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Attorneys for the Central Bering Sea Fishermen's Association, City of Saint Paul, Alaska, Alaska Longline Fishermen's Association, Fishing Vessel Owners' Association, Homer Charter Association, The Boat Company, Petersburg Vessel Owners' Association, Alaska Marine Conservation Council, Halibut Association of North America, North Pacific Fisheries Association, Aleut Community of St. Paul Island Tribal Government, and the Seafood Producers Cooperative

UNITED STATES DISTRICT COURT FOR THE DISTRICT OF ALASKA

GROUNDFISH FORUM, INC.,

Plaintiff,

v.

Case No. 3:23-cv-00283-JMK

NATIONAL MARINE FISHERIES SERVICE, *et al.*,

Defendants.

DECLARATION OF GEORGE MALCOLM MILNE

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I, George Malcolm Milne, declare as follows:

1. I am over 21 years of age and under no legal disability. The facts stated in this declaration are true and correct based on my personal knowledge and my review of business records. I give this declaration voluntarily for use in support of the motion to intervene in the above-captioned litigation filed on behalf of the North Pacific Fisheries Association, Inc., and the Halibut Defense Alliance, and for all other purposes allowed by law.

2. I am the President of the North Pacific Fisheries Association, Inc. (NPFA), an all-volunteer fishing industry organization based in Homer, Alaska. NPFA is active in ensuring that small and family-owned fishing businesses have a "seat at the table" as decisions are made that impact our fisheries. NPFA sponsors representative fishermen to represent our members' interests in front of regulatory agencies and policy-making bodies, including the Alaska Board of Fish, International Pacific Halibut Commission (IPHC), North Pacific Fishery Management Council (NPFMC), and others. NPFA advocates for science-based, conservation-minded fisheries policies.

3. NPFA has over sixty members that represent small, communitybased commercial fishing operations. Many NPFA members are family-owned fishing businesses. NPFA members participate in a variety of fisheries throughout the State of Alaska, including halibut, sablefish, salmon, crab, *Groundfish Forum, Inc. v. NMFS* Case No. 3:23-cv-00283-JMK 2 Ex. I, p. 2 herring, and cod in multiple state and federal areas and with various gear types. Individuals within our membership have held positions as commissioners on the IPHC and as voting members of the NPFMC.

4. Halibut is a primary or secondary fishery for many of our members and it is economically important to them. Halibut prices have been strong and relatively consistent over the last several years, which can smooth out variations seen in other fisheries, including low prices for salmon in 2023, the collapsed Bering Sea crab fisheries in recent years, and non-existent markets for sac-roe herring in 2022 and 2023. Halibut is important to our group of small businesses, which depend on multiple fisheries to keep their operations viable year-round. Although NPFA represents many segments and sectors within the commercial fishing industry, the halibut fishery has continuously maintained an iconic role as the organization has evolved.

5. A healthy halibut resource is paramount to NPFA and its members. Many of our members have invested significant sums to purchase halibut quota, often financed by loans. As a result, the livelihood and financial future of these members depends on the existence of a healthy halibut resource. Halibut also holds irreplaceable cultural significance for our members, some of whom are third generation halibut fishermen and grew up

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fishing halibut since a young age. Further, our members throughout Alaska use the halibut resource for recreational purposes and subsistence needs.

6. When the halibut resource is thriving, the processors, fishermen and the community at large benefit both economically and socially. A healthy resource helps create the building blocks for a strong market, which in turn maintains commercial fishing livelihoods and builds resilience in coastal Alaska communities. It allows our members to make their quota payments, maintain their vessels, pay their crews, and make a living.

7. NPFA members have faced significant challenges arising from low halibut abundance and fixed bycatch limits that have substantially reduced their harvest limits. Many struggle to pay off loans used to purchase halibut quota. In some cases, fish have not been available due to reduced limits. Catch rates have also declined as abundance has decreased, meaning that members must pay much more in fuel, salaries, and time, just to catch the same amount. Instability and the high cost of entry discourage new entrants. Unfortunately, this has become the reality of the directed halibut fishery over the last several years.

8. While harvest limits for directed fishery participants have generally declined year-over-year as halibut abundance fell, the groundfish trawlers have had the benefit of predictable, stable, fixed bycatch limits. This *Groundfish Forum, Inc. v. NMFS* Case No. 3:23-cv-00283-JMK 4 Ex. I, p. 4 system is not fair or equitable. It has resulted in drastic cuts to directed fishery harvest limits. Further, when small fishing operations see their harvest limits vary based on abundance, while bycatch limits for trawlers remain static even in low halibut abundance scenarios, they begin to lose faith in the management and trajectory of the fishery.

9. Some of NPFA's members have exited the halibut fishery. This is especially true in Area 4. According to the IPHC and NMFS, the majority of halibut mortality in that area is attributable to bycatch from trawlers particularly the Amendment 80 fleet. Poor fishing (*i.e.*, low catch rates), limited markets, cuts to harvest limits, and high expenses have driven many stakeholders away from the Area 4 grounds. Loss of participants combined with the difficulty of attracting new entrants means that participation in the directed halibut fishery has decreased sharply, particularly in Area 4.

10. Due to a combination of low halibut abundance and excessive bycatch, the catch quotas assigned to individual fishermen have decreased. Previously, many individual fishermen had enough quota share to make operating an independent vessel economically feasible. Now, however, it is often not cost effective to operate a vessel to harvest individual quotas. As a result, some participants have been forced to exit the fishery entirely, while others have had to combine their quotas and operate shared vessels. This has *Groundfish Forum, Inc. v. NMFS* Case No. 3:23-cv-00283-JMK 5 Ex. I, p. 5

resulted in a decrease in the number of vessels operated by the longline fleet, creating less demand for supporting industries like vessel maintenance, fuel sales, vessel storage, etc.

11. NPFA has a long history of advocacy and involvement in the halibut fishery, including efforts to limit bycatch by trawlers. In the 2000's, NPFA members felt disenfranchised as their halibut quotas kept getting cut due to low abundance while the trawlers enjoyed stable, fixed bycatch levels. I, along with other NPFA members, felt that the directed halibut fishery was bearing the burden of conservation while the groundfish trawl sector was largely unaffected.

12. To remedy this imbalance, in 2015, NPFA advocated for a 50% reduction in bycatch limits for the Amendment 80 fleet. At that time, the IPHC was considering cuts to the directed fishery harvest limits that would have ended halibut fishing in the Bering Sea. The 50% cut NPFA requested would have been similar to the amount that directed fishery harvest limits had been reduced as abundance declined. The Council did not go nearly as far as NPFA asked, ultimately moving forward with a modest bycatch reduction of 25%. At the time, it was understood, however, that additional bycatch reductions would be realized through an abundance-based management approach.

Groundfish Forum, Inc. v. NMFS Case No. 3:23-cv-00283-JMK 13. NPFA has been involved in the decision to adopt abundance-based management since it was introduced at the Council. NPFA provided written public comments on five separate occasions between 2016 and 2021. NPFA provided oral comments at least three times between 2018 and 2021. In addition, individual NPFA members, including myself and others, provided comments in our individual capacity at various times throughout the process.

14. NPFA supported cuts in Amendment 80's bycatch limit greater than those ultimately adopted in Amendment 123. Many members of NPFA felt that the cuts included in Alternative 4 were already a compromise, and that even deeper cuts were warranted. Nevertheless, NPFA recognizes that Amendment 123 is a compromise adopted by the Council that attempts to balance the views of a wide range of stakeholders after a very lengthy, contentious, and deliberate process. While it does not go as far as NPFA advocated, Amendment 123 helps to restore some measure of equity and provides badly needed relief to the directed fishery.

15. Amendment 123 has been a glimmer of hope for the directed halibut fishery, especially for those in Area 4. NPFA's members would be harmed if it were invalidated. NPFA invested significant time, money, and effort advocating for a common-sense approach to managing bycatch limits. I fear that some members will lose faith in the management process if the *Groundfish Forum, Inc. v. NMFS* Case No. 3:23-cv-00283-JMK 7 Ex. I, p. 7 Amendment 80 fleet is allowed to return to its excessive, fixed bycatch limits of the past, concluding that the system does not value small and family-owned fishing businesses. All the while, our members would continue to experience financial hardship due to excessive bycatch, including low quotas for the directed fishery and poor fishing.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge.

Executed on the 1st day of February, 2024.

& Malcoln Milne

GEORGE MALCOLM MILNE

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