reference points commonly used as limits, including Fmax. As a result, the Southwest Fisheries Science Center determined that the fishing mortality rate had exceeded the Maximum Fishing Mortality Threshold for at least one year. This was based on the status determination criteria established by the Council's HMS FMP (Fishery Management Plan) and the WPFMC's Pelagics FEP (Fishery Ecosystem Plan).

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NOAA recognizes that bluefin fishing mortality stems predominantly from non-U.S. fleets. Nevertheless, the U.S. is party to both the IATTC and the WCPFC and must implement domestic regulations to satisfy its international obligations.

Albacore fishermen should keep an eye on what takes place for bluefin. If U.S. representatives roll over and impose unnecessary and restrictive regulations on U.S. fishermen, while foreign countries move slowly if at all to take action, it could be a disastrous forecast of what our albacore fishery might be facing in years to come.

Vessel Monitoring Systems (VMS)

Back in January, AAFA continued with efforts to draw the Council's attention to the unnecessary and burdensome requirements of the WCPFC VMS program. At this Council meeting, the Council was reminded of the cost and inconvenience of the VMS program and how it was unrealistic to apply it to the U.S. fleet.

At these meetings, the Council received a letter from NOAA headquarters on this matter. NOAA staff spent considerable time working with the Pacific Islands Regional Office (PIRO) and Offices of General Counsel and Law Enforcement, seeking a viable outcome. After much discussion, NMFS decided that any deviation from the VMS requirements would undermine U.S. efforts in pushing for stronger IUU measures at the international level.

However, NMFS did make efforts to offer some possible solutions to alleviate the financial burden of VMS. Depending upon the continued availability of funding, most West Coast commercial albacore vessels with WCPFC Area Endorsements would be eligible for reimbursement of VMS hardware costs up to \$3,100.

In addition, there are currently three (3) NMFS-approved VMS unit vendors (Faria, CLS America, and GMPCS) that are offering reduced pricing options. These reduced price options are being made available due to the fact that vessels of the West Coast albacore fleet may spend extended periods outside the WCPFC Convention Area.

If vessel owners wish to learn more about this reimbursement program, they should contact NOAA Fisheries Office of Law Enforcement, Pacific Islands Division at pidvmw@noaa.gov to obtain the appropriate forms.

Vessel Identification – Marking Requirements Proposed Rule

NMFS has proposed a rule revising vessel marking requirements for West Coast commercial HMS vessels. The rule is intended to bring the existing identification requirements into conformity with the requirements adopted by the WCPFC.

The proposed rule would require vessels that fish on the high seas in the WCPFC convention area to display their International Telecommunication Union Radio Call Sign (IRCS) or, if an IRCS has not been assigned, the vessel's official number, preceded by the characters "USA--". The new rules would also include details such as the minimum size requirements.

If a vessel fishes only within the U.S. EEZ and on the high seas, but does not fish within the Convention Area, it would have the option of displaying either the international high seas markings, or to maintain markings pursuant to existing requirements.

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HMS Advisory Subpanel Elections

On the agenda for this meeting was the election of officers for the HMS Advisory Subpanel. For the past year, Doug Fricke (Director, WFOA) has served as Chair, while Wayne Heikkila (Executive Director, WFOA) has served as Vice Chair.

The floor was opened for nominations. Unfortunately, AAFA representatives are not able to nominate candidates, or be nominated as candidates, or even vote for a candidate. Despite representing a major portion of the pole & troll fishery, AAFA is denied participation.

Election Outcomes and Implications

Doug Fricke was nominated to continue as Chair. Wayne Heikkila was nominated to continue as Vice Chair. Their nominations were seconded. With unanimous votes, the Subpanel decided to continue the same as usual.

This may not bode well for the diversity of the albacore fleet. In recent years, the Advisory Subpanel has needed frequent reminders of the fleet's use of a combination of troll and pole & line gear by albacore vessels. There is growing concern that the HMS-AS representatives do not effectively represent the interests of albacore fishermen who appreciate the ability to use both troll and pole & line gear types.

Socio-Economic Report on West Coast Commercial Albacore Surface Fishery

NMFS and WFOA/AFRF have been collaborating for some time now on conducting a study of the socio-economic aspects of the albacore fishery for use in managing a possible limited entry fishery. NMFS obtained the funding and WFOA/AFRF was assigned as the guide for Lisa Wise Consulting group.

Originally, the Advisory Subpanel had requested that socio-economic forecasts be prepared for the albacore fishery over the next decade. Only after learning that such forecasts were virtually impossible to conduct, the goal was revised to read:

"Provide data to regulators that enables them a clearer understanding of the economic and socio-economic factors that influence the U.S. Pacific albacore fishery and to integrate those factors in their decision making."

AAFA was not approached with respect to the design or development of this study, although some fishermen did participate in interviews and AAFA representatives sought to provide the consultants with reference materials that could help improve their final product.

Marigee Yoshinosu and Henry Pontarelli, both of Lisa Wise Consulting, provided the HMS-AS and HMS-MT an overview of their project and a draft version of the resulting report. There were a considerable number of questions from both scientists and fishermen with respect to the assumptions and outcomes of the study.

A good example is the study's claim that "industry would like to stress that there is a growing dispersion/inequity in earnings and landings across ports and participants." Despite repeated questioning about this statement and others, explanations were not provided.

The draft study also claims that, among the non-biological challenges to the U.S. pole & troll albacore fishery are "measures to reduce dolphin bycatch" and "stagnant albacore prices". It appears that the researchers' understanding of this albacore fishery is limited and they are

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unaware of significant changes that have taken place in the past 5-6 years and are continuing. The report also implies that vessel landings have shifted northward as a result of infrastructure and vessel home port location, and not from the albacore migration path.

Despite being over 50 pages in length, the draft socio-economic study fails to analyze or assess the impacts of the U.S. – Canada albacore Treaty. Mention is limited to a few comments by fishermen, inserted toward the very back of the report.

There is no discussion of the fact that the U.S. fleet is declining while the Canadian fleet is prospering. No explanations offered for why the U.S. fleet and U.S. landings declined 7% annually, while Canadian landings increased 12% annually. These are very significant and highly relevant social and economic concerns.

A number of scientists also appeared to have significant concerns about this study. Staff from NMFS and the HMS-MT repeatedly emphasized that the study needs to make it very clear, from the very beginning that this study is only speaking about correlations, and not cause-and-effect relationships. The scientists also stressed the need to point out that biological components play a very significant role in the fishery and market valuation.

Economists from the SWFSC expressed strong concern that the model does not adequately explain supply and demand, and that the model is merely descriptive as to what takes place. They emphasized that the socio-economic factors in the study are merely the result of the fishery and its biological conditions, and that <u>socio-economic conditions do not dictate the fishery conditions</u>.

The Lisa Wise Consulting representatives agreed that additional work is required and they invited comments. Following the meetings, I provided the LWC representatives with a number of resources, including previous socio-economic studies and findings regarding this fishery in hope that they might benefit from work that had been done before.

A number of attendees expressed surprise that the study was prepared without an extensive review of the prior history of the fishery and the many studies and evaluations that have been performed, including the HMS FMP.

HMS Management Team Report on North Pacific Albacore (NPA)

In response to the Council's request for a characterization of the albacore fishery, the HMS Management Team prepared a 26-page report. A PDF copy of the report may be downloaded from the Council website, at:

http://www.pcouncil.org/wp-content/uploads/H2b_HMSMT_APR2011BB.pdf

Note: The PDF file available at the above URL contains a number of color graphs and charts that may not reproduce well if printed in black and white.

Following a presentation by HMS Management Team members, the Advisory Subpanel discussed the report and expressed their belief that the report needs to recognize that this albacore fishery is a seasonal fishery and that a good number of vessels supplement their income by fishing in the albacore open access fishery.

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I commented that the report appeared to divide the fishery participants into troll or pole & line gear types, and that many vessels employed both gear types during the season. The Advisory Subpanel agreed and indicated the combined use of gears should be made clear.

Some interesting data from the report:

- For 1990-1999, 54% of vessels (that landed albacore) had pole & troll albacore account for less than 10% of their total landings. These vessels had average annual landings of 550 Kg (1,212.5 lbs).
- For 2000-2009, this same group shrank to account for 42% of vessels. During this period, these vessels had average annual landings of 770 Kg (1,697.5 lbs).

At the other end of the range, there are vessels that rely much more heavily on the albacore fishery (for more than 90% of their commercial landings):

- As measured by landings, this group of vessels accounts for 16% of all albacore vessels for 1990-1999. During this period, these vessels were responsible for 44% of all pole & troll albacore landings.
- For the 2000-2009 period, this group of vessels increased to 24% of all albacore vessels. During this period, these vessels increased their catch to 50% of all pole & troll albacore landings.

Interestingly, on a per-vessel basis, vessels that rely on albacore for 80-89% of their commercial landings have the highest per-vessel average annual catches of pole & troll albacore even though they account for a small fraction of total catch (because of the low number of vessels that fit this category definition).

The report indicated that the albacore fishery is dominated by vessels that rely on albacore for upwards of 90% of their landings and by fringe vessels that rely on albacore for less than 10% of their landings, possibly as part of a portfolio strategy, which relies on albacore landings when it is economical to opportunistically prosecute the fishery. The data suggest that the fringe vessels account for a very small share of overall landings across time.

Comparison of the two time periods indicates that specialization has increased somewhat over time. As mentioned above, vessels in the "more than 90 percent" group increased their share of total landings and the number of vessels in this group increased.

After receiving this presentation, I asked a couple of questions to clarify exactly what the report represented. It turns out that when the report talks about vessels that have "more than 90%" of their commercial landings come from albacore landings, it does not mean that those vessels are full time commercial fishermen or that they depend primarily upon commercial fishing for their income.

As an example, if a doctor or lawyer takes his boat out on a "commercial" trip and delivers 1 ton of albacore, the study considers that to be a vessel that relies on the albacore fishery for 100% of its income. Regardless of the fact that the doctor or lawyer is making six figures from his office job. Once the Advisory Subpanel understood the difference, they included this in their report to the Council.

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Coastal Marine Spatial Planning (CMSP)

The Advisory Subpanel received a presentation from Staff Officer Kerry Griffin regarding the Marine Spatial Planning initiative that is underway. Part of this initiative is being addressed by the West Coast Governors' Agreement (WCGA). The WCGA got underway in 2006 and released an Action Plan in 2008.

The WCGA is engaging tribes, government agencies, scientists and technical experts, and stakeholders in a process to identify regional CMSP priorities and needs that will support a coordinated regional proposal from the WCGA to NOAA.

The Governors of Washington, Oregon, and California identified seven common goals when they launched the West Coast Governors' Agreement on Ocean Health (WCGA) in September of 2006. The priorities the Governors identified are as follows:

- 1. Ensure Clean Coastal Waters and Beaches;
- 2. Protect and Restore Ocean and Coastal Habitats;
- 3. Promote the Effective Implementation of Ecosystem-Based Management;
- 4. Reduce Adverse Impacts of Offshore Energy Development;
- 5. Increase Ocean Awareness and Literacy Among Citizens;
- 6. Expand Ocean and Coastal Scientific Information, Research, and Monitoring;
- 7. Foster Sustainable Economic Development in Coastal Communities;

In July 2008, an Action Plan for addressing these seven priority areas was released by the three Governors after extensive public participation and close coordination with key federal agencies.

The WCGA Action Plan identifies 26 critical actions that will benefit ocean health and the coastal economies of the West Coast. Diverse work groups known as Action Coordination Teams (ACTs) were established to develop comprehensive work plans for tri-state coordination and communication for coast-wide implementation of the WCGA Action Plan.

ACTs provide region-wide facilitation and coordination to inform and recommend how best to implement the actions presented in the Action Plan. They are responsible for crafting a work plan to implement the action(s) in a timely manner using the best available science. Team members are ambassadors of the WCGA Action Plan, communicating not only with each other but also with other interested individuals and entities across the states.

The 10 Action Coordination Teams (ACTs) are:

- Climate change
- Integrated ecosystem assessment
- Marine debris
- Ocean awareness and literacy
- Polluted runoff

- Renewable ocean energy
- Seafloor mapping
- Sediment management
- Spartina eradication, and
- Sustainable coastal communities.

When it was launched, the WCGA recognized that the PFMC addressed management, so the WCGA document sought to be proactive and support actions before PFMC. The PFMC has requested, and been granted, a seat on the WCGA. This effort has the potential to conflict

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or overlap with Council management efforts. It is certain that the Council and fishermen will be watching closely as the WCGA moves forward.

Eco-System Based Management

The Advisory Subpanel was given a presentation on Eco-System Based Management (EBM). In order to advance the conservation and management of long-term sustainable fisheries that provide the greatest overall benefit to the Nation, including the protection afforded to the marine ecosystem, the Council and NMFS are proposing to develop an Ecosystem Fishery Management Plan (EFMP) for the California Current Ecosystem (CCE).

The Council has requested input from the Management Team and Advisory Subpanel in its process of determining whether the EFMP will solely serve to provide information or whether it will be an over-arching FMP with regulatory authority.

The EFMP will provide analytical tools and structure necessary for accounting for ecosystem needs when setting Optimum Yield (OY) catch levels and managing fisheries. The EFMP will help ensure that management of any one of the Council's fishery groups does not negatively affect the management potential of the other species groups, non-managed species, or their habitats.

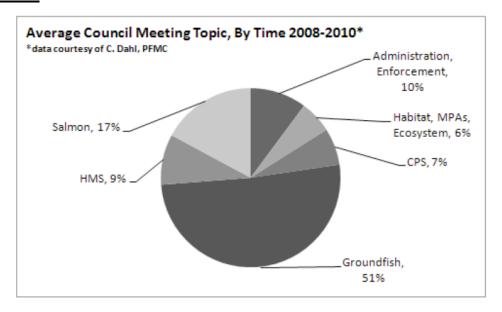
The EFMP will identify key forage species (e.g. anchovy), will identify the value of the ecological services that such species provide, and will consider, and if appropriate implement, conservation and management measures that maintain their functional role as prey for managed species and all other components of the CCE.

The EFMP will help keep the Council updated on current and potential effects on the CCE from human and natural causes (e.g. creation of dredge pile islands, industrial contamination, climate change, etc.). The EFMP will allow the Council and NMFS to improve decision-making and advance precautionary, coordinated, and innovative approaches to ecosystem-based fisheries management.

This federal action would establish an EFMP to compliment the ongoing conservation and management of federally managed fisheries in the U.S. EEZ off Washington, Oregon and California, as authorized by the Magnuson-Stevens Act (MSA) and pursuant to other applicable statutes and executive orders.

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Miscellaneous



This pie chart provides some insight into how the Council divides its time.

General Matters

During the Advisory Subpanel meeting, I raised the issue of the need for timely and accurate fishery data from the Canadian fleet operating in U.S. waters. I commented that data from the Canadian fishery in the U.S. EEZ was consistently lacking in extent and accuracy. Particularly in light of the rapidly approaching treaty consultations.

We did not yet know how many landings were made or where. How much was landed? What percent of Canadian landings were in the U.S.? What percent of Canadian catch was from the EEZ? The Advisory Subpanel members agreed strongly and a paragraph on this subject was added to their report to the Council.

Response During Council Session

During the Council meeting, the Management Team presented their report. The Council had a number of questions regarding the Canadian treaty fishery that the Management Team was unable to immediately answer.

I realized that I had some materials with me that would help answer the Council's questions and provide them with a greater understanding of the inequity of the treaty and the negative impacts it has on the U.S. fishery. I quickly prepared some charts and graphs and was able to provide the Council with a brief Powerpoint presentation.

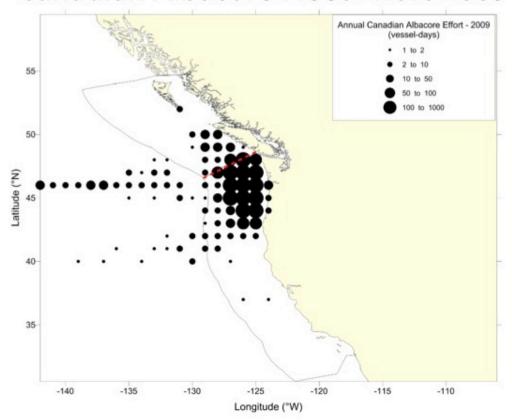
The Council saw for themselves the location of Canadian effort (in the U.S. EEZ), the continually increasing trend for Canadian catch (both overall and especially in the U.S. EEZ). They were also able to see that not very much of that catch was landed in U.S. Most of it was caught in U.S. waters and taken back to Canada.

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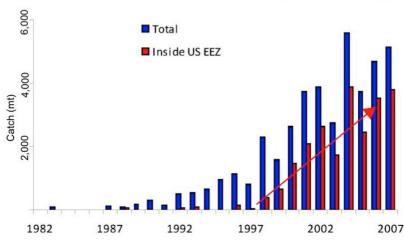
The Council also saw the decline in the U.S. fleet over the same period. U.S. landings and U.S. fleet down 7%. While Canadian landings increased by 12% over the same period.

The Council was very interested in these facts and asked a number of questions. It seems that they had not seen the treaty data presented this way before and it was clear that they did not like what they were seeing. It was unfortunate that a State Department representative was not present to respond to some of the Council's questions.

Canadian Albacore Fleet Effort 2009



Canadian Albacore Fleet Catch (1982-2007)

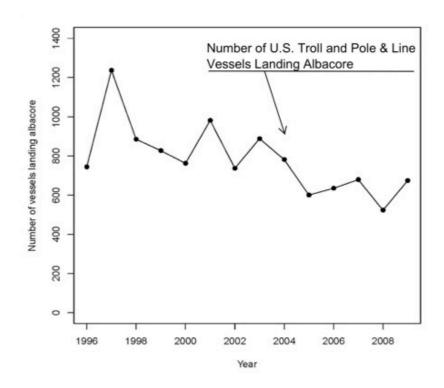


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U.S. Albacore Fleet (1996-2009)

The U.S. fleet continues to gradually decline over time.



And with that interesting exchange, the Council wrapped up this session's discussions on Highly Migratory Species.

If you have any questions or would like to discuss any of these matters, please do not hesitate to contact me. Thank you.

Yours truly,

✓Chip Bissell