

**Written Testimony of
Wayne Moody
Member, Board of Directors
Morro Bay Commercial Fishermen's Organization
Hearing on
"A Community Perspective on Catch Shares"
Subcommittee on Insular Affairs, Oceans and Wildlife
Committee on Natural Resources
United States House of Representatives**

April 22, 2010

Good morning, Madam Chairwoman, Honorable Members of Congress, fellow witnesses, and distinguished guests. My name is Wayne Moody and I feel privileged to be here today to give testimony on Catch Shares from a Community Perspective.

I started my commercial fishing career out of Port San Luis, California in 1974 and have fished for sea urchins, abalone, crabs, rockfish, salmon, and albacore. Our present boat is a 53' fiberglass troller that my wife and I fish out of Morro Bay, California for salmon (regulations permitting) and albacore. I currently sit on the board of directors of the Morro Bay Commercial Fishermen's Organization, with approximately 90 members.

I hope to give the members of the Subcommittee an understanding of Morro Bay's perspective regarding catch shares and our community's recommendations for critical elements of the West Coast Trawl Individual Transferrable Quota (ITQ) program that are necessary to address our concerns.

I would like to begin by providing some background regarding Morro Bay's fishing community.

In 1985 approximately 15 million pounds of seafood products were landed in Morro Bay and its sister harbor, Port San Luis, with an ex-vessel value of almost \$19 million. Much of the seafood delivered into Morro Bay and Port San Luis was groundfish that was harvested by smaller vessels using highly selective fixed gear.

During the 1980s, trawl fishing effort in our region increased, in part because of government subsidies that encouraged fishermen to increase their harvesting capacity. Trawlers displaced our local small boat groundfish fleet, and our fishermen either started trawling or moved into other fisheries. By the time of the Federal groundfish emergency declaration in early 2000, our ports were supported almost completely by trawl landings, and our local fleet had undergone dramatic consolidation. The severe reductions in groundfish allocations that followed were devastating. By 2006, landings had dropped to 1.2 million pounds with ex-vessel value of approximately \$2.9 million.

In 2005, The Nature Conservancy (TNC) entered into discussions with some of the local trawlers on how to develop some new and sustainable approaches to the trawl fisheries. They petitioned the Pacific Fishery Management Council (PFMC) for the protection of 3.8 million acres off the California coast that would be set aside as Essential Fish Habitat (EFH) and where no trawling would be allowed. At the same time, TNC purchased the federal trawl permits and most of the

vessels from local fishermen wishing to retire from the local trawl groundfish industry, a total of seven. Eventually, there were no local owner operated groundfish trawl vessels in the Morro Bay/Port San Luis area and TNC became a large holder of groundfish permits on the West Coast.

Morro Bay had just finished building a new \$900,000 ice facility. A local fish dock had been sold to the city and leased to the Morro Bay Commercial Fishermen's Organization (MBCFO). But fish offloading in Morro Bay Harbor was drastically reduced and, despite receiving grants, the MBCFO was operating the dock at a loss. Dock workers were reduced to part time and on an as needed basis. Ice from the new ice house was being dumped periodically to keep the refrigeration equipment operational and in working order. The local fuel dock threatened to close because of lack of business. It became immediately obvious; the local Morro Bay community would suffer tremendously without the landings of groundfish from these vessels. This would have a ripple effect not only on the other groundfish gear types, but the entire community. The infrastructure that the fishing community depended on was on the verge of collapse. Morro Bay was getting a preview of what consolidation of the trawl groundfish industry might do to the small coastal communities.

Rather than just hold the federal groundfish trawl permits, TNC decided to lease them back to the community, with the condition that they would use more species selective gear to target certain stocks and reduce habitat impacts. Local fishermen, a conservationist NGO, and community leaders decided to do something different and we started working together on mutual goals. The Central Coast Groundfish Project was started as an effort to establish a community based fishing group to provide for the long term economic and ecological sustainability of the Morro Bay/Port San Luis region groundfish fishery. This wasn't, and still isn't, always easy. We went to the PFMC together and obtained an Exempted Fishing Permit (EFP) to use some of the permits in "gear switching" back to the type of fixed gear that historically had been used and which TNC considered environmentally preferred. More importantly for the subject today, the EFP tested out important future elements for the then underway west coast trawl ITQ program, by working collaboratively on gear switching, sharing observers costs, improving log book performance and testing electronic monitoring systems, a vital element for small boat fleets who simply can't afford or accommodate 100% human observers. We also put one trawl permit back to work trawling under a modified habitat and gear plan, which is now being used in an innovative experiment to test trawl impacts on habitat.

Things are better now in Morro Bay but we are still in critical care. The increased quota for open access for the Conception area has really helped the Central Coast small boat fleet in the past year. The quota for sable fish in the Conception area went from 220 metric tons to 1300 metric tons, and the weekly allowable open-access landings went from 600 pounds to 1500 pounds. This increase in landing limits made it worth the approximate 40 mile round trip to the fishing grounds. However, this allocation can change with changes in the stock assessment. While in general West Coast fishing stocks are in recovery, recent petrale stock assessments appear to threaten the very viability of the existing trawl operation. We have recognized that changes need to occur, and are moving forward.

I would be remiss in my obligation to my community if I didn't point out some of their real concerns about catch shares. Many of our fishermen and our fishing community have some well-justified fears and concerns about our traditional fishing communities moving to catch shares.

There's the concern that quota or shares will be given to those "free of charge" who may at some time put them up for sale, or lease, to the highest bidder. Already, in the West Coast ITQ program, many who have been notified of their quota share, are looking for buyers or lessees. No longer will a fisherman be able to gain access to a fishery without purchasing quota at a large expense and then, only if it's available

These shares or quota will most likely be sold to those who already have shares, consolidating the fishery amongst a smaller select group. It has been estimated that in the proposed West Coast ITQ program that most of the shares will be held by 40-60 vessels. These vessels will most likely operate close to the few remaining processing plants causing more pressure on the "local" groundfish resources. While it might be necessary in some cases to accumulate share or quota in order to make operations more cost efficient, it will also have the negative impact of forcing out smaller operators. And what happens when the entire resource gets back to Maximum Sustainable Yield; will the entire West Coast trawl quota be in the hands of 40-60 owners?

While proponents of catch shares speak of the value of fishermen being able to plan on catching their quota to maximize the value of their catch, it also creates another concern. They can now schedule their groundfish season "around" other fisheries in order to maximize their participation in those other fisheries. Also, the proponents say that as the fishery becomes more efficient, fewer boats and gear are needed. Those once productive groundfish boats don't just disappear, they look for other fisheries to enter. Fishermen want to be productive members of their communities.

We hear the stories of fishermen turning into sharecroppers even if they are able to hold on to their own boats, paying out up to 70% of their landings proceeds to the holder of the fish allocation. I was recently told of one Canadian vessel that paid a lease fee based on the current fish price only to have the price drop when they delivered, thus losing money. Crew income declines because of leasing overhead expense; and many fishermen are forced to leave their native coastal communities because of lack of employment opportunity.

The Draft NOAA Catch Share Policy states that "Councils should periodically review all catch share and non-catch share programs. The intent is to ensure that management goals are specified, measurable, tracked and used to gauge whether a program is meeting its goals and objectives." Once catch shares are allocated, then traded, leased, and sold, it will be very hard for the councils to change the program, especially in reference to ownership of the shares. It's basically a one-way street and there's not much room to turn around.

We recognize that until some West Coast groundfish stocks are rebuilt, we need to reduce fishing effort on those stocks and concentrate on the healthy stocks. And this is exactly what the EFP gear switching portion was meant to do, target specific healthy stocks, while avoiding those of concern. Catch shares create a market that removes excess capacity from the fleet on a compensated basis, which helps achieve that goal. However, that very transition awards the value of the fishery to initial catch share recipients, and can make it more difficult and expensive for others to enter the fishery.

To address this problem, we need strong and enforceable accumulation limits that restrain consolidation and maintain diversity in the fishery. The PFMC has adopted quota share use limits that could result in as few as 40 or so vessels participating in the non-whiting groundfish fishery. We need effective regulations to prevent persons with access to capital from directly or indirectly obtaining control over the fishery in excess of those limits. We also need room within those limits for Community Fishing Associations (CFAs) or cooperative arrangements to hold the amount of quota necessary to stabilize their fishery economies and support their costs of operation in smaller traditional groundfish harbors and coastal communities.

Catch shares can result in landings migrating from ports that have a history of engagement in and reliance on the fishery to those that have infrastructure or market access advantages. To address this problem, we need a method for anchoring quota in communities with a history in the fishery. CFAs can provide that anchor, and protect those communities from losing landings, port revenues and employment in the transition to rationalization.

Catch shares can result in fishermen being individually accountable for their share of the fishery, which gives them the incentive to be good resource stewards. However, the cost associated with monitoring each fisherman's harvest can be a very heavy burden, especially for small, fixed gear boats. Already, all boats that harvest groundfish must carry a Vessel Monitoring System that periodically transmits their position to National Marine Fishery Service (NMFS). The cost of this service is paid by the vessel and runs about \$50-\$60/month. However, the huge cost in the West Coast ITQ program is the use of 100% observer coverage. At present there is the "proposal" for the federal government to pay for 90% of the observer coverage for the first year, but we are very concerned about what happens after that period. The cost of \$300-\$600/day for an observer can only be paid by larger vessels. While human observer coverage creates jobs, there needs to be some common sense used and other options explored. One such method is the use of cameras that would be in operation while the vessel is actively engaged in fishing, hauling gear, and landing fish. It is estimated that the use of cameras for onboard monitoring could reduce the cost to 1/3 of human observers.

So the real question is will the West Coast catch share program, which is on the verge of implementation, work for fishermen and communities that rely on these family owned businesses for identity and economies.

To make it work the NMFS needs to encourage and help facilitate at least these three things:

1. Community Fishing Associations need to be properly formed and regulations put in place in order for them to hold more than the individual quota share limits. This would allow them to stabilize their fishery economies.
2. Develop, certify and appropriate funds for cost- effective on-board electronic monitoring systems to be used by the small boat fleet.
3. Set aside adaptive management allocations and provide flexibility in catch share programs to allow for community impacts.

Thank you.



City of Morro Bay

HARBOR DEPARTMENT

1275 Embarcadero

Morro Bay, CA 93442

Ph. 805-772-6254

Fax: 805-772-6258

January 27, 2010

The Honorable Jane Lubchenco
Undersecretary and Administrator
National Oceanic and Atmospheric Administration
1401 Constitution Ave. NW
Room 5128
Washington DC. 20230

Dear Dr. Lubchenco:

The City of Morro Bay highly values the cultural and economic benefits derived from local sustainable fisheries. As you know we have been striving to work with new partners on innovative ways to preserve our working waterfronts and promote healthy fisheries and ocean environments. We are also very proud of our fishermen's role in providing healthy and high-quality food options for the U.S. consumer.

Thank you for taking the time on Saturday, October 24, 2009 to meet with the partners in the Central Coast Groundfish project in Monterey, California. We can only imagine how intense the demand for your time is, and in this community we have noted your interest in our work and commitment to transitioning our fisheries into the future.

Small working harbors on the West Coast are in crisis. The regulatory framework for fish will ultimately lead to even more healthy fish stocks in our country, but we do not have the right pieces on the board now to ensure another generation of professional fishermen or continuation for our small working harbor infrastructures.

We are encouraged by your December 9, 2009 marine spatial planning interim framework in hopes that this is a step to secure sustainable and predictable access to our healthy fish stocks so that our businesses can plan for the future and attract a new generation of commercial fishermen. Frankly we are a little frightened too, since we see that it will take monumental leadership on both sides to forge a better way to manage fisheries than constantly restricting access based on overfished species stock assessments that often seem to have little relevance on regional stocks.

The kind of leadership that you and The Nature Conservancy are demonstrating. Hopefully more and more of us can set aside our fears in the future and concentrate on the opportunities in change.

We want to take just a minute to support the points outlined in the attached letter from The Nature Conservancy to you of November 2, 2009 regarding the West Coast Trawl IFQ program. A Safe Harbor provision in the West Coast Trawl IFQ program for Community Fishing Associations that are a legitimate community stability effort is a tool that is needed. Also creating affordable alternatives to human observers for groundfish fishermen is paramount to our survival, indeed no matter what else is done, the West Coast Trawl IFQ program will be a failure in our communities if small boats do not have an economically sustainable regulatory framework. We have committed to work on these issues. Please let us know if there is anything we can do to help you. We wish you well in your difficult voyage, and you have a standing offer of the grand tour of Morro Bay harbor any day, any time.

Andrea Lueker
City Manager

Rick Algert
Harbor Director

cc: Honorable Lois Capps
Frank Lockart



AGENDA NO: D-2

Meeting Date: 10/13/08 Action: _____

Staff Report

TO: Honorable Mayor and City Council

DATE: 10/13/08

FROM: Rick Algert, Harbor Director

SUBJECT: **ADOPTION OF A POSITION STATEMENT FOR WEST COAST GROUND FISH INDIVIDUAL TRANSFERABLE QUOTA (ITQ) PROGRAM IN FEDERAL FISHERIES**

RECOMMENDATION: That the City Council adopt Resolution #61-08 to outline a detailed position for the West Coast Ground Fish Individual Transferable Quota (ITQ) program currently being considered by federal fisheries managers.

BACKGROUND: Federally managed ground fish include Petrale, Dover and Rex Sole, the deepwater complex of rockfish, sablefish and other commercially harvested species. Historically, large quantities of ground fish were landed in Morro Bay, in recent years mostly by trawlers, but trawl landings have declined dramatically from over 10 million pounds in 1990 to less than a million pounds in 2005, due to increased regulation of fisheries, the rising cost of fuel for vessels, transportation costs of trucking out of Morro Bay and poor market conditions for trawl caught fish. In 2005-2006 the Nature Conservancy (TNC) purchased 7 trawl permits based on the Central Coast of California as a part of an initial program to promote creation of 3.8 million acres of no trawl areas between Point Conception and Point Sur. One TNC trawl permit and vessel (South Bay) has been leased back to local fisherman Ed Ewing, as an experimental Conservation Fishing Agreement, to attempt to reduce by catch and habitat impacts by modifying traditional trawl gear and targeting soft bottom areas. The other 6 TNC owned trawl permits are the "asset base" for an evolving Community Based Fishing Association and are currently being used in the Exempted Fishing Permit (EFP) project. Next year the EFP project will provide 6 local fishermen an opportunity to access the much larger trip-limits in the trawl permits, using hook and line or trap gear, which is also known as "gear switching". This EFP project is an experiment to test a number of concepts in preparation for changing the management regime in the federal ground fish trawl sector from coast wide 60-day limits to Individual Transferable Quota (ITQ)

DISCUSSION: In November 2008 the Pacific Fishery Management Council (PFMC) expects to adopt a plan for transitioning the West Coast ground fish trawl industry from one based on permits and trip limits to an Individual Transferable Quota (ITQ) where harvesters receive an annual guaranteed allocation based on their permit's catch history. The terms under which the PFMC elects to implement the new ITQ fishery will have major impacts on the fishing businesses and communities such as Morro Bay which have been economically and culturally dependent on ground fish.

Prepared By: _____

Dept Review: _____

City Manager Review: _____

City Attorney Review: _____

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On the Central Coast of California a partnership of the City of Morro Bay, Port San Luis Harbor District, local fishing associations and conservation groups is working to transition our local fisheries to greater economic and environmental stability. We are calling this effort the Central Coast Ground Fish Project and its purpose is to accomplish the following goals

1. Preserve our historical family owned fishing businesses and marine dependent infrastructure in Central Coast Harbors.
2. Preserve traditional access to the abundant local ground fish resources (much of which is associated with locally held trawl permits) and maintain the supply of fresh seafood to US consumers.
3. Transition harvest methods and marketing efforts to be more aligned with the current regulatory conditions and consumer demand for local, sustainably harvested seafood.
4. Reduce by-catch and habitat impacts of the local ground fish fleet.
5. Improve understanding of local fish stock and ecosystem health by developing more collaborative research opportunities.
6. Build the foundation for area/community based management to achieve the national and state goals for improved conservation (ecosystem based management) and fishery management models

Within the partnership of the Central Coast Ground Fish Project there are diverse opinions regarding whether or not the PFMC should move forward with the ITQ program, in fact opinions held by most local fishermen range from neutral to opposed to ITQ management. Regardless, the PFMC made a clear signal in June of 2008, by adopting a Preliminary Preferred Alternative, indicating that the federal government intends to move forward with an ITQ program in the trawl sector. Given this, and that ground fish landings are vitally important to the economy and history of small harbors like Morro Bay, Staff has developed a proposed resolution to state the City's position on trawl ITQ's. If adopted by the City Council it will be transmitted by cover letter to the PFMC prior to the November meeting.

RESOLUTION NO. 61-08

ADOPTION OF A POSITION STATEMENT FOR THE WEST COAST GROUND FISH INDIVIDUAL TRANSFERABLE QUOTA (ITQ) PROGRAM IN FEDERAL FISHERIES

THE CITY COUNCIL City of Morro Bay, California

WHEREAS, the Pacific Fishery Management Council (PFMC) is considering adoption of an Individual Transferable Quota (ITQ) program for trawl ground fish management; and,

WHEREAS, many smaller ports and harbors and family owned fishing businesses have historically been dependent on ground fish landings to provide the flexibility necessary to have an economically viable business and support the harbor infrastructure such as ice and fuel services, marine repair and refrigeration businesses and fish processing/unloading facilities; and,

WHEREAS, in the Central Coast of California a partnership of local agencies, community leaders, fishermen and conservation organizations is working to transition local fisheries to greater economic and environmental stability and the effort depends on access to abundant local ground fish stocks; and,

WHEREAS, the fishermen and communities in the Central Coast of California desire to preserve our historical family owned fishing businesses and marine dependent infrastructure in Central Coast Harbors; and,

WHEREAS, there are many potential negative impacts to family owned fishing businesses and smaller ports and harbors if the ITQ program is not well designed such as:

- Consolidation of fishing effort into larger vessels and fewer ports dictated solely by market conditions.
- Economic or regulatory impediments to gear switching can nullify the potential benefits in by-catch reduction and habitat impacts in transitioning to non-trawl gear for some of our small boat fisheries.
- Collapse of public investment in harbor infrastructure/services in small harbors such as Morro Bay/Port San Luis, Bodega Bay and Crescent City.
- Reduced flexibility for small boat fishermen and obstacles to new entrants/non quota holders if the entire quota is assigned to existing trawl permit holders and processors.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Morro Bay that this community has made significant investment in harbor infrastructure and waterfront facilities to support the Commercial Fishing industry and we urge the PFMC to adopt an ITQ Program for trawl ground fish that includes the following considerations:

1. **Support For Community Fishing Associations as Related to Quota Share Control Caps:** These Community Fishing Associations, such as the one we are attempting to form in the Central Coast of California, can anchor fishing access in traditional fishing communities in order to provide community cultural and economic benefits and fresh local seafood for consumers. In an ITQ fishery, fishermen operating in small traditional ports will likely need to collaborate with each other and with outside partners to attain a viable scale of operation. Associations can help small ports stay viable by pooling depleted species quota, assisting in covering monitoring costs, and acquiring locally held quota before it migrates outside of the community as a result of consolidation. In an ITQ fishery, quota sold out of a small fishing port will likely represent a permanent loss of that community's access to the resource and severe impact to the viability of the local industry. The PFMC should promote associations as a tool communities can use to proactively adapt to the ITQ. To do this, the PFMC will need to allow associations of fishermen and communities to exceed to a reasonable degree the quota accumulation caps set for individuals.
2. **Adaptive Management Program (AMP):** The AMP can be the tool to allocate quota to individuals, processors or community associations that are in need of harvest privileges to ensure communities retain some access to ground fish stocks and build a foundation for community based management. The AMP, coordinated with the tool of associations, can also be used to provide access to quota for the next generation of professional fishermen, a key to sustaining our fishing communities
3. **No Initial Allocation To Processors:** The idea of a processor share of initial quota allocation stems from the interest in reducing the impact that the transition to ITQ management may have on fishing communities. While it is evident that these potential community impacts can be significant, it is not clear that a special quota allocation to processors will be a solution to community impacts. An AMP and the establishment of associations can better preserve traditional west coast fishing communities and can provide a safety net for future management decisions to help small coastal communities retain access to ground fish landing to support their economies and marine dependent uses.
4. **Monitoring:** Develop a collaborative and cost effective framework for meeting ITQ monitoring/full accountability requirements, or small boat fisheries most likely will be forced out through economies of scale. Electronic monitoring should be supported and implemented for small boat fisheries
5. **Funding for Assistance with Abandoned Vessels:** When the Federal Government implemented trawl capacity reduction through the permit buy back program, no consideration was given to the abandonment of the vessels in Harbors, creating substantial new costs to small communities/harbors and a significant threat to the environment. Projections are that only 40-60 trawlers will remain in this sector after the ITQ program is implemented and the PFMC should allocate funds or develop a program, possibly in the AMP, to assist ports and harbors in dealing with the threat of abandoned vessels and the threat to pollute from abandoned vessels during the ITQ transition period.
6. **Facilitate Gear Switching:** Communities such as Morro Bay have always relied on ground fish landings to support infrastructure in the Harbor. Our fishing businesses and harvest methods have changed over time and today we again face the need to re-align our harvest techniques to current market conditions and regulatory changes. This will happen if the ITQ program is designed to allow local fishermen to access quota and the flexibility to gear switch.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting held thereof on the 13th day of October 2008, by the following vote:

AYES:

NOES:

ABSENT:

JANICE PETERS, MAYOR

BRIDGETT BAUER, CITY CLERK



City of Morro Bay

Morro Bay, CA 93442
(805) 772-6200

March 8, 2010

Honorable Lois Capps
1707 Longworth Building
Washington, DC 20515

Re: Funding for West Coast Groundfish Catch Share Management Program &
Key Issues for Local Fishing Communities

Dear Lois:

The City of Morro Bay is a partner in the Central Coast Groundfish Project (CCGP), an effort by our local fishing industry, community and conservation interests to reform our traditional groundfish fishery to more economically and environmentally sustainable practices. Our non-traditional partnership has put aside past differences to focus and work together towards shared objectives, specifically:

1. Preserve heritage and economic contribution of local fishing industry.
2. Retain access to resource and create stable economically viable fishing opportunities.
3. Develop fishery practices that protect marine habitats and reduce bycatch & waste.

In November of 2008, The Pacific Fisheries Management Council (PFMC) voted to transition this fishery to Individual Fishing Quota (IFQ) management. This fundamental change in management will have large impact on the future of this important and traditional fishery for Morro Bay and many other California fishing communities. The CCGP partnership is making changes to the harvest and marketing model of our fishery to help it adjust and remain viable within the new IFQ management structure.

It is crucial for the CCGP, as well as all other interests in this fishery, that the new IFQ management structure be designed and implemented properly, which will require the resources and effort of both the federal government and fishery stakeholders. The CCGP partnership has been deeply engaged with the PFMC to encourage the adoption of key IFQ terms and conditions that are critical to the ability of our community and partnership to achieve its goals. While we have made significant progress and our unique partnership has developed a strong voice within the PFMC, there are still critical IFQ management terms that have not yet been adopted. Those include:

FINANCE
595 Harbor Street

ADMINISTRATION
595 Harbor Street

FIRE DEPT.
715 Harbor Street

PUBLIC SERVICES
955 Shasta Avenue

HARBOR DEPT.
1275 Embarcadero Road

CITY ATTORNEY
595 Harbor Street

POLICE DEPT.
870 Morro Bay Boulevard

RECREATION & PARKS
1001 Kennedy Way

1. **Electronic Monitoring for non trawl boats** – given our port's loss of large processing facilities, changes in the seafood market and our interest in improving the environmental performance of the fishery, we have transitioned a significant portion of our traditional bottom trawl fishing effort to hook & line and traps. These lower volume/overhead fishing operations allow us to harvest fish in a premium quality condition and access higher value markets. IFQ management will require full catch accountability and reporting. Our partnership and other interests in the industry are encouraging the use of electronic monitoring (video cameras) for hook & line and trap vessels. This type of monitoring has proven effective in other fisheries and its lower cost is essential for our new fishery model to be economically viable. In addition, many of the family owned fishing businesses in Morro Bay simply do not have physical room on their vessels to adequately accommodate crew and human observers. **Now is the time when available funding must be used to restart an experimental electronic monitoring program our partnership began two years ago but had to drop due to cost considerations.**
2. **Community Fishing Associations (CFA)** – the CCGP partnership is encouraging the IFQ management structure to allow qualifying community-based entities to hold quota in amounts higher than the individual ownership cap. This would allow such an entity to anchor quota in small port communities that are most vulnerable to the market forces of quota consolidation.

It is clear to our partnership that the development of the new IFQ management program that includes these important community and conservation design elements will necessitate appropriate federal funding. For this reason, the City of Morro Bay requests that you support allocations from federal funding appropriations set aside for the establishment of catch share fishery management to the West Coast Groundfish Trawl IFQ. Furthermore, we respectfully request that we begin a dialogue between your staff and CCGP representatives to identify ways in which we can work together to encourage the National Marine Fishery Service and the Pacific Fisheries Management Council to adopt the above-identified IFQ management terms that will help protect small fishing community interests and transition the fishery to greater economic and environmental sustainability. For example, we stand ready to work with NMFS on electronic monitoring to ensure survival of small boat fleets and traditional coastal fisheries in California communities. As always, thank you very much for your time and consideration in this critical matter.

Sincerely,



Janice Peters
Mayor



City of Morro Bay

Morro Bay, CA 93442
(805) 772-6200

October 29, 2007

Mr. Donald K. Hansen, Chairman
Pacific Fishery Management Council
7700 NE Ambassador Place, Suite 101
Portland OR 97220-1384

RE: TRAWL RATIONALIZATION ALTERNATIVES- REQUEST TO RETAIN THE ADAPTIVE
MANAGEMENT TRUST OPTION FOR THE GROUND FISH TRAWL FISHERY

Dear Chairman Hansen and Members of the Pacific Fisheries Management Council,

Morro Bay, California (population 10,000) is a coastal community with long and deep ties to fishing. Our local fishing industry is constantly exploring proactive ways to improve fishing methods and maintain viability for this industry in response to on-going changes in regulations.

With this in mind, in the upcoming DEIS for the groundfish trawl fishery, we ask you to retain for analysis the adaptive management trust option, which could help meet adaptive management and public trust objectives. This mechanism, which would be funded by holding back a small portion of the quota, will serve as an insurance policy for the program and will help to enable the social and conservation goals to be met.

While adoption of an individual quota program may create significant economic benefits, we are seriously concerned about potential negative economic impacts to the viability of small ports and harbors if trawling activity were consolidated to a few "buyer's markets" or offshore.

We are also concerned about unanticipated impacts that arise whenever there is a major shift to a new management system. An alternative capable of addressing known concerns, as well as remedying unanticipated impacts that the current alternatives are unprepared to address, would help ensure that the transition to the quota system creates tangible benefits for the greatest number of people.

Please retain for inclusion in the analysis this alternative capable of meeting adaptive management and public trust purposes, which will enhance the program's ability to meet important social and ecological objectives.

Sincerely,

A handwritten signature in black ink, appearing to read "Janice Peters".

cc: Morro Bay City Council
City Manager
Environmental Defense

FINANCE
595 Harbor Street

ADMINISTRATION
595 Harbor Street

FIRE DEPARTMENT
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PUBLIC SERVICES
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1001 Kennedy Way