



ENVIRONMENTAL DEFENSE FUND

finding the ways that work

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

RE: Necessary adjustments to the LAGC scallop IFQ

March 26, 2009

Dear Chairman Pappalardo,

Thank you for the opportunity to comment on the alternatives under development regarding the Limited Access General Category (LAGC) scallop fishery. Environmental Defense Fund (EDF) is a national organization with over 500,000 members. We work with a number of industries, including fisheries, to find solutions that better align economic and environmental goals.

EDF supports catch shares, which—when implemented correctly—have the potential to create greater abundance for the resource and fishermen alike. The LAGC Individual Fishing Quota (IFQ) program is the first catch share of its kind in New England. With a groundswell of industry members in other fisheries eager to switch to output controls, it is important to resolve issues that will impact the IFQ's functionality and set the right precedent.

Currently, to purchase more quota from a selling vessel, a fisherman must purchase the *entire scallop permit* and *all other permits* on the vessel. This “all or nothing” system greatly limits the economic flexibility of the IFQ. It inadvertently favors larger businesses that can afford the higher price of bundled quota and permits and puts smaller businesses at a competitive disadvantage. To ensure the success of this IFQ system, the scallop committee should:

**1) Develop an alternative in Amendment 15 to allow scallop quota to be transferred independent of the scallop permit and all other permits on the vessel.**

*Without this flexibility, this program will not function effectively. Transferability is one important key to ensuring quota-based systems work so that individual fishermen and the fishery as a whole can balance the books in terms of total catch. In the future, to achieve greater functionality of this program, the scallop committee should explore allowing portions of quota to be sold and leased.*

**2) Allocate to individual LAGC permit holders according to access areas that are available for fishing in any given year.**

*The current allocation scheme provides dedicated access to quota in the open areas but perpetuates a derby fishery in the access areas. This is a fundamental flaw in the program that must be fixed. Even though the allocations may be small, this should not be a reason to perpetuate a derby fishery in a portion of the most lucrative fishery in the nation.*

Thank you for your consideration of these comments,

Alex Bauermeister  
Project Manager, Oceans Program  
[abauermeister@edf.org](mailto:abauermeister@edf.org), 617.406.1820

CC: Deirdre Boelke, NEFMC