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**Deirdre Boelke**

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**Subject:** FW: Small Dredge Scallop Fleet  
**Attachments:** Small Dredge Exemption Remarks.docx

**From:** Cameron S. Miele [<mailto:cmiele@scallopfishing.net>]

**Sent:** Thursday, March 14, 2013 1:56 PM

**To:** Mary Beth Tooley; Mark Alexander; Tom Dempsey; David Pierce; David Preble; John Quinn; Laura Ramsden; Peter Christopher

**Cc:** John Bullard; Rip Cunningham; Tom Nies; David Frulla; Drew Minkiewicz

**Subject:** Small Dredge Scallop Fleet

Council Members,

I understand that certain members of the scallop fishery are once again pushing for the elimination (or significant modification) of the small dredge fleet. It is unfortunate that they continue to push for more personal gains at a time when we all need to be focused on priority issues such as bycatch reduction. Since I know that this issue has been raised once again and will be raised at future Council meetings, I wanted to provide the attached brief commentary on the repercussions from the elimination of the small dredge scallop fleet.

Thank you,

Cameron Miele  
F/V Kathryn Marie  
F/V Hunter



## Small Dredge Exemption Remarks

The repercussions from eliminating the Small Dredge Exemption would be devastating to hundreds of families across New England and the Mid-Atlantic. It would mean a loss of jobs and tax revenue at a time when this country cannot afford to lose either. The Magnuson-Stevens Fishery Conservation and Management Act requires that economic factors be considered when making management decisions. And from an economic standpoint the elimination of the small dredge fleet would be a net economic loss. The only benefit from eliminating the exemption would be to already highly successful boat owners as they would capture additional share of the fishery. In addition, the elimination of the small dredge exemption would not lead to additional conservation of the sea scallop resource.

- 1. Jobs:** Unemployment is the number one issue facing this country. The President, Congress, State and Local Leaders, and the American People are all concerned with the high rate of unemployment. The elimination of the Small Dredge Exemption will put full-time and part-time small dredge operators out of business as the full-time boats will not remain economical as part-time boats and the part-time boats will not remain economical as occasional boats. Total employment loss from the elimination of these boats from the fleet will generate an estimated 300 – 400 newly unemployed commercial fishermen. These boats also support hundreds of shore side support jobs. Job Killing actions by the Council will be extremely unpopular and will face a long and costly political and legal fight.
- 2. Priority Issues:** Fishermen, scientists and regulators need to focus on high priority issues such as: (i) improving safety; (ii) further reductions to bycatch; (iii) better funding for research; (iv) more collaboration amongst fishermen, scientist and regulators; and (v) improved closed area management. In terms of the health and sustainability of the fishery the elimination of the Small Dredge Exemption is an issue of zero importance and therefore does not warrant the Council's attention.
- 3. Significant Bank Write-offs and Bankruptcies:** While accurate figures are not available, anecdotal evidence suggests that the vast majority of small dredge owners carry a mortgage on their vessel. Eliminating the Small Dredge Exemption would render these boats and permits near worthless. The majority of owners would not be able to satisfy their bank loans and would therefore be forced to declare personal bankruptcy. These owners and their families would be essentially wiped out and local banks throughout New England and the Mid-Atlantic would be forced to write-off in the neighborhood of \$50 million - \$100 million of bad commercial fishing loans.
- 4. Loss of Tax Revenue:** The vessels comprising the small dredge fleet contribute significant tax revenue to the Federal, State and Local governments. The remaining full-time boats that would pick up the incremental poundage would not contribute associated tax revenue sufficient to cover the lost revenue from the small dredge fleet. The elimination of the Small Dredge Exemption is a net loss in tax revenue.

## Small Dredge Exemption Remarks

5. **17-Year Precedent:** The Small Dredge Exemption has been in place for approximately 17 years and has been continually re-authorized. The boats of the small dredge fleet have earned the right through hard work and sacrifice to remain in the fishery. Precedence has been established.
6. **Backdoor Consolidation:** The Atlantic Sea Scallop fishery is sustainable. Since the fishery is not overfished there is no reason to eliminate boats from the fleet. This is not a health of the biomass issue, this is a money issue. The only motive of those that support the elimination of the Small Dredge Exemption is to garner additional pounds and force competition out of the fishery.
7. **Abandoned Vessels:** If these small dredge boats become essentially worthless their owners will have no reason to maintain the vessels and/or pay for their dockage. Those who can sell their boats will and those who cannot will leave them tied to the dock and neglected. The ports that formerly housed these working boats will now have to deal with the rusting hulks abandoned and tying up productive dock space.