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**FOR THE NATIONAL MARINE FISHERIES SERVICE
NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION
U.S. DEPARTMENT OF COMMERCE**

**HEARING ON
“NORTH PACIFIC PERSPECTIVES ON MAGNUSON-STEVENSON ACT
REAUTHORIZATION”**

**BEFORE THE
SUBCOMMITTEE ON OCEANS, ATMOSPHERE, FISHERIES, AND COAST GUARD
COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION
UNITED STATES SENATE**

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Introduction

Good morning, Mr. Chairman and Members of the Committee. Thank you for the opportunity to testify before you today. I am Jim Balsiger, the Alaska Regional Administrator for the National Oceanic and Atmospheric Administration’s (NOAA) National Marine Fisheries Service (NMFS). NMFS is dedicated to the stewardship of living marine resources through science-based conservation and management. Much of this work occurs under the Magnuson-Stevens Fishery Conservation and Management Act (Magnuson-Stevens Act), which sets forth standards for conservation, management, and sustainable use of our Nation’s fisheries resources.

Marine fish and fisheries—such as Alaska pollock, Pacific cod, Pacific halibut, King crab, and other species found in waters off Alaska—are vital to the prosperity and cultural identity of coastal communities in the United States. U.S. fisheries play an enormous role in the U.S. economy. Commercial fishing supports fishermen, contributes to coastal communities and businesses, and provides Americans with a valuable source of local, sustainable, and healthy food. Non-commercial and recreational fishing provides food for many individuals, families, and communities; is an important social activity; and is a critical driver of local and regional economies, as well as a major contributor to the national economy. Subsistence fishing is an irreplaceable source of protein for much of rural Alaska and interwoven into the cultural identity of Alaska Natives. Both Alaska’s economy and food security are uniquely dependent on sustainably managed marine resources primarily carried-out under the authority of the Magnuson-Stevens Act. In the North Pacific, NOAA Fisheries shares a strong heritage of science-based marine stewardship with our Alaska resource management partners, including the State of Alaska and Alaska Native Organizations.

Our most recent estimates show that the landed volume and the value of commercial U.S. wild-caught fisheries remained near the high levels posted in 2011. U.S. commercial fishermen landed 9.6 billion pounds of seafood valued at \$5.1 billion in 2012, the second highest landings volume and value over the

past decade.¹ The seafood industry—harvesters, seafood processors and dealers, seafood wholesalers and seafood retailers, including imports and multiplier effects—generated an estimated \$129 billion in sales impacts and \$37 billion in income impacts, and supported 1.2 million jobs in 2011. Jobs supported by commercial businesses held steady from the previous year.²

At the same time, recreational catch remained stable. Recreational fishing generated an estimated \$56 billion in sales impacts and \$18 billion in income impacts, and supported 364,000 jobs in 2011.³ Jobs generated by the recreational fishing industry represented a 12 percent increase over 2010.⁴ U.S. fisheries are producing sustainable U.S. seafood. The federal fishery management system is effectively and responsibly managing fish stocks at biologically sustainable levels, and in cases where some stocks have become overfished, the system has been effective at rebuilding populations to healthy target levels. As of December 31, 2013, 91 percent of stocks for which we have assessments are not subject to overfishing,⁵ and 82 percent are not overfished.

The advancement of our science and management tools has resulted in improved sustainability of fisheries and greater stability for industry. Since passage in 1976, the Magnuson-Stevens Act has charted a groundbreaking course toward sustainable U.S. fisheries. The 2007 reauthorization gave the eight Regional Fishery Management Councils (Councils) and NMFS a very clear charge and new tools to support improved science and management. Key requirements mandated the use of science-based annual catch limits and accountability measures to better prevent and end overfishing. The reauthorization provided more explicitly for market-based fishery management through Limited Access Privilege Programs, and addressed the need to improve the science used to inform fisheries management.

The U.S. has many effective tools to apply in marine fisheries management. Yet, as we look to the future, we must continue looking for opportunities to further improve our management system. While significant progress has been made since the 2007 reauthorization, progress has not come without a cost to some. Challenges remain. Fishermen, fishing communities, and the Councils have had to make difficult decisions and absorb the near-term cost of conservation and investment in long-term economic and biological sustainability. For example, the North Pacific Fishery Management Council and NOAA Fisheries have worked collaboratively to introduce several measures in recent years to further minimize the bycatch of salmon and Pacific halibut in the groundfish fishery. These measures demonstrate our continuing commitment to working with the Council, industry, the State of Alaska, and Alaska Native Organizations to conserve fishery resources. We need to continue to address management challenges and explore new opportunities in a holistic, deliberative, and thoughtful way that includes input from the wide range of stakeholders who care deeply about these issues.

¹ See NOAA Annual Commercial Fisheries Landings Database, available at <http://www.st.nmfs.noaa.gov/commercial-fisheries/commercial-landings/annual-landings/index>.

² See Fisheries Economics of the U.S. 2011. NMFS Office of Science & Technology, available at: http://www.st.nmfs.noaa.gov/economics/publications/feus/fisheries_economics_2011.

³ Lovell, Sabrina, Scott Steinback, and James Hilger. 2013. The Economic Contribution of Marine Angler Expenditures in the United States, 2011. U.S. Dep. Commerce, NOAA Tech. Memo. NMFS-F/SPO-134, 188 p.

⁴ See Fisheries Economics of the U.S. 2011. NMFS Office of Science & Technology, available at: http://www.st.nmfs.noaa.gov/economics/publications/feus/fisheries_economics_2011.

⁵ Status of U.S. Fisheries, FSSI & Summary Status Changes, 4th Quarter. NMFS Office of Sustainable Fisheries, available at: http://www.nmfs.noaa.gov/sfa/statusoffisheries/2013/fourth/Q4_2013_StockStatusSummaryChanges.pdf.

Modern fishery management in the North Pacific coincided with the Americanization of fishing fleets under the original Magnuson-Stevens Act. The collaborative relationship between NMFS and the North Pacific Fishery Management Council along with early adoption of annual catch limits and the use of the precautionary principle all contribute to the North Pacific's longstanding success in fisheries sustainability and ecosystem health. In the North Pacific, conservative management measures implemented through the Council process have paid off in a big way. Today, Alaska fisheries are known as being among the best-managed, most sustainable fisheries on the planet, producing over 50-percent of all seafood caught in U.S. waters, and worth billions to the U.S. economy. Alaska's seafood industry is the top private sector employer in the State of Alaska. The important role of fisheries in Alaska's economy and the persistent achievements in sustainability lead us to conclude that the Magnuson-Stevens Act's call for close collaboration among NMFS, the North Pacific Council, and our stakeholders is one of its greatest strengths and has been essential to the success of fisheries in the North Pacific.

Our testimony today will focus on NMFS' progress in implementing the Magnuson-Stevens Act's key domestic provisions, and some thoughts about the future and the next reauthorization.

Implementing the Magnuson-Stevens Act

The Magnuson-Stevens Act created broad goals for U.S. fisheries management and a unique, highly participatory management structure centered on the Councils. This structure ensures that input and decisions about how to manage U.S. fisheries develop through a "bottom up" process that includes fishermen, other fishery stakeholders, affected states, tribal governments, and the Federal Government.

The Magnuson-Stevens Act guides fisheries conservation and management through 10 National Standards. These standards, which have their roots in the original 1976 Act, provide a yardstick against which all fishery management plans and actions developed by the Councils are measured. National Standard 1 requires that conservation and management measures prevent overfishing while achieving, on a continuing basis, the optimum yield from each fishery. Optimum yield is the average amount of harvest that will provide the greatest overall ecological, economic, and social benefits to the Nation, particularly by providing seafood and recreational opportunities while affording protection to marine ecosystems.

The Councils can choose from a variety of approaches and tools to manage fish stocks to meet this mandate—e.g., catch shares, area closures, and gear restrictions—and, when necessary, also determine how to allocate fish among user groups. These measures are submitted to the U.S. Secretary of Commerce for approval and are implemented by NMFS. Thus, the Councils, in developing their plans, must carefully balance the need for stable fishing jobs, ecological conservation, and societal interests to create holistically sustainable fisheries. A key aspect of this effort is to ensure that overfishing is prevented, and if it occurs, to end it quickly and rebuild any stock that becomes overfished. Other National Standards mandate that conservation and management measures be based upon the best scientific information available, not discriminate between residents of different states, take into account variations in fisheries and catches, minimize bycatch, and promote the safety of human life at sea.

Fishing communities are central to many Council decisions. Fishing communities rely on fishing-related jobs, as well as the non-commercial and cultural benefits derived from these resources. With six of the

nation's top ten fishing ports ranked by value of landings⁶, Alaska's coastal communities are uniquely dependent on living marine resources and healthy marine ecosystems. Communities, fishermen, and fishing industries rely not only on today's catch, but also on the predictability of future catches. The need to provide stable domestic fishing and processing jobs is paramount to fulfilling one of the Magnuson-Stevens Act's goals—to provide the Nation with sources of domestic seafood. This objective has even greater purpose now than when the Act was passed, as today U.S. consumers are seeking—more than ever—options for healthy, safe, sustainable, and local seafood. Under the standards set in the Magnuson-Stevens Act—and together with the Councils, states, tribes, territories, and fishermen—we have made great strides in maintaining more stocks at biologically sustainable levels, ending overfishing, rebuilding overfished stocks, building a sustainable future for our fishing-dependent communities, and providing more domestic options for U.S. seafood consumers in a market dominated by imports. Thanks in large part to the strengthened Magnuson-Stevens Act and the sacrifices and investment in conservation by fishing communities across the country, the condition of many of our most economically important fish stocks has improved steadily over the past decade.

Without high-quality fishery science, we cannot be confident the Nation is attaining optimum yield from its fisheries, or that we're preventing overfishing and harm to ecosystems and fishing communities. Attaining optimum yield requires investing in information about fish stocks, marine habitats, and ecosystems and the individuals and groups that rely upon fishing. NMFS is committed to generating the best fishery science—biological, ecological, and socioeconomic—to support the goals of the Magnuson-Stevens Act. To achieve the goals of the Act, we must conduct the research and analyses necessary to understand the environmental and habitat factors affecting the sustainability of fish populations.

Fisheries science also relies on data collected by fisheries observers as well as collaborative research with non-government partners. Adequate observer coverage is also critical for improving our bycatch data, and the biological samples collected by observers are used in stock assessments and life history studies. National Standard 9 requires fishery management plans to minimize bycatch. In the North Pacific, NMFS continues to work with the Councils, industry, academia, and other partners to conduct research and test new methods and gear that will make our U.S. fisheries in the North Pacific even cleaner, more selective, and able to avoid interactions with marine mammals. Much of this is done through the Magnuson-Stevens Act's Cooperative Research Program, Bycatch Reduction Engineering Program, and the experimental fishing permits process. Further, it should be recognized that 100 percent of the Bering Sea and Aleutian Island groundfish observer costs are paid for by the industry. This partnership in providing for observer coverage has proven to be a key component of successful fisheries management of groundfish and shellfish in Alaska.

Other examples of scientific collaboration in the North Pacific include NOAA Fisheries scientists partnering with industry to modify flatfish trawl gear to reduce the impact to important bottom habitat. This collaborative work consisted of modifying trawl gear by raising the sweeps off the seafloor at various spacings—2 to 4 inches—and studied the impact this had on catch rates and seafloor habitat. The new gear reduced seafloor contact by nearly 90 percent, further protecting important habitat for fish and crabs while maintaining flatfish catch rates and reducing crab mortality rates. Since 2011, fishermen for

⁶ See Fisheries of the United States, 2012, NMFS Office of Science & Technology, available at: <http://www.st.nmfs.noaa.gov/commercial-fisheries/fus/fus12/index>

all Bering Sea flatfish vessels must use the modified Bering Sea flatfish trawl gear. The trawl gear leaves less of an environmental imprint while improving catch of marketable fish. These strong results led the North Pacific Council to recommend requiring modified sweeps with the same disc height and spacing parameters for the Central Gulf of Alaska flatfish fishery.

We all share the common goal of healthy fisheries that can be sustained for future generations. Without clear rules based on science, fair enforcement, and a shared commitment to sustainable management, short-term pressures can easily undermine the social, economic, and environmental benefits that come from sustainably and responsibly managed fisheries. Though overfished stocks remain a challenge in some fisheries, as their populations grow and catch limits increase, we are beginning to see benefits to those resources, the industries they support, and the economy.

Progress in Implementation

Working together, NMFS, the Councils, coastal states and territories, treaty fishing tribes, and a wide range of industry groups and other stakeholders have made significant progress in implementing key provisions of this legislation.

Ending Overfishing, Implementing Annual Catch Limits, and Rebuilding

One of the most significant management provisions of the 2007 reauthorization of the Magnuson-Stevens Act was the mandate to implement annual catch limits, including measures to ensure accountability and to end and prevent overfishing in federally managed fisheries by 2011 (an annual catch limit is an amount of fish that can be caught in a year such that overfishing does not occur; accountability measures are management controls to prevent annual catch limits from being exceeded, and to correct or mitigate overages of the limits if they occur). Now, when developing a fishery management plan or amendment, the Councils must consider the actions that will occur if a fishery does not meet its performance objectives. As of December 31, 2013, assessments demonstrated that overfishing ended for 71 percent of the 38 domestic U.S. stocks that were subject to overfishing in 2007 when the Magnuson-Stevens Act was reauthorized.⁷ Annual catch limits designed to prevent overfishing are in place for all stocks, and we expect additional stocks to come off the overfishing list as stock assessments are updated in the coming years. The Magnuson-Stevens Act also includes requirements to rebuild any overfished fishery to the level that can support the maximum sustainable yield, and we have rebuilt 34 stocks nationally since 2000.⁸ Currently, only one fishery stock of the dozens of stocks managed in the North Pacific—Pribilof Islands blue king crab—is overfished.

The agency has begun the process of reviewing the National Standard 1 guidelines, which were modified in 2009 to focus on implementing the requirement for annual catch limits. This was a major change in how many fisheries were managed, and we want to ensure the guidance we have in place reflects current thinking on the most effective way to meet the objectives of National Standard 1, building on what we and the Councils have learned. A May 2012 Advance Notice of Proposed Rulemaking was followed by

⁷ See Fish Stock Sustainability Index. This report was the source for the underlying data, but the numbers presented here were compiled specifically for this hearing. The report is available at:

<http://www.nmfs.noaa.gov/sfa/statusoffisheries/2012/fourth/Q4%202012%20FSSI%20Summary%20Changes.pdf>

⁸ See Fish Stock Sustainability Index. Available at:

http://www.nmfs.noaa.gov/sfa/statusoffisheries/2012/fourth/MapRebuiltStocksCY_Q4_2012.pdf

an almost 6-month public comment period where we asked for input on 11 topics addressed in the guidelines. We received a significant amount of input, and are in the process of working through the comments and developing options for moving forward, be it through additional technical guidelines, regulatory changes, and/or identifying issues for discussion as part of a reauthorization of the Magnuson-Stevens Act.

Limited Access Privilege Programs (LAPPs)

The Magnuson-Stevens Act authorizes the use of LAPPs, which dedicate a secure share of fish to fishermen for their exclusive use via a Federal permit. NMFS has implemented LAPPs in multiple fisheries nationwide and additional programs are under development.

While limited access privilege programs are just one of many management options the Councils can consider, they have proven to be effective in meeting a number of management objectives when they have broad stakeholder support. Both in the United States and abroad, such programs are helping to achieve annual catch limits, reduce the cost of producing seafood, extend fishing seasons, increase revenues, and improve fishermen's safety.

Predating the 2006 reauthorization of the Magnuson-Stevens Act which established LAPPs, the North Pacific fishing industry pioneered individual and cooperative quota-based management. Today, approximately 85 percent of the harvests occurring in federally managed fisheries in waters off Alaska occur in LAPP-managed fisheries. Examples include Pacific Halibut and Sablefish, the Western Alaska Community Development Quota Program, Bering Sea Pollock (American Fisheries Act) Cooperatives, Bering Sea King and Tanner Crab (Crab Rationalization), Central Gulf of Alaska Rockfish, and Bering Sea Groundfish (non-Pollock) Cooperatives (Amendment 80). These LAPPs were established through a long and deliberative process with the North Pacific Council that resulted in enhancing the value of Alaska's fisheries, reducing waste, and minimizing the need for fishing in dangerous conditions that can often occur in a "race for fish" without LAPP management.

One example of the benefits of LAPPs is the Central Gulf of Alaska Rockfish catch share program. Most notably, following the implementation of the Rockfish program, both halibut bycatch and discards have been reduced substantially. Participants report that cooperative management has allowed them to adopt conservation-minded practices without sacrificing their overall opportunity in the fishery. A longer fishing season also allows fishermen to time their harvest, improving safety on the water; create opportunities for a higher valued product; and stage delivery to fisheries processors and markets at times that do not conflict with other fisheries.

Looking to the Future

Remaining Challenges

Although the North Pacific has made great strides in creating biologically and ecologically sustainable fisheries, there are challenges with the economic sustainability of the fisheries. Many involve significant policy considerations about the future of coastal communities, international conservation commitments and trade, and, of course, budgets—not just federal, but state and tribal as well.

It is critical that we maintain progress toward meeting the mandate of the Magnuson-Stevens Act to end overfishing and rebuild overfished stocks. Annual catch limits have been an effective tool in improving the sustainability of fisheries around the Nation, but managing fisheries using annual catch limits and

accountability measures was a major change for some fisheries, and the initial implementation has identified some areas where we can improve that process. We will continue to work with the Councils to achieve the best possible alignment of science and management for each fishery to attain the goals of the Magnuson-Stevens Act. We will continue to develop our science and management tools, improve our stock assessments and monitoring efforts, and create more effective annual catch limits and accountability measures. In doing so, we must continue to ensure solid, science-based determinations of stock status and better linkages to biological, socioeconomic, and ecosystem conditions.

A primary goal in the Alaska Region is to maintain healthy and sustainable fisheries. Given the vast size and value of fishery resources off Alaska, effective fishery management requires regular fishery surveys and stock assessments, and the use of new and innovative technologies to gather data from the fishery while reducing the costs and burdens. The Alaska Region and North Pacific Council currently use, and are exploring the expanded use of a wide range of electronic monitoring tools to compliment on-going observer programs. Looking ahead, we must continue to improve the quality and quantity of scientific data, continue progress made on stock assessment improvement plans, and continue to explore new and innovative management tools to achieve more biologically and economically sustainable fishery resources.

We value the important partnerships we have formed with the states, tribes, fishermen, and other interest groups in helping address these challenges. These partnerships are critical to developing successful management strategies. Together with our partners, we continue to explore alternative and innovative approaches that will produce the best available information to incorporate into management. NMFS has established an effective working relationship with the State of Alaska that has allowed for successful co-management of salmon, scallop, and Bering Sea crab resources off Alaska. This co-management arrangement is provided for in the Magnuson-Stevens Act, and has been effective in leveraging the expertise of State and Federal managers to provide for effective and responsible management. In addition to fisheries, the Alaska Region partners with numerous Alaska Native Organizations for the co-management of marine mammal species under the Marine Mammal Protection Act.

It is also increasingly important that we better understand ecosystem and habitat factors, such as the effects of climate change, interannual and interdecadal climate shifts, ocean acidification, and other environmental regime shifts and natural disasters, and incorporate this information into our stock assessments and management decisions. Resilient ecosystems and habitat form the foundation for robust fisheries and fishing jobs. The Magnuson-Stevens Act currently provides flexibility for bringing ecosystem considerations into fisheries management. NOAA Fisheries and the North Pacific Council have developed and implemented fishery ecosystem plans for the Arctic and the Aleutian Islands. The North Pacific Council is currently developing a fishery ecosystem plan for the Bering Sea. These initiatives improve our ability to consider and focus attention on a broad range of factors affecting marine ecosystems. The alignment of measures to conserve habitat and protected species with measures to end overfishing and rebuild and manage fish stocks will be a key component of NOAA's success in implementing ecosystem-based fisheries management.

NOAA supports the collaborative and transparent process embodied in the Councils, as authorized in the Magnuson-Stevens Act, and strongly believes that all viable management tools should continue to be available as options for the Councils to consider when developing management programs.

The Next Reauthorization of the Magnuson-Stevens Act

With some of the largest and most successful fisheries in the world, the United States has become a global model of responsible fisheries management. This success is due to strong partnerships among the commercial and recreational fishing, conservation, and science and management communities. Continued collaboration is necessary to address the ongoing challenges of maintaining productive and sustainable fisheries.

The *Managing Our Nation's Fisheries 3* conference—co-sponsored by the eight Councils and NMFS—brought together a broad spectrum of partners and interests to discuss current and developing concepts addressing the sustainability of U.S. marine fisheries and their management. The conference was developed around three themes: (1) improving fishery management essentials, (2) advancing ecosystem-based decision-making, and (3) providing for fishing community sustainability.

We were excited to see a wide range of stakeholders represent many points of view, from commercial and recreational fishermen, to conservation and science and management organizations, to indigenous communities. Before the last reauthorization, we co-sponsored two of these conferences, and they played an important role in bringing people together and creating an opportunity to present ideas and understand different perspectives. We expect the ideas that emerged from this event to inform potential legislative changes to the Magnuson-Stevens Act, but the benefits are much greater than that. The communication across regions and Councils provided an opportunity to share best practices and lessons learned, and could also inform changes to current policy or regulations that can be accomplished without statutory changes.

Conclusion

Because of the Magnuson-Stevens Act, the United States has made great progress toward sustainably and responsibly managing U.S. fisheries, to ensure that stocks are maintained at healthy levels, fishing is conducted in a way that minimizes impacts on the marine ecosystem, and fishing communities' needs are considered in management decisions. Fisheries harvested in the United States are scientifically monitored, regionally managed, and consistent with 10 National Standards for fishery conservation and management. But we did not get here overnight. Our Nation's journey toward sustainable fisheries has evolved over the course of 38 years. In 2007, Congress gave NOAA and the Councils a clear mandate, new authority, and new tools to achieve the goal of sustainable fisheries within measurable timeframes. Notable among these were the requirements for annual catch limits and accountability measures to prevent, respond to, and end overfishing—real game changers in our national journey toward sustainable fisheries that are rapidly delivering results.

This progress has been made possible by the collaborative involvement of our U.S. commercial and recreational fishing fleets and their commitment to science-based management, improving gear-technologies, and application of best stewardship practices. We have established strong partnerships with states, tribes, Councils, and fishing industries. By working together through the highly participatory process established in the Magnuson-Stevens Act, we will continue to address management challenges in a changing environment.

To understand where we are, it is important to reflect on where we've been. We have made great progress but our achievements have not come easily, nor will they be sustained without continued attention. This is a critical time in the history of federal fisheries management, and we must move

forward in a thoughtful and disciplined way to ensure our Nation's fisheries are able to meet the needs of both current and future generations. We will take the recommendations from the *Managing Our Nation's Fisheries 3* conference, and look to the future in a holistic, comprehensive way that considers the needs of the fish, fishermen, ecosystems and communities.

Thank you again for the opportunity to discuss implementation progress of the Magnuson-Stevens Act. We are available to answer any questions you may have.