

Statement of
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Hearing on
Fisheries Management Successes in Alaska
And
Reauthorization of the Magnuson-Stevens Fishery Conservation and
Management Act
Subcommittee on Fisheries and Oceans of the
House Committee on Resources

July 8, 2005

Chairman Gilchrest, Representative Young, my name is Glenn Reed; I am the President of the Pacific Seafood Processors Association (PSPA). Thank you for giving me the opportunity to appear before you today.

Since 1914 PSPA has represented seafood processing companies in the Pacific Northwest on matters relating to legislation and regulation that affect our business. In the over 90 year history of our group no piece of federal legislation has had greater impacts on the operations of the members of

PSPA and the livelihoods of coastal Alaskans than the Magnuson-Stevens Fishery Conservation and Management Act. The vast majority of these impacts have been positive.

I am going to focus my discussion today on rights based management programs in Alaska and their impacts on stakeholders, including harvesters, processors, and coastal communities. In Alaska the North Pacific Fishery Management Council has designed and implemented more rights based management programs than the rest of the nation combined. More fish is managed annually through rights based systems in Alaska, than any of the other seven regions manage individually under all of their management systems. The largest fishery in North America and one of the largest in the world, the Bering Sea pollock fishery is managed under a co-operative rights based system. The benefits to the nation as a result of rights based management include greater opportunities for resource conservation and utilization, improved safety, opportunities for new product forms, expanding domestic markets, and the list goes on. It's important to note that all of the fisheries of the North Pacific, including these managed through rights based approaches, are managed through the use of a total allowable catch (TAC) based on the recommendations of resource scientists. This TAC process

requires all fishing to stop once the overall biological quota is reached. The North Pacific region has no over fished groundfish stocks.

CDQ

The first rights based system established in Alaska was the Community Development Quota (CDQ) program. Implemented in 1992 the CDQ program initially awarded 7.5% of the annual Bering Sea pollock harvest to 65 Native Alaskan communities in proximity to the Bering Sea, taking a resource that was historically exploited by foreign fleets and granting it to the named communities as an economic engine for their future. Others will speak more specifically to this program today.

IFQ

The second rights based system established in Alaska, in 1994, was the Individual Fishing Quota (IFQ) system. This system awarded the fishery resources in the halibut and sablefish fisheries to the historic harvesters of those resources. No other user historic groups were given any future rights. By allocating all of the value of these two fisheries to one user group the IFQ system created one group of “winners”, and several groups of “losers”.

The vessel owners were the winners while the processors, communities, State, and crews were the losers. Vessel owners enjoyed immediate wealth, safer fishing operations, and improved market opportunities. Processors experienced bankruptcies, loss of investment value, and loss of revenue; communities experienced loss of tax revenues, loss of community job base, loss service sector base; the State experienced a loss of tax revenue and employment base; crew members lost jobs and potential future opportunity. The IFQ program is the only rights based management program implemented in Alaska that awarded rights exclusively to one group, all programs that have followed have been progressively more inclusive.

AFA

After the experience of the halibut and sablefish IFQ model of rewarding rights to only one historic fishery participant, the Congressionally approved American Fisheries Act (AFA) in 1998 awarded quasi-rights in the Bering Sea pollock fishery to both harvesters and processors. By virtue of awarding rights to two groups, harvesters and processors, the AFA became the most inclusive rights based system ever implemented in the United States. This program provides the opportunity for harvesters and processors to form cooperatives based on their respective history and business relationship with

each other - the benefits of the program flow to communities as well as local and state government in addition to the historic fishery participants in both harvesting and processing sectors. This plan improved opportunities for resources conservation, increased safety at sea, and improved the economics of the fishery for vessel owners, the operators of processing operations, and the communities that depend upon them. The AFA system did not make one group wealthy at the expense of the others, it improved the position of all those considered.

CRAB RATIONALIZATION

Later this year the Bering Sea crab rationalization program will begin implementation. This program is the most inclusive rights based system designed in the United States to date, and includes protections or rights for harvesters, processors, communities, and skippers. This program may have set a new world standard for inclusivity in awarding rights to public fishery resources. The success of this program over time will make the most dangerous jobs in America safer while providing increased economic stability for harvesters, processors, and communities as well as new market opportunities.

ROCKFISH RATIONALIZATION PILOT PROGRAM

The Gulf of Alaska rockfish pilot program passed by Congress directed the Secretary of Commerce in consultation with the Council, to implement a program that includes all aspects of the economic portfolio of the fishery. Specifically the legislation directs that all harvesters (both catcher vessels and catcher processors) and processors need to be recognized in a meaningful way. The final motion on this plan was passed by the North Pacific Council just last month.

IN CONCLUSION

Each of these rights based management programs is different from the ones that came before. This is a testament to people learning from each systems strengths and weaknesses as well as a recognition that “one size does not fit all” when it comes to managing fisheries.

The Council process that led to the development of these rights based systems is an open, iterative, public process that benefits from vast amounts of input provided by a broad based spectrum of interests. My request of you today as you work toward updating the Magnuson-Stevens Act is that you maintain the Regional Council system and give the regional councils all the

tools available for managing the fisheries in their regions allowing them the ability to choose the tools that work in each fishery management plan.

Thank you again for the opportunity to express my views.

