



April 1, 2014

The Honorable Susan M. Collins
United States Senator

The Honorable Angus S. King, Jr.
United States Senator

The Honorable Jeanne Shaheen
United States Senator

The Honorable Kelly A. Ayotte
United States Senator

The Honorable Elizabeth Warren
United States Senator

The Honorable Edward J. Markey
United States Senator

The Honorable Jack Reed
United States Senator

The Honorable Sheldon Whitehouse
United States Senator

The Honorable Richard Blumenthal
United States Senator

The Honorable Christopher S. Murphy
United States Senator

The Honorable Charles E. Schumer
United States Senator

The Honorable Kirsten E. Gillibrand
United States Senator

The Honorable Robert Menendez
United States Senator

The Honorable Cory A. Booker
United States Senator

Dear Senators:

I am writing to report the results of the Northeast Seafood Coalition (NSC) membership poll on an industry spending plan for the groundfish disaster assistance and to explain the process followed to acquire these results. Due to the timeline being set forth by state and federal agencies to make decisions on the spending, the NSC Board of Directors also wanted to convey the NSC endorsement of the plan to ensure our continued involvement in the final decision making. Please see plan attached.

The NSC is the largest and most diverse fishing industry organization in the Northeast. Representing nearly 300 distinct fishing businesses engaged in the NE groundfish fishery, our membership extends from Maine to New York, inshore and offshore, mobile and fixed gear vessels in every major port. Collectively, our members represent approximately two-thirds of the vessels and permits that have depended upon the NE groundfish fishery.

This past January members of the Appropriations Committee and New England delegation tasked the NSC to develop and submit an industry spending plan for the groundfish disaster assistance.

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NSC was very grateful to be given this opportunity and weighty responsibility, but we also recognized this effort would require collaboration among membership organizations that represent the vast majority of affected groundfish fishermen in the region.

As we've reported to you previously and indicated in several joint letters, the NSC has worked closely with the Associated Fisheries of Maine (AFM), the Cape Cod Commercial Fishermen's Alliance (CCCFA) and most recently with the Maine Coast Fishermen's Association (MCFA) **to coordinate an effort to agree upon a draft plan for the purposes of polling our respective memberships.**

As you can imagine, this has been a monumental effort. Based on the initial feedback NSC received from the NSC membership through a request for input on February 10th, NSC met with representatives of the AFM, CCCFA and MCFA to develop a draft spending plan. The document that resulted was a compromise.

The effort was guided by our industry groups' previously agreed and broadly circulated messages regarding the basic elements and regional approach to any spending plan to ensure affected businesses are treated the same regardless of homeport or state. We also listed programs that we believe should not be funded through these assistance monies. See joint letter dated January 30, 2014 enclosed.

The resulting draft plan is a compromise between the need to get money out to fishermen quickly and the need to stabilize the groundfish industry that is now suffering from the unprecedented steep reductions in allowable catches that have left few businesses viable for the foreseeable future.

Our industry group also recognized that concepts such as a buyback that may provide economic viability and stability will take substantial effort to develop the details. *NSC understands that support for a buyback cannot be unconditional and that the details and intended results are what matters.*

The "industry proposal / draft spending plan" was released to NSC members on March 11th with Yes or No responses due by 10am on March 17th. Please understand that our timelines have largely been dictated by the timing of state and federal meetings on the subject that are ongoing.

Northeast Seafood Coalition membership poll method used and results:

One way to describe the demographics of NSC membership is by Sector affiliation. Primarily NSC membership is enrolled in the Northeast Fishery Sectors II through XIII (NEF Sectors 2 – 13).

Voting privileges are extended to all members, both active and inactive. Active members were afforded one vote per active vessel (irrespective of the number of permits held by the member) while inactive members (members who enroll a permit or permits in a sector but do not fish a

groundfish vessel) were afforded one vote (irrespective of the number of permits held by the member). There are more than 500 permits enrolled in NEF sectors but these voting rules result to approximately 288 potential votes. (It should be noted that the years of severe reductions have forced almost all groundfish dependent operations to acquire at least one additional permit; hence, several members have multiple permits, acquired in order to survive previous cuts.) In most instances, an active vessel in this fishery represents many more than one permit, but this NSC poll gave only one vote for each active vessel. This method offers a single permit, small vessel owner equal voting to someone with a larger vessel and multiple permits.

The overall response rate was 56% with 66% voting YES and 33% voting No.

However, the overall results do not reflect the geographical differences within the responses. For this reason the NSC Board of Directors expressed the desire to provide a more detailed breakdown of the results for the sake of transparency and to acknowledge the differences of opinion that are clearly demographic in nature.

For example, in the major ports of Gloucester and New Bedford, NSC membership accounts for all but a few of the active vessels fishing out of both ports. NSC also has important members in the port of Boston MA. Collectively the memberships in Gloucester, Boston and New Bedford returned a 67% response rate with 91% voting YES.

In contrast, our New Hampshire NSC members, who account for the vast majority of NH groundfish fishermen, responded at a rate of 48% with only 6% voting YES. In south shore MA, where most are enrolled in NEFS X (10), the response rate was 58% with only 27% in favor. Our RI, Connecticut and NY members operate within NEFS sectors V and XIII (5&13) where the response rate was 40% and only 24% in favor.

The NSC prides itself in its diversity and the breath of our membership. Our members are important to us regardless of their geography, stature in the fishery or differences of opinion. For this reason the NSC Board directed NSC leadership to respectfully request another 10 days from policy makers so that NSC could do some further outreach to better understand the reasons for opposition to moving forward with the spending plan recommendation. Understanding that we had to respect the overall majority opinion of the membership in that we could not propose substantive changes without going back to another full membership poll, we sought to find out if the concerns were due to a lack of understanding about components of the plan or if there might be improvements or “tweaks” to the existing plan that would bring more folks to feel comfortable moving forward with a slightly modified plan.

After nearly two weeks of hearing from members in NH, RI, and South Shore MA, it is clear that the differences are mostly substantive in nature. Some, on the other hand, may be accommodated later in the process and NSC will continue to assist in trying to bridge these gaps.

These substantive differences relate to the amount of funds dedicated to longer term viability programs such as the buyback component, and wanting all or at least most of the funds to go to direct cash payments. Some also would consider an industry funded buyback whereby a larger loan

is secured versus using the monies for a federally funded program. Many dissenting voters did not favor any funds going directly to crew but instead wished to see the funds go to boat owners who could distribute assistance to crew. Other substantive differences were expressed primarily from NH and RI membership who preferred a State by State allocation and did not want a regional approach.

Some potential areas where further development could gain favor from dissenting members came from NH particularly as well as from a cross section of members throughout the membership who emphatically expressed a need for shore side, offloading infrastructure to be explicitly included in it. The industry plan does not preclude this but it also does not make a recommendation. Another area where lack of detail caused some NO votes is the qualifying criteria for direct assistance. Further development of minimum landings thresholds and refinement of qualifying dates may bring more favor to the spending plan as well.

It is our sincere intent here to accurately represent the broad range of opinions that should be expected in a situation such as this disaster relief funding distribution while also respecting the majority opinion of our membership.

For these reasons, the NCS Board of Directors voted unanimously to endorse the industry recommendation with the condition that we articulate the results of our poll indicating that although **this is not a consensus result**, it does represent a super majority of the voting members who rely heavily upon the NE groundfish fishery to earn a living.

We look forward to working with the State Directors, NOAA and members of the New England delegation in the coming days and weeks and hope you will consider this recommendation.

Please feel free to contact me for any questions or clarifications regarding this letter.

Sincerely,



Jackie Odell
Executive Director

Cc:

The Honorable Penny Pritzker
Secretary, US Department of Commerce

Samuel D. Rauch III, Deputy Assistant
Administrator for Regulatory Programs
NOAA / NMFS

Eileen Sobeck, Assistant Administrator
NOAA / NMFS

John K. Bullard, Northeast Regional
Administrator
NOAA/NMFS

The Honorable Paul LePage,
Governor of Maine

The Honorable Maggie Hassan,
Governor of New Hampshire

The Honorable Deval Patrick,
Governor of Massachusetts

The Honorable Lincoln Chafee,
Governor of Rhode Island

The Honorable Dannel Malloy,
Governor of Connecticut

The Honorable Andrew Cuomo,
Governor of New York

Patrick Keliher, Commissioner
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Terry Stockwell
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