

TESTIMONY OF ARNI THOMSON, EXECUTIVE DIRECTOR
OF THE ALASKA CRAB COALITION ON BERING SEA CRAB RATIONALIZATION
TO THE U.S. COMMISSION ON OCEAN POLICY
August 22, 2002

The Alaska Crab Coalition is a trade association representing Bering Sea crab vessel owners and industry service and supply companies. Throughout the seventeen years of its existence, the ACC has battled for conservation and safety improvements to the Bering Sea crab fisheries through the Council, the U.S. Department of Commerce, the United States Congress, and the State of Alaska.

Since 1990, over 70 Bering Sea crab fishermen have lost their lives in our nation's most dangerous occupation, once robust crab stocks have declined to historically depressed levels, and fisheries dependent coastal communities have suffered lost employment and diminished tax revenues. The new NPFMC approved three pie rights-based quota system will slow the race for fish, improve the safety of life at sea, reduce handling mortality of undersize and female crabs and help rebuild weak and depressed crab stocks. Both the chairman of the NPFMC and representatives of the States of Alaska, Washington and Oregon have stated that the crab program is not a template for other fisheries in the North Pacific, and elsewhere. Most fisheries are unique and they require unique management and allocative solutions.

By a vote of 11-0, the North Pacific Fishery Management Council heralded a new era for the Bering Sea crab industry and coastal communities. After 10 years of expert analysis and public debate, the Council has approved a management system that will end the wasteful and deadly race for crab. In conducting their analysis and in following through on their decision, the NPFMC was following a special congressional mandate and the recommendations of the National Research Council. In addition, the Congress and the Secretary of Commerce must also approve the system, in order for it to come into effect.

The ACC is proud of its contribution to this hard-won rationalization of the Bering Sea crab fishery. We recognized a long time ago that, if it were to succeed, rationalization could not be a zero-sum game among the harvesters, processors, and communities.

In 1998, the industry-negotiated American Fisheries Act established an alternative IFQ program--harvester-processor cooperatives--for the one million metric ton pollock fishery off Alaska, and thereby set new precedents for fisheries management in the North Pacific. The Act established a closed class of processors, and for the onshore sector, allows IFQs for fishermen who are in a cooperative with a single processor. A fisherman must sell at least 90% of his individual quota to his cooperative processor partner, and the balance of 10% may only go to other eligible processors. Even with those restrictions, the fishermen joined processors last fall in seeking and winning legislation to remove the 2004 sunset date and make the Act permanent.

In 2000, Congress extended the IFQ moratorium, placing the ACC's longstanding objective to achieve IFQs further out of reach. We could have folded our tent, but instead, following the highly successful AFA model, we faced reality and worked with all affected groups toward a system that would meet the unique challenges of our fisheries, and thereby, win the support of the Council. Processors, vessel owners, and skippers received quotas, communities won regional protections, and the ACC secured safeguards for the harvesters' bargaining position. Unlike the AFA, though, there is no closed class of processors, and fishermen in cooperatives can deliver to multiple markets in any season. In addition, 10% of the IFQs are designated "open access," and they can be stacked on one or more boats, then the crabs can be transported and sold, not just to the crab processors who hold processing shares, but to any other licensed buyer of crabs from Nome to Ketchikan, Alaska. Maintenance of competitive market prices is assured by price negotiations being subject to last-best-offer commercial binding arbitration. Ten per cent of a ten million pound king crab quota or ten per cent of a one hundred million pound snow crab quota represents the entire production of one of the major Dutch Harbor crab processing companies and presents a significant opportunity for small crab buyers in Alaska.

This is a delicately balanced new program, that represents a win-win-win result for the industry, the resource, and communities. Without this compromise, the rationalization program will not come into being.