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Rip Cunningham, Chairman  
New England Fishery Management Council  
50 Water Street  
Newburyport, Massachusetts 01950

RE: A18 Scoping Comments

Dear Mr. Cunningham and Members of the  
New England Fisheries Management Council:

The Northwest Atlantic Marine Alliance submits these comments to the Council in the context of the Groundfish Amendment 18 (A18) scoping process. Our comments are guided by our support of the health, diversity and fairness of the New England groundfishery; the recovery of the ecosystem and fish stocks; and for the future benefit of New England's fishing communities and locally focused food systems. We believe the decisions made in the context of A18 will have lasting effects on the shape of the New England fishery far into the future. The Council must take this responsibility seriously.

**A18 is essential to save New England's fleet diversity** from excessive consolidation, and to protect it into the future. It is necessary because there is now consolidation of the fleet as a result of serious flaws in the allocation formula coupled with the lack of fleet diversity protections in Amendment 16. The 2010 Northeast Fisheries Science Center report titled 'Report for Fishing Year 2010 on the Performance of the Northeast Multispecies Fishery' showed that landings were significantly down for the smaller-scale boats and up for the larger-scale. The report also showed that in 2010 the top 20% revenue earners controlled 86% of the total revenue, which was a significant increase in concentration compared to previous years. This is not an anomaly but merely follows a pattern that has been witnessed in other catch share management programs without safeguards -- British Columbia and Iceland are two of the more striking examples of extreme consolidation. Iceland has since reformed its management to support diversity.

We believe that New England's catch share model, sector management, offers potential to ensure the coexistence of a diverse fleet by giving all fishermen a voice in policy decisions. Sectors however, with little incentive to protect fleet diversity and promote transparency in the decision-making process, are in fact defaulting to what now closely resembles an individual quota system. Consequently, it is incumbent upon a responsible Council to set standards and establish fleet diversity benchmarks for sectors and



other protections that stem consolidation and prevent the loss of fleet diversity in the face of existing allocations.

**Amendment 18 should clearly define the elements of fleet diversity** that are important to maintaining a healthy New England fishery and ecosystem as well as the socio-economic health of fishing communities. In consultation with a number of scientists and social scientists in New England we offer the following definition and elaboration of fleet diversity:

***Fleet Diversity** for a given region should include the range of types, sizes, and capacities of fishing boats that are well matched to the scales of the ecosystem's structure and functions. In other words, we should guarantee that the ecosystem will dictate the appropriate scales and spatial distribution of fishing operations for any given region.*

*In addition to vessel and gear characteristics, the following should also be appropriately diverse for the region's biological diversity and human health and social wellbeing:*

- *The spatial and geographic distribution of fishing, fishing management, and ports;*
- *The composition of catch -- the variety of species caught by each fisherman throughout the year (including other than groundfish);*
- *The diversity, nature, and spatial distribution of fishing operations and their design – including, dispersal of profits among participants in sectors, cooperative associations (sectors or otherwise), availability of diverse markets, appropriate shore-side infrastructure so fisheries and marketing can remain local, and business plans that promote diversity.*

Historically New England's inshore fishing grounds have supported great abundance in both stocks and inshore boats, and it should be possible to return to that model. It is critical that fishing operations that are too large for the ecosystem structure be prevented from fishing inshore. And the inshore diversity of appropriate sized fishing operations should reflect the spatial and annual diversity of fishable stocks and substocks, so that fishing effort is distributed in a way that does not lead to local depletions.

### **GOALS OF AMENDMENT 18**

In the spirit of limiting consolidation, protecting fleet diversity and fostering healthy fish stocks for the future, we believe Amendment 18, as described by the Council, is well suited to achieve these four primary goals:

- 1. Prevent heavy concentration of fishing effort around inshore areas.**
- 2. Foster an affordable and profitable fishery through incentive programs and leasing policies that do not disproportionately impact characteristic portions of the fleet.**
- 3. Limit the concentration of quota for any one entity.**
- 4. Promote and incentivize owner-operator fishermen.**

## **OPTIONS TO INCLUDE IN AMENDMENT 18**

As we have said in previous comments there are several measures that we believe should be included together in Amendment 18. No single measure alone, such as allocation caps, will successfully protect fleet diversity. To achieve the goals above, we suggest the Council and Plan Development Team begin by exploring various alternatives and we offer the following to be included in the alternatives under each goal:

- 1. Prevent heavy concentration of fishing effort around inshore areas.**
  - Establish mechanisms to keep offshore boats offshore; for example, vessels could be restricted from fishing in multiple broad stock areas, and/or a separation of inshore and offshore fleets could be established as has been done in other regions such as eastern Canada, Iceland and Norway.
  
- 2. Foster an affordable and profitable fishery through incentive programs and leasing policies that do not disproportionately impact characteristic portions of the fleet.**
  - Establish benchmarks for fleet diversity and incentivize sectors to incorporate measures to reach these benchmarks; for instance, quota set asides could be established to reward sectors for these efforts.
  - Establish leasing and permit trading rules that prevent consolidation into larger fishing operations; such as creating quota bins for three vessel size classes: up to 50', 50' to 75', 75' and over. Quota bins could operate under a time certain period (first 6 or 9 months of the year) to promote flexibility and affordability.
  - Establish quota set-asides for new entrants, crew, and for sentinel research fisheries that contribute to matching fishing scales to ecosystem scales. Such set-asides could be incorporated into a stock rebuilding strategy where the set-aside would begin after reaching a certain 'rebuilt' threshold in the future.
  
- 3. Limit the concentration of quota for any one entity.**
  - Set Potential Sector Contribution accumulation caps; e.g. between 2-5% for each species for any one entity.
  - Consider 'grandfather' clauses so that if any vessel currently exceeds a potential accumulation limit selected by the Council as of the Amendment 18 control date, then this vessel/these vessels will be grandfathered into the system, but when the permits are sold, all future owners in subsequent generations must comply with the accumulation limits.
  
- 4. Promote and incentivize owner-operator fishermen.**

- Establish standards for fishermen who are primarily owner-operators.
- Establish policies that ensure quota is fished by fishermen and cannot be used as an investment tool.
- Dis-incentivize fishermen who decide to lease out 100% of their quota; for instance ‘drop through’ programs in fisheries such as in New Zealand, where a non owner-operator fishermen may lose a small percentage of quota over time.

We do not suggest requiring a change in allocation formulas in the list, because we believe the broader fishing community does not support that. However, we hope such changes would be considered by individual sectors as they strive to achieve fleet diversity benchmarks.

## **WHY ACTION IS NECESSARY**

Amendment 18 is poised to address ecological, social, and economic problems that have not been successfully addressed by Amendment 16 as well as prevent further negative impacts. Almost all other catch share programs have adopted fleet diversity protection measures at the onset of management or in response to resulting consolidation. It is time that the Council act immediately to do the same before the extreme consolidation undermines the character of New England fisheries and threatens the long term health of the stocks and fishery.

### **Ecological impacts**

The current GOM cod crisis (not to mention looming crises in other groundfish stocks) only serves to illuminate the problems with Amendment 16 that will prevent it from solving potential overfishing and stock depletions. While declines in fish stocks detected in current stock assessments are not necessarily the result of the change to sector management, recent observations by fishermen would indicate that such declines are continuing in many areas. Far from fixing the problem, current fisheries management seems to be exacerbating it. This doesn’t mean sector management must be abandoned; but it is a dire warning that it should be repaired and enhanced; and A18 can do that.

Scientific evidence increasingly shows us that when the scales of fishing operations and fishery management do not match the scales of ecosystem functions and fish population dynamics, the recovery and maintenance of healthy fish stocks is threatened. \* A fishery management design that permits large scale fishing

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\* see for example: Steneck, R.S. and J.A. Wilson (2010) A fisheries play in an ecosystem theater: challenges of managing ecological and social drivers of marine fisheries at multiple spatial scales. *Bulletin of Marine Science* 86:387-411.

operations in inshore areas, where finer scale ecosystem and fish population processes are at work, is almost guaranteed to hit fish stocks hard.

### **Social impacts**

Under the Magnuson Stevens Act as well as the New England Multispecies Fisheries Management Plan the Council has specific goals and standards related to social outcomes. On June 23, 2010 Council members voted to reaffirm the following goals and outcomes:

1. Maintain inshore and offshore fleets;
2. To the extent possible, maintain a diverse groundfish fishery, including different gear types, vessel sizes, geographic locations, and levels of participation;
3. Maintain a balance in the geographic distribution of landings to protect fishing communities and the infrastructure they provide; and
4. Prohibit any person from acquiring excessive access to the resource, in order to prevent extraction of disproportionate economic rents from other permit holders.

Rejecting fleet diversity protections will certainly lead to a management plan that fails to achieve its own goals and objectives.

We recognize that stability is critical to fishermen in order to have successful businesses. We also recognize that unconstrained consolidation along with threats to rebuilding stocks are driving instability. The perceived conflict between protections and permit values is the result of not having put the appropriate controls in at the beginning of sector management . A18 is necessary so that fleet diversity protections and rebuilding stocks may bring stability to the industry.

Sector management that includes a more democratic participatory fishery, that promotes fleet diversity, and provides a level playing field, we believe, is possible. Yet unfortunately, there is little incentive for sectors to move in this direction without requirements being imposed. Instead we fear that accumulation of quota is proving to be directly correlated with accumulation of power, so that fishermen with the least are effectively silenced.

### **Conclusion**

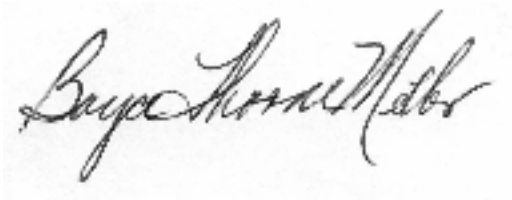
Beyond the primary purpose of addressing fleet diversity and preventing excessive consolidation, the measures of Amendment 18 should strengthen Amendment 16 and over the long term make it more successful in accomplishing its goals to recover groundfish stocks, improve safety of fishing, and stabilize the fishery. It is a general rule of nature that diversity fosters stability. This applies to fishing fleets as well as fish ecosystems. It also applies to economics and thus should argue for economic diversity, not economic efficiency. We thank you for prioritizing this issue and look

forward to working together with the Council and other stakeholders as Amendment 18 develops further.

Thank you,

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

Brett Tolley  
Community Organizer

A handwritten signature in black ink, appearing to read 'Boyce Thorne Miller', written in a cursive style.

Boyce Thorne Miller  
Science Coordinator