

TESTIMONY OF KRISTINE M. NOROSZ
ON BEHALF OF ICICLE SEAFOODS, INC.
ON
FISHERIES MANAGEMENT SUCCESSES IN ALASKA AND THE
MAGNUSON-STEVEN FISHERY CONSERVATION & MANAGEMENT ACT

BEFORE THE SUBCOMMITTEE ON FISHERIES & OCEANS
OF THE U.S. HOUSE OF REPRESENTATIVES
COMMITTEE ON RESOURCES

KETCHIKAN, ALASKA
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Congressman Gilchrest, Young, and members of the Subcommittee,

Thank you for the opportunity to testify today. I am Kristine Norosz, Government Affairs director for Icicle Seafoods, Inc. Icicle Seafoods is a privately held Alaska corporation founded in 1965 in Petersburg, Alaska. We recently celebrated our 40th anniversary and are proud to say that we are still owned by employees, fishermen and the families of our founders, many of whom still reside in Petersburg. Since starting with a single salmon cannery in Petersburg, we have considerably expanded our operations to include multiple locations in Alaska where we purchase and process salmon, crab, cod, halibut, herring, sablefish and pollock. We purchase fish from southeast Alaska up to Norton Sound in northwest Alaska. Our processing operations are located in Petersburg, Seward, Homer, Egegik, Dillingham, Dutch Harbor, Unalaska Island, and St. Paul. We operate four floating processing vessels that operate in remote areas in Alaska. Though we own a small number of catcher vessels, over 85% of our business is a result of purchases from independent fishermen in Alaska.

With operations throughout the vast coastal regions of Alaska and purchases of both federally and state managed fisheries, we are very interested in the management and long term sustainability of the fisheries and the policies with which they are governed. As one of our founders, Gordon Jensen, said..."Icicle has a long history of working toward the sustainability of Alaska's exceptional resources. We see it as a shared responsibility, and one that we take very seriously."

To put things into perspective, it is helpful to realize that approximately half of the Nation's annual landings of fish come from waters off Alaska. With a value of over \$1 billion per year, Alaska's fisheries provide the economic engine for many coastal communities. The seafood industry is the number one private employer in the State of Alaska and plays a vital role in the State's economy. Good stewardship of the fishery resources is of great importance to us and future generations.

I appreciate your desire to hear from Alaska stakeholders and realize that one of the reasons I was asked to testify today was to bring a Southeast perspective to these discussions. It is important to understand that what occurs in the Bering Sea or the Gulf of Alaska has a direct bearing on our operations in the inside waters of Southeast Alaska and vice versa. Therefore, it is difficult to bring solely a Southeast perspective to these discussions. We purchase and process a diverse range of species caught throughout the state and federal waters off the coast of Alaska. An integrated program is a key feature to our success. Therefore, any decision that adversely affects our business in the Bering Sea has a direct impact on our operations in the Gulf and in Southeast. These impacts will also affect the communities we operate in, our employees and the fishermen who sell to us.

When the halibut and sablefish fisheries were rationalized through an IFQ program, the history and investment made by processors was not recognized with the inclusion of any protections. The impact was felt throughout our operations. Rationalizing only one sector devalues the sector that isn't rationalized. It is disruptive to the business. Had the Bering Sea/Aleutian Island Crab Rationalization program not included processors, this would have likely forced us to cease purchasing herring in some remote areas of Alaska and reduce our purchases of salmon. This would not only have affected us but also the communities we operate in (through a decline in employment, taxes, and local purchases) and the fishermen who sell to us. Instead, the crab rationalization program recognizes the historical participation and investments of harvesters, processors and communities and provides protections for all three sectors of the industry. This allows for a healthier transition, greatly reduces negative impacts, and still provides all the benefits of a rationalized fishery. Clearly, decisions in one area have rippling effects in others and every sector of the industry needs to be heard, considered, and protected when possible.

We are of the opinion the Magnuson-Steven Fishery Conservation and Management Act is principally sound and can work well with proper implementation. I believe the North Pacific Council is a shining example of the successes that can be achieved under the existing Act.

The North Pacific Council operates in an open public process with lots of opportunity for public involvement through

working committees formed around specific issues, and public testimony before the Advisory Panel (AP), the Scientific and Statistical Committee (SSC) and the Council. The Council's deliberations are conducted in public and everyone has ample opportunity to approach the members individually outside the meeting, or address them as a body during their meetings, to air their opinions prior to decisions being made.

The Advisory Panel and the SSC meet during every Council meeting and start a couple of days ahead of the Council in order to have their recommendations ready prior to the Council taking up a specific issue. The Advisory Panel and the SSC members are selected by the Council and are a diverse group of people with knowledge and expertise that aids the discussion and analytical process. The AP and SSC chairs present the written reports from the meetings of their respective bodies, present oral comments and answer questions from the Council prior to the Council hearing public testimony and taking action on the issues. We believe the Council should retain the authority to make appointments to the AP and SSC.

As a former member of the Advisory Panel, a member of various Council committees, and long time participant at Council meetings, I believe this reliable public process, particularly at the SSC and AP, has fostered good relationships between the industry, communities, scientists, and the agency staffs. This in turn has resulted in a better understanding of the issues, good discourse and an opportunity for collaboration between the various groups. Issues are more fully fleshed out and understood by everyone prior to the issue coming before the Council. It often presents an opportunity for folks to come to agreement on a solution or to create some innovative alternatives for the Council to consider. There is no doubt in my mind this has greatly aided the Council in its decision making and resulted in better workable solutions to difficult and complex issues.

The North Pacific Council employs a thorough science-based process to ensure that

annual catch limits are set at conservative and sustainable level for every target fishery. NOAA scientists use a variety of sources to aid them in their determination of stock abundance. This includes data collected from regular independent groundfish surveys along with annual fishery catch and bycatch data. This data is coupled with sophisticated stock assessment models to determine species abundance and appropriate conservative harvest rates for every major groundfish species. Once this is completed, the Council's Groundfish Plan Teams review these recommended allowable biological catch levels for each stock. These receive further review by the Council's SSC before the Council sets their annual specifications for the upcoming fishing year. Without fail, Total Allowable Catch (TAC) limits are always set at or below the Allowable Biological Catch (ABC) limits set by the SSC, and well below the designated overfishing level.

As an additional precautionary measure, the combined Bering Sea and Aleutian Islands groundfish quotas are capped at a maximum of 2 million metric tons annually, regardless of the maximum recommended ABC levels. For example, in 2004 the ABCs totaled over 3.5 million metric tons, yet the TACs were reduced to stay within the 2 million metric ton cap. The catch was well under the cap. This cap has been maintained for over two decades as a safety measure to protect against stock assessment uncertainty and potential ecosystem effects. Groundfish harvest rates have been in the 3 to 5 billion pound range for the last three decades and no groundfish stocks are considered overfished.

Catch limits alone have little meaning if the harvest of targeted species and bycatch are not closely monitored and enforced. In the North Pacific, we use a combination of strict reporting requirements, observer coverage, and real time in-season catch monitoring to ensure that annual catch and bycatch limits are not exceeded. The catch of all species is monitored and counted toward the limit. This includes target species and species taken as bycatch, whether retained or discarded. Fishery managers also use this data to monitor seasonal and area apportionments, close areas or fisheries if bycatch limits for prohibited species are reached, and monitor the take of any ESA listed mammals or seabirds.

A critical component of the monitoring system is an industry funded comprehensive observer program that occurs on-board and at processing plants. Observers are required in many onshore processing plants, offshore catcher-processors and catcher vessels. With the exception of vessels less than 60 feet in length, all vessels fishing for groundfish in federal waters are required to carry observers, at their own expense, for at least a portion of their fishing time. Depending on vessel length, it may be 30% to 100% of the time. Besides collecting catch data for in-season quota monitoring, observers also collect data for stock assessment, species composition, length, and age structure.

Cooperative Efforts:

I am not familiar enough with the other regions to know if the cooperative effort between agencies in the North Pacific is unique or not. I can tell you that it appears to be working quite well here. The Council shares management responsibilities for some species with the Alaska Dept. of Fish & Game (salmon, crab, scallops, and herring) and the International Pacific Halibut Commission. Recognizing that good fisheries management needs to be science driven, closely monitored and strictly enforced, we have multiple federal and state agencies working closely together with the Council to ensure that happens.

It includes NOAA Fisheries along with their Alaska Fisheries Science Center and North Pacific Groundfish Observer Program, the International Pacific Halibut Commission, the Alaska Dept. of Fish & Game and the Alaska Board of Fisheries, the Pacific States Marine Fisheries Commission, the U.S. Fish & Wildlife Service, and the U.S. Coast Guard. The boards and commissions I have listed include industry and community stakeholders. You can find representatives of all these groups, along with stakeholders, working together on various Council committees and advisory groups to other international commissions like the North Pacific Anadromous Fish Commission. There is an incredible amount of interaction, information exchange, and collaboration between the agencies, boards, commissions, and stakeholders.

I can't leave the subject of cooperative efforts without mentioning the high degree of proactive work undertaken by industry stakeholders to address problems in the fisheries as they arise. Here are a few examples I would like to share with you:

- The American Fisheries Act catcher vessel cooperatives in the Bering Sea pollock fishery have created and adopted a voluntary industry funded program to reduce salmon bycatch with twice daily reporting to a central data bank. Hot spots are noted, the information is disseminated to the fleet, and vessels are then required to move away from areas of high bycatch.
- The Marine Conservation Alliance (MCA) is a diverse group comprised of fishing associations, communities, Community Development Quota groups, harvesters, processors and support sector businesses operating in the North Pacific. They have worked diligently in the Council process to bring diverse interests together to resolve resource issues in a manner that protects the marine environment and minimizes the impacts on the fishing community. Their efforts include marine debris clean-up and support of applied cooperative research projects.
- The North Pacific Longline Association (NPLA) has been successful in their efforts to research and adopt seabird avoidance measures to protect endangered short-tailed albatrosses. The NPLA prepared draft regulations for consideration by the Council who then voted to implement the regulations by emergency rule.
- Industry members, over the past five years, have contributed over \$5 million to sponsor dozens of marine research projects at the University of Alaska, Alaska Pacific University and Sheldon Jackson College.

Progress Toward Ecosystem-based Approaches to Fishery Management:

The North Pacific Council has adopted an array of measures for an ecosystem-based management approach. Recognizing the limited amount of relevant scientific information currently available to fully understand all the impacts of harvesting fish on the entire ecosystem, the Council has adopted a precautionary approach in its management decisions as a means to minimize unexpected impacts. This has led the Council to take a conservative approach in setting annual catch limits and the reason it has set a 2 million metric ton cap for total catch in the Bering Sea/Aleutian Island fisheries, regardless of how large the biomass may get. Fisheries are closed when limits are reached, all catch and bycatch (whether retained or discarded) are counted toward the TAC, an industry funded observer program monitors catch and bycatch, and the TAC is always set below ABC. Predator/prey relationships are also considered and a prohibition on directed fishing for important forage fish species is in place.

In addition, for the last decade, the groundfish plan teams have authored an Ecosystem Considerations section to supplement the annual Stock Assessment and Fishery Evaluation (SAFE) report. This important section of the SAFE document includes an annual assessment of the ecosystem, a review of ecosystem oriented management literature, updates on current ecosystem research, new information on the status of marine mammals and seabirds as well as other components of the North Pacific ecosystem.

The Council has adopted strong habitat protection measures that have closed productive fishing grounds on either a permanent or seasonal basis. Fishery closures comprise of time, area and gear type to protect critical life stages of various species, sea floor habitat, minimize bycatch, and minimize interactions with protected species. In excess of 330,000 square nautical miles have been closed to bottom trawling or otherwise restricted to protect habitat.

There is no doubt that there is much to be learned and understood about marine ecosystems and the interrelationships of the many forces at play. However, management authority for an ecosystem-based management approach needs to stay in the hands of the regional management councils. The U.S. EEZ is extremely large with many diverse and unique areas. What works best in one area or fishery may not in another. Managers need to be cognizant of prevailing conditions and new information. Therefore, a regional approach, left in the hands of the regional fishery management councils, offers the best opportunity for timely adaptive management that is well suited for the circumstances at hand.

Lessons to be Learned from the North Pacific:

1. Adopt a precautionary approach to deal with uncertainty.
2. Set TACs at or below ABC.

3. Monitor all catch and bycatch, whether retained or discarded.
4. Utilize the advisory panels and SSCs at every meeting of the Council. Ensure they deliberate on the issues and advise the Council prior to action being taken.
5. Utilize observer programs for catch and bycatch accountability, and other data collection.
6. Promote industry and public involvement.
7. Foster good working relationships between scientists, agency staffs, industry stakeholders, coastal communities, the public, and the councils.

Conclusion:

Successful fisheries management in the North Pacific is proof the national standards and goals of the Magnuson-Stevens Fishery Conservation and Management Act, when properly applied, serve as an excellent model for regional decision making that provides for the wise use and sustainability of the fisheries resources in the U.S. EEZ. Half of the Nation's annual landings of fish come from waters off Alaska and assessments of all the groundfish stocks conclude they are healthy and sustainable. The North Pacific region has shown the Act works when closely followed. It accommodates national and regional interests and provides critical guidance for responsible decision making. The Magnuson-Stevens Fishery Conservation and Management Act is a successful partnership program that provides the necessary framework for successful fisheries management and conscientious stewardship of the marine resources.