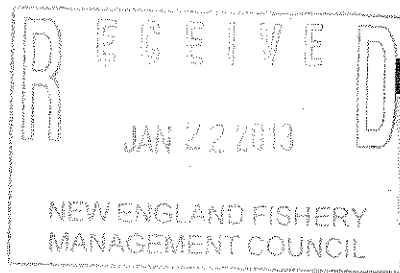


# Additional Correspondence





1865

THE UNIVERSITY OF  
**MAINE**  
School of Marine Sciences

Jan. 22, 2014

Dear Chairman Frank Blount and members of the groundfish committee:

I am writing with regard to the recent report commissioned by the groundfish plan development team and completed by Compass Lexecon concerning the consolidation of New England's groundfish fleet and potential development of caps on quota accumulation. From the perspective of an economist, the question the Council staff proposed in its RFP and the question Compass answered address only a very small part of the economic problem raised by consolidation.

From an economics perspective the consolidation problem raises two broad concerns. The first is a question of fairness in public policy: should a very small number of individuals be allowed to accumulate exclusive access to an important public resource? The implicit trade-off when individual shares (tradable or not) are granted is that a grant, or gift, of privileged access to a public resource is reasonable if it results in conservation that could not have occurred otherwise. The second is the mirror image of the first and concerns whether fleet diversity is essential for good management of the resource. These questions run through the public comments to the Council about amendment 18 and have been, in one way or another, part of the public debate for the last ten or more years.

Neither of these questions are addressed by the terms of reference the Council staff constructed nor by Compass' report. Both the Council staff and Compass appear to have interpreted the question of consolidation as if it was simply a question of market power and the cost of shares. That is an easy question that can be addressed with the same economic tools that are used for the analysis of market power in other economic situations. Unfortunately, it is not the relevant economic question for this fishery and this amendment.

I would like to focus my comments here on one particular aspect of the public comments and how those comments relate to the principal economic question in Amendment 18. In each of the hearings individuals have repeatedly raised concerns about the vulnerability of near shore stocks and spawning aggregations. These comments reflect every fisherman's knowledge that fish are found in patches and that these patches are adapted to local places - bays, banks, etc.

These comments are strongly consistent with a large body of recent (the last twenty years) scientific work here in New England, Atlantic Canada and numerous other places around the world. This scientific work documents the relatively local, place-based adaptations of most fish. The scale of these adaptations is much finer than the scale at which we currently manage.

cc: Council, DH, FH, JC, LG, RF (1/23)

This kind of fine scale, spatially explicit biological behavior has extremely important implications for both fisheries science and management. If stocks are assessed as if they were broad scale as NMFS does now, i.e., as if they are not localized, so that multiple stocks of the same species are included in the same assessment, then that assessment can be expected to generate extremely noisy, or ambiguous, data about the long run state of the fishery and any resulting single quota for multiple stocks of the same species will be close to meaningless. The quota will protect none of the local stocks (unless there is only one left) and gives very poor feedback to scientists about the effects of fishing. The same applies to the broad scale days-at-sea restrictions of the last two decades.

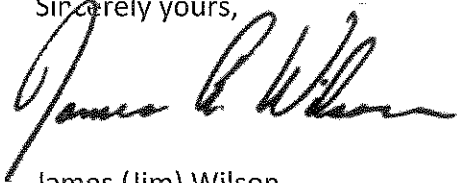
Setting quotas in this way also creates strong economic incentives that almost force fishermen to become highly mobile and to consolidate if they want to survive. The collective result of all, or most, fishermen behaving this way is that effort is concentrated on those stocks that happen to be most fishable at any moment. Strong local stocks are fished hard; growing but weak stocks with a good year class tend to be nipped in the bud. With sufficient catch/effort restrictions this might be a viable way for a small number of boats to fish if it weren't for the fact that local stocks are often forced below minimum viable levels. The experience in Atlantic Canada and our own experience in New England indicates recovery from these bouts of local overfishing often takes decades and is a much more serious form of overfishing that we usually contemplate. In other words, broad scale quotas, even very strict quotas, are a very risky, not a precautionary, way to manage. They simply create a spatial version of the race to fish, but a version with very long term consequences.

In this light, the questions of consolidation and diversity are questions about how the Council might adapt its management strategies to the increasingly apparent fine scale processes in the ocean. The problem consolidation creates is that if there is more of it, the only parties with the incentive and the resources for sustained participation in the Council process (including what happens in the sectors and State government) will be those fishermen who are mobile and well adapted to broad scale management; that is, people who have consolidated and whose economic interests are threatened by a shift to finer scale management. The Council appears very close to this situation even now. This is a classic case of lock-in, of a spatial version of the tragedy of the commons. The incentives built into current management mean the most likely outcome of more consolidation will be more of the same, a fishery limping along, indefinitely and vainly hoping that the next good year class of 'whatever' is the beginning of a turnaround. In these circumstances, the gift of exclusive access to a small number of people is a poor bargain for the public and especially for the fishing communities of New England.

A deliberate policy of fleet diversity accompanied by concrete spatial policies – I would suggest an inshore-offshore line as a starter – is the clearest step the Council can take to preserve its ability to adapt. Equally important would be the adoption of a conscious, continuing policy of exploring the implications of a finer scale ecology. Moving in this direction will not be easy, but at least it has the advantage of being consistent with our growing scientific knowledge of the ocean.

Thank you for the opportunity to contribute to the Council process,

Sincerely yours,

A handwritten signature in black ink, appearing to read "James B. Wilson". The signature is written in a cursive style with a large initial "J".

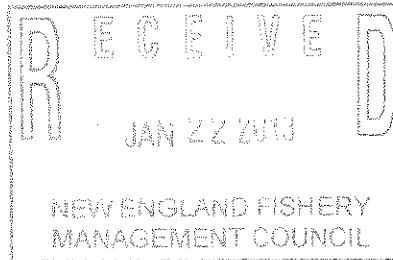
James (Jim) Wilson

Prof. of Marine Science and Economics

cc: Terry Stockwell, Council Chair



91 FAIRVIEW AVE  
PORSTMOUTH NH 03801



**NORTHEAST HOOK  
FISHERMAN'S ASSOCIATION**

November 13, 2013

New England Fishery Management Council

50 WATER STREET | NEWBURYPORT, MASSACHUSETTS 01950 | PHONE 978 465 0492 | FAX 978 465 3116

E.F. "Terry" Stockwell, *Chairman* | Thomas A. Nies, *Executive Director*



Dear Groundfish Committee & Council:

We represent a small group of Commercial Fishermen with the Limited Access Handgear HA Permits, employing the use rod and reel, handlines or tub trawls to catch Cod, Haddock and Pollock along with small quantities of other regulated and non-regulated marine fish. Historically and currently our fishermen account for a small percentage of the groundfish landed in New England. However, the monetary gains obtained by the participants in this fishery are very important to us.

The purpose of this letter is to encourage the Council & Committee to continue to work with Handgear fishermen to develop the NEHFA proposal (REVISED & REDUCED) to guarantee there is an active and viable handgear fishery for the future. One of the goals of A18 is to have a diverse fleet and various gear types. **If nothing is done the handgear fishery will become a paper or lease only fishery with no active handgear fishermen.** Some new ideas that the council may wish to explore are as follows:

1. Question? If handgear fishermen have their own sub-ACL component of the common pool for cod, haddock and Pollock, where does all the other fish they occasionally catch (redfish, cusk, flounders, ect) come from?

Answer: We propose that these small quantities of other fish come from FW47, Appendix III that states "Other sub-components: Portion of the U.S. ABC expected to be harvested by unidentified non-groundfish fishery components. These are not attributed to specific components because individual amounts are small."

2. Problem: Those fishermen with HA permits that are not fishing would lose out if they are not able to lease their quota in sectors to other fishermen in the sector who may not be using Handgear.

Answer: **These fishermen should be grandfathered.** The history that may be lost should be replaced by any future permit by-back program and the ACE replaced back into the Handgear Allocation what was lost to these permits moving into sectors but not fishing using handgear.

3. Are there specific ideas in the NHFA proposal that the Committee would like to develop further at this time?

We are asking the Committee to answer **all** to this question with the addition of a small historical allocation of Haddock and possibly Pollock to cover the majority of the species caught. The NEHFA plan was developed over 3 years ago with discussion between many active Handgear fishermen, State fishery representatives and NMFS NERO staff. It is a well thought out plan that keeps the fishery simple and easily managed. This plan may end up being one of the more successful fishery management plans if implemented and it is exactly in line with goals of A18. Doesn't fleet diversity include small Handgear fishermen and their vessels? We would like to work directly with the PDT to resolve any issues in our plan that the PDT has raised if the committee requests.

November 13, 2013

There are very few active Handgear fishermen left. The handgear jig fishery was the first in New England and if nothing is done it will be the first to be eliminated.

Respectfully,  
Marc Stettner /s/

NEHFA MEMBERS: Marc Stettner, Hilary Dombrowski, Paul Hoffman, Christopher DiPilato, Ed Snell, Scott Rice, Roger Bryson, Brian McDevitt, Anthony Gross, Doug Amorello

*If you are a holder of a groundfish HA permit and wish to join the NEHFA, please contact the NEHFA at the address above.*



91 FAIRVIEW AVE  
PORSTMOUTH NH 03801

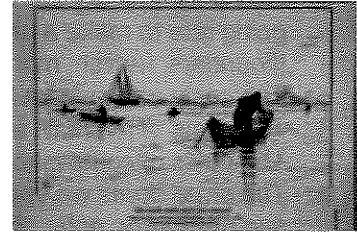
**NORTHEAST HOOK  
FISHERMAN'S ASSOCIATION**

September 12, 2013

New England Fishery Management Council

50 WATER STREET | NEWBURYPORT, MASSACHUSETTS 01950 | PHONE 978 465 0492 | FAX 978 465 3116

C.M. "Rip" Cunningham, *Chairman* | Thomas A. Nies, *Executive Director*



Dear Groundfish Committee:

We represent a small group of Commercial Fishermen with the Limited Access Handgear HA Permits, employing the use rod and reel, handlines or tub trawls to catch Cod, Haddock and Pollock along with small quantities of other regulated and non-regulated marine fish. Historically and currently our fishermen account for a small percentage of the groundfish landed in New England. However, the monetary gains obtained by the participants in this fishery are very important to us.

The purpose of this letter is to address some of the PDT issues that were raised with our plan for A18 and resubmit our revised plan that incorporates some of the latest input from the PDT and Council. The issues are addressed below in the order of the PDT Memo of 8/8/2013:

1. The PDT is correct where we wish to be managed more in line with the Recreational fishery. The commercial Handgear fishery is the same as the recreational fishery where typically a Rod and Reel is used to catch groundfish with the same lures (jigs) or bait. Although we can use a tub trawl (old style method baited up to 250 hook long line), this is rarely used due to the high numbers of dogfish. In some ways the recreational fishery is allowed to use more liberal gear such as electric assisted reels. Recreational fishermen are also able to fish in several areas (Jefferies ledge, rolling closures, etc.) that commercial fishermen cannot. Since we are limited to essentially the same gear and want the same type of management measures, (Trip limits & Size limits), our plan for A18 makes the Handgear fishery as similar as possible. In addition to the limits of our gear, we have the same de minimis effect on the habitat. Since we are managed by quotas there are no needs for the effort controls (area closures such as Jefferies) of the past that no longer make sense for the Handgear fishery. The rolling closures (especially for cod) have been replaced with spawning closures. We do not catch many of the fish (flounders, hakes, monkfish, ect.) that rolling closures were also set up to protect.
2. The PDT is correct where the Handgear HA permit holders would not be given an individual fishing quota (IFQ) and our plan is not intended to be a LAPP. All HA permit holders would share the same sub-ACL just as the Recreational fishermen share the same quotas of cod and haddock.
3. **The Handgear fishermen are not interested in Sectors.** As the PDT stated Sectors is way too complicated for a simple fishery as ours and the costs are prohibitive. In addition this fishery needs to be simple enough so a 17 year old kid can go buy a skiff, some tackle and start fishing. The only way to keep this fishery simple and accessible to anyone is to not have the fishery become a sector. Asking for the numerous exemptions in addition to the administrative issues is not a viable future to restoring this fishery or even maintaining the current fishery. About 100 Handgear permits exist and only 1 HA permit holder has joined a sector. 99 have had the chance and have not unless they are just leasing their quota to other boats in the sectors (dragners, gill netters or long lines). In addition we do not have to continue to watch out for any broad brush administrative actions that would apply to "all sector vessels" that may sneak out of a fishery plan that would harm our method of fishing. The only way to preserve this fishery is to make it distinct and treated differently. It should be noted that just about all the New England state groundfish regulations for using hook gear are just as simple as what we are asking for when we cross the 3 miles line into federal waters.

Sectors will not work for the following reasons:

- a. **To complex and daunting for a 17yr kid to begin earning some income commercially fishing.**
- b. **This will never preserve the handgear fishery history.**
- c. Cod is the primary catch of handgear fishermen and it would not be profitable to lease cod, at the going rate to make a profit. We cannot fish on cod for a loss and compensate with other fish (flounders, redfish, monkfish, etc.) in our catch that handgear fishermen don't catch.
- d. The costs of forming a handgear sector is prohibitive.
- e. The costs of maintain a handgear sector is prohibitive.
- f. The costs of compliance with sector requirements at sea are prohibitive (VMS, at sea Observers, ect).
- g. The small boats we operate (sometimes open skiffs) will not work for sector requirements (VMS, At sea observers, ect).
- h. Handgear fishermen do not possess other fish species to trade ACE for fish we catch such as cod because we never caught these species (flounders, redfish, monkfish, etc.).
- i. Handgear fishermen would constantly be under threat of brush administrative actions that we would have to defend if in a sector.
- j. No handgear fishermen has the time to administer a sector.
- k. Existing handgear fishermen joining a current sector will not stop the bleeding of the handgear history.
- l. Requiring all sectors to prohibit handgear ACE from using handgear history on non handgear boats is unrealistic.
- m. Existing sectors primarily consist of fishermen not using handgear.
- n. No willing active handgear fishermen has the time or interest to be a sector manager.
- o. Not enough profit to hire/pay a sector manager.
- p. Profits from handgear fishing do not support the administration of a sector.
- q. Sector detailed reports to complex and time consuming for the handgear fishery.
- r. Sector Manager Detail Reports to complex and burdensome for handgear fishermen.
- s. Sector Manager Trip Issue Report to complex and burdensome for handgear fishermen.
- t. ACE Status Report too burdensome for handgear fishermen.
- u. Daily ACE Status Report unrealistic for handgear fishermen.
- v. Sector requirements for ensuring zero catch of handgear fishermen with no ACE extremely complex.
- w. Consolidation of ACE plan is too complex for this fishery.
- x. Redirection of effort plans is too complex for this fishery.
- y. At-Sea Monitoring not needed for the handgear fishery due to limited catch.
- z. Detailed information about overage penalties is too complex for this fishery.
- aa. Legal entity provisions for a small skiff fishery is unrealistic for the scale of the handgear fishery.
- bb. A list of specific ports where handgear fishermen fish is unrealistic since some trailer their skiffs to many ports.
- cc. Sector hail requirements are impossible since handgear fishermen do not know if the weather will work until they are sometimes at the dock and test the weather.
- dd. Requesting exemptions are very complex and there is no guarantee the any will be approved.
- ee. Pre-trip notification is impossible since we can't predict if the weather will be ok in advance. Weather is a huge concern because the small size of our boats.
- ff. Handgear vessels are not set up for at-sea monitor requirements due to their small size.
- gg. Reasonable privacy for female At-Sea Monitors is impossible on an open skiff or small boat.
- hh. Many more reasons not mentioned.

4. *Would the Committee prefer to develop fishery regulations for the HA permit holders that are distinct from those governing the common pool and sectors?*

The NEHFA is asking the Committee to accept our plan so we can finally be managed as a Handgear fishery as simply as possible. We are asking the Committee to answer **Yes** to this question.

*Would the Committee prefer to modify the common pool regulations, under which most of the HA permits are fished?*

We are asking the Committee to answer **No** to this question. Very our fishery will cease to exist under the current regulations. We cannot continue to compete for the same fish as draggers and gill netters in the common pool. Also, eventually HA permits with history (PSC) will be sold off to other gear types under the current system. To preserve and restore this fishery the Handgear fishery must be separated as the recreational fishery was for cod and haddock in A16 where they were given their own allocation for the very same reasons.

*Are there specific ideas in the NHFA proposal that the Committee would like to develop further at this time?*

We are asking the Committee to answer **all** to this question with the addition of a small historical allocation of Haddock and possibly Pollock to cover the majority of the species caught. The NEHFA plan was developed over 3 years ago with discussion between many active Handgear fishermen, State fishery representatives and NMFS NERO staff. It is a well thought out plan that keeps the fishery simple and easily managed. This plan may end up being one of the more successful fishery management plans if implemented and it is exactly in line with goals of A18. Doesn't fleet diversity include small Handgear fishermen and their vessels? We would like to work directly with the PDT to resolve any issues in our plan that the PDT has raised if the committee requests.

5. The following comments are in response to the specific issues raised by the PDT when the PDT examined the NEHFA plan:

#12 *Allocate the Handgear HA permit category cod history (PSC) from 1996-2006 as a sub-ACL for use by HA fishermen.*

Response to PDT comments: Not sure how our plan takes quota away since we are asking that Handgear history be separated. **It is Handgear history.** We want to be independent fisherman not attached to sector plans and yes we can wait until A18 does what we are requesting. What we are requesting preserves this fishery for future generations of fishermen. We modified this for cod, haddock and pollock history.

#13 *Specify Handgear cod sub-ACL can only be used by HA fishermen, using Handgear, if fishing in a sector.*

Response to PDT comments: Way to preserve this fishery from Handgear ACE being used by other gear types and lost forever. We modified this for cod, haddock and pollock history.

#14 *Remove March 1-20 Handgear fishing closure.*

Response to PDT comments: Same enforcement as Recreational fishermen is all that is needed. In fact the current VTR reporting in addition to Dealer Reporting is much more conservative than the recreational fishery where the data is not real time and many months out before being processed. Not an issue due to the small percentage of the fishery the Handgear catch.

#15 *Access to fish in all permanent and rolling closures except the cod spawning closures.*

Response to PDT comments: Same access requested as the Recreational fishery. Same gear and methods. Yes we are requesting a small allocation of haddock. There are no closed area issues with the recreational fishery so this would not be a concern.

#16 Do not require LOA to fish on a commercial groundfish trip or a charter/party trip.

Response to PDT comments: We concur with the PDT comments. This provides more flexibility for the Handgear fishermen.

#17 Up to 20% unused Handgear HA cod ACL may be transferred to the following fishing year.

Response to PDT comments: We modified our proposal for 10% to be consistent with other fisheries.

#18 Eliminate trimester AMs for HA permit holders developed in A16.

Response to PDT comments: Concur with PDT. We should have a sub-ACL for all stocks we catch if possible.

#19 Automatic triggers to not exceed Handgear cod sub-ACL.

Response to PDT comments: Trip and size limits should work. Maybe 3 year average like the recreational fishery can be used for the Handgear fishery? We changed our proposal for reactive measures.

#20 Do not require IVR call-in unless 85% of the cod Handgear sub-ACL is harvested. Call in modified to streamline what is needed for this fishery.

Response to PDT comments: Is IVR really necessary with Dealer reporting and VTRs? The catch rates are slow enough and IVR was not required for until recently. Would future Web based VTRs submitted within 48 hrs. suffice instead of IVR? We changed our proposal for 50%.

#21 One HA permit per fisherman. One-time sell provision for existing HA permit holders.

Response to PDT comments: NEHFA put this in abeyance for future fishery actions. This may be too complicated for this fishery amendment.

#22 Removal of requirement for HA fishermen to carry a tote.

Response to PDT comments: Not needed and only Handgear fishermen were ever required to carry a tote. Totes not used takes up deck space that is precious on small boats. Handgear Fish are kept in cooler. When offloaded they are transferred into totes.

#23 Changes to Handgear input controls.

Response to PDT comments: Concur. The method (rod and reel or tub trawl) would remain the same. With quotas the input controls can be relaxed.

There are very few active Handgear fishermen left. The handgear jig fishery was the first in New England and if nothing is done it will be the first to be eliminated.

Respectfully,  
Marc Stettner /s/

NEHFA MEMBERS: Marc Stettner, Hilary Dombrowski, Paul Hoffman, Christopher DiPilato, Ed Snell, Scott Rice, Roger Bryson, Brian McDevitt, Anthony Gross, Doug Amorello

*If you are a holder of a groundfish HA permit and wish to join the NEHFA, please contact the NEHFA at the address above.*

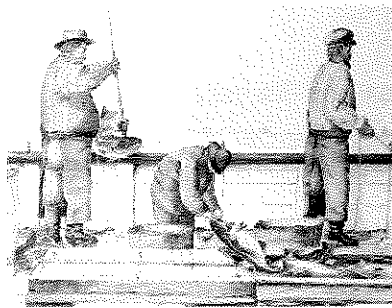
# RESTORING THE NEW ENGLAND GROUND FISH HANDGEAR FISHERY PROPOSAL

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## NORTHEAST HOOK FISHERMEN'S ASSOCIATION

### AMENDMENT 18

Revision 11/13/2013



Gaffing and cleaning cod on the deck of a handlining schooner off the North American east coast, ca. mid nineteenth century.

*"Prior to the introduction of steam trawling in 1906, groundfish were caught exclusively with baited lines, fished from schooners and their dories."*

<http://www.nefsc.noaa.gov/history/stories/groundfish/grndfsh1.html#st>

***This proposal is fully supported by the Handgear fishermen of the NEHFA:***

Marc Stettner, Hilary Dombrowski, Paul Hoffman, Christopher DiPilato, Ed Snell, Scott Rice, Roger Bryson, Brian McDevitt, Anthony Gross, Doug Amorello

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- Section 2 Status of the Handgear fishery.
- Section 3 Why change?
- Section 4 Specifics of proposal and discussion.
- Section 5 Why current HA fishermen should support this.
- Section 6 Why Fishery Managers should support this.

## RESTORING THE NEW ENGLAND GROUND FISH HANDGEAR FISHERY PROPOSAL

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### Section 1 Summary of proposal with management measures.

#	PROPOSAL	BENEFITS TO HANDGEAR FISHERY RESTORATION FOR FLEET DIVERISTY
1	Allocate the handgear HA permit history (PSC) of all <b>groundfish (cod, haddock &amp; pollock) HA fishermen catch</b> from 1996-2006 as a specific Sub ACL only to be used by Handgear HA fishermen.	<ul style="list-style-type: none"> <li>a. All gear types are fishing on groundfish handgear history in the common pool.</li> <li>b. Race to fish for handgear fishermen against other gear will be eliminated.</li> <li>c. Specific management measures for handgear fishermen will be made.</li> <li>d. Preserves a traditional fishery and gear type.</li> </ul>
2	Specify handgear Groundfish Sub ACL history can only be used by HA fishermen, using Handgear, if fishing in a sector. Grandfather any HA permit holders who leased history in 2012 from this. See Letter.	<ul style="list-style-type: none"> <li>a. Currently Handgear Groundfish PSC can be moved into sectors and this history may be fished by gear other than handgear.</li> <li>b. <b><u>Eventually all handgear PSC may be used by non handgear vessels and the fishery will be lost.</u></b></li> <li>c. Preserves all the Groundfish history from moving away from the handgear fishery.</li> </ul>
3	Removal of March 1-20 Handgear fishing closure	<ul style="list-style-type: none"> <li>a. Not necessary under ACLs.</li> </ul>
4	Access to fish in all permanent and rolling closures except the cod spawning closures.	<ul style="list-style-type: none"> <li>a. Fishery under a hard ACL.</li> <li>b. Access should be the same as is for Recreational Fishermen who also use hook gear.</li> <li>c. Gear does not disturb bottom habitat.</li> </ul>
5	LOA letter not required to fish either on a commercial groundfish trip or a Charter/Party trip	<ul style="list-style-type: none"> <li>a. Flexibility needed on a day by day basis to choose what type of trip will be done.</li> <li>b. Many handgear commercial fishermen are also Charter boat operators.</li> </ul>
6	Up to 10% unused Handgear HA ACL may be transferred to the following fishing year	<ul style="list-style-type: none"> <li>a. This is allowed in other fisheries.</li> <li>b. Better use of unused allocations.</li> </ul>

## RESTORING THE NEW ENGLAND GROUND FISH HANDGEAR FISHERY PROPOSAL

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### Section 1 Summary of proposal with management measures continued.

#	PROPOSAL	BENEFITS TO HANDGEAR FISHERY RESTORATION FOR FLEET DIVERSITY
7	Eliminate Trimester accountability measures for HA permit holders developed in A16	<ul style="list-style-type: none"> <li>a. Catch rates are low.</li> <li>b. Catch of other primary handgear species in the common pool (haddock and Pollock) are not significant.</li> <li>c. Eliminate the race to fish under each Trimester.</li> <li>c. Separate cod sub ACL for Handgear fishermen.</li> </ul>
8	Reactive AMs to not exceed Handgear cod Sub ACL	<ul style="list-style-type: none"> <li>a. Required by MSA.</li> <li>d. Developed specific to Handgear fishing practices and effort.</li> </ul>
9	IVR call in not required unless <u>50% of the cod, haddock or Pollock. Handgear SUB ACL is harvested.</u> Call in modified to streamline what is needed for this fishery.	<ul style="list-style-type: none"> <li>a. Catch rates in this fishery are slow enough to loosen this reporting requirement.</li> <li>b. Repetitive information is gathered that is not needed.</li> <li>b. Current IVR call in requirements too complicated for this fishery.</li> </ul>
10	Removal of requirement for HA fishermen to carry a tote.	<ul style="list-style-type: none"> <li>c. Handgear fishermen keep their fish in coolers. Totes take up needed deck space in small boats.</li> </ul>
11	Changes to handgear input controls	<ul style="list-style-type: none"> <li>a. More flexibility needed to harvest cod Sub ACL</li> <li>b. Encourage more fishermen to participate in this fishery.</li> </ul>



## RESTORING THE NEW ENGLAND GROUND FISH HANDGEAR FISHERY PROPOSAL

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### Section 2 STATUS OF THE HANDGEAR FISHERY

Current Commercial Cod Handgear Fishery:

(HA) Handgear A: Limited Access permit (limited number of permits)

*A vessel with a valid open access multispecies handgear permit is allowed to possess and land up to 300\* lb (136.1 kg) of cod, one Atlantic halibut per trip, and the daily possession limit for other regulated NE multispecies, provided that the vessel did not use or possess on board gear other than rod and reel or handlines while in possession of, fishing for, or landing NE multispecies, and provided it has at least one standard tote on board. A Handgear permit vessel may not fish for, possess, or land regulated species from March 1 through March 20 of each year and the vessel, if fishing with tub-trawl gear, may not fish with more than a maximum of 250 hooks.*

(HB) Handgear B: Open Access permit (open to any fisherman, unlimited in number of permits issued)

*The vessel may possess and land up to 75\* lb of cod and up to the landing and possession limit restrictions for other NE multispecies. Same gear and seasonal restrictions as HA permits.*

\*Cod trip limit changes automatically proportional to cod trip limit changes for DAS vessels with Management actions.

Current Participation (2008/2009) data:

# Handgear HA Permits:	140
# HA fishermen who are active in the Cod fishery:	<10 (estimate)
# HB Permits:	1,137

Amendment 16 Data & Information:

**Table 58 - Total number of multispecies vessels landing groundfish by permit category, FY 2004-FY 2007**

Year	2004	2005	2006	2007
Individual DAS	691	637	590	530
Fleet DAS				
Small Vessel Exemption	2	1	2	4
Hook Gear	34	32	20	18
Combination Vessel	16	16	10	16
Large Mesh Ind. DAS	27	22	16	10
Large Mesh Fleet DAS	1			
Handgear Open Access	0			
Handgear - A	44	32	26	23
Handgear - B	75	63	59	73
Other Open Access	65	57	64	65
<b>Total</b>	<b>955</b>	<b>860</b>	<b>787</b>	<b>739</b>

## RESTORING THE NEW ENGLAND GROUNDFISH HANDGEAR FISHERY PROPOSAL

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### Section 3 WHY CHANGE?

1. The current handgear rules and multiple layers of restrictions have resulted in a handgear fishery that is not profitable. The average revenue for handgear HA permits has plummeted to less than \$5000 per year when at one time this was the primary New England method of catching cod in New England. The MS fishery act requires that there be diverse fisheries with different gear types.
2. Amendment 16 (A16) EIS (Environmental Impact Study) states **“Vessels less than 30 feet saw the biggest decrease in revenue, with an 88.8% change between FY 2001 and FY 2007”**. If no action is taken to invigorate the small boat fisheries, we will have been regulated off the water, due to fishery Management Actions, even as fish stock rebound.
3. Fishing under Sectors is not a viable option considering the high costs compared to the low PSC (Potential Sector Contribution) that the Handgear fishermen received. The overwhelming majority of Handgear fishermen did not join sectors. Those who have PSC are not likely to fish in the sectors but are more likely to lease or sell their PSC. A16 estimated that it will cost fishermen \$17,000 per vessel to participate in sectors. The allocation of Cod (primary species) to Handgear fishermen is not enough to make it a profitable option to join a sector. There is no guarantee that even if a Handgear fisherman leased additional cod that the fisherman will be able to land the fish since they must first bite the hook. Once all the current Handgear permits and PSC history is bought up vessels not using Handgear, it will be extremely hard for new entrants into the fishery.
4. The current Handgear (HA and HB permits) Cod trip limits are tied to increases in the Cod trip limits for vessels fishing under DAS. At the time of Amendment 13 this rationale made sense. The idea was to have an automatic adjustment as the cod fishery rebound. With the majority of fishermen in Sectors, and the Handgear fishermen in the Common Pool, there is the very real possibility the cod TAC for the common pool will be harvested before the Handgear fishery will have had a chance to harvest their traditional percentage of the fishery. There is no possible way for the Handgear fishery to harvest cod at the rate of modern fishing methods such as trawls or gill nets. In the race to fish Handgear fishermen will lose every time.
5. There is no way for a person who wishes to become a commercial fisherman, to obtain a viable groundfish permit without substantial financial resources. The future generations need a way to be commercial ground fishermen with minimal startup costs.
6. Handgear fishermen can selectively fish with little or no bycatch. New England handgear fishermen primarily only catch Cod, haddock and Pollock with practically no appreciable quantities of other groundfish that are not considered rebuilt.
7. The fishery is very easy to manage if the management measures are kept to a minimum. The primary management measure proposed for this fishery will be trip limits with an Annual Catch Limit (ACL).
8. Similar Hook gear fisheries are successful such as the Hook Gear Halibut fishery in Alaska and the commercial Striped bass fishery in Maryland.

## RESTORING THE NEW ENGLAND GROUND FISH HANDGEAR FISHERY PROPOSAL

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Section 4      Specifics of proposal and discussion.

**#1      Permanently allocate the handgear HA permit and Groundfish history (PSC) of Cod, Haddock & Pollock from 1996-2006 as a specific Sub ACL only to be used for Handgear HA fishermen.**

Discussion:      All gears can fish on HA permit history which in turn leads to a race to fish where other gear types can harvest the cod Sub ACL before handgear have had the chance to catch their historical percentage of the fishery. **It is fair to allocate this small percentage to the Handgear fishery as what was done for the recreational fleet and for other commercial fisheries. This is not an IFQ plan.** Once this allocation is made, management measures can be developed to eliminate the race to fish and to reestablish of this traditional fishery in New England.

**#2      Specify handgear Groundfish (cod, haddock & Pollock) Sub ACL history can only be used by fishermen using handgear. However, Grandfather any Handgear fisherman (permit) who leased in 2012 from this.**

Discussion:      Currently under Sectors, it is possible for a Handgear fisherman to join a sector and lease their PSC to other sector members who do not use Handgear. A Handgear fisherman can also sell their HA permit with attached PSC to a Boat owner who transfers it to a skiff and then the Handgear PSC is transferred into the Sector. Unless this practice stops, all the historical handgear PSC will be lost to other gear types and the handgear fishery will be lost. This practice, if continued will severely affect the sustainability of those wishing to fish using handgear by lowering the cod Sub Handgear ACL. This would not prevent a Handgear fisherman from fishing in a sector but if they choose to then they must use handgear.

**#3      Removal of March 1-20 Handgear fishing closure**

Discussion:      No longer needed with a specific groundfish Sub ACL. Catch of other species is not significant enough to warrant this closure. Spawning areas have replaced the need for this measure along with ACLs.

**#4      Access to fish in all permanent and rolling closures except the cod spawning closures.**

Discussion:      Handgear fishermen would now be fishing under a cod Sub ACL and no longer need this effort control imposed under previous management measures. Handgear fishermen use small boats that mostly limit them to inshore waters. They do not disturb essential fish habitat. They should have the same access as the recreational fishery that also use hook gear.

## RESTORING THE NEW ENGLAND GROUND FISH HANDGEAR FISHERY PROPOSAL

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### **#5 LOA letter not required to fish either on a commercial groundfish trip or a Charter/Party trip.**

Discussion: Many handgear fishermen also are Charter/Partyboat operators. Flexibility is needed more than ever so a fisherman can choose if they wish to charter for the day or fish under their Handgear permit commercially. This LOA letter is not needed when Handgear fishermen have access to the permanent and rolling closures. Enforcement will be similar to the BF tuna fishery where they are limited by the trip limits. Once a recreational trip limit is exceeded the trip is automatically becomes a commercial trip and a VTR would be filled out prior to returning to the dock as a commercial trip.

### **#6 Up to 10% unused HA cod ACL Quota may be transferred to the following fishing year.**

Discussion: This would provide some stability from a poor fishing year into a good fishing year for quota management. Roll over provisions currently exist in other fisheries. This is a conservation positive provision since there is no guarantee the extra 20% will be caught.

### **#7 Eliminate Trimester accountability measures for HA permit holders developed in A16.**

Discussion: Catch rates are low and this is not warranted because of a specific cod sub ACL. The primary catch is Cod with some haddock and pollock. The catch of other species is not significant.

### **#8 Reactive AMs to not exceed Handgear cod Sub ACL.**

Discussion:

- a. Cod trip limit initially set at 300 lbs. When 50% of the Handgear ACL is harvested, the NMFS will reduce the trip limit (in increments of 100lbs but no less than 100lbs) to spread the cod fishery out over the remainder of the fishing year based on past historical catch rates per season.
- b. Haddock trip limit will be set for the year based on the historical catch rates.
- c. Pollock trip limit initially set at 500 lbs. When 50% of the Handgear ACL is harvested, the NMFS will reduce the trip limit (in increments of 100lbs but no less than 100lbs) to spread the pollock fishery out over the remainder of the fishing year based on past historical catch rates per season.
- d. Any overages in ACL would be subtracted from the next year ACL for each fish species.

## RESTORING THE NEW ENGLAND GROUND FISH HANDGEAR FISHERY PROPOSAL

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**#9 IVR call in not required unless 50% of the cod, haddock or pollock Handgear SUB ACL harvested. Call in modified to streamline want is needed for this fishery.**

Discussion: Catch rates in this fishery are slow enough to loosen this reporting requirement. Repetitive information is unnecessarily gathered such as (phone number, BSA, gear used, ect). Only end of trip IVR call in with permit number and VTR # is needed when 50% of the cod Sub ACL is reached. The dealer reports the catch within 24 hrs. via the dealer reporting. The current call in & out system is too complex for this simple fishery.

**#10 Removal of requirement for HA fishermen to carry a tote.**

Discussion: Handgear fishermen keep their fish in coolers. Totes take up needed deck space in small boats. Fish are often unloaded from coolers into totes at point of sale or at the dock where the fish are transferred off the vessel. **Other commercial fisheries do not require totes to be onboard.** Transferring the fish at sea from iced coolers to totes, spoils the quality of the fish. Since the quantity of fish is small, Handgear fishermen must maximize the quality. The dealer report will list the precise quantity of fish in pounds and this is reported to NMFS.

**#11 Changes to handgear input controls**

Discussion: Electric assist reels will be allowed on fishing rods. Small winches typically found as lobster haulers or line haulers may be used to bring in the 250 hooks (# hooks may increase in future fishery actions) tub trawl. Under a hard Sub ACL for cod these input controls are warranted. This is requested to allow an easier harvest of the cod Sub ACL but is keeping in line with the type of fishery this is. Electric assist reels are very popular in the recreational fishery for deep water fishing and this would help handgear fishermen target larger cod. Small winches for hauling the tub trawl is for safety reasons and well as easing the input controls.

## RESTORING THE NEW ENGLAND GROUND FISH HANDGEAR FISHERY PROPOSAL

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### Section 5 Why current HA fishermen should support this.

1. HA cod (haddock & Pollock) history is now part of the Amendment 16 common pool. If the other fishermen in the common pool catch the cod TAC early, the handgear cod fishery may be shut down before HA permit holders had a chance to harvest any cod. This is the race to fish that handgear fishermen will lose.
2. Removing the Handgear historical cod (haddock & Pollock) catch from the common pool cod measures Handgear fishermen will not be under a race to fish and can fish when it best suites their business plan.
3. Currently with the rolling closures small boat fishermen do not have access to the fishery when the weather is best suited and safe to fish.
4. Existing permits who decide to leave the fishery can sell/transfer their permits, to recoup any costs associated with their participation in the fishery, if they choose.
5. As the cod fishery rebounds, the cod trip limits will increase that will lead to much better profits per fisherman.
6. Exemptions from the rolling/permanent area closures (except cod spawning closures) which in some cases reduced Handgear cod catches by 75% and made the cod fishery inaccessible to many when cod are historically most plentiful. Handgear fishermen can't fish offshore or around rolling closures.
7. Future generations of fishermen will be able to actively once again participate in a historical fishery and be profitable.
8. **Once again a 17yr old HS student can borrow his parent's skiff and go commercially cod (haddock & Pollock) fishing in the summer instead of flipping burgers. The only cost to fish is the fuel to run the boat for the day and some ice. Eventually this fishery could lead to a way for new entrants into larger scale commercial fishing ventures for groundfish.**

### Section 6 Why Fishery Managers should support this.

1. MSA requires a diverse commercial fleet with different gear types.
2. This is hard cod Sub ACL fishery.
3. This is basically a three species fishery that is easily managed.
4. Many layers of outdated Hangear management measures are removed.
5. Easy enforcement. The only enforcement necessary would be size limits and trip limits.

## RESTORING THE NEW ENGLAND GROUND FISH HANDGEAR FISHERY PROPOSAL

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6. At sea monitoring is not required since handgear fishermen do not harvest many species nor do they move between management areas. Marine Mammal interactions do not occur in this fishery.
7. Double monitoring for quota purposes at point of sale (dealer) and via the traditional VTR. It is anticipated that Handgear will be able to enter their VTR trip data electronically at home via the internet after a trip.
8. Sustainable fishery to match the fishery stocks.
9. Catch rates are slow due to the gear used.
10. Reinvigoration of the handgear fishery fleet that has fallen to its lowest level ever.
11. Enable new entrants into a fishery without the unknowns of an open access fishery.

### INFORMATION FROM PDT REPORT:

To date, 22 have been used to actively fish. One (1) fisherman enrolled in a sector and is actively fishing for groundfish. 21 fishermen are fishing in the common pool. There are 20 HA permits enrolled in seven unique sectors, including one that has been actively fished. Thus, the ACE associated with 19 HA permits is being used by sector members fishing with other gear types aside from Handgear.

### COMMENTS FROM PDT REPORTS:

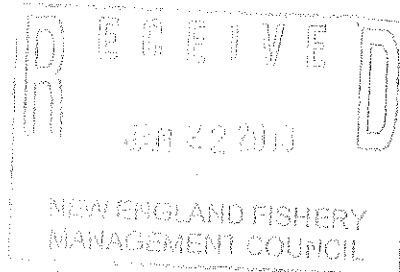
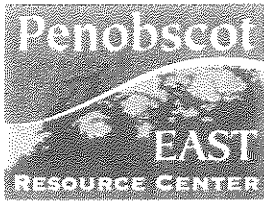
The PDT/NMFS claims it would take resources to manage this quota. We do not believe managing the catch of 20 something handgear fishermen's landings will be an issue no more than it is to manage the red crab fishery, herring fishery, bluefin tuna purse seine fishery, ocean quahog fishery, or other fisheries with a small number of participants. Each Federal Handgear fisherman must sell to a dealer that reports the catch right away. Also each Handgear fisherman must fill out a VTR and this constitutes essentially double reporting of the catch. The Magnuson-Stevens Act does not state the NMFS can ignore small owner-operated fishing vessels. As a matter of fact the intent of Congress was to protect "small owner-operated fishing vessels" and handgear vessels are generally the smallest vessels in the fishery. The layer and layers of regulations made the Handgear fishery small, not the status of the stocks. This plan stabilizes the handgear fishery and makes sure there is real opportunities for entry-level fishermen to actively participate in the future.

(C) include measures to assist, when necessary and appropriate, entry-level and small vessel owner-operators, captains, crew, and fishing communities through set-asides of harvesting allocations, including providing privileges, which may include set-asides or allocations of harvesting privileges, or economic assistance in the purchase of limited access privileges;

(i) the development of policies to promote the sustained participation of small owner-operated fishing vessels and fishing communities that depend on the fisheries, including regional or port-specific landing or delivery requirements;...







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*Securing a future for fishing communities*

December 31, 2013

Glenn Mitchell and Steven Peterson  
Compass Lexecon  
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9th Floor  
Boston, MA 02109

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Mr. Mitchell and Mr. Peterson,

Thank you for producing a draft report for public review in a timely manner. On behalf of Penobscot East Resource Center and the Northeast Coastal Communities Sector, I have several comments on the content of the report and its utility in the ongoing development of regulatory policy addressing groundfish fleet diversity. I spoke with Mr. Peterson early in your review process, and then offered comments when an earlier draft of this information was presented to the New England Fishery Management Council on November 20th in Newport, RI. Initially, I emphasized the complexity of fleet consolidation, one of the aspects of a decline in fleet diversity, and I highlighted my concern that a strict examination of control of market power, by itself, was insufficient to address the Council's stated goals and intent of Amendment 18 to the northeast multispecies (groundfish) fishery management plan.

On June 23, 2010, the Council passed the following motion:

Maintain inshore and offshore fleets; To the extent possible, maintain a diverse groundfish fishery, including different gear types, vessel sizes, geographic locations, and levels of participation; Maintain a balance in the geographic distribution of landings to protect fishing communities and the infrastructure they provide; and Prohibit any person from acquiring excessive access to the resource, through in order to prevent extraction of disproportionate economic rents from other permits holders.

More recently on June 19<sup>th</sup> in Portland, Maine, the Council refined the goals of Amendment 18 so that they now read as follows:

Recommend the Council replace existing Amendment 18 goals with the following from the GAP (*groundfish advisory panel*) motion from June 10, 2013:

1. promote a diverse groundfish fishery, including different gear types, vessel sizes, ownership patterns, geographic locations, and levels of participation through sectors and permit banks;
2. enhance sector management to effectively engage industry to achieve management goals and improve data quality;
3. promote resilience and stability of fishing businesses by encouraging diversification, quota utilization and capital investment.
4. to prevent any individual(s), corporation(s), or other entity(ies) from acquiring or controlling excessive shares of the fishery access privileges.

The earlier language regarding the “extraction of disproportionate economic rents from other permit holders” was removed after an explicit discussion about how this narrowly defined economic term was not what Council members were concerned about in this fishery. Instead, controlling “excessive shares” was envisioned as one potential mechanism to promote diversity in the fishery across gear types, size classes, ownership patterns, etc.

Similarly, the numerous comments provided by fishermen, advocates, and other members of fishing communities from Maine to New Jersey during the Amendment 18 scoping process focused primarily on the tangible problems facing fishermen today, including the disproportionate access to fish by those with the greatest access to capital, which are often the same individual and corporate owners who received the highest initial allocations under Amendment 16. At the Amendment 18 scoping hearings, fishermen asked for protections – both on the water and off – against disproportionate control of this fishery. They asked for support primarily for the diverse array of small scale fishermen along New England’s coast. The problem as fishermen defined it was not solely confined to the ability to access annual catch entitlement (ACE), or to get their product to market, but rather it was and continues to be the combination of numerous problems for which the sum of the parts is greater than the whole. Problems include: an inequitable initial allocation of potential sector contribution (PSC), high cost of leasing ACE – particularly if one’s typical target stocks are now viewed as choke stocks, the inability to compete in the same space and time on the water with highly mobile vessels that have a much higher catch efficiency, and the fact that large sections of New England’s coast are experiencing localized depletion, placing fishermen from communities in the depleted regions at a disadvantage in this fishery.

Unfortunately, some of the problems that fishermen explicitly articulated over the past several years were marginalized or altogether dismissed in Compass Lexecon’s narrowly defined scope of work. This is unfortunate and due in part to the failure of the NEFMC to explicitly request this of your firm in their terms of reference (TOR). However, your firm was invited to weigh in on a broader range of solutions in TOR 5, which states, “Alternate approaches to achieving the Amendment 18 goals (other than accumulation caps) may be proposed.” It would be helpful to see a more thorough response to this

TOR, given the broad-based concern among New England fishermen regarding the loss of fleet diversity, and given your firm's finding that catch caps lower than 15 percent are not currently needed in this fishery.

I think that it should be acknowledged that the New England groundfish fleet is experiencing a rapid loss of fleet diversity, a process that began prior to the implementation of catch shares, as judged from catch reports and fishermen's testimonies, and that many, perhaps most, people would agree that there are business entities in this fleet that *already* control "excessive shares" of the resource. Your firm's analysis based on the Herfindahl-Hirshman Index (HHI) shows that this fishery is still sufficiently competitive from a purely economic standpoint, but it is critical to note that regional values should also be used to judge whether excessive shares exist in this fishery.

### **Sector-affiliated ACE**

Your final report stated that you do not see a need at this time for a cap on sector-affiliated ACE. However, Table 4 on page 31 shows that both white hake and redfish are highly concentrated as shown by their HHI value. It should be noted that the lease price for white hake during a large portion of the 2012 fishing year was roughly \$.80 per pound, while the per pound lease price for pollock, a species that had a nearly equivalent percent of stock caught to date during the time of year of the high hake lease price, was at most \$.01. At that time, it was hard to imagine that the high concentration of this stock in a select few sectors did not in some way influence the lease price.

### **Public outreach**

The Council staff and Compass Lexecon staff appropriately connected with all sector managers and several fishermen, held a public webinar to discuss the TOR's and presented preliminary findings to the NEFMC in November. However, public outreach could have been improved. The survey tool used several months ago would have benefited from improved wording and delivery. One of the questions read:

6. Can vessel operators line up the necessary permits to cover their using permits for individual species or have problems occurred due to multi-species permits, and mostly from what source or sources (for example: from other vessels with the same owner, from other owners in the same sector, from other owners in other sectors)?

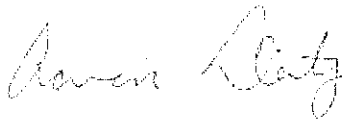
After reading this question several times, it was unclear to me, and I'm sure that it would be unclear to most fishermen, what this question was trying to ask. An improved survey instrument, and improved outreach may have yielded a stronger response.

The outreach surrounding the webinar was frustrating and confusing. At first, it was clearly stated that participants who joined on the phone would be able to participate only in listen-only mode. Thankfully, this was later changed, but the transition was late and poorly announced. Only approximately four people actually participated in this webinar – in terms of any substantial dialogue with Compass Lexecon staff. Again, perhaps improved outreach would have yielded a stronger response.

In sum, your final report is the result of careful economic analysis as requested by a narrowly-defined scope of work and terms of reference. The fishermen and community

members represented by Penobscot East and the Northeast Coastal Communities Sector had hoped to see policy analysis that included and incorporated the statements and values shared by fishermen in the numerous scoping hearings held two years ago, and also hoped to see potential pathways articulated that could achieve the goals for Amendment 18. However, your report thoroughly addresses the question of market power and the utility of accumulation caps in controlling market power. This report is one more analytical tool available to NEFMC staff and appointed fishery managers, and will undoubtedly be considered alongside the additional data sources cited above. Thank you for your contribution.

Sincerely,

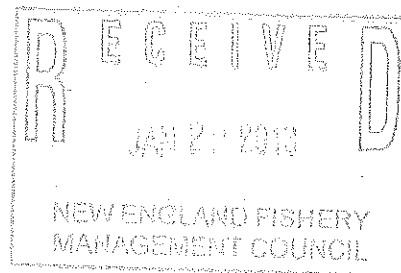
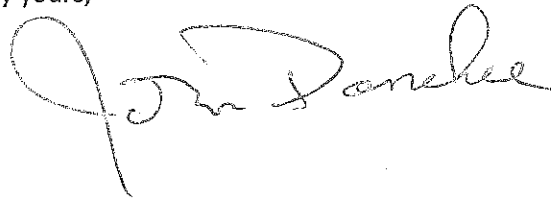
A handwritten signature in cursive script, appearing to read "Aaron Dority".

Aaron Dority  
Director, Downeast Groundfish Initiative, Penobscot East Resource Center  
Manager, Northeast Coastal Communities Sector

To NEFMC council,

I support the proposed changes to amendment 18 from the NEHFA association. I strongly urge the council to act on these proposed changes in fairness to the handgear fisherman of New England. These proposed changes to amendment 18 should be acted upon at the earliest time possible in fairness to the small boat owners of handgear fishing. Sustainable fishery's start with handgear fisherman, and as citizen and taxpayer I have confidence you will act appropriately. Thanks for your support.

Sincerely yours,



*Example of 52 rec'd*

