SUMMARY OF INFORMATION CONTAINED IN THIS PACKAGE

This package contains several pieces of important information pertaining to the issue of catch share programs --

First, the package contains a list of individuals, businesses, and associations representing commercial, recreational, and recreational charter fishermen from the 5 Gulf States who support ZERO funding for developing any <u>new</u> catch share programs:

- 26 National, State, and Local Fishing Associations
- 53 Seafood Dealers
- 18 Marinas, Restaurants, Marine support businesses, tackle shops
- 174 Fishing vessels
- 375 Fishermen

Second, there is information provided on the impact of catch share programs on fishermen from Florida and the Gulf of Mexico.

Third, the package contains information produced by Food & Water Watch regarding catch shares in fisheries in both the Gulf of Mexico and nationally.

Fourth, the package contains a copy of a request to Congress for no funding for any <u>new</u> catch share programs.

Fifth, there is a copy of the language of the Rep. Southerland/Grimm Amendment to HR5326 which recently passed the House of Representatives which prohibits federal funding in FY2013 for any activities supporting new catch share programs in the Gulf of Mexico and along the entire U.S. East Coast.

Lastly, there are copies of 2 letters from Congress:

- (1) A request to Secretary Locke signed by U.S. Senators and 5 U.S. Representatives
- (2) A letter to House Subcommittees signed by 19 Representatives requesting no funding of any <u>new</u> catch share programs

For more information contact Bob Spaeth rspaeth8@aol.com 727-643-9558 or Bob Zales, II bobzales@att.net 850-814-8001

NO REFERENDUM VOTE FOR WORKING COMMERCIAL FISHERMEN ON IMPLEMENTATION OF NEW NOAA CATCH SHARE PROGRAMS?

THEN CONGRESS MUST AGAIN PROHIBIT CJS FUNDING FOR NEW NOAA CATCH SHARE PROGRAMS IN FY2013!

SUPPORT U.S. FISHERMEN BY SUPPORTING THE HOUSE-PASSED SOUTHERLAND-GRIMM FY2013 CJS AMENDMENT IN THE U.S. SENATE!

Even though NOAA's National Catch Share Policy indicates such programs are built from the "bottom up" the truth is the Magnuson-Stevens Act does not provide for an honest referendum vote by working commercial fishermen to implement these programs!

Federal catch share programs under development today are being implemented absent a vote by working commercial fishermen and many of these programs are harmful to the industry!

Congress must act now to once again stop overly aggressive efforts by NOAA and ENGO-paid fishing interests to implement new catch share programs in our fisheries in New England, Mid-Atlantic, South Atlantic and Gulf of Mexico in FY2013!

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House - passed CJS SouthERLAND GRAM

AMENDMENT TO H.R. 5326, A

REPORTED

(COMMERCE, JUSTICE, SCIENCE APPROPRIATIONS BILL)

OFFERED BY MR. SOUTHERLAND OF FLORIDA

At the end of the bill (before the short title) insert the following:

- 1 SEC. . None of the funds made available by this
- 2 Act may be used to develop, approve, or implement limited
- 3 access privilege programs (as that term is used in section
- 4 303A of the Magnuson-Stevens Fishery Conservation and
- 5 Management Act (16 U.S.C. 1853a) that are not already
- 6 developed, approved, or implemented as of the effective
- 7 date of this Act, for any fishery under the jurisdiction of
- 8 the South Atlantic, Mid-Atlantic, New England, or Gulf
- 9 of Mexico Fishery Management Council.





Congress of the United States

Washington, DC 20510

February 15, 2011

The Honorable Gary Locke
Secretary
U.S. Department of Commerce
Room 5421
Fourteenth Street and Constitution Avenue, NW
Washington, DC 20230

Dear Secretary Locke:

The fishing industry is a crucial part of our nation's economy, but in these tough economic times too many fishermen are struggling to provide for themselves, their families, and their communities. We write to express our concern that the National Oceanic and Atmospheric Administration's (NOAA) catch share policy will further endanger the economic vitality of the already-struggling fishing industry and will not end overfishing, and to urge NOAA to consider other well-established fishery management techniques.

We are specifically concerned that NOAA has committed significant funding to encourage the adoption of catch share programs when it has not committed sufficient funds to adequately assess the stocks of our nation's fisheries. The Magnuson-Stevens Act expressly calls on NOAA to assess the health of fishing stocks, but NOAA has not committed significant funding to fulfill this requirement. NOAA should first commit funding to carry out this important duty before providing funding for a new fishery-management tool that requires – and currently does not have – broad-based support from the fishing industry.

We believe the adoption of a catch share program could further reduce the ability of fishermen to generate revenue because success in fishing has traditionally depended upon the ability to choose among various fisheries as conditions warrant. Such flexibility may be lost if a significant number of fisheries are regulated by catch share programs.

Finally, we believe catch share programs could deter future generations' interest in becoming fishermen. Catch share programs increase capital expenditures and raise the barriers of entering the business, which discourage young people from considering a career in the fishing industry.

The recreational and commercial fishing industries generate billions of dollars each year and are central to America's history and culture. Honest fishermen work very hard to make a living in our states every day. For them and for our economy, we must institute fishery management tools that enhance the industry's vitality, not diminish it. We hope that you carefully consider our concerns and, when appropriate, encourage the use of proven fishery management tools.

Respectfully,

Kay R. Hagan United States Senator

Charles E. Schumer United States Senator

Scott Brown United States Senator Richard Burr United States Senator Kirsten Gillibrand United States Senator

Walter Jones

Member of Congress

Peter DeFazi

Member of Congress

Barney Frank

Member of Congress

Mike McIntyre

Member of Congress

Frank Pallone, Jr.

Member of Congress

STEVE SOUTHERLAND II



COMMITTEE ON AGRICULTURE

COMMITTEE ON NATURAL RESOURCES

COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE

Congress of the United States House of Representatives

Washington, DC 20515-0902

Chairman Harold Rogers House Appropriations Committee H-307, U.S. Capitol Washington, DC 20515

Chairman Frank R. Wolf
House Subcommittee on Commerce,
Justice, Science and Related Agencies
H-309, U.S. Capitol
Washington, DC 20515

Ranking Member Norm Dicks House Appropriations Committee 1016 Longworth House Office Building Washington, DC 20515

Ranking Member Chaka Fattah

House Subcommittee on Commerce,
Justice, Science and Related Agencies

H-309, U.S. Capitol

Washington, DC 20515

Dear Chairman Rogers, Ranking Member Dicks, Chairman Wolf and Ranking Member Fattah:

We are writing regarding a letter you received dated October 31, 2011, from Congressman Walter Jones and 18 of our House colleagues to request that language to restrict the use of funds for development of new "catch share" programs for any fishery under the jurisdiction of the New England, Mid Atlantic, or South Atlantic Fishery Management Councils be included in the final FY12 Commerce, Justice, Science, and Related Agencies (CJS) appropriations bill. Just as Members who have Atlantic coastlines in their districts desire to keep new job-killing catch shares programs from being implemented, so too do we, the undersigned Gulf coast members desire to prevent new catch share programs from wrecking our costal economies.

As stated in the aforementioned letter, earlier this year, the House approved a similar amendment to the FY 2011 CJS Appropriations Act by a wide margin of 259 to 159 (Roll Call Vote #130). This amendment included the fishery management councils on the Atlantic side of the U.S., as well as the Gulf of Mexico. Although not included in the letter, we feel very strongly that Congress should continue to protect the Gulf of Mexico from job-destroying eatch share programs.

We are alarmed by the crippling job losses experienced along Atlantic Coast as a result of these catch share programs. A similar disaster can be avoided in the Gulf of Mexico by preventing the establishment of new programs in our region until several conditions have been met, including requiring the use of better scientific research and data collection from the National Oceanic and Atmospheric Administration (NOAA), and economic impact statements. These tools are necessary to accurately measure the economic impact of catch share programs, and we believe it is in the best interests of our coastal industries to restrict funding for catch share programs until these common sense conditions are met.

We are very pleased that the House Appropriations Committee recognized the problems with rapid implementation of new catch share programs by including report language in the FY12 CJS bill that cut funding for catch shares to \$21.956 million, roughly half the FY11 funding level. And while we are

grateful for this reduction, it unfortunately will not prevent NOAA from imposing new job-destroying catch share programs on our fishing communities in the Gulf. Therefore, we respectfully request that you not only include the language requested by our colleagues in the final FY 2012 CJS bill, but also that you would add the Gulf of Mexico to this language so that it reads exactly as the roll call vote #130. The suggested language should read as follows:

None of the funds made available by this Act may be used to develop, approve, or implement a new limited access privilege program (as that term is used in section 303A the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1853a)) for any fishery under the jurisdiction of the South Atlantic, Mid-Atlantic, New England, or Gulf of Mexico Fishery Management Council.

Thank you for your consideration of this request.

Sincerely,

Steve Sattheles III

Steve Southerland, II

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CATCH SHARE PROGRAMS ARE TOO COSTLY FOR FLORIDA & GULF OF MEXICO WORKING FISHERMEN! WHAT DOES IT MEAN FOR THE BOTTOM LINE?

The vast majority of the fishing industry including commercial and charter fishermen, trade associations and seafood dealers from the State of Florida and the Gulf of Mexico support a prohibition on catch share/IFQ programs in the region until we can fully assess the effects of current programs in the Gulf of Mexico.

Catch share programs are not a conservation tool. Rather, they are socioeconomic tools used to determine who can and cannot work in the U.S. fishing industry. Catch shares programs are, simply put, business plans that reward some and harm others. They pit fishermen against each other, reduce industry flexibility, create derby fisheries as individuals rush to "fish for history", lead to sharecropping, reduce the overall number of working fishermen, and destroy coastal infrastructure.

The overwhelming majority of the Florida and Gulf of Mexico commercial and charter fishing industries request a thorough analyses be conducted to examine the negative impacts of current catch share programs based on the following considerations

ARE CATCH SHARE (IFQ) PROGRAMS FAIR & EQUITABLE?

Fishing regulations greatly influence the location and manner in which fishermen fish which leads to inequities that are implemented by catch share allocations. The regulatory regime dictates who can and cannot fish under catch share programs. For example, Florida commercial fishermen did not get a chance to create a history for red snapper allocation. During a pivotal historic time period fishermen could only land red snapper during the first 10 days of any given month. The majority of Florida's reef fish vessels make trips lasting longer than 10 days so they would miss the month's landing window and simply discarded their red snapper at sea. This regulation effectively prevented Florida fishermen from creating red snapper landings for the purposes of the future red snapper catch share program.

A similar example can be seen with Vermillion Snapper and Red Porgy. Fishermen in the western Gulf regularly targeted these two species when Red Snapper was closed and therefore, built a catch history for purposes of a future catch share program. Eastern Gulf and Florida fishermen did not target both species since there was a healthy abundance of Vermillion snapper in the areas they fished. Who knew they would have to build a history for both species?

Now, if the fishery is turned into a catch share program the Eastern Gulf and Florida fishermen will have to lease Red Porgy (if any is actually available and at a premium price...) or simply discard the fish at sea in order to fill their Vermillion Snapper allocations. Furthermore, the Gulf of Mexico Fishery Management Council is currently discussing limitations on this fishery which may not be accounted for in the allocation process. If this fishery were to go to an IFQ under reduced quotas (as it did with Red Snapper) the cost of leasing quota to the average fisherman will increase substantially.

Fish habitat and species migratory movements also influence fishing history and future catch share allocations. For example, the areas of the Northwestern Gulf of Mexico have different habitat compared to the Southern Gulf. The northern area is a prime area for snappers while the southern area is prime grouper habitat.

In recent years we are seeing Red and Vermillion Snappers move into southern areas in substantial amounts. Florida and Eastern Gulf fishermen are forced to do one of two things: (1) discard huge amounts of snappers while fishing for grouper due to a lack of snapper IFQ shares; or (2) pay unreasonable IFQ lease rates to fish some other fishermen's allocation.

In this example, the math simply does not work to allow a fisherman to operate efficiently. In terms of the bottom line, a Florida fisherman is forced to pay another fisherman a lease cash price of \$3.25 per pound. He can sell the fish for \$4.00 per pound. He must also pay an IFQ cost recovery fee of \$.012 per pound. Thus, the net return to the vessel is \$0.63 ... except the fishermen also has to buy bait which costs him \$0.85 per pound. In this IFQ lease case, the fisherman loses money.

Now, the commercial fishing industry in Florida and the Gulf is keenly aware that some environmental groups are actually subsidizing the snapper leasing system to make the IFQ program appear viable to the Federal Government. NGO's thru their funded www.gfquota.com
pay to lease IFQ shares for \$3.00 cash per pound and in turn re-lease them thru www.gfquota.com
to select commercial fishermen for only \$2.25 cash per pound. Clearly, there is a problem with some Gulf catch share programs, if these manipulations are kept quiet and necessary to make the program viable. Funding to subsidize IFQs for some clearly provides select fishermen a competitive advantage over others, even in the same fishery. These problems must be fixed before we move ahead with new programs in the Gulf of Mexico.

WHAT ABOUT IFQ PROGRAMS INCREASING REGULATORY DISCARDS?

This question is one of the most important that must be addressed before we move ahead with new catch shares programs in the Gulf. This is one of the biggest complaints we hear from vessel captains and there is no observer coverage to verify such "anecdotal" information. The fishery for deep water grouper and tile fish is a prime example. NMFS has not conducted a valid stock assessment and due to this lack of data, the total annual catch for these species is set very low to reflect scientific and management uncertainty equaling only 400,000 pounds of tilefish and 1.02M pounds of deepwater grouper for the entire Gulf of Mexico. Despite this low quota, fishermen are seeing substantial numbers of fish, many of which must be thrown over dead. We must explore better ways to make this system work in the Gulf catch share fisheries.

WHAT ABOUT NEGATIVE IMPACTS ON JOBS AND INFRASTRUCTURE?

Catch share programs are being developed and implemented with no guidance on the role of coastal communities and regional fishing associations. We also believe the analyses of the actual impacts on of IFQ programs on fish houses, small communities and seafood consumers is severely lacking.

IFQ's lead to consolidation and reduce the number of working fishermen. Currently, we do not know how many jobs in Florida and the Gulf have been lost due to IFQ consolidation but it is a fact that there has been approximately a 50% (commercial reef fish permits 1600 in 2006 to 800 as of Aug 2011) reduction in the number of Gulf of Mexico Reef Fish permits during the most recent few years.

There are also real concerns that leasing and sales of IFQ shares from one community to another could lead to geographic consolidation negatively affecting ports and destroying infrastructure. For example, what are the economic impacts of a Florida-based vessel leasing 50,000 pounds of fish to a vessel home-ported in another state? What impacts might these types of transactions have on Florida's coastal infrastructure, or on other states if this were to occur in reverse?

Finally, the Red Snapper IFQ Program allows anyone to buy/own shares. The Gulf of Mexico fishing industry is very concerned that some wealthy NGO may buy and shelve the fishery for conservation purposes. This fact alone puts the Florida and Gulf of Mexico commercial and charter fishing industries at great long-term risk from IFQ programs.

WHAT DOES THIS MEAN FOR THE BOTTOM LINE?

IFQ programs are business plans, not conservation measures. There is no biological reason to have such a program. In fact, catch share programs that are poorly designed in multi-species fisheries actually lead to increased regulatory discarding. They may also contribute to derby fishing as fishermen hustle to create catch history for a future IFQ program.

To help understand what IFQ's actually mean to today's working fishermen we offer the following trip comparisons (Table 1 and 2) of three Florida fishing vessels working in 2011 in the Gulf of Mexico. These are actual trip records which clearly show that Florida fishermen are better off economically when they are not forced to lease IFQ shares. Vessels #1 and #2 are 32-ft vertical "hook & line" vessels; Vessel #3 is a commercial long line boat.

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					\$460.48
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TABLE 2. Same Three FL Commercial Fishing Vessels on Non-Lease Red Snapper Trips*

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*Note: These vessel trip numbers do not reflect expenses such as haul outs, electronics repair, insurance, engine repair, safety gear, replacing fishing gear, etc.

For a clearer understanding of the bottom line impacts of the IFQ program on these individual FL fishing trips (see Table 1), simply add the amount in the "IFQ Lease Payment" column to the column titled "Crew Share". For example, the Crew Share on Vessel #3 could have been \$6,676.63 compared to the actual \$3,231.63, the delta being reflected in the lease cost.

RECOMMENDATIONS

The State of Florida and the surrounding states in the Gulf of Mexico must examine the ramifications of current catch share/IFQ programs before allowing additional programs to be developed and implemented. We must better understand the long term implications of these programs. We hope the FWCC Commissioners will require thorough analyses before accepting any additional catch share/IFQ programs in the Gulf and South Atlantic. We should use the current Reef Fish and Snapper IFQ programs as working models to determine what changes are necessary and if we want to pursue further IFQ program or select other management alternatives.

For more information on this issue please contact: Bob Zales, II <u>bobzales@att.net</u> 850-814-8001 or Bob Spaeth <u>rspaeth8@aol.com</u> 727-643-9558

Catch Share Programs by Region



North Pacific:

Western Alaska CDQ (1992) Halibut & Sablefish (1995)

5 potential programs Central Gulf of Alaska Rockfish Pilot (2007) Bering Sea King & Tanner Crab (2005) Groundfish (non-Pollock) Cooperatives (2008) Bering Sea AFA Pollock Cooperative (1999)

Pacific:

3 potential programs Pacific Sablefish Permit Stacking (2001)

New England:

Georges Bank Cod - Fixed Gear (2007) Georges Bank Cod - Hook Gear (2004)

8 potential programs

6 potential programs **Western Pacific**

12 programs in place now

5 scheduled to be implemented in FY 2011

 32 additional programs will begin development in FY 2012

Mid-Atlantic:

8 potential programs Surf Clam & Ocean Quahog (1990) HMS

1 potential program



3 potential programs Wreckfish (1991)

2 potential programs Red Snapper (2007) **Gulf of Mexico:**

Caribbean:

1 potential program

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RECOMMENDATIONS

Before any more federal funding is used to create new catch share programs we believe NOAA should utilize existing resources to improve current programs and conduct more frequent stock assessments. The State of Florida and the surrounding states in the Gulf of Mexico must examine the ramifications of current catch share/IFQ programs before allowing additional programs to be developed and implemented. We must better understand the long term implications of these programs. We hope the FWCC Commissioners will require thorough analyses before accepting any additional catch share/IFQ programs in the Gulf and South Atlantic. We should use the current Reef Fish and Snapper IFQ programs as working models to determine what changes are necessary and if we want to pursue further IFQ program or select other management alternatives.