

**Testimony of Fred Christiansen, Chairman, Gulf of Alaska Coastal Communities Coalition, regarding the re-authorization of the Magnuson-Stevens Act relative to the IFQ (Individual Fishing Quota) programs to the Sub-committee on Fisheries, Conservation, Wildlife and Oceans, U.S. House of Representatives, Committee on Resources.**

**February 13, 2002**

Mr. Chairman and Members of the Subcommittee:

Thank you for the opportunity to present my statement to your Subcommittee this afternoon regarding the re-authorization of the Magnuson-Stevens Act relative to the Individual Fishing Quota Program. My name is Fred Christiansen. I am a commercial fisherman and business owner from Old Harbor on Kodiak Island, Alaska. I am also the Chairman of the Gulf of Alaska Coastal Communities Coalition (GOAC3) and I am representing that group here today.

The GOAC3 is a coalition of coastal communities in the Gulf of Alaska dedicated to protecting the ability of small Gulf of Alaska (GOA) fisheries-dependent communities to retain or regain specific access to sustainable marine resources for commercial, subsistence and recreational users.

Our communities are entirely fisheries-dependent. Our membership is concerned that our communities will not have long-term, viability unless some creative strategies are employed to rebuild a sustainable economic base. We are alarmed at the accelerating rate we are losing marine access, jobs, infrastructure and population. We are working toward reversing and /or mitigating regulatory and other changes, which have had negative impacts on the ability of our communities to make their living from the sea while recognizing that healthy ecosystems are essential to sustainable fisheries.

For small rural fisheries-dependent coastal communities in Alaska, access and opportunities related to fisheries are absolutely vital to the ability of our communities to remain viable into the future. Without such access and opportunity, a key part of the economy—a mainstay of the livelihoods-- of our regions within the Gulf of Alaska will not survive. If such communities cannot remain viable, they will wither and lose population, and in many cases cease to exist. If this happens, it will forever change the very character of what is now rural coastal Gulf of Alaska, which will, in turn have very negative consequences for the larger cities of Alaska who supply provisions to these communities.

The very successful Community Development Quota (CDQ) program instituted in Western Alaska as authorized by Congress and provided by the 1991 re-authorization of the Magnuson Act greatly increased fishing access and opportunity for those member communities. At the same time, however, the fishing opportunities and incomes in our small Gulf of Alaska communities were declining. This continuing loss is the result of a variety of reasons, including the unintended consequences of regulatory actions.

One of the most significant regulatory actions was the 1995 implementation of the IFQ (Individual Fishing Quota) program for halibut and sablefish. As noted in the North Pacific Fishery Management Council, January 14, 2002, Environmental Assessment / Regulatory Impact Review (EA/RIR) for Amendment 66 to the existing halibut and sablefish IFQ program, communities under 2000 in population have shown a consistent out-migration of quota share since 1995 with subsequent loss of revenue and employment opportunities. While some people predicted the concentration of quota share outside small coastal communities, no one could have foreseen how soon or how dramatic that change would be.

The GOAC3 developed a response to the adverse impacts from the halibut and sablefish IFQ program. We have proposed that qualifying communities would be a new class of

buyer for halibut and sablefish quota shares in the Gulf of Alaska. By allowing a community non-profit to purchase quota shares that could then be leased to community residents, our communities would be able to keep a certain level of halibut and sablefish quota shares within the community in perpetuity. This should make a significant contribution to stabilizing coastal community economics. Our proposal is currently before the North Pacific Fishery Management Council. The Council's analysis will soon be released for public comment and they have set a timetable for final action.

It would have been much easier, of course, to have instituted this type of mechanism during the initial implementation of the program rather than with a separate proposal now seven years after the program's implementation. Nevertheless, we are attempting to address the problem with the amendment and want to be sure that future programs consider community needs to insure their continued participation in rationalized fisheries.

This, then, has been a substantial part of our experience with the existing halibut and sablefish IFQ program. It has made us realize that IFQ programs need built-in safeguards for rural fisheries-dependent coastal communities.

In January of 1999 the National Research Council (NRC) released their paper "Sharing the Fish." This report supported the concept of community ownership of a certain amount of quota share under any IFQ program.<sup>[1]</sup> The NRC's concern about coastal communities is a principal recommendation in their report and provides an objective basis for our recommendations that small rural fisheries-dependent coastal communities be considered in the initial issuance of IFQs.

We would note rural fisheries-dependent communities have been disadvantaged by initial distribution of quota shares based on "historical participation." Throughout the past century, diversification and participation in several fisheries has been the basis for our fishermen's survival. Fishermen often emphasize the fisheries that have the best economic returns for their efforts. When halibut and sablefish IFQs were issued, this imperative

worked against many community members who had not recently focused on halibut and sablefish. Many of our fishermen only qualified for a few shares of IFQs. Consequently, as herring and salmon values declined over the past seven years, these fishermen have been unable to return to fishing halibut and sablefish. This has further resulted in loss of skipper and crew jobs and infrastructure for small coastal communities.

And, finally, some coastal communities of Alaska are already experiencing severe economic loss from regulatory actions relative to steller sea lion and seabird avoidance restrictive measures. We are concerned about the potential future impacts of essential fish habitat (EFH), habitat areas of particular concern (HAPC), and marine protected area (MPA) regulatory implementation if there is not enough consideration of subsequent intended or unintended socio-economic consequences.

Because of these experiences, the Gulf of Alaska Coastal Communities Coalition urges the Subcommittee to consider the following recommendations:

1. Strengthen the current National Standard 8<sup>[\[2\]](#)</sup> under MSA by incorporating, *as a policy statement*, the National Research Council's recommendation to allocate initial quota share to communities, taking into account the importance of fishery resources to fishing communities to provide for sustained participation of such communities.
2. Incorporate into MSA a mechanism for the allocation of initial quota shares under any new IFQ program to fisheries-dependant rural coastal communities.
3. MSA should have clarifying language that rural fisheries-dependant coastal communities be qualified as buyers of quota shares for any new IFQ programs.
4. Should new IFQ programs consider issuance of "processing quota shares." MSA

should specify that fisheries-dependant coastal communities' economic interests be protected. First, a certain percentage of community processing quota shares should be kept within a group of coastal communities in perpetuity. Second, undeveloped or underdeveloped communities should have the opportunity to develop processing capabilities.

5. MSA should focus attention and actions on ways to ensure that the ocean and its interdependent biological resources are healthy so that they can help *sustain viable fisheries and the communities that are dependent on them*.
6. MSA should have language to address better strategies for dealing with species protections that balances protective regulations with the fisheries dependency of rural coastal communities and their small boat fleets.
7. MSA should give regional councils, such as the North Pacific Fisheries Management Council, flexibility in considering unique programs that can protect access to harvesting and processing of marine resources in proximity to rural fisheries-dependant coastal communities.
8. MSA should require meaningful socio-economic considerations, including field research, of potential impacts from any "rationalization" of fisheries. We need detailed socio-economic analysis of known models - such as Individual Fishing Quotas (IFQ), Individual Transferable Quotas (ITQ), Individual Processing Quotas (IPQ) and co-operative models (American Fisheries Act)--- before approval of a rationalization program.
9. MSA should provide for mechanisms that will encourage co-management of marine resources between state and federal agencies and rural fisheries dependant coastal communities adjacent to these resources.

10. MSA should encourage the use of Local Area Management Plans (LAMPs) as a process by which unique local problems can be addressed and localized solutions crafted.

The Magnuson-Stevens Fishery Conservation and Management Act has allowed the North Pacific and the rest of the country to manage fishery resources through the regional fishery management councils. This has been an educational and evolutionary process for all but it is a system that, in our experience, has worked for the benefit of the resource and the public. Fisheries-dependent rural coastal communities, however, have not fared as well in the council process. Like the fishery management plans (FMPs) the Act requires, the Council process needs periodic revisiting with changes and refinements. Despite these needs, it is our belief that the Magnuson-Stevens Act remains the best instrument for maintaining marine resources and for addressing regional differences and community needs in overall fisheries management.

Thank you again for this opportunity to present the views of the Gulf of Alaska Coastal Communities Coalition to the Subcommittee today. We will deeply appreciate your consideration of these views in subsequent action by the Subcommittee.

END OF TESTMONY

#### REFERENCES:

1. Environmental Assessment / Regulatory Impact Review / Initial Regulatory Flexibility Analysis for proposed Amendment 66 to the Fishery Management Plan for Gulf of Alaska Groundfish to all allow eligible Gulf of Alaska communities to hold commercial halibut and sablefish quota share for lease to community residents, North Pacific Fishery Management Council, Anchorage, Alaska, January 14, 2002.
2. "Sharing the Fish: Toward A National Policy on Individual Fishing Quotas" Committee to Review Individual Fishing Quota, Oceans Studies Board, Commission

on Geoscience, Environment and Resources, National Research Council, National Academy Press, Washington DC, 1999.

3. Final Rule, Magnuson-Stevens Act Provisions: Essential Fish Habitat (EFH) *Federal Register*, Vol. 67, No. 12, Thursday, January 17, 2002, Rules and Regulations.

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[\[1\]](#) Page 10 and throughout the document

[\[2\]](#) “Conservation and management measures shall, consistent with the conservation requirements of this Act (including the prevention of over-fishing and rebuilding of overfished stocks), take into account the importance of fishery resources to fishing communities in order to (A) provide for the sustained participation of such communities, and (B) to the extent practicable, minimize adverse economic impacts in such communities.” (Added in 1996.)