

APPENDIX VIII

PACIFIC WHITING CONSERVATION COOPERATIVE

Pacific Whiting Conservation Cooperative

This narrative was taken from the At-Sea Processors Association webpage.

Pacific Whiting Conservation Cooperative (PWCC) is an example of a competitive self-selecting (i.e. harvesting resources are not shared among the cooperative members) fishery cooperative. At present, four companies operate 10 catcher/processor vessels licensed to participate in the Pacific whiting fishery. These four companies formed the PWCC. They were able to form this harvest cooperative largely because of the three-sector allocation split, a limited access program, and the relatively few current participants in the catcher/processor sector. PWCC members were able to negotiate among themselves the apportionment of the catcher/processor sector allocation on a company-by-company basis. The agreement is enforced by a contract signed by each of the cooperative members.

To help avoid bycatch "hotspots," PWCC members report catch and bycatch data electronically to Sea State, a private sector firm specializing in fisheries data collection and analysis. Sea State collates the data and reports back to PWCC vessels on a "real time" basis, advising vessel captains to avoid areas in which high bycatch is likely to occur. Because they do not have to race for fish, boats can take the time to move to areas with low bycatch. To ensure compliance with federal fishery regulations and terms of the cooperative, each PWCC member vessel carries two federal fishery observers to monitor catch and bycatch. PWCC members bear the cost of observer coverage.

Competing in the race for fish encourages companies to maintain and improve equipment that allows them to catch as many fish as quickly as possible starting on the opening day of the season. As a result, all sectors of fisheries operating under these conditions are overcapitalized which has led to financial instability, bankruptcy and uncertainty within the industry. Removing capital equipment (i.e. boats) is strongly desired by fishermen as a means to stabilize their industry and by others as a step toward removing pressure on fishing resources. Operators of single vessels also benefit from a cooperative agreement that provides them a portion of the sector allocation. In a race for fish situation, if a vessel is idled for any reason during the compressed fishing season, it could mean financial catastrophe for the owner and job losses for crewmembers. Under a cooperative arrangement, a vessel owner can make needed vessel repairs and return to the fishing grounds without facing lost fishing opportunities.

In addition, PWCC members are assessed a tonnage fee that is used to fund scientific research, including funding stock assessment and bycatch avoidance programs. To date, PWCC members have been assessed almost \$600,000.

A primary advantage of the Cooperative is that it allows participants to increase the quality and value of production. Quality of fish brought on board is increased, particularly for pollock, because the members can make smaller haul, take time to locate larger fish, and choose a product mix that maximizes value. Additionally, the Cooperative is able to idle some of the vessels and take the harvest over a longer period of time with fewer vessels.

Another example of the self-selecting fishery cooperative is the Pollock Conservation Cooperative. The PCC is a private sector initiative developed by U.S. fishers, who harvest and process Bering Sea pollock. The PCC is a harvest-only agreement among fishers. Cooperative members cannot coordinate processing, marketing or sales activities. They simply divide up a harvest quota that the government has set aside for their sector of the pollock industry. By

apportioning the allowable harvest among eligible fishery participants, the cooperative eliminates a race among fishers who would otherwise be seeking to maximize their individual share of the harvest. The race for fish often results in wasteful fishing practices. An orderly harvesting arrangement provides opportunities for fishers to maximize the amount of food produced per pound of fish harvested, and to better avoid the incidental harvest of non-target species, also known as bycatch.