

**SUSTAINABILITY OF
MAINE'S GROUND FISH INDUSTRY**

FIELD HEARING
BEFORE THE
SUBCOMMITTEE ON OCEANS, ATMOSPHERE,
FISHERIES, AND COAST GUARD
OF THE
COMMITTEE ON COMMERCE,
SCIENCE, AND TRANSPORTATION
UNITED STATES SENATE
ONE HUNDRED TENTH CONGRESS

SECOND SESSION

OCTOBER 14, 2008

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ONE HUNDRED TENTH CONGRESS

SECOND SESSION

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SUSTAINABILITY OF MAINE'S GROUND FISH INDUSTRY

TUESDAY, OCTOBER 14, 2008

U.S. SENATE,
SUBCOMMITTEE ON OCEANS, ATMOSPHERE, FISHERIES,
AND COAST GUARD,
COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION,
Portland, ME.

The Subcommittee met, pursuant to notice, at 1:06 p.m. in City Hall Council Chambers, Portland, Maine, Hon. Olympia J. Snowe, presiding.

OPENING STATEMENT OF HON. OLYMPIA J. SNOWE, U.S. SENATOR FROM MAINE

Senator SNOWE. Good afternoon. Thank you all for being here—and I appreciate it—on a critical issue, obviously, to Maine.

And I want to invite this to be a conversation. I would like to read my opening statement because I do think it is an important issue and will invite the panelists to do so as well. And I will explain the procedures, but first of all, I just want to welcome everybody here today.

I now call this hearing to order, as we gather to examine the sustainability of Maine's historic groundfishery. As Ranking Member of the Senate Subcommittee on Oceans, Atmosphere, Fisheries, and Coast Guard, I am, like all of you, deeply troubled by the trends that I have witnessed in this industry.

And it is unmistakable. If we remain on our present regulatory trajectory, it is no exaggeration to say that the industry as a whole—particularly in Maine, but ultimately throughout New England—is in terrible jeopardy.

Before we begin our vital, in-depth discussion and analysis of these challenging issues confronting all of us, I would first like to thank our witnesses, who have joined us here today—Dr. James Balsiger, Administrator of the National Marine Fisheries Service; Terry Stockwell, External Affairs Director of Maine's Department of Marine Resources; Rip Cunningham, Chair of the New England Fishery Management Council's Groundfish Committee; Glen Libby, representing the Midcoast Fisheries Association and the Midcoast Fishermen's Cooperative; James Odlin, representing Associated Fisheries of Maine; Sally McGee, New England Fisheries Policy Director at the Environmental Defense Fund; and Dr. Daniel Holland, Research Scientist and Resource Economist at the Gulf of Maine Research Institute.

I would also like to include in the record of this hearing a statement from my colleague Senator Collins as well.
 [The prepared statement of Senator Collins follows:]

PREPARED STATEMENT OF HON. SUSAN M. COLLINS, U.S. SENATOR FROM MAINE

I want to thank my colleague, Senator Snowe, Ranking Member of the Subcommittee on Oceans, Fisheries, and Coast Guard, for holding this hearing to examine the condition of Maine's groundfish fishery. The contribution this industry has made to the economy of New England over the last 400 years is immeasurable. The proud heritage that to this day shapes the economies and culture of many communities throughout our state is now fighting for its survival amid increasingly restrictive management measures and soaring operational costs.

Today, we rely on science to strike the critical balance between sustainability and the harvesting of this historic natural resource. Regulations, management measures, and emergency actions are all developed using the best available science. These mandates, in turn, determine whether generations of fishermen will continue to earn their living at sea. The discouraging fact is that over the past 8 years, the hard-working men and women in Maine's groundfish industry have seen their profits decline by over fifty percent. Many boats have relocated out of state and still others struggle to avoid going into foreclosure.

Making matters worse are proposed changes to the Northeast Multispecies Fishery Management plan that would severely restrict fishing effort. Because of Amendment 16, fishermen in Maine face cuts to their days-at-sea by as much as seventy percent resulting from complex, and perhaps imprecise—scientific modeling. NOAA's scientific modeling to end overfishing has yielded results that, if implemented, would leave most fishermen with fewer than 30 days a year to earn a living. There can be little doubt that if Amendment 16 is implemented as proposed, Maine's groundfish industry would quickly disappear.

I, along with Senators Snowe, Kerry, and Kennedy, sent a letter to Dr. James Balsiger, NOAA's Acting Administrator for Fisheries, on May 16, 2008, supporting a revised implementation schedule for Amendment 16 that would allow for the appropriate consideration of the 2008 benchmark stock assessments. It is critical that the most accurate, up to date science be used to guide the management of an industry that has already made great sacrifices to support many small, family businesses. As we note in the letter, sound management of this fishery requires that NMFS value scientific data over adherence to an arbitrary time line. The New England Fisheries Management Council was right to delay implementation of Amendment 16 to thoroughly consider the most recent stock assessment data, as Senator Snowe and I have urged. With Secretarial Action now needed to manage the fishery in the intervening months, it is critical that NMFS implement interim management measures that are balanced, supported by sound science, and not going to unnecessarily burden the New England groundfish industry.

With the hope of fishing families hanging in the balance, it is incumbent on the government to set realistic catch limits that are supported by accurate and reliable data. After concerns were raised by industry stakeholders suggesting that the science underlying proscribed catch limits was flawed, I joined Senator Snowe and others in calling for an investigation of NMFS's Northeast Fisheries Science Center (NFSC) by the Department of Commerce Inspector General. We have asked the Inspector General to examine allegations that the Center has set catch levels that are not supported by historical biomass data, scientific protocol is not followed, and estimates of biomass and allowable fishing rates have varied considerably during fishing seasons. The object of the investigation is to examine the accuracy of the science underlying fisheries management measures so that these regulations will be met, not with distrust, but with the knowledge and understanding that fish stocks are being managed sustainably and responsibly.

As was expressed to the Inspector General, there are several specific issues that require close examination. First, despite the fact that fishing effort for several fish stocks is well below NFSC recommended levels, overfishing of these stocks is somehow still occurring. Second, until the third Groundfish Assessment Review Meeting on August 29, 2008, the scientific modeling failed to account for the ocean ecosystem's inability to simultaneously support historically high population levels for all 19 groundfish stocks. My concern is that this has led to the mismanagement of species like the spiny dogfish, which has become so abundant that it is counteracting the rebuilding efforts of our more valuable groundfish stocks. Third, having reached the midway point in the 10-year multispecies rebuilding plan, the stock assessments appear to suggest that even without any fishing effort, some stocks might

not rebuild in the next 5 years. This calls into question whether fishery rebuilding programs should be managed according to a specific target date or according to sustainably managed fishing activity. Without the assurance that nature will perform as expected, NMFS must develop a clear and practical methodology for adjusting rebuilding time frames.

I also want to call attention to efforts by legislators in New England to certify the New England groundfishery as a fisheries disaster. I, along with Senator Snowe, have repeatedly indicated to the Secretary of Commerce, that a groundfish fishery disaster has indeed occurred in the Northeast. On December 4, 2007, the Senate passed a resolution that I cosponsored stating the sense of the Senate that the Secretary should declare a commercial fisheries failure for the New England groundfish industry. After the resolution passed, I joined Senators Snowe, Gregg, and Sununu in writing to the Secretary urging him to reconsider his denial of Federal assistance for our struggling fishing fleet. Following NMFS's announcement on September 22, 2008, that it would certify a fisheries disaster for the Chesapeake Bay blue crab commercial fishery due to a 40 percent decrease in landings value, we again urged the Secretary to find that a fisheries failure has occurred in New England, which has experienced markedly similar landings decreases.

In denying Federal fisheries disaster assistance for Maine in October 2007, NOAA stated that while there has been significant economic difficulty for groundfish-dependent communities in Maine, the request for a commercial fisheries failure did not meet the requirements under Magnuson-Stevens. I strongly disagree with this assessment and will continue to work with colleagues to seek opportunities to provide assistance to New England's groundfish industry. One positive development is that the Senate CJS appropriations bill passed out of Committee with \$75 million designated for national fisheries disaster relief that specifically mentions the New England groundfish fishery. While it is unclear whether this important provision will be signed into law, I will seek every opportunity to provide emergency assistance to Maine's struggling groundfish industry.

Thank you for the opportunity to offer comments about improving the management of Maine's struggling groundfish industry. Management of one of New England's oldest and most significant industries must be founded, first and foremost, on accurate and reliable science so that sensible regulations can be developed to create a sustainable fishery both for fish stocks and our fishing communities. At this critical juncture leading up to the implementation of Amendment 16, preserving Maine's groundfish industry will require developing equitable capacity reduction strategies, investing in ways to reduce the discard rate, and working to address the shortcomings of the increasingly prohibitive days-at-sea model.

Senator SNOWE. I believe we all share a mutual goal here today—to ensure that we have self-sustaining populations of the 19 stocks that comprise the Northeast Multispecies Fishery and that we do not regulate our nation's first fishery out of existence. To that end, I hope this will be an open dialogue among our panelists, allowing them to speak directly with me and one another to get to the bottom of this critical issue facing the fishery as we approach two major regulatory milestones—the development of the interim regulations for fishing year 2009 and Amendment 16 for 2010 and beyond.

I would also thank all the members of the public for attending this hearing, and I look forward to hearing from all of you directly. Our agenda will begin with opening statements from our panelists. Then I will lead a discussion with direct questions to our witnesses and subsequently facilitate a conversation among the participants.

We will then open the floor for your comments and questions for consideration by the panelists. If you would like to address me or the panelists, you may add your name to the list of speakers at the back of the room, and you will be called to the microphone in that order.

I apologize if there is insufficient time to hear from everyone who wishes to speak, but I hope that we can accommodate anyone who does wish to do so. And if not, you can also include your written

statements in the record because this will be part of the official proceedings of this hearing and of this Committee.

We are here today to discuss the future of one of our Nation's most historic industries. It was the bounty of Georges Bank and the Gulf of Maine that first enticed fishermen to cross the Atlantic Ocean more than 600 years ago, fill their boats with cod, salt and dry fish on these shores, and return to sell their wares in the markets of medieval Europe.

Despite the dangers inherent in this trade, known all too well even to the fishermen of today, the fishing grounds were so robust as to outweigh the risk to life and property. In this regard, the groundfishery of today bears little resemblance to that encountered by those early European explorers.

Now, more than ever, Maine's fishing industry relies on a single species. And last week, largely in response to the current economic situation, lobster prices fell to levels not seen since the early 1980s. I think events such as this only underscore that we cannot continue the trend of consolidating more and more of our eggs in one basket. And my thoughts are with the industry as well, as I know they are struggling through this very difficult time.

Today, we are confronted by a fishery trying desperately to survive increasing regulatory restrictions that have reduced the number of days fishermen are permitted to go to sea from an average of 116 in 1996 to a mere 48 in 2008. Particularly here, in the State of Maine, we have lost much of our fishing heritage in recent years.

In the 1990s, there were more than 350 active groundfishing boats in Maine. Today, the Department of Marine Resources estimates perhaps as few as 70 still land their catch here in the State. And there is only one active groundfishing permit east of Penobscot Bay.

Since 2000, the Portland Fish Exchange, right here, has witnessed its volume of fish drop by more than 60 percent. And from 2000 to 2004, jobs in fish processing and wholesaling in the State fell by more than 40 percent.

As we focus on the short-term impact of regulations, both in 2009 and 2010, we must also consider the long-term viability of this industry in this State, home to America's first fishing settlements. And regrettably, the horizon before us is ominous.

Current regulations require at least an 18 percent reduction in days at sea for next year, and proposals put forward by the National Marine Fisheries Service have suggested that as much as a 70 percent cut could be forthcoming. As I asserted in my statement before the New England Fishery Management Council in June, that kind of drastic reduction in fishing effort would be a death knell for this historic industry.

While the future of our fishing industry depends on healthy fish stocks, we cannot allow well-intentioned efforts to rebuild those stocks to bankrupt the industry now, or they will be left with no one to capitalize on the sacrifices of tomorrow.

I recognize the challenges before us as we attempt to rebuild our stocks to healthy levels that can sustain our fishing communities. And evidence has shown that, in some cases, the efforts of our fishermen are paying dividends. The haddock population has experienced a resurgence in recent years, for example. But our manage-

ment measures have not adapted in similar fashion, preventing fishermen from taking advantage of this wealth of fish.

In fishing year 2006, the total allowable catch of haddock was approximately 36,500 pounds, yet fishermen landed less than 8 percent of that figure due to regulatory restrictions aimed at protecting less abundant species. This kind of lowest common denominator management is clearly not viable.

As required by Amendment 13, the New England Fishery Management Council has been striving to develop Amendment 16, the next major management action for the industry. Unfortunately, due to a funding shortfall and a delay in the release of the report from the Groundfish Assessment Review Meetings, or GARM, the Council could not act on Amendment 16 in time to develop regulations for fishing year 2009, as required by the previous management measure, Amendment 13.

As such, the agency now must take responsibility upon itself to issue interim regulations for the upcoming fishing season. I received assurances from Dr. Balsiger, who will testify before the Committee today, that his office would work closely with the Council to develop these interim regulations. But last month, the Council passed a recommendation for interim measures, which included the mandated 18 percent cut to days at sea.

The Council's vote in favor of this measure was 15–1, with the lone dissenting vote cast by the National Marine Fisheries Service's regional administrator, who subsequently dismissed the Council's recommendation entirely and announced that she would develop interim regulations without regard for the Council's near unanimous decision. This is not the way the process is designed to operate.

To get at the core issue of scientific uncertainty preventing productive management, we must address the science upon which our regulations are based. The Northeast Fisheries Science Center has recently completed its comprehensive review of all 19 stocks that comprise the Northeast Multispecies Fishery. While the GARM report does contain some positive results on the status of certain commercially valuable fish populations, it also finds that many of the other stocks remain in an overfished state.

And I am concerned by allegations of mismanagement of the data contained in the GARM. Many members of the fishing industry have approached me and my staff in recent months to point out perceived inaccuracies in the science underlying this report. Their arguments have been persuasive. And in order to give them the thorough, independent examination that they deserve, I, along with Senator Collins and our colleagues from Massachusetts—both Senator Kennedy and Senator Kerry—have asked the Department of Commerce inspector general to investigate these claims.

Review by this impartial third party will either confirm or disprove these assertions. And in the end, management based on the sound analysis of sound science will be the foundation on which this groundfish industry will be rebuilt.

From some of our witnesses testifying today, you will hear calls for an industry-funded buyback to reduce capacity within the fishery. Fishermen from small ports like Stonington and Port Clyde oppose the current buyback proposal because it may increase their costs immediately but provide them no appreciable benefit in the

short term. This may hasten the demise of the industry in those communities where it is already struggling to survive, but the concept may have value to other portions of the fishery.

While I believe that buyouts can be an effective tool, anything we pursue must ensure that we are not simply facilitating consolidation of the fishery in a few ports, particularly ports outside the State of Maine, and provide a means to bring our traditional fishing communities back into the industry once stocks have rebuilt sufficiently.

I also continue to pursue vigorously a secretarial declaration of a fishery failure for the groundfish industry in this State. Such a declaration would make the industry eligible for Federal funding to alleviate some of the economic impacts of past and soon-to-be present regulations.

When Congress reauthorized the Magnuson-Stevens Act in 2006, we included language to allow such a declaration due to regulatory effects. Still, as you know, the Secretary denied such a request that was made by the Governors of several states, including Governor Baldacci, in 2007.

But I simply cannot and will not accept that more than a 50 percent decline in landing values here in the State does not constitute a disaster or a failure. This designation is now more vital than ever as in a spending bill signed into law just a week ago in Congress, where we set aside \$75 million in funding for fisheries in which the Secretary has declared a disaster.

Well, along with my colleagues in the Senate—Senator Collins, Senator Gregg, and Senator Sununu of New Hampshire—we asked the Secretary for reconsideration of this denial, along with Governor Baldacci. And we will continue to pursue such a declaration and the funding that accompanies it until Maine's fishermen receive the Federal financial assistance to which you should be entitled to under the law.

Whatever form the final solution takes, this rule-making process is far from over. We all share the goal of giving our fish stocks the best possible opportunity to recover. For without viable, sustainable populations, there will be no fishery at all.

But at the same time, we must ensure that while that rebuilding is taking place, we do not inadvertently bankrupt an industry that has played such a vital role in our State's economy and our heritage for centuries. I, for one, am not ready to capitulate on the possibility of achieving that goal.

So, at this time, I would like to begin hearing testimony from our panel of witnesses. I will include your entire statements in the record, however you choose to proceed, because I do think it is important to hear from all of you.

And then we will have questions, and we will open it up to the audience to ask questions of panelists or me and to make comments. Because I think it is important to have that interaction so that we all have a complete understanding of what the issues are, what is at stake, and what do we hope to accomplish in the final analysis to save this most critical industry to our State and to the entire New England region. So, thank you.

Dr. Balsiger, would you begin, please? Thank you.

STATEMENT OF JAMES W. BALSIGER, Ph.D., ACTING ASSISTANT ADMINISTRATOR, NATIONAL MARINE FISHERIES SERVICE, NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION, U.S. DEPARTMENT OF COMMERCE

Dr. BALSIGER. Thank you, Senator Snowe.

Senator SNOWE. Thank you. And thank you for being here today.

And I thank all of you for being here today, everybody. Thank you.

Dr. BALSIGER. I appreciate the invitation to travel to Portland, Maine. I never turn down invitations to get out to the coast. So, thank you.

I am Jim Balsiger. I am the director of NOAA Fisheries Service. Thanks for inviting me to testify at this important hearing on New England groundfish and thank you for your outstanding leadership on the ocean and fisheries issues in Maine and in the Nation's capital.

The red light is on. Am I too far away?

I am well aware that commercial fishing for cod, haddock, flounder, and other species has been a long tradition in New England, and this fishing history is tied tightly to the culture and the economics of the region. Before serving in this current job, I was the Regional Administrator for Fisheries in Alaska, where fishing is also of paramount importance.

So my ultimate goal as the head of the Fisheries Service is to see healthy stocks supporting productive fishing livelihoods in coastal communities around the Nation. We have some work to do here to reach that goal in New England and elsewhere, but we are making progress. And I am confident that we will reach that point in the not-too-distant future.

The Magnuson-Stevens Act is the key legislative directive under which NOAA manages the Nation's fisheries. This important legislation requires us to end overfishing and rebuild stocks. We work with the New England Fishery Management Council to manage New England's groundfish as part of a 19-stock complex called the Northeast Multispecies Fishery.

In recent years, we have had to sharply reduce fishing levels in an effort to rebuild stocks to stay in compliance with the Magnuson-Stevens Act. In 2004, we implemented Amendment 13, which substantially decreased the fishing effort on several stocks. This amendment also set up further reductions beginning in 2009 to end overfishing on the remaining stocks and to keep us on track to rebuild all of the stocks by 2014.

In an attempt to reduce the economic harm to fishermen, Amendment 13's fishing reductions were set at the bare minimum bar. It was acknowledged they only had a 50 percent chance of success. Inherent in that was a 50 percent chance of failure. Now we are facing the next big change to the Fishery Management Plan, which is Amendment 16.

To prepare for this amendment, we recently completed the comprehensive midpoint evaluation assessing the status of the groundfish stocks. This 2008 groundfish assessment, which we call the GARM, represents the work of more than 70 scientists from throughout the New England region—including NOAA fishery scientists—from the States, from academia, from industry, from con-

sultants and independent reviewers. This assessment comprises hundreds of thousands of observations, records, and measurements from 13 different sources, including from the fishing industry itself.

Results of these stock assessments are mixed but not entirely unexpected, given the probability of success set forth in Amendment 13. Results show that while there have been large reductions in fishing mortality, overfishing is still occurring in 13 stocks. This is 5 more stocks than in 2004.

The assessments also documented a decline in productivity in average weight for several species, indicating slower than anticipated growth for these stocks. A number of these stocks are not increasing at the rate necessary to meet the rebuilding deadlines identified by the Council in the Fishery Management Plan.

There is some good news, though. Some stocks that were the focus of concern when Amendment 13 was developed have experienced major recoveries. For instance, Georges Bank haddock has exceeded its rebuilding target. Gulf of Maine haddock is nearly rebuilt. We also have seen major proportional increases in some flounder stocks.

I want to briefly identify where things stand in terms of management and what we need to do to meet the requirements of the mandates of the Magnuson-Stevens Act. We must put in place measures to continue rebuilding groundfish stocks. Amendment 16 is the tool for this. Council action has been delayed on this amendment, so we need to consider other options for the 2009 fishing year.

The most likely option for this is an interim rule that would be in place until Amendment 16 is finalized. I don't know yet what will be in that interim rule. At present, it is clear that some reductions, additional reductions in fishing mortality are probably unavoidable. But we will work with the Council and the industry to put those in place.

In terms of the overarching management strategy for the New England groundfish, it is worth noting that the existing management strategy of relying primarily on effort controls, as opposed to catch controls, has had mixed success and has not entirely achieved the desired results. To reach our ultimate goal of healthy fish stocks and a productive fishing industry, I think it is important to think beyond the historic management tools, and I am pleased that the Council is considering sector management as an alternative.

Unfortunately, there is no silver bullet that will solve all the problems in the fisheries. I think we will need to use a variety of traditional and new management tools, probably including catch limits, effort controls, and maybe market approaches. We look forward to ideas that may come from this forum to help us solve some of these issues.

I also wanted to point out that fishing is not the only factor that can affect fish populations. Our recent stock assessments showed a decline in average weight for several species, which means slower than anticipated growth of these resources. We consider these factors when we set the rebuilding targets. And as our understanding of marine ecosystems improves, we will continue to incorporate this information into our models and, ultimately, improve management of the fishery.

In conclusion, I want to reiterate that our goal is the same as your goal. It is to have healthy stocks supporting productive fishing livelihoods in coastal communities. I want this for New England, and I want it for other coastal communities around the country.

Rebuilding fish stocks is not easy. No one knows this better than the men and the women fishing the waters of New England. Nevertheless, we need to achieve this goal so we can revive those communities dependent on groundfish and can continue the fishing traditions that are a foundation of this region's culture and economy.

Thank you, Senator Snowe, for holding this hearing. I welcome any questions. Most of all, I look forward to any ideas that may come out of this panel or this audience.

[The prepared statement of Dr. Balsiger follows:]

PREPARED STATEMENT OF JAMES W. BALSIGER, PH.D. ACTING ASSISTANT ADMINISTRATOR, NATIONAL MARINE FISHERIES SERVICE, NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION, U.S. DEPARTMENT OF COMMERCE

Good afternoon, Senator Snowe. I am Dr. James Balsiger, the Acting Assistant Administrator of the National Marine Fisheries Service (NMFS) within the National Oceanic and Atmospheric Administration (NOAA) under the Department of Commerce. Thank you for inviting me to testify at this important hearing on New England groundfish.

Background

Commercial fishing for cod, haddock, flounder, and other fish species has been a long tradition in New England, and this fishing history is tied tightly to the culture and economics of the region. Before serving in my current job, I was the Regional Administrator for Fisheries in Alaska where fishing is also of paramount importance. My ultimate goal as the head of Fisheries for NOAA is to see healthy stocks supporting productive fishing livelihoods in coastal communities around the Nation. We have some work to do to reach that goal in New England, but we are making progress and I am confident we will reach that point in the not too distant future.

NOAA bases its fishery management decisions for New England groundfish on key legislative directives, management plans, and scientific assessments. The Magnuson-Stevens Fishery Conservation and Management Reauthorization Act (Magnuson-Stevens Act) is the key legislative directive under which NOAA manages the Nation's fisheries. This important legislation requires us to end overfishing and rebuild stocks, among other things. The new Magnuson-Stevens Act, which was signed by the President in January 2007, also requires us to implement annual catch limits and accountability measures which create an even more conservative management system.

NOAA, together with the New England Fishery Management Council (Council), manages New England groundfish as part of a 19-stock complex called the Northeast Multispecies Fishery. Atlantic cod, haddock, pollock, and various flounders are a few of the species that make up the Fishery which has been heavily overfished for several decades. In recent years, we have had to sharply reduce fishing levels in an effort to rebuild stocks in compliance with the law.

Amendment 13

In 2004, the *Northeast Multispecies Fishery Management Plan (Plan)* was amended to strengthen the work that NOAA and the Council were doing to manage the Fishery. Amendment 13 of the *Plan* instituted major changes in the Northeast Multispecies Fishery. These changes substantially decreased fishing effort on several stocks and planned for further reductions beginning in 2009 to end overfishing on the remaining stocks and keep us on track to rebuild all of the stocks by 2014 as required by the current *Plan*. In an attempt to reduce economic harm to fishermen, Amendment 13's fishing reductions were the bare minimum, and only had a 50 percent probability of success. In addition, Amendment 13 called for regular adjustments to the *Plan* (such as Framework Adjustment 42 that further reduced fishing effort) and a comprehensive mid-point evaluation in 2008 to re-assess the status of the groundfish stocks given the 2004 fishing reductions. This evaluation was meant to provide the data necessary to make any needed changes to the rebuilding programs for the beginning of the 2009 fishing year.

GARM

NOAA's work to manage the Nation's fisheries, including groundfish in the Northeast Multispecies Fishery, is based on sound science. Most recently, regional scientists completed the Groundfish Assessment Review Meeting, or GARM. This 2008 groundfish assessment represents the work of more than 70 scientists from throughout the New England region, including those from NOAA, the states, academia, industry, consultants, and independent reviewers. The process used to develop the assessment was fully documented, open, and public during 4 week-long meetings over a year's time. The meeting's results were peer reviewed, drawing on the services of 22 scientists unaffiliated with the NMFS Northeast Fisheries Science Center, many from outside the United States. The assessments comprise hundreds of thousands of observations, records, and measurements from 13 different sources, including the fishermen.

The GARM process was exceptionally rigorous, and the results are consistent with NOAA's obligations under national standard 2 in §301(a)(2) of the Magnuson-Stevens Act, which mandates that management measures be "based upon the best scientific information available." Northeast region stock assessments are among the most scrutinized of any in the world, and the methodologies have been reviewed by the National Academy of Sciences. By any measure these assessments set a reliable benchmark for the management of New England groundfish.

Results of these stock assessments are mixed but not entirely unexpected given the probability of success set forth in Amendment 13. Results show that while there have been large reductions in fishing mortality since 2004, overfishing is still occurring in 13 stocks, five more than in 2004. The assessments also document a decline in productivity and average weight for several species, indicating slower-than-anticipated growth for these stocks. A number of these stocks are not increasing at the rate necessary to meet the rebuilding deadlines identified by the Council in the fishery management plan.

There is some good news though. Some stocks that were the focus of concern when Amendment 13 was developed have experienced major recoveries. For instance, Georges Bank haddock has exceeded its rebuilding target, and Gulf of Maine haddock is nearly rebuilt. We have also seen major proportional increases in two yellowtail flounder stocks and southern windowpane flounder.

Amendment 16

Now I want to review briefly where things stand in terms of management and what we must do next to meet our statutory requirements.

The next major amendment to the *Northeast Multispecies Fishery Management Plan* is Amendment 16, which was scheduled to be implemented in May 2009. Because of a desire to more thoroughly consider the new stock assessment results, the Council delayed action on Amendment 16. Final implementation of this amendment is not anticipated until September or October 2009 at the earliest. At its September meeting, the Council asked the Secretary of Commerce to take interim action while it continues to develop the amendment. At this meeting, the Council also recommended interim measures for NOAA to put in place during the fishing year starting in May 2009. As we look at our options, we are considering the Council's recommendations but ultimately, we need to ensure that we continue to rebuild stocks and comply with the law and it doesn't appear that the Council's recommendations will get us to where we need to be. At present, it is clear that additional reductions in fishing mortality for some of these stocks will be unavoidable.

Next Steps

In terms of the overarching management strategy for New England groundfish, it is worth noting that the existing management strategy of relying primarily on effort controls as opposed to catch controls has had mixed success and has not entirely achieved the desired results. To reach our ultimate goal of healthy fish stocks and a productive fishing industry, I think it is important to think beyond the historic management tools and I'm pleased that the Council is considering sector management as an alternative. Unfortunately, there is no silver bullet that will solve all of the problems in this Fishery. We'll need to use a variety of traditional and new management tools including catch limits, effort controls, and market approaches.

Our position on these basic management issues is clear. We will support any number of conservation and management measures but they need to demonstrate a high probability of meeting the fundamental Magnuson-Stevens Act mandates to end overfishing and rebuild stocks in a timely manner.

I also want to point out that fishing is not the only factor that can affect fish populations. Our recent stock assessments showed a decline in average weight for several species, which means slower-than-anticipated growth. We consider these factors

when we set the rebuilding targets and as our understanding of marine ecosystems improves, we will continue to incorporate this information to improve our models and ultimately improve our management of the Fishery.

Conclusion

In conclusion, I want to reiterate that NOAA's goal is to have healthy stocks supporting productive fishing livelihoods. I want this for New England, and I want it for other coastal communities around the country. Rebuilding fish stocks isn't easy. No one knows this better than the men and women fishing the waters off New England. Nevertheless, we need to achieve this goal so that we can revive those communities dependent on groundfish and continue the fishing traditions that are a foundation of this region's culture and economy. Thank you, Senator Snowe, for holding this hearing. I welcome any questions you may have and I look forward to continuing to work with you on this important issue.

Senator SNOWE. I appreciate that, Dr. Balsiger. Thank you.
Mr. Stockwell?

STATEMENT OF TERRY STOCKWELL, DIRECTOR OF EXTERNAL AFFAIRS, DEPARTMENT OF MARINE RESOURCES, STATE OF MAINE; MEMBER, NEW ENGLAND FISHERY MANAGEMENT COUNCIL

Mr. STOCKWELL. Thank you, Senator Snowe.

My name is Terry Stockwell. I am the Director of External Affairs for the Maine Department of Marine Resources and the Commissioner's designee on the New England Fishery Management Council.

I am speaking today in my role as the Director of External Affairs, and I would like—

Senator SNOWE. Could you just speak more into the mike?

Mr. STOCKWELL. I sure will.

Senator SNOWE. Thank you.

Mr. STOCKWELL. And I guess it is appropriate I would like to begin by thanking you, Senator Snowe, for this hearing on the status and future of the groundfishery in the State of Maine.

Maine's groundfishing industry is on the verge of collapse. The cumulative impact of multiple amendments and framework adjustments have eliminated over three-quarters of Maine's active groundfish fleet since the early 1990s. Currently, there are roughly 70 active vessels, as compared to nearly 350 in 1990. Over the same time period, the overall landings have dropped from a high of about 45 million pounds to a little less than 10 million pounds in 2007.

Consequently and concurrently, the shoreside 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 icehouses 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. Portland Fish Exchange 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 offshore boats will eventually relocate 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 III report is extremely grim. With the exception of haddock, plaice, and redfish in the Gulf of Maine, the report concludes that 11 of the multispecies stocks are now both overfished and experience overfishing as compared to 7 in 2004.

In the Gulf of Maine, pollock, witch flounder, winter flounder, and northern windowpane have seriously deteriorated in status. The mortality reductions needed for the Gulf of Maine are in the 40 percent range.

The combination of two-vessel permit buybacks, severe cuts in the 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 Gulf of Maine stocks.

Maine's strong support for the development and implementation of sector management in Amendment 16 clearly underscores the need for measures that sustain the fishing industry while rebuilding the groundfish stocks. But the implementation of sectors has been delayed until 2010. Guidelines on revisions to the National Standard 1 are not yet available, and the devil in the details of the costly reporting and monitoring program are still not yet determined.

At the September council meeting in Providence, the regional administrator stated that the upcoming need for an interim action was a result of the failure of the Council to do its work. But there are a number of reasons, including the delay of GARM III and the lack of adequate agency resources, that contributed to the need for this interim action.

And while the Council voted to request that the National Marine Fisheries Service initiate an interim action in order to remain compliant with the court-ordered rebuilding goals, the proposed measures will have a significant impact on the 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 can't recover from and that many in the fleet have already crossed that threshold. Next year's interim management measures may push many others to a similar point. And 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 have already lost a significant portion of our fleet. The interim regulations will further exacerbate this trend, weakening the position of the industry in coastal communities to survive. Maine obviously isn't alone in this situation. The entire groundfish fishery is in grave condition.

Some individuals in two-permit banks have had the foresight and ability to acquire additional permits and days at sea to help them through this very difficult time. But they are 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 5 years.

The State of Maine and Maine's groundfishery cannot survive another round of days-at-sea reductions. Amendment 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 toward 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 requirement are jeopardizing its implementation. Fishermen who are barely breaking even can't be expected to pay costs estimated at \$1,200 a day to meet the sector monitoring requirements. While some early sectors have been successful in getting grant funding for implementation and monitoring, I don't think that this strategy can be relied on 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 measures, Maine, the Council, and the National Marine Fisheries Service 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 cannot disappear for the 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. But to achieve this goal, we need a renewed commitment to New England's entire groundfishery. That means paying attention to Maine, New Hampshire, Massachusetts, Rhode Island, and Connecticut.

It means we need to think about and discuss new management ideas and be able to act in a much more timely way than we have been able to do in the past. To be honest, the management system that we have all had a hand in creating and implementing hasn't served us well in this regard. As I 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 buyout, thoughtful discussion and deliberation on whether individual fishing quotas would better serve industry 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 actions through an associated permit-banking component. But there are concerns about how already cash-starved vessels would pay the tax on landings when everybody in the fishery would be subject to the current drafts of the idea.

Additionally, there are concerns that an industry-funded buyback may exacerbate the shift of permits and vessels out of Maine. So we have got much work to do with this idea, but it certainly merits

*Total Allowable Catch.

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 this concept may help some industry sectors to survive in the future.

Making it work might mean having an in-shore and offshore component that allows the folks in these areas to choose whether or not to move toward an IFQ* system. This would recognize that different solutions would 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 it must be considered to see what will help us do a better job for the groundfish industry and the resource.

Within Amendment 17, area management could help revitalize and preserve Maine's small fishing communities, particularly in the Midcoast and Down East areas. The recovery of multispecies complex should not be dependent upon 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, but there are issues of how areas under area management fit within an entire fishery, how to share among subdivisions available stock, how to pay for the management costs associated with area management. But nonetheless, like these other ideas, 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, the Fisheries Service to make sure that this doesn't happen.

I ask that you continue your great work with the Maine 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, to enable a viable monitoring system for those who wish to remain, and to make sure the management process works for stock rebuilding in a vibrant New England groundfish fleet.

Thank you for this opportunity to testify.

[The prepared statement of Mr. Stockwell follows:]

PREPARED STATEMENT OF TERRY STOCKWELL, DIRECTOR OF EXTERNAL AFFAIRS,
DEPARTMENT OF MARINE RESOURCES, STATE OF MAINE; MEMBER, NEW ENGLAND
FISHERY MANAGEMENT COUNCIL

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 1990s. Currently, there are roughly 70 active vessels as compared to nearly 350 active vessels in 1990. Over

* Individual Fishing Quota.

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 III report is extremely grim. With the exception of haddock, plaice and redfish in the Gulf of Maine (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 percent 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 III 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 5 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 toward 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 Down East 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, and 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.

Senator SNOWE. Thank you very much, Mr. Stockwell. Hopefully, we can work together on that goal.

Mr. Cunningham?

**STATEMENT OF COLIN M. "KIP" CUNNINGHAM, JR., VICE
CHAIRMAN, NEW ENGLAND FISHERY MANAGEMENT COUNCIL**

Mr. CUNNINGHAM. Good afternoon, Senator Snowe. On behalf of the New England Fishery Management Council, I am both pleased and honored to be here.

I have served for 5 years on the Council and 3 terms as Vice Chairman. I currently serve as the Chairman of the Groundfish Committee. My comments represent my opinion, not the official council position. But I will try to convey the sense of the Council.

The Council is currently preparing Amendment 16 to the Groundfish Management Plan to continue the rebuilding adopted in 2004 with Amendment 13 to meet time lines mandated in Magnuson. Planning for Amendment 16 began in the spring of 2006. The Council, the Northeast Regional Office, and the Science Center met a number of times to coordinate. It became obvious that completing Amendment 16 in time to implement new regulations in May 2009 would be difficult.

Further, the Science Center was being asked to do something never before attempted—to conduct complete benchmark assessments for 19 stocks at the same time through the GARM. This was a Herculean task, and the Center and the staff deserve a lot of credit for accomplishing it. However, in June, it became apparent that the Service would need to implement an interim action in May 2009, and Amendment 16 would be implemented in May 2010.

With all the amendments, the Council, the Regional Office, and the Science Center coordinate their efforts. The Council would be at a loss if not for the expertise of the Service's assessment and social scientists that perform the majority of the technical analysis for our actions. However, this cooperative spirit tends to take a backseat once the Service begins preparation on an interim action, as is currently the case.

We expect the combination of the interim action and Amendment 16 to continue the groundfish building. And in spite of all we hear, in spite of all of the gloom and doom, real progress is being made. Georges Bank haddock and Gulf of Maine haddock are rebuilt 5 years before the plan deadline. Redfish is nearly rebuilt 40 years before the deadline. Gulf of Maine cod is no longer overfished and is at a stock size that has not been seen in 30 years.

Many of the stocks that are still overfished are seeing increases in stock size for the first time in nearly a decade. Fishing mortality has been reduced. Groundfish landings increased in 2007 for the first time in 6 years. The take-home message is that groundfish stocks are being rebuilt.

Progress has been difficult at times because stock status has been dramatically revised. The confidence of fishermen in the management system suffers each time this happens. But as discouraging as that may be for all of us, more and better science is essential to crafting effective management measures.

Looking at the future, groundfish stocks, when rebuilt, should produce nearly triple the current catches. But managing a rebuilt fishery will have its own set of problems. There are a number of ideas circulating to accomplish this, such as rights-based management and output management regimes. It is safe to say that the industry and the Council believe that input management controls

need to be replaced. The inefficiencies required with input controls no longer work.

Looking down the road to recovery, it has to be recognized that the industry is not likely to be the same. There may be fewer landing ports. There may be fewer boats. They will land where it is advantageous to do so. The recent experience of the State of Maine may be illustrative.

Groundfish landings for vessels that claim Maine home ports declined by 27 percent between the fishing year 2001 and 2007, less than for other groundfish states. But boats are often landing their catches outside the State. So groundfish landings in Maine declined 63 percent over the same period. Yet Maine vessels have actually seen their share of groundfish landings increase.

At least two organizations with strong ties to Maine communities are acquiring permits to preserve future access. This is a model that can be used without changes in the current management system. Programs such as groundfish sectors and other rights-based systems provide current participants the opportunity to preserve future access.

Despite the revised timetable, I personally feel that Amendment 16 must go forward to continue the important stock rebuilding we have achieved to date. I also feel that the Council and fishermen are developing innovative management strategies scheduled for consideration in Amendment 17 that will adjust to changing resource and economic conditions.

Senator Snowe, thank you for the opportunity to testify today, and we look forward to working with you to continue the rebuilding of these important resources.

[The prepared statement of Mr. Cunningham follows:]

PREPARED STATEMENT OF C. M. "RIP" CUNNINGHAM JR., VICE CHAIRMAN,
NEW ENGLAND FISHERY MANAGEMENT COUNCIL

Good morning Senator Snowe. On behalf of the New England Fishery Management Council, I am both pleased and honored to respond to your invitation and hope that I can be helpful to you as well as those members of the fishing community who are here today.

Background

Before I begin, I would like to offer a few details about my background. I have served for 5 years on the Council and 3 terms as its Vice Chair. I am currently Chairman of the Council's Northeast Multispecies or Groundfish Committee and have served in that position for 4 years. Prior to my appointment to the Council, I was the owner, Publisher and Editor-In-Chief of *Salt Water Sportsman*, the world's largest sport fishing magazine, with approximately four million readers. I am privileged to have made a living by working with and for our valuable marine resources.

With 18 voting New England Fishery Council members, there often are 18 different opinions about the problems we face and their solutions. As a result, my comments may not represent the opinion of any individual member or the official position of the Council, but I will try to convey the sense of the Council as a body. I will address three broad topics: the relationship between the National Marine Fisheries Service and the Council during the development of Amendment 16 and the pending interim action, the long-term future of the groundfish fishery and how communities can ensure future access to the fishery.

The National Marine Fisheries Service and the Development of Amendment 16

The Council is currently preparing Amendment 16 the Groundfish Plan. As a quick review, the amendment was designed to continue the formal rebuilding programs first adopted in 2004 as part of Amendment 13. These programs were designed to meet the strict rebuilding time lines called for in the Magnuson-Stevens

Fishery Conservation and Management Act. Also included in Amendment 13 was a mid-term review to assess the progress of the programs following several years of implementation. The National Marine Fisheries Service recently completed this multi-year effort by assessing each of the 19 groundfish stocks at a series of meetings called the Groundfish Assessment Review Meeting III, or GARM III. (Interestingly, in Norse mythology GARM is the dog that guards the land of the dead, a coincidence that did not go unnoticed.)

Planning for Amendment 16 began in the spring of 2006. The leaders of the Council, the Northeast Regional Office of the National Marine Fisheries Service and the Service's Northeast Fisheries Science Center met several times to coordinate time lines for development of the amendment. It was immediately obvious that completing Amendment 16 in time to implement new regulations by May 2009 would be nearly impossible. Further, the Science Center was being asked to do something never before attempted—to conduct complete “benchmark” assessments for 19 stocks at the same time. This was a herculean task, and the NEFSC deserves a lot of credit for that accomplishment.

Simultaneously, the Council and its staff were asked to digest the assessment information and develop revised management measures in an unrealistically short time frame. To facilitate this process, the Council had to begin its work before knowing what the new mortality objectives would be. With the receipt of preliminary information from the GARM in June 2008, it became obvious that there would have to be a change in strategy. In response, the Council and the Regional Office agreed to delay developing the amendment until after all the assessment information was final and released in September 2008. At that point, it also became apparent that the Service would need to prepare an interim action by May 2009, and Amendment 16 would be implemented at a later date. We now expect the amendment to be in place by May 2010.

Throughout the development of Amendment 16, as with all amendments, the Council, the Regional Office and the Science Center coordinated their efforts. The Council would be at a loss if not for the expertise of the Service's assessment and social scientists that perform the majority of the technical analyses that form the basis of our actions. At times our different perspectives required a healthy exchange on the issues and compromise by each party. This cooperative spirit tends to take a backseat once the Service begins preparation of an interim action, as is currently the case. While the Council discussed and provided suggestions for measures that the Service might adopt, the Service's need to complete the action has resulted in a loss of technical support for the Council's amendment until work on the interim action is completed. In addition, the need to maintain the Secretary's independence means that almost no dialogue occurs between the Council and the Regional Office concerning the design of measures for the interim action.

We expect the combination of the interim action and Amendment 16 will continue the groundfish rebuilding that has been documented. Make no mistake, in spite of all the rhetoric, in spite of all the gloom and doom, real progress is being made. Let me cite some examples. Georges Bank haddock and Gulf of Maine haddock are rebuilt, 5 years before the planned deadline. Redfish is nearly rebuilt, forty years before the deadline. Gulf of Maine cod is no longer overfished and is at a stock size that has not been seen in thirty years. Many of the stocks that are still overfished are seeing increases in stock size for the first time in nearly a decade, and fishing mortality has been reduced.

Now, in many instances stocks are not growing rapidly enough to comply with the law, or fishing mortality is still too high, but we are in a much better position now than in the past. Progress also has been difficult at times because reports of stock status have had to be dramatically revised, even over relatively brief time periods. The confidence of fishermen in the management system suffers each time this happens, but as discouraging as that may be for all of us, more and better science is essential to crafting effective management measures.

It is equally important to recognize the sacrifices made by the fishing industry, both commercial and recreational, and their communities. In order to comply with requirements to rebuild, groundfish landings were reduced by 44 percent between fishing year 2001 and fishing year 2007. Gross revenues, adjusted for inflation, declined by 35 percent. The number of vessels landing groundfish declined from over 1,300 in fishing year 2001 to about 750 in fishing year 2007. I could go on, but the picture is clear—the requirement to rebuild overfished stocks has forced many fishermen out of the groundfish fishery, and the situation has not been helped by rising energy costs. Nonetheless, there is a glimmer of hope. Groundfish landings increased in 2007 for the first time in 6 years.

I hope, though, that there is a take-home message here that is not lost. I firmly believe groundfish stocks will be rebuilt, but we cannot afford to mismanage them

again because of the unacceptably high price paid by fishermen and their families and the negative effects on the infrastructure that supports their activities, as well as the communities in which they live.

Future of the Groundfish Fishery

Looking at the future, groundfish stocks, when rebuilt, should produce nearly triple the current catches. Managing a rebuilt fishery will have its own set of problems as current legal requirements tend to force us to manage for the weakest stock, sacrificing yield from abundant stocks. There are a number of ideas circulating for ways to improve management: individual fishing quotas or other limited access privilege programs, sectors and area management are a few. The Council is exploring these ideas, but it is premature to know which will be selected in the future. It is safe to say that the industry and the Council believe that input management controls need to be replaced with output controls. The inefficiencies required with input controls, no longer can be overcome.

We also cannot ignore that there is much we do not know about the ecosystem. How are changing temperatures affecting fish stocks? Are there effects from declines in inshore water quality? Has the very act of fishing changed the genetic composition of the stocks? These and other questions often are forgotten by the public. We may ultimately find that the answers to these and similar questions contribute as much to stock health as fisheries management.

Future Access to the Fishery

How do communities cope with the rebuilding program so that they can benefit in the future? It has to be recognized that the industry is unlikely to return to its recent past. There may be fewer landing ports, there will be fewer boats and they will land their catch where it is advantageous to do so. The recent experience of the state of Maine may be illustrative. Groundfish landings for vessels that claim Maine homeports declined by 27 percent between fishing year 2001 and fishing year 2007 (less than for some other important groundfish states), but boats are often landing their catches outside the state. In fact, groundfish landings in Maine declined 63 percent over the same period. At the same time, Maine vessels have actually seen their share of groundfish landings increase slightly. So while the catch is not being landed in Maine, Maine vessels remain a key component of the groundfish fishery.

How do these vessels remain active? At least two organizations with strong ties to Maine communities are acquiring permits to preserve future access. This is a model that can be used even without changes in the current management system. While not universally supported and difficult to implement, programs such as groundfish sectors or other rights-based systems provide current participants the opportunity to preserve future access. A carefully designed individual quota program should be able to address concerns over excessive consolidation. Some suggest that area management, which restricts access to an area to a specific group of fishermen, may be another option. The details of such a system have yet to be worked out, and often these proposals are resisted by many other fishermen who prefer the flexibility to move between areas.

I suspect that until our capacity to catch fish more closely matches the available resource, all of these systems will struggle. Some of them, however, allow fishermen to make more rational business decisions to determine their future. The current approach to reducing capacity, a Darwinian survival of the fittest, is not the preferred method, but industry support for a capacity reduction program tends to hinge on external funding. While some Council members may disagree, I think that capacity reduction has to occur if we are to achieve the most benefit from the groundfish fishery.

Summary

Simple answers are not always available to any of us within the context of a regulatory framework; and evolving science is necessary but often difficult to understand. Despite the revised timetable, I personally feel that Amendment 16 must go forward to continue the important stock rebuilding we have achieved to date. I also feel that the Council and fishermen are developing innovative management strategies, scheduled for consideration in Amendment 17, that will help them adjust to changing resource and economic conditions and begin to reap the benefits of their sacrifices.

Senator Snowe, on behalf of the New England Council, I hope my comments are helpful to you as you continue to engage in discussions about the groundfish fishery. I am available now or in the future to answer questions.

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Senator SNOWE. Thank you very much, Mr. Cunningham, for your input.

Mr. Odlin?

**STATEMENT OF JAMES A. ODLIN, VESSEL OWNER,
ATLANTIC TRAWLERS FISHING, INC.**

Mr. JAMES ODLIN. Good afternoon, Senator Snowe. Thank you for the opportunity to discuss the future of the groundfish industry here in Maine.

My name is James Odlin. I am a second-generation commercial fisherman. I have 40 years experience fishing for groundfish. I am Vice President of the Associated Fisheries of Maine, and my comments today are trying to represent the Associated Fisheries of Maine.

I won't repeat what we have all heard about the drop in groundfish landings and the number of boats in the State of Maine. I am going to move right to the interim rule.

The council forwarded to National Marine Fisheries Service an interim rule that was backed by a number of industry participants to try and address the problem of the Amendment 16 delay. At that time, it was clearly stated by the National Marine Fisheries Service that the proposal did not go far enough.

The Magnuson-Stevens Act states that the Secretary can implement interim rules to reduce or address overfishing. It does not necessarily have to end overfishing, nor does it give the authority to address F-rebuilds.

The council has requested an 18 percent cut in days at sea. And to be quite honest, I do not think that the Maine groundfish boats that are left here today will ever be able to handle the 18 percent cut without mitigating measures, which will not be implemented in an interim rule.

I actually think the way the economy is, the crisis in the banking system, unemployment rising, low fish prices, high fuel prices, we need a complete freeze in any reduction in days at sea until Amendment 16 can be implemented, and the mitigating measures, such as they are, put into place and a buyback plan implemented. At that point, Amendment 16 should go in place, and that would be May 2010.

Next I would like to talk a little bit about the science. I first want to say that I am not critical or attacking any of the people at the Northeast Science Center. I agree that they work very hard, but their task is impossible. It is impossible to have an absolute number of fish in the ocean and an absolute number that can be taken out. It just cannot be calculated.

The industry has very little confidence in the science, and I, too, see a lot of alarming issues. There was absolutely no consistency in the peer review in the process of the GARM III, and it is quite clear that this has caused problems. If we look at the 19 stocks, we can see that the industry brought in Dr. Butterworth, and he was able to look at only two stocks, white hake and the Gulf of Maine cod.

He had major impacts on white hake assessment, and if the Northeast Science Center assessment would have been allowed to stand, it could have effectively shut down the groundfish industry right away. Dr. Butterworth pointed out an error in the assessment, and this was corrected. He also pointed out some problems with the Gulf of Maine cod, and this was also corrected. To me, the question is how many more mistakes are there?

We then started to look at pollock, and we found a huge mistake in the pollock assessment. This was after the peer review was completed. The assessment used one data point to come up with its conclusions. Common practice in all GARM—its index-based assessments is that they should use three data points. We only used one. Again, after peer review, the Council staff pointed this out.

Now the Northeast Science Center, in my opinion, is trying to defend the determination that pollock was overfished by stating that even if we wait and use the 2008 survey data, it is still likely to be overfished. My question is how do they know the outcome of the 2008 survey that hasn't been done yet? And how can a mistake like this get by the peer review and be pointed out by the Council staff?

Even if the next data point is lower, maybe this is actually the average. The index that you use for this assessment could be wrong. Indexes, to me, seem to be a best guess.

Next I will talk a little bit about Georges Bank cod. The Northeast Science Center has done what they call "splitting the time series," which back a few short years ago, they would have never considered. One of their longstanding claims to fame was that they had the longest time series in groundfish management in the world.

Now, for some reason, in 1994, the trawl surveys all of a sudden started catching more fish. Same gear, same boat—just started catching over 100 percent more fish. Then by splitting the time series, they are saying that the fish changed and the catchability of the fish became much easier.

As someone that has spent 20-plus years working day and night with fishing gear to make it as effective as possible, this has never happened to me. And I doubt that it has ever happened to any fisherman in this room, that all of a sudden, without any gear changes, catches went up over 100 percent and was sustained. Maybe, just maybe, the explanation of catchability is that there are just more fish being caught in the survey because there are more fish out there.

These are just a few examples where I feel there are problems with the science. Of course, the scientists will try to explain most of these issues away.

Finally, as far as the future of the Maine groundfish industry, I have to say it is very bleak at this time. However, I ask Congress to look at the science. It is just not accurate enough to meet the demands of the current MS—Magnuson-Stevens Act and still have an industry left. Congress needs to amend the Magnuson-Stevens Act to provide flexibility in a multispecies fishery and especially address the arbitrary 10-year rebuilds.

Congress must insist on a new stock assessment on Georges Bank on pollock, on Gulf of Maine winter flounder, and witch flounder. I want to talk about witch flounder for a minute.

Witch flounder, in the last assessment, was not overfished. Overfishing was not occurring, and the stock was fully rebuilt. We have a new assessment that says the stock is overfished, and overfishing is occurring. Yet the industry never caught more than one third of what the scientists said we could catch in the interim period. How did it become overfished?

Next, Congress must provide for a vessel buyback to stabilize the industry and let some people stay in and supply the market and the infrastructure on a steadier basis to allow us to get our markets back and stabilize the infrastructure in the industry as a whole. Congress must clarify the intent of flexibility of stocks that are under international fishing agreement or understanding. Otherwise, U.S. fishermen are going to lose further quota to Canada.

Senator Snowe, in a time of many crises, I am extremely grateful for your attention to this crisis facing our groundfish industry. It seems clear that continued aggressive oversight of groundfish management is warranted.

Thank you.

[The prepared statement of Mr. James Odlin follows:]

PREPARED STATEMENT OF JAMES A. ODLIN, VESSEL OWNER,
ATLANTIC TRAWLERS FISHING, INC.

Good morning, Senator Snowe. My name is James Odlin.

Thank you for the opportunity to be here today and to provide an industry perspective on several questions you have raised with regards to groundfish management in New England.

Interim Measures

When the National Marine Fisheries Service (NMFS) imposed an interim rule for the NE groundfish fishery in 2006, they chose a broad-brush management approach that was in complete conflict with the more proper approach ultimately chosen by the New England Fishery Management Council (Council). The interim rule imposed differential counting of days-at-sea on all management areas, with the result that one management area (western Gulf of Maine) and two stocks (Gulf of Maine cod, and Gulf of Maine yellowtail) were under-protected while other areas and stocks

were overprotected. The Council approach (FW42) ultimately imposed more appropriate restrictions with a focus on problem areas and stocks.

The need for interim rule for 2006 was repeatedly characterized, by NMFS, as a failure of the Council to develop management restrictions within the necessary time frame. What is left out of the discussion is the fact that the NMFS did not provide to the Council the scientific information it needed in time to develop those management recommendations.

Today, the Council and the industry face the same timing conundrum. At the September meeting of the Council, the Regional Administrator reported that the NMFS is preparing an interim rule for 2009 because the Council had “failed to do its job”. However, NMFS has known since 2004 that an assessment of all groundfish stocks (GARM III) was pending for 2008. Still, the final meeting of GARM III was scheduled for mid-August 2008, instead of an earlier time frame, which may have afforded adequate time for the Council to develop recommendations.

At a special meeting in September to receive the GARM III advice, the Council did develop a recommendation for interim measures, and by a vote of 15 to 1, the Council did approve that recommendation. However, the Regional Administrator has unilaterally determined that the Council recommendation is not acceptable, and reported that the NMFS would begin work on different, more “simple” interim measures.

The industry is concerned that the NMFS will, in the interest of “administrative simplicity”, impose inappropriate restrictions for 2009—restrictions that will once again cause unnecessary economic harm to the industry without providing adequate protection to appropriate stocks and areas. The industry supports the process outlined by the Magnuson-Stevens Act (MSA), which empowers the regional Councils to develop fishery management recommendations, and we do not support unilateral action by the NMFS.

NMFS personnel have suggested that an interim rule would need to achieve F-rebuild for some or all stocks. However, section 304(e)(6) of the rebuilding provisions of the MSA does not include any requirement for interim measures promulgated by NMFS under section 305(c) to achieve F-rebuild. In fact, section 304(e)(6) plainly states that interim measures may be implemented even though they are not sufficient by themselves to stop overfishing.

“(6) During the development of a fishery management plan, a plan amendment, or proposed regulations required by this subsection, the Council may request the Secretary to implement interim measures to reduce overfishing under section 305(c) until such measures can be replaced by such plan, amendment, or regulations. Such measures, if otherwise in compliance with the provisions of this Act, may be implemented even though they are not sufficient by themselves to stop overfishing of a fishery.” (16 USC 1854(e)(6)).

Section 305(c) clearly states that the objective of interim measures is to “reduce” or “address” overfishing; not to achieve F-rebuild or end overfishing immediately.

NMFS personnel have also signaled a plan to use the interim rule to impose additional restrictions for stocks that have been newly declared “overfished” by the GARM III even though existing and proposed guidelines allow the Council 1 year to develop an appropriate rebuilding plan. Amendment 13 made it clear that status determination criteria are not effective until adopted by the Council, therefore NMFS is going beyond its authority if the interim rule includes restrictions for those stocks newly declared overfished by GARM III.

Today, the industry is faced with the overwhelming uncertainty of what kinds of measures will be implemented in the interim rule, but we can be certain that there will be no measures to mitigate the economic impacts.

Amendment 16

The NMFS has been putting extreme pressure on the Council to comply with the provisions of the recently reauthorized MSA, yet the agency has failed to provide the final guidance necessary to comply with those provisions. It is quite possible that the Council may develop policy and management measures that will need to be redeveloped at a later date. The NMFS is also pressuring the Council to develop rebuilding plans, in Amendment 16, for those stocks newly declared “overfished” by GARM III, even though they otherwise would have 1 year to develop rebuilding plans. This takes staff and Council time away from developing potential mitigation measures for the severe cutbacks anticipated in Amendment 16.

Science

The industry has no confidence in the Northeast Fisheries Science Center (Science Center) stock assessments for groundfish.

This year, the industry engaged the expertise of Dr. Doug Butterworth, University of Cape Town, South Africa, to participate in GARM III. Due to limited resources, the industry engaged Dr. Butterworth's attention to only the Gulf of Maine cod assessment and the assessment for white hake. In both cases, his intervention produced significantly better results in terms of calculating current biomass and fishing mortality levels as well as biomass and fishing mortality reference points. We believe that had we the resources and time to engage his attention to all 19 stocks we would have improved results for several other stocks.

I will list several examples of our concerns. (Please also note the attached letter from Council Executive Director Paul Howard to NMFS Regional Administrator Pat Kurkul that also expresses concerns about the results of GARM III, as well as a copy of Administrator Kurkul's response.)

1. According to the 2005 groundfish assessment—witch flounder—a highly valuable stock that comprises a significant part of groundfish landings by Maine boats—was determined by the Science Center to be nearly rebuilt. In the intervening years, the industry caught about 1/3 of the “scientifically determined” total allowable catch, and the fishing mortality was well below the “scientifically determined” target. However, GARM III now declares the stock as overfished and overfishing is occurring.
2. The GARM III assessment for Georges Bank cod produced different results than those produced by the Transboundary Resource Assessment Committee just a few short weeks prior to GARM III.
3. With regards to the Gulf of Maine winter flounder assessment, the GARM III panel noted that the “analysis could not be used to provide management advice nor stock projections”, yet the Science Center did just that to recommend a drastic reduction in fishing mortality.
4. The pollock assessment is an index-based assessment meaning it is dependent on the amount of fish caught in the trawl survey. For that type of assessment, scientists typically use a 3-year running average of survey indices. However, in GARM III the Science Center used only 1 year of data instead of 3, which has resulted in a determination of overfished. As you know, once declared overfished, a rebuilding program is required, and as I've stated earlier, NMFS is proposing to take action for this stock in the interim rule. Once the 2008 data is available, a 3-year calculation may show that the stock is not overfished, which would again reverse the status of this stock.
5. For the white hake assessment the Science Center used proxy age data for the time period of the 1960s and 1970s, which was obtained by assuming that the average relationship between age and length over the 1980s and 1990s applied to every year of the earlier period. However the Review Panel rejected this assumption because of a potential to introduce errors. Instead the Panel preferred Dr. Butterworth's assessment, which avoided the need to make this questionable assumption for the earlier years.
6. You will recall that in 2005 the biomass targets for several stocks were dramatically increased—in some cases doubled—and in at least one case, the target was set higher than any observed level of abundance. In 2008, many of those same targets have been reduced; others have been increased. As you know, these wildly divergent “estimates” become the determining “facts” on which new management restrictions are based.

The industry cannot continue to withstand this constant whipsawing of scientific information.

The groundfish assessment process itself was problematic. A panel comprised of scientists external to the Science Center, developed final recommendations on the basis of analyses presented by Center staff, at each of a series of 4 week-long meetings. However of the 5-member Panel for the last meeting, which provided the final management advice, only the Chair (Dr. O'Boyle) and Dr. Butterworth were present at all meetings. At each of the meetings, as many as 19 different stocks were discussed. The industry believes that this provided insufficient time to discuss any of the stocks at the level of depth required for reliable recommendations.

Vessel Buyout

A buyout is crucial to lessening the negative impacts of Amendment 16. The industry has advanced a proposal to Congress for an industry-funded buyout. A buyout would remove excess capacity, give those who wish to leave the industry a dignified way to exit, and allow those who wish to remain the opportunity to succeed. A West Coast groundfish buyout has provided increased profitability for fishing businesses and stability for fishing communities.

Sectors

The industry has been working for a long time on developing groundfish sectors. This has been a costly endeavor in terms of time and financial resources. Sector allocations will be based on landings histories of each vessel in the fleet, yet the industry has had considerable difficulty retrieving landings data from the NMFS. The Sustainable Harvest Sector submitted a roster of vessels with a data request nearly 2 years ago, and we have still not received the data. Sectors seem to be the only alternative to massive cuts in DAS and/or derby style fishing. At every step of the way during the development of Amendment 16, the NMFS has thwarted the Council's ability to develop sectors.

If we are to be forced to adhere to a catch based management system (as opposed to DAS) the industry believes that ITQs, for several reasons primarily related to cost, would be preferable to sectors. According to the current draft of Amendment 16, sectors will be held responsible for the costs of dockside monitoring, at sea monitoring, development of an environmental assessment (yearly) as well as a sector manager salary. In addition, NMFS has decided that sector members will also be held joint and severably liable for ANY violation of the management restrictions, even though this type of liability was never recommended by the Council. However, it is unlikely that the Council would ever seriously contemplate development of an ITQ proposal for groundfish because of the onerous requirements proposed for the referendum process.

Recommendations

The future of groundfishing in Maine is bleak.

The State no longer has very many medium and no large vessels necessary to maintain a year-round landing stream, which is then necessary to maintain the shore-side infrastructure.

However, there are some actions that Congress could take to improve the outlook.

First and foremost, Congress must amend the Magnuson-Stevens Act in a way that clearly articulates the flexibility necessary for fisheries managers to restore fisheries resources while preserving fishing communities. The most recent reauthorization, at least from the draft guidelines proposed by the NMFS, will most likely decrease the flexibility manager's desperately need. Congress must also remove the requirement for a referendum for ITQ management as the referendum process serves only as a major obstacle to ITQ management.

Congress must insist on a new benchmark assessment for Georges Bank cod, pollock, and winter flounder.

Congress must insist on a complete analysis of the appropriate natural mortality estimate for each stock, instead of defaulting to a natural mortality rate of 0.2 for all stocks.

Congress must provide the funding necessary for a buyout, or alternatively advance the industry-funded buyout.

Congress must provide funding for the costs of sector monitoring. In other fisheries where dockside and at-sea monitoring are required, the cost to industry is more than 10 percent of the landings value. The NE groundfish fishery cannot sustain those costs now, or anytime in the near future.

Congress must clarify that when stocks are jointly managed by the U.S. and Canada this be considered an agreement under MSA.

Congress must work more closely with the executive and legislative branches of Maine government to encourage the State to focus more resources on improving groundfish science and to make involvement in groundfish management a State priority.

Again, thank you for the opportunity to be here today. I am happy to answer any questions you may have.

NEW ENGLAND FISHERY MANAGEMENT COUNCIL
Newburyport, MA, September 16, 2008

Ms. PATRICIA KURKUL,
Regional Administrator,
National Marine Fisheries Service,
Gloucester, MA.

Dear Pat:

Your letter of September 2, 2008 notified the Council of the results of the Groundfish Assessment Review Meeting (GARM III). It also reported changes in stock status as a result of those assessments. I have some concerns that I want to bring to your attention.

According to the letter, GOM winter flounder has been determined to be overfished and subject to overfishing. The GARM III report does not provide any support for this conclusion. While it is true that the Executive Summary of the GARM III report includes this listing, the actual chapter on GOM winter flounder does not. In fact, the Peer Review Panel (Panel) summarized its conclusions in the following paragraphs (emphasis added):

“Given the problems encountered, the Panel agreed that *none of the models put forth gave a clear picture of the status of the resource. Further, the Panel noted that until these issues were resolved, the proposed analysis could not be used to provide management advice nor stock projections.*

While the Panel was unable to determine the stock’s status relative to the BRPs, it agreed that the current trend in the population was very troubling. The Panel generally agreed that it is highly likely that biomass is below B_{MSY} , and that there is a substantial probability that it is below $\frac{1}{2} B_{MSY}$. The Panel noted that other stocks in the area of this mixed fishery were also at low levels.”

Given the Panel’s unequivocal rejection of any of the models presented, the Executive Summary errs when it presents estimates of fishing mortality and stock biomass for this stock *from an explicitly rejected assessment model*. The report also erred by providing projections results, again contrary to the clear language of the Panel. The status of this stock should be reported as unknown. This is not to suggest there are no concerns for this stock, as noted by the Panel, which is clearly not rebuilt and may indeed be overfished.

Your letter also reports that pollock was overfished and overfishing was occurring as of 2007. The biomass reference point for pollock is an index-based proxy first recommended by the Reference Point Working Group in 2002. Significantly, that document determined biomass status by using a centered three-year moving average of the fall survey index. As an example, status in 2005 is based on the average of the survey indices for 2004, 2005 and 2006. This means that status cannot be determined for 2007 until the 2008 fall trawl survey index is available. The 2007 value reported in Table 2 of the report is 0.754 kg/tow. This does not appear be the *average of anything*—it is the same value reported for the 2007 fall survey in Table M.1. There is no justification in the report, and there was no discussion at the meeting suggesting that a single year of the trawl survey index should be used as a biomass proxy.

This error results in an incorrect determination of status for pollock. The centered three-year average of the trawl survey index for 2006 is 1.42 kg/tow, more than half the GARM III recommended B_{msy} -proxy of 2.0 kg/tow. As I said previously, consistent with the approved reference points, the status for 2007 cannot be determined until the fall survey is completed in 2008. The relative exploitation index is also based on a centered three-year average of the trawl survey index. As a result, the 2007 relative exploitation index cannot be determined. In 2006, the relative exploitation index, based on a centered three-year average, was 5.03, less than the F_{msy} proxy of 5.66, and overfishing was not occurring. However, given the recent decline in the trawl survey index, pollock should be reported as approaching an overfished condition.

Finally, please note that Amendment 13, approved by the Secretary of Commerce, made it clear that status determination criteria are not effective until adopted by the Council. (“Over time, development of new analytic techniques or additional data may result in scientific advice recommending changes to the status determination criteria parameters. In order to comply with M–S Act requirements that status determination criteria be determined by the Council, a Council action is necessary to change the status determination criteria parameters.”) Further, Amendment 13 made it clear that any changes to numerical estimates of parameters that resulted from the GARM III review would only become effective when adopted by the Council (“For this review, any updated numerical estimates will be adopted through a Council management action—amendment or framework adjustment.”) This is essentially the same stance taken by NMFS on the recent change in monkfish reference points that resulted from an assessment in August 2007. NMFS continued to report stock status based on the old status determination criteria until the new reference criteria were formally adopted by the Council in a change to the fishery management plan.

In conclusion, I recommend the following:

1. That the status of GOM winter flounder be reported as unknown in the quarterly status report, consistent with the GARM III peer review Panel’s rejection of all assessment models presented and the Panel’s explicit statement that they could not determine status with respect to the biological reference points.

2. That the status of pollock be revised to approaching an overfished condition and overfishing not occurring as of 2006, the last year that this determination can be made in a manner consistent with recommended status determination criteria.
3. And for the quarterly status reports, that a more consistent policy be considered for when status determination criteria become effective.

I look forward to your response.
Sincerely,

PAUL J. HOWARD,
Executive Director.

cc: Nancy Thompson, NEFSC

October 3, 2008

United States Department of Commerce,
National Oceanic and Atmospheric Administration,
National Marine Fisheries Service Northeast Region,
Gloucester, MA.

Mr. PAUL J. HOWARD,
Executive Director,
New England Fishery Management Council,
Newburyport, MA.

Dear Paul:

Thank you for your September 16, 2008, letter in which you highlighted important issues with respect to the results of the recent Groundfish Assessment Review Meeting (GARM III). In addition, you requested consideration of a consistent policy pertaining to when new status determination criteria become effective.

You are correct in pointing out that there are inconsistent statements in the GARM III report about whether the Gulf of Maine (GOM) winter flounder stock status can be determined. These statements resulted from the fact that this assessment was very uncertain, a point that was clearly made in the GARM III Report by both the assessment scientists and the GARM III Review Panel (Panel). Because there was so much uncertainty, the Panel had a difficult time deciding whether a status determination was possible, as reflected in their statements. Although the models did not fit well, the Panel concluded that "it is highly likely that biomass is below B_{MSY} , and that there is a substantial probability that it is below $\frac{1}{2} B_{MSY}$," and offered this input as guidance to managers. However, everyone agrees that the results are very uncertain. At this stage, it is largely a policy decision that the New England Fishery Management Council (Council) must make as to whether to use the results from the final model (as was done in the GARM III report), or to conclude that the status is unknown.

Regarding pollock, you are also correct in pointing out that the GARM III report (Table 2 on page xiv) incorrectly used the single fall survey biomass index from 2007 as a basis for making a status determination about whether the pollock stock is overfished. To be consistent with approaches used by the Plan Development Team in the past, the appropriate method for determining stock status should have been based on an average of recent fall survey biomass indices. There are several ways to compute the average based on the recent data, and different formulas for the average (lagged vs. centered; latest 3 years vs. latest 2 years) lead to different conclusions about whether the stock is overfished. For instance, the centered average based only on the two most recent surveys (2006 and 2007) is 0.856, which indicates the stock is overfished ($B_{THRESHOLD} = 1$ kg/tow). In contrast, the average biomass index based on the last three surveys (2005, 2006, 2007) is 1.42, which indicates the stock is not overfished. This high sensitivity to the inclusion of a particular data point suggests that it is uncertain whether the stock is currently overfished.

Even though there is uncertainty about whether the stock is overfished, there are several signs in the recent fall survey indices and in the annual landings that indicate that the average biomass of the stock will decline to a level approaching an overfished condition and that the threshold will be breached within 2 years. For example, the high 2005 survey biomass index value will be dropped from the calculation of average biomass as soon as an additional year of data from 2008 becomes available. The value from 2005 was the highest in the last 25 years, and the value from 2008 is unlikely to be greater than the 25-year maximum; so the updated 3-year average is likely to decrease and be close to, or less than, $B_{THRESHOLD}$. Likewise, landings have been increasing since 1995, and the highest value in the time

series (1995–2007) occurred in 2007. Thus, the relative fishing mortality rate (F) is likely to be much higher the next time it is calculated. Both of these factors will push the stock status calculation in the direction of being overfished and overfishing occurring.

In addition, uncertainty exists in determining the overfishing status for pollock because the 3-year centered average cannot be fully computed without the 2008 survey biomass index. However, two calculations can be made involving the 2007 landings: 2007 landings over the average biomass from 2005–2007 = 6.64 for Relative F; and 2007 landings over the average biomass from 2006–2007 = 10.98 for Relative F'. Both of these calculations suggest that overfishing is occurring, as FMSY proxy for this stock = 5.66 for Relative F.

Much of the uncertainty over which formula to use for average biomass and for Relative F for pollock is caused by not having the 2008 fall survey index yet. When it becomes available, likely in January 2009, that value could be used to compute the centered average biomass index and Relative Fishing Mortality Index for 2007 based on data from 2006, 2007, and 2008. Therefore, based on the most recent information, the pollock stock is best categorized as approaching an overfished condition and overfishing is occurring, as you suggest. However, this revised conclusion does not alter the responsibility of the Council to take action to prevent overfishing from occurring, as required by the Magnuson-Stevens Fishery Conservation and Management Act (Magnuson-Stevens Act) and highlighted in Pat Kurkul's September 2, 2008, letter regarding the status determinations of several stocks. Should the stock become classified as being overfished with the addition of the 2008 fall survey index, the Council will be required to develop management measures that rebuild the stock.

Finally, your letter requested a more consistent policy regarding when status determination criteria become effective. As you note, Amendment 13 to the Northeast (NE) Multispecies Fishery Management Plan (FMP) clearly states that changes to such criteria only become effective upon the implementation of a management action by the Council. Under normal circumstances, the preferred approach would be to use existing status determination criteria until revised criteria become effective upon the implementation of a Council action. As you know, this is the approach taken for recent stock status changes in the Monkfish FMP and is consistent with the requirements of other FMPs managed by the Council. However, due to the length of time it will take before Amendment 16 becomes effective (Amendment 16 is scheduled to become effective 1.5 years after GARM III was released), should NOAA's National Marine Fisheries Service (NMFS) implement an interim action for fishing year 2009, NMFS intends to rely on the new status determination criteria and updated estimates of stock status outlined in the GARM III. We feel this approach is appropriate in order to develop interim management measures that are based on the best available scientific information, as required by the Magnuson-Stevens Act.

Although the new status determination criteria and numerical estimates of stock status may be included in an interim action, it is still necessary for the Council to formally integrate such criteria and estimates into the FMP under Amendment 16 and develop measures under the amendment that end overfishing and rebuild overfished stocks, as identified by the best available scientific information from GARM III, in order to maintain compliance with approved rebuilding plans and the requirements of the Magnuson-Stevens Act.

Thank you for bringing these issues to our attention. We look forward to continuing to work with the Council in developing effective measures under Amendment 16 that will continue rebuilding depleted groundfish stocks.

Sincerely,

PATRICIA A. KURKUL,
Regional Administrator.

NANCY THOMPSON, Ph.D.,
Science and Research Director,
Northeast Fisheries Science Center.

Senator SNOWE. Thank you very much for your testimony and for reflecting the industry. Thank you, Mr. Odlin.

Mr. Libby?

**STATEMENT OF GLEN LIBBY, CHAIRMAN,
MIDCOAST FISHERMEN'S ASSOCIATION AND
PRESIDENT, MIDCOAST FISHERMEN'S COOPERATIVE**

Mr. LIBBY. Thank you, Senator Snowe. I am honored to have been invited to testify here today.

My name is Glen Libby. I am a life-long, second-generation fisherman from Port Clyde, Maine. I am currently Chairman of the Midcoast Fishermen's Association and President of the Midcoast Fishermen's Cooperative. I additionally serve on the board of the Portland Fish Exchange and on the Maine Marine Resources Advisory Council.

From our point of view, the current management system for groundfish, days-at-sea, is a dismal failure and has fallen short of its original intent to meet requirements of the Magnuson Act. While there are a few successes outlined in the latest stock assessment, we have seen a steady decline of fish in the near-shore areas of Down East Maine over the past decade.

This landscape, coupled with fuel prices rising to historical levels while the wholesale price for fish remains flat, is a recipe for disaster to an industry that has been in this State long before the country was founded. I am always the first person to say, "If it ain't broke, don't fix it." Our current management system is broken. It needs to be fixed before the last fisherman leaves Maine.

Those of us with a vested interest in healthy resources and sustainable fishing communities see an opportunity to attain this with alternatives to current management within the Amendment 16 process. Two alternatives that hold great promise as a way to leave behind the failing days-at-sea system are area or community-based management and sectors.

Sectors are now being promoted by the New England Fishery Management Council and are planned for implementation in time for the 2010 fishing season. Sectors will need diligent work by the Council and the agency over the next year. However, they could still be stalled in the Amendment 16 process while we debate the science, which would only be to the detriment of the resource and the fishermen.

We now also face interim action by the National Marine Fisheries Service for the 2009 fishing year that will most likely lead to even greater cuts in days at sea. This action will continue to cripple fishermen, which is why it is critical to have a new management structure in place for 2010.

This turmoil has also led to the proposal for an industry-funded buyout—a Federal loan to be paid back by remaining active fishermen. Many fishermen are struggling, for all of the aforementioned reasons, and this would be a means for them to retire from the industry with financial security.

However, their retirement would be funded on the backs of the remaining fishermen. The concept behind the industry-funded component is that if you remove a certain number of permits from the fishery, the stocks will eventually rebound, and a portion of that effort can be redistributed to the remaining fishermen.

Since 1994, we have had multiple buybacks, and the groundfish fleet has gone from more than 1,000 boats to less than 600. Yet

stocks have not rebuilt because the days-at-sea system does not work.

While we are struggling with an overcapacity issue in other areas of New England that demands a capacity reduction, we certainly do not have an overcapacity issue in Maine. There is one boat left that is actively fishing between Port Clyde and the Canadian border, where at one time there were hundreds.

According to DMR, only 70 boats actually landed their catch in Maine in 2007. Already this year, several Maine fishermen have sold out of the fishery forever. Maine cannot and should not lose access to this industry. It is essential that we keep this critical food source and industry here in Maine now and for future generations.

In spite of all this, the fishermen I have the privilege to work with have found hope. Although in its infancy, the initial success of this working model holds great promise for the replication for fishermen everywhere. We currently have a fishery whose market structure is based on volume. Fishermen catch high volumes of fish that flood the market, resulting in lower prices. Depleted stocks do not allow for the industry to be economically viable.

However, if the market structure is changed to catching low volumes of high-quality fish that are sold at a premium price, economic viability can be reached. By increasing profit, this model achieves conservation of the resource by reducing the fishing effort, thus redefining overcapacity and maintaining access to the resource for fishermen and the people of Maine.

To groundtruth this theory, the fishermen of the Midcoast Fishermen's Cooperative created a Community-Supported Fisheries, CSF, based on the successful agricultural model of Community-Supported Agriculture, CSA. By selling directly to the people of Maine using this model, we have established a way to keep Maine's fishermen fishing as well as creating a bond with our customers.

Our CSF customers feel a sense of ownership for the fishery and the fishermen. They know that they are helping to preserve one of Maine's last remaining traditional fishing communities while supporting environmentally sustainable fishing, which will restore the resource and strengthen Maine's local economy.

We have altered our gear to reduce bycatch and lessen the impact on habitat. By branding a product caught in a sustainable manner off Maine waters and landed in our harbor, we are able to market it at a higher price than that of wholesale prices.

This model has piqued the interest of people all over the country as a potential way to avoid consolidation of the fishery, to help restore the resources, strengthen local economies, and create a local food supply. This was pioneered in Maine, and Maine could lead the way by example.

Through our CSF program, the people of Maine have sent a clear message that they want "their" community-based fishery to remain and prosper. The fishermen that I work with are determined to leave this fishery in better shape than it is right now for their children and grandchildren.

I would ask you, Senator, to give your full consideration to this model, along with an alternative management plan, like area management and sectors, as sound tools that would benefit Maine and New England for generations.

Thank you.

[The prepared statement of Mr. Libby follows:]

PREPARED STATEMENT OF GLEN LIBBY, CHAIRMAN, MIDCOAST FISHERMEN'S
ASSOCIATION AND PRESIDENT, MIDCOAST FISHERMEN'S COOPERATIVE

Thank you, Senator Snowe, I am honored to have been invited to testify here today. My name is Glen Libby, I am a life long, second-generation fisherman from Port Clyde Maine. I am currently Chairman of the Midcoast Fishermen's Association and President of the Midcoast Fishermen's Cooperative. I additionally serve on the board of the Portland Fish Exchange and on the Maine Marine Resources Advisory Council.

There are many issues currently confronting the groundfish industry right here in Maine. Myself, and the fishermen I represent thank you for providing us with this opportunity to speak about those concerns as well as the positive efforts that our two organizations, the Midcoast Fishermen's Association and the Midcoast Fishermen's Cooperative, are doing to insure that groundfishing will continue with sustainable resources and a thriving industry along the coast of Maine today and for future generations.

From our point of view the current regulation system we are operating under, Days-at-Sea, is broken and has fallen short of its original intent to meet the requirements of the Magnuson Act. While there are a few successes outlined in the latest stock assessment, the reality of fishing in our area has been, to use a Maine phrase, *tough sledding lately*. Over the past decade, we have seen a steady decline of fish in the near shore areas of Down East Maine. This decline has led to a loss of fishing opportunity and continual cuts in Days-at-Sea that fail to restore our resource. This landscape coupled with energy prices rising to historical levels while the wholesale price for fish remains flat, is a recipe for disaster to an industry that has been in this state long before the country was founded.

The current allocation of Days-at-Sea (48 days in most cases) barely provides enough time to make a living fishing in the spring, summer and fall. We are fortunate that our shrimp fishery carries us through the winter months. The shrimp fishery, while well managed, carries its own set of problems: the rising costs of fuel, the historically low wholesale prices for shrimp and competing efforts with imported farm raised shrimp.

When you consider all these variables it is remarkable that there are any fishermen left in Maine who pursue anything but lobster. The lobster fishery has been the one bright spot for Maine's fishing economy but that fishery is beginning to suffer from the same set problems that have plagued other fisheries. The real danger to Maine's fishing economy is that we are becoming a single species fishery dependent solely on lobster. If all other fisheries fail due to depletion or market forces, that leaves us in a precarious position of having all of Maine's fishing related economy dependent on one resource and this is not sustainable.

I am always the first person to say "if it ain't broke—don't fix it", our current management system for groundfish is broken and needs to be fixed before the last fisherman leaves Maine. Those of us with a vested interest in healthy resources and sustainable fishing communities saw an opportunity to attain this with new alternatives to fisheries management within the Amendment 16 process. Amendment 16 could be our light at the end of a dark tunnel. Fishermen, conservational and fishing advocacy groups aligned to propose innovative and tried and true alternatives to New England's current management system.

Two examples that my organization has and still supports, are Area or Community Based Management and Sectors. Area Management assigns fishing opportunity to fishermen as well as allocating a portion of fish to a specific area. Each area is recognized as unique and is managed accordingly. This form of management also advocates for changes in fishing technology that reduces bycatch and impact to habitat. These concepts are radically different from the way that the groundfishery has been managed in the northern Gulf of Maine, but is strikingly similar to how our lobster fishery is managed.

The second management structure that my organization supports is Sectors. The development of sectors, a tool with strong accountability measures, hold great promise as a way to get away from of the failing Days-at-Sea system. Sector management, now being promoted by the New England Fishery Management Council, is planned for implementation in time for the 2010 fishing season. Monitoring of the catch and the costs involved are the biggest hurdles facing the Council, which may require innovative approaches and fast action within a process that is cumbersome at best. Sectors will need diligent work by the Council and the agency over the next

year. Although, they could still be stalled in the Amendment 16 process while we debate the science, this would only be to the detriment of the resource and the fishermen.

We are now facing a decision by the National Marine Fisheries Service that will guide fishing effort for the 2009 fishing year. This interim action will most certainly put additional pressure on an already fragile industry with even greater cuts in Days-at-Sea. The council, with credit to those who serve, has tried to balance the rebuilding goals of our stocks with the needs of our fishing communities. The two are directly linked, for fishing communities to prosper healthy resources and a streamlined management system that can act in a timely fashion are needed. These impending cuts for 2009 will continue to cripple fishermen to the point of no return, which is why it is critical to have a new management structure in place for 2010.

This recent turmoil in the fishing industry has led to another proposal, an Industry Funded Buyout, a Federal loan to be paid back by active fishermen. The rationale supporting this buyout is two fold: when Magnuson was enacted the 200-mile limit was established and an enormous amount of money was pumped into the fishing industry around the country. The government played a large role in this by making funds easily available to build a domestic fleet to harvest the seemingly limitless bounty of fish along our coast. As we have painfully learned the supply was not limitless. We are still struggling with an over capacity issue in some areas that demands capacity reduction. The other issue is the fact that many fishermen are struggling for all of the reasons that I have already mentioned and this would be a means for them to retire from the business with financial security. Both of these reasons make sense for a buyout, but there are aspects of this proposal that the fishermen I represent feel would not be in the best interest for the State of Maine.

The concept behind the industry funded component is that, if you remove a certain number of permits from the fishery then a portion of that effort can be redistributed to the remaining fishermen. This is based on the assumption that this amount of effort reduction will result in a recovery of fish stocks due to the buyout. If this recovery does not happen as quickly as hoped and no new reallocation of effort is possible then you have then saddled the remaining fishermen with an additional burden of a tax on their landings that could last for thirty years. Consider that the average age of a fisherman in New England is 50 years of age, that fisherman would be well into his 80s before this loan was paid back. If profits do not increase as hoped and more fishermen leave the business during this time the debt may fall to the remaining few fishermen, creating a heavier burden and spinning the industry into a vicious cycle. These considerations seem to warrant caution and careful analysis of its direct impact to Maine.

We certainly do not have an overcapacity issue in Maine. There is one boat left that is actively fishing between Port Clyde and the Canadian border, where at one time there were hundreds. According to the DMR, only 70 boats actually landed their catch in Maine in 2007. Already this year several Maine fishermen have sold out of the industry and with impending further cuts in Days-at-Sea there may be many more fishermen not far behind to sell out of this fishery forever. Maine cannot and should not lose access to this industry. If the remaining permits are sold to interests outside the state of Maine or are simply taken out of the fishery, we may never regain access back to the fish right off our shores. It is essential that we keep this critical food source and industry here in Maine now and for future generations.

In spite of all this the fishermen I have the privilege to work with have found hope. By taking one of the criteria from the buyout equation, the market structure and changing the parameters, we have found a solution for the short and long term sustainability of this fishery. Although, in its infancy, the initial success of this working model holds great promise for replication for fishermen everywhere.

Consider that we currently have a fishery whose market structure is based on volume. Catch high volumes of lower quality fish for a low price. We have a depleted fish stock here in Maine that does not allow a sufficient volume to be taken for the industry to be economically successful. There are two ways to fix this, consolidate the number of fishermen, which increases the volume of fish that can be taken thus allowing the remaining fishermen catch more fish. This leads to a consolidated fishery putting many out of work and leaving Maine's communities vulnerable, this is the Industry Funded Buyout plan. *Or*, you change the market structure; you catch low volumes of high quality fish and sell it at a premium price. By increasing profits, this model achieves conservation of the resource by reducing the fishing effort thus redefining overcapacity and maintaining access to the resource for fishermen and the people of Maine.

To ground truth this theory, the fishermen of the Midcoast Fishermen's Cooperative created a Community Supported Fisheries (CSF) based on the successful agriculture model a Community Supported Agriculture (CSA). By selling directly to the

people of Maine using this model we have established a way to keep Maine's fishermen fishing as well as creating a bond with our customers. With this bond, they now feel a strong sense of ownership for the fishery and the fishermen in the Gulf of Maine. Our CSF customers are helping to preserve one of Maine's last remaining traditional fishing communities while supporting environmental sustainable fishing which will restore the resource and strengthen Maine's local economy. We have altered our gear to reduce bycatch and lessen the impact on habitat. By branding a product caught in a sustainable manner off Maine waters and landed in our harbor we are able to market it at a price as much as ten times that of wholesale prices.

This model has piqued the interest of people all over the country as a potential way to avoid consolidation of the fishery, to help restore the resources, strengthen local economies and create a local food supply. This was pioneered in Maine and Maine can lead the way by example.

Through our CSF program the people of Maine have sent a clear message that they want "their" community-based fishery to remain and prosper. The fishermen that I work with are determined to leave this fishery in better shape than it is right now for their children and grandchildren. I would ask you Senator, to give your full consideration to this model, along with alternative management plans like Area Management and Sectors as sound tools that would benefit Maine and New England for generations.

Senator SNOWE. Thank you, Mr. Libby. Great idea. Yes, very innovative. Thank you.

Dr. Holland?

**STATEMENT OF DANIEL S. HOLLAND, Ph.D., RESEARCH
ECONOMIST, GULF OF MAINE RESEARCH INSTITUTE**

Dr. HOLLAND. Thank you, Senator, for the opportunity to testify before this committee. It is an honor to be here.

These are very difficult times for the groundfish fishery, as we heard, and I am grateful that the Subcommittee and particularly you, Senator Snowe, is focusing attention on the needs of the industry at this time.

Please note that my statements today reflect my own opinions and research experience. They don't represent the New England Fishery Management Council's Groundfish Plan Development Team on which I do serve as a member. My remarks today are focused primarily on Amendment 16 to the Multispecies Fishery Management Plan and, in particular, on the development and implementation of groundfish sectors.

Sector management in New England and similar types of management elsewhere in the world has been a primary focus of my work for several years, and the Gulf of Maine Research Institute is now deeply involved in providing technical assistance to groups developing sectors. It appears likely that to meet mortality reductions required by law, the regional administrator will need to implement further and possibly deep effort reductions.

Indications are that such cuts will continue under Amendment 16 for those that remain under effort controls. While there may be limited flexibility to mitigate these cuts in the next fishing year, Amendment 16 provides some potential relief in 2010 and beyond in the form of sectors.

Sectors offer fishermen an opportunity to increase profitability and access to healthy fish stocks and to improve safety at sea. Community-based sectors combined with permit banks may provide an opportunity for fishing communities in smaller ports, such as Port Clyde, to maintain their fleets and, hopefully, grow them as fish stocks rebuild.

Although sectors may offer opportunities for fishermen, they also impose new responsibilities and financial burdens on the industry at a time when most are struggling to survive. One of the greatest new costs of sectors is monitoring. A good monitoring system is critical to ensure that all catch is accounted for.

However, a report commissioned by GMRI found that an adequate monitoring system will be expensive, and it will be difficult for the industry to bear the full cost of this initially. An investment made by the Government now to support the implementation of monitoring systems and help defray the cost in the initial few years should pay dividends as it will both support a more profitable fishery and improve data quality for stock assessments.

Sectors present an opportunity to fishermen, but also a potential threat to fishing communities and fishermen in smaller ports, such as Port Clyde or communities Down East that have lost access to the fishery. I say this for two reasons and present some ways to mitigate this threat and to turn it into an opportunity.

First, the per-vessel cost of developing, implementing, and operating a sector may be higher for smaller sectors in smaller ports because costs will be shared between fewer vessel owners and because monitoring costs may be higher for more remote ports with fewer landings. If the public desires to preserve these fishing communities, it may be necessary to provide them with some particular assistance. An example would be to defray higher monitoring costs for the small ports.

I do not wish to suggest that sectors based out of larger ports do not also face financial difficulties. There is a need for assistance with sector implementation costs throughout this industry.

A second threat to small fishing communities and small independent operators may actually result from the economic success of sector management. If sectors succeed in increasing the profitability of members, the value of permits is likely to rise. This may make it an expensive proposition to maintain or gain access to the fishery.

The reason for the expected increase in the value of permits under sectors would be a belief by permit buyers that the long-term profitability associated with the fishing privilege is higher and more secure. Those with access to capital could reap the rewards of a more profitable fishery, but those without access to capital are left on the outside.

A potential solution to this problem may be the creation of financing mechanisms for individual fishermen to get low-interest loans to buy permits. It may also be useful to create financing mechanisms that would allow community trusts to purchase permits to be affiliated with community-based sectors. Something along the lines of this has been done in Alaska in the halibut fishery and sablefish fishery.

In conclusion, I would urge this committee to consider the pressing needs of the groundfish industry not only to survive the next year, but to thrive in the coming years. An investment now in improving monitoring systems may be critical to the success of sector management and should pay dividends in future years. Providing new financing tools to fishermen and fishing communities will also

be critical to the continuation of small owner-operator fishing businesses, and small fishing communities.

Thank you, Senator.

[The prepared statement of Dr. Holland follows:]

PREPARED STATEMENT OF DANIEL S. HOLLAND, PH.D., RESOURCE ECONOMIST,
GULF OF MAINE RESEARCH INSTITUTE

Thank you for the opportunity to testify before this Committee. It is an honor to be here. These are difficult times for the groundfish industry, and I am grateful that the Subcommittee and particularly the Senators present today are focusing their attention on the needs of this industry. Please note that my statements today reflect my own opinions based on my research and experience and do not represent the New England Fishery Management Council Groundfish Plan Development Team on which I serve.

My prepared remarks today are focused primarily on Amendment 16 to the Multi-species Fishery Management Plan and, in particular, on the development and implementation of groundfish sectors. Sector management in New England, and similar types of management elsewhere in the world, has been a primary focus of my work for several years, and the Gulf of Maine Research Institute is now deeply involved in providing technical assistance to groups developing sectors.

It appears likely that, to meet mortality reductions required by law, the Regional Administrator will need to implement further and possibly deep effort reductions. Indications are that such cuts will continue under Amendment 16 for those that remain under effort controls. While there may be limited flexibility to mitigate these cuts in the next fishing year, Amendment 16 provides some potential relief in 2010 and beyond in the form of sectors. Sectors offer an opportunity to increase profitability and access to healthy fish stocks, and to improve safety at sea. Community-based sectors combined with permit banks may provide an opportunity for fishing communities in smaller ports such as Port Clyde to maintain their fleets and hopefully grow them as fish stocks rebuild.

Although sectors may offer opportunities for fishermen they also impose new responsibilities and financial burdens on the industry at a time when most are struggling to survive. One of the greatest new costs for sectors is monitoring. A good monitoring system is critical to ensure that all catch is accounted for. However, a report commissioned by GMRI found that an adequate monitoring system will be expensive, and it will be difficult for the industry to bear the full costs initially. An investment made by the government now to support the implementation of monitoring systems and help defray costs in the initial few years should pay dividends as it will both support a more profitable fishery and improve data quality for stock assessments.

Sectors present an opportunity to fishermen but also a potential threat to fishing communities and fishermen in smaller ports such as Port Clyde or communities Down East that have lost access to the fishery. I say this for two reasons and present some ways to mitigate this threat and turn it into an opportunity.

First, the per vessel costs of developing, implementing and operating a sector may be higher for smaller sectors in smaller ports because costs will be shared between fewer vessel owners and because monitoring costs may be higher for more remote ports with fewer landings. If the public desires to preserve these fishing communities, it may be necessary to provide them with some particular assistance. An example would be to defray higher monitoring costs for small ports. I do not wish to suggest that sectors based out of larger ports do not also face financial difficulties—there is a need for assistance with sector implementation costs throughout the industry.

A second threat to small fishing communities and small independent operators may actually result from the economic success of sector management. If sectors succeed in increasing the profitability of members, the value of permits is likely to rise. This may make it an expensive proposition to maintain or gain access to the fishery. The reason for the expected increase in the value of permits under sectors would be a belief by permit buyers that the long term profitability associated with the fishing privilege is higher and more secure. Those with access to capital can reap the rewards of a more profitable fishery, but those without access to capital are left on the outside. A potential solution to this problem may be the creation of financing mechanisms for individual fishermen to get low interest loans to buy permits. It may also be useful to create financing mechanisms that would allow community trusts to purchase permits to be affiliated with community based sectors.

In conclusion, I would urge this Committee to consider the pressing needs of the groundfish industry not only to survive the next year, but to thrive in the coming years. An investment now in improving monitoring systems may be critical to the success of sector management and should pay dividends in future years. Providing new financing tools to fishermen and fishing communities will also be critical to the continuation of the small owner-operator fishing business and small fishing communities.

Senator SNOWE. Thank you very much, Dr. Holland.
Ms. McGee? Thank you.

**STATEMENT OF SALLY MCGEE, NEW ENGLAND FISHERIES
POLICY DIRECTOR, OCEANS PROGRAM, ENVIRONMENTAL
DEFENSE FUND; MEMBER, NEW ENGLAND FISHERY
MANAGEMENT COUNCIL**

Ms. MCGEE. Thank you, Senator Snowe. I am honored to be invited to testify today.

My name is Sally McGee. I am the New England Policy Director for Environmental Defense Fund's Oceans Program. I have also served for 5 years as a member of the New England Fishery Management Council.

Environmental Defense Fund's motto is "finding the ways that work." We are committed to grounding solutions in science to protect natural resources and the communities that depend on them. Our six-person New England team is 100 percent focused on reforming our fishery management system to support a robust, sustainable fishing economy.

There is a proven solution that can address each of the concerns that you have raised today. That solution is catch shares, or essentially cap and trade systems for fish. As the name implies, catch shares dedicate a percentage of the annual catch to an individual fisherman, groups of fishermen, or to a community. The catch share system of greatest interest in New England is sectors, where quotas are allocated to groups of fishermen.

On the heels of a study published by Environmental Defense Fund in 2007, just last month, the journal *Science* published a survey that looked at more than 11,000 fisheries worldwide of which 121 were managed using catch shares. The results were clear. Catch share fisheries were 50 percent less likely to be collapsed than traditionally managed fisheries. And the longer a catch share system is in place, the less likely it is to collapse.

The researchers in *Science* concluded that the difference between catch share and traditional management systems was so clear that their results showed "the potential for greatly altering the future of global fisheries."

In New England, advocating for a catch share approach has meant lending my strong support for groundfish sector allocations. One of the most memorable Council meetings for me was in Newport, Rhode Island, last November. Fishermen from throughout the region packed the room. They all came to say the same thing. "We want sector allocations, catch shares."

In exchange for fishing under fixed quotas, they understood that they would gain regulatory relief from wasteful and ineffective rules, like trip limits, while improving the economic performance of their businesses. We have the means right now to get beyond this decades-long struggle to restore the region's fisheries.

The sector approach that we have been working to develop in New England will be a win-win all around once we get there. The fishermen win. The Government wins. The public and the resource win because the fishery will finally be managed sustainably.

There are currently 19 proposals for new or revised sectors in front of the Council, all developed by fishermen. If implemented, these sectors will cover a large portion of the groundfish fleet. Others in the groundfish fishery, including many in Maine, are interested in individual transferable quotas, another type of catch share. Either way, catch shares, designed correctly, address community and conservation needs and hold the key to addressing the concerns you raise today.

I do not believe that further delaying action to redo what was a highly rigorous and thoroughly peer reviewed stock assessment will further our shared goals. We need to continue our work through Amendment 16 to transition away from the failed days-at-sea system. Further delays in corrective action will only increase the balloon payment that fishermen will ultimately have to pay while taking control even further away from a far more democratic Council process.

I do believe the fishery needs significant Government investment, and I hope to work with your office on securing the needed aid. Specifically, an effective monitoring system is critical to successful catch share programs. An appropriation to establish such a monitoring system is vital to help fishermen through this transition period and to improve our understanding of the status of fish stocks.

Focusing on solutions like catch shares will let stocks rebuild, let fishermen fish knowing their businesses will be there for the long term.

I thank you for your attention and look forward to any questions. [The prepared statement of Ms. McGee follows:]

PREPARED STATEMENT OF SALLY MCGEE, NEW ENGLAND FISHERIES POLICY DIRECTOR, OCEANS PROGRAM, ENVIRONMENTAL DEFENSE FUND; MEMBER, NEW ENGLAND FISHERY MANAGEMENT COUNCIL

Thank you Senator Snowe. I am honored to be invited to testify today. My name is Sally McGee. I am the New England Policy Director for Environmental Defense Fund's Oceans Program. I have also served for 5 years as a member of the New England Fishery Management Council.

Environmental Defense Fund's motto is "finding the ways that work". We are committed to grounding solutions in sound science to protect natural resources and the communities which depend on them. Our six-person New England team is 100 percent focused on reforming our fisheries management system to support a robust, sustainable fishing economy.

There is a proven solution that can address each of the concerns you have raised: Amendment 16, the future of the industry and fishing communities and scientific uncertainty. That solution is catch shares, or essentially cap-and-trade systems for fish. As the name implies, catch shares dedicate a percentage of the annual catch to an individual fisherman, groups of fishermen, or a community. The catch share system of greatest interest in New England is called "sectors," where quotas are allocated to groups of fishermen.

Just last month the journal *Science* published a study that looked at more than 11,000 fisheries worldwide, of which 121 were managed using catch shares. The results were clear. Catch share fisheries were 50 percent less likely to be collapsed than traditionally-managed fisheries. And the longer a catch share system is in place the less likely it is to collapse. The researchers concluded that the difference between catch share and traditional management systems was so clear that their results showed "the potential for greatly altering the future of global fisheries."

In 2006, Environmental Defense Fund released a report called “Sustaining America’s Fish and Fishing Communities,” which studied existing catch-share systems in North America. The results were dramatic.

Not only did overfishing stop, but average revenues per fishing boat increased by 80 percent due to higher yields and dockside prices. Safety at sea improved significantly and fishing effort dropped by twenty percent, leading to greater profits and lower environmental impacts. Bycatch was reduced by more than forty percent. And, a key point regarding the subject of this hearing, the science was greatly enhanced. Catch shares improve monitoring, data quality, and accuracy of allowable catch limits.

In New England, advocating for a catch share approach has meant lending my strong support for groundfish sector allocations. One of the most memorable council meetings for me was in Newport, Rhode Island last November. There were at least fifty fishermen from throughout the region packing the room. They all came to say the same thing—we want sector allocations—catch shares. In exchange they understood that they would gain regulatory relief from wasteful and ineffective rules, like trip limits, while improving the economic performance of their businesses.

We have the means—right now—to get beyond this decades-long struggle to restore the region’s fisheries. The sector approach that we have been working to develop in New England will be a win-win-win once we get there. Fishermen win—gaining assurance of access and increased flexibility to fish when the economic and weather conditions are right. The government wins—since the fishery will be in compliance with the Magnuson-Stevens Act. The public and the resource win because the fishery will finally be managed sustainably.

There are currently 19 proposals for new or revised groundfish sectors in front of the Council, developed by fishermen. If implemented, these sectors will cover a significant portion of the groundfish fleet. Others in the groundfish fishery are interested in individual transferrable quotas, another type of catch share. We believe that catch shares, designed correctly, address community and conservation needs and hold the key to addressing the three concerns you raise today.

I do not believe that further delaying Amendment 16 or the interim rule to redo what was already a highly rigorous and thoroughly peer-reviewed stock assessment will further our shared goals. We need to continue our work through Amendment 16 and to transition away from the failed days-at-sea system and implement catch shares.

I do believe the fishery needs significant government investment, and I hope to work with your office on securing the needed aid. Specifically, an effective monitoring system is critical to successful catch share programs. An appropriation to establish such a monitoring system is critical to help fishermen through this transition period.

The Magnuson Stevens Act mandates that NMFS end overfishing. They will do so in their interim regulations for 2009. While the results are likely to be severe, further delays in corrective action will only take control away from the far more democratic Council process. And, the longer corrective action is delayed, the greater the economic cost fishermen will have to pay to get groundfish back on track.

Focusing on solutions like catch shares will let stocks rebuild and fishermen fish knowing their businesses will be there for the long term. By aligning economic incentives with the conservation goals, our fishermen become effective front-line stewards in rebuilding our fisheries.

I thank you for your attention and am glad to answer any questions.

Senator SNOWE. Thank you very much, Ms. McGee.

Just to ask you a question on that point about appropriations for monitoring such a system. What would your estimate be? Do you have any idea?

Ms. MCGEE. That is something that I have been talking with a number of people, including those at this table, to come up with a number that makes sense. The transition period that a number of people mentioned is critical. The cost is going to be significant at the beginning, in the beginning years. And then, as the fishery recovers, presumably the fishery will be able to take on—industry will be able to take on a larger percentage of the cost.

I am not comfortable giving you a number today but would very much welcome the chance to come back with some other people at this table with a firm number.

Senator SNOWE. Would peer review assessments—you are suggesting that there shouldn't be any additional between now and then? That we should just proceed based on what we know?

Ms. MCGEE. As far as the stock assessment?

Senator SNOWE. As they appear? Yes, the stock assessment.

Ms. MCGEE. Correct. Yes.

Senator SNOWE. OK. Well, obviously, I think the question is getting from there to here, or here to there, in terms of 2009 and then, obviously, to 2010. And obviously, the first major challenges are the interim measures that are put in place before we can even get to the 2010 scenario.

Dr. Balsiger, in trying to ascertain exactly what is going to happen with this interim measure, can you give us an idea in terms of what you are thinking, what the agency is thinking about a time frame, substance? I mean beyond the Council's recommendation of 18—reducing the days at sea by 18 percent, which is onerous enough.

And if you are saying that it isn't sufficient, then that is obviously raising some serious concerns about what that means and suggests for the industry that is already struggling. And so, I would really like to have you give us some idea today of how the agency intends to proceed on this question now.

Dr. BALSIGER. Thank you, Senator Snowe.

We haven't quite figured out how to do this yet. So I can't give you concrete responses on exactly what we will do. But of course, we will start with the Council's recommendations. We will look at that, and the driving principle is the need to end overfishing, as the Magnuson Act requires us to do.

So, if the recommendations from the Council do not end overfishing, we may have to make some different changes to it. But I will assure you, we won't do those by ourselves. It won't surprise anyone. But we will develop these, and there will be a proposed rule. We will work with the Council and others and take public comment on this and try to do it as cooperative and coordinated as we can.

Senator SNOWE. Well, I gather from what you are saying is that you might take some of their recommendations overall, but not necessarily the issue of days at sea? I mean, I think that was illustrative of the regional administrator in terms of rejecting what the Council had done, which is another issue unto itself.

But right now, what can we expect in the industry? I mean, if this is not sufficient, what is left for the industry if you go deeper in cuts in terms of days at sea, for example? I mean, how much more can they bear?

Dr. BALSIGER. Senator, again, we will use the Council's recommendations as much as we can. But if they don't meet the requirement to end overfishing, some additional changes would have to be made.

We haven't yet worked out what those additional measures might be or what they might have to be. We are working very hard

to make the impact as minimal as we can, of course, but driven by the need to end overfishing.

Senator SNOWE. Mr. Cunningham, do you have any points, or Mr. Stockwell, on this question? Because, obviously, it is the central issue here now what we can expect, how severe those cuts will be, what approach is taken. This is for May 2009, and I know that the regional administrator indicated, in rejecting the Council's assessment when it was a 15-1 decision, that the Council's approach was too complex.

Well, I gather it would be if you are talking about 19 species, and perhaps that is part of the problem here is that there is no individualized recognition of how we should treat one versus the other. If the haddock population, for example, has been rebuilt, the fishing industry ought to be able to take advantage of that without spilling over to the other species or having to achieve the lowest number possible because of the other fish that have been—that aren't in abundance and need to be rebuilt.

Yes, Mr. Cunningham?

Mr. CUNNINGHAM. Thank you, Senator.

I think there are a couple of issues here. First, as I indicated in my testimony, the Council is not informed as to what the interim measures are going to entail. Obviously, we made our recommendations to the service what we thought would be some measures to be included.

I think the problem that we are faced with was also indicated by Sally McGee, and one is whatever shortfall is given during the interim measures, that is going to have to be made up unless we see a change in Magnuson or a change in the flexibility of how we rebuild these stocks. It is just going to be harder for the industry to actually make up those shortfalls in the fewer years that they have left in the rebuilding period.

What we are faced with is a situation where, essentially, we are forced to manage to the weakest stock. And until we can get around that or come up with another management strategy, that really sort of handcuffs what we can do.

Senator SNOWE. Ms. McGee, you are on the Council and obviously agreed with the recommendations of the Council. I gather then you agreed that the assessment was sufficient for rebuilding?

Ms. MCGEE. I agreed that it is good—I support the Council process. And I agreed with the final vote on that measure as much because of the contents of it as because I feel like the deliberative nature and the very public process that the Council goes through is important to establishing rules that are actually going to stick and be abided by the industry because the industry is involved in developing them.

Senator SNOWE. And so—yes, Mr. Stockwell?

Mr. STOCKWELL. Importantly, too, the industry agreed, as part of the deliberations we made for proposing interim action, to a pay-back in 2010, when sector management was implemented, when we had a workable process. Much of the conversation was based upon the interim action being a band-aid until we get to sector management.

The common issue we have all been referring to about the reporting and monitoring issues, we have a common pool that we are

very concerned about incorporating into this also for reporting and monitoring. So we are band-aiding our way also from Amendment 16 into Amendment 17.

But there are a couple of issues. In a letter that the executive director of the Council wrote to the Fisheries Service that addressed the status of the Gulf of Maine winter flounder and the status of pollock being revised to overfished condition and overfishing not occurring in 2006. And these are—it is a very—it is an ongoing dialogue between the Council and the Fisheries Service right now, and I feel comfortable that we are going to be able to work our way through this.

Senator SNOWE. Well, you had mentioned, I gather, that there are alternatives to days at sea. I mean, is that something that could be possible in an interim measure rather than the drastic cuts of days at sea?

Mr. STOCKWELL. Well, the Council itself, with concurrence from the industry, proposed the 18 percent default reduction just because we knew we weren't in a position to be able to move ahead in alternative management at this point. We made collectively, throughout this room, great efforts to try to move ahead implementation of sectors in 2009, but for a number of reasons, we weren't able to do it.

Senator SNOWE. Yes, Mr. Cunningham?

Mr. CUNNINGHAM. Thank you.

Just one comment on the 18 percent reduction in days at sea. That was actually part of Amendment 13. That was scheduled out as part of that. So it is not something that we, as the Council, just pulled a number out of the thin air.

Senator SNOWE. Right, right. No, that is actually a very good point.

How would the industry be able to absorb even this 18 percent? Would it? I mean, that is the issue here. It is the real central question about maintaining the viability of the industry in order to overcome these challenges and be on the other side and be able to take advantage of their efforts now.

Mr. JAMES ODLIN. As I stated earlier, I think it is going to be very difficult because in an interim action, you can't put any mitigating measures in the action, and that 18 percent reduction is going to take a lot of people out of the State of Maine.

I would further like to comment out that Magnuson-Stevens Act Section 304(e)(6) states that during the development of the Fisheries Management Plan, a plan amendment, or proposed regulations, the Council may request the Secretary to implement interim measures necessary to reduce overfishing under Section 305(c) until such measures can be replaced by such plan, amendment, or regulations. Such measures, if otherwise in compliance with provisions of the Act, may be implemented even if they are not sufficient by themselves to stop overfishing of the fisheries.

So, for me, that says we could do the 18 percent reduction, even if it is not enough to completely end overfishing. It will reduce it, and then that would let you get to Amendment 16.

Senator SNOWE. Well, Dr. Balsiger, do you read it that way? I mean, is that a point here that the ultimate objective at this point,

this interim measure would not be, according to the Magnuson-Stevens Act, to address the overfishing and to achieve the final goal?

Dr. BALSIGER. Senator, I don't know that our lawyers have looked at that or not. I have made some notes here. I would say, though, that I think the agency will still work hard to end overfishing, even if there may be this loophole there. But I understand the question. We will take a look at that and get back to you.

Senator SNOWE. I think that would be helpful and useful because I know that Mr. Odlin cites many examples in his testimony as well. So I think it would be worthwhile to really evaluate them, and is that another avenue? Because there is very little time, in the final analysis, in order to absorb draconian cuts. Based on what has happened, based on the fact that they didn't have the assessment in time, and for all of those reasons, and also to support an industry because some of those species certainly have been rebuilt.

And I think that we have got to find a way to mitigate this situation so that we just don't impose a very harsh sentence on the industry with no flexibility, with no means of minimizing the adverse impact in this period of time. There is no way to rebound from that.

And I just wonder what this process is going to be. Because the agency, as you are suggesting, is obviously going to come up with another rule, is what I gather. And you are going to issue it for public comment. But the period—the time in which it is going to turn around is going to be very limited and how can the industry respond to that and what are the mitigating measures that might be necessary to offset that?

So I just wonder how this is all going to work in such a short period of time, not knowing what it is going to be.

Dr. BALSIGER. I appreciate your concern, Senator Snowe. And we will try to enhance our communication with you and with the industry as much as we can as we go through this process. There are no great solutions to this, but I do appreciate your comment that this is a way to get to the next management regime, and we have to keep that in mind.

Senator SNOWE. Yes, I see that as sort of a bridge. And so, the fact that it is an interim measure. The fact is that we didn't get the benefit of the report until recently from GARM on the stock assessments, there was very little time in which to respond, and the requirements—the time frame in which you are required to respond. And the agency has rejected the Council's recommendation, at least ostensibly by the fact that the regional administrator did, which is another issue in the sense of what is the role of the Council in that regard?

I mean, if you have a 15–1 decision that is a broad-based decision because it includes many stakeholders, as Ms. McGee represents environmental stakeholders, for example. It is broad-based. How is it that, unilaterally, that decision can be rejected and vetoed? Because then you are not getting the input that is necessary to make these decisions and build confidence in the decision that is ultimately rendered.

Dr. BALSIGER. Senator, I greatly appreciate that and Ms. McGee's comment that a recommendation that goes through the public process is vastly superior to anything that the Federal Gov-

ernment is going to make up on its own. We are a bureaucracy, and we suffer from the slowness therein.

But—and it is not so much of a rejection or a veto of the Council's action, it is a question as to whether legally it accomplishes—whether it will accomplish what we believe we are legally required to accomplish by the Magnuson Act. If it doesn't accomplish that and we get sued, we could lose. So if that would happen, the industry would lose.

So we want to make sure that what we do do implementing the interim rule is defensible so that we can have some way to bridge over to the new regime.

Senator SNOWE. Yes, and I understand what you are saying because it has to be sustainable, the decision. I just wonder, though, when you have the sort of wrenching process by which you have something established with the Council and to go through that whole public process. They have a broadly-based representation on the Council. Everybody offers their views, gets the input, makes the decision 15-1, which is, you know, all of us would like to have those kind of decisions with such almost unanimity.

So that suggests to me that a consensus was reached on that question, and then it is to be ultimately rejected because it was—in her view, I guess it was insufficient, too complex, or whatever. But the point is it puts the industry in a very difficult position.

And it seems to me there is something in between all of that. I mean, you go through the process and say, well, one person gets to veto it in the final analysis because she is obviously the regional administrator for the agency. But on the other hand, how does that build confidence for the overall process, and what is the point of the process?

I think that is one of the issues here that I hope that we could sort of resolve at some point because I think we have to—not to say that everybody is going to agree with every decision, but when you get a 15-1, it seems to me that should really be the basis of a decision. I know you have the issues regarding legal interpretations and being able to sustain that in a court of law. And the agency has been sued many times. So I understand all that.

But I think in the meantime there has got to be some kind of bridge between the Council and the agency when these decisions are being made so that you don't get to the end of the process and somebody says, "Well, sorry. It is not going to work that way." And I think that is the point here on something so important, so critical, and ultimately represents some grave consequences for an industry in a state of unknowing and uncertainty.

Dr. BALSIGER. Thank you, Senator.

I think that we could say that around the country, the instances where the Fisheries Service has disregarded or rejected recommendations from the Council are very, very few. And they are all based on those cases where we believe that the action taken was not—would not allow us to put a regulation in place that allowed us to meet our legal mandates.

But I take your point, and it is excellent, that once a decision goes through that great public process, all of the constituent subcommittees, advisory bodies, that that is the way we want recommendations to come to the agency, and we don't change those.

Senator SNOWE. Yes.

Dr. BALSIGER. We accept them. We don't actually have a legal capability to change those unless they don't stand up legally and let us meet our legal requirements. We don't get to add to the recommendations of the Council. We don't get to take away from the recommendations unless they don't achieve what we think the law says we have to achieve.

Senator SNOWE. But isn't that something you determine beforehand? I don't know, Mr. Cunningham, you know certainly far more than I do about the process. I mean, all of you have been involved in that process. But what is it that we could do better in that regard so that we don't get to this point and we are left not knowing, ultimately? When a decision is made, it is reflective of broadly-based interest for the groundfishery.

Mr. CUNNINGHAM. I am actually not sure how to answer that question.

Senator SNOWE. I assume that you have to meet the same objectives as are under the law in terms of being sustainable and meeting the rebuilding requirements. So I think you are all governed by the same statute, the same requirements. So is there a different interpretation, or is there no interpretation when it comes to a legal analysis?

Mr. CUNNINGHAM. Well, we—in a number of instances, we make recommendations like these kinds to the service, and the service has the legal staff to look at it. We don't have our own legal staff. We actually rely upon the service.

Senator SNOWE. Does anybody else—yes, Ms. McGee?

Ms. MCGEE. I think one of the problems that a number of people have pointed out already today is the timing issue and the problem with the new stock assessments coming out and the Council having to make a decision just very shortly after the stock assessments were published.

Senator SNOWE. Which were in August, right? Wasn't that in August?

Ms. MCGEE. It was completed in August, and the Council received that 1,000-page report in September. There is not enough time for anybody to be able to make good sense of that. But the fact was that Amendment 13—or sorry, Framework 42, which was subsequent to Amendment 13, set up that time line. We knew that was coming.

And I argued several years ago that we needed to make sure that we are getting the science and giving ample time for the Council to develop meaningful measures that don't put National Marine Fisheries Service in the awkward position of saying, well, what you have done in a very short period of time isn't going to cut it.

So it has been—everybody has been in a bind in the last couple of months. The council has—that vote that you have cited a number of times I know was not comfortable for a number of people, including myself. But it is kind of like what are you going to do when you only have a week to read something that is 1,000 pages long? And the Council set it up that way, and that was a mistake.

We need to figure out a way to get the science, have confidence in the science, build that monitoring system so that the confidence is built because fishermen are having more direct input into the

monitoring system that the stock assessments are based upon, and that the outputs from the stock assessments are done far enough in advance—not too far in advance so you are not using old information, but far enough so that people can make sense of it.

Senator SNOWE. Dr. Holland?

Dr. HOLLAND. Yes, I think one reason or potential reason for sort of a difference of opinion is not necessarily purely legal. But it has to do with the fact that since you are using an effort control management system rather than an output control system, there is a lot of uncertainty about whether you will actually accomplish your objective in terms of fishing mortality.

So I think Jim Odlin mentioned that in a number of cases for a number of stocks, the catches have been actually well below what were supposed to be the target TACs. We come to find later on or were told later on that there was overfishing occurring.

So, to some extent, you could say, OK, we are going to take a cut that the model does not tell us, the model that they are using for predicting what the catches are going to be. It doesn't appear to get you there all the way. And you might get there anyway. If you don't get there, then you have to pay it back the following year, which is, I think, what the Council was saying that they would pay that back, the overage back. So—

Senator SNOWE. Well, do you have any—how much more could the industry absorb and still be economically viable?

Dr. HOLLAND. I am sure that is—

Senator SNOWE. Do you have any models or analysis on that? I mean, I think that is the real question.

Dr. HOLLAND. I don't. I think the economist at the Northeast Fishery Science Center, they do have the wherewithal, the information on costs and earnings and some models to look at how profitability is going to be affected. My guess is that there are some fishermen that are going to survive and that are profitable at this point, but there are a lot that are right on the margin or maybe have been making losses in recent years. And those ones will go over the edge.

Senator SNOWE. How many people do we have—oh, 19? Wow, a lot of people want to speak. All right. I think we might as well begin that process, and we can always—yes, Dr. Holland?

Dr. HOLLAND. Before we do that, could I just make one comment—

Senator SNOWE. Yes.

Dr. HOLLAND.—related to your earlier question, your first question to Sally regarding the additional cost for monitoring.

Senator SNOWE. Right.

Dr. HOLLAND. We hired some consultants to do a study of monitoring costs, and they came up with an estimate in terms of actually building the system and implementing, just implementing the system, which includes buying electronic monitoring equipment and such, of around \$7 million for implementation.

And then to actually operate the system, we are looking at potentially \$800,000 to \$1.6 million a year more than what they are doing now for dockside monitoring. And then when they implement an at-sea monitoring component, that could be anywhere from an-

other \$5 million to \$10 million more annually above what the cost that the industry is bearing right now.

So they may be able to absorb that. The industry may be able to absorb that with higher profitability down the road, but it will be difficult.

Senator SNOWE. Certainly at the outset, it would be difficult to absorb.

Dr. HOLLAND. Right.

Senator SNOWE. Not to mention the other costs that might be associated with it. So that would be on an ongoing basis?

Dr. HOLLAND. On an ongoing basis. If they have the full at-sea monitoring program that has been proposed by the Council, it is another \$5 million to \$10 million a year, and that is on a fishery that has been running at under \$100 million a year recently. So we are talking about 6 to 10, 12 percent of the value of the fishery, which is a significant amount.

Senator SNOWE. So would that money have to be in place before an alternative management system was in place? I mean, for example, in the sector management, would that not have to be in place before?

Dr. HOLLAND. Well, the current model is that the industry has to build this themselves and pay for it themselves. So right now, the onus is on the industry to actually pull it together and pay for it as they go. So we were hoping, we had come and put some proposals earlier that it would be helpful to have some additional, some Federal funding to help implement that in the first place and not put all those costs on the industry at the beginning.

Senator SNOWE. OK. One other question, Dr. Balsiger, that I want to make sure that I get in here because it was something that I mentioned in my opening statement about the secretarial declaration of disaster. I am concerned about that, as I indicated earlier, as is the Governor and Senator Collins and many of us who continue to write to the Secretary and express our views on this matter.

Because we have now included \$75 million in the continuing resolution, our concern is that that money is going to evaporate before he ever decides, if he decides, to declare a disaster for the groundfishery. And I don't understand why he wouldn't, given the circumstances. I know that recently they did in the Maryland and Virginia crab fisheries, that we have lost a value of 5 to 6 times of that fishery.

And so, I don't understand what the standard is, and I know that NMFS is working, the agency is working on developing a standard to put into law. But in the meantime, we want to make sure that we are not excluded from the opportunity, although it does depend on getting the Secretary of Commerce's declaration that the fishery is a disaster or it has failed.

So what can we expect on that? Because I could see, this money being gone, and we are not going to have any opportunity because it is based on these regulatory restrictions. And I want to make sure there is some consistency and fairness and equity in these appropriations and the declaration that obviously has to occur first.

Dr. BALSIGER. Thank you, Senator.

The Governor asked for a similar finding of disaster in 2006, which the agency and the Secretary did not find a disaster. So they didn't support that. But we don't—the circumstance is reasonably close to the same in the current request for disaster from Governor Baldacci. But we are looking at that very closely, particularly, as you point out, in light of the other disasters we have declared.

So we do have that fairly recently, that request to examine it. So we are looking at it. There are two things we have to find, of course—a commercial fishery failure and the resource disaster. And so, those are the bars that we need to get over, and we have people working on it as we speak.

Senator SNOWE. Yes, well, just last week—it was about last week, he did declare the Chesapeake blue crab fishery, citing a 41 percent decline in landing values, a drop overall of \$6.5 million. And then what I said in my letter to the Secretary again last Friday, we said our industry has experienced obviously a 32 percent decline in landings, more than \$30 million shortfall in the same period and \$41 million from its peak.

So I mean we have lost more than half of our groundfish landings in 10 years. So I don't know what is the threshold for declaring a disaster. Frankly, I think that there has got to be fairness involved here and not an inconsistent interpretation of what constitutes a disaster when it is clear, abundantly clear that Maine has suffered even disproportionately to the entire fishery in New England, that, without question, it has been the hardest hit.

So I want to be sure that fairness is applied in that declaration, and I don't want the money to disappear and then the Secretary decides to declare it and we have no money.

Dr. BALSIGER. I understand, Senator. And we are looking at it now.

Senator SNOWE. OK. I would appreciate that. We all believe the whole New England groundfishery is in jeopardy. Maine is just even more so. So I think that is illustrative of the problem and the depth of the problem that we are facing here.

Do you think it would be helpful to have a definition on the book what constitutes a disaster?

Dr. BALSIGER. Senator, we are working on a proposed rule that would identify the criteria more specifically. I look forward to that point in time when we have that. I understand there is a debate about how useful that would be, but personally, I think that we should have that and it would be helpful.

Senator SNOWE. No, I think it would be, both for Maine and New England, the entire industry. And we want to make sure that a portion of that funding is available for that declaration and for the New England groundfish industry. So that is what our concern is that, all of a sudden, the sectors will make declarations on other industries, and we are going to be excluded.

I just don't understand why he is refusing to do so. I really don't. Given the numbers, given the dimensions of it, this should be a slam-dunk, frankly, and I just don't understand it.

But we are going to continue to ask for it, and I know the Governor is, too, and the governors in New England. But we are going to insist on it. It is a matter of fairness in analyzing the statistics

and the value of the loss certainly to Maine and to the entire New England region. OK?

And I hope that I can hear back, and we have all sent letters. We are going to keep sending letters and talking to him about it, but I hope that you could reinforce that view with the Secretary.

Thank you. I appreciate it.

OK. Why don't we begin to have those who want, more importantly, to hear from the public here and the industry. So I will be going by number. Number one. Did people get numbers? Yes. And up in the balcony, you just have to turn, when it is any of your turns, just turn on the microphone.

Thank you.

STATEMENT OF BILL GERENCER, MEMBER, GROUND FISH ADVISORY PANEL; MEMBER, ATLANTIC HIGHLY MIGRATORY SPECIES PANEL; COMMERCIAL FISH BUYER, M.F. FOLEY COMPANY, INC.

Mr. GERENCER. Somebody has got to go first. Thank you, Senator. Thanks, everybody.

Senator SNOWE. Thank you.

Mr. GERENCER. My name is Bill Gerencer. I have made my living in the seafood business for 28 years as a lobsterman, fisherman, and in seafood buying and sales.

I spent 10 years on the board of directors of the Portland Fish Exchange, including 6 as treasurer and a term as president. I have also served on the Groundfish Advisory Panel for over 10 years and on the Highly Migratory Species Advisory Panel for more than 8, giving thousands of hours of my time at AP meetings, attending committee and council meetings, and making visits to Woods Hole to become better qualified to serve through ad hoc training sessions with Northeast Science Center staff. I still serve on both advisory panels.

First and foremost, I want to say about the employees at National Marine Fisheries Service Woods Hole, those that I know personally, I believe to be decent, honest, dedicated, and hard-working public servants. However, I grow increasingly concerned with stock assessments, lack of information, critical proper fisheries management, and management itself.

Back in June, we were looking toward a 77 percent cut in effort because of hake, a devastating blow to the industry. Now, a few months later, hake is no longer the issue, and months of work on the amendment had to be scrapped. Flatfish are currently—some flatfish are currently the problem, a finding I do not disagree with.

However, it is not only almost impossible now to run a business, given the rapidly changing nature of the scientific advice, it is now apparently impossible to craft a management plan. We spent over a year developing a plan that had to be thrown out because the assessment report came out late and nearly at the same time as the completed plan was due. The over 900-page GARM report has yet to be fully digested.

On my first visit to Woods Hole as an AP member, then-chief of the Population Dynamics Branch Steve Murawski impressed upon me that the random stratified design for collection of stock assessment data was one of the best in the world, in part based on the

continuous data collection time line stretching back to 1931. But he also stressed that while the system was an excellent tool for determination of relative stock abundance, it was probably not a great management tool.

Perhaps this has been manifested in the increasing problems we currently face, some of which include the following—and I will try to gloss over the redundant ones—the pollock assessment, where a single data point was used as opposed to the 3-year center average. A 3-year center average would have resulted in defining the stock as not overfished, and overfishing not occurring. We have noticed that the best thing we can say about a stock is something negative. It is not overfished, and overfishing is not occurring. And even that sounds bad, even though it is good.

[Laughter.]

Mr. GERENCER. Using the most recent year, the stock is half of that. Overfished and overfishing is occurring. And I question how is it that the peer review either did not comment on the use of a single year or that those comments never made it into the report?

To accept the northern windowpane flounder assessment, you must believe the industry discarded over 800 metric tons of these legally saleable fish valued at close to \$400,000. The peer review comments recommended that the Gulf of Maine winter flounder stock assessment not be used. It was used anyway. It was left to the industry to point this out before any explanation was given.

And gray sole landings are a third of the recommended total allowable catch, and the stock dropped by two thirds. Gulf of Maine cod was routinely overfished by large amounts, according to the data, and is now considered not overfished and close to be recovered. How are we supposed to follow management advice? It becomes very confusing.

The primary modeling tool used to manipulate data collected by the random stratified design survey in New England is called virtual population analysis. VPA models are designed to assess single stocks that are fished without restrictions because landings are the primary determinant of stock size. In New England, we use them to assess an interactive multispecies complex stock by stock as if they were single stocks, with fishing effort and presumably landings restricted by closed areas, mesh sizes, TACs, trip limits, days at sea, et cetera.

Not surprisingly, the model started to fail about the same time effort controls were put into place. This is important because these are meant—the model depends on complete access to the stock, unfettered fishing ability throughout the time of the year, the range of the stock, et cetera, and we are inputting data that is full of restrictions. So it is going to affect the model.

I recently downloaded the VPA model used by the National Marine Fisheries Service in altered landings up and down and reran the assessments myself. And admittedly, my knowledge and experience with VPA modeling is preliminary, but the results were as expected. Inputting lower landings into the model result in a decreased stock estimate, and increased landings did the opposite.

The attempts to fix the VPA models include a retrospective pattern analysis, used a factor called “Mohn’s rho” developed by a Canadian, Bob Mohn. Bob sat in the meeting when the use of his rho

factor, which was an adjustment factor, was discussed. It didn't seem to bother anyone that he objected to the way it was being used.

The other part of the solution of the VPA problem was to split the time series and essentially throw out all the data prior to 1994, when effort controls came into place. I am still trying to learn how this model accounts for the intentional reduction in landings when it uses landings as a primary determinant of stock size.

The value assigned to natural mortality in the VPA models used is assumed to be the same for all stocks. In single stocks not interacting with each other, this assumption may hold water. But with 19 stocks in the complex interacting with each other and interacting with populations of many other species, these assumptions may require a second look.

Intuitively, if fishing mortality is lowered, then fish are going to die of something else, we call that natural mortality. If we are assuming that every stock has a constant natural mortality and it doesn't change, then that is something we might want to take another look at.

In order to compensate for reduced fishing effort and constant natural mortality, some other explanation must be considered to make the models work. That explanation apparently assumes significant additional discards. Based on private conversations with employees at the Science Center and in Silver Spring, I find this assumption to be widely held. To my knowledge, although our recorded and estimated discards are significant and point to a severely mismanaged fishery, they are also accounted for as part of fishing mortality.

In order to account for the discrepancies in the model, considerable additional unobserved discards have to be assumed. When the fishing industry offers that kind of information, it is usually referred to as "anecdotal."

Both the monkfish and scallop fisheries perform their own surveys and assessments and use these to effectively manage their industries. In both cases, stock assessments improved compared to NOAA assessments, and both stocks seem to be well managed with concurrent NOAA and industry assessment and oversight.

The groundfish industry was able to afford to hire Dr. Doug Butterworth to assess the Gulf of Maine cod and hake. He was able to change the cod assessment by showing it was significantly larger than the original GARM assessment. He made some impact on the hake assessment as well. Where would the other 19 stocks be if fishermen could have afforded to pay him to do the rest?

The Canadian DFO assessed the eastern Georges Bank cod stock using the same data that we used and concluded there was twice as many cod as the U.S. assessment found. This, of course, has caused problems with the transboundary resource sharing agreement.

In my opinion, there is also several key pieces of information that we continue to do without. What is the actual size of the fleet in 1988 versus what exists today? That information is there but has never been tabulated and compared.

I did get the impression that what exists today is assumed to be equally powerful as what existed in 1998 because of advances in

technology. Again, that is a big assumption, and I would be much happier to see that actually investigated. We need more than assumptions here. Without an accurate accounting of how much effort really has disappeared, we can never accurately understand how much effort has actually been reduced and apply the correct adjustments we need to manage this fishery.

What is the total biomass today versus what existed in 1988? What is the carrying capacity of the ecosystem? Are there better assessment models we could be using? And of course, how much more can the industry take before we go out of business?

I think the real problem is that we are using tools not suited for the job we are trying to accomplish. Dr. Brian Rothschild, professor of marine science at UMass Dartmouth, points to the overfishing definitions as sometimes arbitrary and overly precise. Not a problem until you remember that once we cross them, we have to act or we get sued.

If we continue to accept the term “best available science” as a placeholder for staying the course in spite of correctable shortcomings, then it doesn’t matter what tools are placed in our fishery management toolbox. Without refinements in our scientific approach, we will be back here 4 years from now, crying about the failure of catch shares, LAPPs, and the like.

Listening to some of the scientific advice given to the Council, one could easily, but incorrectly, assume that each stock lives in a near vacuum and is minimally affected by another. Similarly, we manage the same way, with a hammer. It is no wonder we failed to catch our haddock TAC and discard more cod, haddock, and yellowtails than we actually land from eastern Georges Bank.

The Magnuson-Stevens Act mandates we use the best available science. To me, that means using stock assessment models best suited for a given fishery and including actual facts about fishing power, discards, biomass, and economic viability over assumptions.

The every species at optimum yield approach of Magnuson completes the problem puzzle. In a recent article of National Fisherman, Neil Stopay writes that while effort and landings have decreased, relative total biomass in the Gulf of Maine and Georges Bank, as indicated by the trawl surveys, is now close to those seen in the 1980s. Yet we continue to cut effort.

And Mr. Cunningham said the same thing, and when I was visiting with Paul Rago. If you just read the report, it looks bad until you realize that all these stocks are moving in the right direction. And effort has been cut severely, but all we can think to do is cut it some more. So it is time to really think about that.

The problem is we have an ecosystem that was once depleted and is fast returning to the past total biomass levels, but it is out of balance. Dogfish, haddock, redfish are at historic levels. No one has ever seen, according to the assessment, as many haddock as we have in the ocean right now, and the dogfish stock is considered to be 60 percent larger. And yet other stocks aren’t coming back in the same kind of balance.

Well, it is entirely possible that some stocks are thriving in part at the expense of others. And when viewed in this light, the situation becomes more understandable. The problem is the fishery, scientific, and regulatory tools we have aren’t the right ones for the

job. It is no surprise to me that science is problematic. Fishery management doesn't work, and we are always getting sued.

Thanks for your time.

Senator SNOWE. Yes, we appreciate that. And I appreciate your comments. I think they are very well said, and that is one of the big challenges is obviously avoiding what Dr. Balsiger talks about on the legal issues. But also what we have got to recognize is focusing on the best science possible.

I mean, I agree with you. I think that has been the source of our problem, and the final analysis is that we have got to decide—we have got to make the investments in the research that gives confidence to the fishing industry that we are making these decisions based on the best science available. And that is one of the issues that I think would be even helpful to hear any of the panelists.

Anybody have any ideas about what we should do to focus our efforts? Yes, Mr. Odlin? Jim?

Mr. JAMES ODLIN. Yes, I have one important one, and I think that we need to have industry-based surveys side by side with these Northeast Science Center surveys. That would do two things. It would take away the argument of catchability. It would give you the—make sure that the surveys are getting a good cross-section of the year classes, put scientists on the fishing boats. The survey ship does a tow, and the fishing boat is there doing the same tow.

It also will build confidence and give the industry the confidence it needs to go forward. It was done in monkfish, done in scallops. It needs to be done in multispecies groundfish.

Thank you.

Senator SNOWE. Yes, we have—yes, Dr. Holland? I think we certainly have to have continuity. This has been a longstanding issue, and somehow we have got to resolve it. I would agree. Thank you.

Dr. Holland?

Dr. HOLLAND. Yes, no matter how much we invest in stock assessments and surveys, there is still going to be a lot of uncertainty in stock assessments. Even the best stock assessments anywhere in the world have high degree of uncertainty.

And one way to deal with that or to try to deal with that is to use something called management strategy evaluations or management procedures, which are you design rules and you test them with simulations, computer simulations to come up with rules for changing total allowable catch over time that are robust to that uncertainty and that directly try and meet objectives like keeping the TAC stable over time.

And that is an area I think that it would be wise to invest in. I know that there is interest in doing that at the Science Center, but a lack of resources to do that. But I think they are moving in that direction.

Senator SNOWE. Is that something that—yes? Yes, go ahead, Mr. Libby.

Mr. LIBBY. Yes, I think it is important to consider that I know there is a lot of talk about science, and there is—I have some issues with some of it, like the pollock, for example. We couldn't get away from the things all summer.

But it is important to consider an area component, too, because there are vast stretches along the coast of Maine where there

hasn't been anything for a long time. So it is not just totally an assessment problem that is hurting the industry in Maine. It is the lack of fish.

Senator SNOWE. Thank you.

Thank you. Yes? Oh, yes. Then I have to move on because there are so many others.

Mr. GERENCER. I think it is interesting that there is considerable uncertainty in any assessment, but we have little uncertainty of what we have to do once an assessment is actually delivered.

Thank you.

Senator SNOWE. Thank you. And I appreciate that. I think that is something that we certainly have to look at and do something about.

**STATEMENT OF EDWARD BRADLEY, PRESIDENT AND
MANAGER, VESSEL SERVICES, INC.**

Mr. BRADLEY. Good afternoon, Senator.

Senator SNOWE. Good afternoon.

Mr. BRADLEY. My name is Ed Bradley. Senator, I can't think of any elected official who has done more for the groundfish sector, the industry in Maine in the last 30 years. So thank you for this, and thank you for your continued attention.

Senator SNOWE. You mean I was here 30 years ago?

[Laughter.]

Mr. BRADLEY. Started. I have only been here 30 years.

Senator SNOWE. Thank you.

Mr. BRADLEY. I am here representing Vessel Services. I am the president. I am, unfortunately, currently the manager. Since May, I have gotten a close look at the microeconomics of the groundfish fishery in a way that I had never fully appreciated before.

And if we are talking about what is really going on on the waterfront—and I will limit it to Portland because that is truly all I know about—I checked our numbers before I came here so I would have something quantitative to say. And in the last 3 years, we have had a 40 percent reduction in the gallons of fuel and the tons of ice we have sold to fishing vessels in the State of Maine.

There is no question from the perspective of this canary that there is danger in the mine, that the collapse is imminent, and whether we can survive the next spate of regulations I don't think is an issue for us. If it continues to go the 10 or 15 percent reduction that we are experiencing without the next set of reductions, were they to occur and were they to affect Maine vessels the way they have been affecting them in the past, then a critical point or component of the infrastructure in Portland will disappear.

Two or 3 years ago, I was a member of the fisheries task force that the Governor set up, and we dealt with all the issues affecting the groundfish fishery. To me, it is a little bit amazing that we are here asking what can we do when the groundfish industry has answered that with 30 recommendations if you don't take care of lobster, but one if you do.

And I know nobody wants to talk about it, but vessels have left Portland, have left Maine in a disproportionate rate because—in large part because of that issue. If you can't deal with it politically, nobody can, and I understand you can't, then you have to deal with

the other recommendations that would support the groundfish industry.

They didn't cost \$109 million for monitoring. They cost \$3 million, and they ran the gamut from things like subsidize the fuel tax, take care of permit acquisition in the State of Maine so that we don't lose the right to the resources it recovers to Massachusetts and other states that are doing it.

None of these things have been done by the State or by the Federal Government. So we are essentially an industry on our own, you know, subject to the regulatory process that you have all talked about in great depth. But economically, there is very little attention being paid to what is actually happening other than to say it is a disaster and to what specific economic steps could be taken to hold the fort so the industry is here still when the thing turns.

So my first recommendation would be get all these people who—at the Federal level, the State level, and in the industry together, take a look at those groundfish task force recommendations, ask which ones make sense? Which ones could we implement in this crisis situation to make sure that the industry stays?

Senator SNOWE. Good point.

Mr. BRADLEY. Unfortunately, in my old life, I was a lawyer. So my ears were just ringing when I heard all the conversation about the law. And if you are looking not at the small issues, the management issues that are in front here, this gentleman, Mr. Balsiger, is absolutely right. I mean, he has no choice but to do what the courts have told him that that law says he has to do.

So if he can't make in good faith or his legal staff can't in good faith make the determination that Magnuson permits more than the 18 percent—or less than his determination the 18 percent the Council has developed, then he is stuck. So, again, with an idea of hopefulness, what could be done?

Well, and my question is if we can get \$700 billion in about a week to bail out Wall Street, can't we get a Senate resolution that authorizes in an interim period the National Marine Fisheries Service to adopt, as you say, this publicly developed and confident recommendation for an 18 percent or less reduction to get us to the point where all of these great ideas that these people are coming up with can be implemented?

I know I am taking a lot of time. I want to say one more thing. This year, Vessel Services was presented with a lot of concerns raised by a number of people in this room in the Maine industry, and they have suggested that once you get beyond the basic determination as to what is MSY, what is the mortality, how many days at sea, the basic conservation recommendations, there is a huge range of discretion that gets exercised with respect to the individual rules.

And that cumulatively over a period of 10 years, those rules have been adopted in a way that disadvantages Maine fishermen, Maine groundfishermen. And as a result, our attrition has been greater than the attrition of other groundfish vessels in other states.

I thought that was an interesting idea. I didn't know whether it was true or not.

Senator SNOWE. Well, what are the reasons why it is disproportionate here in Maine?

Mr. BRADLEY. The suggestion from the industry was that as you adopt rules and regulations to implement the conservation requirements that are set by Magnuson, those that are—you can't change because the law says you can't. But you have a lot of discretion as to what rules you use to implement them. And that over a long period of time, rules have been adopted to disadvantage the Maine fleet.

We looked at three different specifics, and I don't want to get into it because it is technical and legal. But the determination of independent counsel, public counsel—not us—was that, yes, you can look at the record of the Council and see over a period of time that the rules that have been adopted have disadvantaged the Maine fleet and put them in a situation where they can't compete with Massachusetts and New Hampshire.

And there are a lot of reasons for that. I don't say that they are evil. But it is a fact. And so, all I would suggest is we go forward and we talk about the things that are going to change this process, which are really allocation issues. Once you start talking about area management, when you start talking about sectors, when you start talking about almost any rule within the confines, you are talking about who gets the pie.

And given the fact that Maine has been disadvantaged, as demonstrated by the current situation, that everybody pay close attention to the fact that we have been. You are starting with Maine underwater, and as you adopt rules, make sure we don't go further underwater. When you adopt the rules, you have discretion to adopt within the range of discretion you are given.

So thank you for the hearing.

Senator SNOWE. That was very helpful. I thank you. On all those issues, very helpful.

And I think it just illustrates the problem you are talking about—40 percent less in fuel, 40 percent less in ice. I mean, it is just the breadth of the problem that we are experiencing right here, which is certainly, I think, stark. And we recognize it, and we have got to do something to turn it around.

I think the real question is, is how do you get this process that seems to be consolidated in a very short period of time, very little time to review the assessments, the stock assessments that were given back in August of, what, you are saying like a week for 1,000 pages. Much of which, I think, is an indication that it is an unrealistic timetable, time-frame to make these very difficult, intractable decisions because they are irreversible. I mean, certainly the implications and the consequences are irreversible once they are imposed.

And if Dr. Balsiger, as he said, is constrained by the legalities in upholding the law, and obviously, it is up to one lawyer's interpretation versus another. But in the final analysis, you end up in court. I mean, so much of what we have done has been determined by the courts in the final analysis. It has been one of our greatest sources of frustration, and we have just got to figure it out.

I am just thinking about 2010. Well, we are here doing the interim, how are we going to get to this 2010 with an alternative

management process and all that that requires is what I am thinking. I am sure you are all thinking it because you are there. But how are we going to put that together?

It is a very difficult process, to say the least. And I just don't know that there has been any room for flexibility. There may be flexibility somewhere in that law, but it doesn't seem like the way in which it has been implemented that it is. But the rules, that is an interesting point.

Mr. BRADLEY. Thank you for listening.

Senator SNOWE. Thank you.

OK. Next? Number three. I am sorry. It is number three. We will move faster. That is right.

**STATEMENT OF CYRUS HAMLIN, AUTHOR, *PRELIMINARY
DESIGN OF BOATS AND SHIPS***

Mr. HAMLIN. My name is Cyrus Hamlin. I am a naval architect. I came to Maine in 1939 to work for Henry Hinckley. I have been here ever since.

Although my specialty is naval architecture, about a half of my time has been spent in fisheries matters, both in this country and in various countries around the world.

Are you getting the signal OK?

And for a time, I was involved with—I had a corporation called Ocean Research Corporation, which did several things. Among them, it was the—did the layout for the fish pier here, which we worked with Parsons Brinkerhoff, and I think at the time that fish pier was built, it was the best in the country. I don't think there was anything like it. And it saddens me to see it ignored by such low throughputs of fish.

I am here because about 3 years ago, I began to question the fact that so little progress was being made by the Magnuson-Stevens Act and the bureaucracy that it spawned. And it seemed to me that with generations of the fish being around 3 or 4 years that in 30 years, there should have been considerably more progress than there has been.

So I have spent 3 years examining the Magnuson-Stevens bill and the present bureaucracy, which is trying to carry out its dictates, its mandate. Oddly enough, the first problem I ran into was that there is no name for this huge project, which is extending—I don't know how many people know, but there is a 4.5 million square miles contained in our EEZ along with the shore. We have to manage that. That is part of the management process.

So the name is a small one, but a small item here. If people have the handout, I left a few of them around. It has nine items in it, which I will briefly go through, if that is OK?

Senator SNOWE. Yes, just not too long because I have got so many people. So if you can go through it quickly, yes, please.

Mr. HAMLIN. It will be quite short.

Senator SNOWE. OK, thank you.

Mr. HAMLIN. The first item is that it has no name. It should have a name. It should have something like "New Deal" or "Manhattan Project."

There is no clear-cut statement of goals and purposes. There is one in the published book, but it doesn't go far enough. It doesn't

specifically cover all the areas in which this important work should be aimed.

There are no baselines or specific goals established. There are no numbers, no quantification. There are no—they say this stock is improving or this stock is not improving, or it is not as big as it was in 1996 or it is bigger than it was in 1996. Those are really not very useful ways to describe progress or lack of it.

Leadership is required. There is, so far as I know, not one person who is in charge of this or one person that we would recognize. How many in this room would know who the leader was of this whole big venture? Maybe there isn't one leader. Maybe it is just an amalgam of all these small efforts. It seems to be very inefficient.

Governors are important. The governors, we must not forget that all the people in the State own the resources. These are common resources. The governor is, therefore, the one who should be intimately involved in all negotiations, all work such as this being done here.

Maintaining the fishing industry is a big one that has been touched on here. We are going to have—we have had and we will have more downtime of the fishing industry. What do you do with these? Do you just sell everything off? Do you get rid of it? Do you get rid of the industry?

It has been pointed out this is one of the oldest manufacturing industries in the country. It is the oldest, as a matter of fact. So there has to be something done to keep fishing vessels and their infrastructure viable, to keep them going, so that when the fish come back to the levels of, let us say, 1900 that there will be a structure there, both the infrastructure on shore and the vessels and gear required to catch them.

The council's makeup should be improved. It should include some private citizens who are not otherwise associated with the fishing industry. I think the Council has done a very fine job, but I think it is focused in such a way that it does not include the actual owners of the resource.

In Maine, when there are a million pounds of sea urchins, one pound of that belongs to me. And one pound belongs to the potato farmer and so forth. That should not be forgotten. Because they are the ones who issue the licenses to the fishermen.

A major flaw is to increase the use of graphics in all the work that this nameless body does. They turn out loads of texts, reports. Reading one of those, reading anything from the Federal Register, it is very difficult to make any sense of it without some kind of graphics.

In this handout of mine—I think there are a few out there—there is a graph here. Nobody else got one of these? There is a graph here, which shows the progress of fishing after World War II, and this is important to know how this all came about. This starts down here. This, by the way, this line across here is the maximum sustainable yield curve. It is not—who knows whether it is accurate or not, but it would be somewhere in there.

So the Canadian and the United States fishermen went gangbusters after the war and caught fish very busily. And they got up and pretty soon they started having the foreign vessels come

in and help them catch the fish so that we have this one curve here, which shows the catch by the Canadian and United States vessels, and then the foreign vessels added onto that. I don't know if those quantities are anywhere near right, but it is close enough. It shows what happened.

And right there, where that crosses the maximum sustainable yield curve, is a vital point because from that point on, all the fish caught are coming out of the brood stock. And what happens when they come out of the brood stock? The egg supply is smaller. They do not reconstitute the resource so that your maximum—the number of fish drops, declines. So that it is very important for the fishermen to be stopped when they get to that point and level out their fishing effort so that they stay below that maximum sustainable yield.

This is obviously an idealized version. This goes up and down like that. Excuse me. But the principle is the same. You can't exceed the maximum sustainable yield and maintain a sustainable industry.

Senator SNOWE. Excuse me. I am going to have to move on because I have got so many other people that want to talk. One more point? OK.

Mr. HAMLIN. I have one more.

Senator SNOWE. Yes, and we are glad to have a copy of that as well.

Mr. HAMLIN. Yes. I would like to—one more point is, where am I? One more point is I think that the—I would like to relate a brief story to you, which you are all familiar with.

During World War II, Franklin Roosevelt was told about the atom bomb. And he was told that if he didn't get it quickly, Germany would have it first, and we would lose the war. So being a man of action, he set it up, and he set it up within the Beltway in the Washington style.

And after a short while, he realized that at that rate of progress, they were going to lose. So that he cut that off and set up the Manhattan Project, which was a semi-military operation under General Groves. It was probably the biggest and most complicated and most sophisticated industrial effort this country ever undertook. And in 3 years, General Groves was able to drop 2 bombs on Japan.

Our fisheries are in this State now. We should be treating fisheries as something that is more urgent than having the typical Beltway of doing it.

Thank you very much.

Senator SNOWE. Well, thank you. And I appreciate your comments, and I hope to have a copy of your paper. OK, thank you.

Mr. HAMLIN. Yes, I have some copies here. Incidentally, this is my full report of what I have been doing, and there are a few copies here I have. And I will be—if somebody, anybody leaves their name, I will be—

Senator SNOWE. Well, thank you very much.

STATEMENT OF CRAIG PENDELTON, FORMER COORDINATING DIRECTOR, NORTHWEST ATLANTIC MARINE ALLIANCE (NAMA); OWNER, F/V OCEAN SPRAY

Mr. PENDLETON. Good afternoon, Senator Snowe.

I am Craig Pendleton, and I am from Saco. I came here to talk to you today because of my friendship and my deep respect for you. I came here today to testify as a casualty. I currently am under contract to sell my permit, and I have four individuals looking to buy my boat.

I will be the last Pendleton fishing out of Saco. And while that may not be economically important, from a heritage point of view, it is a big deal.

My business has been regulated down to a small window of opportunity. During that window of opportunity, we faced mediocre prices. Forty cents for pollock is near criminal. My 48 days were actually 24 days because my backyard is in the middle of the 2-for-1 area.

Add that to the high cost of doing business, where fuel prices rose to \$4.68 a gallon at our fuel facility, and low inventories in the repair shops actually caused us to lose more valuable time every time we have a breakdown. At the end of the day, there was no money. My family and I got tired of living one breakdown away from a disaster.

And similar to some of the symptoms the current economic crisis in front of us has, I had no confidence to invest in more equipment for other fisheries or my own fishery. I am not allowed to operate at a deficit like some of the big banks.

One of the things I wanted to talk to you about today, as I worked closely with your staff and Congressman Allen's staff during the reauthorization, one of the things we talked about a lot was accountability. That seems to have turned into accountability measures for fishermen. I just wanted to remind you that a lot of the discussions were around accountability to the agency and to the managers.

This is not a one-sided equation. It is not only my fault that there aren't any fish. In a recent letter that I sent and is probably the last letter I sent, I actually asked for resignations of some of the managers. No longer should it just be us.

Ultimately, I did not agree with the way management was headed, and my efforts over 20 years had far more losses than victories. And so, I have chosen to leave. I couldn't wait for a buyback. I couldn't wait for a disaster declaration. And hopefully, some day this profession will be turned back to being the honorable profession that it used to be.

Thank you.

Senator SNOWE. I deeply regret that you are a casualty of all this, and I want to say because I know you have been so hard-working, as I have known you over the years and about your family's generations. It is truly a tragedy that you are at this point and having to make that decision, given the circumstances of the groundfishery today.

Yes?

**STATEMENT OF JENNIFER LITTERAL, DIRECTOR,
MARINE PROGRAMS, ISLAND INSTITUTE**

Ms. LITTERAL. Thank you, Senator Snowe. Jennifer Litteral from the Island Institute.

I think you really put your finger on the pulse of this today that it is very overwhelming. Which piece do you tackle? Do you tackle the interim action or the plans for 2010 or the transition packages? And it is really all of it.

I really commend you for recognizing what happened at the recent council meeting. That decision, seeing it firsthand, was very surprising to know that not only the Council was in support of it, but behind the scenes as well, the industry and other interest groups that were there.

And a credit to the Council, in addition to that, for being able to balance that tightrope between rebuilding the goals of the stocks in addition to working with the fishing communities.

The thing I wanted to highlight was that not to get stuck in this band-aid year, and I do not mean to slight that term for the 2009 fishing year, but we really hope that this 2009 fishing year doesn't turn into a band-aid year for 2010 because that will be even more devastating.

We are moving toward output management. Sectors is just one of those that the Council is and just recently, last week, has moved forward. I know that looking at the uniqueness of Maine, sectors may not be the only output management that is going to suit everybody in Maine. It is the first one coming up the dock, and it is ready to be implemented in 2010. But it is a big transition, and we are going to need help with the transition, transition packages, transition assistance.

And I just wanted to leave it with bringing it back to Maine and our ports. And I think it is really a critical thing that the gentleman from Vessel Services highlighted the loss of people in Maine not only due to lobsters, but I think that looking at other states and why is it so enticing, outside of the lobster realm, for fishermen to move to a different state or to fish in a different state and land there?

What is it that we can bring them back with and keep them here and keep them viable? The fuel tax is a perfect example. We had that up until July of this year. How do we find money to bring things like that back? And again, additionally, supporting, having permits available to keep fishing in Maine.

And I just thank you for all of your support.

Senator SNOWE. I appreciate that. And thank you very much. Great suggestions.

Who's next? That's six?

**STATEMENT OF TERRY ALEXANDER,
FISHERMAN AND OWNER, F/V JOCKA**

Mr. ALEXANDER. Hi, I am Terry Alexander from Cundys Harbor. I am a fisherman.

I have a question for Dr. Balsiger. Is that OK to ask him a question directly?

Senator SNOWE. Yes.

Mr. ALEXANDER. When you are talking about the interim measures and you are talking about implementing new ones, are you talking about basing those measures on the old numbers or the newly defined overfished fish?

Dr. BALSIGER. I am not certain where we are in that process. I think that we have to adopt a new status of stocks document. So I think that we have framed it. We are looking at the new overfishing definitions that we are going to have to live with.

Mr. ALEXANDER. But according to the law, the Council actually has a year to develop a plan on the new stock. So you would have to basically base it on the old—old defined overfishing stocks? Am I correct in that or—

Dr. BALSIGER. There may be a nuance here that I am missing, but I would be more than happy to get back to you on very short notice to say what we are doing in that. I don't want to misspeak just now.

Mr. ALEXANDER. OK. All right, thank you.

Senator SNOWE. We will get the name and address so that you can respond to him. Yes, thank you.

Go ahead, number seven.

**STATEMENT OF JOHN WILLIAMSON, MANAGER,
FISH CONSERVATION, NEW ENGLAND OCEAN CONSERVANCY**

Mr. WILLIAMSON. I think I am next. This is John Williamson with the Ocean Conservancy, and I am speaking also as a former fisherman, 9 years as a council member, now working for an environmental organization.

I attended portions of the GARM III meeting over a couple of different sessions. It was very impressive, a total of 20 meeting days over a 10-month period, dozens of top section scientists from around the world, working on various aspects of the plan. I talked to people in the Ocean Conservancy's Fish Conservation Team from around the country. We have never seen anything like it anywhere in this country.

It was very impressive. It was unprecedented, and there is every reason we should have faith that it is the best science that can be available for managing groundfish at this point.

The science is not our problem here. It is how we use the science. I think Dan Holland made a very good point in that the task of fishery management, the challenge for fishery management is managing risk. It is managing the inevitable uncertainty, the inherent uncertainty in the data.

And so, it falls to management to make the science work, to use the science and make it work for the fishing communities. And unfortunately, we have seen groundfish play out as a tragedy over 20 years. It is just that—and that responsibility falls to management. We have some of the best science in the country here in the Northeast for managing. But managers are human, and we have made mistakes over the years.

For all the communities, fishing communities, groundfish communities in the region have suffered from groundfish management as the way it has played out over the 20-year period. Geographic, economic, ecological reasons—the burden seems to have fallen disproportionately heavily on the Maine groundfish communities.

I think if we were looking at this in retrospect and we would say that 20 years ago, at least in the early 1990s when the overfishing problem first was identified, if the Council had taken decisive action then, we wouldn't be talking about the loss of Maine ground-

fish communities now. The burden would have been much more equally shared because the history of groundfish fishing in times of abundance would have been the history that you would have been managing around.

Instead, depletion has settled heavily on these Maine communities. And you know, Glen Libby has identified that problem in his testimony this afternoon. And that depletion is what has gradually over the years compounded and used up his resources, used up people's borrowing power and has compounded the problem of dealing with the loss of fishing opportunity to the point where people have simply dropped out of the business.

The longer we delay groundfish rebuilding, the more likely that management is going to continue to select against Maine fishing communities. Ocean Conservancy supports staying the course on rebuilding for this reason. We do recognize that there are some improvements in biomass that we are seeing in the numbers, and that is not—but that is not a reason to back off of a strong rebuilding program.

We support NMFS's strong interim action this coming fishing year. I was at the Fishery Management Council meeting last month when the Council requested interim action and put forward an industry-developed plan built around an 18 percent cut in days at sea. I wanted to support that plan because it was an industry plan, but there were some obvious faults with it.

The one is that it was a long way from tackling overfishing, and at this point, in the law, that is illegal. We have to address overfishing. We have to eliminate it.

And two, even if there was a technical loophole to be followed to get through that for 2009, the—falling that far short in taking action in 2009 would compound the challenge for managers in 2010. Compound it to the point where to address the overfishing problem in 2010 would probably mean that any action the Council took would be a virtual shutdown of the fishery certainly in southern New England and very possibly in the Gulf of Maine.

That has to be avoided. The way to avoid that is to take strong interim action in 2009, and that responsibility is now on the service.

I will say that one of the mistakes I think that has been made in the past is that in attempting to do a rebuilding program, it was not also a requirement—there was a requirement for rebuilding stocks. It is a biological requirement. The managers did not have the same mandate required to—for a rebuilding program for the industry as well.

So when Amendment 13 was done, it was an attempt to rebuild stocks, but there was not a commensurate plan for rebuilding communities, for distributing the rebuilding of—the biological benefits of rebuilding and designating to whom those benefits would flow. What I see happening now is the development of sectors, programs for catch shares, and other possible programs are an after-the-fact attempt to deal with this economic distribution of these benefits.

And for that reason, I think there is a need to make an investment. The costs that have been identified for monitoring and for administration are going to be substantial, the startup costs to make the transition, and I think that that is something that the

Senator could be very constructive in helping to address. Ocean Conservancy pledges to work with your office and other organizations to make that happen as well.

Thank you.

Senator SNOWE. How do you maintain a viable industry, though, if the measures are so drastic? I mean, for example, you are saying very strong interim measures—

Mr. WILLIAMSON. How do you maintain a viable industry if people's resources have been completely exhausted? The longer we prolong rebuilding this resource, the less likelihood that the people that are in it now will make it through to the end.

Senator SNOWE. Do we have to paint a broad brush with all of the stock? For those that had been rebuilt?

Mr. WILLIAMSON. I think there are some real deficits in the groundfish plan's use of days at sea that have created this—that have exacerbated this management for the weakest stock. I think it is very difficult for people to take advantage of the stocks that are now strongly rebuilding, the few that are strongly rebuilding, such as haddock. But in the end, Georges Bank cod is at 12 percent of its target biomass, and we are in danger of losing that stock.

So making that balancing act happen effectively under days at sea has proven to be an insurmountable challenge for managers using the days at sea system. Now it is very possible that there may be other systems other than days at sea that could facilitate access to haddock. But unfortunately, that is not on the books right now.

Senator SNOWE. OK. Thank you.

Any questions, anybody? No?

Number eight? All right. Number nine.

STATEMENT OF SEAN MAHONEY, VICE PRESIDENT AND DIRECTOR, MAINE ADVOCACY CENTER, CONSERVATION LAW FOUNDATION

Mr. MAHONEY. Good afternoon, Senator Snowe. My name is Sean Mahoney. I am from Falmouth, Maine, and I am Vice President of the Conservation Law Foundation, which is often the proverbial skunk in the woodpile when it comes to the legal compliance conversations we have been having earlier today.

But I am here today to talk about our focus on sustainable management of the resource. I think one thing that is important to recognize is we are here today because the resource was fished too hard historically. We are not here because of a regulatory problem. The basic fact is that we fished the resource too hard, and we need to rebuild the resource.

There is no dispute that the current days-at-sea system is broken. It is the worst-case scenario for fishermen because it—in terms of the economics and in terms of the safety, and it is worst case for the resource, particularly the failure to address the critical issues of bycatch and discards.

As Glen Libby and Craig Pendleton talked about earlier, challenging the science of the GARM won't change that reality. Even if the current days-at-sea system doesn't change at all and we are left with 48 days or 24 days, depending on where you fish, the

groundfish industry, particularly here in Maine, will still be in crisis mode. So we need to do something.

I am not really sure what to do about the interim measures. It is a problem. The Magnuson-Stevens Act was recently reauthorized. Everybody in this room was part of that process, and the law is what the law is unless Congress chooses to change it.

But I think our focus should be on 2010 because we can't put off changing the regulatory system for Amendment 17, which is anticipated but undefined. We have to look at the new management proposals that are being tested by the Midcoast Fishermen's Association, or put out there by Ms. McGee's organization, or the research that Dr. Holland has been doing, supports.

But we cannot put off a new direct management structure as opposed to the indirect method that hasn't worked. If we do put it off, then I predict if we have an Amendment 17 that deals with this, we are going to be in this room again in 3 or 4 years dealing with the same issues, but likely with fewer groundfishermen who still have a stake in the industry and with little to show for it in terms of resource protection.

So we would strongly urge that the focus be on how we revise the management structure, and the Council is making a good start on that, and we would urge the Congressional delegation to support that.

Senator SNOWE. I think the real issue is not having sort of an either/or. No one is saying abandon the process. We understand we have to live by the laws, and the Magnuson-Stevens Act does depend on interpretations of how you implement it, frankly. Whether or not there is flexibility in how you go about it so that you don't ultimately affect an industry that has no ability to survive.

I mean, we want to preserve an industry so that they are there on the other side of this regulatory process at some point, but you are going to maintain their viability in some way because, otherwise, then it makes it virtually impossible for its survival. And I think that is the question.

Year to year, they are working right now, month to month, day to day, on the margins. I mean, you heard what Craig Pendleton spoke to earlier. That is a very weighty, mighty decision to have made when you have been doing it for generations in a family. So these are people on the margin. So what is it that we can do? So we think of outside of the box within the wall. It is just—I think that is the issue here.

And to get over the hump of the interim measure to get to 2010 for Amendment 16, I think that is the issue. Do you have to treat every stock similarly under the law? I don't know. We know that Dr. Balsiger is going to work on that process and so on. But if you say have it the most stringent process possible, irrespective of what it does, the law doesn't say that. The law says you have got to take into account the socioeconomic effects, too.

Mr. MAHONEY. I agree.

Senator SNOWE. Which has gotten the short end of the stick these days. And for many years now this has been one of my major arguments, OK? So we talk about the past and the overfishing and so on, the point is we can't discard the industry. I mean, that is it.

We have got to do something to preserve the industry. In the meantime, what can we do? What is that bridge that makes it possible? And I don't think we have lived up to our obligation to offset those issues in terms of what the adverse consequences have been and will be.

Mr. MAHONEY. One of the things that we would urge is that, and I think Dr. Holland noted it, that any sort of assessment of a resource this large has inherent weaknesses to it. And the focus on challenging the science underlying the GARM takes some of the focus away from the issues that you are concerned with and we are concerned with, which is bridging that 2009 and getting to a management structure that works for everyone.

Senator SNOWE. Yes. Yes, well, it is interesting about that because on the science question, from my experience in working with the industry and with the men and women in the fishing community, you have got to have confidence in what is being imposed on you and what it is exacting from your industry, which has been a way of life and a livelihood. So you have to have confidence in that science.

So I see it as a building block and a foundation in order to accept what the hardship will be or what the regulation is going to be that represents and imposes some serious restrictions on their way of life and their livelihood. That is the point.

So you have got to build the confidence, and that is something that we have not been as successful as we should be. I have been one who has advocated that we really should devote far more resources to the research and to make sure that we preserve that. I mean, that is really a jewel in this process, if the fishermen can have any confidence at all in what the outcome will be.

We have got to build it. That is our responsibility, frankly. So when the questions are raised about the assessments, I think it is because they do see it. So you have to treat it as a reality and figure out, OK, what can we do better so that it doesn't undermine their confidence?

I understand what you are saying. I think we are all there. It is just in a different way and, at the same time, preserving this industry so that they are there. One year is a lifetime for this industry right now because they are operating on the margin.

So Craig Pendleton wouldn't be making the decision he did, when you are not operating on the margins and given all the other extraneous costs he has that are huge when it comes to fuel, for example. And it is just that alone or bait or whatever the case may be, and that is what I have heard.

So, thank you.

Mr. MAHONEY. Thank you.

Senator SNOWE. Thank you.

OK, who is next? What number are we on? Are we on nine? OK. We will move on because I know everybody has a time frame.

STATEMENT OF SAM VIOLA III, COMMERCIAL FISHERMAN

Mr. SAM VIOLA. Thank you for coming and for letting me speak.

Senator SNOWE. Yes, thank you.

Mr. SAM VIOLA. Sam Viola, commercial fisherman out of Portland, 30 years. It is just I have a few things that I want to say that some Jimmy mentioned before.

We need some kind of time schedule, not just a 2-year plan or a 60-day plan or 30-day plan. Every time we turn around, it is something new we have to do. We have to jump through another hoop. We never know what the next hoop is going to be.

When you came out with the regulations for the whale protection, to protect the whales, the large tankers in the shipping industry, it was a 5-year plan. We don't have any of that. We don't—don't we get any kind of consideration for that ourselves?

And the other was what Ed Bradley touched on. Everything seems to be stacked against the State of Maine in the National Marine Fisheries Service. 42 20' and below, fishing down there, we lost our steaming time. We lost our dock to go down off the cape and steam from Portland down to Cape Cod and go fishing.

Now we have to actually return into a port to change your clock, even though we are monitored. They can tell exactly what we are doing every minute of the day, whether we are steaming, whether we are fishing, or what is going on with the monitors we have on the boats.

Senator SNOWE. But you had to return to port?

Mr. SAM VIOLA. Pardon me?

Senator SNOWE. You have to return to port?

Mr. SAM VIOLA. We have to return to port. If we want to go to another area, we not only have to return to port, we have to request for an observer to go into these areas where the big haddock concentrations are 3 days in advance.

So if my brother is fishing down on Georges, calls me up, the way we traditionally fish, and says, "Hey, I am getting 10,000 pounds of haddock every tow." I can't just steam down there and catch those haddock. I have to return to port, call for an observer, wait 3 days, and then I can go if I get an observer.

I mean, this is National Marine Fisheries Service. They are not helping us to even get by with what we are doing today. And it just seems to be them against the fishermen, and one of the enforcement agents told me that you are guilty. We can see that you are guilty with the black box. If you are steaming across an area or anything, they don't like the way it looks, you have to prove yourself innocent before they will accept it.

It is just they seem to be very antagonistic toward fishermen. I don't know why that is.

Senator SNOWE. Yes, Dr. Balsiger, is there a way of correcting some of these issues or making it more efficient and less arduous and bureaucratic?

Mr. SAM VIOLA. I don't know what you are looking for when you need an observer on these trips, every trip, and you have 10,000 of them in the Gulf of Maine.

Dr. BALSIGER. Well, we aren't against fishermen. Without fishermen, we actually don't have a job. So we are in favor of having the fishermen there and having them, an ability to prosecute their livelihood economically.

We have check-in and checkout requirements and observer requirements that are at all the different councils that are developed

with good reasons. And of course, some of those good reasons cause problems for fishermen, and we should look at those if they do. I am not saying we can fix this, but we will look at it.

I am sure the 3-day requirement for an observer is based on a good reason. There may be some way we can work around it. I don't know, but we will look at that.

Senator SNOWE. I appreciate that. We will look into that.

Thank you.

**STATEMENT OF MAGGIE RAYMOND, EXECUTIVE DIRECTOR,
ASSOCIATED FISHERIES OF MAINE**

Ms. RAYMOND. Good afternoon, Senator Snowe. Thank you for holding this hearing.

I am Maggie Raymond. I am the Executive Director of Associated Fisheries of Maine. I was not going to speak today because as Mr. Odlin told you, he is speaking for Associated Fisheries of Maine today. But I heard an overwhelming theme in some of the testimony from some of the people on the panel as well as some of the people in the audience, which is that days at sea is a failure, despite the fact that all our stocks are growing and fishing mortality is the lowest it has been in 30 years, and that somehow if we can just get through 2009, we will get the magic bullet of sectors.

And I am not convinced that sectors are the magic bullet, and the reason is because I don't think sectors are going to solve some of the problems like the one that Mr. Odlin explained with witch flounder, where 3 years ago, the assessment said it was rebuilt. The industry caught a third of the TAC, and yet now it is considered overfished, and overfishing is occurring.

Also, today, we have—since 2004, we do have three stocks that are controlled by hard TACs—Georges Bank cod, haddock, and yellowtail. In 2005, the industry caught the Georges Bank yellowtail TAC for the first time under a hard TAC, and next year it was determined to be overfished, and overfishing was occurring. It did not exceed the hard TAC. They achieved it for the first time in many years.

We have not reached the haddock. We reached just a very small fraction of the haddock hard TAC, and it is because the cod TAC shuts the fishery down before we can achieve the haddock TAC.

So sectors are going to have those same problems. Every species will then be under a hard TAC, and it is not going to be any easier to catch the haddock TAC because you are still going to be controlled by the hard TAC of Georges Bank cod.

On top of that, sectors impose an enormous cost on the industry, which is why Associated Fisheries of Maine 2 years ago submitted a comprehensive ITQ proposal for the Council, which the Council had to abandon because of the referendum requirement, which they decided would be too stringent to try to impose. But Dr. Holland talked about the cost of sectors, \$10 million to \$15 million a year just for the monitoring on a fishery that grosses less than \$100 million.

That is something that the industry cannot absorb at this time. ITQs, I believe, would be a lot less expensive because there is a cap on how much can be charged for those.

So I just want to make it clear that 2010, we may still be in a lot of the problems that we are in today because I am not convinced that the industry is going to be able to afford sector management. On top of the monitoring requirements, you have to pay for a sector manager. You have to develop an environmental assessment. All of those are very costly that the industry cannot afford right now.

We also put forward—the Associated Fisheries of Maine put forward an industry-funded buyout proposal, which we have asked you and other Congresspeople to support. I understand that there are some people who don't want to pay back the fee, but what is the alternative? To go out of business slowly, painfully, or to perhaps be able to pay a fixed fee that you know what it is going to be and it depends on how much fish you catch and to be able to stay in business? We think that that is a proposal that needs to go forward.

In other parts of the country where the industry has funded buyouts, they have prospered in a very short amount of time. Their TACs have increased. Their days at sea have increased. Their catch has increased. And they have been able to pay back that funding.

So if you are not going to put forward the industry-funded proposal, then Congress needs to come up with the money themselves because there is no other choice. People are going out of business. The industry is consolidating. People with money are buying up everything, and people who don't have that money are not able to compete.

So those are the points that I wanted to stress today. And again, thank you very much for your time. We appreciate it.

Senator SNOWE. Thank you. Thank you, Maggie, very helpful. Thank you.

**STATEMENT OF MATTHEW THOMPSON, FISHERMAN AND
LOBSTERMAN, F/V STRIKER**

Mr. THOMPSON. My name is Matthew Thompson, and I am a groundfisherman and a lobsterman, and I hail from Monhegan Island. And I have got three things that I think are pretty important.

One is I think the buyback is something that ought to happen, but I think that if this country can round up \$700 billion to bail out a few banks, it can come up with some money to bail out some groundfishermen.

I think we have got a resource, the dogfish in the ocean, that is an elephant in the room. Nobody wants to talk about it. I don't know how fish can live in between the dogfish. And we are not allowed to catch any of them.

And that brings us to the third thing with the National Marine Fisheries Service. I think the whole science behind the National Marine Fisheries Service and the accountability is a complete failure. I think if we can't make a boat payment, somebody doesn't come down and give us a peer review and set us up at another fishery. We lose the boat.

And I don't—who gets spoken to in the National Marine Fisheries Service? I mean, this guy, he can't answer one question in five that you ask him. It really bothers me.

And it is the same thing with this VMS problem. I live on Monhegan Island. I have got a VMS that says I live—I am outside

the VMS line. They think I am fishing when my boat is home on the mooring and I am lying in bed. I have called the National Marine Fisheries Service I don't know how many times to move the VMS line, move it 3 or 4 miles down below the island where it ought to be. Nobody calls me back. Nobody——

Senator SNOWE. Who have you called?

Mr. THOMPSON. National Marine Fisheries Service.

Senator SNOWE. In where? Boston?

Mr. THOMPSON. Gloucester, Massachusetts.

Senator SNOWE. In Gloucester. OK.

Mr. THOMPSON. So I would like to see some accountability is what I would like to see.

Senator SNOWE. Well, I can understand your frustration. If you are not getting any returned calls. So, Dr. Balsiger, I think——

Mr. THOMPSON. Well, if someone would call you back and say, "Well, we are working or we are trying to——"

Senator SNOWE. No, well, no, you deserve to have a response and action. Dr. Balsiger, could you—is that something you could follow up with and for——

Dr. BALSIGER. Yes. I am sorry I don't have the answer right now. We have the ability to generate the answers. I don't have them. If you have a question about halibut in Alaska, I bet I can get it, though.

Mr. THOMPSON. Well, thanks a lot. I appreciate you——

Senator SNOWE. No, I think we need to—we are going to get information from you, sir? Yes. We will get his address? OK. Yes, we have got your address. We will follow up with you.

Dr. BALSIGER. And if you have contacts with our people in Gloucester, we will cross link that and find out.

Mr. THOMPSON. All right.

Senator SNOWE. Absolutely. Absolutely. You should have—you should not go through that. I am sorry.

Mr. THOMPSON. All right. Thank you very much.

Senator SNOWE. Yes. No, I am sorry that you are, frankly.

**STATEMENT OF ANGELO CIOCCA, PRESIDENT,
NOVA SEAFOODS LTD.**

Mr. CIOCCA. Good afternoon, Senator Snowe. And thank you for finding the time to come to Portland today and hold this hearing. My name is Angelo Ciocca, president of Nova Seafoods here in Portland and a local boat owner.

This afternoon, you have heard much about the proposed interim measures and how these measures could seriously damage our industry or will seriously damage our industry, I should say. I am concerned about how the incomplete results of the GARM III will be used against the industry, and I do believe the GARM III results were incomplete.

Also how one man, Dr. Butterworth, and his small staff halfway around the world, on a very tight budget and a short period of time was able to redirect the Northeast Science Center's viewpoint on two critical species here in the northeast. This, after our scientists at the Science Center have spent countless hours and months preparing a model which has proven to be flawed by Mr. Butterworth—by Dr. Butterworth, like I said, in a very short pe-

riod of time on a very tight financial budget. I personally, as a citizen of the United States, find that appalling.

Instead, I am asking you to consider the fact that the way the survey data is collected is seriously flawed. I believe we need to hire the highliners of our fleet, place scientists and observers on the commercial fishing boats, and allow this group to do our surveys.

Mr. Odlin recommended a side by side, which I guess is OK. But I really believe that our boats should be doing the surveys with the scientists and the observers onboard to get a real feel for what is out there, a true feel for what is out there.

If this approach is taken and implemented properly, there should be no doubt about the survey results, which these days we have all kinds of doubt about the survey results and have for years and years and years. This would simplify that problem, that issue, and would save us countless millions of dollars a year at the same time.

Now the hard part, though. If we agree to let the commercial fishermen do the surveys, what do we do with the good survey data? Because that will be good survey data.

The models need to be thoroughly tested by an international group of fishery scientists who have modeling experience in a fishery similar to ours. In-depth discussions must be conducted with respect to the variables which impact the fisheries, such as changes in natural mortality for different species that can't happen on a yearly basis and probably do happen on a yearly basis, water temperatures, et cetera, et cetera.

So what I am saying there is that it should not just be the Science Center. And I know we have had peer reviews and scientists from different countries come and help with the GARM III. But as Mr. Odlin said, I believe there was one scientist, the lead scientist was the only scientist that sat—as far as peer reviewers, that sat in on all the meetings, which I find disturbing, and why that would happen is beyond me.

And we need—as far as the scientists are concerned that are going to be hired for this work, we need the best of the best to do this work. It has been too long. We have been getting bad science for too, too long. It is time to hire the best of the best out there, the most dedicated scientists we can possibly hire.

They must work in concert with the industry every step of the way. The man who spends his life on the water has a different kind of knowledge than the scientist. The fisherman must be fully engaged in the process from beginning to end. This is crunch time. There is no tomorrow for the Maine industry, the Maine fishery.

As you are, I am sure, aware, Senator Snowe, the chaos we are experiencing right now with the meltdown on Wall Street is primarily caused because of a faulty modeling system designed by Wall Street Ph.D.s. They are just realizing that when it comes to modeling—this is the Wall Street Ph.D.s are just realizing that when it comes to modeling, a relatively small, but early mistake entered into the model can or will produce a large error on the outcome.

However, it is too late for businesses and tens of millions of people worldwide who have been irreparably harmed through these bad decisions. We who work in all aspects of the fishing industry

believe we have been living the same type of mistake in our fishery. Senator, it is time to correct this process before the fishery implodes like Wall Street did.

Of course, the Science Center, National Marine Fisheries Service, and certain other groups will claim that their models mostly work fine, except, of course, for the two that Dr. Butterworth had the time and funding to examine. He found flaws in both of them, and the Science Center agreed with his conclusions.

We have had some discussion about Magnuson-Stevens Act. The Magnuson-Stevens Act as written today cannot work and does not work. It needs to be changed for the industry to survive. That also, the models as designed and used are not working. I mean, scientists can say that these things are the best available science. They are not working. Our numbers are lower by their estimation, which I am not sure I agree with.

I believe we are placing too much pressure and faith on the Science Center and the complex models it has created. From my perch, the outcome in both cases is the same. That is our fishery and Wall Street, a disaster, as you mentioned earlier this afternoon.

Wall Street has turned to the Treasury, the Fed, and the White House. Senator, we are turning to you.

Senator SNOWE. I thank you very much.

Mr. CIOCCA. And if I could also, just during the afternoon here, there are a couple other comments that I would like to make?

Senator SNOWE. Yes.

Mr. CIOCCA. One thing, sitting here this afternoon one thing strikes me is that through the years we have found multiple errors coming out of the National Marine Fisheries Service. And as John Williamson said earlier, we are human, right? People make errors.

Well, that we should always keep in mind, OK? Because when we get numbers thrown at us, as far as biomass numbers or these targets, they throw them, and then all of a sudden, that is gospel. We forget we make errors, as Mr. Williamson originally stated.

So I mean, how could we just input this information into these models that are questionable, get numbers thrown out, and then say, "hey, that is the number. We know what we are doing. That is gospel." I mean, it is a faulty—to me, it is a flawed system.

Mr. Odlin has mentioned on the pollock that it was peer reviewed and then actually fishery staff found the error after a peer review. I mean, it doesn't sound like good business to me. But yet we still come back to the table, and that is what we have to live by.

And when we have to live by it, the "we" is the industry. Nobody else, science they might—a scientist might put his name on it, but his paycheck comes. The industry is the one who has to live with those final results and gets penalized. There is only one group that gets penalized when there is bad work done out of National Marine Fisheries Service. That is the industry—the fishing industry, the shoreside industry.

One gentleman stated that we are in this—I think I can't remember the young gentleman that spoke just recently, stated that we are in this because we fished the resource too hard. Well, the haddock stock that we have today, which is at historical levels,

came out of a severely depleted haddock biomass. So I would really like everybody to really think that if we—as human beings, I think we know how the ocean works.

Because in that haddock resource, we had, if I am not mistaken—Maggie or Jimmy could help me—there was a time not too many years ago when there was a zero haddock, there was a zero possession limit on haddock because there were no haddock left in the ocean 10, 12 years ago. Now there is a biomass that is at historical levels. Came out of nowhere.

And the cod will do the same some day, but it won't do it on our terms. It will do it on the ocean's terms. When the cod does that, very good chance that the haddock is at a much lower level. The gentleman from Monhegan Island said it very, very well before. His three comments were right on the money.

Maggie mentioned the yearly observer cost, and I believe the yearly observer cost, depending on how you—if it is 100 percent observers or anything like that, but I think the rates are from \$7 million to \$10 million or \$12 million a year?

Senator SNOWE. Yes.

Mr. CIOCCA. Yes, a year. OK. And Maggie stated on a \$100 million fishery. Senator, I believe this groundfishery today is about a \$60 million fishery. So \$7 million to \$10 million, \$12 million to observe a \$60 million fishery? It is impossible.

And this one is for Dr. Balsiger. Jimmy Odlin mentioned some numbers earlier about in Magnuson-Stevens Act that was a—I shouldn't say an out, but it allowed National Marine Fisheries Service a little flexibility in reading the act, OK, by not going to the extreme of considering the stock overfished, but giving a little bit of time, a little flexibility in there to allow the regional administrator to do something less than calling the stock overfished, which, in turn, would give a little more leniency to the industry.

And Dr. Balsiger, and I realize he is interim, but he doesn't think his attorney has looked at it. Well, I would say that the attorneys probably should look at that and report that to Pat Kurkul.

Because if that is going to save this industry this much pain and suffering for 12 months, and it is allowed by law, and I would have to say that the Congress put it in there for exactly this kind of situation when an industry was possibly in a little flux and needed a little extra time, that is what that is there for. That is what the Congresspeople who wrote the law gave you guys the flexibility to do.

But it sounds to me like the National Marine Fisheries Service doesn't want to use that flexibility. Instead, they would rather go to the extreme. And for what reason, I don't have a clue. But you should look into that.

Senator SNOWE. We will.

Mr. CIOCCA. And I think that is it for me.

Senator SNOWE. Well, thank you very much.

Mr. CIOCCA. I appreciate your time.

Senator SNOWE. No, I thank you. And I think your points underscore the fact how critical it is to have confidence in the science and engaging, you know, the men and women, the fishing industry as part of that process and having cooperative research. I mean, I think that is absolutely right and something that I have been a

strong proponent of, and we have got to really try to make this a coherent, comprehensive, sustainable approach.

So that those of you in the industry that have to live by these rules and regulations can have confidence in the outcome and what is required. And right now, that isn't the case, and it is unfortunate. And frankly, I just think it is very difficult. I am sure this effort in GARM, they know a lot of issues that have been raised about it, and the fact that they are not addressing them, I think, again erodes confidence in the process and in the outcome.

And we have just got to do a better job in figuring it out and taking more time to evaluate it, frankly. I mean, just my point which you were mentioned, Ms. McGee, just to evaluate 1,000-page report in a week and the complexities involved in this issue. For those of you who really understand it certainly appreciate that there are so many complexities and dimensions to this question that it really takes much more than that.

And unfortunately, time didn't allow it for all the reasons we know, and that puts you in an untenable situation. These are the issues to avert when I think about, yes, in the 2010. I mean, you get in this 2009, 2010, but you have to live by these assessments or that process as well and depending on what alternatives develop. So I appreciate it.

Mr. CIOCCA. Yes, I agree. It is very, very unfair that a 12-month period is going to cause so much pain when it does seem that within Magnuson-Stevens there is that little flexibility built in there that I would think is to be used for a time like this that will give us that 12 months and let us live, hopefully live compared to time.

Senator SNOWE. Exactly. Survive it.

Mr. CIOCCA. Another thing, too, is the—I mean, I am not a scientist, obviously. But I think if you get a scientist and sit down and have a cup of coffee with him or something, the numbers that they are—that they finally set for biomass targets or the actual biomass, I mean, they are estimates. I mean, we have to realize that they are estimates.

Senator SNOWE. Right.

Mr. CIOCCA. They are not—no one is counting every fish in the ocean.

Senator SNOWE. Exactly.

Mr. CIOCCA. And the also very important thing that I think to remember is that the haddock that we are harvesting right now was spawned from a very, very low biomass number, which tells me that the ocean is going to do what it wants to do when the time is right for it, and man is not the overriding influence, especially since natural mortality in many species is killing more fish than man is killing today, which I don't know if you are aware of that?

Senator SNOWE. OK. Thank you. Thank you.

**STATEMENT OF AARON DORITY, PROJECT DIRECTOR,
DOWNEAST INITIATIVE, PENOBSCOT EAST RESOURCE CENTER**

Mr. DORITY. Good afternoon, Senator Snowe, and thank you for the opportunity to speak here today.

My name is Aaron Dority, and I work for the Penobscot East Resource Center in Stonington, Maine.

I want to mention two main points today. One is our concern with the proposed buyback, and two is the current scale of management.

First, a buyback is not the best way to reduce effort in New England's groundfish fishery. We have acknowledged today that we have lost numerous fishermen and much of our infrastructure. You can see that here on the Portland waterfront, and you can see it very clearly in eastern Maine, where I am from.

You mention that there was only one fisherman left east of Penobscot Bay. Even he is no longer fishing this year because it is no longer viable for him to fish. Our concern is that a buyback will erode fishing livelihoods even further. However, I acknowledge that we need to bring effort in line with the current groundfish stocks.

As one example of how to do this, I strongly encourage you to look to Port Clyde because they have clearly shown that they can make more money with less fish. They haven't asked fishermen to stop fishing. They have simply fished more sustainably.

Second, and even more importantly, I encourage you to explore area management in this fishery. The basic premise of this approach is to bring the scale of management in line with the scale of our groundfish stocks. Since there is strong evidence that groundfish stocks exist at a finer scale than is currently recognized, the area management proposes managing at a finer scale.

The benefits of this would be: (1) greater attention paid to full stock recovery at the local level; (2) attention paid to the need to preserve the critical coastal shelf, including protection for spawning and juvenile fish; and (3) a greater opportunity for fishermen to be engaged in the management process so that they may become stewards of the resource and we can look to Maine's lobster zone council as one example of the stewardship.

Since there are still many questions regarding fine-scale stock structure of groundfish, the Penobscot East Resource Center is currently planning a fine-scale groundfish stock workshop in collaboration with the Gulf of Maine Research Council, Research Institute, and Maine's DMR. This will be held on April 2 and 3 at a location still to be determined. I will share the details of this workshop with your staff, and I encourage you or your staff to attend.

In sum, I want to say that area management is an alternative to sustained groundfishing and rebuild depleted stocks in New England, but our fishery managers need to give this approach a chance. It can work in an output control system, and it can work with sectors.

The best way to explore area management may be through a pilot program. And I know that Port Clyde fishermen would gladly try a pilot program. They have already demonstrated that they can do this. The remaining permit holders in eastern Maine, all 27 of them, though none currently fish under the restrictive days-at-sea system, they would also be willing to pilot area management.

We have willing fishermen. Now we need willing fisheries managers.

Thank you.

Senator SNOWE. Thank you very much. Appreciate it. We will have staff at that session. Thank you.

OK, who is next? We are on, what, 13, 14? What? Fourteen? No. Fifteen? Who is next? Because I know Dr. Balsiger has to leave for the airport in 5, 10 minutes.

STATEMENT OF WILLARD H. VIOLA, COMMERCIAL FISHERMAN; PRESIDENT, BLACK BEAUTY, INC.

Mr. WILLARD VIOLA. Hi, I am a commercial fisherman, Willard Viola. I have been about 35 years.

It seems like it is just getting harder and harder to operate all the time. And when you look around this room here, there are more conservationists, conservationist groups, lawyers, and other people than there are fishermen here. And I thought the days-at-sea system was working. When it came out in the first place, I invested some money into buying days at sea. And then all of a sudden, a small group of people down off of Cape Cod started sectors.

And I think they are in bed with the conservationist groups, too, getting money from them, able to buy permits and stuff. And all of a sudden, what they are getting looks better than what I have because I am working under days at sea. And a lot of people, like if she said Rhode Island, she has been to a meeting in Rhode Island, and they said the days at sea isn't working. Well, if I had 48 days, like most of Rhode Island guys have, I would say the system isn't working, too.

And so, these people form their sector with the help of one of the conservationist groups, getting money from them. So their sector all of a sudden looks a lot better than my days at sea because they can go out fish in areas that are closed to normal fishing. Like in May, there is an area closed, and all of a sudden, they can go in there and fish. So I am saying, "Hey, I am under days at sea. I want to be under a sector because they have got special rules and regulations that I don't have."

And all of a sudden, we are going to all go to sectors. The only reason there were 17 or 19 sectors was they said we are going to go to sectors, and if you are not in a sector, you are going to be left in the common pool, which isn't going to have anything. They kind of scare you into the sector thing.

I was doing fine in the days at sea because we bought permits to be able to fish, which I thought was the way to go at that time. And then it doesn't get a chance to work out, we are going to go to sectors because this group here has formed this sector down there that is working so much better for them, but it is for them because they are being supported by these other groups that buy permits and everything.

And they get special rights that I don't think we are going to get. When they finally do form the sectors, I don't think that I am going to be able to fish in the 2-for-1 area with 1-day or have no rolling closures, stuff like that, and be able to land all the cod history you have or all the whatever history you have.

And I just go to these meetings and I see more and more less fishermen and everything. It is just discouraging, the whole thing.

Senator SNOWE. How long have you been fishing?

Mr. WILLARD VIOLA. About 35 years.

Senator SNOWE. Thirty-five years.

Mr. WILLARD VIOLA. Yes, I used to work at O'Hara's for 15 years. Then I worked for Roger Woodman for 10 years. And finally, I went during the first buyback, I said, well, Roger was selling out to the Government, and I said, "Well, if I don't buy my own boat now, I may end up working for somebody I don't want to work for or something." So that is when I bought my boat in 1996. And been pretty successful up until now with it, and it just gets every move you make, it seems like they are putting up a roadblock against you.

Like they took away—used to be if I was going to fish Georges, I could steam down off Nauset, Cape Chatham, clock in down there. Like my brother was saying, you can't do that anymore. Asked why they were doing it, you asked, call up the VMS people in Gloucester, the law enforcement office, and they said, "Well, don't ask us. It is the law. They made the law, and we are just enforcing it," and stuff like that.

And recently, I just installed an ice machine on the boat to try to stay in business, have a better product. I was trying to sell—that is supposed to be how we can get the business back into Maine today—and was trying to sell at the Portland fish auction, but I just wasn't getting the bids on the fish.

There are not enough buyers there now because so many boats have left. I think some of the buyers have left. There are more buyers in Gloucester, and so you just have to go there.

Because we would get down to a price for like large haddock would go for \$1.15, and one of the buyers would jump in there and bid \$1.15 on it when I would be better off when they just didn't bid. Because when they do, I have to scratch, and it costs 8 cents to scratch that fish. I have to pay their fee. And so, I am thinking why did you bid that bid when you know I am going to scratch it?

And just things like that would help out.

Senator SNOWE. Well, thank you for sharing your experiences and sorry for what you are going through. Hopefully, we can avoid some of this, and thank you for taking the time for being here and testifying. It is really important for all of us to hear it, frankly, because it is very helpful to us in this process. So we thank you.

And on the sector management, how is consistency established in that? Is it up to—in developing sector management, when he was talking—when he was mentioning some of the options and how it was decided which areas and so on, who makes that decision? How is that constructed on a sector management area?

Mr. STOCKWELL. Sectors are self-selecting, and—

Senator SNOWE. You say self-selecting by the industry?

Mr. STOCKWELL. By the industry members, and there are—

Senator SNOWE. I see.

Mr. STOCKWELL.—no areas attached to them at this point.

Senator SNOWE. And so, they establish their own rules?

Mr. STOCKWELL. One of their charges is to develop an operations plan, which is then reviewed by the agency.

Senator SNOWE. I see. I see. Thank you.

OK, where are we, 16? Seventeen? Sixteen, yes, thank you.

And Dr. Balsiger, you feel free—I know you have to leave for a plane. So feel free.

Dr. BALSIGER. You must be keeping closer track than me.

Senator SNOWE. Well, I just want to make sure you don't miss your plane because I know you adjusted your schedule to be here today, and I truly appreciate it. And I just want to thank you, and we will follow up. And I appreciate your staying to listen to the comments that are so critical in this key process.

Dr. BALSIGER. Senator, this opportunity was good for me, personally and for the agency. So I appreciate the invitation.

Senator SNOWE. No, I thank you and thank you for being responsive. And we appreciate it, and thank you for taking the time for being here because I know you did alter your schedule today to be here. Thank you.

Yes?

**STATEMENT OF BERT JONGERDEN, GENERAL MANAGER,
PORTLAND FISH EXCHANGE**

Mr. JONGERDEN. Senator Snowe, Members of the Committee, my name is Bert Jongerden. I am the General Manager at the Portland Fish Exchange.

The fish exchange has been the back-around for commercial fishing in the State of Maine for the past 22 years. Conceived in the 1980s by a partnership of the city and the State, fishermen, and processors, the all-display fish auction has been a wonderful success until Amendment 13. From 1988 to 2005, the exchange averaged over 22 million pounds of groundfish per year coming through this port.

The economic benefit of that 22 million pounds is over \$90 million into this local economy. The landings created numerous support industries for vessels, processors, fuel and gear, gear shops, shipyards, insurance, finance, berthing, lumping, trucking, transportation, packaging, equipment. That is just to name a few.

Along with all those wages, the Port of Portland had the distinction of being the most—handling the most groundfish in the New England States. After Amendment 13 in 2005, the landings dropped 15 percent. In 2006, 47 percent. In 2007, another 11 percent. We have lost over 76 percent of our landings in 4 years. Four years.

We have gotten to a point now where we have reached a critical mass on the port of Portland. We have one ice supplier, one fuel supplier, one hydraulic gear yard, one electronics dealer. We just cannot afford to lose another part of our infrastructure.

The regulations have dropped our fleet of over 350 vessels in that 22-year period to 70. Well, it is closer to 69 with the loss of Craig here. Along with that, we are losing our buyer and our processor base. All the buyers and processors are moving themselves to Massachusetts and New Bedford.

There is one trucking company left in the State of Maine that brings fish from Portland to the markets. There used to be four. There is just one now. The processors now are all sorting fish out of New Bedford, Gloucester, and Canada. That is depressing the prices at the fish exchange.

I also conservatively estimate that in December of every year, we lose 15 fishing boats to the Gloucester port. That is over 5 million pounds of fish that we lose off our docks down here. I am very

deeply concerned that in May of 2009, with whatever interim actions they provide, the exchange could possibly close.

We are at a critical mass of 9 million pounds a year, where we can barely break even. Any more days in sea reductions, we are not going to be around anymore. We lose the exchange, we are going to lose Vessel Services. We are going to lose our last hydraulics shop. We are going to lose our whole fish pier complex.

I beg and I plead that we not cut any more days at sea. If we lose our infrastructure here, it is never going to come back.

Senator SNOWE. Well, those numbers are staggering, and I am truly sorry. I mean, I think we all are about what is happening to the Portland Fish Exchange. And you are absolutely right. We need to preserve this infrastructure. It is part and parcel of the industry, and we need to keep it to preserve the industry, and hopefully, we can avert that.

Mr. JONGERDEN. I appreciate it.

Senator SNOWE. And that is a very—those are very serious statistics, without question. I know the role that the fish exchange has played, and it is pivotal. So, thank you.

Mr. JONGERDEN. We have to survive.

Senator SNOWE. I appreciate you being here and sharing those unfortunate statistics.

Seventeen? Eighteen? Anybody else? Yes? Yes, oh, you are 19? Of course.

STATEMENT OF CAPTAIN ROBERT M. ODLIN, COMMERCIAL FISHERMAN AND OWNER, F/V MAINE LADY III

Mr. ROBERT ODLIN. Thank you, Senator Snowe, other distinguished guests.

My name is Robert Odlin. I grew up here in south Portland. I now live in Scarborough. I am 39 years old, second-generation commercial fisherman, and I have been participating in State and Federal fisheries for 25 years.

I served for 10 years and still serve on the State of Maine Sea Urchin Zone Council and serve on the Maine Commercial Fish and Safety Council.

I own and operate two vessels, one of which groundfishes, and my access to the Federal fishery cost me \$123,000 3 years ago. That bought me a boat, bought me a permit. The boat was pretty small. I used to fill the boat up in about 2 days. So the problem with not being enough fish I don't buy. We are catching fish.

I recently invested another \$110,000 in the fishery. I bought another boat. My access to the fishery is 88 days, 88 days I can catch fish in Federal waters. Only 48 days is what everybody talks about because those are the A days. Those are the days we can target cod. And we also have B days, which we can target fish, but not cod.

Guys were talking about not being able to get clear of the pollock? Great, I can go catch pollock on the B days. That is a good thing.

My intention was to lease days this year and, hopefully, afford to buy another permit. Buying another permit, hopefully, will give me more access so I can catch more fish and make more money.

With the sector ghost hanging over our heads, don't know if buying another permit is going to be the right move or not. So one permit is not sufficient. A cut in 18 percent on my A days will be two less trips. I make short trips. It will be two less trips, and my margins are pretty small. You mentioned the margins right now, and they are not huge. But we are surviving.

I am not a great speechwriter. My speech was written while I was sitting upstairs, and I am kind of going to jump around a little. There are hundreds of square miles of our EEZ that are closed, closed areas. We can't fish there. The fish in those areas, I think, thrive. They spill over into the areas. So we fish along the edges, and we catch our fish.

There are so many fewer boats, I fished—well, when I finally got my permit from National Marine Fisheries, which took a lot of phone calls and a lot of time, I have seen five boats since July 2nd. I have fished about 50 days. Seen five other boats. One was my friend. We fish together.

The term “ghost town” is used to describe the City of Portland and the fishing industry. It used to be a robust community. You would always know people, see people. There were taverns you could visit and find crewmembers, and it was a good feeling of community. But now it is a ghost town, especially, like Bert said, in December when everybody goes to Gloucester.

We are down to 70 boats from 350. That alone right there is enough to scream there is a problem. If we shrink much more, the struggle will grow greater. The confusion we have to deal with in trying to understand the regulations right now with National Marine Fisheries is huge. I can't imagine what more confusion is coming, but it is certainly there.

Because the fleet has shrunk so much, and a lot of it has shifted to Massachusetts, it is almost impossible sometimes to find experienced crew. There are not enough boats around, not enough crew around. Fuel is the ultimate enemy, basically. It makes or breaks you. So when we had a tax relief from the fuel, it was very appreciated. I can't believe it went away, but it did.

One question is why have my fellow groundfishermen, who are accessing the same resources as me, been given a Government subsidy and I have got nothing from the Government because I am a Maine fisherman? There was a time when I thought about moving to Massachusetts. I can't believe I am saying that. If I had done it 2 years ago, I would have got about 50,000 bucks. Instead, I stayed in Maine and paid my taxes.

With the shrinking of the fishery, less shoreside support. No lobster sales here in Maine, so it is more difficult.

We talked all about science, and basically, this whole meeting was about science, it seemed like. And the science is not perfect. You know, there are a lot of flaws. There are mistakes. They found the flaws in the science. It has been brought to our attention. So let us not make us pay for these flaws when you reassess our time to fish, let us make sure that those flaws are out in boldface.

To stay in this business, you need to adapt, travel, reinvest in days. You can't just fish in your backyard anymore, you know? A 100-mile run is standard sometimes. An 88-day permit allows you

to lease up to 88 more days, and you can double your effort. It is going to cost you, but you can double your fishing effort.

So I am going to close now. We were once overfished. OK, a few species are still on the overfished line. But I think the fire is out. I mean, we put the fire out with so many cuts and so many closed areas, and we did have buybacks in the past. We shrunk the fleet. I remember they were taking boats and cutting them up. So don't let us die because of just the ashes that is remaining.

You mentioned the socioeconomic effects, and that is part of the Magnuson-Stevens Act that needs to be considered. I want to call that the halo over this whole thing. Maybe that can save us.

Guys mentioned dealing with National Marine Fisheries. Calling them on the phone results in recordings most of the time, run-around, getting bounced from department to department, voice-mails, and very few returned calls. It is very, very frustrating dealing with NMFS down in Gloucester.

The dogfish in the Gulf of Maine are released in near shore waters are in a plague-like proportion. There are so many dogfish, you can almost walk on the backs at times. If I could take you out fishing on my boat in July, we will put 30,000 pounds of dogfish on in a day. We can keep 600 pounds for the trip of dogfish. We can keep 800 pounds of cod for the day. It seems to be—it doesn't really seem to be balanced out.

And I guess that is it for me right now.

Senator SNOWE. Well, I thank you very much, sharing your experience and also what you endure and have to overcome and the obstacles, to be resilient in the face of all of that. But I appreciate what you are having to say.

And yes, I agree with you. Like Massachusetts, Maine ought to be able to have the benefit, and that is something we are going to work on in terms of the appropriations that we have been talking about and arguing about. And it is not fair. It is a matter of equity. It is similar to what we are talking about in the disaster declaration. We absolutely agree with you totally. There is no rationale for that.

Mr. ROBERT ODLIN. Do you think we might get a check in the near future?

[Laughter.]

Senator SNOWE. The "near" is the—but, no, I hear you. I hear what you are saying, and you raise some very valid points, and that is what it is all about. We have got to make sure you stay in business and you stay in Maine. That is what it is all about. And that is the cause and effect, and you are describing the ripple effect, the ramifications of every decision that is made or isn't made, by default.

And that is what it is all about, and that is what we have got to prevent and avert. So hearing your stories is so critical to this process and to all of us. Some obviously part of the industry are seeing, but it is certainly important for me to hear and, hopefully, for Dr. Balsiger at the Federal level, administering these programs, because there are always ideas that are emanating from all of you because you live it. You feel the practical effects of it. And we need to hear it and know it, and hopefully, we can go about doing it in a different way and a better way.

I always think, you know, can we solve this problem differently? Is there a way? And that is what we have got to find out here. So we can improve your lives and do what you do best and want to do.

I often think about the fishing industry. There aren't many industries that have to live with the interference of the Federal Government. I mean, that is saying an awful lot that you have to endure. That is a stark truth and adds so much complexity to your lives each and every day, not to mention it has some adverse consequences. It is what it is because we have a resource that we have to protect, but it doesn't make it any easier for you to go out and do your jobs every day. That is the point here. It doesn't.

There are very few industries that have to endure what you have to endure in terms of that regulatory process and the bureaucracy that results from it. So we have got to be responsive. That is the other thing we have got to make sure. I think the calls that you make to Federal offices, they have got to be responded to. And we have got to hear that, and we have got to do something about it to make sure. It is just not right.

So we will take care of—we will work on that as well. I just—I think we feel for what you are going through, and we have just got to do something to make sure that we can avoid the worst consequences here.

Anybody else who cares to comment? OK.

Dr. Balsiger, if you have to leave, you go right ahead. Thank you so much. Yes, thank you for being here.

Dr. BALSIGER. Again, thanks for the invitation. I am sorry I didn't have more time to spend in Portland. It is a wonderful town, and I look forward to seeing—

Senator SNOWE. Oh, no, thank you. Yes, thank you.

Dr. BALSIGER. Anyone in the audience should feel free to send me an e-mail because I don't intend to drop these issues.

Senator SNOWE. OK, I appreciate that. Thank you for being here and, again, adjusting your schedule. I appreciate it. Thank you.

And I know others have to go, too. But we want to make sure we get in any other comments here. You go right ahead.

Ms. ODLIN. I think I am the last one. I am number 20.

Senator SNOWE. Oh.

**STATEMENT OF AMANDA ODLIN, CO-OWNER, F/V LYDIA AND
MAYA, F/V BETHANY JEAN**

Ms. ODLIN. Another Odlin up to bat here. Amanda Odlin. I have the fishing vessel LYDIA AND MAYA and the fishing vessel BETHANY JEAN.

And I guess somebody kills another individual, isn't that considered breaking the law? I mean, that is a pretty upfront obvious one. You drink and drive. You get caught. That is breaking the law. There are consequences that go with breaking the law, am I not correct, pretty well defined.

The Magnuson-Stevens Act is a law that governs the industry, the fishing industry. Correct? We are all together?

Well, it seems to me one of the national guidelines, one that comes to my mind is a balance of conservation and economy, and that I haven't seen the economy side of it yet, just the conservation.

In essence, isn't that breaking the law, and where is the accountability for that? Where is the consequence?

I have seen letters of warning from you, yourself, Senator, to Patricia Kurkul, who is in charge of NMFS, warning about these emergency interim rules that she seemingly to the common guy, which is all of us, reels with no consequence or no accountability, even with warnings from somebody like yourself, but a warning without consequence.

So I would hope that NMFS would have to become more accountable because I see it as breaking the law. If I break the law, my boat goes into a closed area even accidentally or doesn't declare into the correct area properly, if I have been fishing in a different one, they are going to either call me back to port or I am going to get a fine. I am going to pay for that. I am going to have a consequence.

I haven't seen the consequence for NMFS as of yet, and there is no balance in conservation and economy. We have only seen the conservation. You have said it yourself. That is what I have heard the whole time. That is breaking the law.

Senator SNOWE. That is why I inserted it in the law back in 1996.

Ms. ODLIN. But it is breaking the law, is it not, if it is not being adhered to?

Senator SNOWE. I know.

Ms. ODLIN. And there needs to be a consequence.

Senator SNOWE. You are absolutely right.

Ms. ODLIN. And so far, we haven't seen the accountability for that.

Another thing is we are questioning the science at this juncture. How can we go into a new round of regulations when it is being investigated or supposedly investigated at this point in time? That to come up with a new set of rules without—and the basis for all the rules, a lot of it is the science that none of us believe in.

Even our own Dr. Butterworth, who AFM had to hire, for the best available science. I believe that is part of the law as well. We actually had to go hire it at huge expense to our small group. It was proven codfish and witch hake or the white hake, whatever it is called. The "W" hake, the "whack" is what I call it, because that is what is on the little statistic sheets as having been rebuilt when we paid a huge price for supposedly those being overfished for the last 5 years ago Dr. Butterworth conducted this survey.

And lo and behold, there was a mistake made, and how many people went out of business for that mistake? So, again, decent science, best available, according to the law—quote, unquote—is what I read. I don't think we are using the best available. We had to hire the best available, a worldwide recognized real scientist.

And that is the extent of my comments. And as far as the Maine fisheries go, really the only answer to that is to level the playing field. It isn't level. We can't land the offshore lobsters. Eliminate the fuel tax. I averaged my two boats out just on fuel tax alone, based on a \$3.30 per gallon price, that is \$24,562. That is my insurance payment on one boat. That is not counting the other one.

You take—but that is not enough. You take the revenue from the offshore lobsters on top of that, I can't afford to throw that back

and then land my species of concern and then drive the balance of the fish left to Portland. It doesn't make sense. You will never get those boats back here unless you level the playing field, and our legislators didn't really want to do that. There are however many thousand lobstermen not wanting that.

So you are not going to have a groundfish industry. Even if you were to do any number of things, I mean, it just seems to me the boats already went to Massachusetts, where there is no fuel tax and you can land your offshore lobsters as long as you are licensed for it. What would be the lure? I don't see it.

Senator SNOWE. Well, hopefully, we can do something that is going to make a difference.

Ms. ODLIN. There is no creative solution. According to Michael Conathan; he was hoping that we could find another creative solution. That is the solution. It is not creative. It is what it is. When all the other New England States allow you those offshore lobsters, and this is the only one that doesn't, and then, at least in Massachusetts, you are going to eliminate the fuel tax. I don't know about the others. That is the only way you are going to level the playing field.

So that is all I have.

Senator SNOWE. How long have you been fishing?

Ms. ODLIN. We have had the LYDIA AND MAYA since the year 2000, but my husband has fished for Jimmy for over 30 years. And they are all generational.

Senator SNOWE. Yes, all generational. Well, we want to keep it that way for those who are in the industry at the minimum. I think it is so crucial to this State, not to mention to all of you who are in it and want to be in it as well.

Ms. ODLIN. And the families that we support through the crew we hire, the taxes we pay, I mean—

Senator SNOWE. Absolutely. Maintaining the small communities, and that is why it is so important.

Ms. ODLIN. Especially in an economically stressed time for the whole United States, let alone the State of Maine.

Senator SNOWE. No question.

Ms. ODLIN. It just seems ridiculous.

Senator SNOWE. But mentioning about the socioeconomic impact, that is true, and that is why we included it, I did back in 1996 in the reauthorization of the Magnuson-Stevens Act because there was an imbalance in the way we were approaching the fisheries law. And so, that is the point: We have to look at mitigating the effects. I just don't think there is any question about it. We have that obligation, but there has not been the same kind of investments in that dimension of the law that there has been on the conservation. You have got to do both if you want to maintain it. It shouldn't be mutually exclusive—

Ms. ODLIN. Absolutely, and I understand that. But the pendulum never swung. It is stuck on conservation like a magnetic hold there. However, at some point in time, maybe some flexibility in the time frame? As long as those stocks are being rebuilt, what is to say they have to be done in a year, 2 years, 10 years, 50 years? As long as they are rebuilding to allow that balance of that pendulum.

Because if you put that strict of a time frame on, of course, it is going to magnetize toward conservation at the expense of economy, and it is breaking the law. Quite simple. I mean, that is a simplistic approach to it, but there has got to be accountability for that as well, just like I would be if I were to, I don't know, run you over right now.

Senator SNOWE. Well, don't do that.

[Laughter.]

Ms. ODLIN. I am just saying—but wouldn't that be considered illegal?

Senator SNOWE. I hope so. But anyways—

Ms. ODLIN. Well, it is no different for this.

Senator SNOWE. Some might not think so.

Ms. ODLIN. No different with an imbalance of that national guideline that you said yourself—

Senator SNOWE. I appreciate it. But you are right. Absolutely. The point you are making is you have got to uphold the law, and that is the law.

Ms. ODLIN. And there has got to be a consequence for breaking that law.

Senator SNOWE. Exactly. I appreciate that. And accountability. You are absolutely right.

Ms. ODLIN. Absolutely.

Senator SNOWE. Yes.

Ms. ODLIN. The driver, so to speak.

Senator SNOWE. I appreciate it, but accountability. Absolutely correct. And agencies have to be held accountable as well.

Yes? OK, who else is there? Go ahead.

STATEMENT OF CAPTAIN BILL LINNELL, LOBSTERMAN

Mr. LINNELL. I am going to get the last word. I am Bill Linnell. And I am a licensed lobster catcher, and I have also been groundfishing, gill netting, long lining, and urchin diving. And I have just a thought for you.

I would like to see an analysis. In lobstering, one of the things that has served lobstering real well, a conservation measure, has been that in lobstering the owner/operator has to be on the boat. The guy with the lobster license is on the boat. I can't sub out, hire somebody to run my boat, OK?

So I would like to—I wonder if that—if groundfishing adopted that policy, I suspect that that would take a huge amount of pressure off the fishery. And if you have a family that has a fishing boat and they are supporting that family out with that fishing boat from Port Clyde or Portland or whatever, that they could probably have a lot more days at sea. And the sort of the factory operations that are sort I would say roughly analogous to the big box stores, they would have to—the pressure that they exert would fall off.

And I would just like to see somebody do an analysis to say if there were owner/operators only in the groundfishing, as they are in lobstering, if that would take care of the problem. So that a family with a—one family with one fishing boat supporting themselves, I suspect that maybe they could have as many days at sea as they want. And that would be the end of the problem.

Senator SNOWE. Has there been anything like that, Mr. Stockwell? Do you know? Any analysis?

Mr. STOCKWELL. Not that I know of.

Senator SNOWE. It has been helpful, though. Thank you very much. Thank you.

Anyone else?

I guess I have to wrap up because they are getting ready for a city council meeting. Is that what you are trying to tell me? Oh, OK. They are giving me the heave-ho, I guess.

[Laughter.]

Senator SNOWE. But listen, I just want to, first, thank the panelists for taking the time, for your very thoughtful substantive statements here on a very critical matter that goes without saying. And I thank all of you for participating and, most especially, staying here to listen to the comments, and I know that you have gone through many processes and procedures in the course of this decisionmaking, as we will in the future.

But I appreciate your willingness to be here today, on such a critical matter that is so vital to this State and to the region and to the industry and to the men and women who are a part of it and the families who depend on it. So I truly thank you for being here and taking the time.

And to all of you and those who also gave their statements and testifying and expressing their views and describing their experiences during this time of hardship for the industry, they persevere and endure, and that is certainly the Maine way. But we need to do all that we can to help and assist in this process. Hopefully, we can avoid some of the worst-case scenarios so that we can get you to do what you do best, and that is to be out there fishing, what you want to do and what generations of families have done. It has been a way of life here in this State.

So I appreciate the fact that you have taken the time to be here, to listen, to participate. Please feel free to follow up with other, additional comments. This is a formal hearing of the Subcommittee of the Commerce Committee, and we will include that in the record. We are going to review what has been said because, again, I draw so much, and I am sure many of the panelists here today and Dr. Balsiger will learn a lot from what has been offered here today and specific and concrete ideas on how to look at this and how to evaluate it in different ways.

There is never only one way. I have always believed that in solving problems. There are many ways. And so, I appreciate the time that you have taken. I truly mean that, that so many of you are going through so much in an industry that means so much to this State.

So, with that, this hearing is adjourned.

[Whereupon, at 4:41 p.m., the hearing was adjourned.]