

# **Public Correspondence**

**Public correspondence received  
as of April 3, 2009**

October 23, 2008

Oregon Department of Fish and Wildlife  
Steve Williams  
Cyreis Schmitt

Re: Sardine Limited Entry Permit Renewal Requirements

Dear Steve and Cyreis:

Background

We participated continuously in the Oregon sardine fishery in the years 2002-2007, delivering exclusively to Point Adams Packing Co. Early into 2008, it became apparent to me that the economic opportunity for us in the sardine fishery would be extremely limited due to the reduced number of fish available to the fleet for harvest, and because of a business decision made by Pt. Adams to process whiting.

Our vessel EXCELLER was active this winter and spring in Alaska fisheries and I estimated the cost of fuel alone for the boat to go to Oregon and return to Alaska after sardines at \$30,000.00. Because of the above, I decided to forego fishing sardines with EXCELLER.

Faced with the present renewal requirements, we would have lost our permit if we did not make the required landings. With considerable effort, I was finally able to lease a vessel, transfer the permit, and was very fortunate to have had good weather and an ample amount of fish in the eight day September fishery to qualify the permit for renewal by virtue of the product ex-vessel value. In order to make it worthwhile for the leased vessel and crew to participate in September, I offered them an unusually generous arrangement with regard to revenue sharing. Although it was the right thing to do, it resulted in a net operating loss to me, just to participate. Point Adams has told me that they broke even at best for the September fishery. Additionally, a hardship to me and to the crew of EXCELLER resulted when we were forced to lay up in Alaska and suspend fishing in the middle of a season until I could return back after sardines.

Opposition to renewal requirements

We agree with the position outlined by Mike Okoniewski of Pacific Seafoods, specifically;

1. The removal of landing requirements. There has been no benefit to the fishing fleet since they have been in existence. In fact, boats and processing plants dedicated to the fishery lose fishing opportunity when other boats are forced to participate. This was evident in the September 2008 fishery, when several of us entered the fishery motivated only to qualify for renewal. The boats and plants who had been there all summer might have received another day of fishing had we not been there. The key point here is that the quota would have been caught regardless of the number of boats.
2. With regard to the request by Mike for blanket amnesty for 2008 permittees who may not have qualified, we support that also. I consider us very lucky to have achieved our goal. The considerable effort and expense expended to qualify could just as easily have been for nothing if the weather and fish had not cooperated, and I think that some permit holders simply did not have the same opportunity to get it done.
3. Transferability. The requirement that the *vessel be owned or operated by the permit holder* has resulted in unintended consequences that are severely burdensome and restrictive. Had it not been for this requirement (for me to be on board), our permit could have gone onto the vessel which we ultimately leased, and I could have finished our other business in Alaska. This restriction makes no sense and actually prohibits boats and

permits from being available to fill the needs of processing plants who find themselves in the position that Point Adams did when the whiting season was delayed. One transfer per year would work fine with us.

Going forward, it appears likely that we may be faced with another year of marginal economic opportunity in the sardine fishery for our own vessel. We have invested significant amounts of capital into this fishery for the long haul. It would be a travesty to lose our permit, given the historical commitment we have demonstrated, due to a temporary situation. Our long term goals include fishing sardines again with EXCELLER in Oregon. I believe the prospects for the fishery look very promising in the future, however, in the meantime present constraints on transferability make it difficult to allow an alternative vessel to fish our permit, and provide product to a plant such as Pt. Adams given that my services are usually required on my own vessel. We are committed to assisting Pt. Adams with making the permit available (if allowed), even if our boat EXCELLER was not involved.

Thank you for the opportunity to comment, and I sincerely hope that the Department will lend its support to this movement. The fishing and processing sectors should both benefit, and it would also be our hope that the suggested changes result in reduced in-season management costs to the Department.

Yours truly,

Dan Macdonald  
Exceller Fisheries, Inc.  
Oregon Sardine Permit Holder