

# Fishnet USA

## Chronic Underfishing - The Real New England Groundfish Crisis

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*Commercial and recreational fishing constitutes a major source of employment and contributes significantly to the economy of the Nation. Many coastal areas are dependent upon fishing and related activities, and their economies have been badly damaged by the overfishing of fishery resources at an ever-increasing rate over the past decade (The Magnuson Stevens Fisheries Conservation and Management Act.)*



**T**he New England groundfish fishery is one of the most historically significant fisheries in the world. The greatest parts of the New England character and all of New England's coastal communities have deep roots in it going back for centuries. Were it not for the groundfish fishery, for the money it generated and for the people that it attracted, New England would be a far different region, lacking much of what makes it so attractive today.

We have been told for years that the New England groundfish fishery in particular is in a state of crisis. In seemingly endless media accounts, in foundation-funded study after study and report after report, the New England groundfish fishery is held up as one of the best examples available of how a fishery can be destroyed by mismanagement. We are constantly told that because of the rapacity of the fishermen and their willingness to break the laws, the laxness of fisheries enforcement, the conflicts of interest in the management bodies, the overwhelming efficiency of the boats and gear, the overcapitalization of the fleet, in fact, because of virtually everything that the fishermen are either responsible for or have any influence over, they are all facing imminent financial ruin and will only be saved (from themselves, of course) by a revolutionary shift in how we manage our fisheries.

*In New England, the groundfish fishery -- once among the richest in the world -- collapsed under the weight of a grossly bloated fleet controlled by tardy and ineffective regulations. (Natural Resources Defense Council, Hook, Line, and Sinking: The Crisis in Marine Fisheries, 1997.*

It seems a classic disaster in the making, and thanks to a media machine that's hungry for bad news to report, and to journalists who generally have neither the resources and skills necessary for nor the interest in digging beyond the canned gloom and doom releases that are incessantly provided by the ocean branch of the crisis industry, it's a perception that's well on its way to becoming a reality. And it's doing so with the apparent encouragement of the upper echelon of the National Marine Fisheries Service in the US Department of Commerce's National Oceanic and Atmospheric Administration (NOAA/NMFS), the agency that is responsible for managing our federal fisheries and our coastal waters outside of three miles.

We'd be among the first to admit that the groundfish fishermen today are facing a crisis, but the crisis we see is a significantly different crisis than the one that's distorting domestic fisheries management and threatening the very fabric of fishing communities that have adapted, survived and thrived for generations.

### What the data really shows

**I**n July the NOAA/NMFS posted Northeast Preliminary Fisheries Statistics - Multispecies (May 2008 - April 2009) &



Scallop (March 2009 – April 2009) on the Northeast Fisheries Science Center website (<http://www.nero.noaa.gov/ro/fso/mul.htm>). On the first page is a chart titled TAC Report Summary – Commercial Landings and Target Quota Utilization. The chart includes the commercial landings, the Target TAC and the Percent of TAC caught in fishing year 2008 for the 12 New England groundfish species (cod, haddock, yellowtail flounder, pollock, Acadian redfish, white hake, American plaice, winter flounder, witch flounder, windowpane flounder, ocean pout and monkfish).

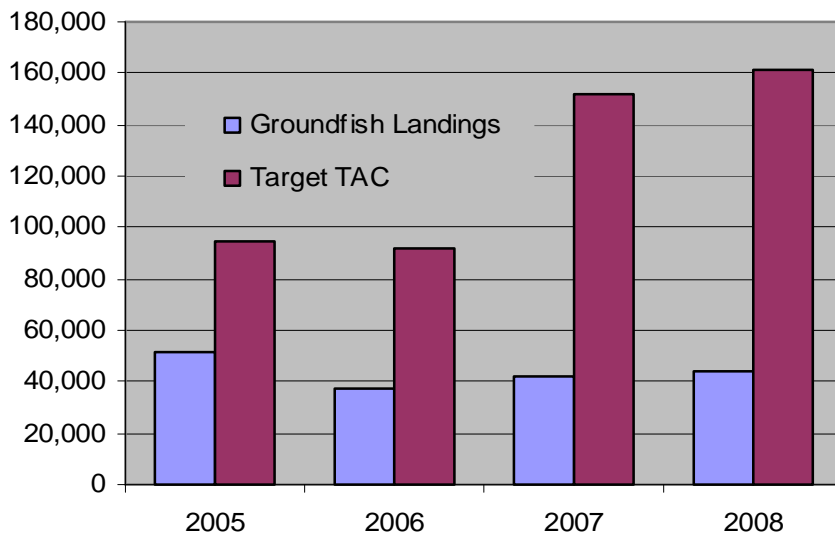
The TAC (Total Allowable Catch) is the amount of fish, usually expressed in metric tons, that fisheries scientists determine may be removed sustainably from a stock of fish each year. Of the twelve species in the groundfish complex, fishermen had reached (or slightly exceeded) the target TAC for only two: white hake and monkfish. For monkfish, the target TAC was exceeded only in the Southern Management Area off the Mid-Atlantic. For the other ten species, fish that could have been caught (and landed and sold) were left in the ocean. The degree of underfishing (taking less than the TAC allows) ranged from 29% for monkfish from the Northern Management Area to 94% for haddock from Georges Bank. In 2008 the New England groundfish fishermen could have caught from 1/3 more monkfish to 16 times more haddock than they actually caught.

The total target TAC for the twelve groundfish species was almost 170 thousand metric tons. The total catch was less than 43 thousand tons. This was only 25% of what the fishermen could have caught without damaging the stocks. Assuming a conservative value of a dollar a pound for those fish (from 2000 to 2007, haddock returned an average of \$1.20 a pound to the fishermen), they didn't catch 280 million dollars worth of haddock, cod, flounder, etc. that they were allowed to catch. If every dollar's worth of fish landed generates four dollar's worth of total economic activity, that's over a billion dollars lost to the New England economy, and lost primarily to New England's struggling fishing communities.

This definitely isn't a one-shot phenomenon, an aberration due to the explosive growth of a single species. As Table 1 shows, New England groundfish stocks have been tragically underfished – if you count squandered resources and fishing communities in a state of institutionalized turmoil as a tragedy – for years. Going back in the NMFS reports, we see that in 1998, for example, only 20% of the pollock TAC, 1% of the redfish TAC, 9% of the white hake TAC, 15% of the plaice TAC, 21% of the winter flounder TAC, 7% of the witch flounder TAC and 2% of the windowpane flounder TAC was landed. While at that time the target TACs of several other much more valuable groundfish stocks were regularly and significantly exceeded, that is no longer the case.

Why haven't the fishermen caught this potential windfall? Not because they didn't want to, not because they didn't have the expertise or the capacity or the equipment, but because the unbelievably complex web of regulations dictating where, when and how they can fish wouldn't allow it. Fishermen today – and that includes New England's groundfish fishermen – are restricted by areas that are closed permanently or sporadically to particular types of fishing gear, they are restricted in the type or

**Table 1 - NE Groundfish Annual Landings and Target TACs (mt)**





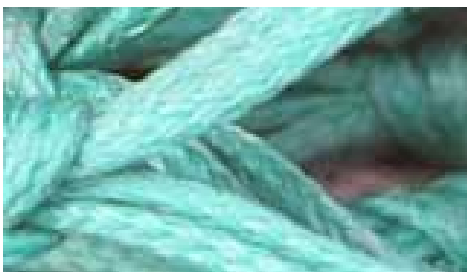
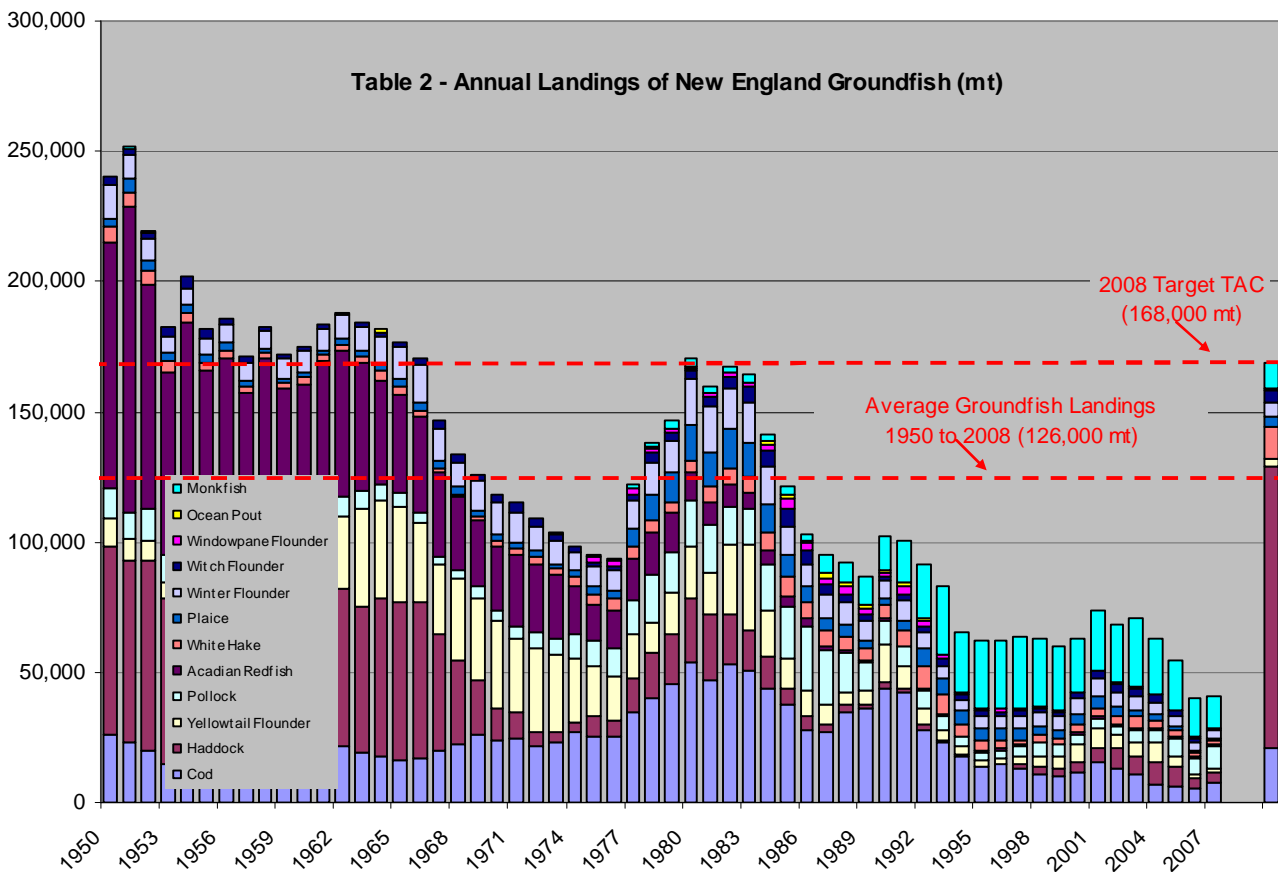
amount of gear they can use (net mesh size, number of hooks, size of nets, etc.), they are restricted in the number of days they can fish, in the amount of fish they can keep, in the size and horsepower of the boats they fish from, in where they can offload their fish, in who they can sell them to, in short in just about every aspect of fishing up to but not yet including what they can eat for lunch - but there's always next year.

(For a more complete listing of how fishing is regulated, see the June 2006 FishNet *Full of sound and fury, signifying nothing* at [http://www.fishnet-usa.com/then\\_now.html](http://www.fishnet-usa.com/then_now.html).)

And in a particularly galling perversion of regulations supposedly designed to help fishermen, in far too many instances they are forced to throw back fish that are either dead or that they know won't survive because to have them in possession would be against the law.

**What should landings be?**

**I**n real world terms what does this mean to the New England groundfish fishermen and to everyone who and everything that is dependent on them? Table 2 below shows the almost steady decline that we all expect to see in New England groundfish landings (data from the NMFS Commercial Fishing database at [http://www.st.nmfs.noaa.gov/st1/commercial/landings/annual\\_landings.html](http://www.st.nmfs.noaa.gov/st1/commercial/landings/annual_landings.html))



It also shows something that very few of us expect; that the 2008 Target TAC was higher than the total landings in all but one year since 1966 and was 40,000 metric tons above the average annual groundfish catch over the entire period for which commercial landings data are available.

Accepting that if New England fishermen would have been allowed to catch all of the fish that could be sustainably harvested they would be landing well



over the average for the last six decades because that's what the NOAA/NMFS data indicates, how can anyone conclude that the crisis in the New England groundfish fishery is due to a lack of fish or too much fishing? Yet that's what has been force-fed to the public, the administration and Congress. No one speaking for NOAA/NMFS or any of the involved ENGOS, at least no one who's been in a position to be quoted in the media, has said anything even broadly hinting that the fish are there in such numbers but the fishermen aren't allowed to catch them.

*"Peter Baker, manager of the Pew Environment Group's New England Fisheries Campaign, said that the latest stock assessment of groundfish shows that current efforts to rebuild the populations are not working. In response to the most recent stock assessment of New England groundfish (including cod, haddock and flounder) from the Third Groundfish Assessment Review Meeting, Peter Baker said: 'groundfish stocks are managed by limiting the amount of time fishermen can spend at sea. But under this system, known as 'days-at-sea,' many fish populations have collapsed and local fishing communities have experienced massive revenue declines. As a result, many traditional New England fishing communities have been forced by economics out of the groundfish fishery. It's time for a change'" (FishSite in September, 2008).*



Have any of the so-called conservation groups admitted that the reason that New England groundfish fishermen are in such dire financial straits is because foundation funding for slanted science and an ongoing media blitz has been used to virtually immobilize those fishermen in straitjackets of overlapping, contradictory and ineffectual (if the goals have anything to do with helping fishing communities – which is explicit in the Magnuson Act) restrictions, prohibitions and impossible-to-reach targets? How much Pew or Packard or Lenfest funding has gone into research to permit the fishermen to sustainably harvest enough fish to allow the industry to flourish once again? How does that amount compare to the collective investment in their ongoing agenda to privatize our fisheries, the change that Pew's Peter Baker is referring to in the above quote?

*"She (NOAA Administrator Jane Lubchenco) put the room on notice—Council members, agency staff, industry and other stakeholders—that we all needed to step up and move away from crisis management toward a lasting solution—catch shares" (from A Turning Point for New England Groundfish Fishery: Jane Lubchenco sends a clear message By J. Wormser, New England Regional Director for the Environmental Defense Fund oceans program).*



### Why isn't underfishing being addressed by NOAA/NMFS?

**A**nd what of the people in charge at NOAA/NMFS? They have been responsible for a management system that has resulted in chronic underfishing in what is inarguably one of our most important fisheries. They have been first-hand witnesses to severe and ongoing disruptions of entire communities brought about by the overzealous enforcement of what is in the view of anyone with a concern for the people and businesses involved a toxic management regime. If NOAA Administrator Lubchenco really did put the groundfish managers on notice, as Ms. Wormser of Environmental Defense claimed, at a New England Fishery Management Council meeting, the people at NOAA/NMFS have done little more than maneuver to force a largely unproven form of management down the collective throats of thousands of New England fishermen (and, according to the ex-Pew Environment Group staffer Monica Medina, who now heads the NOAA/NMFS Catch Shares task force, tens of thousands of fishermen nation-wide will be similarly force fed by a non-legislated federal agency mandate). Utilizing what are called Sectors, New England groundfish management is about to embark on a journey which everyone recognizes as the first step towards a privatized fishery. This is really what Dr. Lubchenco means when she uses the much more innocuous sounding "catch shares."

Those 100,000 plus tons of groundfish are still swimming around out there unmolested, and those groundfishing-dependent businesses are still going bust (some with the overenthusiastic encouragement of NOAA/NMFS - see Federal judge backs auction by R. Gaines in the 7/21/09 Gloucester Daily Times at [http://www.gloucestertimes.com/fishing/local\\_story\\_202000544.html?keyword=topstory](http://www.gloucestertimes.com/fishing/local_story_202000544.html?keyword=topstory) and related articles). Could this be because a recovery of



the groundfish fishery, a recovery based on the fishermen being allowed to catch the fish that could be sustainably harvested if it weren't for the success of the foundation-funded ENGOS in creating a regulatory nightmare precluding that, would destroy one of the most persuasive arguments for Dr. Lubchenco's and Environmental Defense's catch shares? If there wasn't any underfishing in the groundfish fishery there obviously wouldn't be much need for a revolution in how we manage it or in how we manage our other fisheries.

Catching that 100,000 tons of uncaught groundfish would get us away from "crisis management" a lot more quickly and, perhaps, a lot less traumatically (for the New England fishing industry and the fishing communities that have built up around it) than would a move to catch shares.

But from Dr. Lubchenco on down our federal fisheries managers are committed to catch shares, whether they're necessary or not. And they have been since before she was put in charge. Could that be because in a fishery managed with catch shares there will be fewer boats and fewer fishermen – that's called "rationalization" in the vernacular of today's fisheries management - and a great deal of the responsibility for and the cost of management and enforcement will be shifted to them? This is what is being planned for the groundfish sectors. From a manager's perspective that sounds as close to nirvana as it is possible to get. From a fisherman's perspective, it's a way to have more say in how the fishery he or she is participating in is managed, but at what cost – both to the fishermen who remain in the fishery and to those who leave?

Dr. Lubchenco is working with the quasi-public National Fish and Wildlife Foundation to provide funding to regional fishery management councils to establish catch share management programs and has committed \$16 million of her own agency's budget as well. She has also established a Catch Shares Task Force chaired by ex-Pew Environment Group staffer Monica Medina in NOAA. In Ms. Medina's words, "transitioning to catch shares is a priority for NOAA." To our knowledge, Dr. Lubchenco hasn't taken any similar steps to secure funding or established any sort of bureaucratic mechanism for anything even remotely connected to reducing underfishing in the groundfish fishery or any other. It appears as if, under the Obama administration, the only "solution" to be made available to fishermen who have been maneuvered into a totally untenable situation regulation-wise is going to be the institution of catch shares, whether they want them or not.

A panel discussion at the Milken Institute's Global Conference this spring was designed to get the investment world interested in buying catch shares a la NOAA Administrator Lubchenco's salvation plan for the commercial fishing industry. The session was titled Innovative Funding For Sustainable Fisheries And Oceans. David Festa, one of the panelists, is Vice President for the West Coast of Environmental Defense. He served on the Obama transition team for the U.S. Department of Commerce. In laying out his arguments for why outside investors should buy catch shares in commercial fisheries he characterized an open access fishery, the West coast halibut fishery, thus: "...that's not a full time job. All you have is essentially itinerant labor, that bounces around from job to job, it's unskilled, it's unprofessional, it's low-paid, there's high drug use, it's a rough life. It's romantic, um, you get great bar scenes in, um, you know the Perfect Storm, and George Clooney looks really sexy but, it's uh, well, speaking, well, anyway, my wife says that. But the problem is it's not a full time stable job." Then, in talking about the same fishery after catch shares were instituted, "now you got a job, now you have professional fishermen, who many of them start to get degrees, go to college, advanced degrees in fishery biology and business (Mr. Festa has an advanced degree from Harvard), that begin to work on different various business plans.... they make good jobs they are full time, they live in the community they become, they stabilize the community."



#### And why the push by the ENGOS?

Paraphrasing the old Gold Rush rallying cry, there's gold in them thar oceans, and it appears as if the ENGOS (and we assume the foundations that support them) haven't lost sight of this fact. A predicted return of 1,000 to 2,000 percent from a solidly "green" investment – which is what the ENGOS, with a little help from their friends in NOAA/NMFS, have turned Catch Share managed fisheries into – is certainly worth raiding the piggy bank for. And it has the added benefit of allowing investors to not just control, but as Mr. Festa pronounced at the Milken Conference, to clean up both the fishery and the fishermen (more Clooney clones?). This would save those institutional inves-



tors who have done such a marvelous job with the general economy in recent years from having to deal with the “drug addicted, low paid, uneducated and unprofessional itinerant” fishermen that he evidently believes characterize fisheries that aren’t being managed by catch shares.

(Dr. Lubchenco is still identified as an Environmental Defense Trustee on the OSU website - <http://lucile.science.oregonstate.edu/?q=node/view/131>.)

*“Milken panel moderator Larry Band, who put in many years at Lehman Brothers, the investment bank that went down during the banking catastrophe, and now advises the Environmental Defense Fund, explained to the panel at the Milken conference that the ‘trick’ in executing the correct investment action involved a ‘little bit of a chicken and egg. The money needs to come in ahead of the catch shares coming in.’ But done right, Band said investors might achieve returns of 1,000 and 2,000 percent — far more than Festa projected.” (R.Gaines, Fishing catch shares suddenly become hot ‘commodities’, Gloucester Daily Times, June 30, 2009)*



### The downside to catch shares – at least to Catch Shares as being promoted by Environmental Defense

**A**s every fisherman knows, all of the income produced by a fishing boat comes out of the fish hold. Those fish cover the captain’s and crew’s pay, the operating expenses, the fuel, the taxes, the return on the investment in the vessel and everything else.

Now it’s a sad fact that, thanks to the ministrations of foundations like the Pew Charitable Trusts and ENGOs like Environmental Defense, the Conservation Law Foundation and the Natural Resources Defense Council, and to years of NMFS fisheries management culminating in aberrations like the chronic underfishing in New England, much more than half of the seafood we consume in the U.S. is imported. One of the results of this is that our domestic industry doesn’t have any say in setting seafood prices. In essence they take what they can get in a market dominated by imports, and while costs go up, prices can’t be increased correspondingly, no matter how the fishery is managed.

So where are those 1,000% to 2,000% returns envisioned by Environmental Defense’s Larry Band going to come from? Unquestionably out of the fish hold, but just as unquestionably out of the pockets of the fishermen, the processors, the wholesalers, the suppliers and anyone else associated with the fishing industry.

Coincidentally, Ecotrust Canada has just released an analysis of British Columbia’s halibut fishery, which is managed via individual transferable quotas (ITQs, or in this year’s version of NMFS English, catch shares). Of the study, Tasha Sutcliffe, Fisheries Program Manager for the Ecotrust, writes *“individual transferable quotas (another name for catch shares) are being heavily promoted as a solution for both conservation and the financial ills plaguing fishing fleets around the world. However, our experience in B.C. is that highly unregulated, speculative ITQ markets can create as many problems as they solve. Under ITQ markets, working fishermen in B.C. are increasingly becoming ‘tenants’ who pay exorbitant rents to landlords, or ‘sealords,’ who own all the quota. The lucrative leasing has, in turn, driven up the cost of fishing and the price of purchasing quota, making ownership prohibitively expensive for many fishermen”* (Study cautions against repeating mistakes of B.C.’s speculative fishing quota markets on Ecotrust Canada’s website at <http://www.ecotrust.ca/fisheries/study-cautions>). This appears to be exactly what Environmental Defense representatives Band and Festa were proposing at the Milken Conference.

### The bottom line

**W**e have the New England groundfish fishery languishing because the fishermen can’t catch the fish that are supposed to be available to them because of an inflexible and repressive management regime in place as a result of the lobbying efforts of Environmental Defense and other foundation-funded ENGOS. We have the federal agency that has been doing nothing substantive



to help the fishermen catch those fish, supporting (with millions of agency and outside dollars) drastic reductions in the number of boats and fishermen in the fishery via a form of management that holds far more appeal to academics, bureaucrats and “conservationists” than to fishermen. We have the head of that agency (along with several of her staffers) with strong ties to the foundations that did the funding as the chief proponent of catch share management as well as to the ENGOs that have been and still are lobbying for their imposition. We have a Canadian ENGO, Ecotrust, that is waving red flags about the catch share program in use in the Canadian halibut fishery, and we have another ENGO, Environmental Defense, that appears to be using the exact characteristics of catch share management that Ecotrust is and every commercial fisherman, should be concerned about to drum up outside investor interest in acquiring catch shares.

The groundfish fishery in New England has been underfished for over a decade. In that time the foundation-funded ENGOs have sunk what it’s difficult to imagine can be less than tens of millions of dollars in pushing for ever more restrictive regulations, regulations making it impossible to change that deplorable state of affairs. In that time NOAA/NMFS, the federal agency that is charged with maintaining our fisheries and our fishing communities, has done nothing substantive to counter their campaign, seemingly embracing it and it’s resultant impacts on the fishing industry as justification for drastically changing how our fisheries have been managed.

But the fish are there, and they have been for as long as we’ve had a groundfish “crisis.” Is it any wonder that so many fishermen are questioning the priorities of the ENGOs, the Foundations that are bankrolling them, and the public agency that’s supposed to be looking out for them? It’s not too hard to imagine that the federal fisheries managers want Catch Shares at any price, and in this instance the price is the economic viability of one of our oldest and historically one of our most valuable fisheries.

#### But Catch Shares can work for the fishing industry

As is becoming increasingly obvious, catch shares, fishing quotas, limited access privilege programs or whatever they are termed can have less than optimal impacts on the people and/or the businesses in a fishery. On the other hand, they can also be beneficial to the same people and/or businesses. It all depends on how they are initially organized and how stringently the rules which govern them are enforced. If the people in a fishery decide that it’s in their own best interests to adopt catch shares in their fishery, if they own and if they control those catch shares, and if there are adequate safeguards guaranteeing the transparency of that ownership and control, there shouldn’t be any objections to this form of management.

Are catch shares a fisheries management panacea? In spite of all of the foundation influenced prattle, which has apparently now been adopted by NOAA/NMFS, to the contrary, of course not. As the recent article in *Science* by Ray Hilborn, Boris Worm and 19 other authors (Ending Global Overfishing July 30, 2009) makes clear, fisheries can be and are being managed sustainably both with and without them.

The apparent ease of management that catch shares offer shouldn’t be used as an incentive to institute them in fishery after fishery, and the fact that quota in particular fisheries could be an attractive “green” investment shouldn’t be used as a reason for transferring control of those fisheries to “outside” people, institutions and organizations, regardless of how the people at Environmental Defense, the Pew Trusts or elsewhere feel about it.

Give fishermen reasonable access to underfished stocks, and the need to “revolutionize” fisheries management would in many instances evaporate. That would do more to maintain the small fishing communities that Dr. Lubchenco now says she values than a mandatory reshuffling of an industry that has been doing pretty well for centuries. Of course it would kill the goose that was about to lay Mr. Band’s 1,000 to 2,000 percent Golden Egg, but he and Mr. Festa and their colleagues at Environmental Defense could probably come up with another idea or two for “green” institutional investments in fairly short order.