

**A market oriented, incentive-based approach to protecting
Essential Fish Habitat in the Central Coast of California**

**A proposal by The Nature Conservancy of California and
Environmental Defense**

August 16, 2004



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In July, 2003, The Nature Conservancy of California [TNC] and Environmental Defense [ED] initiated exploratory discussions with participants of the bottom trawling industry and fleet along the Central Coast of California. TNC and ED and many of the participants began to explore and understand how together we might protect benthic habitat for groundfish and move towards a more sustainable bottom trawl industry in federal marine waters extending from Point Conception to Sand Hill Bluff near Davenport, California (see Figure 1). While TNC's mission is the protection and conservation of biodiversity, we strive to employ innovative strategies that involve stakeholders and minimize conflicts with resources users.

Despite some differences of opinion concerning the validity of scientific issues that have guided or misguided past management protocols, the bottom trawling community, TNC and ED have moved forward in our discussions concerning a private sector purchase of numerous federal bottom trawling permits and vessels that would be contingent upon the permanent establishment of strategically placed no-trawl zones in the project area. Our judgment is that designation of no-trawl zones will both protect Essential Fish Habitat (EFH) for groundfish and move this fishery in the Central Coast of California towards sustainability. We request that our market-oriented approach to protecting EFH be seriously examined by the Pacific Fisheries Management Council (Council) during the Environmental Impact Statement (EIS) process.

Proposal Description

TNC and ED have a working list of fishers who we think regularly trawl the project area (about 23 permit holders) and we have met with all of those owners or their representatives. Most of the fishers home port in Morro Bay, Moss Landing, Monterey or Half Moon Bay. Our project approach would be to purchase a significant majority of the bottom trawling permits and vessels in this region in exchange for a significant portion of the project area designated as a no-trawl zone for bottom trawlers.

The following project components are being explored and discussed amongst the parties. The inclusion of these talking points does not imply that any agreements have been reached or decisions have been made by any of the parties.

➤ Protection of Essential Fish Habitat, Conservation of Biodiversity, and Scientific Research Objectives for the Project

The project aims to protect biodiversity and promote recovery of groundfish stocks through the establishment of large no-trawl zones in federal waters between Point Conception and Sand Hill Bluff. The no-trawl zones would include representative benthic habitats (hard, soft, and mixed substrates in several depth ranges) as well as important benthic features such as submarine canyons, sea-mounts, the shelf-slope break, and offshore reefs and banks that are important components of EFH for multiple species of groundfish. These no-trawl zones

should comprise a significant but yet-to-be-determined percentage of the project's geographical area. This proposal aims to protect representative seafloor habitats at sites yet to be bottom trawled and to allow previously trawled areas to recover.

Another important project objective is to be able to scientifically evaluate the ecosystem recovery process, if any, by monitoring, observing and documenting what happens to the benthic habitats, and the biodiversity they support, post-trawling. In discussions amongst industry participants and conservation groups, it is clear that both camps distrust the "science" of the other side and this sticking point has been a major impediment to moving forward on an acceptable management plan for groundfish. This proposal, if successful, will provide a unique "living laboratory" for scientific research opportunities aimed at objectively determining the impacts, if any, on dragging the seafloor in the Central Coast of California. Through careful siting and monitoring of replicated no-trawl zones, the scientific community and industry can address critical questions that need to be answered to guide adaptive management of marine resources.

➤ **TNC and ED Have Attempted to Identify the Fisher's Objectives for the Project**

While we clearly do not pretend to represent the trawling participants of the Central Coast, we have been informed about many of the fisher's concerns with our proposal. The most frequently heard concerns include:

1. For those fishers who wish to remain in the industry, protect their rights to trawl in their fishing grounds through the establishment of designated bottom trawl zones between Point Conception and Sand Hill Bluff. These areas should comprise a yet to be determined percentage of the project area and be located in areas that can financially sustain their business.
2. Strive to eliminate current and future contradictions and confusion between the Rockfish Closure Areas, potential Essential Fish Habitat designations, potential marine reserves and potential no-trawl zones. In other words, simplify the rules for bottom trawlers and remove some of the uncertainty going forward.
3. Determine an equitable formula for valuing the permits and vessels that can be agreed upon by buyer and sellers.
4. Allow for flexibility in the private acquisition process by giving consideration for allowing fishers to retain their vessels for future participation in NON-bottom trawl related fisheries, especially where they already own permits for different fisheries.

➤ **Mechanism of Transactions and Potential Council Actions; Projected Timelines**

There are many project components that need to be executed between the fishers and TNC and ED, as well as by the Council and NMFS, for this private buyout endeavor to be successful. Many of these actions are explicitly linked and will require extraordinary coordination and cooperation amongst the private and government parties. Our current thinking includes the following recommended sequence of actions:

Recommended Actions	Timeline
1. That the EIS oversight committee includes the TNC/ED proposal as one of the alternatives to be analyzed in the EFH –EIS	August 2004
2. The Council and NMFS work with TNC and ED and the fishers to establish a control date that helps identify the number of participants eligible for the private buyout. Only those fishers who have a bonafide history of trawling in the project area should be eligible.	August 2004
3. The Council and NMFS work with TNC and ED and the fishers to designate a geographical project boundary for our alternative	September 2004
4. TNC and ED and industry participants continue discussions and negotiations on key issues of valuation and attempt to reach agreement.	November, 2004
5. TNC and ED and industry participants identify and negotiate trawl and no- trawl zones and recommend their findings to NMFS and the Council	November, 2004
6. The Council approves the trawl and no-trawl zones contingent upon TNC and ED successfully negotiating an option to purchase or contract to purchase at least 50% of the eligible permits in the project area and TNC and ED has proven to establish a line of credit available to close those transactions. The contracts would be required to be consummated within a timely period of the no-trawl zones going into effect.	To be determined

➤ **Identification of Proposed No-Trawl Zones and Designated Trawl Zones**

TNC and ED desire to work with the trawlers and the agencies to jointly develop a benthic habitat map that includes the fisher's first hand knowledge of the seafloor and the best available information from relevant agencies and informed scientists. Constructing a map of this quality could be useful for all parties in determining EFH in the Central Coast of California. TNC has already developed a preliminary benthic habitat map based on depth, substrate type and topographic position (flats, ridges, canyons, slopes) and compiled a GIS database of important biodiversity targets in the project area for our ecoregional scale conservation planning. We would work with NOAA to incorporate information on habitat suitability for groundfish and other data and models developed through the EFH process. TNC and ED propose to use both a site-selection algorithm, such as MARXAN, and expert/fisher input to identify appropriate trawl and no-trawl zones.

Summary

TNC and ED propose to work with the bottom trawling industry and the Council to develop a private buy-out program that is contingent on the establishment of permanent no-trawl zones to protect EFH and other important biodiversity targets in the project area of Central California. This proposal fits well within the context of the groundfish EFH- EIS process and addresses these core components:

- **Designation and Protection of Essential Fish Habitat:** Identification of a large part of the shelf and slope as a no-trawl zone would provide protection for EFH for some life stages of multiple species. Identification of these no-trawl areas would be accomplished in conjunction with the Council and would be based on Habitat Suitability models for groundfish and other data compiled during the EIS, fisher knowledge, and other sources of information that TNC has compiled for our ecoregional planning.
- **Identification of Habitat Areas of Particular Concern (HAPCs):** TNC and ED have compiled data on representative benthic habitats, seamounts, structure-forming invertebrates, canyon heads, estuaries, kelp beds, and many other components of biodiversity and we will work with the Council and fishers to identify HAPCs as core components of the no-trawl zones.
- **Minimization of Economic Impacts:** TNC and ED will use private funds to compensate fishers in a permit and vessel buyout process and will work with the Council to identify trawlable zones that would promote economic sustainability for the remainder of the fleet.
- **Adaptive Management:** The identification of no-trawl zones in a replicated and scientific manner and the implementation of scientific studies and monitoring will provide much –needed data for adaptive management of the groundfish fishery.

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Figure 1

