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VIA FIRST CLASS MAIL

AMERICAN ALBACORE FISHING ASSOCIATION  
4364 Bonita Road, #311  
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Re.: June 2011 Meetings of the PFMC, HMS-MT & HMS-AS

To AAFA Board of Directors and all AAFA members:

I recently attended and participated in meetings of the Highly Migratory Species Management Team (HMS-MT) and Advisory Subpanel (HMS-AS). These meetings were held in association with the meetings of the Pacific Fishery Management Council. These meetings were held in Spokane, Washington.

NMFS Report on Canadian Vessel Landings of Catch in U.S. EEZ

As the HMS-AS meeting got underway, I reminded the Advisory Subpanel that at the April Council meetings, the Council had tasked NMFS to “*secure data from the Canadian government on landings by Canadian vessels in Canadian ports of albacore caught in the U.S. west coast EEZ and NMFS should keep the Council apprised of negotiations over the U.S. – Canada albacore treaty.*”

I proposed the HMS-AS remind the Council of the fact that NMFS did not respond to the Council’s April request. This was approved by the AS and included in its report.

Recommendations for International Management of Pacific Albacore

Dr. Don McIsaac, Executive Director of the PFMC, spoke with the Advisory Subpanel and Management Team regarding the Council’s recommendations to Regional Fisheries Management Organizations (RFMOs). At the current meetings, the Council is to adopt recommendations to the IATTC and WCPFC. The Council asked the HMS-AS to put together some recommendations for albacore management.

A number of HMS-AS members expressed concern that the Council, the federal government and RFMOs might recommend or adopt management measures that unnecessarily punish U.S. fisheries.

In light of the confusion generated by this request, and the emotions it aroused, I asked for clarification as to whether the HMS-AS and HMS-MT were being asked to provide recommendations for all management? Or only international management? It was explained that the recommendations sought were only for international management. This

response helped calm tensions and allow discussion to proceed. It was generally agreed that the results from the pending albacore stock assessment were necessary and it was difficult to make significant recommendations based on speculation.

#### IATTC Recommendation Re. Fishing on Data Buoys

One of the topics to be discussed at the upcoming IATTC meetings is a recommended measure to prohibit fishing on data buoys. Vandalism and damage to data buoys is a significant problem. To address this problem, the IATTC is considering a measure that would require nations to prohibit their vessels from fishing within a 1 nautical mile radius of data buoys. This would apply to moored buoys and drifting buoys, and would not be limited only to government buoys. Vessels violating the prohibition would be considered to be fishing with illegal/prohibited gear.

I expressed concern over the 1 nautical mile prohibition and the fact that U.S. albacore vessels could be cited even if their proximity to a buoy was accidental, for example, fog or rough seas interfered with the visibility of the buoy. I indicated that the language of the recommendation is overly strict and should be amended or that an exemption should be created for surface troll and pole & line gear.

The U.S. has over 1,000 buoys in the Pacific. Many of the drifting buoys are quite small and difficult to see. Under this recommendation, each of these buoys creates a “no fishing zone” of over 3 square miles. How will fishermen know where these zones are, when many of the buoys are very small in size and drifting?

The HMS-AS discussed the significant negative impacts that could result from this IATTC proposal measure and shared AAFA’s concerns.

#### West Coast Commercial Albacore Fishery Socio-Economic Analysis

A report was presented to the Council in an effort to provide insight into some of the socio-economic factors that influence annual albacore catch. Such research could provide better understanding of the variables that allowed albacore prices to stagnate in the face of rising costs and increased foreign competition, while the U.S. fleet struggled for survival. It could also help to identify the factors that have helped breathe life back into this U.S. fishery in recent years. For these reasons, several AAFA fishermen agreed to be interviewed for the report and AAFA also had a voice on the Advisory Group.

It was unfortunate that the report was plagued from the start by mistakes and a lack of understanding of the fishery, its complexity, and its history. The title of the original project was “*WFOA Mid-Water Troll Albacore Fishery, Economic and Socioeconomic Policy Implications.*” For reasons not yet clear, the project was approved without going through the usual competitive procurement process. Despite requests, the documents regarding the whole project were only made available after the report was complete.

The primary goal of the report was to answer the question:

*Have economic and market factors influenced forecast assessment models and if so, how might these factors be considered when attempting to set management policies currently to influence fish abundance several years from now?*

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Despite rambling on for over 50 pages, the resulting report fell far short of answering this question in any meaningful way. The report was disappointing thin on substance and drew conclusions that often distorted the facts and reality of this fishery.

The “Key Findings” of the report were as follow:

- Finding #1: The number of vessels operating in the U.S. commercial albacore industry has fluctuated over time and trended downward since 1977. While the size of the U.S. fleet has declined recently, overall U.S. commercial albacore fishing activity<sup>1</sup> has not.
- Finding #2: Market and regulatory conditions faced by the U.S. commercial albacore industry have changed fundamentally over the last 30 years. Today’s U.S. commercial albacore fleet faces rising operating costs and declines in the real prices. This may lead to declining profitability in the industry, unless fishermen compensate by increasing the volume of their catch or by differentiating their product.
- Finding #3: Globalization has increased the complexity and challenges faced by U.S. commercial albacore fishermen. Global and domestic market forces from the late 1980s to the early 21st century have necessitated the commercial albacore industry to evolve in order to survive.
- Finding #4: While biological factors are a significant determinant of U.S. commercial albacore fishing activity, market conditions (as measured by employment and fuel costs) are also significant. However, regressions at the mean suggest that economic factors are not as significant an indicator of fishing activity as are biological factors.
- Finding #5: Based on a limited, but widespread sample of interviews, the shift in concentration of commercial fishing activity towards northern ports are primarily due to shifts in albacore migratory patterns toward nearshore waters north of Eureka, California and south of Canada. Interviews also revealed industry participants’ concerns over rising operations cost, mainly fuel and labor as well as uncertainties in future regulations. Fishermen also pointed out the high risk associated with a seasonal (4 month) fishery like albacore. At the same time, their outlook is optimistic given increased worldwide and, particularly, domestic demand of albacore. Increased demand for their products is seen as due to product differentiation and improvements in labeling (in particular, MSC certification) and marketing efforts by both AAFA and WFOA. In general, fishermen report that as the general public become more aware of the benefits of U.S. caught albacore, including higher oil and lower mercury content, catch methods with little or no environmental impacts, positive trends in prices paid for their product will continue.

As a member of the Advisory Group, AAFA repeatedly tried to assist the contractor in coming up to speed and gaining an understanding of this fishery. AAFA identified a number of authoritative sources to help ensure a report that could benefit the Council in its tasks.

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<sup>1</sup> “Fishing activity” was defined as the number of vessels, revenue, revenue/vessel, landings by weight, and number of processors or buyers.

AAFA even provided a set of annotated reference materials, including prior socio-economic studies of the fishery, fishery data on albacore fleet composition, fishermen's degree of participation and reliance on albacore, vessel size and landings, years of participation in the fishery, etc.

It was strongly recommended that the report discuss previous socio-economic studies and forecasts for the U.S. albacore fishery, and an examination of what was right or wrong in the conclusions of those earlier studies. For example, a NMFS study from the 1980s forecasted U.S. albacore landings of 35,000 tons and handed out hundreds of thousands of dollars in grants to develop market opportunities. It seemed obvious to discuss where previous analysis and forecasts had been wrong and why. Unfortunately, the report did not provide a review of any of the reference materials that were provided.

#### Socio-Economic Impacts of the U.S. – Canada Albacore Treaty

The U.S. – Canada albacore treaty was mentioned anecdotally but was not the subject of any scientific analysis or discussion of trends. It was noted that there is general consensus among AAFA and WFOA members that the treaty provides Canadian fishermen with an unfair advantage that has not been effectively remedied. It was also noted that U.S. fishermen believe that the biggest problem for this fishery is the treaty with Canada.

The socio-economic report was discussed at length by the HMS-MT and AS. The Scientific and Statistical Committee reviewed the report and was somewhat critical of the economic analysis it presented.

The HMS-AS expressed its belief that the most important aspect of the report was contained in the following paragraph:

*The commercial albacore industry participants interviewed for this report acknowledge that biological factors are important in setting policy but should not be relied on solely, that market and economic factors should be included in policy decision making. It is hoped that through this work, the dialogue between regulators and industry participants is improved and the significance of non-biological influences is taken into greater account as regulators set domestic policy and comply with international treaties.*

There was general agreement that analysis of the socio-economic aspects of fisheries can be beneficial. It is hoped that future efforts will be able to deliver real benefits for U.S. albacore fishermen.

#### Council Decisions on Matters Before the IATTC and the WCPFC

The Council made a series of recommendations to the U.S. delegations to the upcoming IATTC and WCPFC meetings. Regarding North Pacific albacore, the Council supports management measures that address the relative impacts of all international fisheries participants, without disadvantaging the U.S. fleet. The Council also supported efforts to conduct stock assessments on a three-year cycle.

AAFA has long promoted efforts by the ISC to conduct albacore research to update the life history parameters that are used in the stock assessment. AAFA is grateful for the

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Council's repeated statements of support for such efforts and its continued recommendation to the U.S. delegation on this matter.

The Council also tasked the HMS Management Team and Advisory Subpanel with developing a proactive management framework for albacore, with the expectation that such a framework could be proposed at the international level through the U.S. delegations to the IATTC and WCPFC.

The Council asked the NMFS Southwest Regional Administrator for the Southwest Region to assume a lead role in the U.S. delegation to the WCPFC concerning North Pacific albacore, a fishery of great importance to the west coast fleet.

Upon hearing the plea by AAFA and the HMS-AS, the Council expressed its support for reopening the IATTC recommendation on prohibiting fishing around data buoys.

The Council also recommended the U.S. delegations to the IATTC and WCPFC work to establish a timetable for implementing appropriate Biological Reference Points for albacore, advocate for more comprehensive data reporting and collection, and give weight to management measures for which monitoring, compliance, and enforcement are effective.

U.S. Albacore Fleet Access to Mexico EEZ

In international fishery discussions, AAFA has urged U.S. representatives to pursue restoring access for U.S. pole & troll albacore vessels to fish in Mexico's EEZ. It is hoped that equitable arrangements could be developed that would allow U.S. vessels to fish in Mexico waters while providing education and training to Mexican fishermen.

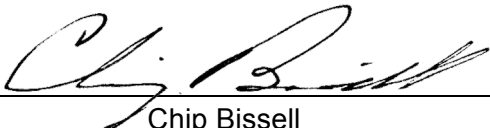
The Council expressed its support for developing such opportunities and encouraged NMFS to pursue discussions between the U.S. and Mexico through the MEXUS-Pacifico program. MEXUS-Pacifico is part of the U.S. – Mexico Fisheries Cooperation Program.

Conclusion

Having addressed these issue, the Council wrapped up it discussions of albacore matters.

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

Yours truly,

  
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Chip Bissell