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June 17, 2009

John Pappalardo, Chairman New England Fishery Management Council 50 Water Street, Mill 2 Newburyport, MA 01950

Dear Mr. Chairman,



As a fisherman and sector member, I look forward with great anticipation to the pending council action on sector expansion. Industry members convinced of the need for this change now constitute a 'critical mass', and those who continue to advocate for delay are the minority. Of course the fishery will always have a need for better science and its participants will always want more information from NMFS; but our priority now is to create a sector management structure that insures the health of the stocks and the industry in the future.

Most industry members agree that a vessel's fishing history should be the basis for its sector contribution – and the period chosen should be as long as possible since it smoothes any gaps created by health or mechanical issues. There is a general distrust in complicated formulas based on vessel characteristics or DAS allocations, which can easily be tweaked to benefit this or that user group. Catch history cannot be changed, represents the best snapshot of near-term actual effort and is the most concrete basis for sector allocation. As a resident of the Commonwealth of Massachusetts I would especially ask my DMF representatives to see the attached letter regarding sector allocation for more justification. At the recent Groundfish Advisory Panel meeting it was apparent that even the initial proponents of the so-called "capacity-based allocation" had been unable to generate a majority of supporters within their group for the idea.

Quota transferability between sectors will undoubtedly streamline the fishery and create a more economically efficient system. It will also offer fishermen economic protection they do not have in the current system. None of this will occur if future catch history does not reside with the transferring vessel and sector. If sector allocations are allowed to fluctuate every few years based on quota leasing, the new system will perpetuate the "race for the fish." The conditions for changing a sectors' allocation should be extremely limited and well documented ahead of time. They should not be based on the idea of "use it or lose it" since this would not represent any change from the current system. The council can reassure the industry by setting the right example now with the existing sectors – leaving their baseline allocations of Georges Bank Cod as they are set now. This entails a 'yes' vote on allocation option 5.

Finally, the upcoming sector discussion grants the council another opportunity to impose a hard-TAC backstop on the entire industry. The common pool should be treated as a distinct sector, with its own quota and monitoring requirements commensurate with the rest of the industry. Science-based catch limits have been too easily ignored and exceeded far too long and the health of the resource is at stake. Stop the bleeding: don't let the fishery continue its downward spiral without hard TACs. If fishermen wish to have more control over and take responsibility for the way they fish – give them the right choice. Approve sectors!

Eric Hesse F/V Tenacious II Barnstable, MA John Pappalardo, Chairman Rip Cunningham, Groundfish Committee Chairman New England Fishery Management Council 50 Water Street, Mill 2 Newburyport, MA 01950

Dear Mr. Chairman.

There are several key concepts that are being overlooked in the Council's debate about the methodology for calculating sector allocations. One is that catch history is more than just a proxy for Days at Sea (DAS) or vessel capacity; it also incorporates a fisherman's passion for and competence in the fishery, something none of the other methods consider. Another is that the Amendment 13 (A13) DAS baseline allocations are seriously flawed, and therefore should not be considered as a basis for allocation. Finally, the concept of using vessel capacity to calculate quota allocations would accelerate the process of corporate consolidation of the fishery and institutionalize current levels of overcapacity.

It has been suggested that catch history be merely one component of the factors making up sector quota allocations. Yet the other factors being suggested (DAS, capacity, etc.) are already incorporated in a vessel's catch history. In some cases, fishermen have been constrained by the size or DAS allocation of their vessel, and otherwise would have been able to develop a much stronger catch history. In many other cases, commonly referred to as "latent effort", fishermen have failed to use their DAS allocation or their vessel's capacity to its fullest extent. The difference is a fisherman's investment of soul and passion in the industry, and the competence that comes with perseverance in the face of endless frustration. A fishermen's catch history thus captures much more than just length of vessel, days fishing or the investment of someone else's capital. This is what makes the use of catch history the most compelling factor to calculate sector allocations. Placing the emphasis on the vessel, capital investment or the DAS system erroneously deemphasizes this core commitment.

Amendment 13 DAS baselines were calculated primarily on the basis of the DAS call-in system. At the time these baselines were set, the rules read "prior to leaving port....the vessel must call in and receive a sailing number." Because of restrictive trip limits, many fishermen called in up to 10 days in advance of their trip in order to land 10 daily limits at once. Sometimes these trips never actually sailed. The end result was thousands of legal "paper days" that were never actually used; the practice was then institutionalized in the A13 DAS baseline. The federal government already mistakenly rewarded this practice in the last buyout, paying upwards of \$50,000 in some cases to buy permits with negligible catch history but having large (paper) DAS baseline allocations. It is ridiculous to contemplate compounding this mistake. To do so would grant quota to sectors whose members never had any intention to actually fish.