



January 14, 2011

Rip Cunningham
Chair, Groundfish Committee
New England Fisheries Management Council

**RE: New Amendment to Address Fleet Diversity and
Accumulation Limits**

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Dear Mr. Cunningham,

As the NEFMC considers a new Amendment to the Groundfish FMP regarding Fleet Diversity and Accumulation Limits, we urge Council members to adopt mechanisms to:

- Ensure that diversity of the region's fishing fleet is well matched to and sustains the ecological diversity of the region's marine ecosystem.
- Allow affordable access for new entrants into the fishery, reward owner-operators, and provide incentives for lower impact fishing methods.
- Sustain the diversity of the fishing fleet and prevent excessive consolidation and accumulation of fishing power into the hands of a few entities.
- Define economic efficiency to include measurable triple bottom line contributions of the fleet: community, economy and ecology.

The Groundfish Committee and Council are obligated to design New England's Groundfish Catch Share system in a way that achieves Amendment 16 Goals and Objectives as yet unmet:

- Goal 2 (A16): Achieve economic efficiency, biological conservation, and diversity within the fishery.
- Goal 4 (A16): Minimize, to the extent practicable, adverse impacts on fishing communities and shoreside infrastructure.
- Objective 7 (A16): To the extent possible, maintain a diverse groundfish fishery, including different gear types, vessel sizes, geographic locations, and levels of participation.

If designed right, the new Amendment to the Groundfish FMP will help achieve the stated goals and objectives of Amendment 16. We believe the direction moving forward must include:

- a clear understanding of the problem;
- a clear vision for what fleet diversity should look like in New England;
- a comprehensive review of all the tools available to address the problem; and
- a careful selection of tools best suited for achieving the fleet diversity envisioned for the New England groundfish fishery.

Problem Statement

As it stands in Amendment 16 and the current Groundfish FMP there are no protections to ensure fleet diversity, to prevent excessive consolidation, or to ensure that the aforementioned A16 goals and objectives are met.

Without protections set in place, excessive fleet consolidation will further erode New England fishing communities and ultimately undermine conservation and ecological requirements established by the Magnuson Stevens Act. Specific protections are needed to: ensure that the fleet remains diverse, under the control of active fishing communities, sustains entire ecosystems and, by extension, provides for a sustainable food system.¹

Unfortunately, in the New England groundfish fishery we are already seeing signs that we are headed toward excessive consolidation and its consequences. The cost of leasing quota and buying permits is skyrocketing. Quota and permits are migrating from smaller-scale to larger-scale more industrial operations. The number of owner/operator fishermen is decreasing while the number of absentee owner leasing is increasing. Community infrastructure is at risk of collapse. We have seen this happen with farms and in other fisheries around the world; we should not let it happen with fisheries here in New England.

Fleet Diversity

In Amendment 16 to the Multispecies FMP, Objective 7 offers a logical starting point to discuss what is meant by fleet diversity. Objective 7 reads, “To the extent possible, maintain a diverse groundfish fishery, including different gear types, vessel sizes, geographic locations, and levels of participation.”

In addition, the Council Staff white paper titled “Fleet Diversity, Allocation, and Excessive Shares in the Northeast Multispecies Fishery” refers to two New England studies related to Fleet Diversity: the NAMA sponsored Fleet Visioning Project and the Social Sciences Branch (SSB) of the Northeast Fisheries Science Center’s *Report on*

¹ For a more detailed analysis of the connection between Fleet Diversity and Ecological Objectives please see “Addressing the Ecological Implications of Consolidation and Quota Accumulation Under Amendment 16” submitted by NAMA to the Council September 2010.

Catch Share Performance Measures. The Fleet Visioning Project provides a clear picture for what the New England community deems to be fleet diversity and the SSB report provides clear fleet diversity indicators and performance measures.

The Fleet Vision Project (FVP), which was presented before the Interspecies Committee in April 2010, involved a 2-year process and over 250 stakeholders from throughout New England to arrive at a consensus-built common vision for the New England Groundfish fleet. The FVP defines a diverse fleet as “a geographically distributed commercial and recreational fleet that includes all gear types and boat sizes.” The report also states:

“Clearly, the community values and understands the need for many different boat sizes and gear types that provide diverse products to markets. The community strongly dislikes the possibility of a fleet that is consolidated either by ownership or geography, and participants in this project advocate many jobs and coastal community welfare over economic efficiency.”

In the second report, The SSB developed Catch Share performance measures for managers and stakeholders to gauge the success or failure of New England catch share programs. One of the performance measures most relevant to fleet diversity is ‘distributional outcomes’. The factors that will be considered under this metric include whether there has been a concentration of quota ownership, how employment opportunities have changed, and whether certain groups, communities, or regions are excluded. Example indicators may be industrial concentration indices, revenue by community/region/fishery/vessel type (e.g., small owner-operated vessels), and annual crew days.² The indicators provided by the SSB may serve to guide Council members in establishing a system of measuring success in achieving its stated Goals and Objectives related to fleet diversity.

Heading Towards a More Diverse Fleet

The road to achieve fleet diversity is marked by many obstacles. One challenge is the concern over the flexibility needed in the new Catch Share system to make fishing businesses viable. ‘Social engineering’ of the fleet post Catch Shares potentially poses a threat to businesses and their ability to adapt.

Another challenge to achieving a diverse fleet is deciding how to choose the baseline dates and/or other criteria that reflect the optimal mix of the fleet. This task is highly problematic because any pre-conceived notion for X number of vessels, with X number of gear types, from X number of ports does not factor in current biological, economic, and social realities that have drastically changed over the years.

² Kitts, D and P Pinto da Silva. “Identifying Social and Economic Performance Measures and Research Objectives for Catch Share Programs”. Presentation to the New England Fishery Management Council (January 26, 2010).

A question to consider would be: How do we allow fishermen the flexibility to adapt to a changing biological, economical, and regulatory environment, while at the same time controlling consolidation so that it does not disenfranchise important components of our fisheries, such as rural port infrastructure, owner/operators, and smaller-scale businesses?

An alternative way forward is to focus on the conditions that foster a diverse fleet. What are the conditions that allow the most vulnerable elements of a diverse fleet to be sustained? We recommend that Council members examine the ecological, economic, social and regulatory conditions and scales of fishing and management that will foster a diverse fleet with a diverse ecosystem. Examples of criteria to consider may include: affordability and access to the fishery for new entrants; size, distribution and diversity of in-shore fish stocks; market prices; market diversification; and community infrastructure.

Tools to Achieve Fleet Diversity

The Council has mainly considered one possible tool to address Fleet Diversity: accumulation limits. While accumulation limits, if designed right, may help achieve A16 Goals and Objectives, there is nothing to indicate this tool alone can achieve the desired outcomes. Research shows that, in order to achieve the conditions that permanently foster a diverse fishery, a suite of interlinked measures are necessary.³ Tools should fit into a comprehensive management plan that supports rather than eliminates diversity of the fleet, fisheries, and fish.

Based on a review of Catch Share/ITQ plans and evaluations from around the United States and the world we believe the Council should include, among other possible options, the following ways to ensure fleet diversity and prevent excessive consolidation⁴ :

1. Quota set-asides that invest in fishing communities and allow affordable access for new entrants.
2. Transferability policies that foster an affordable fishery
3. Owner-Operator incentives
4. Accumulation limits

We strongly urge the Council to conduct a comprehensive review of all the available options and tools.

Conclusion

We urge Council members to make sure work on this amendment continues moving

^{3, 4} See "Addressing the Ecological Implications of Consolidation and Quota Accumulation Under Amendment 16" submitted by NAMA to the Council September 2010.

forward in order to produce a working Catch Share model that has mechanisms that can achieve its stated goals and objectives. Such a model would not only yield more effective goal-oriented management of groundfish, but would be very useful in designing management in other New England fisheries and for ultimately coalescing management of different species under ecosystem-based plans. For example, public hearings are taking place to consider a new catch share system for New England's monkfish fishery.

We recognize the tremendous amount of time and effort that Council members and Council staff have already contributed in the analysis of Fleet Diversity and Accumulation Limits and we look forward to working with the Council as you move forward in this process.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Brett Tolley', with a stylized flourish above the name.

Brett Tolley
Community Organizer
Northwest Atlantic Marine Alliance