Written Testimony of
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Committee on Natural Resources
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Good morning, Madam Chairwoman, Honorable Members of Congress, fellow witnesses, and distinguished guests. I am pleased to testify before this Subcommittee on Catch Shares. My husband is a commercial fisherman from the southern Oregon coast. We fish for Dungeness crab, albacore tuna, blackcod, nearshore live rockfish, and halibut. I have served as Executive Director of the Port Orford Ocean Resource Team's (POORT) since 2001. POORT is a community-initiated and inclusive community-based management organization founded in 2001, focused on maintaining a sustainable fishery and healthy marine ecosystem in local nearshore waters and healthy upland watersheds. POORT seeks to combine the best science and experiential knowledge available to the community to make management decisions that: 1) sustain/improve the habitat and population base of fish; 2) provide high quality, high value seafood products to consumers; and 3) support the economic viability of Port Orford, Oregon. Port Orford fishermen all fish boats under 40 feet and participate in a portfolio of fisheries including salmon, crab, blackcod, tuna, halibut and nearshore fishing. This traditional small boat port has been delivering commercial fish since the late 1800's and today 25% of our 1,200 population works directly on the fishing boats or off loading produce at the dock. Our community is heavily dependent on fishing. That is why we have formed a community-based fisheries project; to sustain our fisheries and livelihood. It is in the capacity as Executive Director of Port Orford Ocean Resource Team that I address you today.

My experience with Catch Shares goes back to 1994 when I joined a group of west coast fixed gear fishermen in asking Congress, specifically Oregon Senators Hatfield and Packwood, to stop the Pacific Fishery Management Council from implementing a blackcod Individual Quota (IQ) program. We were concerned that the process was not transparent, most of the IQ would be allocated to a small group of fishermen, and little outreach had been done to help fishing communities understand how they would be impacted. In 1994 members of Congress were reluctant to intervene in Council business, but they were concerned, and stepped up to write to the Council requesting a delay in Individual Quota Programs until more was learned about the impacts to fish, fishing communities and fishermen. It is interesting to note that sixteen years later, in 2010, after learning more, I have even more concerns about the impact of Catch Share programs to fish, fishing communities and fishermen. Today I will talk about my most recent experience with Catch Shares being developed for the west coast trawl groundfish program. I will talk about the importance of controls to any catch share program. And

lastly, I will talk about the fishing program established in my community that serves as a model, different than catch shares, of how to sustain fish stocks while sustaining the fishing community. But let me start by asking WHY CATCH SHARES?

WHY CATCH SHARES AT THE EXCLUSION OF OTHER FUNDING NEEDS?

I want to emphasize that Catch Shares are only one tool for fisheries management. It seems disingenuous for NOAA to say that they understand Catch Shares is only one tool, and then NOAA in turn allocates $54 million to exclusively develop Catch Shares. NOAA is not offering this funding to help Councils decided how to best manage for sustainable fisheries; they are only providing this money for Catch Shares.

I find it difficult to understand NOAA's push for Catch Shares. The most confusing aspect of the campaign is the claim made by groups that Catch Shares will end overfishing. The Total Allowable Catch (TAC) is based on good science that is responsible for ending overfishing in any fishery. If the TAC is set at unsustainable levels, the fishery is likely to collapse regardless of the method of allocating the TAC. If quotas themselves are set too high, over-fishing will still occur. If fisheries can be managed sustainably using biologically responsible TAC, then there is no reason to privatize the fish by giving away quota.

Many fishermen have expressed concern that NOAA's new budget to assist Councils' with Catch Shares comes at the expense of funding for science that will actually provide the data to determine Total Allowable Catch which every fishery needs to be sustainable. I constantly hear at Council meetings that there are not enough resources (money to buy capacity) for the work that needs to be done.

I am troubled by NOAA and the Councils saying that Catch Shares are not a property right. If you can buy and sell quota, take it to the bank and mortgage quota, fight over quota in divorce court – quota is property. Why would the United States privatize and give away this important public resource? I do not believe the United States should go down this path and I do not think NOAA is making public what Catch Shares will do to public ownership of fish.

The most ironic point is the language in the NOAA DRAFT Catch Shares Policy that states:

> *NOAA encourages Councils to take advantage of the special community provisions in the MSA to help assure sustainable fishing communities, including continuation of working waterfronts, fishery infrastructure, diverse fishing fleets, and resource access.*

It is common knowledge that Catch Share programs improve economic efficiency and by their very nature result in consolidation of the fleet. This in turn causes loss of jobs, economic disruption to coastal communities that rely on fishing jobs, and can cause the loss of infrastructure at ports that traditional fishing relies on. One wonders in an

Administration that is concerned about jobs, why Catch Shares would receive this level of support.

We also know that the initial allocation of quota comes at a high social cost. Many fishermen, including captains and crew, are pushed out of these fisheries in an initial allocation, and young fishermen are burdened with expensive loans to pay for buying their first quota share. Additionally, in many fisheries, the actual fishers are leasing quota from so-called 'absentee landlords' or 'armchair fishermen'. This share cropper fishing, where independent fishermen are now fishing for investors, will not be good for fishing families or communities.

A number of concerns have been raised about Catch Share social impacts, especially in terms of fairness and equity. Catch Shares will concentrate power in the hands of fewer people, who can turn into quota 'landlords' that do not themselves fish, but instead lease their quota to the quota-less. The windfall gains of quota ownership accrue largely to the generation who are fishing when ITQs are implemented, while later fishers have to pay for their quota, hardly an equitable outcome.

If not carefully regulated, the balance of power between processors and fishers may change greatly; processors have greater access to capital and may end up controlling most of the quota. An additional problem is the impact to nonfishing members of small fishing communities who may be harmed if the quota holders sell their shares to other communities, thereby impacting their social and economic stability of their community

A simplistic one-size-fits-all approach to fisheries management does a disservice to the diversity of fisheries management options that have proven effective, and others that show promise. We do know that a Catch Share program, if tightly regulated with low accumulation caps, owner-operator provisions, and opportunities for new entrants can be one way to manage a fishery. The classic example, and one that is mentioned in all the pro-IFQ literature, is the Alaskan sablefish/halibut fishery. However, in practice IFQ fisheries are rarely implemented in this fashion, and generally come under intense political pressure to remove owner-operator requirements and accumulation caps as fishermen age. This eventually creates consolidation that in the beginning was deemed unacceptable.

Catch Shares can reduce the race to fish but are certainly not the only way to do that. Unfortunately, the "catch share" campaign has now drowned out all other ideas and approaches to fisheries management in public discourse and among policy makers. Amidst all of the discussion about catch shares, another approach to fisheries management, community-based fisheries management, has gotten a lot less attention despite its increasing popularity with many fishing communities around the country.

The West Coast Trawl IQ Plan

I have participated in meetings, sent letters to the Council and provided public input at Council meetings—all the time speaking from the outside. The not so subtle message I continuously receive is that this is a trawl program and fixed gear fishermen should mind

their own business. I know the reality is that the trawl IQ program will affect species and fisheries that are not included in the program and impact communities and fishermen that are not included in the program.

Problems with the trawl IQ plan:

1. It only addresses one gear group for groundfish and excludes fixed gear and recreation fishermen. Fixed gear fishermen have no idea what the future is for our fishery. The irony is that our gear is the cleanest commercial gear for groundfish and we are completely left out of any planning for the future of groundfish while the fishery is handed over to the gear with the highest bycatch.

2. Vessels exiting from ITQ fisheries may increase fishing pressure in non-ITQ fisheries. Fishers that choose to sell their quota, realize enormous financial gain, and exit the ITQ fishery may increase their effort in other less regulated fisheries – the spillover effect. We saw this in Oregon with the west coast trawl buyback. Trawlers with their hundreds of thousands of dollars of buyback money moved to crab, salmon and other fisheries and contributed to further overcapitalization of those fisheries. Increased capitalization in west coast fisheries from trawlers selling their quota could be devastating—there is not one fishery on the west coast that can withstand additional capital.

3. In an IFQ fishery, many ports could suddenly see their access to fish disappear as quota simply moves out of smaller ports.

4. The IFQ systems would likely only hasten the collapse of port infrastructure already badly in need of repair, particularly when quota leaves small port communities and fleet consolidation shifts efforts to larger vessels in large ports.

5. Serial depletion may occur for some species due to limited spatial control because effort increases closer to home ports. TACs are still managed on a very large spatial scale (Golden 2005). In its consideration of a limited entry trawl individual quota system, The Pacific Fishery Management Council's Trawl Individual Quota Committee (TIQC) considered alternatives that could have restricted distribution of optimum yield (OY) and access privileges on an area basis. The TIQC's analytical team prepared an analysis titled "*On the Need for Spatial Management in West Coast Groundfish Fisheries*." Several arguments supporting the need to spatially manage groundfish on a finer scale were made based on the life histories of groundfish, documentation of instances of localized depletion of groundfish, current management practices with spatial approaches, and potential fleet behavior if spatial management of OY is not taken into consideration. Despite these arguments, the TIQC did not recommend the distribution and management of OY on a spatial scale any smaller than presently used. Details of the analysis can be found at www.oceanresourceteam.org. Our concern is that quota pounds will be consolidated, or purchased into ports that will then become the entry and exit point for the fish. We are concerned that quota pounds will end up in Coos

Bay, Oregon (for example). This increase in fishing pressure on the grounds will impact the availability of fish to everyone in their region

6. IFQs prevent people from entering the fishery unless they come from established fishing families already owning boats or are wealthy enough to purchase quota.

7. The trawl catch share program proposes to allow trawlers to switch to fixed-gear with no analysis or consideration for how this will impact the fixed-gear fleet. If trawlers switch to pot gear, that gear is left in the grounds continuously and our opportunity to longline will be impacted.

8. The extensive allocation process to cut off trawl quota from other user groups allocated almost all the groundfish away from our Limited Entry fixed gear permits. We had access to fish that is now almost completely gone to us. This devalued our permits with one fell swoop.

The Pacific Fishery Council is aware of each problem with the trawl IQ program but they continue to push ahead.

Better Management

If NOAA decides to proceed with their full court press for Catch Shares the following will be critical:

Require NOAA to establish a process for communities to participate in socioeconomic analysis of Catch Share programs. Presently communities rely on NMFS and the Council's analysis. Capacity should be provided to communities to have their questions analyzed so they can be informed participants in the process. This process should run parallel to Catch Share design so communities can participate as preferred alternatives are selected.

Require community quota be provided if communities can show a community development plan that addresses Catch Share impacts.

Require NOAA set aside funds to mitigate damage to fishing communities from unanticipated problems with Catch Share programs. This should be a long-term fund .

Require Councils to include all gear groups and users in a Catch Share program. Piecemeal programs will not work.

Use Catch Shares as an opportunity to promote sustainable fisheries by designing programs to allocate fish to gears that minimize bycatch and discards instead of using fishing history for allocation.

Require each Catch Share program to provide for new entrants to the fishery.

FINAL COMMENTS

There are many different programs to manage fisheries in the United States. Our community program rejected pursuing IQs because it would reward a few and create many losers, while doing nothing to stabilize the economy of our fishing community. We chose to develop community-based fisheries to help sustain the fish and community into the future. I have included information on our project below.

The next step for our community process is to form a Community Fishing Association(CFA). as provided for in the MS Act. For our community, this would be a framework to secure our opportunity to fish. We would use this framework to hold permits and quota, allowing us to stabilize our community economy as fisheries change.

At this time, no work has been done by the PFMC to provide direction for CFAs, and we can't proceed. At the Sacramento Council meeting last week, fixed-gear fishermen asked the PFMC to set up a CFA committee. The Council declined to do so. Perhaps NOAA could work on this issue.

In closing, I had the experience of traveling to New Zealand with California Sea Grant and a group of commercial fishermen to examine the New Zealand IQ programs. I was shocked at what I learned. Quota is primarily held in New Zealand by processors. Fishermen told us horror stories of the tactics used to push them out of the fisheries, including processors lowering the price for several years so fishermen couldn't make money (bleed them out of the fishery) to the overwhelming amount of IQ paperwork they couldn't keep up with. Fishermen are now unemployed or working for the processors running their boats and fishing the processor quota. Those fishing jobs are low paying; the fishermen commented that if they wouldn't work for the low pay there was another fisherman right behind them that would because they are desperate for work. We asked fishermen how they let this IQ program get away from them, why didn't they have caps on ownership. They responded that they thought they had that taken care of with a hard cap on accumulation from the beginning. But as soon as the processors reached the cap they lobbied successfully to have the cap increased, over and over. Fishermen noted that the local fish and chip houses could not even get fish to serve because it has been allocated away from their communities.

In a question and answer forum, I asked the owner of Sea Lord, New Zealand's largest processor, what happened to their fishing communities when processors ended up with all the fish. His response was, "there were no fishing communities in New Zealand, next question". Ridiculous, the entire coast of New Zealand was one fishing community after another. New Zealand has to rewrite their history to wave off the impacts of IQs to their fishermen and communities. I believe the United States is going to end up in the same situation. I encourage members of the Committee to carefully examine this rush to privatize fisheries.

PORT ORFORD: IMPLEMENTING COMMUNITY-BASED OCEAN MANAGEMENT ON THE OREGON COAST

INTRODUCTION

There is a growing interest in the use of community and ecosystem-based ocean management approaches in the United States. This interest is reflected in the U.S. Ocean Commission's *Report to Congress* and the Sustainable Fisheries Act, and also evidenced in initiatives underway in Alaska and New England..

Community-based management may be defined as a process where citizens actively participate in local management efforts through defining needs and goals, and making decisions through an inclusive and transparent process. With respect to ocean resources, community-based management allows for consideration of local environmental and economic variables, as well as the integration of community knowledge into the decision making process. Community-based ocean management may also be incorporated into broader, coast-wide management plans, thereby addressing important issues of scale.

The community-based management model can offer a number of significant benefits as a complement to existing state and federal management structures. Foremost among these benefits is an enhanced level of stewardship for ocean resources among community participants. Community-based management is also flexible and adaptive and may result in greater equity and improved compliance with regulations from local pressure. Finally, community-based management can allow for managing complex systems at a finer scale through the integration of local knowledge and the leveraging of collaborative science opportunities.

Our collaborative endeavor in Port Orford, Oregon may provide a viable model for how community-based ocean management may be effectively implemented. One key element to the success of community-based initiatives is the presence of local leadership. In Port Orford, this service is provided by the Port Orford Ocean Resource Team (POORT), a locally run non-profit organization comprised of fishermen and fishing family members. POORT provides the necessary local infrastructure through which community-initiated marine policy and research activities can be carried out. At the behest of POORT, other non-profit organizations and individuals within leading academic institutions and government agencies are helping identify ways in which the community of Port Orford can actively engage in the management of local marine resources.

BACKGROUND: Port Orford Ocean Resource Team

POORT is a community-initiated and inclusive organization founded in 2001, focused on maintaining a sustainable fishery and healthy marine ecosystem in local nearshore waters. POORT seeks to combine the best science and experiential knowledge available to the community to make management decisions that: 1) sustain/improve the habitat and population base of fish; 2) provide high quality, high value seafood products to consumers; and 3) support the economic viability of Port Orford, Oregon.

POORT was created in large part because local fishermen felt disenfranchised from the existing top-down fishery management system during a period of increased restrictions. Over the last decade this historic fishing community has lost its longline fisheries, experienced dramatic losses in revenues as a result of declining salmon stocks, and survived a boom and bust urchin fishery. Forty boats using fixed gear currently fish out of the Port of Port Orford, targeting groundfish (including several rockfish species for the Asian live fish market), Dungeness crab, albacore tuna and blackcod.

As a local non-profit organization, POORT works to empower fleet members and other citizens to participate in bottom-up ocean management efforts. These activities include a significant focus on collaborative science and stewardship, as well as marketing of local seafood products.

POORT'S COMMUNITY-BASED PROCESS

The POORT process is guided by a formal board of five fishermen. The POORT Board functions as the ultimate governing body of the community process and is charged with advancing POORT's vision of a sustainable fishery and healthy marine ecosystem. As such, the POORT Board provides a transparent and functional mechanism for decision-making – a key element to the success of any community-based process (Dalton 2006).

The POORT Board's efforts are closely connected to the broader fishing fleet. Facilitation is provided by staff from POORT and partner organizations to assist fleet members in developing common goals and objectives and determining alternatives for action. Fleet meetings also include an educational component, as a recognized prerequisite of empowerment at both the individual and community. Recent meetings have included presentations on topics such as rockfish reproduction, state and federal management authorities, and design considerations for marine protected areas (MPAs).

The POORT process includes formal input from a Community Advisory Team that provides recommendations and expertise to the POORT Board and project partners. Comprised of stakeholders and community leaders, the Team is intended to reflect the interests and concerns of the broader Port Orford community. Engagement of the Community Advisory Team ensures that different segments of the community are formally represented within the POORT process. Such diverse participation is important for improving understanding between different groups and can also facilitate development of stronger solutions by community participants.

The Community Advisory Team also includes a staff representative from the Oregon Department of Fish and Wildlife (ODFW) to ensure that community planning efforts are connected to existing management. By involving agency staff early in the process, greater trust and communication may be realized to support the community's efforts to implement co-management strategies.

THE ROLE OF SCIENCE

A critical factor in implementing community-based ocean management is the collection and application of relevant scientific information. POORT is therefore in the process of developing a collaborative research program to be run through the local science center. Collaborative research programs provide opportunities for people with diverse interests in fisheries to collectively resolve complex issues.

To inform development of this program, POORT staff regularly convenes meetings with fishermen to identify important research questions, data gaps, and monitoring priorities. During 2007, staff and board members are collecting local ecological knowledge from fleet members through personal meetings and facilitated forums. An at-sea project to gather information on population dynamics of nearshore rockfish species is underway.

POORT has also collaborated with Oregon State University, ODFW and NOAA Fisheries to create a Geographic Information System (GIS) product that includes geologic, bathymetric, and fish habitat information.

Finally, POORT recognizes that an advisory group of scientists that can provide oversight and expertise for local research and management efforts is necessary. Accordingly, POORT and its partners are currently assembling a technical team representing various marine science disciplines and affiliations.

STRATEGIES FOR CITIZEN ENGAGEMENT

To ensure transparency of the community process and promote ocean literacy, POORT sponsors two public forums each year. Such forums provide an important mechanism for disseminating information and bringing together different stakeholders from the community. The first of these forums was held in June 2006 and titled *Orford Reef: Our Heritage, Our Future.* The event featured a short film on the reef, as well as presentations from fleet members and project partners. Over 180 people attended, including community members and representatives from agencies and non-profit organizations. In January of 2007, POORT and its partners sponsored a second public forum coinciding with a local meeting of the Oregon Ocean Policy Advisory Council (OPAC). Additional public forums have been held each year.

POORT has also recently established a water quality testing laboratory in partnership with Pacific High School and the Surfrider Foundation. The lab supports a volunteer-based program that provides water quality data for four locations within the area. Sampling and lab analysis is conducted by Pacific High School students, Surfrider members, commercial fishermen, and other interested volunteers. In addition to providing important educational and citizen involvement benefits, the program also provides a platform for POORT to address land-sea connections as part of an ecosystem-based approach to management. In 2009 POORT worked closely with the city of Port Orford to amend the storm water ordinance that provides valuable protection to the nearshore environment.

LOOKING TO THE FUTURE

To realize its vision of a sustainable fishery and healthy nearshore ecosystem, POORT has established a Community Stewardship Area. The Stewardship Area would encompass the community's fishing grounds and associated watershed, and provide a framework for managing local ocean resources at a finer scale and more integrated fashion. The intent is to maintain public access to the resource for those who are fishing selectively, while also conserving the marine biological diversity of rocky reefs and surrounding waters.

Planning for the Stewardship Area has been conducted in a transparent and inclusive manner within Port Orford, consistent with POORT's community-based process. The project has also cemented longtime partnerships between POORT and the Pacific Marine Conservation Council, Surfrider Foundation and Ecotrust, who provide a variety of support services for local planning efforts.

As a critical element of achieving designation of a Stewardship Area, POORT is working to secure policy space for its community process at the state and federal levels. While POORT's current efforts do provide significant benefits to both the resource and community, the full benefits of such a process cannot be fully realized without formal recognition and authority sharing from government agencies. As such, POORT is exploring alternatives for co-management of local ocean resources with relevant agencies and management authorities.

Although the activities of POORT remain centered in the community of Port Orford, an increasing number of managers, fishermen, scientists, and elected officials throughout the state have expressed interest and enthusiasm for this approach to ocean stewardship. While still an evolving process, the Port Orford Community Stewardship Area initiative holds significant potential as a model for how community and ecosystem-based ocean management principles may be successfully implemented.

Golden, J. 2005. On the need for spatial management in west coast groundfish fisheries. Pacific Fishery Management Council, Portland, Oregon.