

**STATEMENT OF ROD MOORE
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U.S. COMMISSION ON OCEANS POLICY
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**OCEAN POLICY - AN OUTLOOK FROM THE WEST COAST FISHERIES
PERSPECTIVE**

Mr. Chairman, members of the Commission, I appreciate the opportunity to present my perspectives on ocean policy. And I want to stress that these are my perspectives, based on a 25+ year career in fisheries and oceans policy and management. They do not necessarily reflect the views of my employers or any organizations of which I am a member or officer.

To start, let me provide some background on myself, my industry, and our west coast fisheries. For the record, my name is Rod Moore and I am employed as the Executive Director of the West Coast Seafood Processors Association (WCSPA), a non-profit trade association representing seafood processing companies and associated businesses in California, Oregon, and Washington. Some of our members have business operations in other states, including Alaska and Idaho, as well as in Canada. Our members process, transport and sell the majority of Pacific groundfish, pink shrimp, and Dungeness crab landed in the three west coast states, as well as substantial quantities of squid, mackerel, anchovies, salmon, and other species.

The “wet” side of my career started with a degree in Natural Resources Management, with emphasis on fisheries and wildlife biology, from the University of Alaska - Fairbanks. I worked temporary jobs with the Alaska Department of Fish and Game. I spent nearly 18 years on the staff of the U.S. House of Representatives, both on the personal staff of Rep. Don Young of Alaska and on the staff of the late lamented Merchant Marine and Fisheries Committee. I joined Rep. Young’s staff in January, 1977, so I got to participate first hand in the implementation of the original Fishery Conservation and Management Act. I was involved with legislation, policy and oversight of many of the treaties, statutes, and regulations that - for better or worse - can be construed as constituting our national oceans policy: The Marine Mammal Protection Act, the Outer Continental Shelf Lands Act, the Oil Pollution Act, amendments to the Merchant Marine Act, numerous changes to laws affecting the U.S. Coast Guard, the Law of the Sea Treaty, several international agreements affecting marine resources, and a lot of others that I won’t mention.

In December, 1994, I began work with WCSPA as its first (and so far only) executive director. I also serve as chair of the Pacific Fishery Management Council's Groundfish Advisory Subpanel; have been a member of several Council stock assessment review panels and other Council committees; serve as the chair of the National Fisheries Institute's Fishery Resources committee and as a member of the NFI Board of Directors; serve as a member of the Department of Commerce's Marine Fisheries Advisory Committee (MAFAC) and recently completed my term as chair of that body; and am president of Pacific Groundfish Conservation Trust, Inc., a non-profit science and education corporation providing funding for projects involving the Pacific groundfish fisheries.

In short, I have spent a whole lot of time and energy dealing with oceans and ocean resources, as well as U.S. policy regarding them.

THE WEST COAST FISHERIES AND SEAFOOD INDUSTRY

Like many other industries, ours has evolved over time. From the early days of the salmon canneries on the Sacramento and Columbia Rivers to sardine factories of San Pedro and Monterey to the high-tech surimi operations of Astoria and Newport, we have seen a great deal of change. Along with the changes in abundance of resource (both real and that which is allowed to be harvested), in regulations, and in technology, we have seen a change in the economics of seafood. Although many people hear "west coast" and think "salmon", the real sources of economic wealth are the squid / wetfish (sardines, anchovies, and mackerel) fishery; the Dungeness crab fishery; and the Pacific groundfish fishery.

The squid / wetfish fishery is highly specialized in terms of the boats that are used and the plants that process the catch. Since I am sure the Commission had an opportunity to learn about this fishery at the hearing in Los Angeles, I won't go into it here, other than to point out that the increased sardine biomass brought about by changing ocean environmental conditions has resulted in a successful sardine fishery being established over the past 3 years in Oregon and Washington.

The Dungeness crab, Pacific groundfish, and pink shrimp fisheries need to be discussed together, since the same boats often participate in at least two, if not three, of the fisheries and the same processing plants handle the catch from all three. I want to emphasize this point so you understand: *if you take away any one of these fisheries, there are a significant number of boats and plants that may not survive.* And as one of my members has said: groundfish is the glue that holds the west coast fisheries together.

The Dungeness crab fishery generally begins in November in California and typically extends through June along the entire coast, with the major part of the fishery occurring in December, January, and February. Crab are sold live, as “whole cooked”, as sections, and as fresh and frozen meat. Most of the market is domestic, with the majority of it local to the west coast. Management is conducted individually but in close coordination by the three west coast states. There is also a tribal crab fishery in the ocean off Washington, as well as a smaller fishery in Puget Sound.

The pink shrimp fishery begins in April and extends through October, with the shrimp usually increasing in size as the year progresses. The species harvested is *Pandalus jordani*, a smaller relative of the *Pandalus borealis* found in New England, Alaska, Canada, Greenland and the Scandinavian countries. Shrimp are usually sold cooked and peeled, and either chilled or frozen. Although an extensive European market once existed, trade preferences enacted by the European Union have largely prevented pink shrimp from being sold in Europe for the last eight years. To further complicate matters, a recently developed shrimp fishery in eastern Canada has led to large volumes of small shrimp being available in the U.S. market (Canada also faces problems with the European trade preferences), severely depressing market price and thus ex-vessel price on the west coast. The shrimp fishery also is managed individually by state but in close coordination among California, Oregon, and Washington.

The Pacific groundfish fishery and its management are well-described by Ralph Brown in his testimony, so I will not repeat it here. Instead, I will concentrate on the market.

Commercially (there is a significant recreational groundfish fishery, especially in California), most groundfish are caught by trawl vessels and delivered to plants based on shore. There is a hook and line fishery using smaller vessels for some species; there is a small (in volume) live groundfish fishery centered on markets in San Francisco and Los Angeles; there are bottom longline and pot fisheries for sablefish (also called black cod); there are two small beach-launched dory fisheries using reels with downriggers (Newport Beach, CA and Pacific City, OR); and there are both catcher-processor and delivered / processed at sea fisheries for a portion of the Pacific whiting harvest. However, the mainstay of the Pacific groundfish fishery involves harvesting with trawl gear in a mixed stock fishery and delivering to fish processing facilities located in the major ports on the west coast - the number of which is currently fewer than ten.

Although whiting is sold both as frozen product and surimi, and sablefish and thornyheads (two species of *Sebastes*) are sold frozen for export, the major market for

groundfish is as fresh domestic product. The fish are hand filleted (indeed, a filleter is considered a highly skilled worker, earning \$20 / hour or more), packaged, and distributed either through distribution centers or directly to restaurants and retail establishments. The groundfish fishery is designed to be a year-round fishery and processors depend on product volume, product mix, and product flow to be successful.

As for the west coast processors themselves, most are small businesses, all are owned by U.S. citizens - often individuals or families - and some span several generations. One of our members - a small / medium sized firm - traces its history in the fisheries back eight generations. Another small company is owned and operated by three generations of women. The largest processor in the groundfish fishery - with operations in all three states - began with the current owner's grandfather operating a small fish vending facility in Oregon. Although I have heard the tales of internationally-owned mega-companies taking over the fisheries and making indentured servants out of the poor honest fishermen, that simply is not the case on the west coast. Like the fishermen, our processors are struggling to survive through changing times, rules and conditions.

One final thing that needs to be considered before we complete the background discussion: in spite of the mutual antagonism engendered by a buyer / seller relationship, fishermen and processors exist in symbiosis; they are two sides of an equation that must be equal in order for it to be solved. This point is important as you consider recommendations for the future.

RECOMMENDATIONS

Now that I've provided a fairly brief overview of west coast fisheries and its seafood industry, let me turn to what will be the final product of this Commission's work: recommendations for the future of U.S. ocean policy. I will start with the general and go to the more specific.

1. DECIDE WHAT WE WANT: A PRODUCTIVE OCEAN OR A BLUE ZOO

Since the beginnings of humankind, the ocean has been a source of food and raw materials, a medium of transportation and commerce, and a line of defense. Early humans didn't migrate to the shore because they knew real estate values would eventually go up; they sought a place to get food. Our major cities weren't established in their present locations as a result of urban planning; they are for the most part located in places with natural harbors or on river systems leading to the ocean. The decades-long debate over the Law of the Sea Treaty didn't

occur because we wanted to protect smiling dolphins; it was a question of access to important minerals, fish, transportation routes, and means of national defense.

Unfortunately, we are rapidly moving away from the recognition of the ocean as a source of economic wealth and into the realm of outright protection. We have put a stranglehold on our fisheries and fishing communities under the banner of “sustainability” and eliminating the very industries - and people - for whom we are supposed to be preserving them. The oft-quoted Vietnam era phrase of “We needed to destroy this village in order to save it” keeps echoing in my mind. And fishing is not the only industry to suffer. We are steadily putting ocean areas off limits to oil and gas extraction at the same time as we are “saving” the Arctic coastal plain. We are turning working waterfronts into condominiums and souvenir shops. We are imposing new rules on cruise ships. We are limiting defense-related acoustic research so we don’t hurt whales’ ears. Even ecotourism is not exempt; a study reported last week noted that the increase in whale watching in the San Juan Islands has led to a decrease in body fat content of killer whales, suggesting that whale watching be limited.

I am not advocating that we catch the last fish nor turn the ocean into a universal garbage dump. Conservation of resources is important. But the key point in our ocean policy revolves around this decision: do we use it or do we lose it?

We need to construct a clear and concise policy, through Executive Order and statute, stipulating which road we are going to take.

2. ESTABLISH A CLEAR GOVERNING SYSTEM

At present, authority over things oceanic resides in many places in the U.S. government, including the Department of Commerce, the Department of Transportation, the Department of the Interior, the Department of Defense, the Department of Health and Human Services, the Department of Agriculture, the Department of Labor, and the Environmental Protection Agency. There are probably some others that I’ve missed, but these are the most important ones that come to mind. This plethora of agencies - each with its own statutory underpinnings and philosophy - can lead to utter chaos in deciding where we want to go.

One solution, which I believe was advocated by some members of the original Stratton Commission, would be to establish a Department of Oceans that is analogous to the Departments of the Interior and Agriculture. Take all the marine components other than defense and

diplomacy and make them work together. We are a maritime nation; does it not make sense to have an arm of government that reflects that important fact?

3. MAKE NOAA A FUNCTIONING AGENCY

If, as I suspect, we never get to a cabinet level oceans agency, then at the very least we need to make the federal ocean body we do have work in some rational manner. At times, NOAA reminds me of a dysfunctional sit-com family, with a bumbling father trying to raise a flock of unruly children. The level of internecine warfare boggles the mind. We have the Office of Ocean and Atmospheric Research trying to grab hold of all research responsibilities, whether or not they have the capability to provide any meaningful data. We have the National Ocean Service and the National Marine Fisheries Service fighting over who really is in charge of fish. We have research that is being done without thought of what research priorities are important. Within NMFS itself, we have science and management arguing (even down to the regional level), we have turf battles among regions, and we have the Office of Protected Resources standing aloof and not talking to anyone.

To begin with, we need an organic act of some nature for NOAA, setting out clear responsibilities. We should even consider removing the “dry” side of NOAA - satellites, atmospheric research, and the National Weather Service - and fine-tuning the agency so it deals just with the water.

We also need to clearly articulate, through the organic act, our ocean policy. If we choose the route of productive management for human use, then make it absolutely clear to NOAA that this is what the agency is supposed to do. If we choose the blue zoo approach, then make that clear. But don't give us an agency where one arm is trying - however feebly - to provide fishing opportunities while another arm is trying hard to put 20% of the exclusive economic zone off limits to everything but kayakers and researchers.

Once we have our policy and an agency that is designed to work, rather than implode, we need to make clear to the agency's employees what that policy is. The level of rumor that serves as impromptu policy direction within NOAA is astounding. I can't tell you the number of times that I have heard NOAA employees relate to me - seriously, with straight faces - that “Washington, D.C. wants us to do this” when their policy direction is based on what somebody told them that somebody else said who happened to be on a call to some other party at NOAA headquarters. I even tried to track down a NMFS policy on one occasion; it turned out to be the personal interpretation of one attorney in the Office of General Counsel. The result was that a

clear policy recommendation from the Pacific Fishery Management Council, which had gone through analysis, scrutiny, public comment and discussion was dropped from the regulations - and it still isn't there, to the best of my knowledge.

Again, we need a streamlined agency with an organic act, clear lines of responsibility and decision-making, and clear policy direction that is properly documented and communicated to employees.

4. CHANGE THE LAWS TO REFLECT REALITY AND GET US OUT OF THE LAWSUIT MESS

Looking specifically at fisheries, we need to consider some serious changes to the Magnuson Stevens Fishery Conservation and Management Act. If we don't we will have no fishery left to conserve or manage. We will certainly have fish, just not anyone to catch or process them. And while some may reach a state of emotional nirvana with the knowledge that there are petrale sole swimming freely in the ocean, I prefer the nutritional benefits of having one broiled with lemon caper sauce sitting on my plate.

First, we need to understand that oceans and fisheries are dynamic, not static. We cannot pass a law or promulgate a regulation that establishes a set biomass target and expect it to work for every one of the hundreds of species found off our shores. Fish populations fluctuate, sometimes widely. They are affected as much - if not more - by environmental conditions such as plankton levels, water current activity, and water temperature as they are by mortality due to harvest. Species compete with each other for the same ecological niche, to the extent that you can't simultaneously rebuild some populations. Neither the law nor the regulations will work if we use static points.

Second, we need to weigh the relative worth of our fisheries and the actions we take to conserve and manage them. If we have to shut down several productive fisheries in order to allow one species to rebuild over a 50 to 100 year period, are we doing the right thing? Are we achieving maximum benefit from our resources?

Third, we need to recognize - and accept - that science is imprecise, especially when it has sparse data to back up its recommendations. The NMFS National Standard Guidelines call for the "precautionary approach" even though the term never appears in the law. Unfortunately, that usually is translated as being risk averse, not simply being careful. It's like the difference

between birth control pills and abstinence: you have a 95% chance of preventing pregnancy with the former and a 100% chance with the latter, but abstinence is nowhere near as rewarding.

Fourth, we need to make clear that the intricacies and time frames involved in fisheries management can allow ample public comment and participation without wallowing in the morass of statutes designed to provide public scrutiny of major construction projects. Deciding what the trip limit on Dover sole should be for the next six months is not, to my mind, a major federal action that justifies an environmental assessment and the publication of proposed and final rules in the Federal Register.

If we make the laws clear, have them reflect reality, make them flexible to deal with dynamic fisheries and ocean environments, and get us out of the “process” issues, then the number of lawsuits will drop because there will be far fewer things on which to base a suit. And as an added benefit, NMFS will stop making decisions on the basis of whether or not they will get sued and maybe get back to simpler, more reasonable regulations that conserve fish without destroying seafood communities.

5. GIVE MANAGERS THE TOOLS THEY NEED TO KEEP US FUNCTIONAL

It is time to repeal the ITQ moratorium and allow fisheries managers - with full participation of those who would be affected - to consider use of this management tool. And, as a full and necessary part of that process, allow and encourage equal consideration of economic rationalization for the processing side of the equation that I mentioned earlier.

I am not advocating ITQs as the cosmic answer that will simultaneously increase fish stocks and make every fisherman rich. Like any tool, ITQs should be used when necessary and appropriate. There are, I am sure, any number of fisheries where their use would be inappropriate. But in cases where they can help - and I believe Pacific groundfish is one - they should be available without unreasonable constraints.

However, when considering ITQs for a fishery, managers *must* look at both sides of the fisherman / processor equation. Remember, processors need to maximize their economic efficiency too, which means having the right combination of product mix, product timing, and product flow. Processors need to have a return on the capital investments they have made in plants, equipment, product purchases, etc. One way to do that is to give them “rights” to process, just as fishermen seek “rights” to harvest.

We recognize, of course, that the “rights” in either case are legally privileges and are not subject to compensation due to taking nor do they convey any true ownership of a resource. But they are a means of providing economic stability.

In the case of processors, these “rights” can take many forms. To the best of my knowledge, and certainly not on the west coast, processors are *not* interested in harvesting shares. No one on this coast is suggesting that processors be entitled to some portion of the fish available for harvest. Indeed, if we want to ensure competition among processors and the ability of fishermen to engage in traditional price negotiations, we shouldn’t grant harvesting privileges to processors unless they happen to own a boat that qualifies.

Processing “rights” can take many forms. For example, some advocate a two-pie system which matches the harvestable amount to processing capacity and promotes trading of harvesting and processing “rights” among fishermen and separately among processors.

Another example would be establishment of co-operatives analogous to those created under the American Fisheries Act for the Alaska pollock fishery. Under this idea, processors and fishermen have an incentive to work together to get the right mix and volume of product to the market at the right time.

Another, simpler example could involve simply licensing existing processors, with a moratorium imposed on new licenses. Although potentially more anti-competitive, this would allow some opportunity for processors to have the breathing room to consider new markets, different product forms, and the like.

The bottom line is that managers need ITQs in their tool boxes; fishermen in some fisheries would benefit from having ITQs; and no matter what we do, we need to keep both sides of that equation balanced so that we don’t save the fisherman and sink the processor.

6. KEEP THE REGIONAL FISHERY MANAGEMENT COUNCIL SYSTEM INTACT

The system of Regional Fishery Management Councils established under the Fishery Conservation and Management Act of 1976 was a bold and innovative initiative by the Congress. For the first time, we recognized that having an overriding central authority to manage the diversity of fisheries was not going to work. To be sure, some national standards were - and are - necessary and desirable. Yet, having people familiar with regional problems developing regional solutions is an idea that has continued to work.

There are those who say the Council system is broken, that it should be replaced. There are those who say that Council members should be chosen nationally, at large. There are those who would relegate the Councils to a minor role of allocation (however that is defined) and leave the science to the well-run efficiency of NMFS. I disagree.

Yes, there are Council decisions with which I don't agree. Yes, there are some Councils that seem - from an outsider's point of view - to be less functional than others. But we need to fix the problems that exist, not destroy the entire system. If your car has a flat tire, you fix the flat - or maybe replace the tire. You don't junk the entire car.

Councils are constrained by the information presented to them and by the laws - and the courts' interpretations of those laws - under which they operate. They are often blocked by NMFS from being overly creative. Yet it is the Councils that have the knowledge and expertise to deal with regional problems - precisely what the authors of the Fishery Conservation and Management Act intended. We need to maintain that regional knowledge.

As for choosing Council members through some national process, I can think of no surer way to make problems worse. We all know that appointments at the national level are subject to political influence; it's a fact of life. A Democratic White House is unlikely to appoint a raft of Republican Council members, no matter what their expertise may be, and vice versa. And even if we keep the requirements for knowledge and expertise of fisheries conservation and management, there's not a single member of the Pacific Council, for example, that would truly be competent to untangle the issues facing the Gulf Council.

As for separating allocation and science, I submit that the two are inseparable. Anyone who contends that there is no politics or allocation in science is smoking some of the fine alternative botanical products grown in some of our Oregon forests. I recently served on a stock assessment review panel which was held jointly with Canada and witnessed some of the slickest intertwining of science and international allocation that you have ever seen. I have seen scientific reports that deliberately hedge their conclusions because of that fear of lawsuits which runs through the core of NMFS decision-making.

The Councils, when they do their jobs properly - as most do all the time - make their decisions on the combination of public testimony, scientific information, and social and economic data presented to them, filtered through their own knowledge and expertise. The last

thing we need is to dismantle a system that - for all its ups and downs, good points and bad points - works the way it was intended.

SUMMARY

I hope that the background that I have provided today on the west coast fisheries and seafood industry has been informative. I also hope that you will take to heart the recommendations I have made:

- * Decide what we want
- * Establish a clear governing system
- * Make NOAA a functioning agency
- * Change the laws to reflect reality and get us out of the lawsuit mess
- * Give managers the tools they need to keep us functional
- * Keep the Regional Fishery Management Council system intact

I will be happy to answer any further questions. Thank you.