S. HRG. 107–992

DECLINE OF THE WEST COAST GROUNDFISH FISHERY

FIELD HEARING

BEFORE THE

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION UNITED STATES SENATE

ONE HUNDRED SEVENTH CONGRESS

FIRST SESSION

JANUARY 16, 2001

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ONE HUNDRED SEVENTH CONGRESS

FIRST SESSION

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DECLINE OF THE WEST COAST GROUNDFISH FISHERY

TUESDAY, JANUARY 16, 2001

U.S. SENATE,
COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORATION,
Newport, OR.

The Committee met, pursuant to notice, at 1 p.m. at the Hatfield Marine Science Center, 2030 SE Marine Science Drive, Hon. Ron Wyden, presiding.

OPENING STATEMENT OF HON. RON WYDEN, U.S. SENATOR FROM OREGON

Senator WYDEN. I want to welcome all of you today to this hearing of the U.S. Senate Committee on Commerce, Science, and Transportation.

Last year, when the Senate Commerce Committee approved a buy-back bill for the southeast swordfish disaster, I conditioned my support on the Committee helping communities in Oregon with the groundfish disaster that this and so many of our coastal communities are experiencing. Chairmen McCain and Hollings promised to support my efforts, and today's hearing delivers on that promise.

I'm very pleased, also, that Congresswoman Hooley is here to join me. She is the Congresswoman from this area and has been a terrific advocate for coastal communities.

I'll have a short statement, and then I want to read a letter from my colleague, Senator Smith. Many Oregonians may not know it, but we have some very good news in that Senator Smith will be joining the Commerce Committee later this year. It is very, very helpful to have him on the Committee. He wanted to be here today, but his schedule simply wouldn't allow him.

As all of you know, the health and well-being of Oregon's coastal communities are to a great extent shaped by our having a sustainable supply of groundfish. Generating this supply is obviously easier said than done. But I believe that the policies of the National Marine Fisheries Service are failing the groundfish industry on the Oregon Coast. The agency's failure to put in place common sense policies for groundfish have been harmful to both the economic and the environmental well-being of Oregon.

Oregon's fishing families want to fish. And, they want to do so in a way that is sensitive to the long-term health of the resource. They have families to raise and need to earn money to do so. And, they are willing to fish in a way that focuses on good stewardship of the resource. The fishing families that I talked to on the Oregon Coast are more than willing to support strong conservation policies.

But, they are right to expect that their government, the National Marine Fisheries Service, specifically, will pursue policies that keep them from landing on the bankruptcy roles.

Now is an ideal time for the National Marine Fisheries Service to change course and to be a smarter, more efficient partner in working with Oregon communities on the groundfish issue. There is a new Administrator at the agency who, with a fresh start, can pursue more sensible and creative policies that help the families that are represented in the audience today.

And, I'd like to suggest four areas where the Administration can get going and going quickly. First, in June, the U.S. Congress passed a $5 million emergency appropriation bill, because the West Coast fisheries were in a disaster situation. As far as I can tell, not a dime—not a dime—has actually made it out on the ground to the community. This is just totally unacceptable. And, I expect to hear from the National Marine Fisheries Service this afternoon how they are going to turn this situation around. You can't have a disaster identified in the middle of last year and still not have the money out on the ground today.

Second, there needs to be a significant change in which the agency gathers the research and the scientific data that formulates their policies. It is simply not being done with the focus on good science that is necessary today. For example, with respect to groundfish, data is only collected once every 3 years. It misses the near shore areas, and it doesn't utilize fishing families. We expect to see changes at the National Marine Fisheries Service with respect to the way they gathered this data.

Third, I believe that the agency has been dragging its feet on implementing a policy to deal with overages. All of you know we have seen too often the disgraceful picture of thousands of fish being wasted, brought on to shore and being wasted, even though Oregon now has the dubious honor of leading the country in hunger. This is absolutely unacceptable. In 1998, the National Marine Fisheries Service assured me that they were going to have a new policy so as to not waste so much of this precious resource. It has not been implemented today, and I expect to hear from the National Marine Fisheries Service how they are going to go about doing it.

Finally, I want to see the National Marine Fisheries Service get more of its people out of Washington D.C. and Seattle where they sit behind computers, and out on the ground helping the communities. As far as we can tell, Oregon coastal communities have no one to consult with and get feedback about progress, or the lack thereof. The National Marine Fisheries Service had a significant increase in their budget in the last year, and I want to hear today from the agency how they will get some of their key staffers out of Washington D.C. and the Seattle office and on the ground where they can actually work to monitor the progress on projects that meet this sustainability agenda.

So, there is much to do. What we're going to do, from the standpoint of the procedures this morning, after Congresswoman Hooley has spoken, and I've read Senator Smith's letter, our witnesses will take about 5 minutes each for questions. Then, we're going to have an open microphone, at the close of the hearing, for those who aren't testifying. For those of you who would like to speak, if you

would, sign up with the staff. They'll be in the back, Mary Gautreaux and other staff members.

The hearing record also is going to be open for 10 days, if anybody would like to submit written testimony. We'll have opportunities for you to do that, as well. If you're not on the witness list, and you want to submit something in writing, we'd like you to visit with Ms. Gautreaux in the back quickly.

Also, Senator Murray wanted to be here, because Washington State has been very hard hit. However, she submitted a statement for the record instead.

[The prepared statement of Senator Murray follows:]

PREPARED STATEMENT OF HON. PATTY MURRAY, U.S. SENATOR FROM WASHINGTON

First I would like to thank Senator Ron Wyden and the Commerce Committee for holding today's hearing on the West Coast Groundfish crisis. I hope the hearing will help generate new ideas and solutions to address the declines in this fishery. As you know, this crisis has had serious negative impacts on communities in Washington, Oregon and California. I greatly appreciate the leadership the Senator from Oregon has shown by calling for and hosting today's field hearing.

Last year we made some progress in addressing this crisis. I am pleased the fiscal year 2001 budget includes $2.225 million for West Coast observers. Working together with Senators Wyden, Gordon Smith, Boxer and Feinstein, we secured $5 million in emergency funding to assist families and communities dependent on the groundfish fishery. In addition, the fiscal year 2001 omnibus spending bill includes an exception for fixed-gear sablefish to the moratorium on individual fishing quotas. This will allow safer, more efficient fishing for this sector of the fishery.

At the same time, I am concerned these steps, while important, are not enough to address the crisis at hand. Many of the small, coastal communities with businesses and families dependent on the groundfish fishery have already been hard hit by downturns in other natural resource dependent industries, such as timber and the salmon fishery. I look forward to reviewing the testimony provided at today's hearing. As the 107th Congress progresses, I will maintain my high level of interest in this issue and my support for solutions to provide relief. I am also interested in longer term solutions on how to avoid such crises in the future. Thank you.

Now before we hear from Congresswoman Hooley, let me read you the very helpful letter and testimony sent by Senator Smith.

"Dear Senator Wyden: Thank you for holding a field hearing on the West Coast groundfish disaster. Although I'm unable to be in Newport on the day of the hearing due to prior scheduling commitments, I hope your hearing will bring more attention to the needs of this important fishery.

Over the last 4 years, you and I have worked cooperatively in the U.S. Senate to secure more federal resources in an effort to provide for better long-term management of the West Coast groundfish fishery. As you know, this has not been an easy task. Too often, the federal obligations related to Oregons's commercial fisheries have been overshadowed by other national resources priorities. It is unfortunate that it has taken a federal fishery disaster declaration to begin to bring the needed attention and resources to the West Coast groundfish problem.

Please submit my attached written statement on the subject for the official Committee record. Once again, thank you for securing this important field hearing. I look forward to joining you on the Senate Commerce Committee in the new Congress and renewing our efforts to assist Oregon Coast's coastal communities while protecting and enhancing our ocean resources for future generations."

Without objection, we'll put Senator Smith's statement into the record in its entirety.

[The prepared statement of Senator Smith follows:]

PREPARED STATEMENT OF HON. GORDON H. SMITH, U.S. SENATOR FROM OREGON

Thank you, Mr. Chairman, for holding today's field hearing on the status of one of Oregon's most important fisheries, West Coast groundfish. Like you, I am deeply concerned about the economic impacts on Oregon's fishing-dependent towns caused by recent harvest restrictions. As a newly appointed member of the Commerce Committee, I hope to continue working closely with you to secure needed federal assistance and to restore stability to Oregon's commercial fishing industry.

Today we are here to learn more about the causes and effects of the precipitous decline of the West Coast groundfish fishery. Experts in the field can point to many factors that have led to an apparent decline of certain species in the groundfish complex—from oceanic temperature changes to overfishing in certain instances. While natural and human activities have likely both played a part, it is the federal government alone that must bear primary responsibility for the current disaster. Since the Americanization years of the 1970s, the management of our nation's fisheries has been entrusted to federal agencies. Regrettably, in too many cases, past administrations and congresses have left fishery managers under the Department of Commerce without the necessary resources to gather accurate data on the fish populations and life cycles. It is unfortunate that it takes a catastrophe, like the one we now have in the groundfish fishery, to bring needed federal attention to the situation.

In my estimation, a long-term solution to the problem will require an increased federal commitment to groundfish stock assessments. NOAA Fisheries' models would be much more credible if they were backed up by annual, rather than triennial, groundfish surveys. Sound management decisions cannot be made in a vacuum of accurate data. The Department of Commerce should budget—and the Congress should appropriate—substantial increases for data collection so that management decisions are based on credible science. Whenever possible, NOAA should work cooperatively with industry to gather information by chartering industry vessels. A carefully implemented federal observer program should add much to our knowledge as well.

In the intermediate term, we clearly need to reduce overcapacity in the groundfish fleet. While securing federal funds for vessel and permit buyback problems is an uphill battle in the Congress, it is not an insurmountable challenge—provided there is broad agreement in the industry over how to implement a buyback program. I hope that the fishing industry will be able to overcome differences in gear type and vessel size to reach a consensus buyback plan that would result in the orderly exit of excess capacity out of the fleet.

In the immediate term, we must continue to address the community assistance needs that have developed as result of the loss of revenue from the groundfish resource. While I was pleased that we were able to secure $5 million in emergency funds last year to help meet the urgent socioeconomic needs of fishing-dependent towns, I know it was just a beginning. In the new Congress, we must renew our coalition of West Coast Senators to secure another installment of community assistance funding. I look forward to working with state agencies and the OSU extension service to continue their vital assistance services to coastal communities.

Finally, there are important policy areas, such as tax reform and IFQ programs, I believe should be carefully considered by the new Congress as well.

Clearly, this is not a problem that developed overnight—nor is it one that can be remedied overnight. There is much work to be done on the part of all us—the Congress, NOAA, industry representatives, environmentalists, and other stakeholders, to respond to this crisis before it is too late. Not only is it our challenge to enhance and protect the groundfish resource for future generations, we must also ensure that a viable fishing industry—with skilled fishermen, vessel suppliers, and seafood processors—does not disappear from Oregon's coastal communities in the process.

With this in mind, I look forward to reviewing the testimony of all of today's witnesses. I hope this field hearing will add to our understanding of the problem and ultimately lead to the resolution of this federal fishery failure.

Thank you Mr. Chairman.

I'd just like to note for the record that it will be very helpful for the people of Oregon to have Senator Smith's influential voice on

this key Committee. I'm very pleased that he'll be joining the Committee.

Senator WYDEN. So, let us turn now to Congresswoman Hooley who, as I said earlier, again and again goes to bat for Oregonians on the Coast.

And Congresswoman, we'll have whatever statement now that you choose to make.

STATEMENT OF HON. DARLENE HOOLEY, U.S. REPRESENTATIVE FROM OREGON

Congresswoman HOOLEY. First of all, thank you, Senator Wyden, for having this hearing. And you've talked about the three issues that we've talked a lot about in this community; and that is, you know, what do we do in research, how do we get better jobs, how do we get help to the community, and what to we do for overages.

Thank you so much for coming out today. And again, this situation is an emergency situation here. It involves all the fishing fleet on the Oregon Coast.

Over the last few years, as all of you know, there have been significant changes in the federal government policy on groundfish harvest. As you know, these changes have brought on economic difficulties for families, for communities, and ultimately for our state. The situation is serious; and the problems we face, though, are not impossible to solve. And that's why we're here today.

My colleague, Senator Wyden, and I have been working to improve the economic situation of the fishing industry in Oregon, but we have a long ways to go. I'd like to thank Senator Wyden for the leadership he's shown on this issue. Field hearings of a U.S. Senate Committee, such as this, are rare. And it is a testament to his dedication that he has convinced his colleagues that this issue is so important that it requires a special hearing.

This hearing is a real opportunity that we must seize on and really look at how do we work together, how do we come together. And this is not a time—although it's real easy to point fingers, I think it's a time that we have to look at how do we come together on this issue and cooperatively get this job done.

It is my hope that when we leave this hearing today we will have a better idea of what the solutions are and how to solve them. But because this is an official hearing of the U.S. Senate, the words you say will be carried back to the Chamber to effect deliberation on this issue. Your voices will be heard, not just in this room, but in the halls of the U.S. Congress.

I pledge to do my best to ensure that all of my colleagues in the House of Representatives come to understand our problems here and the action that needs to be taken in this 107th Congress.

Thank you.

Senator WYDEN. Thank you, Congresswoman Hooley.

I know your schedule is tight, and we welcome you to stay for as long as you can.

Let's have our first panel come forward, Donna Darm, National Marine Fisheries Service; Neal Coenen, Office of Governor Kitzhaber; and Jim Lone, Chairman of the Pacific Fishery Management Council.

Congresswoman HOOLEY. While they're coming, I'd like to add another word. I've spent a lot of time at the Coast. I was here a couple times in November, December, and now in January. Thank you, once again, for the wonderful weather you've brought. We're going to get a lot of people moving here, if they come down and see this kind of weather.

Senator WYDEN. We welcome all of you.

Ms. Darm, why don't you begin. As you could—you could tell, I obviously have strong feelings about the policies of the National Marine Fisheries Service. And I want to just note, before you begin, that because you are new that the concerns I have were not raised while you were the sheriff on the job. That's one of the reasons why I think now is an ideal time for a shake-up and an effort to make some changes.

We welcome your testimony, and please proceed.

STATEMENT OF DONNA DARM, ACTING REGIONAL ADMINISTRATOR, NORTHWEST REGION, NATIONAL MARINE FISHERIES SERVICE

Ms. DARM. Thank you. Thank you very much, Senator. And I appreciate you working with my schedule to make sure that I could be here today.

My name is Donna Darm. I'm the Acting Regional Administrator for the Northwest Region of the National Marine Fisheries Service. And I do have a brief prepared statement that I'd like to read, and then I'd be happy to answer any questions.

The Pacific Coast groundfish fishery is an important commercial and recreational fishery. Until recent years, the over 80 species that are managed under the Fishery Management Plan have been available to harvesters for most of the year and filled market gaps by providing flow of product, when West Coast fisheries were closed.

The groundfish fishery presently is in crisis. It is over capitalized, and numerous groundfish stocks have been depleted by a combination of natural and human factors, pushing allowable catches down to a level that cannot sustain the present fleet. In addition, under the Magnuson-Stevens Act, there must be more conservative management for the seven species that have been declared overfished. The result is even more conservative management for fisheries that target other healthier stocks but incidentally encounter the overfished species. Solutions to this crisis will require a long-term commitment to rebuilding stocks through improving both our research and our management efforts.

Annual commercial landings of all non-whiting groundfish peaked at 112,000 metric tons in 1982. Since 1989, those landings have decreased every year, with the sharpest decrease being in the most recent years. Since the 1990's, we've seen the landings fall by another 50 percent from approximately 60,000 metric tons to 31,000 tons in 2000. Revenues have also fallen from about $80 million to $42 million. And for 2001, revenues will likely continue to fall, perhaps as low as $29 million, as the industry faces even more complex regulations and quotas designed to protect those overfished species.

Nearly a year ago today, the Secretary of Commerce declared the groundfish fishery a commercial fishery failure, due to a fishery resource disaster. Recreational fishermen, their communities, and support industries have also suffered from this disaster.

The groundfish crisis highlights several fishery management concerns. While the initial declines may have been caused by an ocean regime shift that lowered productivity, these declines were not detected for some time, and harvest rate policies were based on assumptions of higher productivity. Limited scientific understanding and inadequate resources for research and monitoring hampered the agency's ability to provide timely forecasts of the need to scale back on allowable catches. Each year, harvest rates have been based on prevailing scientific information, stock assessment models, fishery management program goals, and Magnuson-Stevens Act requirements. At the time, the harvest rates that were set were deemed reasonable and responsible, given accepted scientific understanding around the world and the productivity estimates used in other national and international fisheries.

We don't know for certain why the West Coast groundfish stocks appear to have lower productivity than similar stocks elsewhere, nor do we understand completely how the health of groundfish populations is linked to changes in the environment. We do know that there has been a decline in the basic productivity of the California current, since the late 1970's, that has correlated with a major ocean regime shift and an abnormally high number of El Nino events. It's likely that these climate changes have contributed to the decline in recruitment of many groundfish species, particularly rockfish, which may have a life span of as long as fifty to a hundred years.

In spite of the fact that Pacific Coast groundfish harvest rates have been reduced through state and federal management efforts, the situation remains serious today. New stock assessments on previously unassessed groundfish species may result in the need for further harvest restrictions. Our challenge will be to protect and rebuild the most seriously depleted stocks, while minimizing adverse economic and social effects on fishing communities.

To respond to the crisis, we are: (1) increasing the collection of scientific data and research; (2) improving management of the fishery by reducing overcapacity and by protecting sensitive habitat from the effects of fishing; and (3) providing assistance to fishery participants and affected communities through financial programs.

In fiscal year 2001, the Northwest Science Center groundfish budget was doubled to about $4.25 million. This increase will provide funding for the whiting pre-recruit and slope trawl surveys that have been conducted for the past 2 years with temporary funds. In addition, funds will be used for the transition of many West Coast groundfish survey and assessment responsibilities from the Alaska Science Center to the Northwest Science Center and to increase the frequency of surveys from every 3 years to annual surveys. We're also assessing whether more frequent and precise assessments are needed to rebuild stocks and achieve a sustainable fishery.

The NMFS 2001 budget also includes just over $2 million for a West Coast groundfish observer program. An observer—an ob-

server program will allow us to start addressing the major shortcomings in groundfish management, lack of information on bycatch, and total mortality in the fishery.

Senator, I see that the red light is flashing so——

Senator WYDEN. Why don't you go ahead and finish, Ms. Darm.

Ms. DARM. Okay. The Council recently adopted a Strategic Plan and concluded that the highest priority for achieving an economically viable groundfish fishery at reduced harvest levels is to reduce harvesting capacity to a point where it matches the productivity of the groundfish stocks. The Plan recommends at least a 50-percent reduction in the number of vessels in all sectors of the groundfish fleet. In November, the Council took a step in that direction by recommending a permit stacking program for the limited-entry, fixed-gear fishery.

We support the Council's efforts to reduce capacity and will work with the Council to find creative ways to do this, while minimizing the adverse effects on fishing communities. We also support the Council's process for considering marine protected areas. Protecting key habitat area further—furthers the immediate goal of rebuilding overfished groundfish stocks and provides longer-term benefits by maintaining fully functioning ecosystems that contribute to the stability of groundfish populations. Because the designation of such reserves may be controversial, development should be initiated by the Council with ample opportunity for public input.

In response to the disaster in the West Coast groundfish fishery, Congress appropriated $5 million to the affected industry and communities. These funds may be used for assessing the economic and social effects of the commercial fishery failure, restoring the fishery, and preventing a similar failure in the future, as well as assisting fishing communities.

The National Marine Fisheries Service has completed a spending plan, in consultation with the Governors, for that $5 million. It's in review within the Department of Commerce. And the next step will be to receive grant requests from the states. The three states have proposed to use these funds for industry outreach, job retraining, fishing community diversification, and cooperative industry research.

In conclusion, Mr. Senator, I recognize that serious problems remain, but I am cautiously optimistic about the future of the groundfish fishery. Our first priority must be to continue to protect overfished stocks, increase our scientific understanding, and support efforts to remain financially solvent during the rebuilding process.

We now know more about current climate effects on groundfish stocks and recognize that harvest levels may remain low for a long time, before stocks are fully rebuilt. I'm confident that we can work collaboratively with the Council, with the States, with Coastal Tribes, and with the public to manage the changes in a way that takes into account the needs of fishery participants and communities.

Thank you for the opportunity to address this today.

[The prepared statement of Ms. Darm follows:]

PREPARED STATEMENT OF DONNA DARM, ACTING REGIONAL ADMINISTRATOR, NORTHWEST REGION, NATIONAL MARINE FISHERIES SERVICE

Mr. Chairman and Members of the Subcommittee, thank you for inviting me to testify today regarding management of the Pacific Coast groundfish fishery. I am Donna Darm, Acting Regional Administrator for the Northwest Region, National Marine Fisheries Service (NMFS).

The Pacific Coast groundfish fishery is an important commercial and recreational fishery. The flow of product throughout the year from the Pacific Coast groundfish fishery keeps many processors and fishery participants in business throughout the year. The over 80 species managed under the Pacific Coast Groundfish Fishery Management Plan (FMP), until recent years, have been available to harvesters most of the year and have filled the gaps in the market by providing product flow when product from other West Coast fisheries was not available.

The Pacific Coast groundfish fishery is in a crisis. The fishery is overcapitalized and numerous groundfish stocks have been depleted by a combination of natural and human factors, pushing their allowable catches down to levels that cannot economically sustain the present fleet structure. NMFS has mounting concerns that fisheries and other human activities are exerting significant pressures on the marine ecosystem. In addition, the Magnuson-Stevens Fishery Conservation and Management Act (Magnuson-Stevens Act) requires more conservative management for the seven species that have been declared overfished. This has resulted in additional restrictions not only for fisheries on the overfished stocks, but also for fisheries that target on other, healthier stocks that incidentally encounter overfished species. Finally, natural climatic cycles in the Pacific Coast ecosystem in which Pacific Coast groundfish live are affecting groundfish productivity and complicating our ability to measure human impacts on the fish populations. Solutions to this crisis will require a long-term commitment to rebuilding the fishery through improving both research and management.

From 1980 through 1999, annual commercial landings of all non-whiting groundfish peaked at 112,000 metric tons (mt) in 1982, but from 1989 on, landings have decreased every year with the sharpest decreases being the most recent. Since the mid-1990's we have seen landings fall by 50 percent from approximately 60,000 mt to 31,000 tons in 2000. Ex-vessel revenues have similarly declined from over $80 million to $42 million. Projections for 2001 indicate that revenues will continue to fall, perhaps to as low as $29 million, depending on the ability of the industry to fish under a complicated set of regulations and quotas designed to protect overfished species. To put this figure in perspective, we estimate that at least $10 million in revenue is necessary to keep 55 trawl vessels in business. As a result of these trends, nearly one year ago today, the Secretary of Commerce (Secretary) declared a commercial fishery failure due to a fishery resource disaster under Section 312(a) of the Magnuson-Stevens Act. The declaration of a commercial fishery disaster cleared the way for Congress to appropriate $5.0 million in disaster assistance funds for those commercial groundfish fishery participants whose fishing activities and incomes have suffered. Nor has the commercial fishery been the only sector to suffer from this disaster. Recreational fishermen, their communities and support industries have been severely affected as well.

The groundfish crisis has highlighted a number of fishery management concerns. While initial declines may have been caused by an ocean regime shift that lowered productivity, these declines were not detected for some time and harvest rate policies were based on assumptions of higher levels of productivity. Limited scientific understanding and inadequate resources for research and monitoring limited the agency's ability to provide timely forecasts of the need to scale back allowable catches. Each year harvest rates were based on prevailing scientific information and stock assessment models, FMP goals, and Magnuson-Stevens Act requirements. At the time, harvest rates were deemed reasonable and responsible given the accepted scientific understanding around the world and the productivity estimates used in other national and international fisheries.

We do not know for certain why the West Coast groundfish stocks appear to have lower productivity than similar stocks elsewhere nor do we understand completely how the health of groundfish populations is linked to changes in the California current. We do know that starting in the late 1970's there has been a decline in the basic productivity of the California current that is correlated with a major ocean regime shift. During this period there have also been an abnormally high number of El Nino events. It is likely that these changes have contributed to the decline in recruitment of many groundfish species, particularly long-lived rockfish which may live as long as 50 to 100 years. In retrospect, this incomplete understanding led to harvest levels that were not adequately conservative.

In spite of the fact that Pacific Coast groundfish harvest has been reduced through state and federal management efforts, the situation remains serious. New stock assessments on previously unassessed groundfish species are likely to result in the need for further harvest restrictions given what we now know about stock productivity and other factors. Our challenge will be to protect and rebuild those stocks most seriously depleted, while minimizing to the extent possible adverse economic and social impacts on fishing communities.

We are undertaking three types of actions in response to the crisis in the groundfish fishery: (1) increasing the collection of scientific data and research; (2) improving management of the fishery by reducing overcapacity and protecting sensitive habitat from the effects of fishing; (3) and providing assistance to fishery participants and affected communities through financial programs.

A key element in restoring stocks for a sustainable fishery, protecting the marine environment, and evaluating the social and economic impacts of potential management actions is a comprehensive research program that provides the needed scientific information and advice in support of fishery management decisions. Research and monitoring for Pacific Coast groundfish currently is done through complementary efforts of the three West Coast NMFS Fisheries Science Centers, the three coastal state fishery agencies, the Pacific States Marine Fisheries Commission (PSMFC), and several academic institutions. NMFS and PSMFC federally-funded research and monitoring efforts that totaled nearly $6 million in 1999. This funding level allows us to determine the status of about 6 stocks each year, and stock assessments have been competed for 26 of the 82 groundfish species under federal management. Sixteen of these assessments are adequate enough to allow determination of the species' status. Of these 16 stocks 7 have been determined to be overfished, requiring the Pacific Fishery Management Council (Council) to submit rebuilding plans that meet the Magnuson-Stevens Act rebuilding requirements. The "unknown" status of the majority of groundfish stocks leaves a significant possibility that others may be overfished as well.

The Northwest Fisheries Science Center (Northwest Science Center) has lead responsibility for coordinating West Coast groundfish research. In Fiscal Year (FY) 2001, the Northwest Science Center groundfish budget was doubled to about $4.25 million. This increase will provide funding for the whiting pre-recruit and slope trawl surveys which have been conducted for the past two years using temporary funds. In addition, funds will be used to support the transition of many West Coast groundfish survey and assessment responsibilities from the Alaska Fisheries Science Center to the Northwest Science Center. The transition should provide for improved integration with existing West Coast NMFS groundfish programs in a manner that will achieve significant efficiencies and allow us to expand those activities. In addition, we are assessing whether more frequent and precise assessments are necessary to rebuild stocks and achieve a sustainable fishery.

For the first time, the NMFS FY2001 budget includes just over $2 million for a West Coast groundfish observer program. This increase will provide resources to begin to address one of the major shortcomings of the groundfish management process—the lack of information on bycatch and total mortality of groundfish in the fishery. In cooperation with PSMFC, the Council, and the 3 coastal states we are moving quickly to develop a statistically sound at-sea monitoring program and to deploy observers to collect needed bycatch information. We will also seek opportunities to make other improvements in our fishery data collection, including implementation of electronic logbooks.

The Council recently adopted a Strategic Plan and concluded that the highest priority for achieving an economically viable groundfish fishery at reduced harvest levels is to reduce harvesting capacity to a point where the harvesting capacity matches the productivity of the groundfish stocks. The Plan recommends a reduction of at least 50 percent in the number of vessels in all sectors of the groundfish fleet, including limited entry trawl and fixed-gear and open access vessels. In November, the Council took an initial step in that direction by recommending a permit stacking program for the limited entry fixed-gear fishery. NMFS supports the Council Plan and will work with the Council to find creative ways to reduce harvest capacity while minimizing adverse impacts on fishing communities. NMFS supports the Council's process to consider use of marine reserves, or marine protected areas. Protecting key habitat areas furthers the immediate goal of rebuilding overfished groundfish stocks and provides longer term benefits by maintaining fully functioning ecosystems that contribute to the stability of groundfish populations. Because the designation of such reserves may be controversial, development should be initiated by the Council and provide for open public input.

In response to the disaster in the West Coast groundfish fishery, Congress appropriated $5.0 million in federal assistance to the affected industry and communities.

Oregon and California each will receive 35 percent of these funds and Washington will disperse the remaining 30 percent. Under the Magnuson-Stevens Act such funds may be used for assessing the economic and social effects of the commercial fishery failure, restoring the fishery and preventing a similar failure in the future, and assisting fishing communities. The Secretary also must determine that funded activities will not expand the size or scope of the commercial fishery failure. Finally, the law requires that the federal share of the cost of any funded activity may not exceed 75 percent of the cost of that activity.

Each state has made a similar proposal to use the funds for industry outreach, job retraining, and cooperative industry research. We have summarized these proposed activities into a West Coast groundfish spending plan that will be sent to Congress as required under the supplemental appropriations law, and we are currently working with the states on how best they can meet the 25 percent matching requirement.

In conclusion, I recognize that serious problems remain, but am cautiously optimistic about the future of the groundfish fishery. We must continue to protect overfished fish stocks, increase our scientific understanding, and support efforts to restructure the fishery and fleet that allow the participants and support industries to remain financially solvent during the rebuilding process. We now know more about current climate effects on the groundfish stocks and recognize that harvest levels may remain at low levels for a long time before stocks are fully rebuilt, and that alone will cause significant changes in the structure of the fishery. However, we can work collaboratively with the Council, States, Coastal tribes and the fishing industry to manage that change in a way that takes into account the needs of fishery participants and fishing communities.

Thank you for the opportunity to address this very important West Coast fishery.

Senator WYDEN. Thank you, and we will have some questions in a moment.

Mr. Coenen?

Mr. COENEN. Yes. Senator Wyden——

Senator WYDEN. Why don't you pull that——

Mr. COENEN. I'm sorry.

Senator WYDEN. Pull that toward you.

STATEMENT OF NEAL COENEN, WATERSHED ADVISOR TO GOVERNOR KITZHABER

Mr. COENEN. Senator Wyden, Congresswoman Hooley, thank you for coming to Newport today to obtain information on the deepening groundfish crisis along the West Coast. This will bring added attention to the crisis and provide a needed opportunity for a wide range of fishery participants and the public to voice their concerns.

For the record, my name is Neal Coenen, and my current position is Watershed Adviser to Governor Kitzhaber, who supports these remarks. Formerly, I was the Marine Program Manager for the Oregon Department of Fish and Wildlife for 12 years.

Because of the expertise and perspective of the invited and expected witnesses today to speak before you, I will not try to describe specific causes or even specific management measures needed to address the crisis. Rather, I would like to speak to the sense of urgency needed to manage the crisis and Oregon's federal funding priorities to do so.

I think it fair to say that the urgency of directly affected participants is not widely shared outside fishery management circles. Perhaps that is so because this fishery failure and disaster came on progressively and not with the drama of, say, a hurricane or a flood.

Progressively, incentives have been created to expand the fishery but not modified to limit excesses. Perversely, research on the West

Coast was never adequately funded, meaning management risks were high but poorly understood. In part due to the New England cod fishery collapse, Congress enacted the nation's fishery Law in 1996 calling for sustainable fisheries. However, insufficient attention, it may be argued, was given to how, in a timely and progressive way, sustainable fisheries may be brought about before disasters.

In the context of the West Coast fishery failure, the need for urgency is that if corrective measures are not developed promptly and implemented, the transition process will be longer and more painful for people than necessary. Outcomes will occur by default, not purposeful design. Sadly, Congress and management agencies may only then be able to conclude that disaster response was poorly managed and executed.

To be sure, many current participants will not find a place in a smaller, future, sustainable fishery. However, survivors need desperately to have some idea now that the future will become structured and expectations shaped in the next 2 to 4 years, not a decade or more. Fortunately, the Pacific Fishery Management Council has developed a Strategic Plan to work specifically with the fleet to manage the transition. Make no mistake, however, that this job will be easy or inexpensive.

As to the resources needed, Oregon has several general priorities to consider as basic starting points. Our first priority is the Oregon Groundfish Disaster Outreach Program. With the existing emergency appropriation of $5 million for disaster relief, Oregon's share will provide $1.75 million in federal funds in direct aid for people training to exit the fishery.

We seek to expand the Oregon program to $6 million for each of 4 years under the Interjurisdictional Fisheries Act, where match is not required. The State of Oregon faces a $700 million budget shortfall projected for the 2001/2003 biennium. We have proposed to maintain our general fund groundfish research commitment—this Governor's current budget proposal to the Legislature—over this period. But we would not be able to support the match required for an adequate Oregon Assistance Program of $6 million.

Our second set of priorities really exists as a group with no absolute rank order of priority, at the moment. They're really a package for discussion and a starting point.

One critical one is assistance for the Pacific Fishery Management Council and its support. We're suggesting $500,000. One of the most significant practical realities for needed change is for the Council to immediately carry out its Strategic Plan. Management measures often take several years to complete. The Council needs added resources for the foreseeable future, if progress is to be made, developing several management measures each year, in addition to routine functions.

Second, is an Observer Program, $5 million. Presently, we understand $2 million is funding the start of this program. The original request was $4 million. Several years of data will be needed before confidence can be placed on usable results. Inadequate funding, a slow start, and decreased fishery coverage is not cost effective in the long run. It simply drags out the uncertainty. We request a $5 million added annual commitment for a total program of $7 mil-

lion. Within this each coastal state should receive $1 million to ensure an adequate program and to add a complimentary focus for each state on near shore fisheries management and research.

Three, industry has and will continue to work on capacity reduction programs. An important point is that some level of significant federal funding will most certainly be needed to create momentum, so that a variety of market mechanisms, fees—ITQs, for example—may truly produce desired reductions in capacity.

Finally, Number 4, fisheries research, $12 million. A starting point would be $12 million to implement the National Marine Fishery Service Strategic Research Plan for the West Coast groundfish fisheries. While not the final word on research needs, the Plan details the extent of the work required. The sooner an adequate effort is created, the sooner information will flow to improve fishery assessment, recover stocks, and create confidence in sustainable management.

Finally, Senator Wyden, thank you again for conducting this field hearing. Governor Kitzhaber's Office looks forward to working with you and all members of Oregon's delegation, as well as appropriate Congressional Committees, to address the groundfish crisis.

[The prepared statement of Mr. Coenen follows:]

PREPARED STATEMENT OF NEAL COENEN, WATERSHED ADVISOR TO GOVERNOR KITZHABER

Senator Wyden, and Members of the Committee, thank you for coming to Newport today to obtain information on the deepening groundfish fishery crisis along the West Coast.

This will bring added attention to the crisis and provide a needed opportunity for a wide range of fishery participants and the public to voice their concerns.

For the record, my name is Neal Coenen, and my current position is Watershed Advisor to Governor Kitzhaber, who supports these remarks. Formerly, I was the Marine Program Manager with the Oregon Department of Fish and Wildlife for twelve years.

Because of the expertise and perspective of the invited witnesses, I will not try to describe specific causes or even specific management measures needed to address the crisis. Rather, I would like to speak to the sense of urgency needed to manage the crisis, and Oregon's federal funding priorities to do so.

I think it fair to say that the urgency of directly affected participants is not widely shared outside of fishery management circles. Perhaps that is so because this fishery failure and disaster came on progressively and not with the drama of say a hurricane or flood.

Progressively, incentives have been created to expand the fishery but not modified to limit excesses. Perversely, research on the West Coast was never adequately funded, meaning management risks were high but poorly understood. In part, due to the New England cod fishery collapse, Congress amended the nation's fishery law in 1996 calling for sustainable fisheries. However, insufficient attention, it may be argued, was given to how, in a timely and progressive way, sustainable fisheries might be brought about . . . before disasters.

In the context of the West Coast groundfish fishery failure, the need for urgency is that if corrective measures are not developed promptly and implemented, the transition process will be longer and more painful for people than necessary. Outcomes will occur by default not purposeful design. Sadly, Congress and management agencies may only then be able to conclude that the disaster response was poorly planned and executed.

To be sure, many current participants will not find a place in a future, smaller, sustainable fishery. However, survivors need desperately to have some idea now that the future will become structured and expectations shaped in the next two to four years . . . not a decade or more. Fortunately, the Pacific Fishery Management Council has developed a strategic plan for what specifically will need to be done to manage the transition. Make no mistake, however, that this job will be easy or inexpensive.

As to the resources needed, Oregon has several general priorities to consider as basic starting points.

Groundfish Disaster Outreach Program

With the existing emergency appropriation of $5 million for disaster relief, Oregon will provide $1.75 million in federal funds in direct aid for people training to exit the fishery.

We seek to expand the Oregon program to $6 million for each of four years under the Interjurisdictional Fisheries Act where match is not required. The State of Oregon faces a $700 million budget shortfall projected for the 2001–2003 biennium. We have proposed to maintain our general fund groundfish research commitment over this period, but we would not be able to support the match required for an adequate Oregon assistance ($6 million) program.

Management and Research Priorities

Our second group of priorities include:

1. Pacific Fishery Management Council Support $500,000
   One of the most significant, practical realities of needed change is for the Council to move immediately to carry out its strategic plan. Management measures often take several years to complete. The Council needs added resources for the foreseeable future if progress is to be made developing several management measures each year in addition to routine functions.
2. Observer Program $5 million
   Presently, we understand, $2 million is funding the start of this program; the original request was $4 million. Several years of data will be needed before confidence can be placed on usable results. Inadequate funding, a slow start and decreased fishery coverage is not cost effective in the long run. It simply drags out the uncertainty. We request a $5 million added annual commitment for a total program of $7 million. Each coastal state should receive $1 million to ensure an adequate program and to add a complimentary focus on near shore fisheries research and management.
3. Industry has and will continue to work on Capacity reduction programs. An important point is that some level of significant federal funding will most certainly be needed to create momentum so that a variety of market mechanisms (fees and ITQs, for example) may truly produce desired reductions in capacity.
4. Fisheries Research $12 million
   A starting point would be $12 million to implement the NMFS Strategic Research Plan for West Coast Groundfish Fisheries. While not the final word on research needs, the plan details the extent of the work required. The sooner an adequate effort is created, the sooner information will flow to improve fishery assessments, recover stocks and create confidence in sustainable management.

Finally, Senator Wyden, thank you again for conducting this field hearing. Governor Kitzhaber's office looks forward to working with you and all members of Oregon's delegation, as well as appropriate congressional committees to address the groundfish crisis.

Senator WYDEN. Thank you very much. And I also want to recognize that the Governor is not just the state's leader in this area. He has been one of the country's leaders with respect to taking on the question of sustainable fisheries. We appreciate your efforts and your representing him here today.

Mr. COENEN. Thank you.

Senator WYDEN. Mr. Lone?

STATEMENT OF JIM LONE, CHAIRMAN, PACIFIC FISHERY MANAGEMENT COUNCIL

Mr. LONE. Thank you, Senator, and Representative Hooley.

My name is Jim Lone. I'm the Chairman of Pacific Fishery Management Council. Thank you for this opportunity to offer comments related to the West Coast groundfish fishery.

This is a challenging time for fishery management on the West Coast. Several important groundfish stocks are in trouble. By federal definition, seven species have been designated to be in an overfished condition, with lengthy rebuilding timeframes ranging from 10 to 95 years.

Three other major species have been determined to be significantly below a healthy population status, which is 40 percent of original biomass. And I've appended a one-page attachment that identifies those seven species that were overfished and the three that are determined to be unhealthy.

In the year 2000, the Pacific Council notified the Governors of the three West Coast states of a potential disaster in the groundfish fishing industry, and the U.S. Secretary of Commerce declared a commercial fishery failure in the West Coast groundfish fishery. In response, Congress appropriated $5 million in disaster relief. The most likely cause of this crisis is the combined effects of the change in the ocean environment, inadequate scientific data collection and analysis, and a national policy that encouraged capital infusion into the fishing industry.

Problems in the groundfish fishery have far-reaching impacts. Collateral local businesses also suffer consequences. Many small, local fishing businesses are in danger of failing this year or in the near future, and the national seafood supply is negatively affected. It is likely these negative impacts will continue for the foreseeable future. While economic estimates of total impacts are not currently available, it is safe to say the total is enormous.

What can and should be done about this serious problem? The Council's groundfish Strategic Plan offers the best hope for improving the fishery and preventing harm in the individuals and communities dependent on the resource. In 1999, the Council initiated development of a Strategic Plan to guide management of the West Coast groundfish fishery. This Plan was formulated to address current and future issues and concerns in the fishery. At its September 2000 meeting, after a series of public meetings, the Council adopted the Strategic Plan and approved a process for implementation of the Plan. I've also attached a document that identifies the various public hearings and processes that the Plan took, during its development.

The Plan is intended to provide guidance for groundfish management in the year 2000 and beyond. It is intended to be a resource for Council efforts to rebuild depleted stocks and maintain healthy stocks. As a major feature, it provides guidance to reduce the size of the fishing fleet to a level that is both biologically sustainable for the resource and economically sustainable for the fishing community. The Plan also calls for conservative fishing policies, establishment of marine reserves, and better science.

Overcapacity within the groundfish fleet is a paramount issue challenging the West Coast fishing industry and this Council. For years, national policy encouraged industry growth and development. As we Americanized the groundfish fishery, we did not recognize quickly enough we had achieved that goal.

The Pacific Council initiated steps to inhibit growth in the fishery by establishing a groundfish license limitation program in 1994. We also took steps toward better management of the sable-

fish fishery by developing an individual fishing quota, IFQ program. We delayed action on that program in response to strong signals from Congress. With the 1996 reauthorization of the Magnuson-Stevens Fishery Conservation and Management Act, we lost the ability to implement an IFQ program.

We are disappointed to see an extension of the moratorium on IFQ programs but are very encouraged and thankful for your efforts to provide an exemption for permit stacking in the West Coast sablefish fishery. We ask that you now help by supporting buyback programs and capacity reduction tools.

The Strategic Plan's vision for the future of the groundfish fishery assumes the Plan's recommended actions will be fully funded and implemented. While the funding need is significant, the benefits from implementation of the Plan warrant this expense. We have not calculated the total amount needed for full implementation of the Plan and are exploring cooperative arrangements. However, it is certain additional congressional appropriations will be needed. We will be happy to provide a total estimate in the near future. At this time, we concur with the estimates of $500,000 in each of the next 3 years needed specifically for the Council to implement the Plan. Additional amounts will also be needed to fund West Coast research and data needs.

And I've attached two letters that went back to D.C., one in 1998 regarding the year 2001 financial requirements for the Science Centers, the Regions, and the Council, and a similar letter that went back just this week to D.C. specifying our needs for 2003/2004.*

The Council recognizes the transition to the future envisioned in the Plan will require major changes to the structure and operation of the fishery, which will certainly have short-term adverse effects on current participants and local communities. However, there is a darker vision, which could easily occur if we are not able to strategically alter the course of current management; that is, we could continue attempting to manage an overcapitalized fleet in the face of declining resource abundance and the necessity to meet stock rebuilding mandates. This will most certainly result in even shorter fishing seasons, smaller trip limits, higher discard rates, and the continuous inability to accurately account for fishery-related mortalities.

Many people now actively fishing will not be able to meet their basic financial responsibilities and will be forced from the fishery by a governed economic demise or outright bankruptcy. Impacts to coastal communities dependent on groundfish fisheries will be disastrous. The Council and participating agencies will be overwhelmed by the need to implement short-term fixes to long-term problems, with little or no chance to focus on the underlying problems of the fishery or to development of a long-term management strategy. The Council's Strategic Plan sets a course for steering clear of this squall.

In summary, Senator Wyden, the Pacific Council faces a severe groundfish fishery problem in the near term, with 7 species requiring rebuilding over the next 10 to 95 years and several other stocks

*The information referred to has been retained in the Committee files.

hovering at threshold levels. Because depleted species are mixed with healthy stocks, all groundfish fisheries will be impacted by management measures aimed at rebuilding depleted stocks. We firmly believe the Groundfish Strategic Plan will, over the long term, help to rationalize the groundfish fishery by addressing the major groundfish issues.

As I noted earlier, to implement the Groundfish Strategic Plan, we will likely need legislation and financial support to help reduce the number of fishing vessels that harvest fish off the West Coast and to collect the necessary—excuse me—and to collect the necessary data for competent management.

We appreciate the efforts and attention Congress has given to improve or guide our management, most notably your current efforts to allow implementation of permit stacking in our fixed gear sablefish fishery. We know there are many other interests throughout the Nation competing for your attention and funding, and we hope our comments to you today have been helpful. I will try to be responsive to any other information or any points you may need.

Thank you again for this opportunity.

[The prepared statement of Mr. Lone follows:]

PREPARED STATEMENT OF JIM LONE, CHAIRMAN, PACIFIC FISHERY MANAGEMENT COUNCIL

My name is Jim Lone. I am chairman of the Pacific Fishery Management Council (Pacific Council). Thank you for this opportunity to offer comments related to the West Coast groundfish fishery.

This is a challenging time for fishery management on the West Coast. Several important groundfish stocks are in trouble.[1] By federal definition, seven species have been designated to be in an overfished condition, with lengthy rebuilding timeframes ranging from 10 to 95 years. Three other major species have been determined to be significantly below (i.e., 60 percent below) healthy population status. In 2000, the Pacific Council notified the governors of the three West Coast states of a potential disaster in the groundfish fishing industry, and the U.S. Secretary of Commerce declared a commercial fishery failure in the West Coast groundfish fishery. In response, Congress appropriated $5 million in disaster relief. The most likely cause of this crisis is the combined effects of a change in the ocean environment, inadequate scientific data collection and analysis, and a national policy that encouraged capital infusion into the fishing industry.

Problems in the groundfish fishery have far reaching impacts: collateral local businesses also suffer consequences; many small local fishing businesses are in danger of failing this year, or in the near future; and the national seafood supply is negatively affected. It is likely these negative impacts will continue for the foreseeable future. While economic estimates of total impacts are not currently available, it is safe to say the total is enormous.

What can and should be done about this serious problem? The Council's Groundfish Strategic Plan offers the best hope for improving the fishery and preventing harm to the individuals and communities dependent on the resource.

In 1999, the Council initiated development of a strategic plan to guide management of the West Coast groundfish fishery. This strategic plan was formulated to address current and future issues and concerns in the fishery. At its September 2000 meeting, after a series of public meetings,[2] the Council adopted the Strategic Plan and approved a process for implementation of the plan.

The plan is intended to provide guidance for groundfish management in 2001 and beyond. It is intended to be a resource for Council efforts to rebuild depleted stocks and maintain healthy stocks. As a major feature, it provides guidance to reduce the size of the fishing fleet to a level that is both biologically sustainable for the resource and economically sustainable for the fishing community. The plan also calls

[1] See Table 1.

[2] See Table 2. Strategic Plan Process Timeline and Schedule

for conservative fishing policies, establishment of marine reserves, and better science.

Overcapacity within the groundfish fleet is the paramount issue challenging the West Coast fishing industry, and this Council. For years, national policy encouraged industry growth and development as we "Americanized" the groundfish fishery. We didn't recognize quickly enough we had achieved that goal. The Pacific Council initiated steps to inhibit growth in the fishery by establishing a groundfish license limitation program that took effect in 1994. We also took steps toward better management of the sablefish fishery by developing an individual fishing quota (IFQ) program. We delayed action on the IFQ program in response to strong signals from Congress. With the 1996 reauthorization of the Magnuson-Stevens Fishery Conservation and Management Act, we lost the ability to implement an IFQ program. We are disappointed to see an extension of the moratorium on IFQ programs, but are encouraged and thankful for your efforts to provide an exemption for permit stacking in the West Coast sablefish fishery. We ask that you now help by supporting buyback programs and capacity reduction tools.

The Strategic Plan's vision for the future of the groundfish fishery assumes the plan's recommended actions will be fully funded and implemented. While the funding need is significant, the benefits from implementation of the Strategic Plan warrant this expense. We have not yet calculated the total amount needed for full implementation of the plan, and are exploring cooperative arrangements. However, it is certain additional Congressional appropriations will be needed. We will be happy to provide a total estimate in the near future. At this time, we concur with estimates of $500,000 in each of the next three years needed specifically for the Council to implement the plan. Additional amounts will also be needed to fund West Coast research and data needs.[3]

The Council recognizes the transition to the future envisioned in the plan will require major changes in the structure and operation of the fishery, which will certainly have short-term, adverse effects on current participants and local communities. However, there is a darker vision, which could easily occur if we are not able to strategically alter the course of current management. That is, we could continue attempting to manage an overcapitalized fleet in the face of declining resource abundance and the necessity to meet stock rebuilding mandates. This will most certainly result in even shorter fishing seasons, smaller trip limits, higher discard rates, and the continuous inability to accurately account for fishery-related mortalities. Many people now actively fishing will not be able to meet their basic financial responsibilities and will be forced from the fishery by a governed economic demise or outright bankruptcy; impacts to coastal communities dependent on groundfish fisheries will be disastrous. The Pacific Council and participating agencies will be overwhelmed by the need to implement short-term fixes to long-term problems with little or no chance to focus on the underlying problems of the fishery or to develop a long-term management strategy. The Pacific Council's Strategic Plan sets a course for steering clear of this squall.

In summary, Senators, the Pacific Council faces a severe groundfish fishery problem in the near term, with seven species requiring rebuilding over the next 10 to 95 years and several other stocks hovering at threshold levels. Because depleted species are mixed with healthy stocks, all groundfish fisheries will be impacted by management measures aimed at rebuilding depleted stocks. We firmly believe the Groundfish Strategic Plan will, over the long term, help to rationalize the groundfish fishery by addressing the major groundfish issues and helping move the fisheries toward recovery and prosperity.

As I noted earlier, to implement the Groundfish Strategic Plan, we will likely need legislation and financial support to help reduce the number of fishing vessels that harvest fish off the West Coast and to collect the necessary data for competent management. We appreciate the efforts and attention Congress has given to improve and guide our management, most notably, your current efforts to allow implementation of permit stacking in our fixed gear sablefish fishery. We know there are many other interests throughout the nation competing for your attention and funding. We hope our comments to you today have been helpful, and we will try to be responsive to any other information or input you may need. Thank you again for this opportunity. I will be happy to answer any questions you may have.

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[3] The following letters document recent and future Council funding needs:

(1) Letter of January 15, 2001 from Dr. Donald O. McIsaac, Executive Director, Pacific Fishery Management Council, to Ms. Penny Dalton and Dr. William Hogarth, NMFS.

(2) Letter of December 22, 1998 from Mr. Lawrence D. Six, Executive Director, Pacific Fishery Management Council, to Dr. William Hogarth and Mr. Will Stelle, NMFS.

Table 1. Groundfish Stocks—Overfished or Depressed

Species	Status	Rebuilding Timeframe
Lingcod	Overfished* (designated 1999)	10 years
Bocaccio	Overfished (designated 1999)	38 years
Pacific Ocean Perch	Overfished (designated 1999)	47 years
Canary Rockfish	Overfished (designated 2000)	37 years
Cowcod	Overfished (designated 2000)	95 years
Darkblotched Rockfish	Overfished (designated 2001)	To Be Determined
Widow Rockfish	Overfished (designated 2001)	To Be Determined
Shortspined Thornyhead	Below Target Biomass**	Not Applicable
Sablefish	Below Target Biomass	Not Applicable
Pacific Whiting	Below Target Biomass	Not Applicable

*Stocks below 25% of virgin biomass.
**Stocks below 40% of virgin biomass.

Table 2. Strategic Plan Process Timeline and Schedule

SEPTEMBER 1999		OCTOBER 1999		NOVEMBER 1999		DECEMBER 1999	
DATE	TASK	DATE	TASK	DATE	TASK	DATE	TASK
13-16	Facilitator conducts convening meetings with PFMC and Council Committee members	14	Convening summary document to Committee	1-5	Council meeting: provide update and status report on proposed framework; receive guidance and direction	14-15	Meeting to continue preparation of draft Strategic Plan, including brainstorming a range of options for addressing issues
17	Ad Hoc Committee meets to review convening process	18-19	Committee meeting to discuss results of convening process and begin developing strategic plan framework		Committee meeting to begin preparation of draft Strategic Plan; discuss issues, key questions, obstacles and barriers		

JANUARY 2000		FEBRUARY 2000		MARCH 2000		APRIL 2000	
DATE	TASK	DATE	TASK	DATE	TASK	DATE	TASK
17-18	Committee meeting to review, discuss, and revise proposed options and strategies	14-16	Committee meeting to continue development of proposed range of strategies; start to bring together the overall draft framework	6-10	Brief update at Council meeting	3-7	Update and Status Report at Council meeting.
				21	Conference call to discuss strategies and prepare for April meeting	18-19	Committee meeting to finalize proposed range of options and strategies; review overall draft plan

MAY 2000		JUNE 2000		JULY 2000		AUGUST 2000	
DATE	TASK	DATE	TASK	DATE	TASK	DATE	TASK
22-24	Committee meeting	14-15	Committee meeting		Conduct public hearings and involvement activities to encourage broad constituent review and comment of draft Strategic Plan		Conduct public hearings to encourage broad constituent review and comment of draft Strategic Plan
		26-30	Request Council approval of draft Strategic Plan (Council advisory review and comment)				Committee meeting for review of comments; revise and finalize Strategic Plan
			Release for public review and comment				

SEPTEMBER 2000		OCTOBER 2000		NOVEMBER 2000		DECEMBER 2000	
DATE	TASK	DATE	TASK	DATE	TASK	DATE	TASK
11-15	Seek final Council approval for Strategic Plan		Begin Strategic Plan implementation activities		Tasks to be determined		Tasks to be determined

Senator WYDEN. That's very helpful. Let me thank you as well, Jim.

I know the microphone is aggravating folks. I wonder if, because the acoustics in here are pretty good, we turn this off if people in the audience are going to be able to hear.

Unidentified Audience Member: You're okay.

Senator WYDEN. Can you hear?

Unidentified Audience Member: Yeah.

Senator WYDEN. Let's give it a try. Myself and Congresswoman Hooley will try to boom it up a little bit, because I know the back draft is hard to follow.

Ms. Darm, as you know, in June of last year, the Congress passed $5 million in emergency appropriations, because the West Coast fisheries were in a disaster. Yet, as of today, as far as I can tell, 7 months later, not one single dime has gotten out to these communities that the federal government has said are constituted a disaster.

Now, this is just completely unacceptable to me, and I'm not clear from your testimony. Are you saying it's the Governors' fault, that the Governors didn't send you some kind of application?

I mean, we have been talking to the agency constantly. This was defined as a disaster. What is it going to take to get this money out? If you want to say it's the Governors' fault, I'd sure like to have you state that on the record. Because I can tell you it's not the fault of Oregon's Governor.

Ms. DARM. No, Senator, I didn't mean to imply that it was the Governors' fault or anyone's fault, for that matter.

We did develop a spending plan, in coordination with the Governors of all of the coastal states. And that spending plan is now complete. The next step then will be to receive the grant proposals from the states.

While we were in the process of developing the spending plan, we also worked closely with the states. And Neal may be able to supplement this some. I'm not sure if you've been involved in developing those grant proposals.

But we have been working with the states on the grant proposals, what sorts of projects ought to be proposed, as well as how to deal with this requirement for matching funds. Because as Neal mentioned in his testimony, some of the states, particularly Oregon, are really strapped for funds, and so we have been trying to work out whether in-kind contributions, for example, can suffice for the matching funds.

And I don't know if—Neal, if you want to add something——

Senator WYDEN. Well, before we go into that, when will the money actually get out on the ground to the small communities? In fact, my staff was recently told it was going to get out this month. Now what you've described sounds like this is going to be like the marquis at the old movie house, where it says "Coming Soon," and it just never seems to quite get there. If this is a disaster, we've got to get the money out to people.

Ms. DARM. Assuming that we get the proposals and we're able to process them, May is probably the soonest that we could expect to see money actually distributed.

Senator WYDEN. So, it's going to take a year? I mean, Congress passed this disaster appropriation in June of last year. And, you're telling me on the Oregon Coast it's going to be a year to get that money, even a small amount, to people on the ground? Do you think this is acceptable? Is this an acceptable way for NMFS to do business?

Ms. DARM. Well, Senator, I'm not—I'm not familiar with all of the details——

Senator WYDEN. I'm just curious.

Ms. DARM.—what's going on in the planning but——

Senator WYDEN. This is just a question of, I think, common sense. You are the point person for our Region. Is it acceptable to

you that it takes a year to get this money out to the communities that are hard-hit? We call it a disaster. The federal government didn't say this is a garden-variety kind of, you know, let's now fund the committee on acoustics and ventilation.

I mean, the U.S. Congress said it was a disaster. Just tell me, yes or no, is it acceptable to you that it takes a year to get that money out?

Ms. DARM. A year does seem like a long time.

Unidentified Audience Member: Evasive.

Senator WYDEN. It certainly does to me.

We will follow this up with you. Because I can guarantee you I have heard from communities—I know we've been in contact with the state—that they have been trying to get this money for some time. I have not heard that now we're waiting for grant applications and the like.

But this is one of the areas in which I think NMFS has got to change course. Your agency had a doubling of its budget recently. So, on one hand, for the agency there is a doubling of funds; and for the people in these coastal communities, after Congress moves to get out disaster appropriations, you told us it's a year to get a dime on the ground. You just can't defend that in the communities that we represent. You just can't.

So I hope that we'll see some changes.

Unidentified Audience Member: Can I raise an objection?

Senator WYDEN. No. This is a Senate hearing. We're going to take your comments at the end.

Let me, if I might, go to this question of research. Because I think that you said something encouraging.

I had not heard before that you all would move the surveys to every year. And, as you know, the fishing families are very concerned about this issue. Recently, I had one of the fishermen tell me that in 1995 the population survey for yellowtail rockfish showed fewer than ever before. But then in 1998, NMFS found four times as many fish. And what the fishing family said is, "Look, the Atlantic stocks get surveyed constantly. They get surveyed pretty much every year."

And if I heard you correctly—and I had not heard this before—this is going to be a change in the NMFS policy. Are you announcing today that groundfish stocks will, from this point on, be surveyed every year?

Ms. DARM. I could ask Dr. Varanasi to speak on it more specifically. It's not a change in policy. It's a change in the funding that's available to us to actually conduct the survey——

Senator WYDEN. You haven't been doing it in the past.

Ms. DARM. We haven't had the funding to do more than the triennial surveys. Beginning this year, we will be able to do annual surveys. We received additional funding this year for those surveys.

Senator WYDEN. How about the other changes in methodology, like looking at near shore areas and making sure that the fishing families are involved? These changes have been expressed to us, as well, as changes that are important in research.

Ms. DARM. Would you mind if I asked Dr. Varanasi to join me at the table and answer the more specific questions?

Senator WYDEN. Doctor, why don't you come on forward, and we'll get you a microphone.

Doctor, why don't you identify yourself for the record and your position at the agency.

STATEMENT OF DR. USHA VARANASI, SCIENCE DIRECTOR, NORTHWEST FISHERIES SCIENCE CENTER, NATIONAL MARINE FISHERIES SERVICE

Dr. VARANASI. I am Dr. Usha Varanasi. I am Science Director for the Northwest Fisheries Science Center, National Marine Fisheries Service, NOAA.

The question was how are we going to increase data collection and the surveys. This year we are going to get more funding. There is the increase that was in the appropriation but also National Marine Fisheries Service is reprogramming some of our funds, giving us some more funding, so that we could slowly start—or I shouldn't say reprogramming. I'm being a scientist. Sometimes I may not use the right word. They are reallocating some of our funding from the headquarter funds to do this work in the Northwest and the Southwest for integrating the surveys.

So what we will be doing is we—we will continue our slope survey that we started with the—working with the charters that we had the last 2 years from the contract funds now to base funds. But we will have people dedicated for every year for the West Coast groundfish surveys. Because they will be now consolidated and done from the Northwest Fisheries Science Center. That allows us now to be starting every year.

Senator WYDEN. So will the methodology be changed so as to look, for example, at the near shore areas and involve more of the fishing families, as well?

Dr. VARANASI. We are going to try everything possible to increase and improve the methodology and—and try to work—first, what we are going to do is to do the surveys that we are doing right now already, on a regular basis. And then we will also be looking at all of the species that we need to work on. So there will be increased effort throughout the West Coast.

Congresswoman HOOLEY. I just want to do a followup question for either one of you. And that is as we talk about increasing these to every year and doing a better job of research, there's been a lot of people that—I mean, they fish every single day. They've been fishing here for years and years and years. Their families fished here, their fathers, their grandfathers. They know a lot about the area. They've also said, you know, "We're willing to use our boats, if people want to come out on our boats, if they want to come do research or observe."

How much do you talk with—as you do this research—and I understand what you do is very scientific. But the people that go out and fish all the time and their families have been fishing for decades and decades. They have pretty good knowledge of what happens out there.

How much do you talk to them?

Dr. VARANASI. We talk to them. We have a scientist project. We need to increase. Definitely we need to increase. But we have begun working—over the last 2 or 3 years, we have tried to in-

crease operating research. We have tried to use some of the vessels——

Congresswoman HOOLEY. So you actually——

Dr. VARANASI. We will have electronic logbook——

Congresswoman HOOLEY. Excuse me for just a moment.

So NMFS actually puts people out in the field, and you sit down and talk with these fishing families?

Dr. VARANASI. Not regularly. That is some—some of these things are going to be—now that we have a research plan that's outlined, as well as how to incorporate working together, we are hoping that with this new funding that we can do a number of these things.

Congresswoman HOOLEY. Will you be doing that?

Dr. VARANASI. Part of it we will be doing some of the port—working with the port biologists and the fishing families. We will try. And—and we will be—just what I'm saying is we are going to increase surveys, and we are going to increase the outreach and working with people.

Congresswoman HOOLEY. And I know that science is different. But I would encourage you to talk to these families that have been fishing for years. And there are not only captains, but there are also people that have the large fishing vessels, as well as the smaller fishing vessels. I think they have an enormous amount of information that might be helpful in your research.

Senator WYDEN. Ms. Darm, understand that the fishing families tell us that there's nobody on the ground from the agency to consult with, which is why I wanted to emphasize I want you to get some of those folks out from behind the computers in Washington and Seattle and out in Coos Bay and Newport and in the community.

I appreciate your concern here. But understand, Ms. Darm, that the words "try" and "hope" and the like, when the people of this community have watched again and again this agency not deliver, doesn't provide a whole lot of solace. As I listen to you about the research changes, I hope that you will pursue the research changes in a more efficient and expeditious way than you have pursued getting the disaster money out. Because we're looking now at a year to get the disaster money out. I was actually encouraged by your saying that you were going to do those surveys every year. Then, by the time Congresswoman Hooley had asked her very good questions, it was not clear to me at all what exactly is going to be done.

So, I hope that the Senate Commerce Committee will not have to come back on the research question here in 6, 8 months and ask again has it, in fact, changed. In 6 or 8 months, concerning this research issue, I'll say, "You got double the amount of money." I've got to see that these research changes are being put in place, or get some people at NMFS who will do it; and just be that blunt about it.

Congresswoman Hooley, I have some additional questions for Ms. Darm, but I know your schedule is tight. I think what I would like to do is let you ask questions.

We have some Senate rules here to follow with respect to Congresswoman Hooley's participation.

Congresswoman, why don't you write out questions that you would have. I think all of you know that Congresswoman Hooley

and I work very closely on these matters. I want folks on the Coast to know we really appreciate her leadership, and we'll comply with the Senate rules, as well.

Ms. Darm, the question of overages, another area where there is substantial frustration, certainly on the part of this Senator, and on the part of this community, as well. The overage question is a fisheries version of the tobacco subsidy. It is just outrageous. What we have is this resource, regarded as precious, coming to shore and essentially being trashed.

I have been trying since 1998 to bring NMFS kicking and screaming into setting up a program to make sure that that resource, consistent with sensible conservation policies, wasn't wasted. In fact, the most recent communication we had is—the Pacific Council had approved the pilot plan and thought that there was going to be finally a process for getting under way. In the middle of last year, we got a letter from NMFS saying why that was unacceptable to the agency and still allowing for the waste of this resource in such a flagrant kind of way.

What can you all tell us now about what you're going to do on the issue of overages, so that we don't continue to waste such a dramatic amount of the resource? I think that the agency owes the people on the Coast a straight response on this issue and when the program is going to get off the ground.

Ms. DARM. This is an issue I have heard something about, and I understand that we have had continuous conversations about it. I know it's something that you have been very interested in.

My understanding of the concerns with getting an overage program into place immediately are that, first of all, 100 percent observer coverage would be ideal to have, if we were to institute this sort of an overage policy. We do have—I'm happy to say we do have $2 million this year—and I think Neal mentioned, as well, in his testimony—for an observer program. Even that level of funding will only put observers on about 10 percent of the vessels. So we are a long way yet from a hundred percent observer coverage.

The other thing that is certainly getting the attention of the agency and the Council both, at this point, is rebuilding the overfished stocks. And at the moment, at least, that is our—that is our main priority, which is not to say that getting an overage policy in place or program in place is not also important. But our primary focus or primary priority, at this point, is to rebuild the overfished stocks.

Finally, given the severely reduced limits, fishing limits, that are in place presently, the catch of all fish has been reduced dramatically, including the overage catches. So it's not as pressing of a problem, at this time.

I realize that whole answer doesn't really address your continued concern about it. I'm afraid I don't have a really good answer for you, in terms of when we might be able to have some sort of a policy implemented in this regard.

Senator WYDEN. In the summer of 1998, the agency came to the Oregon Coast and committed to having a policy to reduce overages. You come here now, more than 2 years later, and you tell the Senate Committee that you've heard something about it. That's what you just told us.

How many more years is it going to take the agency to do what the agency pledged to do more than 2 years ago? 4 years? 6 years? Never?

Ms. DARM. Well, I think everyone is committed to reducing bycatch and reducing overages. There are certainly many ways of getting at that. And it's often the case that what seems like a good idea and something that you should pursue and go forward with, when you actually try to flesh it out and develop it more fully, doesn't seem like it may be the best way to accomplish it or the highest priority, on further reflection after further developing the idea.

Senator WYDEN. Congresswoman Hooley asks the very useful question whether you can use the numbers you now have to make some assumptions regarding overages.

Do you need everything imaginable, everything in your dream budget to start an overage program? I think it's a very good question.

Ms. DARM. I'm sorry, numbers in terms of observers?

Senator WYDEN. You have some data, apparently, that asserts that overages are going down. I can tell you that the people of Oregon constantly see pictures of bycatch and overages with vast amounts of fish being brought to shore and trashed, in a state where we now lead the country in hunger.

So Congresswoman Hooley asks the question about whether it would be possible to use the existing data, which you seem to think is good enough to be able to tell us that overages are going down, to set in place a real overage reduction program.

Ms. DARM. Mr. Senator, I've asked Mr. Robinson to join me at the table, because this may be getting into more—I'm not—I'm still not sure exactly that I—that I understand the question but——

Senator WYDEN. Ms. Darm, you have said overages are going down.

Ms. DARM. Catch overall is going down.

Senator WYDEN. So that is obviously based on some data.

Why not, as Congresswoman Hooley has asked, use that data to set in place what the agency committed to do in 1998? Isn't it possible to extrapolate from that data?

STATEMENT OF WILLIAM ROBINSON, ASSISTANT REGIONAL ADMINISTRATOR, SUSTAINABLE FISHERIES, NORTHWEST REGION, NATIONAL MARINE FISHERIES SERVICE, ACCOMPANYING DONNA DARM

Mr. ROBINSON. Senator and Congresswoman, my name is Bill Robinson. I'm the Assistant Regional Administrator for Sustainable Fisheries for the Northwest Region of the National Marine Fisheries Service.

We have to be quite honest. Very little data on the quantity of fish that are discarded——

Senator WYDEN. Was Ms. Darm right when she said the overages are going down?

Mr. ROBINSON. Ms. Darm was right in saying that the catches are going down. We won't know whether the bycatch is going down or up, until we're able to get an adequate level of observer coverage in the fishery to tell us.

Right now, the fishery is being managed on some estimates of bycatch that come from some very old studies and some—from some data from some newer studies, an enhanced data collection program that was run in cooperation with the Oregon Trawl Commission.

But to get to your question about policies, what's happened is since 1998, through the Sustainable Fisheries Act, Magnuson Act Amendments, we have had seven species that have already been declared overfished, with a commitment for the Council to develop rebuilding plans for each of those species.

The difficult part of the rebuilding plans—and what the Council and the agency have been wrestling with for the last 2 or 3 years—is how to implement those rebuilding plans, the types of regulations that will rebuild the stocks, yet minimize the impact on the fishing community. That, to be quite honest with you, has subsumed almost all of the resources of both the Pacific Fishing Management Council and the National Marine Fisheries Service here on the West Coast, developing those rebuilding plans and developing the management measures to implement those in such a way that they'll both rebuild the stocks and allow the viability of the fishery to continue.

Those management measures, many of them are designed to reduce bycatch and reduce overages. For example, the—we have—or the Council has recommended we implement differential trip limits, where fishermen using bycatch-friendly gear can hunt higher limits. Certainly, a full retention program of some sort, in terms of reducing wastage, would be something that would be beneficial to develop and have. But at this point, it wouldn't provide either the money to fund research, because the limits are so low, and it wouldn't provide data on overages. Because we wouldn't have enough observer coverage in order to know that fishermen are truly keeping all of their bycatch or all of their overages. But principally——

Senator WYDEN. Can I ask you a question on this?

In 1998, I was given a commitment by the agency to move forward with the program that allowed the sale of overages and the profits used to fund research. The Pacific Council approved a pilot project to get under way. NMFS still is not willing to go forward with the pilot project or anything else.

Why not?

Mr. ROBINSON. Senator, the bottom line has been that we have essentially diverted our resources to work on overfished stocks and rebuilding plants and reducing capacity. The Council determined those two areas to be the highest priority, and that's where all our resources have gone.

Senator WYDEN. So we've just dropped the overages issue. When the agency makes a commitment to communities and decides to change its mind, that's that?

Mr. ROBINSON. In the Council, we have an above-the-line and below-the-line set of work priorities. Basically, in terms of what was above the line is what gets worked on are those issues of greatest impact and those required to comply with the statute.

It doesn't mean that the Council or the agency didn't desire to work on other issues. But those issues fell below the line in the

sense that there were not enough resources to do everything above the line and everything below the line as well.

Senator WYDEN. Well, this is all very interesting. But, the fact is the agency committed, in 1998, to do something about this issue. The Council agreed on a pilot project, and I think that this is just foot dragging.

You know, Ms. Darm, if you want to get back to me within 30 days on a specific plan to do what the agency said they would do, we can discuss it. If not, I'm going to push to get some folks down at NMFS who are going to do it. I think when you make a commitment to people, it's got to be adhered to; or I guess why would they trust their government?

This is a serious problem. People see it constantly. It goes right to the heart of the credibility of government. You ask people to conserve, and yet they see these pictures of what amounts to just flagrant waste. Government comes to them and tells them that something is going to be done to change it, and nothing is done.

So, I guess you're saying that it's Okay to do business this way. But, I will tell you that as a Member of the Committee with jurisdiction over your agency, I'm going to do everything I can to change business as usual at NMFS. It's not acceptable to take 11 months, to get out money for a disaster. It's not acceptable to tell us that you will try to do various things in the research area when your budget has been doubled, as we have noted here. And frankly, I can hardly make hide nor hair about what you all plan to do on the overages and bycatch issue, other than as little as possible, in spite of the fact that the agency made a commitment more than 2 years ago.

So, I have only one other area, and that's this question of getting people out on the ground. What I'm told by fishing families in the coastal communities is that they have nobody to talk to with respect to feedback on a particular project; that they're working on a sustainability project, and there is no one there to turn to. Is that right? Are they factually wrong about that? Are there people in these communities that they can work with? And, if so, name them, because I think that people here would be just delighted to know who they can work with.

Ms. DARM. We have a groundfish staff in the Northwest Region that's four people. Those people are located in Seattle. We do have staff at the Science Center who are located here, of course. But we do not have the staff who are located in the coastal communities.

Senator WYDEN. Do you think that's a good way of doing business?

Ms. DARM. I'd love to have people out in the communities, but we don't have the resources or the staff to do that.

Senator WYDEN. Wouldn't it make sense to have at least a part of their time devoted to being out in the communities?

Ms. DARM. Oh, absolutely, yes. Yes, most definitely.

Senator WYDEN. And maybe some of the people from Washington D.C. and some of the people from Seattle? Would you commit to doing that today?

Ms. DARM. I'm looking at Bill, because these are people who report to him. And they work for him. And he is saying yes.

Senator WYDEN. Yes to what?

Ms. DARM. Yes, we'd agree to having people out here.

Senator WYDEN. Once a year? Once every 6 months? I mean, this is a little bit like the old assessment from Adlai Stevenson when he didn't know whether to laugh or cry. We've got to get some changes here. There's a world of economic hurt out there in these communities. Congress doubled your budget, and what you're telling us is, as I've outlined before, is not something that gives these families a lot to take home and say, "Our government is responding to our concerns."

Are they going to come once a month? Once a year? Once every 6 months? What could you tell us, in terms of helping people on the ground? These are people who want to work with the agency. They want to get some feedback on what they're doing and what's working and what's not.

Mr. ROBINSON. Senator, we certainly would like to interact with members of the fishing community in those communities. Because we have a small staff and a large regulatory workload, it's been difficult to do so. But I think we would like to do that and would respond affirmatively to requests to come to the fishing communities, perhaps once or twice a year, and make ourselves available to interact, and more often than that, as our regulatory duties would allow us to do. It's something we have not done enough, and I think all of us realize that.

Senator WYDEN. Well, I don't think one or two times a year is going to cut it. I mean, these are people who believe that their government ought to be out on the ground working with them and not in these regional and beltway offices. I had 13 town hall meetings over the last 2 weeks, because people think I ought to be on the ground. That's what Congresswoman Hooley has been doing.

I'm going to move on and ask some other questions. I am not going to just allow business as usual at this agency. This is not good enough. This is not good enough for all these families that are hurting this way. You don't reflect the kind of urgency and responsiveness and commitment that these families deserve and have a right to expect. So we'll move on. But suffice it to say, we're going to have extensive followup on these matters.

Mr. Coenen, some questions for you, the first being the question of individual fishing quotas. As you know, we'll be dealing with the Magnuson Stevens Act in the Committee, and I know you all at the state are taking a look at that.

What would be your position on that?

Mr. COENEN. Yes, Senator Wyden. I think there's probably unanimity at the Council level—and having been on the Council when I was with the Oregon Department of Fish and Wildlife—that individual transferrable quotas or individual fishing quotas—and there's been a moratorium since 1996, although it's just expired—are potentially a very useful and needed tool in the overall toolkit the Council has available to it to work with.

Individual fishing quotas are not well understood by the public. And there is limited U.S. experience. I think there are four programs, sablefish and halibut in the North Council, and I believe a couple on the East Coast involving clams and wreckfish. They're much more—they have been much more used internationally in New Zealand, Australia, etc. They have advantages, because they

have a certain market-based aspect. They will resolve race-for-fish problems, safety problems, capacity problems, etc.

But I think it's fair to say as well there are a lot of legitimate concerns about how they are shaped. You have to consider the definition of the privilege that goes with the quota. There is the qualification criteria upon initial issuance. Transferrability and accumulation of shares become issues because of the equity concerns, the distribution of these rights, and even the available fish for landing and supporting the on-shore infrastructure.

The Council is not unfamiliar with the pros and cons, having developed an IQ for sablefish, at one point, that became so cumbersome and conflicted, in terms of support, that it essentially died of its own weight. And part of that is the responsibility of an industry and management that could not come to a consensus on its shape.

Nonetheless, I think the Council is looking, at this point—and I think the State of Oregon would support the Council—that it is a needed tool. The Congress asked the National Academy of Sciences to review IQs, and a report has come forth, I think, back to the Congress, which will be useful in reauthorization discussion. It makes a series of, I think, very substantive and practical recommendations for sideboards. The group that conducted the report held hearings around the country. They heard a lot of the pros and the cons. And one thing they did hear clearly from industry, managers, environmental groups is that a cookie-cutter approach, a one-style-fits-all would not work. There are eight councils and a multitude of different fisheries. The Council needs the tool and needs to adapt it to specific situations where it's appropriate.

Senator WYDEN. The other one, Mr. Coenen, that we wanted to explore was the question of surveys of groundfishing state-wise. As you know, the fish, of course, don't respect the boundary between state and federal waters. And, I was interested in any ideas you might have in which you could work cooperatively with NMFS and others to expedite getting quality research on states-wise.

Mr. COENEN. Thank you, Senator. And that's a very good question.

At a general level, I think this issue of fisheries work in either the territorial seat, the state jurisdiction, or just near shore—however that might be defined—is one that will come up over and over again, simply because the groundfish management job covering both state and federal waters is simply too large, and there will never be sufficient budget, I think, as a practical matter, to do the whole thing to the last degree. And so partly, the Council itself in its Strategic Plan has anticipated that an evolving relationship, a closer-working, cooperative relationship, between industry both recreational and commercial, the states and the Council and the National Marine Fisheries Service needs to evolve with a particular focus on essentially beginning to delegate more research and management activity, not necessarily a delegation of authority, but with funding assistance to the states.

Now with specific regard to survey work, the NMFS triennial trawl survey and the periodic shelf surveys have had problems, because they have not come into some of the shallower waters. The wide variety of west coast rockfish species, in particular, are dis-

tributed both north to south, and from near shore shallow areas to very deep areas on the continental slope. In Oregon the perhaps ten or twelve rockfish species that you might characterize as being predominantly inside forty fathoms (near shore and state jurisdiction), the areas typically not federally surveyed are ones that recreational and some commercial fisheries in particular rely on. And in Oregon, at least, we have only one fish of ten or twelve near shore that have ever had a quantified assessment. So the work is clearly needed.

The State of Oregon, Representative Thompson, last session was critical in getting the $528,000 in general funds—this is not license fee revenues—added to the Department of Fish and Wildlife's budget. These funds support research projects that are being targeted on some of these species, as well as some shelf species. And—and my reference in testimony to the Governor maintaining that priority essentially is the State of Oregon's contribution to jump-starting particularly, some of this needed near shore work.

Also in testimony I suggested an additional million dollars appropriated directly to each of the three states would allow them not only to participate in the observer program, but to ramp up in particular near shore research activity. This near shore research, is not a task I think that large federal vessels are going to come inside to shallow waters and do. You need smaller research vessels, the vessels the fishing families of Oregon own and operate.

So that's just an approximate outline of what the State of Oregon is doing. It is a priority. We believe it will get increased attention and will be built on relationships of coordinated research.

Senator WYDEN. I think those are constructive suggestions.

Mr. Lone, you all at the Council, at least your Strategic Plan this summer, is calling for an elimination of fifty percent of the vessels currently in the fishery. In the fall, the Council approved the Plan for groundfish and certainly some changes in that.

Were the fishing communities notified and allowed to participate in the formulation of the Plan?

Mr. LONE. Well, Senator——

Senator WYDEN. Pull that microphone toward you.

Mr. LONE. As I mentioned earlier, we began the process about September 1999 with a Council meeting in Sacramento. At that time, the facilitator that we hired, the firm we hired to assist us, met with all the—our various panels and management teams and Council members and entire Council family, including the general public. And then each time throughout the year that we had a Council meeting where the Plan was on the Council's agenda for either action or update, there was public testimony allowed.

In addition to that, we used our newsletter, the Web site, interviews with some local newspapers here in Oregon to try to get that word out; and recognizing that we can never get the word out to everybody, but I think we did a decent job; sort of culminating, then, at the time the Plan was adopted by the Council, where we went down prior to that, the month prior to that, to all three states and had public meetings; and then finally, when the Plan was adopted, the public evening session that week and then some more public comment during the day so—of the adoption.

So my sense was that we certainly tried to get the word out to have the public participate in that process. And during the Strategic Plan implementation committee meetings that were held in Gladstone, there were members of the public that attended those, too.

Senator WYDEN. We'll put you in contact with some folks from Coos Bay who were not all too pleased with the process.

Mr. LONE. And we have one of the representatives from Coos Bay here in the audience who has been a participant all the way through. So I would be interested to hear about the others that weren't.

Senator WYDEN. Now, the Plan calls for buyout of 50 percent of the participants in the groundfish. Needless to say, I think all parties would say this would take a significant amount of funds from the federal government. As I think you know, the General Accounting Office put out a report this summer stipulating their view that federal buyout programs are ineffective, especially in what they describe as industries with latent capacity, which are essentially individuals that own permits but aren't actively fishing. Now, my understanding is that at present there are a fair number of people on the West Coast who have groundfish permits but aren't using them, because they think the harvest levels are too low to bother.

What is your sense of how you would deal with this so-called latent capacity issue, while trying to keep the price tag affordable? The reason I ask is that the Congress is going to insist on having this kind of information. Certainly, there aren't as many of us from the coastal states as we would like. And buyback proposals, by anybody's calculations, are pretty contentious, and people are going to look at the price tags.

So if you would, please—you may want to get back to me for the record on this, as well. This is an important issue. Because for Congress to vote the funds on the buyback question, there's going to have to be a thoughtful response to what the General Accounting Office found.

So if you would, take a crack at it here and feel free to amplify for the record on it. Because this is an important issue for the Congress.

Mr. LONE. Okay. Well, my crack at it, Senator, would be that we did meet last week for the first time on our Strategic Plan Implementation Oversight Committee. You may be aware that what that process envisions is that members of the general public then will be involved in that process in implementation committees that deal with certain priorities.

Part of the meeting last week was devoted to identifying the need for a package to go back to Congress that would spell out the kind of details that you've asked. So we are going to be quick putting that together in written form with adequate detail to provide that kind of information.

Certainly, as the Council has deliberated this over the last year or so, we understand that the latent capacity and its impact on buyback and all that kind of stuff is real critical to having a buyback program be successful. So we will get that to you.

Senator WYDEN. Well, it's critical—apart from the issues you mentioned, it's critical right at the outset for us to generate the bi-

partisan support that we need in the Congress. Senator Smith and I will certainly be working on it on a bipartisan basis as part of our working agenda. And Congresswoman Hooley has consistently advocated for these fishing families. But, colleagues who don't represent coastal areas are going to be asking to see annual reports. We need you to get out—my mom always calls it the sharp pencil. You need to get out the sharp pencil and get us those numbers as soon as you can.

Mr. LONE. We'll do that.

Senator WYDEN. I know Congresswoman Hooley has to go to other meetings in her district. I want her to know how much I appreciate her coming and feel badly about the constraints of the Senate rules in terms of questions. But we appreciate your leadership, and we'll be calling on it often.

We'll—unless any of you would like to add anything further—do any of the panel members have anything further? We'll excuse you, at this time, and we'll bring forward Bob Eaton, Rod Fujita, and Ginny Goblirsch.

[Whereupon, there was a break in the proceedings.]

Senator WYDEN. The Committee will come to order.

We have a lengthy agenda to continue with. We welcome Bob Eaton, Pacific Marine Conservation Council, Rod Fujita, from Environmental Defense, and Ginny Goblirsch, Coordinator of the Groundfish Disaster Outreach Program.

We thank all of you for your patience. Obviously, there are a lot of questions to ask the panel and try to move things along.

Mr. Eaton, please go ahead.

STATEMENT OF BOB EATON, EXECUTIVE DIRECTOR, PACIFIC MARINE CONSERVATION COUNCIL

Mr. EATON. Thank you, Senator. I'm very thankful for your initiative in getting this hearing going here today. Thank you very much. And we appreciate Congresswoman Hooley's participation today and her commitment to these issues.

At the risk of the precedent that was just set at going first and the grilling that the first person may take, I'm going to give this a shot anyway. My name is Bob Eaton. I'm the Executive Director of the Pacific Marine Conservation Council. We're located in Astoria, Oregon. We work in Oregon, Washington, and California on an agenda of sustainable groundfish fisheries. And we work with a growing group of commercial and recreational fishing men and women, marine scientists, and environmentalists in this agenda that is supportive of sustainable fishing and coastal economies.

As you know, we don't have any throw-away industries, on the Coast and very little opportunity to backfill economically, if we do lose one. So the fishing industry is important to many and all of us.

Yes, there is a crisis. And I don't want to mention crisis again just to continue the drama, but to sort of supplement the theme that you've created here, Senator, about the urgency of action in all of this. We are in a crisis, and we do need to have action that is dependable and timely.

But let me frame this just a bit by saying there are different ways of looking at this crisis. Economically, we've got a situation

where the dollars earned by fishermen over the last 10 years have reduced—the last 5 years have reduced by almost 50 percent. That's a pretty dramatic change.

We also have some biological and management crises, as well. For instance, of the 83 species of federally managed groundfish caught off the coast of Washington, Oregon, and California, about 68 of those are listed as status unknown, which means that about 75 percent of the species managed we don't know much about. Of the 71 identified species of rockfish on the West Coast, the Council manages 55 of those. And of those, 47 are listed as status unknown or almost 85 percent. So there's a long way we have to go regarding the knowledge about these fish that we are "managing."

When it comes to the management side of this thing, our current scheme is to ratchet down trip limits. And that probably exacerbates the problem you brought to our attention today, and that is with discards and overages. Because the fishing gears have not changed dramatically, there continues to be large catches. Fishermen are doing a great job of attempting to change their fishing behavior and where they fish and how they fish, but there is much more yet that needs to be done.

So there are some bright spots, as mentioned. Going to annual surveys is a definite bright spot. The $2.3 million in the budget for fiscal year 2001 for an observer program is a bright spot. The Council's Strategic Plan, "Transition to Sustainability," is a bright spot. We just need to have some momentum going now to get there.

And ultimately, what this all boils down to is dollars. The fishing industry, whether it's commercial or recreational, is a public/private partnership. And quite honestly, from my perspective, the public and private investment in these fisheries over the years has been insufficient. And it's a pay-me-now-or-pay-me-later situation. The fact that we now have a minimum of seven fish on rebuilding plans, another three or four are potentials, says to me that the bill is coming due here. And if we don't pay that, there's no way we can get to the sustainability that the Council's plan envisions.

You've asked today what Congress could do to help, and I want to cut right to that, if I may, and say that first of all our organization, Pacific Marine Conservation Council fully supports any and all efforts to assist with coastal communities. And we encourage Congress to work with the states in developing a plan that begins to meet those needs.

We also will support a buyback that removes the vessels, and removes the permits. We think that is a plus and is very important. And I know that the industry is working on a plan there. I don't know all the details. But I would encourage Congress to work with them on that.

We feel that the observer program is only half funded, at this point, even though Congress has provided some funding. We would recommend another two-and-a-half-million dollars be included in supplemental appropriations to provide an observer program that will actually give us the coverage that's necessary on the West Coast.

We also want to support the idea that Neal Coenen brought forward; and that is that an additional million dollars for each of the three states be added, so they can begin to do the work on near

shore fisheries. The Council's Plan envisions that the states will take over the management on their shore. But they can't do that without some resources.

An observer program is an integral part of all of this. And if I may, Senator, I want to read from a statement that was made by the Pacific Council's Groundfish Management Team at its meeting in November. It says, "The Groundfish Management Team continues to remind the Council that lacking a comprehensive observer program or a verified full retention program, our estimates of total fishing mortality remain highly uncertain. Absent a tool to measure changes in fish mortality that result from management changes, the GMT has no resource, other than to review trawl log books, which contain no discard information, and then make guesstimates as to what extent measures, such as gear modification or changes in fishing behavior, have altered observed bycatch logbook rates. Moreover, for the non-trawl sector, the GMT has no logbook program or other information to gauge the bycatch consequences of the Council's management measures. The GMT strongly supports the rapid development of an observer program that will provide information on total mortality in the groundfish fisheries." Critical issue, very high on our agenda, and I hope it can be on yours as well.

The last thing I want to say is that there is no way that the Pacific Council is in a position right now to implement its Strategic Plan, as good as it is, as visionary as it is and as far as it moves beyond the comfort level of a lot of people. We fully support an additional $500,000 per year for 3 years for the Council, so it can hire the additional staff necessary to begin implementing this plan; otherwise, it's going to go on the shelf. It's going to be a nice piece of work, and we're all going to be sitting here in 3 years having the same discussion all over again.

So Senator, thank you very much for being here and for allowing us to testify.

[The prepared statement of Mr. Eaton follows:]

PREPARED STATEMENT OF BOB EATON, EXECUTIVE DIRECTOR, PACIFIC MARINE CONSERVATION COUNCIL

Thank you, Mr. Chairman and Members of the Committee, for the opportunity to testify on West Coast groundfish issues. My name is Bob Eaton. I am the Executive Director of Pacific Marine Conservation Council, or PMCC. PMCC is a nonprofit, public benefit organization working with commercial and recreational fishermen, scientists and conservationists to conserve and sustain West Coast groundfish and the coastal communities that depend upon them. PMCC's mission is dual and focuses on maintaining the health of the resource as well as the economies of coastal communities. It is this mission, combined with concerns for the state of the groundfish resource, the maintenance of fleet diversity, and the sustainability of the groundfish fishery, that is the catalyst for this testimony.

Background

The West Coast groundfish fishery is in a crisis. One year ago, the Secretary of Commerce issued a disaster declaration for this fishery. The current situation is incrementally worse. At least five species of groundfish have declined to levels where rebuilding plans are required; this month, two more species, dark-blotched and widow rockfish, are expected to be designated as over-fished.

Exacerbating the process of rebuilding these weak stocks is the fact that they are often found where harvest of healthy stocks occurs, and the over-fished species are caught as bycatch. However, we lack reliable data regarding total mortality of these fish, because we currently have no mechanism to measure it. Fishery managers are

compelled to impose trip limits and other restrictions on groundfish landings, lacking the necessary total mortality information.

Coastal communities are reeling under the economic hardship resultant from groundfish stock declines and management responses. The disaster declaration is, unfortunately, deserved. Fisherman, fishing families and local businesses are all suffering. Some areas have already lost all or part of the infrastructure that supports the fishing industry. PMCC joins these communities in aspiring to the vision of sustainable fisheries.

The Pacific Fishery Management Council is moving to implement their precedent setting five-year strategic plan for groundfish, titled "Transition to Sustainability." This thoughtfully-prepared transition envisions substantial capacity reduction, use of marine reserves as a management tool, exploring incentives to encourage less destructive and more selective gear types, and immediately implementing an observer program.

The Observer Program

The cornerstone of possible recovery for the groundfish fishery is a mandatory at-sea observer program. Fishermen and scientists often disagree over the health of a particular species, but neither has the complete data to substantiate their case. Without an observer program, managers must continue to use approximations which, if overly conservative, result in unnecessary limitations on fishing efforts. Conversely, if fish populations are over-estimated, this inadequate data could result in allowing overexploitation—to the long-term detriment of the resource and our fishing communities.

Current estimates of bycatch rates in West Coast groundfish fisheries are largely based on a study done in the mid-1980s. Making critical decisions based on outdated information is a disservice to the resource and the fishermen. From 1995–1998 a very limited observer program operated with voluntary cooperation from relatively few trawl vessel operators. However, the Enhanced Data Collection Project did not provide for random placement of observers. This fact and the voluntary nature of the program essentially rendered the results to be less statistically robust and applicable than a mandatory program would be.

We've learned from extensive data collecting efforts in other fishery-dependent regions that an effective observer program must include these basic elements:

- The observer program and placement of observers must be mandatory.
- Coverage must be coast-wide.
- Observation of all gear types must be included, although coverage need not be 100 percent in order to be statistically valid.
- Observers must be well-trained technicians with no conflict-of-interest.
- Data must be consistently collected over a period of years and *used* in a timely manner.

Congress deserves congratulations for taking the affirmative step last month of appropriating $2.275 million to begin a West Coast observer program. These funds will help develop the structure and finance a rudimentary first year program. PMCC asks that another $2.5 million be provided to the National Marine Fisheries Service (NMFS) through 2001 Supplemental Appropriations—earmarked for the West Coast observer program. This is the requisite beginning to getting the data needed for sound management. In addition we ask that $1 million each be provided to the states of Oregon, Washington and California to allow for observers and data gathering in near-shore and state-managed fisheries, recognizing that fish don't distinguish between state and federal waters.

For fiscal year 2002, we ask that Congress appropriate $5 million for continuing the federally managed observer program. This is the right step to take to help move towards sustainable fisheries.

The need to secure and protect adequate funding for West Coast observers is so vital to the effort to achieve sustainable fisheries that the $2.5 million 2001 Supplemental (plus $3 million for the states) and the $5 million for fiscal year 2002 should be stand-alone lines in the funding requests.

The observer program is a high priority for the Pacific Council. At the November, 2000, Council meeting a PFMC Groundfish Management Team Report began: "The GMT continues to remind the Council that lacking a comprehensive observer program, or a verified full retention program, our estimates of total fishing mortality remain highly uncertain. Absent a tool to measure changes in fish mortality that result from management changes, the GMT has no recourse other than to review trawl logbooks (which contain no discard information) and then make "guess-

timates" as to what extent measures such as gear modification or changes in fishing behavior have altered observed logbook bycatch rates. Moreover, for the nontrawl sector, the GMT has no logbook program or other information to gauge the bycatch consequences of the Council's management measures. The GMT strongly supports the rapid development of an observer program that will provide information on total mortality in the groundfish fisheries."

Other Important Issues

While the number one priority that I emphasize in this testimony is the need to adequately fund an observer program, I want to be clear that Pacific Marine Conservation Council fully supports funding for community relief. Many individuals within the fishing communities urgently need support and retraining as soon as possible. PMCC urges Congress to work with the states to provide adequate funds.

Other research activities beyond observer data collection are needed to move this fishery to recovery. Basic information is not yet available for most of the 83 federally managed groundfish species on the West Coast. We urge Congress to appropriate funds for NMFS to use to fund groundfish research through both the Southwest and Northwest Fisheries Science Centers, to conduct additional at-sea surveys and expand cooperative research efforts with the fishing industry. In fact, these cooperative projects are an excellent way to involve fishermen in data gathering while simultaneously providing some economic relief.

PMCC realizes the urgent need to support the Pacific Fishery Management Council, and encourages Congress to supplement the Council's budget with $500,000 for staff and resources to help implement their strategic plan.

Finally, in the coming session, the Commerce Committee may have the opportunity to consider reauthorization of the Magnuson-Stevens Fishery Conservation and Management Act. PMCC encourages the Committee to include language authorizing the Pacific Fishery Management Council to institute fee systems, should they choose, to enable industry participation for support of observer programs.

I look forward to assisting you and your staff as changes are made to sustain our fisheries. I am prepared to offer any information you may need and I welcome your questions. Thank you once again for this opportunity to share my thoughts and the views of my organization.

Respectfully submitted,

Senator WYDEN. Thank you, very helpful.

Let us move now to Dr. Fujita.

Dr. FUJITA. Thank you very much, Senator.

Senator WYDEN. Nice to see you again.

STATEMENT OF RODNEY M. FUJITA, PH.D., ENVIRONMENTAL DEFENSE

Dr. FUJITA. Nice to be here. Thanks for this opportunity to testify.

I'm Rod Fujita, for the record, with Environmental Defense. I did my post-doctoral training here at the Hatfield Marine Science Center. I have been working on improving groundfish management for about 9 years now.

In your letter, Senator, you asked us to respond to your question of what caused this fishery disaster. And from my perspective, it was inadequate science, risk-prone management, and poor ocean productivity acting together. There's not enough money to survey fish populations thoroughly enough. As a result, stock assessment scientists had to rely heavily on less reliable data, such as catch statistics and logbook records, just as Bob said. The most basic fishing statistic of all, total fishing mortality, remains unknown to this day, because no observers have been on the boats. All this added up to uncertainty about how many fish were actually out there in the ocean.

The right way to deal with uncertainty is to be cautious with the resource. In 1990, the Council adopted a harvest policy that was

thought to be conservative at time, but really it wasn't. This policy called for fishing at a constant rate that would eventually reduce the spawner-to-recruit ratio to about 35 percent of original levels. Morever, the Council did not adequately acknowledge concerns that reducing the absolute numbers of fish might lead to a decrease in young fish and a further decline in spawning, rather than leading to maximum sustainable yield, as predicted by theory.

The Council didn't modify this harvest policy even when new studies published in 1993 indicated that it was too aggressive. The fishing industry, with few exceptions, emphasized how uncertain the stock levels were and argued that precautionary cuts in allowable catch would result in unjustifiable, short-term economic impacts. Environmentalists, along with some scientists and fisherman, took a longer view, urging the Council to establish marine reserves to buffer against uncertainty, to adopt a more conservative harvest policy, and to make the precautionary cuts. The industry's arguments proved more persuasive, in most cases.

In 1997, the Council finally adopted a more conservative harvest policy, at least for rockfish. But by then, at least five major stocks had fallen to less than twenty percent of their estimated unfished levels and were already exhibiting poor reproduction. Low ocean productivity probably exacerbated these declines. However, the fact that large populations of rockfish and other groundfish persisted throughout this period in de facto and regulatory marine reserves, where no fishing was allowed, indicates to me that fishing was probably the major cause of these declines.

To put the groundfish fishery on a sustainable path, several steps ought to be taken, in my view. First, the federal government should provide more financial assistance to the communities and fishermen displaced by the failed policies of the past. Although many fishing industry representatives argued against the more conservative policies that would have averted this fishery disaster, it's the government's responsibility to protect the public trust. Thus, the government should be held accountable for this management failure. I also support Neal Coenen's request for funding, including more money to support the Council's Strategic Plan process for disaster relief and for enhanced research.

The second priority, I think, should be to reduce fishing capacity as soon as possible, ideally by implementing a transferrable individual fishing quota program that comparts with national standards for equity, conservation, and social impact. As was mentioned before, the National Research Council recently issued a report requested by Congress on IFQs. This report recommends that Congress lift the moratorium on IFQ programs. Alternatively, Congress should authorize sufficient funds to buy a specific number of the existing groundfish vessels, not just the permits, to take care of the latent fishing capacity problem.

Third, implement marine reserves in which all fishing is banned as soon as possible. Fish abundance and size are much higher in nearly all of the dozens of reserves that have been studied, including those that have been established on the West Coast, compared to fishing grounds. Reproductive capacity of rockfish and ling cod, many of which have been classified as overfished in recent years, has been documented to be twenty to fifty times higher in no-take

marine reserves than in fished areas. This is probably because fish in the reserves can grow older, larger, and more productive than fish outside the reserves.

Fourth, improve the scientific basis of fisheries management. Stock assessment scientists do the best they can, with very limited and often misleading data. Increased peer review will not solve the root problem. It's helpful, but it will not solve the root problem. We really need to increase the amount of data collected independently of the fishery. Surveys using underwater cameras and videos—some of those studies have been done out of this marine research station—may prove to be the most cost-effective way to obtain this sort of fishery-independent data.

Finally, I think we need to reform the management system. Reforming the management system may be the most difficult reform of all, but it is perhaps the most important. Some Council members and NMFS officials took courageous stands in favor of precautionary management. But it seems unreasonable to expect people who represent the fishing industry to consistently support long-term sustainability and ecosystem protection in the face of pressure from constituents to avoid short-term economic impacts, which are very real and which often accompany these policies. More scientists, conservationists, and consumer advocates should sit on the Council. NMFS should more rigorously implement the precautionary approach and provide objective, apolitical oversight over the Council's recommendations.

Thank you very much for considering my testimony.

[The prepared statement of Dr. Fujita follows:]

PREPARED STATEMENT OF RODNEY M. FUJITA, PH.D., ENVIRONMENTAL DEFENSE

Thank you for this opportunity to testify. I am a marine ecologist and senior scientist with Environmental Defense. Environmental Defense is a national non-governmental organization with over 300,000 members. We use science, law, and economics to craft durable and sensible solutions to environmental problems. I have been working to improve the management of west coast groundfisheries for about 9 years. In addition to my research and writing on the subject, I have served on the Pacific Fishery Management Council's Groundfish Advisory Panel, Habitat Steering Committee, Alternative Groundfish Management Committee, and Marine Reserve Committee.

Summary

My view is that inadequate science and risk-prone management caused the west coast groundfish disaster. Stock assessment scientists could not produce reliable stock assessments because inadequate funding resulted in patchy sampling of fish biomass. As a result, scientists had to rely heavily on fishery-dependent data such as catch statistics, which are known to be misleading. In addition, the most basic fishery statistic of all, total fishing mortality, remains unknown to this day due to the lack of an observer program and reliable logbook records. Scientists advising the Pacific Fishery Management Council (PFMC) and the National Marine Fisheries Service (NMFS) failed to make the large amount of uncertainty associated with stock assessments and the theory of Maximum Sustainable Yield clear to managers, choosing instead to offer multiple alternative models.

While some Council members called for precautionary management, too often the Council, as a whole, simply chose the models which supported status-quo catch levels, or, when cuts were called for, chose intermediate reductions in allowable catch. They sought to minimize short-term economic losses more often than they chose to err on the side of conservation. This tendency was reinforced by a management system that was captured, by and large, by the fishing industry. The fishing industry, with a few exceptions, emphasized the uncertainty inherent in stock assessments and opposed precautionary cuts in allowable catch, arguing that such cuts would result in unjustifiable short-term economic impacts. Environmentalists, along with

some scientists and fishermen, took a longer view, warning that the PFMC's harvest policy was too aggressive given the uncertainty surrounding stock assessments. They urged the PFMC to establish marine reserves to buffer against uncertainty, adopt a more conservative harvest policy, and to make precautionary cuts when it became clear that many groundfish species were not as productive as once thought. However, these recommendations were generally ignored until recently.

The solution is to reduce fishing capacity (ideally with an Individual Fishing Quota program), establish marine reserves where no fishing would be allowed, provide financial assistance to fishermen displaced by management policies, improve the scientific basis for management, and reform the management structure and process.

Diagnosis of a Fishery Disaster

The west coast is the world center for rockfish diversity and was home to very large populations of many kinds of groundfish. They were mostly left alone prior to the 1960's, but fishermen started to catch more of them as the salmon fisheries declined. In the 1970's, groundfish landings began to exceed salmon landings. The groundfish fishery became very large and valuable.

However, this fishery was based on fishing down large populations. Fishery scientists assumed that groundfish reproduction would increase as these populations were thinned out, reducing competition between fish for mates, food, habitat, and other ecological essentials. So they recommended that managers allow fishermen to harvest them at a constant rate, regardless of how abundant the populations were.

The PFMC's scientists recommended a fixed harvest rate that would reduce the reproductive output of groundfish stocks to about 35% of their original levels, with the expectation that this would eventually result in maximum sustainable yield from thinned out populations. No minimum biomass threshold was recommended.

Managers readily adopted this recommendation, despite great uncertainty about stock abundance and productivity. This uncertainty resulted mainly from the lack of systematic and reliable methods for estimating or predicting either of the two main quantities needed to set an allowable catch limit: the number or biomass of fish, and the actual number or weight of fish killed by fishing. Fish biomass was and is difficult to estimate because under-funded research efforts resulted in patchy and infrequent sampling. Furthermore, sampling gear may miss a lot of fish that live in rocky habitats, because it tends to snag in such habitats. Total fishing mortality, the most basic of all fishery statistics, remains unknown due to the lack of an observer program and reliable logbook records. Fishing mortality is hard to predict or control because it often depends on weather and markets. These uncertainties were compounded by natural variability in ocean productivity.

Many environmentalists and scientists called for more conservative harvest rates. In fact, William Clark, the scientist who originally recommended the 35% level in a 1991 paper, later amended his recommendation to a more conservative 40% in a 1993 paper. However, the PFMC adopted the 35% policy in 1990 and reaffirmed this choice for most groundfish in 1997, four years after Clark published his amended analysis. To the PFMC's credit, they did adopt a more conservative harvest rate for rockfish in 1997, based on the emerging consensus that these fishes were particularly vulnerable to fishing due to their long lives and sporadic reproduction. But by then, several stocks had declined to very low levels, precipitating drastic cuts in allowable catch.

There are indications in PFMC's publications that the Council was aware of the dangers of adopting the 35% policy. The main danger was that fishing at that rate could reduce average spawner biomass to unsustainably low levels, because fishing down the stock could result in reduced recruitment, which in turn could lead to less spawners—a vicious cycle of depletion. Environmentalists and some scientists certainly made their concerns clear. However, arguments for more precautionary management were often answered by arguments from the fishing industry that management was already too precautionary and that further cuts in allowable harvest would harm fishermen. The industry's arguments proved more persuasive.

Unfortunately, it turned out that those calling for more precautionary management were right. The large populations of groundfish that existed prior to the fishery were probably necessary to sustain these species in a highly variable ocean environment. So, fishing them down to a fraction of their original levels was not a good idea. Furthermore, most of the reproductive capacity of these populations was probably concentrated in the older fish, which in many cases are not much larger than fish with much lower reproductive capacity. The fishery could not discriminate between these two size classes, by and large, so the most reproductively valuable elements of the groundfish populations were depleted. This probably reduced recruitment in turn, leading to a downward spiral exacerbated by generally poor ocean pro-

ductivity off the west coast since about 1977, and further exacerbated by El Nino events that appeared to get longer and more intense in the 1980's and 1990's.

This poor science and incautious management occurred against a backdrop of a heavily overcapitalized groundfish fleet. The fleet became overcapitalized partly in response to government subsidies, but also in response to the management regime itself. The abundant groundfish stocks attracted fishermen while the salmon fishery was collapsing. Open access to the groundfishery encouraged investment in more and bigger vessels. The implementation of allowable catch limits resulted in shorter seasons, creating an incentive to invest in still larger and more efficient vessels and gear. In such a fishery, there is little incentive to leave fish in the water for conservation purposes, since those fish will be caught by the next fishermen who comes along. The incentive is to engage in a "fish arms race" to win the competition for fish. As groundfish populations declined, the fishing industry could or would not adjust quickly enough. It has been estimated that the fleet had the capacity to harvest several times the allowable catch by the late 1990's. Thus, fishermen were right in arguing that cuts in allowable catches would hurt economically. Payments on vessels and gear purchased while fishing was good had to be made whether the fish were abundant or rare.

Some environmentalists, scientists, and fishermen advocated the use of transferable Individual Fishing Quotas (IFQs) for harvest privileges to turn these incentives around. By dividing the allowable catch into transferable percentage shares, IFQ programs convert fishermen from resource users into investors in a healthy fish population, since their share values increase as the resource prospers. IFQs are especially effective at ending destructive and wasteful races for fish, and at bringing investment into alignment with allowable catch levels. IFQs also allow the industry a way to more quickly adjust to changes in fish abundance by buying and selling shares.

The tragedy of the west coast groundfishery disaster is that it could have been avoided. The PFMC could have adopted a conservative harvest policy based on the precautionary approach, but it often chose to acquiesce to industry demands for less conservative policy choices. It could have instituted weak stock management for the multispecies groundfish fishery, shutting the fishery down when allowable catch limits for the least productive stock was reached. However, this was deemed too costly. It could have established marine reserves, where no fishing is allowed, to protect fish populations from uncertain stock assessments and management errors, but it did not.

Solutions

- First, the federal government should provide financial assistance to fishermen displaced by the failed policies of the past and by policies intended to help rebuild the fishery, such as reduced catch quotas and marine reserves.

Although many fishing industry representatives argued against the more conservative policies that would have averted the disaster, it is the government's responsibility to protect the public's larger interests. Thus, the government should be held accountable for this management failure.

- Fishing capacity should be reduced immediately, ideally by implementing an IFQ program.

The National Research Council recently issued a report requested by Congress on IFQs. This report recommends that Congress lift the moratorium on IFQ programs. The PFMC has already put considerable resources into developing an IFQ program for fixed gear sablefish. If an IFQ program is not adopted, the federal government should authorize sufficient funds to buy a significant number of the existing groundfish vessels, not just their fishing permits. Excessive fishing capacity not only reduces profits, it also creates a strong incentive to argue for less conservative policies.

- Marine reserves in which all fishing is banned should be implemented as soon as possible.

Marine reserves demonstrably allow depleted fish species to recover more rapidly than in fished areas. A recent scholarly survey of 89 scientific papers on marine reserves revealed that 90% of the reserves studied had more fish biomass compared with fished areas. Fish biomass within reserves was on average three times higher. Fish were also significantly larger in 83% of the reserves than in fished areas. These larger fish tend to have much more reproductive capacity than younger, smaller fish characteristic of fished areas. For example, one female Pacific ocean perch (S*ebastes alutus*) that is about 9 inches long generates 10,000 eggs, while one that is twice as long generates 300,000 eggs (30 times more). Therefore, one would expect that

a fish protected within a marine reserve would yield much greater reproductive "bang for the buck" than a fish protected with fishery management (e.g., lower catch rates).

• Improve the scientific basis of fisheries management

The PFMC's response to uncertain stock assessments was to add another level of review to scrutinize the stock assessments. This did not address the root problem, however. Stock assessment scientists do the best they can with very limited and often misleading data. The interpretation of such limited data is often brilliant, but the fact remains that the data are limited in both quantity and quality.

The way to reduce uncertainty in stock assessments is to increase the amount of fishery-independent data. The new observer program will help, but the observers can only count fish that are hauled to the surface during a fishing trip. Surveys of fish abundance that do not depend on the fishery at all are needed, because catch rates can remain high even as fish populations decline, due to the skill of fishermen at finding remaining fish aggregations. Existing fish surveys by NMFS need improvement, because they may miss a lot of rockfish species living in high relief rocky habitats that are relatively inaccessible to the sampling gear. They should also be done more frequently and over wider areas. Surveys using underwater cameras and video may be the most cost-effective way to obtain fishery-independent data.

Equally important, the theoretical basis for fishery management must be improved. The theory of maximum sustainable yield (MSY) has failed for many groundfish species. This theory posits the existence of a curvilinear relationship between spawner biomass and recruitment. Harvest policy recommendations based on the theory are very sensitive to the shape of this curve. However, actual data are highly variable. Hence, curves must be fitted to the data statistically, opening the door to uncertainty and various interpretations. This results in unreliable estimates of the catch rates and biomass levels expected to produce MSY. More effort should be directed at understanding the causes of variability in recruitment, including the influence of environmental conditions and ecological interactions. Fish populations cannot be modeled as if only spawner biomass mattered.

• Reform the management system

Reforming the management system may be the most difficult reform of all, but may be the most important. Some Council members took courageous stands in favor of precautionary management. But it seems unreasonable to expect people who represent the fishing industry to consistently support long-term sustainability and ecosystem protection, in the face of pressure to avoid short-term economic impacts that often accompany such policies.

The make-up of the Pacific Fishery Management Council should better reflect the diversity of groups interested in the fisheries it manages, and in the ecosystems its policies affect. More scientists, conservationists, and consumer advocates should sit on the Council. NMFS should more rigorously implement the precautionary approach, and provide objective, apolitical oversight over the Council's recommendations.

Senator WYDEN. Dr. Fujita, thank you. And I—I just—I want to let Ms. Goblirsch testify. I just want to note, given the fact that you just said it, and I say this appreciating a lot of the good work that Environmental Defense does. As you know, we work extensively with them. I know an awful lot of fishing families—an awful lot of people in the fishing industry—who have a tremendous commitment to sustainability and to conservation. I just want it understood that a lot of them are doing it, because they're in it; because they want to have an approach for the long term that works, for the long term that works for both the viable natural resource and for economic needs. And, I just want to note for the record there are a lot of those folks out there, and I have been talking to them.

Ms. Goblirsch, welcome. I really appreciate having you here today. You're on the front lines and help the families in all this economic hurt. And it is certainly needed.

So you can proceed.

STATEMENT OF GINNY GOBLIRSCH, MARINE EXTENSION AGENT WITH OREGON SEA GRANT, PRESIDENT OF NEWPORT FISHERMEN'S WIVES, AND BOARD MEMBER OF THE WOMEN'S COALITION FOR PACIFIC FISHERIES

Ms. GOBLIRSCH. Thank you, Senator Wyden. We appreciate you being with us today.

My name is Ginny Goblirsch, for the record. I am an Oregon Sea Grant Marine Extension Agent and have been with Sea Grant for the past 24 years. I'm also a partner in our family fishing business. My husband is a long-time Oregon commercial fisherman. I'm active in our community and currently serve as the President of Newport Fishermen's Wives and on the board of the Women's Coalition for Pacific Fisheries.

I would like to ask that my more-detailed written testimony be included as part of the testimony——

Senator WYDEN. Without objection, so ordered.

Ms. GOBLIRSCH. And so I've abbreviated what I've submitted.

I have been asked today to address community assistance needs during this groundfish crisis. As you know, the economic consequences of the cuts in allowable harvest are being felt throughout our communities, from fishing vessels, fish plants, ports, support services, charter boats, and the community at large. The change and uncertainty facing our industry now is unprecedented and will likely be even more traumatic than the salmon crisis.

We are in a very difficult transition period. The fishing industry of the future will be very different than the industry of today. On the West Coast and in Oregon, most fishing vessels and their crew are small, family owned businesses. Most families and businesses operate without the traditional safety nets that benefit most other workers: Workers comp, retirement, minimum wage, health care, and most recently in Oregon, unemployment. But without these safety nets, a crisis such as this becomes even more difficult for industry families. Those who feel the most immediate and direct impact are vessel, plant, and support service workers, as the majority of their work is connected to groundfish.

Oregon has created a safety net of sorts for people who find they want or must leave the industry. In fact, I would say the State of Oregon has done an outstanding job in supporting this industry and looking ahead to provide assistance, from the Governor's Office to state agencies. They're really ahead of the ball on this one.

The Groundfish Disaster Outreach Program got under way last spring. It is to provide a way for the fishing industry to better connect with existing job retraining programs and other community services. I want to emphasize here that what we're doing is connecting industry members with programs that are already funded and already in place that benefit displaced and other workers. And traditionally, the fishing industry folks aren't used to working with some of these agencies. So we're helping to make that transition, helping the agencies understand this new client base for them.

This program, the Groundfish Disaster Outreach Program, is based upon what we've learned from years of working with industry families and communities. Oregon Sea Grant is providing the leadership, in association with the Oregon Department of Community Colleges and Work Force Development, Oregon Economic and

Community Development, and the Oregon Employment Department, Fishermen's Wives. Others closely associated with the industry serve as outreach peers and industry advocates. Currently, a fisherman's wife serves as the program coordinator. And that's not me. That's Connie. She's here today.

Community services available are not always adequate or delivered equally coast-wide, nor is this an easy process for those seeking services. You have to want to make a change in your life and be motivated to do so to be successful. And those are the people we really want to work with.

We are making progress in addressing barriers that have excluded the fishing industry from these services in the past. Fifty industry people, including some fishermen's wives, are currently seeking or receiving re-employment services of some kind or another. What we've found, however, is that the major barrier to fishermen and others in the industry who are interested in transitioning out of the industry through job retraining is a lack of income during training. Because most are considered self-employed, few fishermen or their wives are covered by state unemployment.

Oregon's spending plan for the Community Assistance Funds appropriated by Congress—thanks to your efforts—addresses this barrier by establishing a transition income fund. No agency will take overhead expenses out of these funds. All funds go directly to people who need it.

I also want to underline please followup on finding out where they are. A question was asked earlier about—did Oregon file the proper paperwork. We did the spending plan and, in fact,—got it in very quickly——

Senator WYDEN. You're talking about the disaster money.

Ms. GOBLIRSCH. The what?

Senator WYDEN. You're talking about the disaster money.

Ms. GOBLIRSCH. Yes, the disaster, the one point—I mean part of the $5 million.

Oregon submitted a spending plan late in October. And we asked, at that time, if Oregon had to wait for the other two states, because we already had an outreach program in place. And NMFS was going to find out whether we had to be all together, before we could move forward. But anyway——

Senator WYDEN. Did they get back to you on that?

Ms. GOBLIRSCH. No.

Senator WYDEN. So you actually had discussions with them about getting Oregon's share of the disaster money, and Oregon was ready to go. They said they would get back to you, and you haven't heard anything.

Ms. GOBLIRSCH. We—yeah. We submitted a written spending plan, in addition to the discussions on how Oregon would administer the funds.

Senator WYDEN. If you would get me a copy of the written spending plan, I will submit that for the record. Because, of course, that runs contrary to what we heard NMFS say earlier. And I appreciate your telling me that.

Ms. GOBLIRSCH. Thank you—one of the reasons—one of the many reasons we look forward to your visit today.

As you know, the Pacific Fishery Management Council released its Strategic Plan for groundfish last summer. That Plan calls for reducing the overall number of commercial groundfish vessels by at least 50 percent. As this unfolds, either in a planned, orderly way or through rolling bankruptcy, the ability to connect displaced fishery workers with community support services will be even more important.

So as we look to next year and the following years, we expect that at least tripling Oregon's Community Assistance Funds for transition income will be needed. Again, I would like to emphasize that this is basic assistance, which makes community services already in place go a lot further to help displaced workers. We would like to continue to work with you and your staff to address these needs.

But providing transition income support is only one part of how community assistance plans work. It's important to combine this with other approaches, such as fleet restructuring or buybacks and collaborative research. Both fleet restructuring and collaborative research will benefit by having—by partnering with the Groundfish Disaster Outreach Program, as again we will be able to leverage training funds and other necessary funding opportunities through other agencies to help industry workers either participate in collaborative research or, as part of the fleet restructuring, exit the industry. I have more remarks on that in my written comments.

Senator WYDEN. Okay.

Ms. GOBLIRSCH. During an industry downturn such as this, stress on families becomes intense. The potential for family breakups and worse increases without access to good family counselling. During the salmon crisis in 1994, the only access to family counselling here in Newport was by dialing 911 to get into the county emergency medical health system.

We prefer to offer counselling long before a 911 situation arises. One of the reasons this industry does not have access to counselling is the high cost of these services. Usually, these costs are covered in a good health insurance plan. Over the years, several industry organizations have attempted to put together and administer a group health plan for at least a portion of the industry. The latest effort was by the Women's Coalition for Pacific Fisheries. We spent almost 4 years in data gathering, planning, and coordination for a group health plan for the entire West Coast fishing industry.

This plan was unveiled in the fall of 2000 and was carried by the only major carrier capable of administering such a plan on the West Coast, Regence Blue Cross/Blue Shield. Other industry associations helped the coalition with significant financial contributions to get the plan off the ground. Sea Grant also provided a lot of funding for some of the data gathering, as did the Pacific States Marine Fisheries Commission.

However, Blue Cross notified us that they were pulling out of the plan the Friday before Christmas, 2 months after they offered the plan up to the industry. The official reason given was that we did not have enough people enrolled in the plan to continue. But there was much more to it than that. We learned a lot about the business of health care, turf battles between various Blue Cross providers,

competing costs of various plans within the same company, and health care politics.

There's much more to this than I could talk about here on stage, but I encourage you, Senator Wyden, to continue your efforts to address the need for affordable health care for all citizens of the United States. We do appreciate your efforts.

Had the Coalition been successful, two of the needs of the industry would have been covered, health care and counselling. This is something the industry tried to do for itself, did not ask for federal funding or assistance, and ran right into insurmountable barriers. We'd be pleased to provide you further details on it.

Senator WYDEN. Okay.

Ms. GOBLIRSCH. Thank you.

[The prepared statement of Ms. Goblirsh and material pertaining to the aforementioned spending plan follow:]

PREPARED STATEMENT OF GINNY GOBLIRSCH, MARINE EXTENSION AGENT WITH OREGON SEA GRANT, PRESIDENT OF NEWPORT FISHERMEN'S WIVES, AND BOARD MEMBER OF THE WOMEN'S COALITION FOR PACIFIC FISHERIES

Mr. Chairman, Members of the Committee, my name is Ginny Goblirsch. I have been with Oregon Sea Grant for the past 24 years, serving as a marine Extension Agent for the past 14 years. I have lived and worked in Newport, Oregon that entire time. I am also a partner in our family fishing business. My husband is a long time Oregon commercial fisherman. My work with the fishing industry is in the area of outreach, training and education. I'm involved in many facets of the industry from gear, technology and management to family and community issues and safety. In recent years, much of my effort has been in the areas of fishing family and community issues, and fishing vessel safety. I am active in our community. I serve on the Newport Chamber of Commerce Board of Directors and the Oregon Coast Community College Small Business Development Center Board of Directors. I am currently the President of Newport Fishermen's Wives and serve on the board for the Women's Coalition for Pacific Fisheries, a coast-wide (West Coast), multi-gear fishing industry support organization.

I have been asked to address the potential short- and long-term solutions to aid fishing communities while the fishery recovers and to make comments on associated needs.

Background

Groundfish have been the backbone of our fishing industry for some 20 years. The economic consequences of the cuts in available harvest are being felt throughout our communities—from fishing vessels, fish plants, ports, support services and charterboats to the community at large. The change and uncertainty facing the entire fishing industry now is unprecedented and will likely be even more traumatic than the salmon crisis.

The groundfish quota cutbacks over the last several years have resulted in families and businesses using up their savings, deferring maintenance on vessels (and at home), delaying payment of bills and taxes and otherwise trying to just hold on. Some of these families/businesses have no reserves left. This means that the changes now occurring in the industry are even more difficult to absorb, causing a great deal of family stress. These situations tear families apart.

No amount of aid will take the place of a business, a lifestyle and a livelihood that has defined and supported our coastal communities since the coast was first settled. The transition now occurring is and will be very hard on many families. These families and businesses operate without the traditional safety nets that benefit most workers in our society—worker's compensation, retirement, minimum wage, health care benefits, and, most recently, unemployment.

The degree to which families and businesses depend on income from the groundfish fishery will directly impact their ability to transition through this period successfully. Those who will suffer the most immediate and direct impacts are family fishing businesses and fish processing plant workers where the majority of their work is connected to the groundfish fishery.

Unfortunately, this situation is reminiscent of what happened to the farm families impacted by the farm crisis in the Midwest in the 1980's. Obviously, financial prob-

lems were enormously difficult for these families and many delayed taking action and making decisions—about staying in or leaving their industry—until all their options had run out and they had no choice. Farmers felt humiliated. They had lost control of their lives and their ability to make decisions. They were strong willed, independent people, much like fishermen. They felt self-condemnation for their inability to take charge of their lives. Family and financial advisors, familiar with the industry, would have been very helpful for these families. Many families were too close to their own problems to be able to make good decisions early on. We believe we can and should learn from these farm families, the Government's response, and take some innovative approaches.

We did just that in 1994 when Oregon Sea Grant provided funding for a unique peer outreach project called the Fishing Families Project (Project). We thought of the Project as "support centers without walls." The Project worked directly with fishing families in Oregon's port communities to provide practical information on ways to deal with the economic, personal and social stresses that are a part of the "normal, cyclical nature" of the commercial fishing industry. An important component of this project was the Fishing Family Coordinators. They were fishing family members who lived in coastal ports and, together with Oregon Sea Grant personnel, were able to identify and direct Project activities that directly addressed needs and interests of fishing families. These needs included budgeting in a cyclic industry; debt consolidation/taxes; diversification/business management; fishing marriage/absentee partner; coping skills/stress/anger management; grants/direct aid; health insurance and communication skills.

The Project also worked directly with community resource providers and agencies to enhance their understanding of the fishing community, needs of fishing families, and focused attention on the barriers fishing families encountered when attempting to obtain existing services. Concurrently, the Project brought information to fishing industry families about existing resources available in their communities to help with their business and family needs. The Project also conducted research on the importance of fishing community networks and provided fishing business and family members with training in forming or strengthening effective support networks.

Community-Driven, Short-Term Solutions

The success of the Project's outreach model led to discussions in 1998 with State-level community resource providers about how to incorporate this peer outreach methodology into fishery-related disaster relief plans. A team of state and local partners worked collaboratively for a year to create a possible approach. With the support of the team, the Community Services Consortium in Newport initiated a small pilot program in January 1999 where an "Outreach Peer" would reach out to those in the industry who were ready to transition out of the industry due to the ever-increasing groundfish cutbacks. Due to this pilot's success, by fall of 1999, we finalized a coast -wide pilot program in response to the anticipated West Coast groundfish disaster. Beginning in the spring of 2000, the "Groundfish Disaster Outreach Program" (GDOP) connected existing training resources and community programs to those impacted by the groundfish crisis. The GDOP is administered by the Oregon Sea Grant Extension Program with funding support from the Oregon Economic and Community Development Department, Oregon Dept. of Community Colleges and Workforce Development (WIA), and Oregon Sea Grant Extension. An Advisory Committee, with members from State and local Workforce Investment Act (WIA) service delivery areas, Oregon Economic and Community Development, Oregon Employment Department (OED), Oregon Sea Grant Extension and the GDOP Program Coordinator, provides guidance to the GDOP. The GDOP has been operating successfully now for 8 months.

Industry members who find they either want to or have to transition out of the groundfish fishing industry—and want help in making the transition—can turn to the GDOP for that assistance. The purpose of the GDOP is to create, deliver and evaluate a peer outreach program that assists people in accessing support, resources and training and assists community resource providers in effective outreach through improved communication to this population who are in need of support.

In May 2000, the Governor of the State of Oregon convened a meeting of State agency heads as well as community and industry leaders. The purpose of this meeting was to brief agencies on the groundfish crisis; to assess the crisis and make recommendations as to how each state agency can best participate in the GDOP through directing their services to help those needing assistance; and to identify barriers to services. The GDOP hosted follow-up port meetings with local service providers to brief them on the crisis, address industry barriers to services and identify how to link support services that they provide with the GDOP and the fishing community.

The GDOP has a coast-wide (Oregon) Coordinator. The Coordinator is a fisherman's wife and family business partner. She works with people in groundfish fishing businesses who *want to transition into the future industry as well as with those who want to transition out of the industry.*

There are Six GDOP Outreach Peers who are closely associated with the fishing industry and in the process of transitioning out of the industry themselves. Each Outreach Peer works part-time in one of seven regions along the coast informing and mentoring people in groundfish fishing businesses who want to transition out of the industry. They provide information about community support options for those wishing to remain in the commercial fishing industry of the future.

The Outreach Peers mentor fishermen, fishermen's wives, processing plant workers, and others directly associated with the groundfish industry that want to leave the industry. The concept is to direct them to the assistance they need, and is available, be it personal or family support, re-employment counseling, or job retraining (as administered through WIA). In the short time period the GDOP has been operating, over 100 fishing family business members have been directly contacted, 58 have been referred to agencies/resources and 29 are now enrolled in services.

This is a community-driven program that seeks to connect services to a new audience for many of the community support agencies. We strive to get the most out of existing services and to see to it that these services meet, as much as possible, the needs of the fishing industry. The services available are not always adequate or delivered equally coast-wide. We are making progress in addressing the many barriers that have excluded the fishing industry from these services in the past.

However, **THE major barrier** to fishermen, and others in the fishing community who are interested in transitioning out of the industry via job retraining is the lack of income during training. Because most are considered self-employed, few fishermen/wives are covered by state unemployment and there exist no other sources of income for them while in training. Because of this unfortunate situation, the State of Oregon submitted a Spending Plan for FY 2000 Emergency Appropriations for Oregon's share of the $5 million specifically earmarked for community assistance. To date, we have had no response from NMFS regarding when the funds will be released. The spending plan establishes a transition income (TI) fund for individuals to use to cover living expenses while transitioning out of the industry. TI will only be available for applicants who have developed an approved re-employment or retraining plan for their future in non-fishery related employment.

Target Audience for Transition Income

It is challenging to accurately determine the number of people who might seek or need services because of the unusual rolling nature of this crisis and the various mechanisms people might or might not have to cope. This is not a plant closure where a set number of people know they will be unemployed on a given date.

We do have data on the numbers of commercial fishing vessels in the State of Oregon having permits for groundfish or participating in the open access fishery. We also have data on other permits those vessels/owners have which can, in some cases, help to mitigate the impact of the crisis. We estimate that 108 commercial fishing vessels/businesses are at high risk of bankruptcy (permits limited to groundfish only) and another 79 vessels/businesses are at moderate risk (depending on their success in other fisheries). This represents 40 percent of the groundfish fleet in the State of Oregon and an estimated 400 people. Since not all will seek or need services but others in the industry will, our best *guess* at this time is that the GDOP needs to be responsive to the needs of 400 Oregon applicants. The numbers could go much higher if fish plant closures occur. The numbers could go lower if conditions permit success in other fisheries in which some of these businesses might also be involved.

Our target audience for transition income in FY 2001 is 220 (roughly half of the 400 applicants that have no access to other income/assistance). We are estimating that 35 percent of these applicants will be single; 65 percent will have families.

We expect that once the funds finally do arrive in Oregon, they will very quickly be dispersed. The Oregon Employment Department has agreed to disburse the funds directly to fishermen and other groundfish workers with no agency overhead taken out. That means ALL funds go directly to help industry individuals.

Long-Term Needs and Solutions

As we look to community assistance needs for FY 01/02, we expect that tripling Oregon's community assistance amount for TI assistance to industry individuals displaced by the groundfish crisis is needed. We would respectfully request $6 million dollars to help support the GDOP and directly aid industry individuals who must/want to transition out of the fishing industry.

The Pacific Fishery Management Council released a draft of its Strategic Plan for Groundfish in July of 2000. That plan calls for reducing the overall number of commercial groundfish vessels by at least 50 percent. The ability to continue to connect displaced fishery workers with community support services via the GDOP will be absolutely critical.

In anticipation of the West Coast groundfish disaster declaration, a three-state committee was formed to recommend industry and community needs. This Committee met throughout 1999 with leadership provided by Oregon Coastal Zone Management Association. The recommendations of this Committee covered three major areas: 1) family and community assistance, 2) research, and 3) fleet restructuring. These three areas are interlinked and all are needed for the smoothest possible transition to the future of our industry.

A good plan and funding for **fleet restructuring**/downsizing is an important component of providing a path for a smooth transition to the future of our industry. This would tie directly into the GDOP by providing assistance to those who find themselves part of the group either forced out or who willingly choose to leave the industry. Knowing that such a plan is in place would be very helpful to fishing families and businesses planning for their futures. As was illustrated with the farm crisis, people need good information with which to plan their futures or they are left to hang on, possibly until they have no resources left. This leaves people feeling like failures and bankrupt. This also places added pressures on already struggling community support programs. The ability of people to make good decisions early on about the course of their future is imperative for a smoother transition and is beneficial to local communities.

Family and community assistance would derive huge benefits from **collaborative research.** Not only is this a way to get the data that is critical to proper management of the groundfish industry, it also employs fishermen and their vessels. An expanded research program could potentially tie in with the GDOP with training opportunities leveraged by the GDOP to utilize *existing Department of Labor training funds* to obtain master's/mates licenses, small business development training and other necessary facets of transitioning a strictly commercial fishing business into one which continues to commercially fish but also is hired for research and charter projects. A program like this is getting underway on the East Coast and should be considered for the West Coast.

In many of Oregon's coastal communities, access to personal, family, and financial **counseling** is limited. And, where it does exist, people are still unable to take advantage of it because of the high cost of such services. During an industry downturn such as this, stress on families becomes intense. Without access to good family counseling, the potential for family breakups and worse increases. During the salmon crisis in 1994, the only access to family counseling here in Newport was by dialing 911 to get into the county emergency mental health system. We'd prefer to offer counseling long before a 911 situation arises. Lessons learned from the farm and salmon crisis illustrate the importance of access to good family and financial counseling.

Because the industry has not had the benefit of group **health insurance,** many families cannot afford private counseling. They either do without any health care insurance or are inadequately covered.

Recent research by Oregon Sea Grant indicates that 31 percent of fishing families are uninsured (this is almost three times the State average). And, although Oregon is fortunate to have the Oregon Health Plan and FIHAP, many fishing families do not qualify. For those who are insured, most have only major medical.

Over the years, several industry organizations have attempted to put together and administer a group plan for at least a portion of the industry. The latest effort was by the Women's Coalition for Pacific Fisheries (WCPF). WCPF spent almost 4 years in data gathering, planning and coordination for a group health plan for the entire West Coast fishing industry. This plan was unveiled in the fall of 2000 and was carried by the only major carrier capable of administering such a plan on the West Coast—Regence Blue Cross Blue Shield. However, Blue Cross notified WCPF that they were pulling out of the health plan the Friday before Christmas. The official reason given was that we did not have enough people enrolled in the plan to continue but there was much more to it than that. WCPF learned a lot about the business of health care, turf battles between various Blue Cross providers, competing costs of various plans, and health care politics. There is much more to this than can be provided here but I encourage you, Senator Wyden, to continue your effort to address the need for affordable health care for all citizens of the United States. Had the WCPF plan been successful, two of the needs of industry would have been covered—health care and counseling. This is something industry tried to do for itself, did not ask for federal funding or assistance and ran right into insurmountable bar-

riers. WCPF would be pleased to provide any and all information we can about this case to you.

The farm crisis, the timber crisis and now the fisheries crisis have all shown that with appropriate support, people can successfully transition to the future.

Thank you.

OREGON DEPARTMENT OF FISH AND WILDLIFE
Portland, OR, September 22, 2000

Dr. STEPHEN FREESE,
National Marine Fisheries Service,
Seattle, WA.

Dear Steve:

With the assistance of Oregon Sea Grant Extension Specialists Flaxen Conway and Ginny Goblirsch, we have prepared the enclosed request and spending plan for the FY 2000 emergency appropriation in response to the West Coast groundfish fishery disaster.

As you are aware, the conservation measures and commensurate reductions in groundfish harvest opportunities in 1999 continued in 2000, and the latest stock assessments indicate further reductions will be necessary in 2001. The Pacific Fisheries Management Council's draft Strategic Plan for groundfish calls for at least a 50 percent reduction in fleet capacity to scale fishing back to match future expected harvests now that the fishery has gone through an extensive fishing down process. In recent years, many individuals and families have already had to make hard choices out of economic necessity and desperation. Council members and state fishery managers expect these conditions to persist during the foreseeable future.

Federal appropriations for disaster relief are needed as soon as possible to assist those transitioning out of the industry. The $1,750,000.00 of federal funds will help provide the necessary support in direct benefits to qualified candidates to help them with the steps of the difficult process of leaving one's livelihood, retraining, and transitioning to other jobs. The Department has identified appropriate match dollars and is prepared to commit its share of the $583,333.00 needed. Details of the different state match sources will be outlined in Oregon's full grant proposal. Additional matching funds will also be available from Oregon Economic and Community Development Department, Oregon Sea Grant Extension, and Oregon Coastal Zone Management Association.

I want to thank you in advance for consideration of this proposal for disaster relief. I look forward to working with you to implement this much-needed program.

Sincerely,

JAMES W. GREER,
Director.

CC: ROY HEMMINGWAY
DORIS PENWELL
FLAXEN CONWAY
GINNY GOBLIRSCH
NEAL COENEN
JIM GOLDEN

Spending Plan For FY 2000 Emergency Appropriation In Response to the Disaster in the West Coast Groundfish Fishery

State of Oregon

Situation

The National Marine Fisheries Service (NMFS), on behalf of the Secretary of Commerce, declared a commercial fishery failure in the Pacific Coast Groundfish fishery on January 19, 2000.

Congress appropriated funding of $5,000,000 in response to the disaster in the West Coast groundfish fishery. The states were specifically directed to use the funds to: 1) pay compensation to individuals who have suffered a direct negative impact from the West Coast groundfish fisheries disaster; 2) provide direct sustaining aid to such fishermen; and 3) provide assistance to communities that are dependent on the West Coast groundfish fisheries and have suffered losses from such disaster.

Congress directed that the states of California, Oregon and Washington divide the funds between the three states in proportion to the impact of the disaster in each state. Discussions were held with the three State Fish and Wildlife Directors at the

August 28–30, 2000 meeting of the Pacific States Marine Fisheries Commission and, with input from industry and congressional representatives, the states agreed to allocate the funds as follows: 35 percent each to California and Oregon, and 30 percent to Washington. This represents a sum of $1,750,000.00 to Oregon. A 25 percent ($583,333.00) matching amount from Oregon is required to receive these funds.

Oregon's point of contact for its disaster aid program is James Greer, Director, Oregon Department of Fish and Wildlife. The funds are to be administered by the National Marine Fisheries Service in cooperation with the Oregon Economic and Community Development Department and/or Oregon Employment Department, and Oregon Sea Grant Extension.

Background

In anticipation of the West Coast groundfish disaster declaration, a three-state committee was formed to recommend industry and community needs. This committee met throughout 1999 with leadership provided by Oregon Coastal Zone Management Association. Further assistance was provided by Oregon Department of Fish and Wildlife and Oregon Sea Grant Extension. The recommendations of this committee covered three major areas: 1) family and community assistance; 2) research and 3) fleet restructuring.

The experience and expertise brought to this group by Oregon Sea Grant Extension addressed the family and community assistance portion of the recommendations. Since 1994, Oregon Sea Grant has provided funding for a unique peer outreach project called the Fishing Families Project (Project). The Project worked directly with fishing families in Oregon's port communities to provide practical information on ways to deal with the economic, personal and social stresses that are a part of the commercial fishing industry. An important component of this project was the Fishing Family Coordinators. They were fishermen's wives who lived in coastal ports and, together with Sea Grant personnel, were able to identify and direct project activities that directly addressed needs and interests of fishing families. Needs identified by the families included budgeting in a cyclic industry; debt consolidation/taxes; diversification/business management; fishing marriage/absentee partner; coping skills/stress/anger management; grants/direct aid; health insurance and communication skills. The Project also worked directly with community resource providers and agencies to enhance their understanding of the needs of fishing families and address barriers fishing families met when attempting to obtain services. Additionally, the Project brought information to fishing industry families about resources available in their communities to help with their business and family needs. The Project also provided family members with training in forming or strengthening effective support networks. This training bolstered three Oregon fishermen's wives organizations and helped to form the region-wide, multi-gear, multi-fisheries network called the Women's Coalition for Pacific Fisheries.

The success of the Project's outreach model led to discussions in 1998 with community resource providers about how to incorporate peer outreach into fishery-related disaster relief plans. A team of state and local partners worked collaboratively to come up with a possible approach. With the support of the team, the Community Services Consortium in Newport initiated a small pilot program in January 1999. In fall of 1999, the plan was finalized for a coast wide pilot program in response to the anticipated West Coast groundfish disaster. Beginning in April 2000, the state of Oregon provided funding for a 7-month, coast-wide pilot program called "Groundfish Disaster Outreach Program" (GDOP), a continuing program that promotes existing training resources and community programs. The GDOP is administered by the Oregon Sea Grant Extension Program with funding support from the Oregon Economic and Community Development Department, Oregon Rapid Response Program, and Oregon Sea Grant Extension.

Innovative Response

The purpose of the GDOP is to create, deliver and evaluate a peer outreach program that assists people in accessing support, resources and training and assists community resource providers in effective outreach through improved communication to this population who are in need of support. The audience includes people in the groundfish fishing business including fishermen, business partners (wives), fish plant workers, industry support service workers (gear stores, fuel docks, etc.), charterboat workers and local, state and federal resource providers.

The leadership team of Flaxen Conway, OSU Department of Sociology, and Ginny Goblirsch, Marine Extension agent (and fisherman's wife), both with Oregon Sea Grant Extension, will continue to direct the GDOP. In addition, GDOP employs a full time Program Coordinator, Connie Kennedy. The GDOP Coordinator, a fisherman's wife, works with people in groundfish fishing businesses who *want to transi-*

tion into the future industry as well as with those who want to transition out of the industry. Six GDOP Outreach Peers (much like the Fishing Family Coordinators, closely associated with the fishing industry and in the transition process themselves) work part-time in seven regions along the coast informing and mentoring people in groundfish fishing businesses who want to transition, out of the industry. They also provide information about community support options for those remaining in the industry. An Advisory Committee, with members from the Oregon Rapid Response Program, local Workforce Investment Act (WIA) service delivery areas, Oregon Economic and Community Development, Oregon Employment Department (OED), Oregon Sea Grant Extension and the GDOP Program Coordinator, provides guidance to the GDOP.

In May 2000, the Governor convened a meeting of state agency heads as well as community and industry leaders. The purpose of this meeting was to brief agencies on the groundfish crisis; to assess the crisis and make recommendations as to how each state agency can best direct their services to help those needing assistance; and to identify barriers to services. The GDOP has also hosted port meetings with local service providers to brief them on the crisis, address industry barriers to services and identify support services available. The outreach peers mentor fishermen, fishermen's wives, processing plant workers, and others directly associated with the groundfish industry that want to leave the industry. A key service is job-training programs for dislocated workers administered through WIA. In the short time period the GDOP has been operating, 97-odd industry members have been directly contacted, 52 were referred to agencies/resources, and 29 are now enrolled in services.

The State of Oregon proposes to support the continuation of the successful Groundfish Disaster Outreach Program past the pilot ending date of October 31, 2000. In this way, the state will not be creating a new program and development expenses will be kept to a minimum. Except for the Program Coordinator salary, all funds will go directly to people impacted by the disaster. *The state supports that no administrative costs be incurred for this FY 2000 Emergency Appropriation.*

Lessons Learned and Future Needs

Three key things we've learned are substantiated by the success of the program. First, we have learned that working collaboratively to create this program has resulted in a response that is innovative and community-driven. Second, we've learned that **THE major barrier** to fishermen and others interested in transitioning out of the industry via job training is the lack of income during training. Most are considered self-employed, few fishermen/wives are covered by state unemployment and there exist no other sources of income for them while in training. Third, we've learned that peer outreach *works.*

State funding for the Outreach Coordinator ends on October 31, 2000. We believe that the Oregon Rapid Response Program will continue to provide funding for the outreach peers for as long as they can and they see benefits to their programs. Oregon Sea Grant Extension will continue to support GDOP project leaders Conway and Goblirsch.

Because of the previous successes with peer outreach through the Fishing Families Project and the pilot GDOP, the State of Oregon proposes to use Oregon's share of the disaster assistance funds to: 1) continue supporting the GDOP (not start a new program) through funding the Program Coordinator, and 2) provide transition income (TI) to industry members who want to transition out of the industry and who have accessed resources to help them develop a WIA/OED training plan for their future.

Target Audience for Transition Income

As previously stated, the target audience for the GDOP includes anyone directly associated with the groundfish industry that has suffered significant impacts (loss of revenue) as a result of the groundfish crisis. This includes commercial fishing businesses (vessel owners, operators and crew); their business partners (wives); fish plants (owners, managers and workers); charterboats (owners, operators and crew); and all support services (workers in gear stores, fuel docks and the like).

How many people are we talking about here? Because of the unusual rolling nature of this crisis and the various mechanisms people might or might not have to cope, it is impossible to accurately determine the number of people who might seek/need services. This is not a plant closure where a set number of people know they will be unemployed at a specific time. We do, however, have data on the numbers of commercial fishing vessels in the State of Oregon having permits for groundfish or participating in the open access fishery. We also have data on other permits those vessels/owners have which can, in some cases, help to mitigate the impact of the

crisis. Therefore, we estimate that 108 commercial fishing vessels/businesses are at high risk of bankruptcy and another 79 vessels/businesses are at moderate risk (depending on their success in other fisheries). This represents 40 percent of the groundfish fleet in the State of Oregon and an estimated 400 people. Since not all will seek or need services but others in the industry will, our best guess at this time is that the GDOP needs to be responsive to the needs of 400 applicants. The numbers could go much higher if fish plant closures occur. The numbers could go lower if conditions permit success in other fisheries in which some of these businesses might also be involved.

Our target audience for transition income is 220 (roughly half of the 400 applicants that have no access to other income/assistance). We are estimating that 35 percent of these applicants will be single; 65 percent will have families.

Spending Plan

GDOP Program Coordinator

$66,000.00 is needed to support the full-time Program Coordinator for 12 months. Included in this amount are salary and associated expenses (such as travel, phone, fax, email, postage and mailing) for a 12-month period. The Program Coordinator would continue the work as previously described.

Funding would flow from NMFS directly to Oregon Sea Grant Extension in the amount of $66,000.00 for a 12-month period. No administrative costs (overhead) will be incurred during this period.

Transition Income

$1,684,000.00 would be used to establish a fund for transition income (TI) for individuals (a type of individual TI account) to cover living expenses for those transitioning out of the industry. TI will only be available for applicants who have developed a WIA/OED training plan for their future in non-fishery related employment. Criteria for this TI assistance distribution process and the assistance are:

Design a process that is flexible and readily changed when improvements can be identified.

NMFS disbursements should be made at least quarterly ($421,000 per quarter with the first allocation up front) so that the entities that administer this program do not have to use state funds and process reimbursement requests.

Qualified applicants must certify that they are part of the groundfish industry either as a fisherman, business partner (wife), fish plant worker, charter boat worker, or support service worker and have been negatively impacted by the groundfish crisis. TI assistance will be limited to 6 months to 9 months or less per applicant depending on the job-training plan established.

TI assistance will be based on a simple income verification process. For example, our recommendation is that an applicant with a family could receive $1,500/month if they had no other access to support (unemployment insurance). If the applicant has access to other support (unemployment under $1500/month) their TI allotment would be only the difference bringing them up to $1,500/month. For a single/non-married applicant, the allotment would be $1,000/month (with the same situation regarding access to other support). The recipients would be responsible for self-certifying their continued participation in the training plan and their need for this TI (through calling in and/or filling out forms on a bi-weekly or monthly basis).

Final qualifying criteria and program administration arrangements will be specified in the State of Oregon grant application to NMFS.

Funding will flow from NMFS directly to the Oregon Employment Department or to the Oregon Employment Department via the Oregon Economic and Community Development Department in the amount of $1,684,000.00. No administrative costs (overhead) will be incurred during this period.

State Matching Contributions

Since the commercial fishery failure in the Pacific Coast groundfish was declared on January 19, 2000, the State of Oregon has provided (and will continue to provide) a combination of in-kind and state direct matching funds in the amount of $583,333.00.

Suggestions for State Match:

The State of Oregon will document in its grant application to NMFS both in-kind and, possibly, direct matching funds. Here, the state has a number of options it will pursue:

1. Program, Support Development and Fishery Research Contributions

If expenditures since January 19, 2000 are allowed, the state can document up to $83,000.00 of in-kind expenditures developing a disaster relief response related

to direct assistance and income support. In addition, the state can document approximately $124,000.00 in funding explicitly reviewed and appropriated by the Oregon legislature for groundfish research in response to the disaster. These funds for research have already been reviewed in a Groundfish Research Plan submitted to the Department's legislative oversight committee and approved for projects initiated for the Spring and Fall of 2000, and the Spring of 2001.

These projects focus on the areas of maturity by catch, gear and genetic studies designed to improve stock assessments. The amount identified includes only the amounts expected to be paid directly to fishermen for at-sea contract charters and do not include the Department's personnel services or overhead costs. These costs, if allowed, would represent an additional $247,000.00 in direct matching expenditures. The total above represents a matching amount of $454,000.00.

The state can also document $35,000.00 of direct matching funds for the GDOP Program Coordinator salary and expenses from May 1, 2000 until October 31, 2000 from the Oregon Economic and Community Development Department.

2. Expected In-Kind Contributions

Other in-kind contributions following grant approval are expected throughout calendar year 2001 in amounts similar to program development costs (i.e. $83,000.00).

3. Emergency Appropriations Board Direct Allocation

The state's third option for match is to approach the legislature's Emergency Appropriations Board for a direct allocation. In this event, the direct payments for those individuals transitioning out of the groundfish fishery would extend Oregon's proposed program.

Suggestions for Timeline

The Pacific Fishery Management Council has just announced further harvest reductions expected for the fishing year beginning January 1, 2001. The State of Oregon's objective is to bring this assistance program online at that time. Our goals and timeline are as follows:

1. October 15, 2000 or before: Appropriation Committee release of funds to NMFS.
2. October 15, 2000 to November 30, 2000: State of Oregon grant application process to NMFS (with Oregon documentation).
3. December 30, 2000: NMFS grant approval.
4. January 15, 2001: Start Oregon program delivery.

Findings for Supplemental Appropriations Guidance and MSA S.312 (a) Compliance

Authorized Appropriations Purposes in Bill and Report Language

The State of Oregon's proposed spending plan will provide direct compensation to individuals and families for lost income resulting from significantly reduced fishing opportunities. The state's program intends to sustain this aid over a period of time needed and suitable to obtain job training for alternative occupations outside the fishing industry.

In the event of additional, larger appropriations, the state's program could be expanded to compensate for the other types of losses and community assistance programs such as job development.

MSA Section 312(a) requires that disaster assistance prevent a future fishery failure and assist a community or restore the fishery and assist a community.

The State of Oregon program seeks to prevent a future fishery failure and assist a community. The usual declining fishery cycle often results in fishers waiting for an upturn in one fishery by shifting to other fisheries or related activity. While this may have worked in the past, present circumstances indicate no flexibility exists in other major West Coast fisheries (salmon, crab, and shrimp). Therefore, the state's program seeks to permanently remove fishers from the industry. This will result in less competition for the limited remaining jobs in fisheries and prevent future conflict and failure.

In addition, the community of individuals and families dependent on the fishing industry will be aided directly through training for alternative occupations. The community at large will also benefit directly and indirectly by having displaced workers prepare to continue as productive employed members of the community.

Senator WYDEN. Ms. Goblirsch, thank you very much. You're an excellent advocate for the families, and we really appreciate that.

Senator WYDEN. Mr. Eaton, a couple questions for you, first on this observer issue. My understanding is that there are some differences of opinion between how the big boats and the small boats look at this issue. The larger boats have some concerns about having to have to pick up some of the costs for the observers, and some of the smaller boats not having the same responsibilities with respect to observers.

What do you think the ramifications of this are? Is this going to hinder the ability to get good data to not have folks on these small boats? And, I gather you probably can't get another body on some of these small boats, just in a physical sense.

Mr. EATON. Thank you, Senator. That's a good question. My understanding is that there are national standards that are established for observers and the vessels that they will go out on. And I think it is true that in most cases the larger vessels wind up taking the most observers.

On our coast here, the larger vessels probably also catch the most fish. For instance, I've seen a number which indicated that trawl vessels, which are going to be the largest on our coast, catch 90 percent of the fish, or something like that. So you know, practically speaking, there probably ought to be more observer emphasis placed on this.

In 2000, last year, there was a U.S./Canada observer conference held in St. Johns, Newfoundland. Our organization attended that. We were the only non-profit organization from the West Coast. We were the only conservation group from anywhere in the United States to attend that conference. And we were specifically invited to be there.

Over 3 days we learned an awful lot about observers. One of the things was that in terms of implementing an observer program that reaches through all of the fleets, the vessel size does not have to be a limiting factor; there are models around the world that can be used to observe smaller vessels where you can't actually put somebody on board.

The other thing I might add is that we were asked to make a presentation about the observer program on the West Coast. And our presentation was basically, "We want a program, but we don't got one." There were other countries at the conference smaller, third-world countries whose fleets were 100 percent observed. And they could not believe that we on the West Coast, with a fishery that was forty years old and as important as our fishery is, did not have an observer program in place. They couldn't believe it. So we've got a long ways to go.

Senator WYDEN. I thank you. I thank you for your testimony, and this is helpful. I obviously want to be fair to both the big boats and the small boats, in terms of funding this and structuring. We'll be asking for your input on it.

Mr. Fujita, a number of the fishermen have told me that by modifying their trawl here, there are areas of the ocean that are not fished and are essentially marine reserves right now. This is at least how they would define it.

In your judgment, are these areas significant in size, and would it be possible to create new reserves to incorporate them and recognize some of what the fishing families are doing now and accommodate some fishing elsewhere?

Dr. FUJITA. Thank you, Senator. I can't comment on the significance of the size of these de facto reserves. I understand from fishermen that they have been successful. The trawl footrope regulation has apparently been successful at keeping trawl gear out of those rocky areas. And those are areas that are important biologically. I don't know how big they are. But I would advocate incorporating those areas into a marine reserve system. Certainly it makes sense from an economic point of view, if they're already being avoided. And biologically, it makes sense, because they probably incorporate very productive habitats.

Senator WYDEN. I would just like to have recognition for what the fishing families are doing now. It seems to me your ideas are certainly worth exploring. I think you've heard me throughout this hearing say that I want us to figure out a way to have a sustainable fishery that's sensitive both to environmental and economic needs, which is obviously easier said than done. But, it seems to me that when the fishing families are making headway, through modification of gear and those kinds of approaches, it ought to be recognized in some kind of way.

The World Wildlife Fund is involved in gathering various places around the world in vessel buyout programs and efforts to be part of again an industry environmental coalition to find the funds for these programs. Where does your organization stand with respect to buyback and helping with the trawlers and others to build this kind of a coalition?

Dr. FUJITA. Well, Environmental Defense, in general, favors market-based approaches to reduce fishing capacity. If you consider buyback programs and ITQs as different ways to approach essentially the same problem, reduced fishing capacity, we prefer to see ITQs with standards put in place. We think they're more efficient.

But we recognize that given the ITQ moratorium, buyback of the trawl fleet would be faster, if the funds could be made available. I think that if they're properly constructed with some conservation-oriented sideboards and also address the latent capacity and reduce the number of actual fishing vessels, not just the permits, we would be supportive and would join in the coalition to push the proposal.

Senator WYDEN. We'll be working frequently with you. You can be sure of that.

Ms. Goblirsch, you were here when the National Marine Fisheries Services said that they might be able to get the disaster assistance to all these families in 11 months, 11 months time. You know Congress passed the legislation, and I gather that you all sent them applications quite some time ago.

What's your reaction to what you heard from NMFS today?

Ms. GOBLIRSCH. I'm shocked. We actually naively thought perhaps we'd see the funds as—by mid-November or certainly—or the end of November. Because we had funding in place, state funding in place, to continue on that went so long.

A lot of this is timing. The funds available from the other agencies have their own fiscal year. So in order to be the most beneficial to the most people all at the same time, timing is critical. And we're getting way out of kilter here. The longer this goes on, the more difficult it's going to be.

But to say disaster relief funds take a year to reach the site of the disaster is pretty bizarre, I think.

Senator WYDEN. Well, I can tell you I'll be following this up with Senator Smith right away. I want you to know, as you leave here today, that we are just going to go after this in every way possible. It just seems to me to send the worse possible message that here is an agency that has its budget doubled by the U.S. Congress and now will come on in and basically say they will try to get disaster assistance out in about a year.

I was not aware of the fact that you all sent application materials in November. Of course, we were led to believe earlier in this hearing that that wasn't the case; that we were still awaiting grant applications.

Ms. GOBLIRSCH. We got on it right away.

Senator WYDEN. Pardon me?

Ms. GOBLIRSCH. We got on it right away, as soon as we heard back from your office that they had been appropriated.

Senator WYDEN. I just want you to know that we are going to be very aggressive in staying after this. We are going to liberate those dollars——

Ms. GOBLIRSCH. Thank you.

Senator WYDEN.—for where they were intended to go. And that's to families that are hurting.

I also want you to know I'm going to followup on this health care issue. Health care has been sort of my special passion since my days as Director of Oregon Gray Panthers.

My understanding is that in that case, in the example that you were talking about, there was never any money allocated from the government to assist in this. You were just trying to get a private plan using essentially the group, in order to make sure they had some bargaining power and some leverage.

Ms. GOBLIRSCH. Representing 50,000 families on the West Coast and Alaska, yes.

Senator WYDEN. Because I think as you're aware—and they're still working out some of the developmental details—Senator Kennedy was actually able to get some funds for fishing families in New England. They haven't gotten the Plan yet, because of some bureaucratic problems, but it seems to me that what you're asking for should again, utilizing the marketplace kinds of principals, be something doable. And, I'll follow that up.

Ms. GOBLIRSCH. We did think a little bit about asking for some assistance. But what was happening with groundfish and all the needs, funding needs, we didn't want to come in and ask for more money. And we felt that given a fair plan, that we could be successful. What we had the most problem with was basically the politics of the companies.

Senator WYDEN. What is your sense about why Blue Cross and Regence pulled out at the end?

Ms. GOBLIRSCH. You know, I'd really rather not testify to that on stage, because we're still in some negotiations with them.

Senator WYDEN. Why don't I offer up that——

Ms. GOBLIRSCH. I think it needs to be addressed again.

Senator WYDEN.—if you want a United States Senator to help spur the discussion——

Ms. GOBLIRSCH. That's why I brought it up.

Senator WYDEN. I hereby volunteer.

Ms. GOBLIRSCH. Thank you.

Senator WYDEN. All right. The last question that I have for you, Ms. Goblirsch, involves a policy issue. Apparently, in New England some of the fishing families have been successful in qualifying cooperatively as researching an emerging industry, which has made them eligible for assistance.

Are you interested in trying to do the same sort of thing on the Oregon Coast?

Ms. GOBLIRSCH. My colleague, Flaxen Conway, and I were in a telephone discussion with David Bergeron, who is with the Massachusetts Fisherman's Partnership, and we talked to him last week. He was talking about collaborative research funds that are coming into the East Coast or the Northeast, where fishermen have to be involved in 75 percent of the research. And because they have been able to define collaborative research—get this—as an emerging industry, they could leverage Department of Labor funds to provide training to crews to do the research or to get masters or mates licenses, in running a small business, to diversify the fishing business to something that other—that commercial fishes but also does research and charters. And so yeah, emerging business.

Senator WYDEN. We will get on that——

Ms. GOBLIRSCH. So we thought there was potential on the West Coast to do something similar.

Senator WYDEN.—with you as well. My understanding was that it was moving forward on the East Coast, and I think we ought to take a look at it.

Unless you all have anything further, we'll excuse you now. Thank you all.

The third panel, Steve Bodnar, Coos Bay Trawlers; Michelle Longo Eder, who is a lawyer and from a private fishing family; Ralph Brown, groundfish trawler; and Rod Moore, seafood processor.

Senator WYDEN. Welcome all of you, and thank you for your patience. I'm going to adhere to the time rules, so I can get questions for the audience. We'll look forward to talking to all of you.

STATEMENT OF STEVE BODNAR, EXECUTIVE DIRECTOR, COOS BAY TRAWLERS' ASSOCIATION, INC.

Mr. BODNAR. My name is Steve Bodnar. I represent the Coos Bay Trawler's Association. And this is my anecdotal testimony today. And I present it that way, because usually anything that fishermen say is anecdotal.

Perhaps this is the never-ending question, because—the question of what caused the decline. It's a never-ending question, because it depends on one's own perspective. First, addressing the official term environmental groups had submitted into the Magnuson-Ste-

vens verbiage, "overfishing," points to the harvesters as the culprits of the depleted stocks. However, the Magnuson-Stevens Act now requires overfishing terms to be used any time the stock—a stock is depleted, no matter what the cause.

The government's and managers' willingness to blame the fishermen and appease the environmental groups leads the industry to believe that Congress is so gullible that it is willing to hold no managers accountable for fishery mismanagement. Fishermen have only done what the law and the managers have allowed us to do for over 20 years. The fishermen of this nation feel that the partnership created to free our waters of foreign fleets has backfired in our faces, and the government has set us adrift to fend our ourselves.

The managers are the real culprits of the fishery demise, because they are not held accountable for decisions. What would the public's perception be today if the official term that was put in the Magnuson-Stevens Act was mismanaged species for any depleted stock?

Another perception conveyed by the budget structure that affects how fishermen feel about management and—and their scientists is the fact that the majority of—a major part of the National Marine Fishery Service's budget is derived from Saltonstall-Kennedy funds, which comes from tariffs on imported fish. Instead, their money should come from the successful management of U.S. fisheries and not imported fish at all. The perception fishermen have is that National Marine Fisheries Service deliberately lowers quotas to increase the imports to increase their budget.

The level of science that managers use to determine harvest levels could fit into a thimble; and yet, they call it the best science available. The science community is as scattered as the fishing fleet itself. Oceanographers rarely talk to the biologists and visa versa.

If the science is to be believable, then the fishermen need to be an integral part of the data collection system. Most managers in science believe that fishermen cannot be trusted to gather the data, whether they do it all alone or while there's an agency personnel on board. Data gathering used for fishery evaluation is mostly done by non-fishermen, agency personnel, where very small samples are taken and extrapolated to paint a picture of the entire ocean. The data is then manipulated with computer synthesis, and the final results of the evaluation studies are presented as gospel by people that rarely, if ever, go out to sea. The results are often on the other end of the spectrum of what fishermen see every day on the ocean. So fishermen have a hard time believing what they hear, rather than what they see.

Ocean conditions may have had a hand in the declining fish. Warming oceans and shifts in the warm spot locations change the upwelling and currents. Fish move when conditions warrant it, and they cannot be found in their usually places. Just because fish aren't where they were last year doesn't mean the fish have disappeared off the earth. They have just moved and left no forwarding address.

Impacts, every entity that fishes is impacted by the managers' decisions. Sports fishermen as well as commercial fishermen are

impacted. The coastal communities are also impacted in every way imaginable. Fishermen may have brought in $20 million to a community just 6 years ago. But today, that same community may only realize $5 million. That kind of money removed from small communities has very hard impact on, not only on community government, but also on schools, families, and most of the lives of the community, whether they fish or not.

Short- and long-term solutions. The infrastructures of the communities are melting away. Processors, watching the quotas get lower and lower, have virtually removed the latent processing capacity from each community. Successful processors have lowered the price of fish, which has forced the small processors out of business. The more powerful processors buy out the now defunct plants, gut them, and close the doors forever. Jobs are lost and never replaced.

The structures are left to rot as they—rot as they refuse to sell; because if they do sell it, they only increase their own competition. With the competition gone, lower prices are offered for the fishermen for their product. And when we try to resist the lowering of prices, we are told by the processors the processor can't pay more, because the imported fish sells for less, and there is plenty of imported fish coming into this country.

U.S. fish have to compete with foreign—with countries that subsidize their own fish efforts and with countries that have very little to no environmental regulations. The government needs to provide incentives to discourage imported fish of undermining the American fish-based economy.

Our fishing—our fishery managers—managers have to change their relationship with fishermen. We need to be true partners in fishing management. We need to communicate with each other. We need to brainstorm together. We need to work together to improve the renewable resource. And we need to move beyond who is to blame and how—to how we can fix the system.

The frustration level has reached such a high level that managers are starting to bail out of the system, and fishermen are going broke and being forced out of business. Scientists and managers say they don't have enough information available about the whole fleet's fishing practices. They proclaim that there are holes in data or data they don't have a clue about. A law that requires all commercial fishermen to keep logbooks on all fishing trips. However, only the trawl fleet is forced to keep these records. All fishermen should be required to keep logbooks.

Some of the holes in the data are data fishermen could record in their logbooks to help provide missing information. But, you know, Senator, we have never been asked to keep discard data. The managers' answer is not mandatory logbooks for everyone with the required recorded data but an elaborative, expensive observer program.

If the entire fleet were to require to have the new electronic logbooks operational on our books, then the managers would have 100 percent fleet coverage of logbook information real time and, if utilized properly, would provide a vast amount of data that the managers don't currently have, which could remove some of the uncertainty in our fishery management.

We programs that would train fishermen and their families for new careers. We need to encourage replacement industries to move into these communities to take advantage of these displaced workers. We need tax relief for these—to these communities, so that they can take charge of the revitalization of their industrial areas that provide good family wage jobs.

We want to thank you for working on amendments to the Capital Construction Fund, which was the first step to help some that feel that they are captured in the industry and can't get out. One thing that can be done that is not a solution, but rather a reaction to management, and that is to reduce the fleet to a level that is more consistent with the harvest level.

To most of us, the most important thing that needs to be done to ward off bankruptcy of fishing businesses is to help reduce the fleet through a buyback program. While the states need to cap the open-access fishery, all the fleet need to do—all the fleets need to be reduced. There is not enough fish to allocate the entire buyout, so some form of federal assistance is needed.

About discards, the fishing industry has worked with you and brought forth a 20 percent rollover. We'd like to call this a soft trip limit. And I think that a soft trip limit should be implemented immediately with a 20 percent rollover, so that we can reduce the discards, which is—which we can't go along with. There's no overage program right now, because they cannot believe a fisherman would bring in some of their catch or proclaim their catch; and so the only way that an overage program will be allowed to go through with this Council is if an observer is on board, which is kind of absurd.

Senator I have been working with Sonitrol, working with a surveillance camera that we are going to fund and put on a fishing vessel to see if a surveillance camera that's non-tamperable with 960 hours of record time can be used to look at the discard problem without putting expensive observer on board.

Right now, for prevention and future, money must be made for the groundfish research that utilizes the true partnership of the science and fishermen. And we need to conduct a fleet buyback program.

And I have a question that I can't find an answer for. I was wondering what's the ratio between fishermen and managers currently? And if we have an observer program, how is that going to change? I think that the Nation would probably be astounded by the ratio of managers to fishermen. And I certainly would like to know what that is.

I've also written a proposal to a private funding company for a ride-along program. Because we feel that it is important to get the scientists out or the managers out from behind their computers and on to more fishing vessels. We need to have the managers have greater acceptance for what fishermen say, instead of writing everything off that we have to offer as anecdotal.

And about the Strategic Plan, you've made comment about that. Sure, there was plenty of public meetings up and down the Coast. And I've attended every Strategic Plan meeting there was. And if I couldn't make it, my boss went. And I must say that even though the hearings were there, they certainly limited the kind of input

that they accepted. They heard, but they would not accept, no matter how often I got in their face.

Thank you.

[The prepared statement of Mr. Bodnar follows:]

PREPARED STATEMENT OF STEVE BODNAR, EXECUTIVE DIRECTOR, COOS BAY TRAWLERS' ASSOCIATION, INC.

What were the causes of the decline?

Perhaps this is a never ending question because the causes are many and dependent on one's own perspective. First, addressing the official term environmental groups had submitted into the Magnuson-Stevens Act verbiage, OVERFISHING, points to the harvesters as the culprits of depleted stocks. However, the Magnuson-Stevens Act now requires the overfishing term to be used any time a stock is depleted, no matter what the cause. The government's and managers' willingness to blame the fishermen and appease the environmental groups leads the industry to believe that congress is so gullible that it is willing to hold no managers accountable for fishery management. FISHERMEN HAVE ONLY DONE WHAT THE LAW AND MANAGERS HAVE ALLOWED THEM TO DO FOR OVER TWENTY YEARS. The fishermen of this nation feel that the partnership created to free our waters of foreign fleets has backfired in our faces and the government has set us adrift to fend for ourselves. The managers are the real culprit of our fishery demise because they are not held accountable for their decisions.

Another perception conveyed by the budget structure that effects how the fishermen feel about management and their scientists is the fact that a major part of NMFS's budget is derived from Saltonstall/Kennedy funds which comes from tariffs on imported fish. Instead, their money should come from the successful management of US fisheries not imported fish. The perception fishermen have is that the NMFS deliberately lowers quotas to increase imports.

The level of science that managers use to determine harvest levels could fit into a thimble, and yet they call it the best science available. The science community is as scattered as the fishing fleet itself. Oceanographers rarely talk to the biologist and visa versa. If the science is to be believable then the fishermen need to be an integral part of the data collection system. Most managers and scientist believe that fishermen can not be trusted to gather the data whether they do it alone or with an agency personnel. Data gathered and used for fishery evaluation is mostly done by non-fishermen agency personnel where very small samples are taken and extrapolated to paint a picture of the entire ocean. The data is then manipulated with computer syntheses and the final results of these evaluation studies are presented as gospel by people that rarely, if ever, go out to sea. These results are often at the other end of the spectrum of what fishermen see everyday out on the ocean so fishermen have a hard time believing what they hear rather than what they see.

Ocean conditions may also have had a hand in the decline of fish. Warming oceans and shifts in the warm spot locations changed the up-wellings and currents. Fish move when conditions warrant it and can not be found in their usual places. Just because fish aren't where they were last year, doesn't mean the fish have disappeared off the earth, they just moved and left no forwarding address.

Impacts

Every entity that fishes is impacted by the managers decisions. Sport fishermen as well as the commercial fishermen are impacted. The coastal communities are also impacted in every way imaginable. Fishermen may have brought in 60 million dollars to a community just six years ago, but today that same community may only realize 20 million dollars. That kind of money removed from small communities has a very hard impact not only on the community government but also on schools, families and most that live in the community whether they fish or not.

Short/Long term solutions

The infrastructures of the communities are melting away. Processors, watching the quotas getting lower and lower, have virtually removed the latent processing capacity from each community. Successful processors have lowered the price of fish which has forced smaller processors out of business. The more powerful processors buy out the now defunct plants, gut them and close the doors for ever. Jobs are lost and never replaced. The structure are left to rot as they refuse to sell because if they do they just increase their competition. With the competition gone, lower prices are offered to the fishermen for their products. When we try to resist the lowering of prices we are told the processors can't pay more because imported fish sells for

less and there is plenty of imported fish coming into this country. U.S. exported fish have to compete with countries that subsidize their own fish efforts and with countries that have very little environmental regulations. The government needs to provide incentives to discourage imported fish of undermining the American fish-based economy.

Our fishery managers have to change their relationship with the fishermen. We need to be true partners in fishery management. We need to communicate with each other, we need to brainstorm together, we need to work together to improve this renewable resource. We need to move beyond who is to blame to how can we fix the system. The frustration level has reached such a high level that managers are starting to bail-out of the system and fishermen are going broke and being forced out of business.

We need programs that would re-train fishermen and their families for new careers. We need to encourage replacement industries to move to these communities to take advantage of these displace workers. We need tax relief to these communities so they can take charge of the revitalization of their industrial areas that provide good family wage jobs.

We want to thank you for working on amendments to the Capitol Construction Fund which was the first step to help bring some relief to some that feel they are captured in the industry and can't get out.

One thing that can be done that is not a solution but rather a reaction to management measures, is to reduce the fleet to a level that is more consistent with the harvest level. To most of us this is the most important thing that needs to be done to ward off bankruptcy of fishing business is to help reduce the fleet through a buy-back program. While the states need to cap the open access fishery, all of the fleet needs to be reduce. There is not enough fish to allocate the entire buy-out so some form of federal assistance will be needed.

Future Prevention

Money must be made available for groundfish research that utilizes a true partnership with the scientist and fishermen.

Senator WYDEN. Well, I thank you. You make a number of points. I'll have some questions for all of you.

Clearly, it just defies common sense to not have asked you to voluntarily go out and collect overage data. If you just listen to some of this, it just takes your breath away that it's just so obvious. Some of your people could do it, and some of your people couldn't. Some of the data would be good, and some of the data would not be so good. But, at least there would be an effort to try some fresh approaches; same thing with things like these surveillance systems. Again, I don't want to advocate that the federal government go out and spend vast sums of money on something without documentation, but they ought to be working with all of you to test some of these kinds of ideas out.

Your testimony is very good, and I think you heard me ask in some detail about this question of putting people on the ground. I don't think it's acceptable to say that once or twice a year you're going to send somebody to local communities, and the rest of the time everybody is going to be at a laptop in Seattle.

So, we'll work closely with you. Excellent testimony and I agree with many of the points that you've made.

Michelle Longo Eder has been helpful to the Committee and this Senator on a number of occasions.

Welcome.

STATEMENT OF MICHELLE LONGO EDER, SABLEFISH FISHERMAN'S WIFE, VICE PRESIDENT OF NEWPORT FISHERMEN'S WIVES, AND MEMBER OF THE WOMEN'S COALITION FOR PACIFIC FISHERIES

Ms. LONGO EDER. Thank you, Senator Wyden.

For the record, my name is Michelle Longo Eder. And I'm a fisherman's wife, as well as a practicing attorney representing commercial fishing businesses. I serve as Vice President of Newport Fishermen's Wives, and I'm a member of the Women's Coalition for Pacific Fisheries.

Before I get into the bulk of my testimony, Senator, I would first like to thank you for your efforts in obtaining an exception to the extension of the moratorium on individual fishing quotas for fixed-year sablefish on the West Coast. Fishermen in Oregon, Washington, and California owe you a debt of gratitude for your efforts as to obtaining an exception to allow stacking and to also make an exception so that the season length, previously 9 days over the last couple of years, will be able to be extended. That will help safety. That will help quality. It will help price. And it will enable—with the declining quotas, it will enable fishing businesses to combine some of these permits to reduce negative impacts on other groundfish for which there can be bycatch in some of these fisheries. And it will also allow us to economically combine some of these permits to make it financially a little bit better for some of the fisheries. And for that, we thank you. You made a commitment to help this fishery. The Pacific Council made a commitment to help this fishery, as well. And we are very appreciative.

The sad news, though, is that National Marine Fisheries Service has indicated to us that it may have trouble implementing stacking for this upcoming season. And I know they're going to make their best efforts to do so. They have told us that because of problems with the Paperwork Reduction Act that they may not be able to implement all of it for 2001. That is a discouraging message to us. I know that there are Council members and others constituents who are going to meet with National Marine Fisheries Service this week. And hopefully whatever roadblocks there are are going to be removed, so that we can get the relief in this fishery this year that we desperately need.

In a second issue in regard to charter work, we have a couple of vessels, a small one, a 40-foot, and little bit bigger one, a 66-foot vessels. Both of these vessels have previously participated in doing research, both with the State of Oregon and their scientists, as well as some charter work with the federal government.

However, that research and those opportunities are few and far between. And although there are many individuals who are pursuing research programs that can be of value to both the fishing industry and the resource as a whole, we don't think there are enough of them. And we would support and encourage your efforts in encouraging National Marine Fisheries Service to respond to industry efforts for collaborative research.

Having said that, the bulk of my testimony, Senator, will relate to capital construction fund issues. My husband, Bob Eder, and I own two vessels that are engaged in the groundfish fisheries on the West Coast, as well as shrimping and crab. We employ seven crew. Sablefish is one of the 83 groundfish species that is managed by the Pacific Council. And we use species-specific baited traps. Habitat-kind and resource-friendly in the deployment of this gear, there is virtually no bycatch of other species. And we also fish for pink shrimp with trawl gear, impacting the groundfish resource, as a re-

sult of the bycatch of species other than shrimp. My husband also fishes with traps for Dungeness crab.

Bob has been a commercial fisherman for over 25 years. It's been his entire career. Our two sons, now 20 and 18, though pursuing their further education, have fished since they were young boys. Fishing is an indelible part of our family, our culture, and our community. We don't intend to stop.

Given that reality, I would like to direct my comments to ways in which the federal government can assist fishing businesses and the groundfish resource in the face of declining stock assessments.

Our first priority would be to amend the Merchant Marine Code and the Internal Revenue Code to first allow fishermen to rollover funds from capital construction fund accounts into retirement accounts; second, allow fishermen to use capital construction funds to purchase limited entry-permits and/or individual fishing quotas or to fund buyback plans; and then third, allow fishermen who choose to remove their vessels and permits from the fishery to withdraw their funds from the CCF accounts without payment of penalty for non-qualified withdrawals.

Why is this important? The capital construction fund was created in 1970 to allow vessel owners to defer income tax on profits from vessel operations, if the money is set aside in a special account that would be used to purchase or reconstruct a vessel. This program has had a significant effect on capitalization in the fishing industry.

According to a report in July 1999 of the Federal Fisheries Investment Task Force, as of 1995, the last year for which data was available from NMFS, over $1.82 billion had been deposited into the program and about $1.58 billion withdrawn. There were 3,500 active CCF agreements, and the net balances were about $250 million.

These balances and the strict requirements for withdrawals create too much pressure to make new capital investments in fisheries at a time when the fishing industry is generally perceived to have excess fishing capacity. Congress could help by first removing those penalties for non-qualified withdrawals for those who choose to retire vessels and permits from the fishery.

Second, by providing more flexibility in the use of these accounts, such as rollovers into IRAs; and third, allowing those who choose to stay in fishing a mechanism to fund market-based solutions, such as individual quotas and buyback plans, in order to support fleet reduction.

In no way am I suggesting a termination of the Capital Construction Fund program. Fishing is a capital intensive business and requires a large amount of funds be available for reconstruction when necessary. Often, the capital requirements may exceed a given year's profits. Dangers inherent in fishing make it crucial that vessel owners be able to make necessary changes to their vessels, regardless of the success or failure of a particular year. Vessels can require large, non-discretionary capital expenditures at unpredictable times. Banks aren't always friendly, and they are never fast. Failure to promptly make the necessary adjustments to the vessel can jeopardize not only the existence of the business, but the safety of the crew as well.

The CCF program has provided a means of meeting the unique needs of the fishing industry for the last 30 years. It's now time to make some adjustments to the program that will allow fishermen to end their careers and to remove capacity from the fishery, if that is their choice, but to also provide flexibility to those who remain.

During the last session of Congress, you, Senator, introduced a bill that would have allowed both the rollover of CCF funds into retirement accounts without penalty and would have allowed fishermen to withdraw their funds, if they removed their vessel and permits from the fishery.

This session, I'd like to ask you to go one step further: Add to the bill language that will allow fishermen to use the funds for permit purchases, quota purchases, and buyback programs.

[The prepared statement of Ms. Longo Eder follows:]

PREPARED STATEMENT OF MICHELLE LONGO EDER, SABLEFISH FISHERMAN'S WIFE, VICE PRESIDENT OF NEWPORT FISHERMEN'S WIVES, AND MEMBER OF THE WOMEN'S COALITION FOR PACIFIC FISHERIES

Mr. Chairman, Senator Wyden and Members of the Committee:

I am a fisherman's wife, as well as a practicing attorney representing commercial fishing businesses. I serve as Vice President of Newport Fishermen's Wives and am a member of the Women's Coalition for Pacific Fisheries.

My husband, Bob Eder, and I own two vessels, 66 ft and 40 ft in length, that are engaged in the groundfish fisheries on the West Coast. We employ seven crew members and in 2000, had a crew payroll in excess of $400,000.00.

We fish for sablefish, one of the 83 groundfish species managed by the Pacific Fishery Management Council, using species-specific baited traps. Habitat-kind and resource friendly, in the deployment of this gear, there is virtually no bycatch of other species. We also fish for pink shrimp with trawl gear, impacting the groundfish resource as a result of the bycatch of species other than shrimp. My husband also fishes with traps for Dungeness crab.

Bob has been a commercial fisherman for over 25 years. It has been his entire career. Our two sons, now 20 and 18, though pursuing their further education, have fished since they were young boys. Fishing is an indelible part of our family, our culture and our community. We don't intend to stop. Given that reality, I would like to direct my comments to ways in which the federal government can assist fishing businesses and the groundfish resource in the face of declining stock assessments.

Amend the Merchant Marine Code and the Internal Revenue Code to:

1) Allow fishermen to rollover funds from Capital Construction Fund accounts into Retirement accounts;
2) Allow fishermen to use Capital Construction Funds to purchase limited entry permits and/or individual fishing quotas or to fund buyback plans
3) Allow fishermen who choose to remove their vessels and permits from the fishery to withdraw their funds from the accounts, without payment of penalty for a non qualified withdrawal;

Why is this important? The Capital Construction Fund was created in 1970 to allow vessel owners to defer income tax on profits from vessel operations if the money was set aside in a special account that would be used to purchase or reconstruct a vessel. This program has had a significant effect on capitalization in the fishing industry.

According to a report in July 1999 of the Federal Fisheries Investment Task Force, as of 1995, the last year for which data was available from NMFS, over 1.82 billion had been deposited in the program and about 1.58 billion withdrawn. There were 3,500 active CCF agreements, and the net balances were about 250 million dollars.

These balances, and the strict requirements for withdrawals, create too much pressure to make new capital investments in fisheries at a time when the fishing industry is generally perceived to have excess fishing capacity. Congress can help by first removing those penalties for non qualified withdrawals for those who choose to retire vessels and permits from the fishery; secondly, by providing more flexibility

in the use of these accounts, such as rollovers into retirement accounts; and third, allowing those who choose to stay in fishing a mechanism to fund **market based** solutions to fleet reduction.

In no way am I suggesting a termination of the Capital Construction Fund program. Fishing is a capital intensive business and it requires large amounts of funds to be available for reconstruction when necessary. Often the capital requirements may exceed a given year's profits. Dangers inherent in fishing make it crucial that vessel owners be able to make necessary changes to their vessels regardless of the success or failure of a particular year. Vessels can require large non-discretionary capital expenditures at unpredictable times. Banks aren't always friendly, and they are never fast. Failure to promptly make the necessary adjustments to the vessel can jeopardize not only the existence of the business, but the safety of the crew as well.

The CCF program has provided a means of meeting the unique needs of the fishing industry for the last 30 years. It's now time to make some adjustments to the program that will allow fishermen to end their careers and remove capacity from the fishery, if that is their choice, but to also provide flexibility to those who remain.

During the last session of Congress, Senator Wyden introduced a bill that would have allowed both the rollover of CCF Funds to retirement accounts without penalty, and would have allowed fishermen to withdraw their funds if they removed the vessel and the permits from the fishery. This session, I'd like to ask you to go one step further-add to the bill language that will allow fishermen to use the funds for permit purchases, quota purchases, and buyback programs. Then pass it.

Thank you for the opportunity to testify.

Senator WYDEN. Let us do this in the interest of time. I will make a commitment to you to look at that.

Ms. LONGO EDER. Thank you.

Senator WYDEN. Mr. Brown—again, I'm going to have to limit you and Mr. Moore, just because I want to give the folks in the audience a chance to speak. In fact, I think what I'm going to do with this panel is waive questions, as well, to give time for the audience.

STATEMENT OF RALPH BROWN, GROUNDFISH TRAWLER AND PACIFIC COUNCIL MEMBER

Mr. BROWN. Thank you. I'm Ralph Brown. I currently own two trawlers. And I have been a member of the Pacific Fishing Management Program for about 4 years. It's been observed that the problems with the groundfish started at about the time I got on the Council. That means I'm to blame. So if you want to know what happened, that's apparently what happened. So if me getting off it would help, I'll certainly volunteer to be part of that solution. It hasn't been fun.

Earlier I read over my written testimony. It's just absolutely inadequate. And I'm going to try to supplement that a little bit.

A year ago, a group of us got together to try to figure out what to do over the short term with this groundfish fishery. We came up with essentially a three-legged approach. The first would be improve research. The second would be community assistance. And the third is fleet reduction. It's absolutely imperative.

Just before I came up, I downloaded from the Pacific Fishery Management Council's site an economic—a summary of the economic subcommittee's scientific and statistical committee report on overcapitalization on the groundfish issue. I'd like to read two statements that I think are actually in a memorandum that was included with the report. The first, "Overcapitalization is the single most serious problem facing the groundfish fishery." The second statement, "Problems associated with overcapacity will not be resolved by waiting for vessels to leave the fishery."

The reason for that last statement have to do with the latent capacity we dealt with earlier. And I don't think it's a secret to most of you that I'm a proponent of a buyback proposal that would not only buy groundfish permits, but buy vessels, groundfish permits, and any associated state permits that might go with that.

I'm not going to go into great detail on what the elements of the program are. I am asking for your help in trying to get this implemented. I will address the one question you asked earlier, "Why do I think this program will work, when other buyback programs haven't worked around the country?" And the primary reason is simply the degree of capacity we're taking out compared to other programs around the country.

The main program that people use for examples is what happened on the East Coast, where the buyback program really didn't have much impact. But we need to look at the absolute numbers. You'll hear from the program people that they took out 20 percent of the active capacity. But keep in mind that they say 20 percent of the active capacity. What they ignore is the 1,500 other permits down there waiting to come in. The difference in this program we have—we don't have 2000 permits out there. We have a total of 500 permits, roughly, in the groundfish fishery here. And our proposal is actually take two-thirds of those permits out, two-thirds, not half.

The degree of reduction is so much greater than any other proposal, any other program, that we are taking the latent capacity out with it. We're also, in our program, preventing spill-over into other fisheries, which was contentious in a previous program that we had.

Why one third rather than one half as the Council Strategic Plan? The Council Strategic Plan basically said it takes about half to get to where we are now. We think we need to look ahead at some things that are coming down the road that we think are likely to happen that will further reduce the amount of available resource for the fleet. And we need to plan for those.

So we started with the half, and we reduced it by an additional 20 percent to account for the need for reserves (Marine Reserves) that we think will happen. We've reduced the other amount to account for the fleet funding observers. We reduced an additional amount to account for the fleet funding part of the science program. And we reduced an additional amount in order to simply return some dollars to the U.S. Treasury. When you get finished with all that, you end up with a third.

We fully believe that eventually this fleet is going to have to basically fund its own management, or it's not going to be a net gain to—the fishery will not be a net gain to the United States. It will be a net loss. And we have to become a net gain. I'll stop at this point.

[The prepared statement of Mr. Brown follows:]

PREPARED STATEMENT OF RALPH BROWN, GROUNDFISH TRAWLER AND PACIFIC COUNCIL MEMBER

Good Afternoon Members of the Committee,

I am Ralph Brown, from Brookings, Oregon. I have been involved with the fishing industry since I was a child, and I currently own two trawlers that fish out of the

Port of Brookings-Harbor. I have also been a member of the Pacific Fishery Management Council for the past four years.

Like every one involved with the groundfish fishery, I have spent a great amount of time thinking about our problems and I am not really sure that I know what happened.

Because we know that what we did do hasn't worked, we need to be open to other kinds of management measures and avoid the temptation to do "more of the same. I have several ideas for approaches that we might try, but in the interest of time I will not go into them and instead focus on the one program that I think could accomplish the most at the least cost.

We need to reduce this fleet. Capacity reduction was first identified as the councils top priority in 1994. Our strategic plan identified capacity reduction as the top priority. Last week our strategic plan implementation team met for the first time and once again recommended that capacity reduction be the highest priority issue. In fact, capacity reduction has been named the number one priority in nearly every fishery in the world, and yet it is the one aspect of management that this council has little ability to address. We need your help on this.

Specifically, I am asking for your help in getting a fleet buy-back proposal implemented.

We propose that the groundfish fleet be reduced to one third of its current size by purchasing the vessels and all associated permits, including permits for state managed fisheries. We propose that the funding for this program be share between the federal government and the industry with half coming from each. The federal government would need, additionally, to provide a loan to the industry that would be paid back over time in order for the program to be implemented quickly.

The industry portion of the program would be split among the beneficiaries of the program. The primarily beneficiaries are the pacific groundfish, pacific pink shrimp, and dungeness crab fisheries. While the specific amounts that each would be required to pay could still be subject to negotiations, the general theme is that each would pay relative to the benefit received.

At this time we estimate the cost of the program at around 50 million dollars but we need to do much more analysis to better pinpoint the true cost.

We know that buy-back proposals have not been very successful in some areas of the country. The primary reason for this is that they have not been large enough to remove enough of the capacity in a fishery to achieve the intended benefit. We believe that this program is.

In the past the trawl fleet had proposed that an industry funded buy-back be established that would have only removed groundfish permits. Opponents to that proposal pointed out that since vessels would not be removed they would go into other fisheries. We have not only addressed that issue, but are actually proposing that other fleets be reduced along with the groundfish fleet.

We are asking for the government to help fund part of this program because frankly, the industry doesn't have the ability to do it alone given the current state of the fishery.

We first publicly presented this proposal in November at the Pacific Fishery Management Council Meeting. We have tried to get it to every segment of the fishery along the coast. The comments that we have received back have been overwhelmingly supportive. Many of these comments were from people that opposed our last buy-back proposal. We literally have only heard of one negative comment.

In the interest of time I won't discuss the benefits that we believe could be derived from this program but I do want to shortly address the cost. We believe that this could be the cheapest thing that the government could do to fix problems in the fishing industry. I will use one example to demonstrate.

Senator Wyden was able to secure funding for an observer program last year in the amount of 2.5 million dollars. This is a program that we all agree that we need and we thank him for this. If that is all we do however, after ten years we will have spent 25 million dollars and still have the need for federal assistance for observers, as we will have done nothing to make the fleet more able to bear the cost of observers. If instead we spend the 25 million on fleet reduction, we can make the fleet profitable enough that they shoulder the cost of observers and therefore get fleet reduction and observers both.

We have actually tried to plan a level of fleet reduction such that the fleet would have the ability to shoulder more of the cost of management than just the observer program but I think that this example is enough to demonstrate the cost effectiveness of the program.

In closing I know that this was an extremely short presentation of a big idea, and I would be happy to answer any questions. I would be extremely happy to work with your staff members to make this happen, and once again ask for your help on this.

Thank you

STATEMENT OF ROD MOORE, EXECUTIVE DIRECTOR, WEST COAST SEAFOOD PROCESSORS ASSOCIATION

Mr. MOORE. Thank you, Senator. For the record, my name is Rod Moore. I'm Executive Director of the West Coast Seafood Processors Association. Our members process the majority of the groundfish, Dungeness crab, pink shrimp, sardines and squid that are landed on the West Coast.

We talk a lot about disaster. What are we talking about? There's two parts to it, really. Part one is that we don't know how many fish are out there, and we don't even have the tools to figure out how many fish are out there.

Part two is the suite of economic and social effects that occur from precautionary management that's adopted in response to the fact that we don't know how many fish are out there. So it's a two-part problem, and it's going to require a whole multitude of solutions, many of which we've heard today. That's one of the things about being last. A lot of people have already said things that you were going to put in your testimony. By the way, for the record, I do have some written testimony for the record, Senator——

Senator WYDEN. Without objection, it will be entered in its entirety.

Mr. MOORE. Thank you, Senator.

Reduced harvests not only affect fishermen, they also affect seafood processors, my members, who are integral part of the communities in which they operate. Workers are laid off. Capital investments are kept idle. Utility usage—lights water, power—reduced, which could be great since the Governor is calling for energy conservation, but I don't think he means this way.

But that exacerbates the pricing structure problems for local utility companies and residential customers. Thinking about groundfish processing, you have to keep in mind that the same plants that process groundfish also process crab, shrimp, and other species. If those processors disappear, it will not only be the groundfish fleet that has no place to go. It'll be the crab fleet and the shrimp fleet. Groundfish is the keystone that holds the West Coast fishing communities together. Take it away and everything collapses.

So what do we do? Well, I have a few suggestions that I'll summarize here briefly. First of all, we have to spend more effort on understanding ocean environmental processes. There's a lot of talk about regime shifts and things going on in the ocean and so forth and so on. We're not paying a whole lot of attention to it. It's about time—especially in regard to Pacific groundfish—that we start looking at some of those things and seeing if by looking at ocean productivity we can have better predictions on what's going to happen in the future and adjust our harvest levels accordingly.

We need to get serious about collaborative research between the industry and the National Marine Fisheries Service. Last August, on behalf of several industry groups, I presented proposals asked for by the National Marine Fisheries Service and the Northwest Fisheries Science Center. After talking to them about it for quite awhile, they sent it on to Silver Spring. It's now disappeared into

a black hole. How do you expect the industry to have any respect for collaborative research and the National Marine Fisheries Service, if they get this kind of attention? It's similar to what we're facing with the disaster relief fund that you covered earlier.

We need to rectify the tremendous imbalance between spending on salmon recovery and spending on groundfish conservation and management. I don't want to impugn those interested in salmon, but a nearly 1,000:1 ratio of spending on salmon recovery versus spending on groundfish conservation and management is somewhat embarrassing. As one of my members put it, with the amount we're spending on salmon recovery in the Columbia and Snake systems we could dig a whole new river, free of dams, pollution, and so forth, and recover the salmon. Congress and the new Administration need to kind of get their priorities straightened out on this.

We already talked about getting the money for disaster relief, and I appreciate the comments that you made and your pointed questioning of Ms. Darm, in terms of making sure we get the money for disaster relief, Senator. We appreciate it.

We need to improve data collection. On the good news front, the Northwest Fisheries Science Center should be commended for pursuing efforts to develop electronic logbooks and recording systems. The Center has also taken steps to improve collection and analysis of economic and social data, an area in which this region is lacking. Unfortunately, those efforts will be for naught, unless follow-through funding is made available.

There are other—however, there are other data collection problems that need to be fixed, and most of these are at the state level, so I won't go into them here. They're covered in my written testimony.

We need to fix the law so it reflects reality. You can't simultaneously recover two or more species of fish that compete for the same ecological niche. You can't recover a stock to levels that are no longer supported by existing carrying capacity. You can't precisely calculate MSY and establish it as a constantly fixed point with no allowance for natural fluctuation. Unfortunately, that's what the law and the implementing regulations expect us to do.

Our Association, along with several other groups, including commercial and recreational interests around the country, developed some proposed changes to the Magnuson-Stevens Act which addressed these problems; they are attached to my testimony. And I would like to point out, in reference to Rod Fujita's remarks, that of the 14 members of the Pacific Fishery Management Council, there's one working commercial fisherman, one working processor, and two working charter operators. So this strange influence that the industry seems to have over the Council process kind of baffles me.

On the issue of individual quotas, we need to address them, but we need to recognize the investments made by processors and keep them economically viable. We appreciate, as Michelle said, your efforts on fixed gear sablefish. Unfortunately, I know your efforts on the processor side of that were unsuccessful, due to objections from some of your other colleagues that didn't get straightened out until the last minute. But we appreciate your work on this, Senator. We

need to look at both sides of the equation, both the harvesting side and the processing side.

And finally, Senator, I know this is an issue that you're familiar with, because you and Senator Smith have helped us in the past. This is the issue of the discriminatory tariff that the European Union imposes on pink shrimp. I know you've tried very hard to work with the existing U.S. trade representative. We now have a new one coming on board. And perhaps during his confirmation hearing he might be asked about this. We'd appreciate that.

Thank you, Senator. I'll save the rest.

[The prepared statement of Mr. Moore follows:]

PREPARED STATEMENT OF ROD MOORE, EXECUTIVE DIRECTOR, WEST COAST SEAFOOD PROCESSORS ASSOCIATION

Mr. Chairman, Members of the Committee, my name is Rod Moore. I am the executive director of the West Coast Seafood Processors Association. WCSPA represents seafood processors and associated businesses in Oregon, Washington, and California. Collectively, our members process the majority of the Pacific groundfish, Dungeness crab, pink shrimp, squid, and sardines landed in those states. I also currently serve as the chair of the Pacific Fishery Management Council's Groundfish Advisory Subpanel and as Industry Vice-Chair of the Department of Commerce's Marine Fisheries Advisory Committee (MAFAC).

When looking at the groundfish "disaster" on the west coast, there is a natural tendency to compare it to events that occurred in the northeastern United States over the past several years. There are similarities: the social and economic effects are certainly the same and the remedies sound familiar. However, the underlying problems that caused the "disaster" are somewhat different.

New England has been blessed with a strong scientific establishment, a wealth of historic data on fish populations and environmental conditions, and support—albeit recent—for cooperative research (there are advantages to being close to Washington, D.C.). On the west coast, however, we have been in the scientific Dark Ages, still using witchcraft to try to predict what is happening in a complex ecosystem. It is time for the Renaissance to begin.

Of the 82 species of Pacific groundfish managed under the Pacific Fishery Management Council's groundfish fishery management plan, we have stock assessments on fewer than 25 percent. Most of those assessments are conducted once every three years; for some species, there has been only one assessment and for most, none. Our fisheries surveys have been conducted every three years and most of those did not cover the entire coast. In fact, the area south of Point Conception in California has never been surveyed to the best of my recollection. While efforts have been made recently to conduct annual surveys, the results of those annual efforts are still not fully utilized, as there is a need to reconcile different survey methods, gear, and vessels used.

The result is that we are making management decisions based on conditions that existed in the ocean five to ten years ago.

Just to give an example, the allowable harvest levels for Dover sole in 2001 are based on a stock assessment done in 1998, which in turn used data from 1997 and before. Now, compound this with the occurrence of El Nino and La Nina events and what appears to be a shift in ocean environmental regimes, and the result is that we don't really have the slightest idea of what we are doing.

Of course, the management response to this tremendous uncertainty is to use a precautionary approach, to be conservative in response to a lack of good information. In practical terms, reduce harvest levels.

And, to further confuse the problem, add in a decision by the Council to change its basic harvest policy in terms of how MSY is calculated and statutory changes which were both written and implemented in a way that defies logic and you have a true recipe for "disaster."

What's even more amazing is that this "disaster" occurred in a fishery that has been subject to fairly strict management and in which harvest levels were set based on the recommendations of the scientists themselves. Here is where there is a major divergence from the situation in New England, which for many years had no upper bounds on its harvest levels, no catch reporting, and little enforcement and where—some contend—scientific advice was ignored. On the west coast, we tried to do things right.

So what are the practical effects of what's gone on? Reduced harvests means lower income for vessels and the communities in which those vessels are based. It means vessels will attempt to find other fisheries in which to participate, risking a domino effect of overcapitalization. It means social and economic burdens that others can better describe than can I.

Reduced harvests also affect seafood processors; my members, who are an integral part of the communities in which they operate. Workers are laid off; capital investments are kept idle. Utility usage—lights, water, and power—is reduced, exacerbating pricing structure problems for local utility companies and their residential consumers.

Our Association took an informal survey of our members, asking them to compare certain economic yardsticks between 1997 and 2000. The complete results are not yet available, but the information we have so far is both interesting and chilling:

- a 7 percent reduction in the number of filleting stations available;
- a 44 percent reduction in the number of available filleting stations used;
- a 20 percent increase in the average cost to produce finished groundfish product;
- a 34 percent reduction in the number of skilled employees; and
- a 14 percent reduction in the number of unskilled employees.

And, while this is looking only at groundfish processing, you need to keep in mind that the same plants that process groundfish also process crab, shrimp, and other species. If those plants disappear, it will not only be the groundfish fleet that has no place to go, it will be the crab fleet and the shrimp fleet as well. Groundfish is the keystone that holds the west coast fishing community together. Take it away, and everything collapses.

So what do we do to try and improve conditions? There are so many things that can and should be done, it's hard to know where to begin. Some of the problems can be addressed by NMFS, some by the Congress, some by the States, and some by the industry. I will try to list them here:

1. Expend more effort on understanding ocean environmental processes.

NOAA has a long term research effort to examine ocean conditions and their effect on fish productivity, known as GLOBEC. On the east coast, GLOBEC is looking at groundfish; in Alaska, GLOBEC is looking at groundfish; and on the west coast? GLOBEC is looking at *salmon.* Now, there is certainly need to look at the effect of ocean productivity on salmon, but to tally ignore Pacific groundfish? This makes no sense whatsoever. Perhaps we could actually save a few taxpayer dollars if we combined Pacific groundfish into the mix.

2. Get serious about collaborative research between the industry and NMFS.

Last summer, a professor from Oregon State University hosted an international meeting on collaborative research. At the meeting, I volunteered on behalf of the Oregon seafood industry to propose a process by which NMFS and the industry could evaluate collaborative research projects so that we could all be comfortable that projects being proposed were necessary, cost effective, and would not waste scarce research dollars. That proposal was submitted to NMFS on August 1, 2000. To date, we have received some favorable initial response from the Northwest Fisheries Science Center, but other than that—*nothing.* As far as we know, the proposal—and again, this was a proposal simply to establish a review process—is languishing somewhere in the bowels of Silver Spring. Mr. Chairman, how can the industry expect to have any confidence in working with NMFS if we get treated like this? Many of us have volunteered time, money, and labor to see if we can get some more useful data. We get lots of praise for doing so, but little ever gets done. It's time for NMFS to be serious about collaborative research; they can't afford not to be.

3. Rectify the tremendous imbalance between spending on salmon recovery and spending on groundfish conservation and management.

I've already given you the horror stories on lack of data; some of you have heard it before. I don't mean to impugn those interested in salmon, but a nearly 1000:1 ratio of spending on salmon recovery versus spending on groundfish conservation and management is embarrassing. As one of my members put it, for the amount we're spending on salmon recovery in the Columbia/Snake system, we could *dig* a whole new river, free of dams, pollution, etc. It is only in the last few years that we have seen even meager increases in the groundfish research budget,

thanks to the work of the Oregon delegation. The Congress and the new administration need to get their priorities straightened out.

4. Show us the money.

In FY 2000, $5 million was appropriated in emergency funding for groundfish disaster relief. We have yet to see a penny of it. If this were a flood or a hurricane or a tornado, Oregon, Washington, & California would be swarming with bureaucrats from FEMA, SBA, and who knows where else. Instead, we are met with deafening science while real people needs go unmet.

5. Improve data collection.

On the "good news" front, the Northwest Fisheries Science Center should be commended for pursuing efforts to develop electronic logbooks and reporting systems. The Center is also taking steps to improve its collection and analysis of economic and social data, an area in which this region is lacking. Unfortunately, those efforts will be for naught unless follow-through funding is made available.

On the "bad news" front, it is time to start fixing data collection problems. I am tired of getting calls from my member plants asking why there are seven data samplers hanging around to collect salmon data, but no one ever comes around to collect groundfish data. I'm tired of hearing from the Oregon Department of Fish and Wildlife that "we've got federal money for salmon data collection but none for groundfish." And I'm very tired of listening to discussions before the Groundfish Management Team and the Council every year on how the recreational catch data is unreliable and "we can't do any in-season management" of the recreational fishery. Recreational fishermen are as concerned as commercial fishermen about sound conservation and management. NMFS, the States, the Council, and the Pacific Marine Fisheries Commission need a concerted effort to get their act together.

6. Fix the law so it reflects reality

This suggestion is in two parts: biological and economic. From the biological perspective, the entire complex of overfishing/rebuilding provisions needs to be modified. You can't simultaneously "recover" two or more species that compete for the same ecological niche. You can't "recover" a stock to levels that are no longer supported by existing carrying capacity. You can't precisely calculate MSY and establish it as a constant, fixed point, with no allowance for natural fluctuation. Yet that's what the law and the implementing regulations expect us to do. Our Association, along with several other groups of commercial and recreational interests around the country, developed some proposed changes to the Magnuson-Stevens Act which address these problems. They are included as an attachment to my testimony.

On the economic side, you will hear from representatives of the harvesting sector on the need for and suggestions on how to accomplish a vessel and permit buyback program. While that will help resolve some of the problems facing the harvesting sector, it does nothing to address the other half of the fisheries equation—the processing sector.

At some point, this committee needs to address the long term issue of an individual quota (IQ) system. An essential part of any IQ system will be a need to recognize the investments made by processors and to keep them economically viable. This can be done in a number of ways: the "two-pie" proposal advocated by the Bering Sea crab fleet; a means of establishing cooperatives such as was provided for the Alaskan pollock fleet under the American Fisheries Act; creating a closed class of processors such as we suggested in conjunction with the fixed gear sablefish fishery on the west coast. All of these ideas must be on the table. Simply providing for the economic welfare of the fishing fleet while leaving the processing sector in economic disarray is not going to solve the problem.

7. Get serious on free trade

One of the few alternatives available to groundfish trawl vessels is the pink shrimp fishery. The shrimp found off our coast—*Pandalus jordani*—compete in the marketplace with other cold water shrimp—*Pandalus borealis*—caught in Canada and Scandinavia. We used to have a competitive market in Europe for our shrimp. However, after certain Scandinavian countries joined the European Union, we found that their shrimp could enter Europe at a duty rate of 7 percent, while our shrimp enters at a duty rate of 20 percent. To make matters worse, eastern Canada has enjoyed several successive years of high shrimp harvests.

While Canada was initially able to take advantage of a special exception for a certain amount of their shrimp to enter Europe at a reduced duty, that quota is now being filled by Iceland and Greenland, leaving Canadians no choice but to put their shrimp in the U.S. market. Thus, the discriminatory tariff practices of the European Union threaten not only one, but two markets available for west coast pink shrimp. Perhaps when the new U.S. Trade Representative comes before the Senate for confirmation, the urgency of resolving the European shrimp issue could be stressed.

I hope this testimony and these suggestions will be helpful to the Committee. I would be happy to answer any questions. Thank you.

Changes to the Magnuson-Stevens Act Proposed by the Seafood Coalition

Best Scientific Information Available

Section 3 (16 U.S.C. 1802) is amended by inserting a new paragraph (__) as follows:

"(__) The term 'best scientific information available' means information that—

"(A) is directly related to the specific issue under consideration;
"(B) is based on a sufficient statistical sample such that any conclusions drawn are reasonably supported and not mere speculation;
"(C) is consistent with information that has been peer-reviewed and published in applicable and appropriate scientific publications;
"(D) has been collected within a time frame that is reasonably related to the specific issue under consideration;
"(E) is consistent with information that is available from other reliable sources;
"(F) has been collected and presented in a manner that is not calculated to favor any particular point of view; and
"(G) may consider, but is not based exclusively on, anecdotal information collected from the harvesting and processing of fish.

"Information that does not meet this definition shall not provide the basis for fishery management decisions and shall not be accorded deference during judicial review."

Peer Review

Section 302(g) (16 U.S.C. 1852(g)) is amended by adding the following—

"(6) Each Council shall establish one or more scientific review committees to conduct peer reviews of all stock assessments prepared for fisheries under the Council's jurisdiction. Committees established under this paragraph shall, at a minimum, consist of at least one member from each of the committees established under paragraphs (1) and (3) of this subsection, one member who is not affiliated with the authors of the stock assessments under review, and such other members as the Council considers appropriate."

Section 302(h) (16 U.S.C. 1852(h)) is amended—

(1) by striking "and" at the end of paragraph (5);
(2) by redesignating paragraph (6) as paragraph (7); and
(3) by inserting the following—

"(6) conduct a peer review of any stock assessment prepared for a fishery under its jurisdiction, utilizing the committee established under subsection (g)(6); and"

Essential Fish Habitat

Section 3 (16 U.S.C. 1802) is amended by inserting a new paragraph (—) as follows:

"(__) The term "habitat areas of particular concern' means an area that is a discrete vulnerable subunit of essential fish habitat that is required for a stock to sustain itself and which is designated through a specified set of national criteria which includes, at a minimum, a requirement that designation be based on information regarding habitat-specific density of that fish stock, and growth, reproduction, and survival rates of that stock within the designated area."

Section 303(a)(7) (16 U.S.C.(a)(7)) is amended to read as follows:

"(7) describe and identify essential fish habitat and habitat areas of particular concern for the fishery based on the guidelines established by the Secretary under section 305(b)(1)(A), minimize to the extent practicable adverse effects on habitat

areas of particular concern caused by fishing which prevent a stock of fish from sustaining itself on a continuing basis, and identify other actions to encourage the conservation and enhancement of such habitat."

Section 305(b)(1) (16 U.S.C. (b)(1)) is amended by inserting "and habitat areas of particular concern" following "essential fish habitat" each time it appears in subparagraphs (A) and (B).

Overfishing/Rebuilding

Section 3 (16 U.S.C. 1802) is amended—

(1) by amending paragraph (29) to read as follows:

"(29) The terms 'overfishing' and 'overfished' mean a rate or level of harvest that jeopardizes the ability of a stock of fish to produce maximum sustainable yield on a continuing basis."; and (2) by inserting the following:

"(__) The term 'carrying capacity' means the maximum population level of a stock of fish that the current state of the environment will support while allowing for the removal of surplus production."

"(__) The term 'maximum sustainable yield' means the largest annual catch or yield in terms of weight of fish caught by both commercial and recreational fishermen that can be continuously taken from a stock under existing carrying capacity, and which is adjusted as carrying capacity changes."

"(__) The term 'surplus production' means the biomass of fish that can be removed from a stock of fish without harming the stock's ability to sustain itself."

Section 304(e) (16 U.S.C. 1854(e)) is amended—

(1) in paragraph (1)—

(A) by striking "(1)" and inserting in lieu thereof "(1)(A)";

(B) by striking "fisheries" each time it appears and inserting in lieu thereof "stocks of fish";

(C) by amending the last sentence to read as follows—

"A stock of fish shall be classified as approaching a condition of being overfished if, based on the best scientific information available and other appropriate factors, the Secretary estimates that the stock of fish will become overfished within two years."; and

(D) by adding at the end the following—

"(B) If the Secretary determines that insufficient information is available on which to conclude that a stock of fish is approaching a condition of being overfished, the Secretary shall immediately notify the appropriate Council and within six months of such notification implement a cooperative research program designed to provide the information needed to determine whether or not the stock of fish is approaching a condition of being overfished.";

(2) by amending paragraph (2) to read as follows—

"(2) If the Secretary determines at any time that a stock of fish is overfished, the Secretary shall immediately notify the appropriate Council and request that action be taken to end overfishing and to implement conservation and management measures to rebuild the stock of fish. In the case of a fishery which harvests more than one stock of fish, such conservation and management measures shall not require that fishing be reduced for those stocks of fish which are not overfished. The Secretary shall publish each notice under this paragraph in the Federal Register.";

(3) in paragraph (3)—

(A) by striking "Within one year" and inserting in lieu thereof "Within three years"; and

(B) in subparagraph (A) by striking "to end overfishing" and inserting in lieu thereof "to address overfishing";

(4) in paragraph (4)—

(A) by striking "For a fishery that is overfished" and inserting in lieu thereof "For a fishery involving a stock of fish that is overfished"; and

(B) by amending subparagraph (A) to read as follows—

"(A) specify a time period for addressing overfishing and rebuilding the overfished stock or stocks in the fishery that is as short as possible, taking into account the status, biology, and carrying capacity of any overfished stocks, the

best scientific information available, the needs of fishing communities, recommendations by international organizations in which the United States participates, and the interaction of the overfished stock or stocks within the marine ecosystem;";

(5) in paragraph (5)—

(A) by striking "within the one-year period" and inserting in lieu thereof "within the three year period";
(B) by striking "that a fishery is overfished" and inserting in lieu thereof "that one or more stocks of fish in a fishery are overfished"; and
(C) by striking "regulations to stop overfishing" and inserting in lieu thereof "regulations to address overfishing";

(6) in the second sentence of paragraph (6), by striking "to stop overfishing of a fishery" and inserting in lieu thereof "to address overfishing of a stock or stocks of fish in a fishery";

(7) in paragraph (7)—

(A) in the first sentence by inserting "and the best scientific information available related to the fishery management plan, plan amendment, or regulations" before "at routine intervals";
(B) in the second sentence by striking "ending overfishing" and inserting in lieu thereof "addressing overfishing, sufficient data collection,";
(C) by striking "or" at the end of subparagraph (A);
(D) by striking the period at the end of subparagraph (B) and inserting "; or"; and
(E) by adding a new subparagraph as follows—

"(C) design and implement a cooperative program to collect the best scientific information available for such fish stocks.".

Fish as Food

Section 2(a) (16 U.S.C. 1801(a)) is amended by adding the following:

"(11) Fish are an important natural renewable resource of food and fisheries have played a traditional and essential role in providing high quality protein for human use.
"(12) Fish are an important source of essential nutrients, particularly Omega–3 fatty acids, and there is agreement among medical scientists that some of the world's most serious diseases can be attenuated by increased fish consumption."

Section 2(b) (16 U.S.C. 1801(b)) is amended—

(1) by striking "and" at the end of paragraph (6);
(2) by striking the period at the end of paragraph (7) and inserting "; and"; and
(3) by adding at the end the following:

"(8) To promote fisheries conservation and management that will enhance our nation's food supply, income, and economic growth."

Section 2(c) (16 U.S.C. 1801(c)) is amended—

(1) by striking "and" at the end of paragraph (6);
(2) by striking the period at the end of paragraph (7) and inserting "; and"; and
(3) by adding at the end the following:

"(8) that conservation and management measures shall contribute to the food supply, economy, and health of the Nation."

Observers

Section 303(a) is amended—

(1) by striking "and" at the end of paragraph (13);
(2) by striking the period at the end of paragraph (14) and inserting "; and"; and
(3) by adding the following—

"(15) to the extent that observers are deployed on board United States fishing vessels or in United States fish processing plants under the provisions of a fishery management plan or regulations implementing a fishery management plan, comply with the goals and objectives required under subsection (e)."

Section 303 is further amended by adding the following—

"(e) OBSERVER PROGRAMS.—

"(1) Prior to establishing a program under this Act which utilizes observers deployed on United States fishing vessels or in United States fish processing plants, the Council with jurisdiction over the fishery (or in the case of a highly migratory species fishery, the Secretary) in which the observers will be deployed shall establish a set of goals and objectives and an implementation schedule for the program and a statistically reliable method for achieving the goals and objectives.

"(2) The goals and objectives required under paragraph (1) shall ensure equity among the various harvesting and processing sectors in the fishery; shall ensure that the costs of the program are appropriately shared by all beneficiaries, including participants in other fisheries; and shall ensure that those fishing vessels and processing plants where observers are deployed are not put at a disadvantage with respect to other harvesters or processors in that fishery or in other fisheries.

"(3) No observer program may be established until the provisions of paragraphs (1) and (2) are met."

Cumulative Impacts

Section 301(a)(8) (16 U.S.C. 1851(a)(8)) is amended to read as follows—

"(8) Conservation and management measures shall, consistent with the conservation requirements of this Act (including the prevention of overfishing and rebuilding of overfished stocks), take into account the importance of fishery resources to fishing communities, and the cumulative economic and social impact of fishery conservation and management measures on such communities, in order to (A) provide for the sustained participation of such communities, and (B) to the extent practicable, minimize adverse economic impacts on such communities."

Optimum Yield Cap

Section 3(28(B) (16 U.S.C. 1802(28)(B)) is amended by striking "reduced" and inserting in lieu thereof "modified".

Effect on Fishing

Section 305(b)(2) (16 U.S.C. 1855(b)(2)) is amended—

(1) by striking the period at the end of the subparagraph and inserting "; or";
(2) by inserting "(A)" following "any action"; and
(3) by adding the following—

"(B) authorized, funded, permitted, or undertaken, or proposed to be authorized, funded, permitted, or undertaken, by such agency that may adversely affect the catching, taking, harvesting, or processing of fish in any fishery managed under this Act."

Senator WYDEN. Very helpful. What I'm going to do for this panel, because I want to give our open mike period an opportunity, is we'll have some questions for you all in writing, Okay? There are a number of areas I wanted to ask you about. This is excellent testimony that I'd like to ask questions about.

We'll excuse you, unless you would like to add anything further.

Mr. MOORE. Thank you for coming, Senator Wyden.

Senator WYDEN. I want to repeat essentially opportunities for folks to participate. The hearing record is going to be open for 10 days. If anyone wants to submit written testimony, it should be sent to the Senate congressional Committee in Washington D.C. For e-mail purposes—I know many e-mail to me regularly—I want this to go to the Committee, margaret_spring@commerce.senate.gov. We'll have that available for the folks as well for e-mail.

And, let us say we've now got eight folks signed up for the open mike period. Let's try to have folks take just a minute or two, again the chance to amplify as well, in terms of written comments. But, I do want to allow some time.

We've got Donna Leach and Tom Leach signed up. Did you both want to testify?

Mr. LEACH. Yes.

STATEMENT OF DONNA LEACH, HOMEMAKER AND FISHERMAN'S WIFE

Ms. LEACH. I've written you numerous times. I've contacted your office and talked to your members. I've also talked to Senator DeFazio. And I don't know if he gave you a copy of this pertaining to the meeting I had requested——

Senator WYDEN. Right.

Ms. LEACH. He's still working on it. Emily Jenkins, I sent her copies of the petitions. I also gave your office copies of the petitions asking for NMFS' Stock Assessment Scientists to be fired, due to their negligence.

I do not feel that there is a lack of fish. There is a lack of science. You've also agreed with me on this matter. The people of America asked, when we were at a meeting, for a survey to be done at no cost to the government. And instead of getting a yes, I was told by Usha she had to talk to Rick Methot. At that meeting, Rick Methot told me he did not think it could be done. I contacted him later from our property in Eastern Oregon. He told us it could not be done. Then I come home to Coos Bay. Usha tells me that they made an effort, but none of the boats that volunteered were ever asked to do that survey. And the government hired a gentleman named Bob Shone who is supposed to be a liaison between the people and National Marine Fisheries and NOAA.

The people of America right now ask that this Committee not give another dime to National Marine Fisheries, Oregon Department of Fish and Wildlife, NMFS, any of them, until NMFS' scientists come and go out on the commercial fishery boats on a month-to-month basis for practical, realistic data—no more playing games, no more wasting tax dollars. They have wasted our time for over twenty-some years. They have wasted the government's time. And it's time it ends. You have sat here and listened to them. How many years does it take them to accomplish something? Would you wait to balance your checkbook for over a year? I don't think so.

My husband had a heart attack. Would I go to a plumber, or would I go to the very best? These people are supposed to be qualified to do this job. You hired people that are not qualified and should be fired? And I, as a servant—and I do have petitions right here with me from the people of America—fire these people and get people that will do the job. Do not give them another dime.

Senator WYDEN. Mr. Leach, do you want to followup?

Mr. LEACH. Yes.

Senator WYDEN. Did you want to speak, sir?

STATEMENT OF TOM LEACH, COMMERCIAL FISHERMAN

Mr. LEACH. Yes. Senator, I want to thank you for coming, thank you for inviting us. And when I saw you about a week ago, I believe it was at Coos Bay, and you said how do we take care of my problem. You're doing it. I thank you.

And I got some stuff I kind of want to rebuttal here. Of course our metric tons, our landings, are falling from what the National Marine Fisheries said, because over the last 10 years they've cut our harvest guidelines. They've cut our optimum yield. How could

it stay where it was? And ever since they started cutting and cutting our discards have increased. That's a total shame.

On the observers, Steve touched on it, but I want to retouch on it again. I heard $5 million. I'd like to have that contract. I don't know if that was for 1 year or whatever. But for about $4,000 we can get these videos put on the boats, like he testified to. If you take that times two hundred boats, that's $800,000. I don't know what it would cost—it couldn't cost a million dollars to have somebody sit at a desk and watch the hour—you know, the hour meter thing like they talked about. Because I suppose the average tow is six, 7 hours long. And you've got an hour's time on the deck. And if you took that times 200 boats, which there's about 200 boats fishing, it shouldn't take that long.

We want to do the research. We've been doing it the last 3 years—well, 2 years, excuse me—well, actually the last 3 years. The scientists that's on our boats, government scientists, say the data is better. They're getting more accurate data. Why that would be I don't know. But the scientists themselves want to go on our boat. They don't want to go on the Miller-Freeman. And we can have four boats per day for the price that that Miller-Freeman costs us each day. We can have four boats to do that same survey the Miller-Freeman does. So don't give them any more money for that Miller-Freeman.

It was brought up here that—that they let us talk to them at the meetings and all this. That's a bunch of baloney, because I have been going for 5 years. They don't let us talk. They don't even listen to us at the meetings when we're there. I have been called a liar, and I have been told that I needed a PAC before they would even think of listening to me. And I have 40 years experience, and I know damn well I know more what's out there than they do. I want to read a little part that I'm going to give you for total testimony here.

Senator WYDEN. The only thing I'd say, Mr. Leach, is we've got another six people we have to get in. So, if I could maybe read that, I think you've said that real well.

Mr. LEACH. You don't want to hear about the discard thing?

Senator WYDEN. Why don't you touch on it real briefly.

Mr. LEACH. Well, Okay. I'll skip over this here.

If there's such a shortage, why did I catch 2 months complex—2 months—in 61 hours towing time, 61 hours towing time for 2 months complex. And they have a shortage of fish. And out of that I threw away 1,000 pounds of shore spine, which the government says there is none out there. And it's the same thing with the black cod. We only bring in the mediums and large. We don't keep any smalls or extra smalls. And it goes right on down the list.

The last thing is that I hope that the buyback program does go through. But I think it's going to be way more costly than what anybody images. Because if you're going to get rid of the top producers, it's going to cost you millions, not a million but millions.

Senator WYDEN. Thank you. And, it was good to talk with you all in Coos Bay last week as well.

[Material provided by Donna and Tom Leach follows:]

MATERIAL OF TOM LEACH, COMMERCIAL FISHERMAN AND DONNA LEACH, HOMEMAKER

October 3, 2000

DONNA LEACH,
Coos Bay, OR.

Dear Donna:

Thank you for forwarding me the petitions regarding fisheries management. I was disappointed to hear from my staff that you did not want to meet with senior National Marine Fisheries Service (NMFS) officials to discuss the decline of the groundfish fishery. As I indicated at the Coos Bay town hall meeting, NMFS needs to better understand how inadequate stock assessments affect fishers and their families along the West Coast and you have the data and personal experience to make a good case.

In addition to trying to facilitate a meeting between you and senior NMFS officials, I have also contacted House Committee on Resource Chairman Don Young to request a hearing on the management of the groundfish fishery. Unfortunately, in the rush towards adjournment, it is unlikely that a hearing can be scheduled in the next three weeks.

In the absence of a hearing, if you continue to want to bring your concerns before Congress and Senior Commerce Department officials, I will attempt to arrange meetings with appropriate Members of Congress and Administration officials. However, I hope you will reconsider meeting with senior NMFS officials in the Northwest.

Sincerely,

PETER DEFAZIO,
Member of Congress.

Press Release

To: The World Newspaper
Attention: Kathy Erickson, Editor
Date: Dec. 12, 2000

RE: FAKE DATA FORCES CLOSURE TO WEST COAST FISHERY

From: Tom/Donna Leach

Tom Leach, a 40 year veteran of fishing, claims that "the U.S. government is forcing us to shut down our West Coast fishery," he announced at a recent community meeting. "Plain and simple, the government encouraged us to build bigger boats, to overspend, and overcapitalize 20 years ago. Now they are cutting us back by another 25 percent."

Leach, who owns the Jamie-K, and fishes out of Coos Bay, Oregon says" Dr. Rick Methot made the model and he's putting incorrect data into it. He's employed by a government agency, the National Marine Fishery Service, and he has free rein over everything we do.

The Magnuson-Stevenson Act calls for Economic Impact Studies to be done before quota's are cut. However, no such studies have been done, prior to past quota cuts. Why? If the National Marine Fishery Service were a private business, it would be liable for law suits for not following the law. Why are they exempt?

"Six Years ago, in Sept. of 1994, our fishery hired Nancy Douglas, a consultant, to advise us on what we should do to protect our ocean resources. We were concerned about the proper data being used to evaluate the status of our current fish stock off the coast of Oregon, Washington, and California. Douglas advised us to request a Task Force to review the way that Stock assessments are done. She sent letters to President Clinton, Vice President Gore and others. With the help of Congressman Pete DeFazio, Senator Mark Hatfield and Representative Elizabeth Furse, we obtained the Task Force Review; and we won it."

Six Scientists from around the World went over everything with Dr. Methot, and the National Marine Fishery Service. They told Methot to throw his Model away, because it doesn't work. They suggested using the fishermans Log Books, and *talk* to the fishermen. 6 months later, in Feb. of 1995, Dr. Methot announced "We don't have anything else to use, and that's what we're going to use anyway", and that is what we are doing." said Leach.

I asked Dr. Methot about where he gets his net mortality. He replied "oh, it's just a known Fact". We've done studies ourselves with Black Cod, and we can have them up on deck for 15 minutes, then place them in water and go back 2 days later and they are still alive.

For: Tom Leach
By: Nancy Douglas
Date: 12/12/00

I want to thank Mayor Verger and the representatives that are here.

My name is Tom Leach, and I have a problem. What I want to know is, I guess, is "How can you help us? That's what I want to know. I don't know who to turn to.'

Are there any loggers here? It's just like when you were run out of the woods because of the spotted owl. We are under the same thing. We are getting shut out on bad data. Plain and simple.

Loggers, Remember how you had to clean the streams years ago? Now they're getting paid for putting logs back in. Now they are forcing us to go to an 8 inch footrope, and we'd like to go back to a 14 inch footrope, before we tear up the bottom of the ocean.

The same thing with the salmon. Another government mistake. The government used to see to it that ODFW used to put in 50 million fish a year in the hatcheries. Private aqua-culture came along and said to the senators and ODFW, "Look at how much money we can save you." "We'll put in the 50 million fish a year" and they did. But they tampered with the genetics of the fish, consequently they were coming back in two years instead of three. They were also undersized, and too small for our commercial fishing industry. We've never had a natural wild stock of silvers, it's been hatchery fish, and it always has been.

The Magnuson-Stevenson Act calls for economic impact studies before quota's are cut, however no such studies have been conducted prior to past quota cuts. Why? If the National Marine Fishery Service were a private business, it would be liable for law suits for not following the law. Why are they exempt?

I am concerned about the proper management of our fisheries. I feel that the industry needs to be involved at all levels of management to insure that the stock assessment process is accurate and sound. We fishermen need to be involved at all levels of future planning. I feel that a year-round fishery s needed for us, the fish companies, and the people.

Now we'll get back to the background on the data. The Miller Freeman is a 215 foot vessel that is used by the government to conduct research. They went out and made tows, and they didn't catch anything, because their tows were all mudded down. This went on for several years, so they said "there is no fish", because they couldn't catch anything. So they put a fisherman on board the boat. Gerald Gunnari went, and he wasn't out there for very long, and he showed them all the mistakes they were making! He told them all the stuff that he felt needed changing, and they actually went out and caught fish!

They said "That's great". The next year Jimmy Burns went out, but I think he worked more on the speed they needed to do, before they could catch fish, and they caught fish! They said "well, I guess the fish were always there, but we'll just pretend that they were always there now." So, now the data went from no fish to there were always fish there.

We mark our wires, so we know where the gear is. I found more stuff that is wrong but we wont get into that, but anyhow all their data has been bad before we got two fishermen To go out on their boat.

Six years ago, Nancy Douglas was hired, as a consultant, to help us save our fishery. It was her suggestion to write letters to President Clinton and others, asking for a task force to review the way that stocks were being done. We were very concerned about the data that was being used to determine the status of our current fish stock, off the coast of Oregon, Washington and California. With the assistance of Pete DeFazio, Senator Mark Hatfield, and Representative Elizabeth Furse, we got the review we asked for.

We got 5 scientists from around the world, none of ours, and we went over all the stuff with Rick Methot. When they got it all done, they told Rick to "throw your models away, because it doesn't work, and it doesn't fit. Use the fishermen's log books, use the fishermans data and talk to them."

Six months later Rick Methot said "Well, we don't have anything else to use, and so that's what we're going to use anyway". That's what there doing.

Prior to 1992 Dover Thorny Heads Sable Fish (DTS) were wide open. In 1993 we were cut to 90,000 pounds. In 1994 we were cut to 60,000 pounds, a 33 percent cut. In 1995 we were cut to 50,000 pounds, a 15 percent cut from the previous year. In 1996 we were cut to 30,000 pounds, a 40 percent cut from the previous year. In 1997 there were no cuts. In 1998 we were cut by 18,500 pounds, 40 percent cut from the previous year. The total was 128 percent cut in the last 5 years.

The most meaningful true conservation measures in effect today were imposed by the commercial fishers as: increasing mesh size in our trawl gear, insuring the escapement of juveniles and small adult fish insuring a sustainable fishery for our future; increased our footrope size allowing more escapement of small fish under our trawl gear, being more selective in the larger fish on the bottom, reducing our discards. These measures make our operations less efficient but more conservation-oriented for the future. We are the ones with vested interest in having fish for the future. Managers/regulators have no vested interest whether there are fish or not.

Interpretation seeming to be torqued to lower harvest levels below profit levels for the west coast harvesters.

Inflexibility resulting in zero fishing mortality is not in the West Coast's best interest. 10 Year rebuilding schedule is unrealistic for some species.

How they arrived at these numbers was through going through their interpretation of the Magnuson Act. This meant that we had to regulate this on the conservative side. So they would take a figure, like 3,000 metric tons, that would be high and 2,000 tons would be low, and you'd think that it would be fine.

Then the first committee, a statistical one, said "well, let's take that 2,500 figure and we'll cut it by 10 percent, so we'll be safe. Then they would pass it up to the next committee, and the next committee would say the same thing. FOUR committees later it would go through, to bite the dust. They cut between 3,000 and 2,000 and each one of those 4 would take another bob off from that, for being conservative. I think that they have over-conservatized it all the way back to the precautionary side.

Well, a little more on the data background. I've offered me boat to them and they refused. I've asked them to go with me, and they've refused. John Broac, said he was going with me, (he's the Dover author/scientist), but he never showed up. I've offered to tag black cod for them, at no cost, and they never brought the tags.

I've fished in this one place for 25 years, now there's four boats fishing in the same place, and there's just as many fish there now as there was then.

Now I will get into some actual facts about data. I went out this time for our two month complex, 61 hours towing time. I had most of my two month complex. And I threw away over 1,000 pounds of sort spine thornyheads in the 61 hours. I'm only allowed to sell 1,000 pounds of them, and I did.

I don't rockfish, I never have. I could catch a lot of rockfish now too, I think they're allowing us to catch 4,000 pounds too.

The last few years we haven't been bringing any black cod in that are small. We bring in a dollar a pound fish on the big ones, and 80 cents for the medium ones. That's not the right figure, but we throw away the 40 cent ones. So what did the scientists say? "Gee, there are no recruits, no small ones!"

I have gone to the meetings for 4 and a half years, and I tell them, and tell them, But what do they say? "You don't have a PHD, and we won't talk with you." It just seems that to me common sense would tell them, (and who ever is out there to listen to us), that if there was a shortage of fish out there, we would have to spend more that just 61 hours to catch our DTS, our two month complex.

On the short spine, that's the one we're regulated on. Everything is supposedly a factor on the DTS. We don't know how far out there that they go, their out there for 28 miles to 30 miles, and they are still there. They may go from here to China. Nobody knows, or from here to Japan. We've never found and end to them. Why they've got us regulated on that, I just don't know.

Rumor is, according to the last 2 years, that scientists have been going out on our vessels and they said there were an awesome level of trends and increases already. They have seen it, but I'm not going to say that for a fact. I don't know. I wasn't there, but at least it's not going DOWN.

The way that they do their study for their data is they don't pick a spot, and they keep going to that one spot. What they do is they pick a different spot each year, and they say that this is where you are going to tow. We tell them that "Fish don't even live there." It's like going into the middle of Los Angeles and looking for a herd of Elk. Well, that's the way they do their research, no wonder it hasn't been going very well.

Now, next years cut. We're going to get cut by another 25 percent, that's their proposal right now. 50 percent On short spine hardheads. It's unbelievable. 61 Hours towing time for the two month complex, and they are going to cut us some more.

I guess the conclusion is that the government wants to replace us. The government encouraged us to build bigger boats, to over-spend and to over-capitalize. Let's get rid of the foreign fleet and you guys can catch them all. They encouraged that 20 years ago. We got rid of the foreign fleet alright, and now we're getting rid of ourselves.

My thoughts are we need your help. We need you to tell the government that you created this problem, and now we need the buy-back program for industry. If that's your goal, and we need to get rid of 50 percent of the boats.

I want to know, who do we need to see, and who do we need to talk to? How do we get this thing stopped?

I have told Rick Methot that his model is truly probably one of the best models in the world. His first equation is Q. It stands for quantity, and he doesn't have a clue. (Where do we find fish?)

The other one is Net Mortality. I asked him "where do you get your net mortality, Rick?"

"Oh, it's just a known fact" he said. Maybe it is, I don't know. I don't have any idea of how they came up with it. We've done studies on it ourselves. Black Cod, you can have them up on deck 15 minutes, and put them in a pot, and put them back in the water and go back two days later, and they are still alive. What is the net mortality? There are so many holes in his model it's just pathetic.

I want you to ask congress to not fund Rick Methot's request for seven Research Vessels. The Miller Freeman couldn't catch a fish, and they bragged about that. They had the finest gear in the world. I told them that "without a doubt, they did, but they just don't know how to catch fish with it."

Don't give Methot any money for his research vessels. Let US DO the research.

I wish they'd get rid of that 8 inch footrope . . . that is a real killer, we're killing babies, Juveniles, their killing everything out there. My partners tell me "don't say that Leach". We want to go back to the 14 inch footrope.

That's all I have. If you have any questions, I'll be more than happy to answer them for you. Thank you.

Fact Sheet
Quota Cut History
Net Changes

Prior to 1992 Dover Thorny Heads Sable fish (DTS) wide open

1993 cut to 90,000 pounds
1994 cut to 60,000 pounds = 33% cut
1995 cut to 50,000 pounds = 15% cut from previous year
1996 cut to 30,000 pounds = 40% cut from previous year
1997 no cut
1998 cut 18,500 pounds = 40% cut from previous year

Total 128% cut in last five years

The most meaningful true conservation measures in effect today were imposed by the commercial fishers such as; increasing mesh size in our trawl gear insuring the escapement of juveniles and small adult fish, insuring a sustainable fisheries for our future; increased our footrope size allowing more escapement of small fish under our trawl gear, being more selective in the larger fish on the bottom, reducing discards. These measures make our operations less efficient but more conservation oriented for the future. We are the ones with vested interest in having fish for the future. Managers/regulators have no vested interest whether there are fish or not.

Interpretation seeming to be torqued to lower harvest levels below profit levels for the West Coast harvesters.

Inflexibility resulting in zero fishing mortality is not in the West Coast's best interest.

10 year rebuilding schedule is unrealistic for some species.

Staffers wrote up the changes, don't believe history, would not support inversion. (Change Magnuson-Stevens Act) it's torqued interpretations identify?

Was written to prove overfishing in order to "rid our fishing grounds of foreign vessels over 100 to 300 feet long. They are no longer fishing 24 hours a day out here. Somewhere this system has got to turn the corner and start supporting our own domestic fishers get some reality in fish management.

The Magnuson-Stevens Act calls for a study of economic impact before quotas are cut, however no such studies have been conducted prior to past quota cuts. Why? If the NMFS was a private business it would be liable for law suits for not following the law. Why are they exempt?

COOS BAY TRAWLERS ASSOCIATION, INC.
Coos Bay, OR., July 1, 1997

Dear Councilors and Guest:

I am concerned about the proper management of our fisheries. I feel that the industry needs to be involved at all levels of management to insure that the stock assessment gathering processes are accurate and sound. We fishermen need to be involved in future planning.

I feel that a year-round fishery is needed for us, fish companies and the people.

Right now we are looking at 2 and possibly 3 month closures. The down fall of the closure would be the loss of jobs and the revenues from the fresh fish market.

Since 1987, we have taken drastic cuts in harvest levels and a limited entry of permits has come into effect. Some of our boats have sold our drag permits and have left our fishery.

We have voluntarily reduced our efforts and increased our efficiency to increase our conservation tactics. We have increased our net size to 4½ inch, employed roller gear instead of 8 inch disc, no double double cod ends, no chaffing gear which allows small fish to escape.

Currently we are on a F35 which means 35 percent of the females are never caught and the ODFW are pushing to F40.

Two years ago, we had five independent scientist from around the world do a external review of our survey methodology and they found that it was worst than we imagined. They recommended that the model be thrown away, use fishermen input, logbooks and get sound stock data.

The survey vessel, Miller Freemen, which has conducted the surveys for many years prior to 1993, never caught much. We got a fishermen on the vessel and in two trips he got their gear to fishing. Now they are catching fish. It hasn't changed any of the data yet.

Some say that there is a shortage of fish. If there is such a shortage, why are the larger vessels fishing only 6 to 8 days per month and the smaller vessel are fishing 8 to 10 days a month to get their quotas.

There are some regulators that believe their education level out weighs the fishermen actual experience.

In closing, each dollar we earn generates 8 fold back to the community. You can help us by advising your political contacts in fishing matters to help establish a better understanding of our industry.

Thank you for your time and consideration.

To: All Groundfish Management Team members.

In 1997, industry lost 3,061 metric tons of DTS; 6,749.505 pounds at a value of $1,422,903.45 due to small trip limits set by management!

In 1997, at the September PFMC meeting. I showed the Council how we were going to be short on the harvest guideline and gave them a plan to compensate for the shortfall. The Council took no action!

In 1998, industry lost 4,295 metric tons; 9,470,475 pounds at a value of $4,400,512.00. In June at the PFMC meeting, I told them ee would be short again on the HG. They thanked me but took no action until it was too late in the year and we lost again.

I hope the GMT and the PFMC does its job a lot better this year. Are you going to listen to industry this year (1999) and do better? Or are you going to continue to take money out of our pockets anyway you can?

The last two years, I have lost approximately $29,116.00 on the DTS alone. In 1997, we left 3,137 MT, minus 76 MT of over fished shortspines hardheads, equals 3,061 MT = 6,749,505 pounds DTS; we left 2,110,185 pounds on Dover @ .31 per = $654,157.35; we left 4,381,335 pounds on Longspines @ .60 per = $2,628.801.00; we over fished shortspines by 167,580 pounds @ $ 1.00 per = $167,580.00; we left 421,155 pounds of Sable @ $1.20 = $505,866.00.

In 1998 we left 1,637 MT of Rockfish, we fished 409 MT of unspecified rockfish which equals 1,228 MT = 2,707,740 pounds @ .32 per = $866.476.80

We left 3,067 MT of the DTS HG

Dover 980 MT = 2,160,900 pounds @ .31 per =$669,879.00

Longspines 1,859 MT = 4,079,250 pounds @ .60 per = $2,247,550

Shortspines 4 MT = 8,820 pounds @ $1.00 per $8,820.00

Sable 233MT= 513,765 pounds @ $1.20=$616,518.00

3,067 MT = 6,762,735 pounds = $3,534.035.20

Coos Bay, OR, December 6, 1996

TO: National Marine Fishery Service

Dear Gentlemen:

I am the owner and operator of the FV Jamie K, a 60 foot vessel. I have been a commercial fisherman on the West Coast for 39 years, since 1957.

I am concerned about the proper management of our fishery. I feel that industry needs to be involved at all levels, to insure that the stock assessment gathering process's are accurate and sound. We fishermen need to be involved in future planning as well.

I feel that a year-around fishery is needed, for us, the fish companies, and the people of the USA—so they can continue eating fresh seafood.

I have some thoughts and observations that I would like to share with you about our West Coast Trawl fishery. Please give careful consideration to the following:

1. Net Size:

   My net size is called a 350, and it's 74.5 feet. The head rope is 56.6 feet.

   The average vessel in this port is 74 feet in length, and they tow a 401. Their footropes average 85 feet, with head ropes of 64 feet.

   Our foot ropes are loose and roll over the grounds. We do not use rock-hopper footropes on the average.

   We used to use 5 to 7 inch disc footropes arid smaller cod ends. Now we use 14 inch roller gear and a 4½ inch (mesh size) cod ends. We lose a lot of fish at the stern of the boat (I wonder if this isn't a mistake on the net mortality rate v.s. fish size)?

   I feel that net mortality is important. I think we should go back to the smaller cod ends, because I keep losing legal size fish—the mesh size is too big! I feel this would insure the accuracy of the net mortality.

   Fact: The weighbacks are 2 to 3 percent on Dover. It used to be 8 to 10 percent.

   With these problems, how can you judge accurately the net mortality?

2. The Miller Freeman:

   I would like to volunteer to go on the next survey please. I feel that my experience could be valuable to the industry, and the surveys. Please consider me as a candidate for the trip, and let me know ASAP if I am accepted, so I can plan my future schedule accordingly.
   At 10 a.m. on Nov. 14, 1996, I passed the Miller Freeman vessel towing at about 175 to 180 fathoms. called them and asked what they were catching. He said "mud and dog sharks . . . Lots of mud and lots of dog sharks". I told him that this is all they would catch inside of 200 fathoms. (Obviously the crew does not have the knowledge to know where the fish are).

   The following day, Nov. 15, 1996, I observed the Miller Freeman in 450 fathoms. At least they did move to another area! I presume they were going after Black Cod.

   It is interesting to me that 3 weeks earlier, the fishing conditions would have been ideal. All of us fishermen know that every year at this time the 'dogs' move through this area, in great schools.

   I think that the surveys should be conducted from June to September, so catching dog sharks won't happen. Most fisherman know that the months of April/May and October/November the fish are in transition (they are moving).

   Tow by tow the ocean changes.

3. Yellow Tail Rockfish:

   If there is such a shortage of Yellow Tail Rock Fish in the Astoria fishery, why do some of our Rock Fish boats run to Astoria to catch their Rockfish quota in only one day? There is so much Yellow Tail Rockfish in the Astoria fishery, you can't keep out of them.

4. Halibut Bycatch:

   In the future we need to keep the dead halibut bycatch so it can be donated to the food bank. This is now a standard practice in Alaska.

5. Halibut:

We are catching more Halibut now than ever. As an example, we used to catch one or 2 a trip, and now we get them almost every tow.

6. Discards:

ODF & W records show that I had a total of 5,719 total discards of Black Cod. I had a total of 154 pounds of Long Spine and Thorny Heads, and 8.4 pounds of Dover.

Out of the 5,719 pounds of Black Cod, my logbook shows that 2,605 pounds were alive and thrown overboard. 2,015 Pounds had to be discarded, due to the quota. 605 Pounds I had to throw overboard because of price negotiation problems.

My net discards of 494 pounds was all that I feel were actually discarded. This is not bad for five and a half months of fishing!

7. Observers:

I think we need to keep the observer program. I had an observer on board for five and a half months. I think it's the only way to go.

I do not like keeping an 'enhanced logbook' because we fishermen have been called liars for years. If you don't have trust in us, why should we keep them?

8. Logbooks:

Please look at the enclosed logbook papers. I have kept records since 1963 of every fish I have ever caught.

Pay special attention, please, to areas that I have highlighted in yellow marker (on the following dates): 5/3/96, 5/13/96, 5/17/96, 11/14/96, and 11/16/96. Rick Methot, I am sorry about the remarks I wrote on 5/13/96, but I was very angry that I had to leave 2 to 3,000 dollars worth of fish behind, per tow, due to shortages.

If there is such a shortage in the fisheries, why do I catch my DTS in 8 to 10 days fishing per month? The larger boats out of this port catch their DTS in a shorter amount of time. (Their nets are bigger).

I feel that this conference is a positive move, and the fact that minutes are going to be kept of it is important. Are you also going to tape all segments? It might be a good idea to have the minutes available, in their entirety, so that they can be sent to the fishermen upon request. Also, certain portions of the tapes would probably be very helpful for people who have not been able to attend. When you send out the minutes, it might also be a good time to include a questionnaire, so that you can gather some more feedback from the people who did not attend, and also the ones that did.

I feel we need to get information out to fishermen in a timely manner so that they understand what is being discussed about the future of our fishery. This conference if vital and important, and I am glad to be in attendance.

Please send me minutes of the meetings.

By the way, why are we meeting in Portland, instead of Coos Bay, Newport or Brookings? Where do the fishermen live and fish out of? Portland? I don't think so.

Sincerely,

TOM LEACH,
FV JAMIE K.

Coos Bay, OR.

Mr. TOM LEACH,
F/V Jamie K,
679 Kellogg Blvd.

Dear Senator Smith:

Thank you for coming to address our concerns of the Oregon Fisheries. Our biggest problem is the "poorest at best" stock biomass data of our fisheries.

The Hard Head lady, Jean Rogers, doesn't have enough data to give a good picture of the biomass. She said time and time again during the Stat and Star panel meetings that she assumes and guesses at this and that. Quotas cut, Long spine 30 percent and Short spine 60 percent Yet they cut our harvest guidelines for the year.

The Black Cod man, Paul Crone, says he doesn't have enough data for good biomass stock assessment. (Quota cut 40 percent)

The Dover Sole man, Jon Brojack, says at our present rate, our spawning biomass is increasing by 1 percent per year and an increase of 9 percent in the past few years. (Quota cut of 19 percent)

At the Star panel meeting, Allen McCall (chairman) said they never had enough data to make a judgment on any D.T.S.

They cut the Widow rockfish by 34 percent; yet the boats only fish about 20 hours per month to catch the old quota of 30,000 pounds. The same goes for my fishing on the D.T.S. I used to fish 8 to 10 days per month. The bigger boats only fish 5 to 8 days per month. Now it will be less.

The fastest way to turn this around would be to increase the Hake quotas by at least 50 percent or more. The bigger boats would be off the Groundfish at least two more months with almost four months total. That would save a lot. A big help would be to give the shore base plants 50 percent of the quota. The fish plants would build new facilities and hire more people.

The Hake are the world's best shrimp eaters and our shrimp industry would come back good again. That could be six months more of the boats off the Groundfish.

The shrimpers had problems last year trying to keep out of all ages of Hake. We have changed our net mesh to a larger size and made the foot rope larger. We are not as efficient as we use to be on flat fish.

After 40 years of experience in the fishing industry, I truly wish we would be listened to and have as much impact as the Ph. D's do.

I have had an observer on board for six months, have kept an expanded logbook since the start and have kept logs since before 1963. Also, I have had a ODF&W biologist on board for a trip last year and he said, "Boy, there is more fish out here than we thought and less discards then we thought."

The government is causing us to discard more fish now. My son on his boat and I on my boat have fished the same area now since the 70's and the fishing is better now than back when we started.

I would like to point out the fact that the biologists don't see any small Black Cod landed so they think there are no black cod left. We don't keep 0 to 3 pound black cod, we have to discard fish so we only keep the larger size of the fish. In fact, we don't even fish where we could fill the boat with Black Cod. Last year I threw away 4000 to 5000 pound tows of 1 to 2 pound Black Cod.

Short spines have the same problem. Yet, Jean Rogers and Paul Crones say there are none, so we get cut on the quota. I am sorry but this action is not right.

I think we are gaining on the data side of the issue. We have expanded logbooks, some on-board observers, got the R/V Miller Freeman catching fish now, have participated in some surveys and hope to do more in the future and now we are getting three boats from each port to meet with biologists and scientists every three months to give them better data and to just talk about conditions and other things.

What we need from you is to try to stop further cuts to quotas for at least five years so we can get data into the model. I know there are more fish out there then the regulators believe there is. I am not guessing or assuming, I know because I work out on the ocean and I know what I see.

Please consider the Hake idea very seriously.

Thank you,

TOM LEACH,
FV JAMIE K.

F/V Jamie K
Coos Bay, OR, May 5, 1998

Mr. TOM LEACH,
679 Kellogg Blvd.

To whomever is concerned:

Enclosed is a copy of my first trip of the Dover, Thorny head and Sablefish for the month of May. The enclosures are the regular and the enhanced logbooks. I have had an observer on board for six months and have kept an expanded log for 2½ years.

What I am showing you is when the fishermen tell you that there are more fish out there than your Ph. D's. Doctors and Scientists say, the fishermen are more reliable. We can show you by our log's a very different picture than the one that the "experts" paint.

I am going to explain tow by tow my discards on the Sablefish (BC) and Thorny heads (HH).

Tow #1

We towed for 10 hours and 10 minutes in the depths of 310 fathoms average for 1035 pounds BC and 880 pounds of HH. We didn't keep any BC under 3 pounds. We discarded 260 pounds of BC. We didn't keep any HH under 9 inches. We discarded 80 pounds of HH.

Tow #2

Eleven hours 10 minutes tow, average depth of 295 fathoms. Caught 2120 pounds of BC. Didn't keep any fish under 5 pounds on this tow and for the rest of the trip. The reason we did this is because we would have been throwing BC over the side so we made more money on the larger fish. We caught 1470 pounds of HH which most were short spine hard heads (SSHH). We discarded 120 pounds under 9 inches for market conditions. On this one tow we had 2/3 of the month's quota on BC and almost of the SSHH.

So where is the shortage of the BC and SSHH?

As you can see by the expanded log on tow 3 we discarded 109 BC weighting 381 pounds at an average depth of 330 fathoms. We moved in and out for depth trying not to catch big tows of BC and SSHH. If you follow the tows in the regular log and the expanded log you can see the area, the time, the depth average, the catch, discards and weather conditions. We discarded 8531 pounds of BC for the trip and 645 pounds of HH.

I have kept logs from 1963 on amounts of fish I have caught and weather conditions. I plan on giving you a trip by trip description from now on when I'm fishing for the D.T.S. When I am after Petrale, English, Rex and etc. I will probably not bother you.

I am pleased that industry is getting invoked in the surveys. Please give us some credibility at the meeting when we tell you how we see things! Don't say all you fishermen are liars or when

you have Ph. D's you can talk to us. I have over 40 years in the industry. I started commercial fishing in 1957.

The BC are all over the ocean, even into Canada which they are happy with us being on the small limits. More fish for them.

If you don't understand this letter or log data, please call us at 541–888–5796.

I would like to have Rich Methot, Jean Rogers and Paul Corne come on my boat for one day to see what I say is the gospel truth.

Thank you,

TOM LEACH

Newport, OR, September 2, 1998

MARK SAELENS, MARK FREEMAN,
2040 SE Marine Science Dr.

The best available data from Pacfin (ORCA)

To the PFMC on the Total Groundfish Landed Catch January through July, 1998

Dear Marks:

Please review:

DOVER SOLE

Total 4054 (mt) delivered HG = 8955 (mt)

579 (mt) per month times 12 = 6948 (mt) for year = 2007 (mt) short for the year = 22 percent under HG for the year. We need an increase of 215 percent per month to harvest the available HG available to us (21,500 lbs per month) for the last three months.

579 mt per month x 9 = 5211 mt est. caught

8955(mt) – 5211(mt) = 3744(mt) left for last three months

3744/3=1248=215% = 21,500 pounds per month

SABLEFISH

Total 917 mt delivered HG = 2282 mt

313 mt per month x 12 months = 1572 mt for the year

710 mt short for the year = 22% under HG for the year

We need an increase of 280 percent per month to harvest the available HG available to us. 8400 pounds per month for the last three months

131 mt per month x 9 = 1179 mt estimate caught

2282mt –1179mt = ll03mt left for last three months

1103mt/3months= 367mt = 280% =8,400 pounds

LONGSPINE THORNYHEADS

Total 1175mt delivered 4123 HG
168 mt per month x 12 months = 216 mt for the year
2107 mt short for the year = 58l% under HG for the year
We need an increase of 581% per month to catch the HG for the year. 25,850 per month for the last three months.
168mt per month x 9 months= 1512 estimated catch
4123mt − 1512mt = 2611 mt last three months
2611mt/3 months = 870 mt = 51% = 25850 pounds per month

SHORTSPINE THORNYHEADS

Total 629 mt delivered 1193 mt HG
90mt per month x 12 months = 1080 mt for the year
118 mt short for the year = 10% under the HG for the year
We need to increase of 141% per month to catch the HG for the year
2820 pounds per month for the last three months
90mt per month x 9 months =810 mt estimated catch
1193mt − 810mt = 383 mt last three months
383mt/3 months = 127 mt = 141%= 2820 pounds per month

WIDOW ROCKFISH

All gear= 1882 HG 4276
18827 = 269x9 = 2421
4276 − 2421 = 1855/3=618 mt per month = 229% increase in all fisheries

YELLOWTAIL

All gear 1654.8mt HG =3118
1654/7 = 236x9 2124
3115 − 2124=994/3=331 per month= 140% increase

CANARY

All gear 898.6 HG= 968
898.6/7= l28x9= 1152
968 − l152= –184/3= –61 = –47%

1. As you are charged to see that the harvest guidelines are to be followed and not overfished, it seems you would see to it that we (industry) would have limits set high enough to be able to catch the HG when you have set the limit too low for us to reach the HG and fish will not be harvested and left in the ocean.
2. Things would not be quite so bad for industry if we could at least catch the HG of each specie after all the cuts that have been handed down to us over the last 5 years.

   Boats tuna fishing in the months of August and September and in December, some trawl boats go crabbing. We could easily catch the LS out in the deep without many problems on the SS limits.
3. Last year we left 72,771,924 pounds of harvestable fish on the table. This year, we will leave 4942 mt DTS if the limits are not increased. We need to increase the limits in 1999 so we don't have this same problem again. We also had this problem last year.
4. Out of 16553 mt DTS we left 4952 mt; we left 29.9 percent of the HG because of the low limits.

Coos Bay, OR, August 21, 2000

Hon. PETER DEFAZIO,
Washington, DC.

Dear Congressmen DeFazio:

I am writing on behalf of my town, its economy and its resources. There has been a major issue in your state since the 1980s. Everyone has put in time dealing with the problem caused by government agencies. That problem is a factor that could destroy Oregon's economy, businesses and life as well as people.

This matter is in regard to Dr. Richard Methot and his model builder and how data points are used or not used depending on the desired outcome the government wants to push. This is also about how industry has been treated by these agencies while they manage the fisheries. Time is running short as are budgets and tempers.

What did congress set as actual scientific data with regards to assessments and the collection data to manage the economy of the ocean? We need to spell out what

is legal scientific data and what is required research to correctly manage our ocean's natural resources. It has become apparent that without guidance from a higher authority, NMFS will continue to use science that is unaccountable to manage our fisheries which has lead us into the disaster we now face.

Congress delegated agencies that were to include public and industry. But when you try to be a part of the process, you're degraded and called liars and told to shut up, or to get a PH D and then they will talk to you. Did congress factor the years of experience and knowledge some of these industry people have and the vital, long-term oceanic information they possess? Or did congress leave it up to NOAA, NMFS and the Councils to figure out what data and in what quantities were needed to manage this resource correctly?

What is industry's role in fishery data and management? Why hasn't congress forced the use of long-term fishermen knowledge to be used in connection with scientific data to manage our fisheries? Why are our fishery data gathered and managed by people who spend maybe an hour a year on a fishing boat instead of gathering some knowledge of the ocean from people that spend hundreds of hours at sea every year? Fishermen have far more understanding and knowledge of the ocean then the fifty people on these committees because they are true stakeholders in the management of this natural resource. There has been a constant "bashing" of the industry during meetings, in newspaper and television reports, by environmental groups via their web sites, government agency web sites and even congress with bills like 4046 which you co-sponsored. Is congress willing to wipe out a historical industry that has been here since before Jesus?

Why has this accountable science been allowed to go on without congress stepping forward to find out what was wrong with management practices and how to aid the industry in their effort to educate the managers for the betterment of everyone? The managing agencies have wrecked havoc for too long. The time is now for congress to step up to bat and set some parameters for science to follow. As elected officials, its your duty to represent the people. Those you represent want congress to see 2 representatives from and for commercial industry and one mayor so they may explain how budgets will be massively affected and towns destroyed due to the deliberate attempt by Rick Methot and his model builder to control the ocean.

Efforts to get Rick out on a boat at no cost for the purpose of data collection and observation has failed for over 5 years now. I have made the offer to Rick myself and so have others. Rick's goal is to have congress allocate funds to build a fleet of research vessels. He resents industry input into the management process and his intent is apparent. The scientists say they can not find a way to incorporate industry data into the management process. Mv dogs are treated better then these agencies treat the industry and the public. I don't own a boat but I attend meetings and see how things are done, hear the lies about data and how it is used or not used. Even Bob Schoning who was supposed to bring industry and agencies together favors the agencies and misleads industry about their data.

Oregon can't afford to loose 50 percent more boats based on poor and mishandled surveys and data for which the peer review declares to be no good. Did congress read this vital document? If no, then why haven't they? And if they did, why didn't they stop the fraudulent surveys and come to industry and allow them to prove the real status of stocks and quality of life in the ocean?

It is quite clear that these agencies have had no reason to do a good job as long as they collect their pay and congress doesn't question too much about the ocean. But we, as a whole, feels it is time congress heard the truth as industry has made many attempts to try and control the damage done under these government agencies.

So in conclusion Congressmen DeFazio, we ask you to let your fellow congress people that the people from your state demand to be heard before these meetings go any further. Because the data is biased, untrue and full of lies for one reason and because of one man, Rick Methot. The reason to gain fame and manage a fleet of vessels from congressional allocations.

It time the tables are turned and industry is allowed to prove to congress and America its regard for the ocean and its stocks. This is not an unfair request. After all, Mr. Methot has had more then his time to mislead America and congress. People want their turn at bat to show America they did not destroy the ocean or its economic future.

So we assume you will do your duty to those who elected you and who trust you to defend the honor of your state and restore hope to its communities and the working class. Congress needs to know the major factors effecting the economic loss of the west coast fishing fleet.

I would like to invite you to our town hail meeting on Friday August 25 from 1 PM to 6 PM because we consider this meeting vital to out existence in the future.

Sincerely,

DONNA LEACH

Thank you on behalf of my Mayor JoAnne Verger, my town and the working class.

Mr. Chairman and Committee Members:

My name is Steve Davis and I operate the F/V Sea Blazer out of the Columbia River.

I have been involved in the fishing industry all of my life—since sitting on the anchor coil behind the mast of a 36' double ender while my stepfather gaffed salmon from the cockpit. During this time most of the management that I have seen has been mismanagement, from the near total elimination of some fisheries to darn near starvation seasons or limits on others, which is what you are and have been doing to the trawl fleet for the past 10–15 years.

The lack of correct and current data has lead to imposing limits and restrictions which are causing more and more waste of good product. Fish and shellfish are not and never have been anchored to one spot, they have fins and tails to move around with. What is in one area one year may not be there the next, a lot of them come and go to different areas and have cycles of moving. Myself and I'm sure my fellow fisherman have seen this. We are required by law to keep logs but I see no evidence of their use, we are out on the ocean and see what is going on and it is a ridiculous waste.

I do not understand how you as a committee and the GMT, with no PRACTICAL EXPERIENCE in the Industry feel you can govern and regulate those of us who do. We are working harder trying not to catch fish now than when we could!

We (the fishermen) individually and as a group have more than enough years experience to be considered EXPERTS OR PROFESSIONALS in our field, but since degrees are not given for our years of involvement our voices and knowledge seem to go unheard. I feel it is time for you to quit sitting at computers trying to make up formulas that are not even based on factual information and start LISTENING to what's being said by the people who are actively involved in this industry.

Senator WYDEN. Let's go now to Mr. John Griffith.

STATEMENT OF JOHN GRIFFITH, COMMISSIONER, COOS COUNTY BOARD OF COMMISSIONERS

Mr. GRIFFITH. Thank you, Senator Wyden, for holding this hearing on the Oregon Coast. My name is John Griffith. I'm a Coos County Commissioner. The other members of the Coos County Board of Commissioners are here. I've seen some others County Commissioners here before at this hearing today.

The reason I think the County government is very interested in this is that these are Oregon Coast families. They're part of our economy. And as it was mentioned, we don't have any throw-away economies.

This was brought up, the comments I want to make, somewhat today. It was touched on. But I'd like to go into a little bit more. I ask today that you consider my request that the incoming Presidential Administration create an executive order to nullify Executive Order 13158 by the current Presidential Administration.

Executive Order 13158 establishes Marine Protected Areas and a network of MPAs. In my opinion and in those of the scientists I'm aware of who has given them, there's no science exists to create a network of MPAs, as envisioned by Executive Order 13158. Not enough is known about the ocean or the effectiveness of the MPAs to create a network of them. Furthermore, although there is limited evidence that marine bio increases in MPAs, there is only speculative circumstantial inference that MPAs increase marine bio outside of the marine protected areas.

Oregon has many areas now that are not fished with bottom-encountering trawl gear. The entire territorial sea of Oregon is a de facto MPA. Several hard bottom areas also run fish by trawl gear, adding many more square miles to that category. Additionally, Oregon currently has five—there's a few more—but five cable corridors that these five are off-limits to trawl gear for one mile on both sides of the cable out past the edge of the current fishing capability. An unknown number of cables would probably cross current fishing grounds in the future, adding to the off-limits square mileage. Furthermore, with the new minimum size foot ropes on trawl gear, many thousands of square miles of bottom off the Oregon Coast has become off-limits to bottom trawl fishing, which you noted in your questions to Rod Fujita.

The desire of zealous preservationist groups and of the foundations that finance them in establishing MPAs off Oregon is not genuine for the protection of ocean resources, as they claim it is. Given that we have thousands of square miles of de facto protection areas off Oregon, their desire to designate MPAs by leaps and bounds can only be to give them leverage in bringing litigation against legitimate issues of marine environment. By having designated MPAs, they can cite any and all uses in the MPA and outside of it that they don't like as having a possibly deleterious effect on the MPA and move a court to shut down those uses.

With ever-growing restrictions on our commercial and sport fishing and the negative results they have on our economy and our communities that depend at least in part on fishing, I call on Congress and the new Presidential Administration to relieve us of the burden of poorly contrived, unscientific, and politically motivated Executive Order 13158.

Thank you.

[The prepared statement of Mr. Griffith follows:]

PREPARED STATEMENT OF JOHN GRIFFITH, COMMISSIONER, COOS COUNTY BOARD OF COMMISSIONERS

Committee members:

My name is John Griffith. I am a Coos County, Oregon, commissioner and an ocean person. My comments are my own, and are not necessarily agreeable or disagreeable to the other two members of the Coos County Board of Commissioners.

I ask today that you consider my request that the incoming Presidential Administration create an executive order to nullify Executive Order 13158 by the current Presidential Administration. Executive Order 13158 establishes Marine Protected Areas and a network of MPAs.

In my opinion and in those of every scientist I am aware of that has given one, no science exists to create a network of MPAs as envisioned by Executive Order 13158. Not enough is known about the ocean, or the effectiveness of MPAs to create a network of them as envisioned by Executive Order 13158. Furthermore, although there is limited evidence that marine biota increases in MPAs, there is only speculative, circumstantial inference that MPAs increase marine biota outside of MPAs.

Oregon has many areas now that are not fished with bottom-encountering trawl gear. The entire Territorial Sea of Oregon is a de facto MPA. Several hard bottom areas also are unfished by trawl gear, adding many more square miles to that category. Additionally, Oregon currently has five undersea cable corridors that are off-limits to trawl gear for one mile on each side of the cable, out past the edge of current fishing capability. An unknown number of cables will probably cross current fishing grounds in the future, adding to the off-limits square mileage.

Furthermore, with the new minimum size of footropes on trawl gear, many thousands of square miles of the marine bottom off Oregon has become off-limits to bottom-trawl fishing.

The desire of zealous preservation groups, and of the foundations that finance them, in establishing MPAs off Oregon is not genuine for the protection of ocean resources, as they claim it is. Given that we have thousands of square miles of de facto protection areas off Oregon, their desire to designate MPAs by metes and bounds can only be to give them leverage in bringing litigation against legitimate uses of the marine environment.

By having designated MPAs, they can cite any and all uses in the MPA and surrounding the MPA that they don't like as having a possibly deleterious effect on the MPA, and move a court to shut down those uses.

With ever growing restrictions on our commercial and sport fishing industry, and the negative results they have on our economy and our communities that depend, at least in part, on fishing, I call on Congress and the new Presidential Administration to relieve us of the burden of the poorly contrived, unscientific, and politically motivated Executive Order 13158.

Thank you for your consideration, and for holding this field hearing on the Oregon coast.

JOHN GRIFFITH

Senator WYDEN. All right. Thank you very much, John. We will look at your ideas there.

Mr. Peter Huhtala, is he here? All right. Onno Husing.

STATEMENT OF ONNO HUSING, DIRECTOR, OREGON COASTAL ZONE MANAGEMENT ASSOCIATION

Mr. HUSING. Thank you, Senator. Again, Onno Husing, Director of the Oregon Coastal Zone Management Association.

For the record, I remember sitting with you on this stage 2 years ago listening to the some of the commitments, not seeing they've been followed through; interesting to learn there's things above the line and below the line. I ask you to look a little more into that. We see it at the state level, too, things get above the line and below the line.

The folks—you mentioned the folks from GAO came out here, and they're going to ask hard questions. Your colleagues are going to ask you hard questions about fleet restructuring. When the GAO guys came out here, we had—in Newport—put them in a room with a bunch of folks, and we talked about some of the challenges of fleet restructuring. And it wasn't the most coherent discussion. I think a lot of us were just hammering these ideas back and forth. And at the end of the day, I saw them leaving the room, and I smiled, and I waived at them. And I said, "Oh, don't worry. You'll figure this out." And the two of them looked at me and said, "No. You'll figure it out." And they didn't quite understand what we really wanted to do in those days.

I think what Ralph Brown said is that every one of these programs need to be evaluated on their own merit and what we're trying to do to look at specific circumstances. But if you walk away from here, one message I have is that everything becomes easier with fewer boats in the fleet. It's not much more complicated than that. Trying to get absolute numbers on exactly how many boats, how much money, how it's going to work all in advance I think is placing too great a burden on us.

In this case, we need to get in the ballpark of lowering the number of boats, so that market forces can then pick up and take up the slack after that. I don't think you would hold that—knowing every single detail in advance, we wouldn't ask Proctor and Gamble to know exactly whether everyone's going to buy the last tube of toothpaste before they came out with a new product. And we

shouldn't hold people to too high a standard on this fleet restructuring. Give us some money. We've got some brains and energy in this industry. We can figure out a way to make it work on the ground. But we don't want to invest too little. And if we do, then it would be a waste.

Thank you.

[The prepared statement of Mr. Husing follows:]

PREPARED STATEMENT OF ONNO HUSING, DIRECTOR, OREGON COASTAL ZONE MANAGEMENT ASSOCIATION

I want to thank the Senate Commerce Committee for holding this hearing today in Newport, Oregon regarding the "groundfish crisis" on the West Coast. By holding this hearing on the Oregon Coast, the Members of the Senate Commerce Committee can get a first hand look at the challenges facing fishing families and businesses here in Oregon. Please know many fishing families and businesses are also impacted in Washington State and California. It means a lot to us that you crossed the continent to be with us today.

The past few years have been trying times for many people in the West Coast fishing industry. Individuals holding federal groundfish harvest permits have seen their harvest rates for groundfish plummet 10 percent or 15 percent each year for almost five years in a row. After several years of this crisis, federal fishery managers still can't tell us when the cuts in groundfish are going to end.

These cutbacks have taken an enormous toll on many families and businesses in coastal Oregon. We have seen people and businesses go broke. We've seen people leave the industry. Others struggle to stay on in the industry, steadily depleting their business and family resources, waiting to see how things are going to shake out. Some fish plants have already closed. There's another group of folks in the West Coast fishing industry that are doing better during this groundfish crisis because they hold not just groundfish permits but other fishing permits, such as Pacific Whiting, Pacific Shrimp or Dungeness Crab, or, they have access to fisheries in Alaska. Still, the impacts of the groundfish cutbacks continue to ripple throughout the entire fishing industry.

In Oregon, we've run out of new, major commercial fishing industry opportunities. In the past, if one fishery failed (or was steeply curtailed by the government), fishermen developed new fisheries. That's not the case today. The problem is simple. There is far too much harvest capacity in the West Coast groundfish fleet due to the sharp federal cutbacks in West Coast groundfish quotas.

I submit the challenge before us today is finding a way to downsize the West Coast fishing industry in the most rational and humane manner. I believe the federal government must partner with West Coast fishing communities to help us make it through this tough, historic transition. In my opinion, a federally funded fleet reduction program, in whole or in part, is the only realistic way to restructure the West Coast fishing industry and mitigate economic hardship in coastal communities.

At present, many people are "trapped in the fishing industry". Why are they trapped? Well, for many years, people in the West Coast fishing industry used their boats and permits as retirement plans. In the past, you could always sell these assets—the vessels and the federal and state fishing permits—or, have someone else to work the boats. Prior to the groundfish crisis (about five years ago) individual limited entry groundfish permits sold for approximately $250,000. And, fishing vessels routinely sold for $500,000 to $750,000. Now, because of the over capacity, groundfish permits have lost most of their value and permits are a direct consequence of new, federal fishery management policies codified under the 1996 Amendments to the Magnuson Stevens Fishery Act. Because the market for boats and permits on the West Coast has been virtually demolished by these new federal fishery policies, market forces alone can't rescue the industry.

In November 1999, after a "Fish Summit" with Senator Gordon Smith and other officials in Charleston, Oregon, a number of representatives of West Coast fishery organizations asked the Oregon Coastal Zone Management Association (OCZMA) to help organize a three-state fishing industry working group to formulate a Groundfish Disaster Plan to help fishing families make it through the groundfish crisis. This working group, made up of very diverse interests, including members of the conservation community, put aside their differences and developed three major planks of a Groundfish Disaster Program platform:

- *Community Assistance* (to help individuals and families that wish to leave the fishing industry access retraining dollars and other community resources;
- *Enhanced Fisheries Research* (to finally get some better data on West Coast groundfish and other fisheries);
- *Fleet Restructuring* (to help the fishing industry rationally downsize so the size of the fleet matches the available resources).

And, since early 2000, the Pacific Fishery Management Council (PFMC), has finally initiated a serious Strategic Planning exercise to start addressing the short and long term issues facing the West Coast fishing industry. Many of the people in our Three State Working Group participated in the PFMC's strategic planning effort. The PFMC's plan, however, remains quite conceptual in nature. A lot of hard work needs to be done to fill in the details of that Strategic Plan.

During this past year, Congress took some good first steps to address the groundfish crisis. First, the $5 million in the FY 2000 Emergency Supplemental budget. Second, an additional $2.275 million for observer coverage in the FY 2001 budget. For these actions, we are deeply grateful. However, the work is far from complete. Again, here we are, almost five years into this West Coast groundfish crisis, and no one in the federal government can tell people in the fishing industry how much lower groundfish harvests are going to go. People in coastal communities feel like there's a cloud of uncertainty hanging over their heads, year in and year out. The profound uncertainty makes business planning next to impossible and leaves people feeling embittered.

I urge the members of the Senate Commerce Committee to work with us on a fleet restructuring plan that will put the West Coast fishing industry on a new footing. We should have learned from painful experiences with the downsizing in the timber industry in the West that we need to help the economic and social refugees of new federal conservation policies. It is the fair and smart thing to do. By working together, we can help coastal communities and coastal families adjust to these profound changes in federal policy.

The members of the Senate Commerce Committee should know there's a good future ahead for the fishing industry on the West Coast. It will be a different West Coast fishery—a fishery that is smaller and much more in tune with the conservation needs of the fishery resource. With the help of Congress, we can all arrive safely on that other shore.

Attachments

Respectfully submitted by,

ONNO HUSING,
Director, OCZMA.

Table 1
Oregon Onshore Volume Trends by Species Groups in 1970 to 2000

Year	Salmon	Crab	Shrimp	Tuna	Groundfish	Whiting	Other	Total
1970	19,628	14,929	13,572	26,937	21,392	0	1,200	97,659
1971	17,268	14,876	9,075	13,092	22,040	0	1,036	77,387
1972	12,189	6,762	20,731	29,234	22,801	0	1,170	92,888
1973	17,385	2,350	24,517	24,425	21,944	0	917	91,538
1974	15,099	3,918	20,314	33,040	22,098	0	1,137	95,605
1975	12,390	4,027	24,084	23,584	21,024	0	937	86,046
1976	16,278	8,134	25,456	17,349	26,930	0	1,313	95,460
1977	10,774	19,902	48,580	9,899	23,366	0	1,835	114,357
1978	8,780	12,502	56,666	18,398	37,056	0	1,385	134,787
1979	11,129	15,634	29,587	8,821	64,430	0	2,267	131,868
1980	7,243	18,652	30,152	3,506	63,661	0	1,293	124,507
1981	7,041	6,984	25,924	7,727	82,502	0	18,047	148,224
1982	8,638	7,036	18,462	1,914	90,690	0	2,944	129,683
1983	2,673	5,368	6,547	3,411	78,152	0	4,211	100,361
1984	3,598	5,286	4,844	1,631	63,245	0	5,567	84,171
1985	6,577	7,518	14,855	1,525	64,694	0	4,435	99,603
1986	13,797	4,661	33,884	2,461	56,202	0	2,818	113,822
1987	15,092	5,991	44,589	2,288	68,409	0	2,243	138,612
1988	17,786	9,414	41,846	3,967	71,559	0	3,734	148,306
1989	11,724	11,676	49,129	1,080	82,510	0	9,504	165,623
1990	5,412	9,510	31,883	2,079	74,119	5,058	11,011	139,072
1991	5,344	4,924	21,711	1,259	81,711	29,109	5,976	150,033
1992	2,364	11,908	48,033	3,889	78,393	107,939	4,456	256,982
1993	1,848	10,456	26,923	4,754	83,523	78,970	3,941	210,415
1994	1,285	10,638	16,386	4,698	65,813	143,563	3,349	245,732
1995	2,860	11,954	12,106	5,034	56,335	147,355	3,047	238,692
1996	2,840	19,302	15,727	8,948	58,044	155,588	2,049	262,497
1997	2,245	7,777	19,560	9,170	57,475	162,782	1,947	260,955
1998	1,978	7,410	6,096	10,607	44,781	157,895	1,709	230,476
1999	1,560	12,347	20,451	4,564	46,804	160,965	2,828	249,520
2000	3,121	10,314	25,455	8,764	38,787	151,451	24,146	262,038

Notes:
1. Landings are reported in thousands of round pounds.
2. Salmon includes landings of steelhead, which have come exclusively from the treaty Indian fisheries since 1975.
3. Crab includes only Dungeness crab.
4. Tuna includes landings of albacore, yellowfin and skipjack tuna for 1970 - 1979. Essentially all tuna landings from 1980 on are albacore.
5. Groundfish includes landings of cods, rockfish (snapper), sablefish, soles, flounders, halibut, and Pacific whiting (until 1990).
6. Pacific whiting (also known as hake) did not emerge as a major fishery species until after 1990. Landings are included in groundfish until 1990.
7. Other includes landings of sea urchins, sturgeon, shad, smelt, clams, scallops, squid, crayfish and other species.
8. Years 1998 and 1999 are preliminary.

Source: Oregon Department of Fish and Wildlife (2000).

Table 2
Oregon Onshore Landed Value Trends by Species Groups in 1970 to 2000

		Salmon		Dungeness Crab		Pink Shrimp		Albacore Tuna		Groundfish		Pacific Whiting		Other		Total	
Year	Index	Real	Nominal	Real	Nominal	Real	Nominal	Real	Nominal	Real	Nominal	Real	Nominal	Real	Nominal	Real	Nominal
1970	27	33,653	9,144	13,735	3,732	5,995	1,629	25,482	6,924	5,907	1,605	--	--	751	204	85,523	23,238
1971	29	20,132	5,745	14,875	4,245	3,890	1,110	12,713	3,628	6,350	1,812	--	--	722	206	58,682	16,746
1972	30	21,553	6,412	9,634	2,866	9,647	2,870	30,709	9,136	7,281	2,166	--	--	699	208	79,522	23,658
1973	31	45,036	14,150	4,265	1,340	17,168	5,394	27,683	8,698	8,348	2,623	--	--	726	228	103,226	32,433
1974	34	30,747	10,531	8,061	2,761	12,905	4,420	36,703	12,571	9,442	3,234	--	--	575	197	98,434	33,714
1975	37	26,322	9,851	8,607	3,221	8,649	3,237	20,040	7,500	7,947	2,974	--	--	647	242	72,211	27,025
1976	40	48,942	19,358	13,370	5,288	12,871	5,091	14,313	5,661	10,877	4,302	--	--	1,183	468	101,556	40,168
1977	42	37,233	15,672	25,896	10,900	26,609	11,200	6,092	2,564	11,641	4,900	--	--	1,404	591	108,875	45,827
1978	45	25,980	11,711	21,295	9,599	33,064	14,904	22,894	10,320	17,805	8,026	--	--	923	416	121,961	54,976
1979	49	42,878	20,947	23,800	11,627	23,213	11,340	9,531	4,656	35,628	17,405	--	--	1,881	919	136,932	66,894
1980	53	19,746	10,533	23,199	12,375	31,275	16,683	5,148	2,746	21,748	11,601	--	--	1,166	622	102,281	54,560
1981	58	19,024	11,095	11,509	6,712	22,365	13,043	11,451	6,678	25,235	14,717	--	--	9,108	5,312	98,692	57,557
1982	62	20,039	12,415	12,188	7,551	14,993	9,289	2,043	1,266	32,793	20,317	--	--	2,214	1,372	84,270	52,210
1983	64	4,721	3,040	12,342	7,947	7,231	4,656	2,921	1,881	29,453	18,965	--	--	2,576	1,659	59,244	38,148
1984	67	7,677	5,128	11,848	7,914	3,216	2,148	1,325	885	24,005	16,034	--	--	3,378	2,256	51,449	34,365
1985	69	13,161	9,068	15,658	10,789	7,606	5,241	1,181	814	25,752	17,744	--	--	3,133	2,159	66,492	45,815
1986	70	21,570	15,191	9,355	6,588	25,708	18,105	1,306	920	26,412	18,601	--	--	3,296	2,322	87,649	61,727
1987	73	37,254	27,022	11,514	8,352	41,735	30,272	2,310	1,675	35,023	25,404	--	--	2,726	1,977	130,563	94,702
1988	75	52,099	39,073	15,036	11,277	22,867	17,150	4,437	3,327	33,130	24,846	--	--	2,885	2,163	130,454	97,837
1989	78	18,322	14,266	17,421	13,564	22,997	17,906	1,139	887	34,198	26,628	--	--	5,363	4,176	99,439	77,427
1990	81	11,847	9,585	17,991	14,555	19,318	15,629	2,064	1,670	29,791	24,102	271	220	7,089	5,735	88,370	71,494
1991	84	6,957	5,832	8,901	7,462	14,396	12,069	1,164	976	35,677	29,910	1,666	1,397	5,380	4,511	74,141	62,158
1992	86	4,294	3,688	15,589	13,388	20,013	17,187	4,611	3,960	32,305	27,742	5,901	5,067	3,752	3,222	86,465	74,254
1993	88	2,759	2,426	13,416	11,798	10,134	8,912	4,414	3,881	32,506	28,586	2,591	2,279	3,388	2,979	69,208	60,861
1994	90	1,626	1,460	16,110	14,463	10,723	9,626	4,176	3,749	33,199	29,803	4,777	4,289	2,653	2,382	73,264	65,771
1995	92	3,897	3,575	21,852	20,045	9,375	8,599	4,088	3,750	34,801	31,924	7,631	7,000	2,634	2,416	84,277	77,308
1996	94	3,518	3,289	27,998	26,180	10,012	9,362	7,946	7,430	32,834	30,702	4,435	4,147	1,396	1,305	88,138	82,414
1997	95	2,909	2,773	15,354	14,637	8,298	7,911	6,867	6,546	30,107	28,700	7,157	6,823	1,575	1,501	72,267	68,890
1998	97	2,684	2,591	12,971	12,520	3,304	3,189	6,374	6,152	20,563	19,848	3,892	3,756	1,692	1,633	51,480	49,690
1999	98	2,085	2,043	23,383	22,908	9,769	9,571	3,900	3,820	23,434	22,958	6,040	5,917	1,114	1,092	69,726	68,309
2000	100	4,022	4,022	24,387	24,387	10,189	10,189	7,487	7,487	24,020	24,020	6,254	6,254	4,591	4,591	80,950	80,950

Notes: 1. Value is in thousands of real 2000 dollars. Adjustment used GDP implicit price deflator developed by U.S. Bureau of Economic Analysis.
2. Ex-vessel value is the value or revenue received by fishermen/harvesters.
3. Notes from Table 1 concerning species composition also apply to this table.

Source: Oregon Department of Fish and Wildlife (2000).

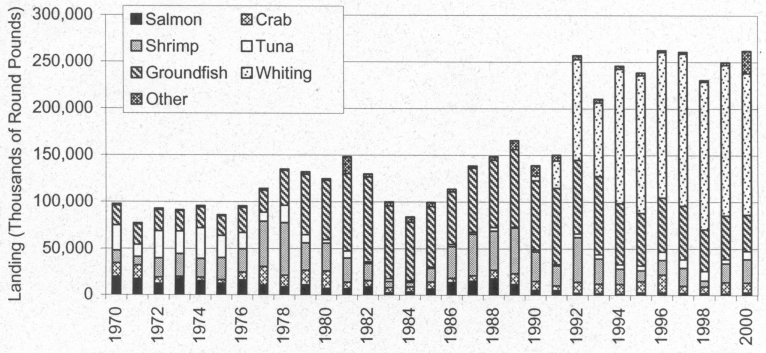
Table 4
Statewide Economic Impacts by Species Group in 1973 to 2000

Years	Pacific Whiting	Groundfish	Salmon	Pink Shrimp	D. Crab	Other Landed Finfish and Shellfish	Distant Water Fisheries	Total Landed Fish	Total
1973	--	16.6	75.7	18.6	4.7	51.1	--	166.7	--
1974	--	18.5	60.8	11.8	9.0	65.9	--	165.8	--
1975	--	16.6	51.7	15.9	9.0	41.4	--	134.6	--
1976	--	21.4	89.2	15.6	14.2	41.5	--	181.9	--
1977	--	21.5	63.5	33.3	28.8	31.9	--	179.0	--
1978	--	33.0	47.0	40.5	22.2	63.2	--	205.9	--
1979	--	60.3	68.9	24.7	26.0	41.0	--	220.8	--
1980	--	46.4	33.1	32.2	26.7	28.2	--	166.6	--
1981	--	58.9	32.3	23.0	12.4	42.5	--	169.1	--
1982	--	67.5	39.0	12.4	12.6	22.7	--	154.2	--
1983	--	60.9	9.5	7.0	12.3	15.0	--	104.8	--
1984	--	49.7	15.3	3.6	11.7	15.0	--	95.4	--
1985	--	52.0	26.9	10.2	16.0	18.3	--	123.5	--
1986	--	50.3	45.4	27.1	10.2	24.6	96.9	157.7	254.6
1987	--	64.0	61.1	38.5	12.6	31.0	89.6	207.1	296.7
1988	--	64.2	96.5	28.3	16.4	35.4	84.5	240.7	325.2
1989	--	68.6	35.2	33.0	18.5	41.9	80.5	197.2	277.7
1990	1.0	61.0	23.7	23.6	18.6	36.7	104.2	164.6	268.8
1991	7.9	69.0	15.8	16.3	9.6	21.2	70.5	139.9	210.3
1992	20.3	58.3	6.8	36.4	23.0	16.6	68.3	161.3	229.6
1993	11.0	59.2	4.5	19.1	19.9	14.8	66.9	128.4	195.3
1994	23.3	55.2	2.6	16.5	23.0	11.3	70.9	131.9	202.8
1995	35.2	59.7	6.7	14.9	32.3	12.3	73.9	161.2	235.1
1996	32.2	57.7	6.4	16.7	45.1	17.7	60.0	175.9	236.0
1997	39.3	52.3	5.3	15.5	23.9	21.0	55.1	157.3	212.3
1998	27.7	38.2	4.3	6.2	22.3	18.2	57.8	116.9	174.7
1999	34.0	43.1	3.6	17.3	40.4	11.7	73.0	150.2	223.2
2000	28.7	40.5	6.6	18.6	40.2	31.1	58.5	165.7	224.2

Notes: 1. Economic impacts are expressed as personal income in millions of 2000 dollars. Adjustments are made to real 1999 dollars using the GDP implicit price deflator developed by the U.S. Bureau of Economic Analysis.
2. The economic impact estimates for 1998 and 1999 were calculated using the most up-to-date version of the FEAM. This version uses 1997 IMPLAN coefficients. Because the induced impacts are calculated more precisely based on earnings per industry groups, instead of averages for the state, the estimates for years prior to 1998 are about 15 percent lower when compared to using an earlier version of the FEAM.
3. The economic impacts from salmon fisheries includes ocean troll and Columbia River gillnet fisheries, so the estimates will be greater than reported by the PFMC. Also, the PFMC uses the FEAM model with 1994 IMPLAN coefficients. The output from the PFMC modeling for the ocean fisheries will vary slightly from this table's estimates.

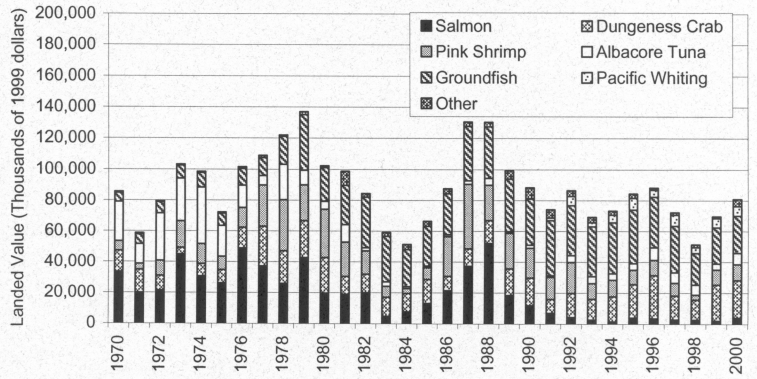
Source: Study.

Figure 1
Oregon Landing Trends in 1970 to 2000



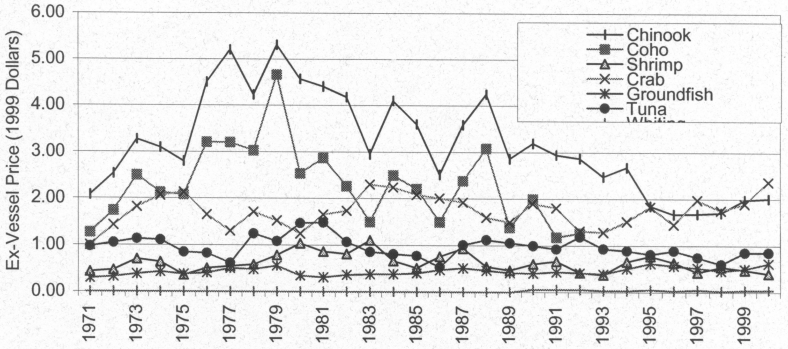
Notes: 1. Landings are in thousands of round pounds.
2. Notes in Table 1 also apply to this figure.
Source: Oregon Department of Fish and Wildlife.

Figure 2
Oregon Landed Value Trends in 1970 to 2000



Notes: 1. Value is in thousands of real 2000 dollars. Adjustment used GDP implicit price deflator developed by U.S. Bureau of Economic Analysis.
2. Notes for Table 2 also apply to this figure.
Source: Oregon Department of Fish and Wildlife.

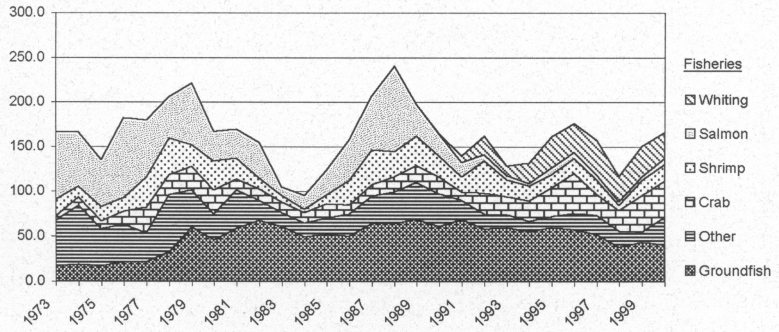
Figure 3
Species Group Annual Ex-Vessel Price Trends in 1971 to 2000



Notes: 1. Prices adjusted to real 2000 dollars using the GDP implicit price deflator developed by the U.S. Bureau of Economic Analysis.
2. Groundfish price calculation does not include Pacific whiting.
3. Prices are annual and species averaged and are for onshore landings only.
4. Average prices for salmon include seasonal and size considerations.
5. Ex-vessel price is the amount paid to fishers at the time of fish delivery.

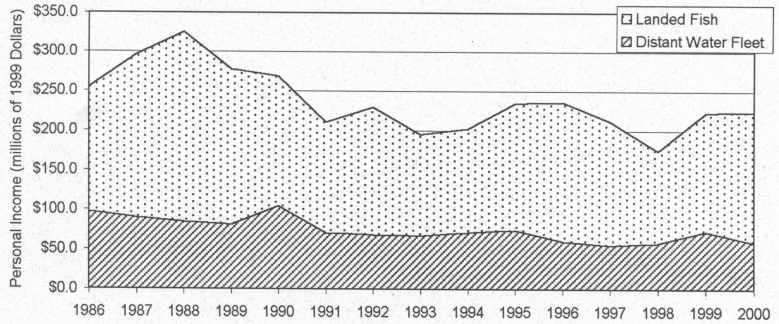
Source: Oregon Department of Fish and Wildlife.

Figure 4
Economic Impacts from Onshore Landings in Oregon From 1973 to 2000



Notes: 1. Economic impacts are expressed as total personal income in millions of 2000 dollars. Dollar adjustment uses the GDP implicit price deflator developed by the U.S. Bureau of Economic Analysis.
2. Economic impacts from distant water fisheries are not included.
3. The economic impacts for years before 1986 are rough estimates based on the level of prices at harvest.

Figure 5
Personal Income Contribution of the Oregon Commercial Fishing and Processing Industry to Coastal Communities and to Oregon 1986 to 2000 (Millions of 2000 Real Dollars)



Senator WYDEN. Very good. Jim Golden.

STATEMENT OF JIM GOLDEN, ACTING DIRECTOR, MARINE RESOURCES PROGRAM, OREGON DEPARTMENT OF FISH AND WILDLIFE

Mr. GOLDEN. Senator Wyden, thank you for coming and listening today. My name is Jim Golden. I'm the Acting Director of the Marine Resources Program here in Newport. I'm trying to fill Neal Coenen's shoes since his appointment to the Governor's Office.

I think that perhaps Ralph Brown may have said it earlier today. I had to step out briefly. But in a discussion earlier this morning

with Ralph, the solution rests on a three-legged stool here. And I had liked his term that—because there are three important elements.

The information, the science needed to conserve and manage resources and species in their habitats is needed, and we need more of it. And I think that was heard in ample testimony today. I think the effort reduction to match the resource that we have is another key leg of the stool. We've heard that today. And the social and economic support for those transitioning out of the groundfish fisheries is also needed. And we—we've heard that several times today.

With respect to No. 1, I think we do have some good partnerships with OSU, with Sea Grant, with the National Marine Fisheries Service, and with the fishing industry to partner together to improve the science needed to protect and manage our resources. I just want to say that we're committed to improving that collaboration and those partnerships, and we look forward to National Marine Fisheries Service working with the industry and developing new partnerships, also in their planing and coordination of their research with state- and industry-funded research activities.

With respect to No. 2, we support—and I support all of the comments that Neal made today with respect to effort reduction. And we also laud the industry's efforts to try to accomplish this on their own and with support from others and from government.

I have one issue with respect to No. 3. I recently started working with Ginny and Flaxen and others on the groundfish on disaster relief project. We do need approval of the state match that's associated with research projects, new research projects, and efforts that are addressing the groundfish crisis. It's not just—there's three legs on the stool. One of them is in information. And I believe that we've tried to justify on a couple of occasions with National Marine Fisheries Services how these funds are being directed toward addressing the groundfish crisis and the needs for assessment. We think it makes real good sense to use those efforts in in-kind match with the federal dollars that we need. And I'll—just for your record today, I'll provide you with the copies of the spending plan and the two letters that we've written to Dr. Stephen Freese, the National Marine Fisheries Service, encouraging them to give us some kind of a sign that this is Okay to do and that we can move ahead with the details of the spending plan.

Again, thank you for coming today and listening to us.

[Material provided by Mr. Golden follows:]

MATERIAL PROVIDED BY JIM GOLDEN, ACTING DIRECTOR, MARINE RESOURCES PROGRAM, OREGON DEPARTMENT OF FISH AND WILDLIFE

OREGON DEPARTMENT OF FISH AND WILDLIFE
Portland, OR, September 22, 2000

Dr. STEPHEN FREESE,
National Marine Fisheries Service,
Seattle, WA.

Dear Steve:

With the assistance of Oregon Sea Grant Extension Specialists Flaxen Conway and Ginny Goblirsch, we have prepared the enclosed request and spending plan for the FY 2000 emergency appropriation in response to the West Coast groundfish fishery disaster.

As you are aware, the conservation measures and commensurate reductions in groundfish harvest opportunities in 1999 continued in 2000, and the latest stock assessments indicate further reductions will be necessary in 2001. The Pacific Fisheries Management Council's draft Strategic Plan for groundfish calls for at least a 50 percent reduction in fleet capacity to scale fishing back to match future expected harvests now that the fishery has gone through an extensive fishing down process. In recent years, many individuals and families have already had to make hard choices out of economic necessity and desperation. Council members and state fishery managers expect these conditions to persist during the foreseeable future.

Federal appropriations for disaster relief are needed as soon as possible to assist those transitioning out of the industry. The $1,750,000.00 of federal funds will help provide the necessary support in direct benefits to qualified candidates to help them with the steps of the difficult process of leaving one's livelihood, retraining, and transitioning to other jobs. The Department has identified appropriate match dollars and is prepared to commit its share of the $583,333.00 needed. Details of the different state match sources will be outlined in Oregon's full grant proposal. Additional matching funds will also be available from Oregon Economic and Community Development Department, Oregon Sea Grant Extension, and Oregon Coastal Zone Management Association.

I want to thank you in advance for consideration of this proposal for disaster relief. I look forward to working with you to implement this much-needed program.

Sincerely,

JAMES W. GREER,
Director.

CC: ROY HEMMINGWAY
DORIS PENWELL
FLAXEN CONWAY
GINNY GOBLIRSCH
NEAL COENEN
JIM GOLDEN

Spending Plan For FY 2000 Emergency Appropriation In Response to the Disaster in the West Coast Groundfish Fishery

State of Oregon

Situation

The National Marine Fisheries Service (NMFS), on behalf of the Secretary of Commerce, declared a commercial fishery failure in the Pacific Coast Groundfish fishery on January 19, 2000.

Congress appropriated funding of $5,000,000 in response to the disaster in the West Coast groundfish fishery. The states were specifically directed to use the funds to: 1) pay compensation to individuals who have suffered a direct negative impact from the West Coast groundfish fisheries disaster; 2) provide direct sustaining aid to such fishermen; and 3) provide assistance to communities that are dependent on the West Coast groundfish fisheries and have suffered losses from such disaster.

Congress directed that the states of California, Oregon and Washington divide the funds between the three states in proportion to the impact of the disaster in each state. Discussions were held with the three State Fish and Wildlife Directors at the August 28–30, 2000 meeting of the Pacific States Marine Fisheries Commission and, with input from industry and congressional representatives, the states agreed to allocate the funds as follows: 35 percent each to California and Oregon, and 30 percent to Washington. This represents a sum of $1,750,000.00 to Oregon. A 25 percent ($583,333.00) matching amount from Oregon is required to receive these funds.

Oregon's point of contact for its disaster aid program is James Greer, Director, Oregon Department of Fish and Wildlife. The funds are to be administered by the National Marine Fisheries Service in cooperation with the Oregon Economic and Community Development Department and/or Oregon Employment Department, and Oregon Sea Grant Extension.

Background

In anticipation of the West Coast groundfish disaster declaration, a three-state committee was formed to recommend industry and community needs. This committee met throughout 1999 with leadership provided by Oregon Coastal Zone Management Association. Further assistance was provided by Oregon Department of Fish and Wildlife and Oregon Sea Grant Extension. The recommendations of this

committee covered three major areas: 1) family and community assistance; 2) research and 3) fleet restructuring.

The experience and expertise brought to this group by Oregon Sea Grant Extension addressed the family and community assistance portion of the recommendations. Since 1994, Oregon Sea Grant has provided funding for a unique peer outreach project called the Fishing Families Project (Project). The Project worked directly with fishing families in Oregon's port communities to provide practical information on ways to deal with the economic, personal and social stresses that are a part of the commercial fishing industry. An important component of this project was the Fishing Family Coordinators. They were fishermen's wives who lived in coastal ports and, together with Sea Grant personnel, were able to identify and direct project activities that directly addressed needs and interests of fishing families. Needs identified by the families included budgeting in a cyclic industry; debt consolidation/taxes; diversification/business management; fishing marriage/absentee partner; coping skills/stress/anger management; grants/direct aid; health insurance and communication skills. The Project also worked directly with community resource providers and agencies to enhance their understanding of the needs of fishing families and address barriers fishing families met when attempting to obtain services. Additionally, the Project brought information to fishing industry families about resources available in their communities to help with their business and family needs. The Project also provided family members with training in forming or strengthening effective support networks. This training bolstered three Oregon fishermen's wives organizations and helped to form the region-wide, multi-gear, multi-fisheries network called the Women's Coalition for Pacific Fisheries.

The success of the Project's outreach model led to discussions in 1998 with community resource providers about how to incorporate peer outreach into fishery-related disaster relief plans. A team of state and local partners worked collaboratively to come up with a possible approach. With the support of the team, the Community Services Consortium in Newport initiated a small pilot program in January 1999. In fall of 1999, the plan was finalized for a coast wide pilot program in response to the anticipated West Coast groundfish disaster. Beginning in April 2000, the state of Oregon provided funding for a 7-month, coast-wide pilot program called "Groundfish Disaster Outreach Program" (GDOP), a continuing program that promotes existing training resources and community programs. The GDOP is administered by the Oregon Sea Grant Extension Program with funding support from the Oregon Economic and Community Development Department, Oregon Rapid Response Program, and Oregon Sea Grant Extension.

Innovative Response

The purpose of the GDOP is to create, deliver and evaluate a peer outreach program that assists people in accessing support, resources and training and assists community resource providers in effective outreach through improved communication to this population who are in need of support. The audience includes people in the groundfish fishing business including fishermen, business partners (wives), fish plant workers, industry support service workers (gear stores, fuel docks, etc.), charterboat workers and local, state and federal resource providers.

The leadership team of Flaxen Conway, OSU Department of Sociology, and Ginny Goblirsch, Marine Extension agent (and fisherman's wife), both with Oregon Sea Grant Extension, will continue to direct the GDOP. In addition, GDOP employs a full time Program Coordinator, Connie Kennedy. The GDOP Coordinator, a fisherman's wife, works with people in groundfish fishing businesses *who want to transition into the future industry as well as with those who want to transition out of the industry.* Six GDOP Outreach Peers (much like the Fishing Family Coordinators, closely associated with the fishing industry and in the transition process themselves) work part-time in seven regions along the coast informing and mentoring people in groundfish fishing businesses who want to transition, out of the industry. They also provide information about community support options for those remaining in the industry. An Advisory Committee, with members from the Oregon Rapid Response Program, local Workforce Investment Act (WIA) service delivery areas, Oregon Economic and Community Development, Oregon Employment Department (OED), Oregon Sea Grant Extension and the GDOP Program Coordinator, provides guidance to the GDOP.

In May 2000, the Governor convened a meeting of state agency heads as well as community and industry leaders. The purpose of this meeting was to brief agencies on the groundfish crisis; to assess the crisis and make recommendations as to how each state agency can best direct their services to help those needing assistance; and to identify barriers to services. The GDOP has also hosted port meetings with local service providers to brief them on the crisis, address industry barriers to serv-

ices and identify support services available. The outreach peers mentor fishermen, fishermen's wives, processing plant workers, and others directly associated with the groundfish industry that want to leave the industry. A key service is job-training programs for dislocated workers administered through WIA. In the short time period the GDOP has been operating, 97-odd industry members have been directly contacted, 52 were referred to agencies/resources, and 29 are now enrolled in services.

The State of Oregon proposes to support the continuation of the successful Groundfish Disaster Outreach Program past the pilot ending date of October 31, 2000. In this way, the state will not be creating a new program and development expenses will be kept to a minimum. Except for the Program Coordinator salary, all funds will go directly to people impacted by the disaster. *The state supports that no administrative costs be incurred for this FY 2000 Emergency Appropriation.*

Lessons Learned and Future Needs

Three key things we've learned are substantiated by the success of the program. First, we have learned that working collaboratively to create this program has resulted in a response that is innovative and community-driven. Second, we've learned that **THE major barrier** to fishermen and others interested in transitioning out of the industry via job training is the lack of income during training. Most are considered self-employed, few fishermen/wives are covered by state unemployment and there exist no other sources of income for them while in training. Third, we've learned that peer outreach *works.*

State funding for the Outreach Coordinator ends on October 31, 2000. We believe that the Oregon Rapid Response Program will continue to provide funding for the outreach peers for as long as they can and they see benefits to their programs. Oregon Sea Grant Extension will continue to support GDOP project leaders Conway and Goblirsch.

Because of the previous successes with peer outreach through the Fishing Families Project and the pilot GDOP, the State of Oregon proposes to use Oregon's share of the disaster assistance funds to: 1) continue supporting the GDOP (not start a new program) through funding the Program Coordinator, and 2) provide transition income (TI) to industry members who want to transition out of the industry and who have accessed resources to help them develop a WIA/OED training plan for their future.

Target Audience for Transition Income

As previously stated, the target audience for the GDOP includes anyone directly associated with the groundfish industry that has suffered significant impacts (loss of revenue) as a result of the groundfish crisis. This includes commercial fishing businesses (vessel owners, operators and crew); their business partners (wives); fish plants (owners, managers and workers); charterboats (owners, operators and crew); and all support services (workers in gear stores, fuel docks and the like).

How many people are we talking about here? Because of the unusual rolling nature of this crisis and the various mechanisms people might or might not have to cope, it is impossible to accurately determine the number of people who might seek/need services. This is not a plant closure where a set number of people know they will be unemployed at a specific time. We do, however, have data on the numbers of commercial fishing vessels in the State of Oregon having permits for groundfish or participating in the open access fishery. We also have data on other permits those vessels/owners have which can, in some cases, help to mitigate the impact of the crisis. Therefore, we estimate that 108 commercial fishing vessels/businesses are at high risk of bankruptcy and another 79 vessels/businesses are at moderate risk (depending on their success in other fisheries). This represents 40 percent of the groundfish fleet in the State of Oregon and an estimated 400 people. Since not all will seek or need services but others in the industry will, our best *guess* at this time is that the GDOP needs to be responsive to the needs of 400 applicants. The numbers could go much higher if fish plant closures occur. The numbers could go lower if conditions permit success in other fisheries in which some of these businesses might also be involved.

Our target audience for transition income is 220 (roughly half of the 400 applicants that have no access to other income/assistance). We are estimating that 35 percent of these applicants will be single; 65 percent will have families.

Spending Plan

GDOP Program Coordinator

$66,000.00 is needed to support the full-time Program Coordinator for 12 months. Included in this amount are salary and associated expenses (such as travel, phone,

fax, email, postage and mailing) for a 12-month period. The Program Coordinator would continue the work as previously described.

Funding would flow from NMFS directly to Oregon Sea Grant Extension in the amount of $66,000.00 for a 12-month period. No administrative costs (overhead) will be incurred during this period.

Transition Income

$1,684,000.00 would be used to establish a fund for transition income (TI) for individuals (a type of individual TI account) to cover living expenses for those transitioning out of the industry. TI will *only* be available for applicants who have developed a WIA/OED training plan for their future in non-fishery related employment. Criteria for this TI assistance distribution process and the assistance are:

Design a process that is flexible and readily changed when improvements can be identified.

NMFS disbursements should be made at least quarterly ($421,000 per quarter with the first allocation up front) so that the entities that administer this program do not have to use state funds and process reimbursement requests.

Qualified applicants must certify that they are part of the groundfish industry either as a fisherman, business partner (wife), fish plant worker, charter boat worker, or support service worker and have been negatively impacted by the groundfish crisis. TI assistance will be limited to 6 months to 9 months or less per applicant depending on the job-training plan established.

TI assistance will be based on a simple income verification process. For example, our recommendation is that an applicant with a family could receive $1,500/month if they had no other access to support (unemployment insurance). If the applicant has access to other support (unemployment under $1500/month) their TI allotment would be only the difference bringing them up to $1,500/month. For a single/non-married applicant, the allotment would be $1,000/month (with the same situation regarding access to other support). The recipients would be responsible for self-certifying their continued participation in the training plan and their need for this TI (through calling in and/or filling out forms on a bi-weekly or monthly basis).

Final qualifying criteria and program administration arrangements will be specified in the State of Oregon grant application to NMFS.

Funding will flow from NMFS directly to the Oregon Employment Department or to the Oregon Employment Department via the Oregon Economic and Community Development Department in the amount of $1,684,000.00. No administrative costs (overhead) will be incurred during this period.

State Matching Contributions

Since the commercial fishery failure in the Pacific Coast groundfish was declared on January 19, 2000, the State of Oregon has provided (and will continue to provide) a combination of in-kind and state direct matching funds in the amount of $583,333.00.

Suggestions for State Match:

The State of Oregon will document in its grant application to NMFS both in-kind and, possibly, direct matching funds. Here, the state has a number of options it will pursue:

1. Program, Support Development and Fishery Research Contributions

If expenditures since January 19, 2000 are allowed, the state can document up to $83,000.00 of in-kind expenditures developing a disaster relief response related to direct assistance and income support. In addition, the state can document approximately $124,000.00 in funding explicitly reviewed and appropriated by the Oregon legislature for groundfish research in response to the disaster. These funds for research have already been reviewed in a Groundfish Research Plan submitted to the Department's legislative oversight committee and approved for projects initiated for the Spring and Fall of 2000, and the Spring of 2001.

These projects focus on the areas of maturity by catch, gear and genetic studies designed to improve stock assessments. The amount identified includes only the amounts expected to be paid directly to fishermen for at-sea contract charters and do not include the Department's personnel services or overhead costs. These costs, if allowed, would represent an additional $247,000.00 in direct matching expenditures. The total above represents a matching amount of $454,000.00.

The state can also document $35,000.00 of direct matching funds for the GDOP Program Coordinator salary and expenses from May 1, 2000 until October 31, 2000 from the Oregon Economic and Community Development Department.

2. Expected In-Kind Contributions

Other in-kind contributions following grant approval are expected throughout calendar year 2001 in amounts similar to program development costs (i.e. $83,000.00).

3. Emergency Appropriations Board Direct Allocation

The state's third option for match is to approach the legislature's Emergency Appropriations Board for a direct allocation. In this event, the direct payments for those individuals transitioning out of the groundfish fishery would extend Oregon's proposed program.

Suggestions for Timeline

The Pacific Fishery Management Council has just announced further harvest reductions expected for the fishing year beginning January 1, 2001. The State of Oregon's objective is to bring this assistance program online at that time. Our goals and timeline are as follows:

1. October 15, 2000 or before: Appropriation Committee release of funds to NMFS.
2. October 15, 2000 to November 30, 2000: State of Oregon grant application process to NMFS (with Oregon documentation).
3. December 30, 2000: NMFS grant approval.
4. January 15, 2001: Start Oregon program delivery.

Findings for Supplemental Appropriations Guidance and MSA S.312 (a) Compliance

Authorized Appropriations Purposes in Bill and Report Language

The State of Oregon's proposed spending plan will provide direct compensation to individuals and families for lost income resulting from significantly reduced fishing opportunities. The state's program intends to sustain this aid over a period of time needed and suitable to obtain job training for alternative occupations outside the fishing industry.

In the event of additional, larger appropriations, the state's program could be expanded to compensate for the other types of losses and community assistance programs such as job development.

MSA Section 312(a) requires that disaster assistance prevent a future fishery failure and assist a community or restore the fishery and assist a community.

The State of Oregon program seeks to prevent a future fishery failure and assist a community. The usual declining fishery cycle often results in fishers waiting for an upturn in one fishery by shifting to other fisheries or related activity. While this may have worked in the past, present circumstances indicate no flexibility exists in other major West Coast fisheries (salmon, crab, and shrimp). Therefore, the state's program seeks to permanently remove fishers from the industry. This will result in less competition for the limited remaining jobs in fisheries and prevent future conflict and failure.

In addition, the community of individuals and families dependent on the fishing industry will be aided directly through training for alternative occupations. The community at large will also benefit directly and indirectly by having displaced workers prepare to continue as productive employed members of the community.

OREGON DEPARTMENT OF FISH AND WILDLIFE
Newport, OR, January 8, 2001

Dr. STEPHEN FREESE,
National Marine Fisheries Service,
Seattle, WA.

Dear Steve:

Thank you for reviewing the spending plan we submitted to you for the FY 2000 emergency appropriation in response to the West Coast groundfish fishery disaster. It is my understanding clarification and further justification is needed in order for National Marine Fisheries Service to accept the proposed $583,333 state match. Specifically, we understand you need documentation on how the match funds were used as a part of a total program to address the groundfish disaster.

National Marine Fisheries Service, on behalf of the Secretary of Commerce, declared a commercial fishery failure in the Pacific Coast Groundfish Fishery on January 19, 2000. NMFS also recognized this disaster was years in the making. The Pa-

cific Fishery Management Council recommended reductions in harvest along with other conservation measures to address significant resource declines during the 1997–2000 Council meetings. The State of Oregon also recognized the fishery to be in a state of crisis as well and began to take steps to address fishery and resource concerns.

In our view, the Pacific Fishery Management Council's Groundfish Fishery Strategic Plan and Research and Data Needs Assessment" provide much of the overall framework for addressing the groundfish crisis. These plans speak to the need to reduce the fleet size, provide for fishery transition, and improve information used in managing the resource. Groundfish research planned and executed by the Department addresses the need for improving science used in groundfish management and is responsive to the Council/NMFS Research Program. Most of ODFW's projects involving groundfish are reviewed for scientific merit and approved by National Marine Fisheries Service when they are of the scale requiring Letters of Acknowledgement.

In the arguments that follow, we begin with an initial response to the groundfish crisis by a Legislative Emergency board, the legislative intent of SB 5511, proceed to the Department's reports before Oregon Legislature tracking committees, and end with the Department's plan to address the groundfish crisis.

State Funding for the Groundfish Disaster

- Oregon Legislative Emergency Board—January 1998 provided S 120,000 to enhance research work on commercial groundfish fisheries in response to the groundfish crisis (attachment 1)*.
- During the 1999–2001 biennial budget building process, we requested $1,021,000 to improve groundfish stock assessments and fishery monitoring in response to the groundfish crisis. This package would have funded at-sea and dockside fishery services for commercial fishing activity. The legislative subcommittee eliminated the package (Budget Note—attachment 2)*.
- Representative Thompson [a commercial fisherman] worked to restore the package by explaining its need to fellow legislators. SB 5511 was an omnibus appropriations bill containing $500,000 in state General Fund support for groundfish research. Additional Budget notes were added to track the groundfish crisis, vis-a-vis commercial fish fund and research directed toward improving information needed to manage our groundfish resources (Budget Note—attachment 3* and SB 5511 budget details, attachment 4)*.

Reports to Legislature

- The budget notes were attached to our 1999–2001 approved budget by the Legislature resulted in recent reports to the Legislature. A legislative subcommittee directed the Department to focus the funding for additional Marine Resource Program efforts on at-sea and dockside monitoring and research toward supporting analysis and stock assessment work in coordination with the National Marine Fisheries Service, Oregon State University, and the commercial fishing industry. In addition, we were directed to report before the Subcommittee and Legislative Emergency Board on commercial fish fund revenue projections, need for additional limitation, and on use of funds as related to the groundfish industry.
- We reported before the Subcommittee, January 2000 and October 2000, and the Emergency Board November 2000. In our January report, we described a detailed spending plan for groundfish monitoring and research (attachment 5). In November, we appraised the Emergency Board of the need for additional, funding limitation for Groundfish Disaster Assistance using the state and federal funds outlined in the spending plan submitted to NMFS.

Marine Resources Program Action Plan

- The action plan presented before our Department's Resource Management Team June of 2000 states:

  "It is Marine Resource Program's (MRP) goal to increase the quality and quantity of stock assessments and biological information through improved at-sea and dockside sampling programs and through carefully designed research projects."
- The projects identified for in-kind match find most of their funding from the SB 5511 appropriations bill which provided new General Fund dollars for ground-

* The attachments referred to were not available at the time this hearing went to press.

fish related monitoring and research. Projects thus identified and described in the plan were new or expand existing capability, address the groundfish crisis, and involve the commercial fishing industry.

Steve, our agency requests consideration of all related state funded activities addressing the groundfish disaster including new research directed at improving information used to manage groundfish resources as match for federal disaster relief dollars outlined in the spending plan. We will document qualifying expenditures of funds during the pre-award period you mentioned and those since January l9th, and will continue to document state fund expenditures directed at the development and implementation of a disaster relief plan, again including new research. Our agency has been responding to this problem for over three years. While we could not anticipate that a disaster would be declared in January of 2000, we certainly knew there was a crisis in the making as NMFS has pointed out.

We will be happy to review details of proposed state match with you and look forward to a favorable decision from your agency.

Sincerely,

JIM GOLDEN
Director (acting)

Senator WYDEN. Thank you. Very helpful.

Terry Thompson?

Mr. THOMPSON. Thank you very much, Senator Wyden.

STATEMENT OF TERRY THOMPSON

First of all, I think you need to take credit for the fact that in the marine survey business we wouldn't be where we are without your help. And your staff has done a spectacular job briefing you on the problems of this industry.

There is three things that I'd like to touch on that weren't touched by previous speakers. First is we have a lack of baseline data in oceanography. That can be done by supplement of weather buoys with oceanographic information that can be taken from the subsurface that can create a baseline data on this coast. It would be relatively inexpensive. It's a matter, though, of somebody in Congress making that push.

The second area is targeted surveys. One of the problems I see as a fisherman is that we haven't gone out—and we've done a flat survey of the bottom. And if you were to take this stage and say this is the fish you're going to survey and the fish like to live on your table, we have a problem. What we've done is gone out and surveyed, through National Marine Fisheries surveys, all the flat areas. We have to go back and target these areas for specific species, canary rockfish, and ling cod. That will show that we have a larger stock than we have. The fishermen keep coming in and saying there's a stock availability. And our surveys aren't showing it. We have to change our survey techniques or establish new a new survey techniques in that area.

Acoustic surveys will help. That requires money. That's an area that I hope National Marine Fisheries Service receives the money.

Third, the area that I want to do what other people have said is the area of buyback; that's where we should be spending our money. We need to develop this buyback and move it forward. There is one other suggestion for the National Marine Fisheries Service that I would like to see moved forward. And that's a closer collaboration with Canada, because many of our species have crossed the boundary up there. And with your direction in that area, I think that we can work out some of our problems.

Thank you.

Senator WYDEN. Terry, thank you very much. Very helpful.

Mr. Leipzig?

STATEMENT OF PETER LEIPZIG, EXECUTIVE DIRECTOR, FISHERMEN'S MARKETING ASSOCIATION

Mr. LEIPZIG. Good afternoon, Senator.

For the record, my name is Pete Leipzig. I'm the Executive Director of the Fishermen's Marketing Association. And I represent groundfish and shrimp trawl fishermen in Washington, Oregon, and California.

You heard a lot about the groundfish disaster here today and over the last number of months. You've also heard that there is rebuilding plans for some of these species that have been declared to be overfished. What hasn't really been mentioned, though, is that some of those rebuilding plans are going to be taking a very long time, ten to a hundred years, in some cases. Canary rockfish, there's roughly a fifty-year rebuilding at a constant harvest. That means for the next fifty years the quota will be the same as it is this year. That means that what we have this year is basically what we're going to see for the next fifty years.

So our disaster should not be thought of in terms of just some sort of transient problem that we hope will improve and will be going away. It's going to be here forever for most of us. It's going to be long—go on long beyond our—our livelihood in this business.

I have been viewed by some as somewhat as the poster child for the issue of fleet buyback and restructuring. So it's no surprise that I would speak to you today about urging you to consider some legislation on the federal level to move such a program forward. I have been active, along with others in the industry, to try to develop a consensus within the fleet—not just groundfish, but the other fisheries—that everybody can agree to, so there is no controversy associated with the proposal. That proposal has been circulated with congressional staff. And whether they have shared that with you, I do not know. But I would hope that you would have the opportunity to talk with them and to give consideration to carrying such legislation.

Ralph Brown did mention the GAO report. I won't mention that. The issue of ITQs, I just want to point out that it's very, very compatible with buyback. And as Onno Husing mentioned, with a smaller fleet many other activities become much, much simpler. An ITQ system will be controversial with the initial allocation of shares. If we have a smaller fleet, the level of controversy surrounding that is going to be minimized.

And last—and I don't want to degrade your concern with the amount of time that it's taken for the delay in receiving the disaster funds, but I think I can one-up you on this one. In 1996——

Senator WYDEN. I'm not sure the people of our state benefit from competition of——

Mr. LEIPZIG. Well, just to share with this——

Senator WYDEN. I'd be glad to sacrifice——

Mr. LEIPZIG. In 1996, the Congress passed the Sustainable Fisheries Act, which contained a provision, 312B, which was for indus-

try-funded buyback programs. And it took three-and-a-half years for the National Marine Fisheries Service to get that published.

Senator WYDEN. Very good.

Mr. LEIPZIG. Thank you.

Senator WYDEN. Thank you. We have been at it for just a little over 3 hours—3 hours and 15 minutes, I guess. It's been extraordinarily helpful. I want to set the record clear on a couple of points.

First, a special thanks to Senators Hollings and Senator McCain. This is a full Senate Commerce Committee hearing. In a 50/50 U.S. Senate, that cooperation is absolutely essential. The people of Oregon should be very appreciative of both Senator Hollings and Senator McCain for their help.

I want to repeat the e-mail address to the Committee, margaret_spring@commerce.senate.gov. I want to thank Ms. Spring, who is here from the Democratic staff of the Committee; Stephanie Bailenson, who is here from the Republican staff. Three people from my office, Adrienne Froelich, who has has done extraordinarily good work in the fishing industry, is here behind me. Jason Daughn is here, who works on the Coast, and Mary Gautreaux, who works in the Eugene office.

So suffice it to say, we have a lot to do here, folks, and we've gotten a lot of constructive suggestions. I will tell you, at the end of the day, it seems to me that folks on the Oregon Coast have a right to expect that the federal government will be a better, a more efficient, and more responsive partner, in terms of tackling these issues. I think everybody understands that these problems didn't develop by osmosis, nor did they develop over night. What is essential is that we work together, and that the federal government be a good partner.

We heard some very troubling accounts today, and I'm going to work with Senator Smith on a bipartisan basis to tackle these issues. It's a great plus for Oregon that he'll be joining the Committee. The record will stay open for another 10 days for folks to give their comments in writing. I thank everybody for taking time from their schedule. The Senate Commerce Committee is adjourned.

(Whereupon, the hearing was concluded at 4:16 p.m.)

APPENDIX

ARGOS, INC.
Newport, OR, February 14, 2001

Hon. ERNEST F. HOLLINGS,
Chairman,
Committee on Commerce, Science and Transportation,
United States Senate,
Washington, DC.

Dear Senator Hollings:

Thank you for the opportunity to testify at the field hearing held on January 16, 2001 in Newport, Oregon. I appreciate the Committee's interest in these issues.

I have been asked to respond to additional questions that were raised at or subsequent to the hearing. I hope that the following will be useful to you, and in the event that I can offer additional information, please contact me.

1. Capital Construction Fund. Is it outdated? Should it be eliminated? Any disadvantages to keeping the program? As a family who has used the fund in the past, how would eliminating the program affect our business?

The CCF program is outdated, but it should not be eliminated. If a goal of federal fisheries policy is to reduce capitalization in the fisheries, Congress needs to change the rules for use of the CCF accounts to allow use of the funds for what would currently be non-qualified withdrawals: rollovers into IRA accounts, purchase of individual quotas, or use in buyback programs.

Still, CCF funds currently serve a valid purpose, one that many fishers will still want to access. Those who remain in the fisheries need make deposits to those accounts in order to fund vessel reconstruction projects, many of which relate to the safety of aging vessels , as much as increased capacity. Congress should understand that on the West Coast, virtually every fishery, both state and federal, is regulated by limited entry permits, which are endorsed with vessel length limits, and further restricted by length limits in the event of transfer. While length of a vessel alone does not necessarily serve to restrict capacity, without the appropriate length permits, fishers are not increasing vessel capacity.

If the program were to be eliminated, our business could be negatively affected. At present, we may want to reconstruct our vessel to add a bulbous bow, which will provide a safer ride and greater stability in the extremely rough winter seas. In addition, we want to reconstruct the configuration of our fish hold. During crab season, crabs are held live in circulating sea water in the hold while at sea. If CCF funds were eliminated, and we were no longer able to use those funds for vessel reconstruction, we would be forced to try and borrow from a bank at high rates of interest, making it less likely the vessel's stability could be improved, or at the very least, increasing the cost to the fisherman.

In sum, we'd like to see the CCF still exist, but for those who wish to leave the fishery, give them the flexibility to do so, and provide incentives as well.

2. Permit Stacking in West Coast Fisheries. Voluntary? Mandatory? Effect on Small Businesses?

To answer this question in a way that will be of assistance to the Committee, it will be necessary to provide some background.

In the fixed gear sablefishery, there are currently 163 permits. There are 33 pot permits and 130 longline permits. There are 26 Tier 1 permits; 43 Tier 2 permits and 94 Tier 3 permits. Vessel length is not correlated to the poundage allocated to the permit; indeed, some of the smaller vessels have permits with the greatest poundage and the largest vessels have the least. There is a 68 foot longline vessel with a Tier 3 , or "bottom tier" permit; there is a 40 ft pot vessel with a Tier 1 or "top tier" permit. It is tentatively estimated that in 2001 the poundage assigned

to each tier will be reduced to a range of 57,000 lbs for a top tier to 15,000 lbs of fish for a bottom tier. As you can see, we are talking about a very small fishery.

With voluntary stacking, the Council is implementing a program that will allow only up to 3 permits to be stacked on a vessel. The permits may also be unstacked, providing for free market transfers of permits. Permit holders may sell their permits for use on other vessels, or may lease them, generating income , or may buy or lease permits to add to their vessel's capacity. Permit owners will be required to be on board the vessel fishing.

To address your concern about "small boats," please be aware that this is already a "small boat fishery." A majority of the 164 vessels are 40–60 feet in length. Because the majority of the permits are in the bottom tier, (and hence, least expensive) and because there is a limit on how many permits can be stacked on a vessel, preventing excessive consolidation, there is ample opportunity for vessels to access the fishery.

The Pacific Council has no plan to mandate or require stacking in the fixed gear sablefish fishery. Although this will be the first year for stacking, and the results are yet to be seen, it is anticipated that many of the permits will stack, thereby condensing the fleet. It is highly likely that the Council's intended results, a reduction in the fixed gear fleet, minimizing interaction by the longline fleet with other groundfish species that are overfished, and funded solely by industry itself, will occur.

In regard to the trawl fishery, the Pacific Council, in its Long Range Strategic Plan, made mention of mandatory stacking in order to reduce capacity in that fleet. I believe there are over 240 vessels in that fleet. Trawl gear catches a variety of species, including some that are healthy stocks and some that have been declared overfished. The vessels all have the same trip limits and tend to be a somewhat larger boat fishery, ranging in size from 50 ft to 100 ft. The trawl fishery and the Pacific Council are considering a number of methods to reduce effort in this fleet. The main thrust of the fleet's plan is a buyback program to remove vessels and all of a vessels' permits, both state and federal, from the fishery. It is to be funded by both taxpayer dollars and a tax on vessel landings. It is controversial for a number of reasons:

1) It seeks to include the fixed gear sablefishery in the program. As a fixed gear sablefisher, who is already participating in an industry funded fleet reduction, I don't want to pay for trawl buyback.

2) It seeks to tax the landings of state crab and shrimp fishermen on the West Coast , who also have groundfish permits, to pay for a program that removes only trawl vessels and their permits. As a crab and shrimp fisherman, I don't want to pay for trawl buyback.

I believe that is in the context of the trawl fleet that the Council has discussed mandatory stacking of permits, in the event that buyback does not have fleet support or cannot be funded. In addition, the costs associated with it are astronomical. There are estimates of $50 million floating around, $25 million to be paid by the taxpayers and $25 million by fishermen. **I don't support** the use of taxpayer dollars to bail out this industry, and **I don't support** the imposition of a tax on earnings of some fishermen to buy others out.

I hope I have addressed adequately the questions you have raised. If I can be of further assistance, please don't hesitate to contact me.

Very truly yours,

MICHELE LONGO EDER

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