

**Testimony of  
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**Before**

**Senator Olympia Snowe  
Subcommittee on Ocean, Atmosphere, Fisheries, and Coast Guard  
Committee on Commerce, Science, and Transportation**

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My name is Terry Stockwell; I am the Director of External Affairs for the Maine Department of Marine Resources, and I am the Commissioner's designee on the New England Fishery Management Council. I speak today in my role as the Director of External Affairs. I'd like to begin by thanking Senator Snowe for this hearing on the status and future of the groundfish fishery in Maine.

Maine's groundfishing industry is on the verge of collapse. The cumulative impact of multiple Amendments and Framework Adjustments has eliminated over three quarters of Maine's active groundfish fleet since the early 1990's. Currently, there are roughly 70 active vessels as compared to nearly 350 active vessels in 1990. Over the same time period, the overall landings have also dropped from a high of 44.8 million pounds (worth approximately \$33 million) in 1991 to 9.7 million pounds (worth approximately \$10.3 million) in 2007. Consequently and concurrently, the shore-side infrastructure associated with the fishery has also greatly declined. There are many small ports, coast-wide, where groundfish vessels no longer moor or where groundfish vessels are no longer unloaded. The once prevalent, local gear shops and ice houses have closed, and many vessel owners are reducing their maintenance and safety schedules to the point where there are clear concerns for human safety.

For a number of reasons, the exodus of large boats from Portland to Massachusetts continues. The Portland Fish Exchange's groundfish volume fell from 23 million pounds in 2003 to just under 9 million pounds in 2007. The Exchange is forecasting 8 million pounds for this calendar year - barely their break-even point. I am very concerned that the majority of Maine's off-shore boats will eventually re-locate and that all the historic groundfish ports and related communities will soon cease to exist.

Maine has been committed to aggressively rebuilding the groundfish stocks in order to sustain the future of our fishery and coastal communities. However, the overall news from the final GARM 3 report is extremely grim. With the exception of haddock, plaice and redfish in the GOM, the report concludes that 11 of the multispecies stocks are now both overfished and experiencing overfishing compared to 7 in 2004. In the GOM, pollock, witch flounder, winter flounder and northern windowpane flounder have seriously deteriorated in status. The mortality reductions needed for the GOM are in the 40% range. The combination of two vessel/permit buybacks, severe cuts in days at sea, large area and rolling closures, increased mesh sizes and trip limits have greatly reduced the fishing effort, but with the exception of haddock they have not successfully rebuilt the GOM stocks.

Our strong support for the development and implementation of sector management in Amendment 16 clearly underscores the need for measures that sustain fishing industry components while rebuilding groundfish stocks. But the implementation of sectors has been delayed until 2010, guidance on the revisions to National Standard 1 is not yet available, and the devil in the details of the costly reporting/monitoring programs are still not yet determined. At the September Council meeting in Providence, Rhode Island; the Regional Administrator stated that the upcoming need for an interim action was the result of the failure of the Council to do its work. There are a number of reasons, including the delay of GARM 3 and lack of adequate agency resources that have contributed to the need for this interim action.

While the Council voted to request that NMFS initiate an interim action in order to remain compliant with the court ordered rebuilding goals of Amendment 13, the proposed measures will have a significant impact on a fishing fleet and industry that is already under huge pressure. My sense is that Maine's groundfish industry is on the edge of changes that they cannot recover from, and that many in the fleet have already crossed that threshold. Next year's interim management measures will likely push many others to a similar point.

While we continue to reduce fishing mortality and to make progress toward accomplishing the biomass targets the question to ask is "at what cost"? In Maine, we've already lost a significant portion of our fleet. The interim regulations will further exacerbate this trend weakening the position of the industry and coastal communities to survive. Maine obviously isn't alone in this situation; the entire groundfish fishery is in grave condition. Some individuals and two permit banks have had the foresight and ability to acquire additional permits and DAS to help them through this very difficult time. But, they're also in the same position of less fish available to land, significantly increased operating expenses, and fish prices that haven't significantly increased over the last five years.

The State of Maine and Maine's groundfishery cannot survive another round of days at sea effort reductions. Amendments 16 and the upcoming Amendment 17 must implement output control based management to enable the stocks to recover without requiring the demise of Maine's remaining groundfish industry. The movement towards sector management should increase fishermen's profitability while greatly reducing discards and ensuring that TACs are not exceeded. However, the high costs associated with the necessary monitoring requirements are jeopardizing its implementation. Fishermen who are barely breaking even cannot be expected to pay costs estimated at \$1200 a day to meet the sector monitoring requirements. While some early sectors have been successful in getting grant funds for implementation and monitoring, I don't think that this strategy can be relied upon for future sectors. NMFS must follow through on their commitment to provide the staff and resources necessary to implement sector management in a timely manner. With additional resources; Maine, the NEFMC and NMFS can come up with a solution to this problem. While sector management assigns responsibility to the sectors for the development and implementation of their operations plans, given the continued decline of the multispecies resources, a centuries-old way of life can not disappear for lack of administrative resources.

New England's groundfish stocks will eventually recover, and will provide viable economic rewards for the fishing industry's substantial sacrifices. To achieve this goal,

we need a renewed commitment to New England's entire groundfish fishery. This means paying attention to Maine, New Hampshire, Massachusetts, Rhode Island, and Connecticut. It means that we need to think about and discuss new management ideas and be able to act in a much more timely way than we've been able to do in the past. To be honest, the management system that we've all had a hand in creating and implementing hasn't served us well in this regard.

As I'd mentioned before, we need thoughtful development and consideration of new sector proposals. In addition to Sector Management, there are other options which will help ensure Maine's future, and that of the entire New England fleet, in the groundfishery. This should include, but not be limited to, consideration of an industry funded buy out, thoughtful discussion and deliberation on whether individual fishing quota (IFQ) systems would better serve the fishery in the future, and a workable area management concept.

An Industry Buyout would help reduce overcapacity, increase profitability for those who remain, and provide an opportunity for future community based access through an associated Permit Banking component. But, there also concerns about how already cash starved vessels will pay for the tax on landings that everybody in the fishery would be subject to in the current drafts of this idea. Additionally, there are concerns that an industry funded buyback may exacerbate the shift of permits and vessels out of Maine. So, we've got much work to do with this idea but it certainly merits timely consideration as one part of assisting the groundfish industry through this incredibly difficult period.

Within Amendment 17, Individual Fishing Quotas could further increase fishermen's profitability. This has been a taboo subject in the groundfishery in the past but, again, I believe that the concept may help some industry sectors to survive in the future. Making it work might mean having an inshore and offshore component that allows the folks in these areas to choose whether to move toward an IFQ system. This would recognize that different solutions will likely be tailored for the unique circumstances facing different parts of the groundfishery. This is a huge shift in position for Maine and for New England but I believe it must be considered to see if it will help us do better than we've done for the groundfish industry and resource.

Within Amendment 17, Area Management could help revitalize and preserve Maine's small fishing communities – particularly in Midcoast and Downeast areas. The recovery of the multispecies complex should not be dependent on the sacrifice of an entire state's fishing industry. Area management holds promise in providing a future for small scale, locally based components of the groundfish fishery. There are issues of how areas under area management fit within the entire fishery, of how to share among subdivisions of available stock components, e.g. how do you parse out Gulf of Maine cod to areas, sectors etc, and how to pay for the management costs associated with area management. None the less, like these other ideas, I believe area management must be part of the deliberations on how to revitalize the New England groundfish fishery.

As I mentioned earlier in my statement, we are in danger of losing much of Maine, and New England's, groundfish fishery. If management continues on the traditional path, I suspect that will be the result. Maine is committed to working with you, the other New England States, the New England Fishery Management Council, NMFS to make sure that this doesn't happen. I ask that you continue your great work with Maine's fisheries to do whatever is necessary to secure long-term funding to ensure that Sector

Management is fully implemented as soon as possible, to promote an Industry Buyout for those who wish to get out of the fishery and to enable a viable monitoring system for those who wish to remain, and to make sure the management process works for stock rebuilding and a vibrant New England groundfish fleet.

Thank you for this opportunity to testify.