

September 4, 2007

Rip Cunningham, Chair
Groundfish Committee
New England Fishery Management Council
50 Water Street, Mill 2
Newburyport, MA 01950

Dear Rip,

The Northeast Seafood Coalition, in our role as a regional industry organization, continues to work diligently and purposefully to guide, educate and assist permit holders throughout a very broad geographic range of the Northeast Multispecies Fishery towards formation and development of twelve groundfish sectors.

Since the August 1st Groundfish Committee meeting, NSC coordinated several meetings for Sector Leaders and their core groups to focus on the aspects of an allocation methodology and the associated impacts to their specific sector formation.

NSC met with Sector Leaders in Point Judith, New Bedford, Marshfield/Scituate and Gloucester. Ten of the twelve sectors currently under NSC guidance were present at these meetings. Two of the sectors that were unable to attend are well informed of the discussions pertaining to allocation methods. In general, all four meetings revealed serious concerns about a purely catch history method of allocation. Although most agreed that a longer time period would be more desirable than a shorter one, there was no agreement that a longer period was sufficient in itself to mitigate the numerous concerns associated with a purely catch history approach.

In addition to these internal discussions, NSC has found fishermen, currently considering or developing other sectors that are based in ports across the northeast, to have similar concerns and views. The results of our focused discussions and polling of Sector Leadership from Stonington Connecticut to Port Clyde Maine include the following:

1. Unanimous sentiment that a purely catch history method of allocation will produce the greatest level of reallocation and disruption of the current permit value structure. "Reallocation" being measured relative to current DAS allocations resulting from Amendment 13. Numerous concerns were articulated relative to catch history. Most are listed on attached page.
2. The Groundfish Committee should adopt an alternative for inclusion in Amendment 16 that incorporates capacity units (length, horsepower, "A" DAS) along with catch history to a degree that adequately balances dependency in the fishery with investment and current DAS allocation.

3. For the purposes of analysis, it was felt that results of a weighting of 50/50 catch history and capacity would be extremely helpful towards assisting the industry in making an evaluation of allocation methodology.

The items below highlight key issues that have arisen from our discussions on a purely catch history driven allocation:

- A purely catch history driven allocation will cause the greatest potential for the redirection of effort.
- A purely catch history driven allocation will cause uncertainty in the level of sector enrollment because of the necessity to know the catch history of each permit at a very early stage in the process.
- Entities holding multiple permits are extremely concerned that they will be left with stranded investments under a purely catch history driven allocation.
- Entities holding multiple permits need the liquidity of maintaining sufficient monetary value on each individual permit. This not only allows them the ability to sell an asset to repay debt without liquidating their entire fishing operation, but it gives them the opportunity to enroll their additional permits into a sector.
- Allocating the resource following a period when some key stocks were constricted in geographic range is unacceptable.
- Allocating the resource following a period of geographically disproportionate effort controls may permanently strip access to those most impacted by the measures.
- A purely catch history driven allocation places sectors in the difficult position of refusing low quota permits that have relatively high capacity.
- If there is little or no consideration of capacity then the “common pool”, those that remain under the days at sea, will be a disaster. The uncertainty associated with sector formation at this stage should demand a closer link between capacity and quota allocation.
- The industry funded buyout utilizes vessel characteristics and A13 DAS allocations to evaluate bids and to ultimately determine the degree of capacity removal. If the allocation method is entirely disconnected from the buyout measure of capacity, the buyout analysis for capacity removal will no longer be valid.
- Converts past effort on some stocks that was perceived to be too high into a permanent allocation / reward at the expense of those conducting less effort on certain stocks of concern.
- Quota distribution will be skewed due to trip limits and the reliance upon “landings” qualification. This will cause problems for larger vessels that have had to use regulatory discarding to access other stocks. A purely catch history approach to allocating will not adequately consider the mortality ratios of past “catch” ratios but will instead memorialize “landings” ratios. This disconnect is likely to cause excessive under-yielding of quota awarded without sufficient bycatch of stocks with low trip limits. Landings history effectively **reallocates past mortality** of low trip limit stocks which will result in reallocation of healthier stocks.

- Allocating stocks that were at low levels during the baseline period may result in narrow distribution of that stock when it has rebounded, i.e. haddock.

Thank you for your immediate attention to this issue,

Sincerely,

Jackie Odell

Jackie Odell
Northeast Seafood Coalition

Enzo Russo
Gloucester/Boston Trawl Gulf of
Maine and Georges Bank Sector

Dennis Robillard
New Hampshire and Southern Maine
Trawl Gulf of Maine Sector

Peter Libro
Gloucester Fixed Gear Sector

Fred Mattera
Point Judith/Southern New England
Offshore Trawl Sector

Joseph Orlando
Gloucester Trawl/Western Gulf of
Maine Sector

Christopher Brown
Point Judith/Southern New England
Trawl Sector

William McCann
New Bedford and Southern New
England Fixed Gear Sector

Edward Barrett
South Shore Fixed Gear Sector
South Shore Trawl Sector

Richard Canastra
New Bedford Channel Trawl Sector
New Bedford Deep Water Trawl
Sector

Glen Libby
Port Clyde Community Groundfish
Sector

Erik Anderson
New Hampshire and Southern Maine
Fixed Gear Sector

Cc: Paul Howard
John Pappalardo
Patricia Kurkul