

THE IMPACTS OF FEDERAL FISHERIES MANAGEMENT ON SMALL BUSINESSES

HEARING BEFORE THE COMMITTEE ON SMALL BUSINESS AND ENTREPRENEURSHIP UNITED STATES SENATE ONE HUNDRED FOURTEENTH CONGRESS SECOND SESSION

MARCH 3, 2016

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THE IMPACTS OF FEDERAL FISHERIES MANAGEMENT ON SMALL BUSINESSES

THURSDAY, MARCH 3, 2016

UNITED STATES SENATE,
COMMITTEE ON SMALL BUSINESS
AND ENTREPRENEURSHIP,
Washington, DC.

The Committee met, pursuant to notice, at 10:01 a.m., in Room 428A, Russell Senate Office Building, Hon. David Vitter, Chairman of the Committee, presiding.

Present: Senators Vitter, Fischer, Ayotte, and Shaheen.

Chairman VITTER. Good morning, everybody. Welcome to this very important hearing.

Because of multiple demands on the Ranking Member's schedule in terms of hearings, I am going to turn to her first and then I will have my opening statement and we will proceed with our witnesses.

OPENING STATEMENT OF HON. JEANNE SHAHEEN, RANKING MEMBER, AND A U.S. SENATOR FROM NEW HAMPSHIRE

Senator SHAHEEN. Thank you very much, Mr. Chairman. I really appreciate your willingness to let me go first this morning, as I try and be in five places at the same time.

And, I want to apologize to Congressman Graves for missing his testimony. I am going to speak, try and get to another hearing, and then come back for the second panel.

I know that there are a number of issues that are facing the constituents of Senator Vitter in Louisiana and I look forward to hearing more about those concerns. But, I want to take just a minute as I start to address some of the issues that are facing the fishing industry in New Hampshire and New England, and I am pleased that my colleague, Senator Ayotte, is here, who also knows very well those issues.

We are in the midst of a real crisis that has decimated the fishing industry in New England, particularly the small fisherman. Over the past few years, the federal government has required drastic cuts to fishing quotas for the Gulf of Maine cod, and current quotas are now a tiny fraction—about five percent—of what they were just a few years ago.

Cod is an absolutely critical resource in New Hampshire for fishermen and really across New England. In my State of New Hampshire, our fishermen typically have smaller boats. They fish closer to the shores. And their prime resource is cod. Now, because New England is managed as a multi-species fishery, the tight limit on

cod really affects our fishing ability to fish for other species, as well.

So, these cuts have been disastrous. Revenues have plummeted and many fishermen have been forced out of business. The New Hampshire fishing fleet has shrunk from 26 vessels in 2010 to just about seven right now. This has ramifications throughout our coastal economies, from onshore infrastructure, to crew employment, to local restaurants, and to the tourism industry.

The federal government declared a fishing resource disaster for the region several years ago and we were able to get some much needed disaster funds to the region. But, the need is still very great.

And to make matters worse, the National Oceanic and Atmospheric Administration, NOAA, has decided to enforce a new fee for at sea monitoring on New England fishermen, as much as \$700 per observed trip. Now, I know my colleagues in New England and I have long fought the imposition of this fee and we will continue to do so, because this is not a payment that the New England fishing industry can make right now, given the severe hits their incomes have taken over the past several years, and worse, this is yet another issue that affects small businesses much more severely. The per trip fee is the same regardless of the size of a fisherman's vessel. But smaller boats, as we all understand, bringing in a much less amount of fish and revenue per trip than larger ones.

Now, I have heard from New Hampshire fishermen that this fee is entirely unaffordable and will be the final straw to force many out of the industry. In fact, one of the reasons I am leaving here is to go to the Appropriations Subcommittee where Secretary Pritzker, Commerce Secretary Pritzker, will be testifying so that I can ask her about what the Department is doing to try and address this concern that we have.

I think we have got to do everything we can to protect the remaining small fishing businesses, and I am grateful that two of our witnesses who are going to be on the second panel are here today from New Hampshire and Maine. Both are deeply involved in the fishing community in New England and both have substantial experience and expertise in fisheries management.

So, thank you, Mr. Chairman. I look forward to coming back to hear the second panel and very much appreciate your letting me go first.

Chairman VITTER. Absolutely. Thank you, Ranking Member Shaheen.

OPENING STATEMENT OF HON. DAVID VITTER, CHAIRMAN, AND A U.S. SENATOR FROM LOUISIANA

Chairman VITTER. Good morning, everybody, and welcome again to an important committee hearing entitled, "The impacts of Federal Fisheries Management on Small Businesses." Thanks to all of our witnesses and everyone here today.

For those of us born and raised in Louisiana, we share an inherent appreciation of our state's abundant natural resources, certainly including fisheries. And we also share an obligation to encourage conservation efforts while protecting public access to those resources.

When it comes to fishing in the Gulf, there needs to be a mutual respect between recreational anglers and commercial fishermen, in particular. Both anglers are an economic powerhouse for both Louisiana and the entire Gulf region, which makes protecting the public's access to these resources even more important.

Responsible for creating and implementing the rules that govern our fisheries and the Gulf's federal waters is the National Marine Fisheries Service and the Gulf of Mexico Regional Fishery Management Council, known as NMFS and the Gulf Council.

It is troubling to me that these two organizations, which are supposed to be dedicated to proper management of our Gulf fisheries, continue to chip away at the rights of recreational anglers, particularly with access to certain fisheries, including red snapper. The Gulf Council and NMFS are in place to protect the interests of the public, and yet continued attacks on the recreational sector and a failure to utilize proper data have led to decisions that really do exactly the opposite. While every region has its resources, our Gulf fisheries are considered some of the worst managed in the Nation, especially when compared to fisheries in the Northwest and Alaska.

Using proper data collection techniques is paramount for the proper management of our Gulf fisheries, and the problems over at NMFS in accomplishing this were recently detailed in a GAO report entitled, "Recreational Fisheries Management: The National Marine Fisheries Service Should Develop a Comprehensive Strategy to Guide its Data Collection Efforts." In this report, which I will be entering into the record, GAO detailed how NMFS's current data collection methods do not result in quality recreational fishing data, which poses challenges for timely managing marine recreational fisheries. This failure to use quality data collection methods has resulted in states like Louisiana and Texas creating their own data collection programs.

[The GAO report follows:]



United States Government Accountability Office

Report to Congressional Requesters

December 2015

RECREATIONAL FISHERIES MANAGEMENT

The National Marine
Fisheries Service
Should Develop a
Comprehensive
Strategy to Guide Its
Data Collection Efforts

GAO-16-131

GAO Highlights

Highlights of GAO-16-131, a report to congressional requesters

Why GAO Did This Study

Almost 11 million anglers made nearly 71 million marine recreational fishing trips in the continental United States in 2013. Pressure on many fish stocks from fishing has increased demand for quality and timely data that can be used to assess the status of various fish stocks as part of managing marine recreational fisheries. The many modes of marine recreational fishing—in which anglers fish from private boats or boats with guides, the shoreline, private property, and public docks—make collecting the data needed to effectively manage recreational fisheries both complex and challenging.

GAO was asked to review NMFS' marine recreational fisheries data collection program. This report examines (1) challenges that have been identified with the agency's data collection efforts for managing marine recreational fisheries and (2) steps the agency has taken to improve data collection and challenges that remain. GAO reviewed laws, policies, and guidance related to federal and state recreational fisheries data collection methods; reviewed NMFS and other documents on recreational fisheries data collection; and interviewed a nongeneralizable sample of federal and state recreational fisheries officials and other stakeholders, selected to provide geographic representation, among other things, to obtain their views on NMFS' data collection efforts.

What GAO Recommends

GAO recommends that NMFS develop a comprehensive strategy to guide its data collection efforts. The agency agreed with GAO's recommendation.

View GAO-16-131. For more information, contact Anne-Marie Fennell at (202) 512-3841 or fennella@gao.gov.

December 2015

RECREATIONAL FISHERIES MANAGEMENT

The National Marine Fisheries Service Should Develop a Comprehensive Strategy to Guide Its Data Collection Efforts

What GAO Found

The National Marine Fisheries Service (NMFS) within the Department of Commerce faces several challenges related to fisheries data collection, according to reports GAO reviewed and NMFS officials and stakeholders GAO interviewed. These challenges include collecting quality recreational fishing data that are timely for managing marine recreational fisheries and communicating with stakeholders. Regarding the collection of quality data, for example, NMFS faces a challenge identifying the universe of anglers from which to collect information about their marine recreational fishing activity. NMFS relies in part on state registries to identify anglers, but some states exempt certain anglers from registering, and therefore NMFS does not have a complete list of recreational anglers. NMFS officials and other stakeholders have also identified challenges in communicating with stakeholders in collecting recreational fisheries data. For example, several stakeholders told GAO that NMFS has not always communicated with the public about its activities, creating concerns about a lack of transparency regarding NMFS' fisheries management decisions. Reflecting this challenge, in 2014, Louisiana withdrew from the federal fisheries data collection program and implemented its own program because of concerns about federal recreational fisheries data, according to a Louisiana fisheries official.

NMFS has taken several steps aimed at improving data collection to manage marine recreational fisheries and addressing challenges related to communicating with stakeholders. For example, to help improve the quality of the state data it relies on to identify the universe of anglers, NMFS made recommendations to states on improving their recreational angler databases and provided funds to the states to support data quality improvement projects, according to NMFS documents. NMFS has also taken steps to improve communication, including working with Louisiana to perform a side-by-side comparison of federal data with Louisiana's data to determine whether Louisiana's data can be used as an alternative to federal data. However, some challenges persist, including challenges in validating data the NMFS collects and communicating about upcoming NMFS initiatives. More broadly, the agency does not have a comprehensive strategy to guide its efforts to improve recreational fisheries data collection. Such a strategy is consistent with the framework of leading practices in federal strategic planning, as described in the Government Performance and Results Act Modernization Act of 2010, Office of Management and Budget guidance, and practices GAO has identified. Based on GAO's discussions with NMFS officials and review of NMFS documents, the agency has not developed a comprehensive strategy because it has been focused on other priorities such as improving its data collection methods. NMFS officials told GAO that NMFS recognizes the need to enhance its strategic planning but did not provide information about how, or whether, they plan to develop a comprehensive strategy. Without a comprehensive strategy that articulates NMFS' goals to improve data collection and methods for measuring progress toward the goals, NMFS may have difficulty ensuring that the various steps it is taking to improve data collection are prioritized so that the most important steps are undertaken first, and it may find it difficult to determine the extent to which these steps will help it address the challenges it faces.

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Abbreviations

MRIP	Marine Recreational Information Program
NMFS	National Marine Fisheries Service
NOAA	National Oceanic and Atmospheric Administration

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U.S. GOVERNMENT ACCOUNTABILITY OFFICE

441 G St. N.W.
Washington, DC 20548

December 8, 2015

Congressional Requesters

Saltwater recreational fishing in the United States makes significant contributions to local and regional economies and is an important social activity for individuals, families, and communities. Almost 11 million anglers made nearly 71 million marine recreational fishing trips in the continental United States in 2013, according to National Marine Fisheries Service (NMFS) statistics. NMFS, within the Department of Commerce's National Oceanic and Atmospheric Administration (NOAA), acts as a steward of living marine resources through science-based conservation and management. Much of this work occurs under the Magnuson-Stevens Fishery Conservation and Management Act, which sets forth standards for the conservation and management of fisheries resources.¹ NMFS collaborates with stakeholders, such as states and interstate marine fisheries commissions, primarily through its Marine Recreational Information Program (MRIP) to collect and analyze marine recreational fisheries data. Several states, such as Louisiana and Texas, also manage their own marine recreational fisheries data collection programs. In addition, NMFS and its partners collect other types of data, such as information on commercial fishing activity and data on the total size of fish stock populations.² The various data that are collected and analyzed are used to estimate fishing activity, understand fish biology, and determine fish stock abundance. This information is used to support the development of annual catch limits and other accountability measures to prevent overfishing and support rebuilding plans for overfished stocks in federal waters.

Pressure on many fish stocks from fishing has increased the demand for high-quality and timely data that can be used to assess the status of various fish stocks as part of managing marine recreational fisheries.

¹Magnuson-Stevens Fishery Conservation and Management Act, 16 U.S.C. §§ 1851(a)(1)-(10).

²A "fish stock" refers to either one species or a complex of comparable species managed as an entity in a geographic area. Throughout this report, the term fish stock is used to mean one fish species or a fish stock complex.

However, in contrast to commercial fisheries, which have standard mechanisms for data collection, the many modes of marine recreational fishing—in which anglers fish from private boats or boats with guides, from the shoreline, from private property, and from public docks—make collecting the data needed to effectively manage recreational fisheries complex and challenging. Designing marine recreational fishing surveys that provide high-quality and timely data at an acceptable cost was identified as one of several challenges facing NMFS by a 2006 National Research Council report on NMFS' marine recreational fisheries data collection methods.³

You asked us to examine NMFS' marine recreational fisheries data collection program. This report examines (1) the challenges that have been identified with NMFS' data collection efforts for managing marine recreational fisheries and (2) the steps NMFS has taken to improve data collection and challenges that remain.

To conduct our work, we reviewed and analyzed relevant laws, agency policies, guidance, and other documentation related to fisheries data collection, including specific federal and state marine recreational fisheries data collection projects. To determine the challenges that have been identified with NMFS' data collection efforts, we first reviewed reports and evaluations of NMFS' data collection programs since 2006, including reports from the National Research Council and NMFS, among others. We also interviewed officials from NMFS headquarters and NMFS' Northeast, Northwest, and Southeast regional Fisheries Science Centers; representatives of the Gulf of Mexico, Pacific, and South Atlantic Fishery Management Councils; officials from the Atlantic, Gulf, and Pacific States Marine Fisheries Commissions; and officials from state fisheries agencies in Alabama, Florida, Louisiana, Mississippi, North Carolina, Rhode Island, Texas, and Washington. We selected federal and state agencies and regional organizations to interview based on such factors as geographic representation, locations of large volumes of recreational fishing, and representation from key data collection and management stakeholders. In addition, we interviewed selected marine recreational fisheries stakeholders, such as recreational anglers, to gather information on recreational fisheries data collection methods,

³National Research Council, Ocean Studies Board, Committee on the Review of Recreational Fisheries Survey Methods, *Review of Recreational Fisheries Survey Methods* (Washington, D.C.: 2006).

associated challenges, and steps taken to address those challenges. These stakeholders represented various geographic locations and different recreational fishing sectors. We determined that the selection of these entities and individuals was appropriate for our design and objectives, and that the selection would generate valid and reliable evidence to support our work. The results of our interviews cannot be generalized to all stakeholders or data collection activities, but they provide examples of different recreational fisheries data collection efforts and challenges. Because the NMFS statistical surveys cover a wide range of methods, apply to a wide diversity of locations, and often entail in-depth technical knowledge about fisheries data collection, we did not conduct a technical evaluation of these challenges or assess their technical validity.

To determine the steps NMFS has taken to improve data collection and challenges that remain, we conducted interviews as described above and reviewed NMFS reports and other documents. Specifically, we reviewed NMFS' strategic plans, recreational fisheries planning documents, and recreational fisheries data collection program documents. We compared this information with the framework of leading practices in federal strategic planning contained in the Government Performance and Results Act of 1993, the Government Performance and Results Act Modernization Act of 2010, and Office of Management and Budget guidance. We also compared this information to key practices related to communication we identified in previous reports.⁴ Consistent with our approach to the previous objective, we did not conduct a technical evaluation of NMFS' steps to improve data collection or assess the appropriateness of those steps in light of the challenges NMFS faces. Appendix I contains a more detailed description of our objectives, scope, and methodology.

We conducted this performance audit from July 2014 to December 2015 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that

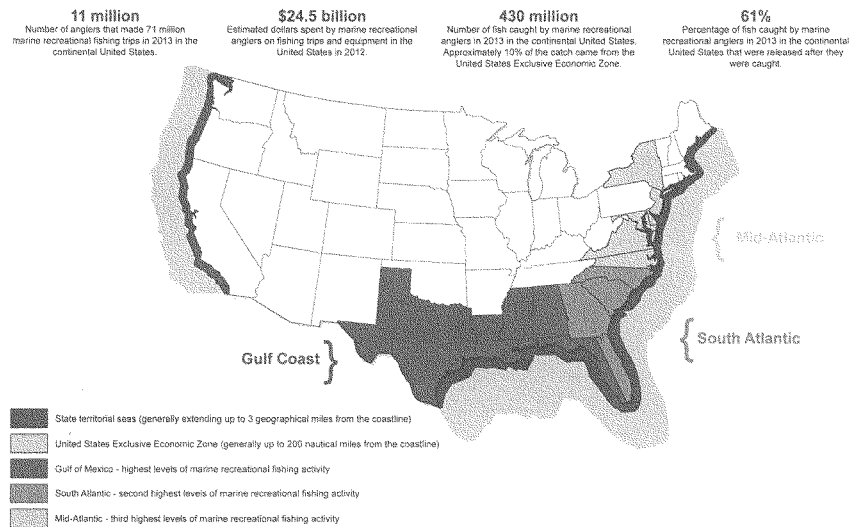
⁴See GAO, *Foreign Aid Reform: Comprehensive Strategy, Interagency Coordination, and Operational Improvements Would Bolster Current Efforts*, GAO-09-192 (Washington, D.C.: Apr. 17, 2009) and *Results-Oriented Cultures: Implementation Steps to Assist Mergers and Organizational Transformations*, GAO-03-669 (Washington, D.C.: July 2, 2003).

the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Background

NMFS' mission is to act as a steward of the nation's ocean resources and their habitats. This includes responsibility for managing recreational fisheries in federal waters. These waters generally include the United States Exclusive Economic Zone, which typically begins approximately 3 geographical miles from land and extends 200 nautical miles from land. Coastal states generally maintain responsibility for managing fisheries in waters that extend approximately 3 geographical miles from their coastlines. The extent of recreational fishing varies by region, with the greatest amount of marine recreational fishing taking place in the Gulf of Mexico, followed by the South Atlantic and Mid-Atlantic, according to NMFS statistics. Figure 1 shows NMFS statistics about the extent of marine recreational fishing activity overall and the locations of the highest levels of marine recreational fishing activity.

Figure 1: Marine Recreational Fishing Statistics and Locations of Highest Fishing Activity



Note: These statistics are approximate and do not include Alaska.

Sources: National Marine Fisheries Service, Fisheries of the United States (2013); Fisheries Economics of the United States (2012) | GAO-16-131

The 1976 Magnuson-Stevens Fishery Conservation and Management Act, as amended, governs marine fisheries management in federal waters, including both commercial and recreational fishing. In the original act of 1976, Congress found that international fishery agreements had not been effective in preventing or terminating overfishing. To manage fisheries and promote conservation, the act created eight Regional Fishery Management Councils, which include representatives from member states and NMFS. The act was amended in 1996 to rebuild

Recreational Anglers Use Different Modes to Fish

Private boats and shoreside



Source: U.S. Environmental Protection Agency | GAO-16-131
Private recreational anglers use private boats and sites on shore, such as public docks or private boat clubs, to access marine recreational fisheries.

For-hire fleet



Source: National Oceanic and Atmospheric Administration | GAO-16-131
Private recreational anglers also rely on the for-hire sector, which consists of charter boats and "head boats." Charter boats commonly carry six or fewer passengers who purchase the services of a boat and crew. "Head boats" carry more than six passengers, with each individual angler paying a fee to go fishing.

overfished fisheries, protect essential fish habitat, and reduce bycatch,⁵ among other things. The 1996 act included requirements for NMFS and the councils to develop fisheries management plans for fish stocks and to establish required time frames for rebuilding fish stocks that are overfished. A reauthorization of the act was passed in 2006 and established further legal requirements to guide fisheries data collection and management, including mandates on the use of science-based annual catch limits. Under NMFS guidelines, plans should include accountability measures to prevent catch from exceeding the annual catch limit. These measures can include fishing season closures, closures of specific areas, changes in bag limits, or other appropriate management controls.

The marine recreational fishing sector is divided between private anglers and the for-hire sector. Private anglers primarily access marine recreational fisheries by using private boats or by fishing from sites on shore. The for-hire sector includes both charter boats and "head boats." Charter boats are chartered or contracted by anglers for a fishing trip for a flat fee regardless of the number of anglers on the boat.⁶ "Head boats" are usually large capacity multipassenger vessels that charge each angler a per person fee for a fishing trip.

⁵According to the act, bycatch means fish that are harvested in a fishery, but are not sold or kept for personal use, and includes economic and regulatory discards. Economic discards are fish that are not kept because the harvester does not want them. Regulatory discards are fish required by regulation to be released after they are caught, or to be kept but not sold. Bycatch does not include fish released alive under a recreational catch and release fishery management program. For the purposes of this report, we refer to bycatch as discards.

⁶In addition to the more common six-passenger charter boats, there are small boats that carry only one or two anglers (sometimes referred to as "guide boats") and very large multipassenger charter boats.

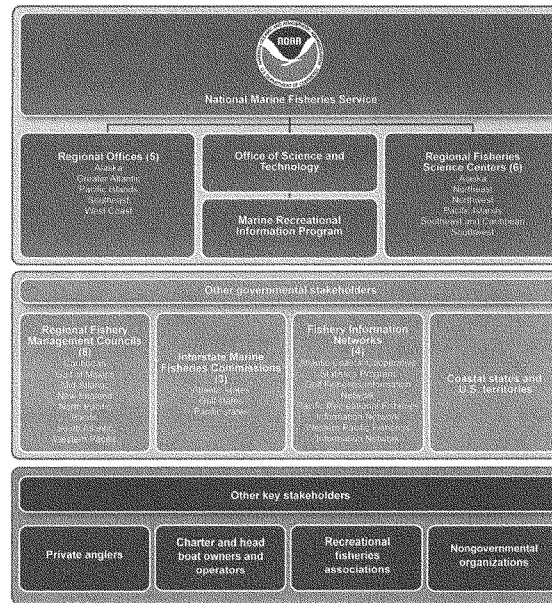
**Entities Involved in
Recreational Fisheries
Data Collection**

NMFS has overall responsibility for collecting data to manage federal fisheries. It has several offices involved in fisheries data collection and management, including the Office of Science and Technology, six regional Fisheries Science Centers, and five regional offices. NMFS has numerous partners for collecting data to manage recreational fisheries, including coastal states and three interstate marine fisheries commissions.⁷ In addition, NMFS and these partners collaborate with regional fisheries information networks, such as the Gulf Fisheries Information Network and the Atlantic Coastal Cooperative Statistics Program, to collect and manage fisheries data.⁸ NMFS also collaborates with eight Regional Fishery Management Councils that are responsible for fisheries conservation and management in specific geographic regions of the country. In addition, NMFS collaborates with numerous other stakeholders, such as private anglers, charter boat operators, seafood dealers, nongovernmental organizations, and recreational fisheries associations, to gather input about fisheries data collection programs and management. Figure 2 shows key stakeholders involved in recreational fisheries data collection.

⁷In the 1940s, the federal government authorized by statute three interstate compacts, each creating a regional marine fisheries commission to better utilize and protect fisheries within the consenting states' jurisdiction. The three separate commissions represent the Atlantic, Gulf, and Pacific states, respectively. The commissions were originally authorized only to make fisheries management recommendations to state officials and to recommend coordination among state management efforts. In 1984, the migratory Atlantic striped bass crisis prompted legislation that gave the Atlantic States Marine Fisheries Commission some independent regulatory authority over that species. This authority was broadened in 1993 to encompass other migratory species.

⁸The regional fisheries information networks are state-federal cooperative programs in which NMFS participates as a partner with the state fisheries agencies, interstate marine fisheries commissions, regional fishery management councils, and other federal agencies, such as the U.S. Fish and Wildlife Service. These partnerships engage in cooperative programs to collect, aggregate, and manage state and federal fisheries data to support fishery managers and associated agencies. The regional networks also serve as liaisons for identifying state and regional data needs.

Figure 2: Key Stakeholders in Marine Recreational Fisheries Data Collection and Management



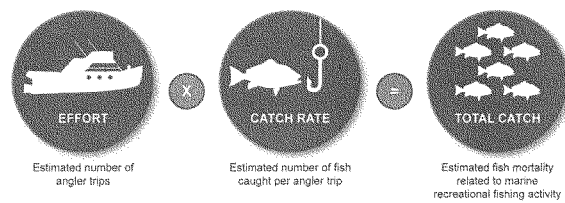
Source: GAO. | GAO-16-131

Collection and Use of Recreational Fisheries Data

NMFS and its stakeholders collect several types of data for use in recreational fisheries management. For example, information is collected on recreational fishing effort and catch rates. Effort measures the number of angler trips, while catch rates measure the average number and size of fish, by species, that are brought to shore, caught and used as bait, or discarded (i.e., caught but then released alive or dead). These data are used to estimate the total recreational fishing catch to determine the

impact of recreational fishing activity on fish stock mortality and the changes that are occurring to the fish stock over time. Figure 3 shows how these data are used to estimate total catch.⁹

Figure 3: Estimating Total Marine Recreational Fisheries Catch



Note: According to NMFS officials, it is likely that some fish that are caught and released alive will survive, but the proportion of caught fish that survive will vary among species, which affects the total catch.

Source: National Marine Fisheries Service. | GAO-16-131

According to NMFS documentation, data on catch and discards are generally collected through shoreside interviews of anglers at public access fishing sites, primarily through NMFS' MRIP Access Point Angler Intercept Survey, which covers the Atlantic and Gulf coasts from Louisiana to Maine, or through state survey programs. These data may also be collected through the use of onboard observers, typically on charter boats or head boats. Data on fishing effort are collected through MRIP or state programs, using methods such as phone or mail surveys, shoreside interviews, onboard observers, logbooks, boat and boat trailer counts, and electronic monitoring or electronic reporting tools. Given the involvement of the interstate fisheries commissions and states in data collection efforts, methods for collecting data on recreational fishing vary among states and regions.

In addition, according to NMFS documentation, biological samples of fish specimens are collected for scientific analysis to provide information on the health and biology of fish stocks. For example, data are collected on the lengths, weights, and ages of fish samples. These samples are often

⁹NMFS also calculates the catch per unit of effort to provide an index of the relative abundance of fish stocks over time in certain locations.

collected during NMFS' shoreside interviews of recreational anglers or by tagging fish to track after they are caught and released. Academic programs and cooperative research with the fishing industry are other sources of biological sampling data.

In addition to collecting data on marine recreational fisheries, NMFS and its stakeholders, such as states, collect other types of data including data on commercial fisheries. Unlike recreational fisheries data, however, commercial fisheries data are collected through a census of the weight and value of all fish species sold to seafood dealers using a network of cooperative agreements with states. According to NMFS documentation, in some regions, state fishery agencies are the primary collectors of commercial fisheries data that they receive from seafood dealers who submit periodic reports on the amount and value of the various fish species they purchase. In addition, independently from recreational or commercial fishing data collection efforts, NMFS and its stakeholders also collect information on the abundance of fish stocks and environmental conditions in fish habitats, such as seafloors, open ocean water, and natural and artificial reefs. These data are used to determine the size, age composition, and distribution of fish stocks, and allow NMFS to track the total abundance of fish stocks over time. NMFS officials told us NMFS relies on its own research vessels or contracted commercial fishing vessels to collect abundance data.

NMFS uses these various types of data to conduct fish stock assessments that estimate, among other things, the population of fish stocks, fish stock productivity, and biological reference points for sustainable fisheries. NMFS and the Regional Fishery Management Councils in turn use the fish stock assessments to examine the effects of fishing activities on the fish stocks and make determinations such as whether stocks are overfished and whether overfishing is occurring.¹⁰ According to NMFS documentation, the data are also used to support management decisions, such as setting limits on how many fish can be caught annually or determining the need to close a recreational fishery for a particular fish stock during an open fishing season, called an in-season closure, when annual catch limits are anticipated to be exceeded.

¹⁰We previously reported on NMFS' fish stock assessments; see, for example, GAO, *Fish Stock Assessments: Prioritization and Funding*, GAO-14-794R (Washington, D.C.: Sept. 19, 2014).

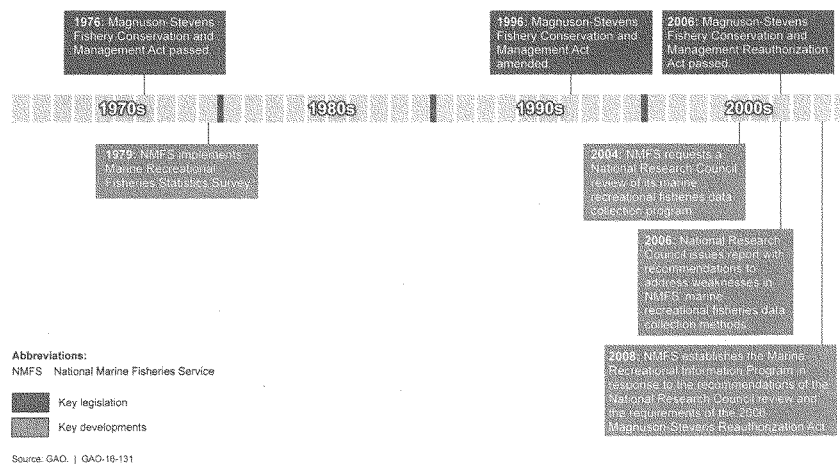
**National Research Council
Findings and NMFS'
Implementation of MRIP**

In 2006, the National Research Council issued a report that reviewed NMFS' marine recreational fisheries data collection programs and made numerous general and specific recommendations to address weaknesses. Among other things, the council recommended the redesign of all marine recreational fishing surveys funded by NMFS.¹¹ In addition, the council recommended that NMFS improve its survey coverage by either developing a national registration of all saltwater anglers or by using new or existing state saltwater license programs that would provide appropriate contact information for all anglers fishing in all marine waters, both state and federal. The 2007 reauthorization of the Magnuson-Stevens Act included requirements for NMFS to take into consideration and, to the extent feasible, implement the recommendations in the National Research Council report.

Subsequently, in October 2008, NMFS began implementing MRIP, managed in NMFS' Office of Science and Technology, to collect recreational fisheries effort and catch data and develop estimates for use in fisheries management. MRIP was intended to coordinate collaborative efforts among NMFS and its various stakeholders to develop and implement an improved recreational fisheries statistics program. MRIP consists of a system of regional surveys that provide effort and catch statistics for use in the assessment and management of federal recreational fisheries. According to NMFS officials, because counting every recreational angler or observing every fishing trip is not possible, NMFS relies upon statistical sampling to estimate the number of fishing trips recreational anglers take and what they catch. The data gathered from the regional surveys are compiled to provide regional and national estimates. Under MRIP, certain states, including California, Oregon, and Washington, have implemented recreational fisheries data collection programs funded, in part, by NMFS; these data are also used to inform fisheries management. Also, some states have developed and implemented other recreational fisheries data collection programs funded, in part, through mechanisms such as fee-based fishery programs in those states. Figure 4 provides a timeline of key legislative and other events related to marine recreational fisheries data collection and management.

¹¹This included surveys under NMFS' Marine Recreational Fisheries Statistics Survey, which was established in 1979 to provide data for estimating the impact of recreational fishing.

Figure 4: Timeline of Key Events in Marine Recreational Fisheries Data Collection and Management



Several Challenges with NMFS' Fisheries Data Collection Efforts Have Been Identified

Since the 2006 National Research Council report, NMFS and some state officials have identified several challenges related to collecting data to manage marine recreational fisheries, such as obtaining quality recreational fishing data to inform scientific analyses and produce credible effort and catch estimates. NMFS and some state officials also identified challenges with collecting recreational fisheries data in a timely manner to support certain recreational fisheries management decisions. In addition, NMFS and some state officials, as well as some other stakeholders such as private recreational anglers, identified challenges regarding how NMFS communicates with stakeholders about its marine recreational fisheries data collection efforts.

Examples of NMFS' challenges in obtaining quality recreational fishing data through MRIP to inform scientific analyses and produce credible effort and catch estimates include:

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- **Identifying the universe of recreational anglers.** NMFS faces a challenge in obtaining complete information on the universe of recreational anglers. According to NMFS officials, MRIP created a national saltwater angler registry to obtain more complete information about recreational anglers. However, this registry does not include anglers if they are registered in states bordering the Atlantic Ocean and Gulf of Mexico because NMFS granted those states exemptions from the national registry.¹² According to NMFS officials, NMFS relies on state angler registries to identify the universe of recreational anglers in those exempted states. However, some state angler registries offer exemptions from fishing permit requirements, such as for individuals under or over certain ages, and NMFS officials noted that not all anglers comply with state licensing and registration requirements. Therefore, these anglers do not appear on state angler registries. As a result, NMFS does not have a complete list of recreational anglers.
 - **Obtaining sufficient coverage in effort surveys.** According to some state officials, NMFS faces challenges in ensuring that it covers the full range of anglers among the participants it selects to participate in fishing effort surveys so that they are representative of the overall angler population. For example, NMFS has relied on its Coastal Household Telephone Survey, which randomly selects participants from all potential household telephone numbers in coastal counties, to obtain information about shoreside and private boat fishing effort in the Gulf of Mexico and the Atlantic coast. As a result, the survey does not capture recreational anglers from noncoastal states that travel to fish in the Gulf of Mexico or Atlantic coast, or coastal resident anglers in households that do not have a landline phone. NMFS officials acknowledged this limitation with the Coastal Household Telephone Survey.
 - **Targeting a representative sample in shoreside surveys.** According to NMFS officials, NMFS faces challenges in collecting data on a portion of the recreational fishing sector since it generally does not collect data on private property or at private-access fishing sites. According to NMFS officials and other governmental

¹²Section 401(g) of the Magnuson-Stevens Fishery Conservation and Management Act requires NMFS to establish a registry program for recreational fishermen. The law exempts licensed anglers in states that provide data suitable for NMFS' use. Under Memoranda of Understanding with NMFS, each of the Atlantic and Gulf Coast states are providing lists of anglers to NMFS from their saltwater fishing license databases, while Pacific Coast states and island territories are providing survey data to NMFS.

stakeholders, this is an issue in states that have many private-access sites, such as California and Florida, because there may be a significant portion of the recreational fishing sector that is not being surveyed. As a result of this limitation, according to NMFS officials and some state officials, NMFS relies on untested assumptions about, for example, catch and discard rates for anglers that use private-access fishing sites to develop recreational catch estimates. However, NMFS officials noted that survey data on fishing effort are collected from anglers regardless of whether they fish from public or private-access fishing sites. In addition, according to one state official, NMFS' standard protocols for determining when and where to assign shoreside observers to conduct interviews may not take into account local fishing patterns and, therefore, observers may not be located in the right places at the right times to collect the most representative data. For example, according to this official, NMFS' protocols for assigning shoreside observers do not account for the length of time anglers would typically take to reach federal waters and return from their trip. As a result, observers may not be at the shoreside when anglers return.

- **Obtaining a sufficient number of survey responses and biological samples.** According to NMFS and some state officials, NMFS faces the challenge of collecting a sufficient number of survey responses and samples in its effort and catch surveys. For example, some NMFS and state officials told us Coastal Household Telephone Survey response rates have been declining, and a 2014 report prepared for NMFS noted that response rates to the survey had "declined considerably" in the previous decade, which could increase the potential for bias in the data collected on recreational angler fishing effort.¹³ Also, one state official told us he does not believe NMFS assigns enough shoreside observers to collect the recreational angler catch and discard data needed to develop precise recreational catch estimates. In addition, another state official told us that the lack of shoreside observers has contributed to an insufficient amount of biological samples collected to adequately address scientific needs. Consistent with these views, in 2013 NMFS' Southeast Fisheries Science Center identified a need for more fish tissue samples in its region to aid in assessing fish stock reproduction.

¹³National Marine Fisheries Service, *Development and Testing of Recreational Fishing Effort Surveys: Testing a Mail Survey Design, Final Report*, July 31, 2014. The report did not cite specific response rates.

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- **Obtaining valid survey responses.** According to some state and NMFS officials, obtaining valid survey responses can be challenging because they depend on anglers' recollections of prior fishing events. NMFS officials told us that the accuracy of self-reported data (i.e., data that rely on participants providing responses based on personal observations) depends on the angler's ability to recall events or to distinguish between different fish species. However, anglers may not be able to accurately recall details about fish they caught and then discarded, especially as time elapses or because of limited knowledge about fish species, and without independent validation or verification, that data may be inaccurate. According to NMFS officials, these challenges affect the Coastal Household Telephone Survey because the survey asks anglers how many saltwater fishing trips were taken in the previous 2 months, but it does not use observers or other mechanisms to independently validate and verify this self-reported data.
 - **Obtaining key recreational fisheries data.** According to NMFS and some state officials, NMFS faces a challenge in collecting complete data on discards—that is, fish that are caught but then released—because of the difficulty of validating and verifying self-reported data as previously discussed. In light of this difficulty, Louisiana does not collect recreational angler discard data as part of its own recreational fisheries data collection program because of concerns about the quality of angler self-reported data, according to a state official. Even given the uncertainty in identifying the exact amount of discards, the number of discards can be substantial—for example, according to NMFS statistics, the majority of fish caught by marine recreational fishermen in 2013 were discarded. NMFS officials told us that discarded fish that have to return to great depths often experience high mortality rates due to barotrauma.¹⁴ As a result of limited information about the number of discarded fish and their mortality rates, according to NMFS officials, NMFS relies on assumptions about the mortality rates of discarded fish to produce or adjust recreational catch estimates.

NMFS also faces challenges in collecting timely marine recreational fishing data to support certain fisheries management decisions, according

¹⁴According to NMFS documentation, barotrauma is a condition experienced by some deepwater fish that are brought quickly to the surface. Fish experiencing barotrauma often sustain serious injuries and, upon release, are unable to swim or dive back to deep water. Therefore, the survival rates of caught and released deepwater fish are generally low.

to NMFS and some state officials we interviewed. According to NMFS officials, the Magnuson-Stevens Reauthorization Act of 2006 implemented new requirements that have greatly expanded the pressures on fisheries managers to rely on timely data to make decisions.¹⁵ However, according to NMFS and some state officials, NMFS' data collection systems have not evolved quickly enough to support management decision making. For example, it takes 2 months to conduct the Coastal Household Telephone Survey, which collects data on recreational fishing effort in the Gulf of Mexico and the Atlantic coast, and about 45 days to analyze the data and produce recreational fishing estimates. According to NMFS and some state officials, as a result of these timing issues, NMFS managers do not have enough information to make informed decisions about whether to initiate in-season closures for certain fish stocks with annual catch limits in order to prevent anglers from exceeding those limits. State officials frequently highlighted this as a concern in managing the Gulf of Mexico red snapper, which is susceptible to in-season closures because of concerns about overfishing. According to NMFS documentation, this fishery has been subject to shortened federal fishing seasons over the last few years—including seasons of 9 days in 2014 and 10 days in 2015, compared with 75 days in 2009 and 42 days in 2013.

NMFS, some state officials, and some other stakeholders, such as private recreational anglers, have also identified challenges in how NMFS communicates with stakeholders about its fisheries data collection efforts. For example, a fisheries official from Texas said that, although Texas provides NMFS with marine recreational fisheries data, NMFS does not clearly communicate how or if it uses those data. Some private recreational anglers also told us that NMFS has not always sufficiently communicated with the public about its activities, creating concerns about a lack of transparency regarding NMFS' fisheries management decisions. For example, some private anglers told us they are confused because NMFS has not explained why it continues to shorten the Gulf of Mexico red snapper fishing season even though the red snapper population has increased. NMFS officials acknowledged that NMFS has not always clearly communicated with regional stakeholders to explain its decision-

¹⁵The act requires NMFS to report annually to Congress and the Regional Fishery Management Councils on the status of fisheries within each council's geographical area of authority and identify those fisheries that are overfished or are approaching a condition of being overfished.

making processes, stating that this has contributed to the public's misperceptions.

As a result of the challenges that have been identified with collecting fisheries data, NMFS officials told us they face a lack of public confidence and trust in their ability to provide the data needed for managing recreational fisheries. For example, according to a Texas fisheries official, Texas withdrew from NMFS' recreational data collection program and implemented its own data collection program in the late 1970s because it did not believe that NMFS' data collection methods suited Texas' needs for managing recreational fisheries. Similarly, in 2014, Louisiana withdrew from MRIP and implemented its own recreational fisheries data collection program, called LA Creel, because of concerns about MRIP data being able to support Louisiana's needs for managing recreational fisheries, according to a Louisiana fisheries official. Similarly, according to state officials, Mississippi and Alabama have also independently initiated efforts to collect data on the abundance of certain fish, including red snapper, in artificial reefs off the coasts of these states because of concerns that NMFS' current data collection methods underestimate the abundance of these fish stocks. Citing dissatisfaction with NMFS' management of the Gulf of Mexico red snapper fishery, the states bordering the Gulf of Mexico released a proposal in March 2015 to transfer the responsibility for managing Gulf of Mexico red snapper from NMFS to these states.¹⁶

¹⁶The proposal was signed by officials from Alabama, Florida, Louisiana, Mississippi, and Texas. Two bills (S. 105 and H. R. 3094) pending in Congress would amend the Magnuson-Stevens Fishery Conservation and Management Act to transfer to the Gulf Coast states, under certain conditions, the authority to manage red snapper fisheries in the Gulf of Mexico.

NMFS Has Taken Steps Aimed at Improving Data Collection, but Some Challenges Persist and NMFS Does Not Have a Comprehensive Strategy to Guide Improvement Efforts

NMFS has taken several steps aimed at improving data collection to manage marine recreational fisheries and addressing challenges related to communicating with stakeholders. However, some data collection challenges persist, and NMFS does not have a comprehensive strategy to guide its efforts to improve recreational fisheries data collection.

NMFS Has Taken Steps Aimed at Improving Recreational Fisheries Data Collection, but Some Challenges Persist

NMFS has taken steps to address some of the challenges it faces in collecting data for managing marine recreational fisheries, including steps aimed at collecting quality data to support scientific analyses and producing credible effort and catch estimates, improving the timeliness of data collection, and improving communication with stakeholders. However, even with the various steps NMFS has taken, agency officials said that some challenges persist. In April 2015, NMFS requested that the National Research Council review MRIP to determine the extent to which NMFS has addressed the recommendations in the 2006 National Research Council report. A NMFS official told us the National Research Council has initiated the review process, and NMFS expects the review to be completed in 2017.

Addressing Challenges in Collecting Quality Data

NMFS has taken several steps to address the challenges it faces in collecting quality data. To address the challenge of identifying the universe of recreational anglers, NMFS documents indicate that by October 2011 NMFS had entered into memoranda of agreement with states and United States territories that were exempt from the national registry requirements, whereby these states and territories agreed to submit their data on marine recreational fishing participants to NMFS for inclusion into the national registry.¹⁷ In 2011 and 2012, NMFS provided

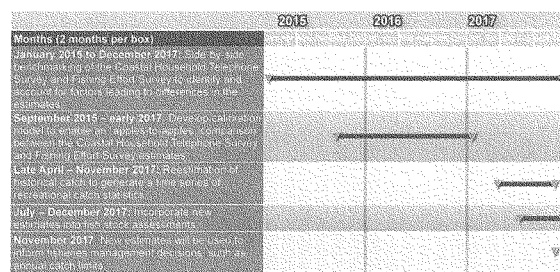
¹⁷Hawaii, Puerto Rico, and the United States Virgin Islands have not entered into memoranda of agreement.

approximately 20 grants to states through the interstate marine fisheries commissions to support initial data quality improvement projects. Subsequently, in 2012 and 2013, NMFS received state angler registry data from each of the exempted Atlantic and Gulf Coast states and entered the data into the national registry database. During this same period, NMFS made recommendations to the states on improving their recreational angler databases. NMFS also continued to provide funds to the states through the commissions to support the initial data quality improvement projects, according to NMFS documents.

To address both regional and national needs for effort and catch data, NMFS has supported the redesign of state and federally managed surveys in all regions. For example, in 2009, NMFS initiated a series of pilot studies to address declining participation rates in telephone recreational fishing effort surveys and potential gaps in the data that could skew survey results due to limitations in reaching coastal residences. NMFS conducted these pilot studies to determine whether mail survey methods for collecting recreational fishing effort data would improve estimates. In a July 2014 report, NMFS stated that the findings from the study indicated that mail survey response rates were nearly three times higher than the telephone survey response rates.¹⁶ Given these results, in May 2015, NMFS issued a plan for transitioning from the current Coastal Household Telephone Survey to a newly designed mail-based survey, referred to as the Fishing Effort Survey. According to NMFS documentation, NMFS expects the Fishing Effort Survey to be fully implemented by January 2018, as shown in figure 5.

¹⁶National Marine Fisheries Service, *Development and Testing of Recreational Fishing Effort Surveys: Testing a Mail Survey Design, Final Report*, July 31, 2014.

Figure 5: Timeline of the National Marine Fisheries Service's Planned Transition to Fishing Effort Survey



Note: Effort is the number of angler trips taken, while catch is the number and size of fish, by species, that are brought to shore, caught and used as bait, or discarded (i.e., caught but then released alive or dead).

Source: National Marine Fisheries Service. | GAO-16-131

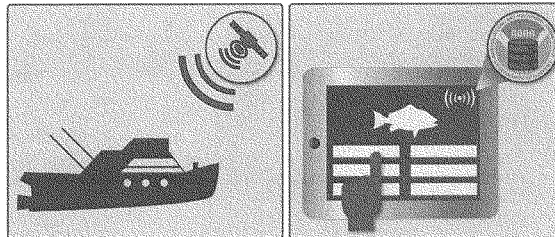
In 2013, NMFS also issued new protocols for the Access Point Angler Intercept Survey. Under these new protocols, NMFS assigns shoreside observers to specific locations at precise times to address potential data gaps related to where and when the data are collected. According to NMFS officials, the new peer-reviewed survey design is intended to provide complete coverage of fishing trips ending at public access sites with representative sampling of trips ending at different times of day.

Also in 2013, NMFS initiated a science program review to help provide a systematic peer review of its fisheries data collection programs at its six regional Fisheries Science Centers and Office of Science and Technology. As part of this effort, peer review panels evaluated NMFS' data collection and management programs in 2013, subsequently issuing a report identifying a number of crosscutting national challenges and making several recommendations to address them. For example, the report recommended that NMFS develop a plan for providing the data necessary for conducting fish stock assessments.

NMFS has also initiated efforts to evaluate the potential of electronic monitoring and reporting to address quality of data challenges. For example, according to NMFS officials, as of October 2015, NMFS was working with stakeholders in Florida to test the use of a smartphone- and

Internet-based electronic reporting tool called iAngler to collect and report data on recreational effort and catch. NMFS is also working with Texas on an electronic reporting tool called iSnapper to test the collection of self-reported catch data, according to NMFS officials. In addition, NMFS issued a policy directive in May 2013 to provide guidance on the adoption of electronic technologies to complement or improve existing fishery data collection programs. In 2013, NMFS began working with its regional Fisheries Science Centers to develop regional plans to identify, evaluate, and prioritize the implementation of electronic monitoring and reporting technologies. According to NMFS documents, each of NMFS' regional offices, in consultation with the Fisheries Science Centers, issued implementation plans in January and February 2015 that include a focus on using electronic technologies to improve the quality of recreational fishing data and data timeliness. Figure 6 shows examples of electronic monitoring and reporting technologies.

Figure 6: Examples of Recreational Fisheries Electronic Monitoring and Reporting Technologies



Electronic monitoring in the for-hire recreational fishing sector includes global positioning system receivers that track vessel locations and pinpoint fishing times to help collect fishing effort data and compliance with fishing restrictions.

Private anglers and for-hire fishing vessels can use electronic logbooks to report effort and catch data, and certain biological data, such as fish length and species.

Note: Effort is the number of angler trips taken, while catch is the number and size of fish, by species, that are brought to shore, caught and used as bait, or discarded (i.e., caught but then released alive or dead).

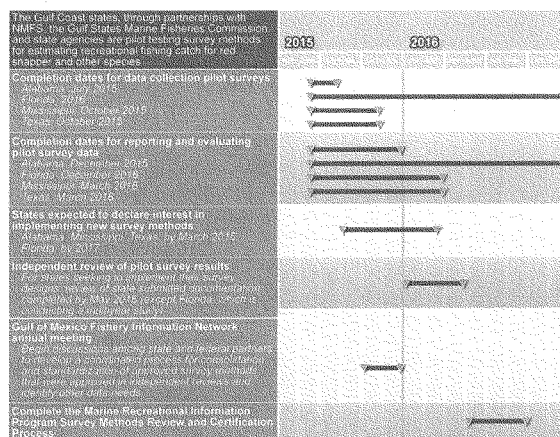
Source: GAO analysis of National Marine Fisheries Service information. | GAO-16-131

Addressing Data Timeliness Challenges

However, even with the various steps NMFS has taken, agency officials said that some challenges persist. For example, according to NMFS officials we interviewed, NMFS uses independent checks to either validate self-reported data or estimate a reporting error that can be used to produce unbiased estimates, but the agency faces challenges in independently validating and verifying self-reported angler data. In addition, NMFS officials told us the 2006 National Research Council report contains recommendations that the agency has not yet addressed, including developing methods for improving the accuracy of estimates for the number of discarded fish and addressing the potential bias resulting from the exclusion of private access sites from shoreside surveys. NMFS officials agreed that additional effort should be undertaken through MRIP to evaluate alternative methods for obtaining and verifying discard data. According to NMFS officials, they initiated a process in October 2015 for developing strategies to address these challenges.

NMFS has begun taking steps to improve the timeliness of its recreational fisheries data to support certain fisheries management decisions but, according to NMFS officials and stakeholders, this data timeliness challenge has not been fully addressed. For example, according to NMFS documentation, in fiscal year 2015, NMFS began studying the feasibility of moving from a 2-month survey period to a 1-month survey period—that is, conducting the survey each month to collect data on the previous month's fishing activity—in its new mail-based Fishing Effort Survey as a way to help reduce recall errors and improve the precision and timeliness of recreational fishing effort estimates. However, some stakeholders told us that NMFS' new mail-based Fishing Effort Survey will still not provide enough timely data to inform in-season closure decisions for federal Gulf of Mexico red snapper seasons. NMFS officials acknowledged limitations with its approach, noting that in-season closure decisions are based on the previous year's recreational fishing catch estimates. According to NMFS officials, beginning in 2013, NMFS coordinated a series of MRIP workshops with fisheries officials from Alabama, Florida, Louisiana, Mississippi, and Texas to discuss options for improving the timeliness of data to support Gulf of Mexico red snapper in-season closure decisions. NMFS officials told us that they will continue to collaborate with their Gulf state partners to develop supplemental surveys focused on red snapper that can be integrated with the more general MRIP survey approach. According to NMFS officials, NMFS and the Gulf of Mexico Fisheries Information Network recently developed a timeline that describes the process and timing for making key decisions about future red snapper specialized survey methods, as shown in figure 7. NMFS officials told us as of October 2015 the states concurred with the timeline.

Figure 7: Timeline of the National Marine Fisheries Service's Implementation of Red Snapper Specialized Survey Methods



Note: According to NMFS, in addition to the specialized surveys for Gulf of Mexico red snapper, in 2015, Louisiana conducted its own LA Creel survey in tandem with NMFS' Access Point Angler Intercept Survey for comparison purposes. In addition, in 2015, NMFS reviewed the LA Creel survey design to determine whether it met NMFS' survey data certification standards and will make a certification decision by the end of calendar year 2015, according to NMFS officials.

NMFS = National Marine Fisheries Service.

Source: National Marine Fisheries Service | GAO-16-131

According to NMFS and a state official, addressing some of the data collection challenges related to quality and timeliness entails making trade-offs. For example, according to NMFS officials, NMFS also held a workshop in March 2011 with several recreational fishing stakeholders, such as states and councils, to address the need for more timely and precise updates in a short-season fishery. NMFS officials told us the workshop identified several ways in which improvements could be made, but they concluded that more resources beyond what MRIP could afford would be needed to implement those improvements. NMFS' new Fishing Effort Survey collects data on recreational fishing effort that targets many fish stocks, including some that do not need timely data necessary to make fishery management decisions within a shortened federal fishing

season. However, according to NMFS officials and a state official, to implement a separate survey that specifically targets Gulf of Mexico red snapper would likely entail adding additional resources to this effort that would need to be taken from other surveys, such as the Fishing Effort Survey. According to NMFS officials, trade-offs also are often necessary to balance the competing needs of state and federal fisheries management and, as a result, NMFS prioritizes among competing demands for data. NMFS has attempted to address the need to understand the trade-offs involved in data collection; according to NMFS documentation, tools intended to help evaluate possible resource allocation trade-offs were expected to be available for use in 2014. However, according to NMFS officials, the tools were not in place as of October 2015, and NMFS has not determined when the tools will be available. The officials said that the tools were being developed in collaboration with academia, but the project stalled because the project leader left the academic institution, and the institution has not yet found a replacement.

Addressing Challenges in Communication

NMFS has also taken steps to improve communication with recreational fisheries stakeholders about recreational data collection. NMFS has worked with its MRIP Executive Steering Committee to address priority communication initiatives through various MRIP teams. For example, the MRIP communications and education team plans to implement a communications strategy—entailing various communication activities such as webinars—to support the transition from the Coastal Household Telephone Survey to MRIP's new mail-based Fishing Effort Survey. According to NMFS officials, the agency is developing an MRIP strategic communications plan to guide its transition to the Fishing Effort Survey that was expected to be finalized by the end of October 2015. To further enhance MRIP communications, in 2014, the MRIP communications and education team began restructuring its communications network by developing MRIP communication teams at the regional level.

Some of NMFS' steps to improve communication have resulted in increased collaboration with recreational fisheries stakeholders, according to NMFS and state officials. For example, according to a state fisheries official, NMFS coordinated with the state to provide state officials greater input in determining observer assignment schedules and locations as part of the new protocols for the Access Point Angler Intercept Survey. NMFS officials told us that they are also working collaboratively with Louisiana to perform a side-by-side comparison of MRIP data with data collected under Louisiana's LA Creel data collection program, to determine whether LA Creel can be used as an alternative to MRIP surveys. According to

NMFS officials, in early 2016, NMFS and Louisiana plan to evaluate the results of the side-by-side comparison to determine next steps. Regarding stakeholder concerns about NMFS' lack of data on fish stock abundance in reef habitats, NMFS officials told us that NMFS plans to use data collected by academic partners on red snapper abundance on artificial reefs in its Gulf of Mexico red snapper fish stock assessment. NMFS also has worked with the Atlantic States Marine Fisheries Commission and the Atlantic Coastal Cooperative Statistics Program to transition from a NMFS-led data collection system to a state-led data collection approach. In 2016, according to a NMFS official, the Atlantic Coast states will assume responsibility for conducting the Access Point Angler Intercept Survey shoreside interviews to collect marine recreational fishing data from anglers, and NMFS' role will be to review, certify, and provide funds to support these data collection efforts.

NMFS is also placing renewed emphasis on collaborating with its regional partners to determine future data collection needs and priorities for improving recreational fisheries effort and catch surveys, according to NMFS documents. For example, NMFS' 2013-2014 MRIP implementation plan recommended establishing a hybrid approach to MRIP data collection.¹⁹ Under this approach, NMFS is to maintain a central role in developing and certifying survey methods and establishing national standards and best practices for data collection, while regions—through the regional fishery information networks or their equivalent—are to be responsible for selecting survey methods and managing data collection. According to NMFS officials and NMFS documentation, NMFS staff participated in a workshop in July 2013 to discuss the initial planning stages for developing this new regional approach to recreational fisheries data collection. According to NMFS officials, NMFS is developing MRIP Regional Implementation Plans to address regional data collection needs

¹⁹An initial MRIP implementation plan was issued in October 2008. Since then, NMFS has issued several MRIP implementation plan status updates that describe various MRIP initiatives and contain information on program accomplishments and priorities.

and priorities.²⁰ The NMFS officials said that the West Coast region is scheduled to have a Regional Implementation Plan in early 2016. The officials said the Atlantic and Gulf Coast regions support the new approach to data collection and plan to complete their respective MRIP Regional Implementation Plans in 2016. As part of the new hybrid MRIP data collection approach, NMFS is in the process of identifying regional recreational fisheries data collection funding priorities.

Challenges related to how NMFS communicates with stakeholders, however, persist. For example, some Gulf Coast state fisheries officials expressed concerns that NMFS has not provided sufficient information to improve communication regarding its recreational fisheries data collection activities. One state fisheries official said that NMFS has made some progress working with stakeholders to identify MRIP initiatives to improve recreational fisheries data collection, but it has not adequately communicated how it intends to coordinate and collaborate with its stakeholders to implement MRIP initiatives. Some stakeholders continue to express concerns that NMFS is not adequately communicating its process for developing Gulf of Mexico red snapper catch and effort estimates. For example, some stakeholders cited the presence of larger and more numerous red snapper in the Gulf of Mexico and do not understand the need for continued catch limits and fishing restrictions. NMFS officials told us that, although the Gulf red snapper population is rebounding, and the average weight of red snapper that are caught by anglers has increased, NMFS' most recent stock assessment confirms that Gulf red snapper continue to be overfished. Therefore, as required by the Magnuson-Stevens Act, red snapper continue to be managed under a stock rebuilding plan. According to these officials, annual catch limits for red snapper are being reached more quickly due to several factors, including higher catch rates and more fishing effort being directed at the more abundant rebuilding stock. This has required even shorter fishing seasons despite increasing stock abundance, as well as corresponding increases to annual catch limits. NMFS officials stated that, in response to

²⁰According to NMFS documentation, MRIP Regional Implementation Plans are to include descriptions of regional needs for recreational fishing statistics, including needs for coverage, precision, and timeliness of survey estimates; a baseline assessment of current data collection programs, including assessing the extent to which current programs satisfy needs and identifying data collection gaps; recommendations and justification for a sequential, prioritized approach for implementing improved methods that address national and regional needs that are currently unmet; and estimated costs overall and for individual survey components.

a history of exceedance of annual red snapper catch limits and litigation, NMFS is now setting the length of the red snapper fishing season based on a recommendation by the Gulf of Mexico Fishery Management Council to use a buffer of 20 percent of the annual catch limit.²¹ This buffer is intended to account for uncertainty resulting from the difficulty of obtaining timely and precise catch estimates, as well as uncertainty stemming from state regulations that provide for longer seasons in state waters. NMFS officials acknowledged that achieving stakeholder understanding of this complex process is an ongoing concern, but they told us they plan to continue communicating with stakeholders to help convey the rationale behind NMFS' fisheries management decisions.

NMFS Does Not Have a Comprehensive Strategy to Guide Its Data Collection Improvement Efforts

NMFS has taken steps aimed at addressing several data collection challenges, but it does not have a comprehensive strategy to guide its efforts to improve recreational fisheries data collection. The Government Performance and Results Act Modernization Act of 2010 requires, among other things, that federal agencies develop long-term strategic plans that include agency-wide goals and strategies for achieving those goals.²² Our body of work has shown that these requirements also can serve as leading practices at lower levels within federal agencies, such as at NMFS, to assist with planning for individual programs or initiatives that are particularly challenging.²³ Taken together, the strategic planning elements established under the act and associated Office of Management and Budget guidance, and practices we have identified, provide a framework of leading practices in federal strategic planning and

²¹The council requested that NMFS set the length of the fishing season based on an "annual catch target" that is 80 percent of the overall recreational quota for red snapper. The remaining 20 percent constitutes a buffer to reduce the likelihood of the quota being exceeded.

²²Government Performance and Results Act Modernization Act of 2010, Pub. L. No. 111-352, § 2, 124 Stat. 3866, 3866-67 (2011).

²³For example, see GAO-09-192 and GAO, *Pipeline Safety: Management of the Office of Pipeline Safety's Enforcement Program Needs Further Strengthening*, GAO-04-801 (Washington, D.C.: July 23, 2004).

characteristics of good performance measures.²⁴ These practices include defining a program's or initiative's goals, defining strategies and identifying the resources needed to achieve the goals, and developing time frames and using performance measures to track progress in achieving them and inform management decision making. Furthermore, key practices related to communication call for communicating information early and often and developing a clear and consistent communications strategy to help develop an understanding about the purpose of planned changes, build trust among stakeholders and the public, cultivate strong relationships, and enhance ownership for transition or transformation.²⁵

According to a NMFS official, the initial 2008 MRIP implementation plan and the subsequent updates are the key documents used to guide NMFS' recreational fisheries data collection efforts. However, based on our review, NMFS' MRIP implementation plans do not constitute a comprehensive strategy for improving recreational fisheries data collection consistent with the framework previously discussed. For example, the implementation plans do not consistently and clearly define NMFS' goals, identify the resources needed to achieve the goals, or develop time frames or performance measures to track progress in achieving them.

Based on our analysis, NMFS does not have a comprehensive strategy because it has been focused primarily on implementing the recommendations of the 2006 National Research Council report. A NMFS official confirmed that MRIP initially focused on implementing the recommendations in the 2006 National Research Council report and meeting the requirements to improve recreational fisheries data collection as described in the Magnuson-Stevens Reauthorization Act that was passed in 2006. According to NMFS officials, the agency's first priority was to address the recreational fisheries survey design issues identified

²⁴For example, see GAO, *Executive Guide: Effectively Implementing the Government Performance and Results Act*, GAO/GGD-96-118 (Washington, D.C.: June 1, 1996); *Tax Administration: IRS Needs to Further Refine Its Tax Filing Season Performance Measures*, GAO-03-143 (Washington, D.C.: Nov. 22, 2002); *Managing for Results: Enhancing Agency Use of Performance Information for Management Decision Making*, GAO-05-927 (Washington D.C.: Sept. 9, 2005); and Office of Management and Budget, Circular No. A-11, *Preparation, Submission, and Execution of the Budget* (2015).

²⁵See GAO-09-192 and GAO-03-669.

in the 2006 National Research Council report. Specifically, NMFS determined that it would first design, test, review, certify, and implement new survey designs, such as the new mail-based Fishing Effort Survey. As previously discussed, NMFS intends to transition to a regional data collection approach whereby the agency will collaborate with regional stakeholders, such as states, to identify regional data collection needs. NMFS officials told us that, in hindsight, NMFS could have benefited from a more robust strategic planning approach to MRIP implementation and stated that NMFS recognizes the need to enhance its strategic planning as it begins to transition to a regional data collection approach. NMFS officials told us that NMFS intends to develop strategic planning documents to guide future individual initiatives, using NMFS' experiences with the transition to the new mail-based Fishing Effort Survey as a template, but they did not provide information about how, or whether, they planned to integrate these documents into a comprehensive strategy or how they would communicate such a strategy to NMFS' stakeholders. Without a comprehensive strategy, NMFS may have difficulty ensuring that the variety of steps it is taking to improve data collection are prioritized so that the most important steps are undertaken first and may find it difficult to determine the extent to which these steps will help address challenges. Further, without communicating the strategy and NMFS' progress in implementing it, NMFS may have difficulty building trust among its stakeholders, and these stakeholders may have difficulty tracking the agency's efforts.

Conclusions

Recognizing the importance of collecting quality and timely data at an acceptable cost to guide recreational fisheries management and conduct fish stock assessments, NMFS has taken many steps to improve its data collection, such as funding several pilot programs to test alternative data collection methods. NMFS has also initiated a fundamental shift in its data collection approach, envisioning a standard-setting and oversight role for NMFS rather than actual data collection, which is to be carried out by partners. However, NMFS does not have a comprehensive strategy to guide the implementation of its various efforts. Without a comprehensive strategy and associated performance measures to assess progress, NMFS may have difficulty ensuring that the variety of steps it is taking to help address the challenges it faces are prioritized so that the most important steps are undertaken first. Likewise, NMFS may have difficulty determining the extent to which these steps will help address challenges or if a different approach may be needed. Moreover, without clearly communicating the strategy to its stakeholders, NMFS may find it difficult

to build trust, potentially limiting its ability to effectively implement MRIP improvement initiatives that rely on data collection partners.

Recommendation for Executive Action

To improve NMFS' ability to capitalize on its efforts to improve fisheries data collection for managing marine recreational fisheries, we recommend that the Secretary of Commerce direct NOAA's Assistant Administrator for Fisheries to develop a comprehensive strategy to guide NMFS' implementation of its marine recreational fisheries data collection program efforts, including a means to measure progress in implementing this strategy and to communicate information to stakeholders. As part of this strategy, NMFS should clearly identify and communicate programmatic goals, determine the program activities and resources needed to accomplish the goals, and establish time frames and performance measures to track progress in implementing the strategy and accomplishing goals.

Agency Comments and Our Evaluation


We provided a draft of this report to the Department of Commerce for comment. In its written comments (reproduced in app. II), NOAA, providing comments on behalf of Commerce, agreed with our recommendation that NMFS develop a comprehensive strategy to guide the implementation of its marine recreational fisheries data collection program efforts. NOAA stated that it agrees that transitioning from a primarily research and development focused program to one that is more focused on implementing improvements to recreational fisheries data collection presents an opportunity to engage in strategic planning. Specifically, NOAA stated it will work with its regional stakeholders over the next year to develop MRIP implementation plans that include milestones, timelines, performance metrics, and resource needs. In addition, NOAA stated that a new National Research Council review of its recreational fisheries data collection program will help to inform its strategic planning effort.

NOAA also provided three general comments. First, NOAA stated that our report disproportionately included interviewees from the Gulf Coast, which may weigh the report's conclusions differently than if other regions were more fully represented. As noted in our scope and methodology appendix (app. I), we selected federal and state agencies and regional organizations to interview based on such factors as geographic representation and locations of large volumes of recreational fishing. According to NMFS statistics, the largest volumes of recreational fishing are in the Gulf of Mexico. As a result, we believe that our selection of

agencies and organizations, while not nationally representative, nevertheless provides an appropriate set of perspectives on recreational fisheries management. Second, NOAA stated that it interpreted our statement that we did not conduct a technical evaluation to mean that we are suggesting that a technical evaluation is needed to determine whether NMFS has appropriately prioritized its recreational fisheries data collection challenges. We did not conduct a technical evaluation because it was not within the scope of our review, and it was not our intent to suggest that a technical evaluation is needed. Third, NOAA stated that, while the report identifies several unaddressed recreational fisheries data collection challenges, it does not mention that the challenges require funding levels above the current MRIP budget. Addressing whether NMFS funding levels are sufficient to address the data collection challenges it faces was not within the scope of our review. We do, however, note in our report the importance of making trade-offs in addressing challenges and allocating resources. NOAA also provided technical comments, which we incorporated as appropriate.

As agreed with your offices, unless you publicly announce the contents of this report earlier, we plan no further distribution until 30 days from the report date. At that time, we will send copies to the appropriate congressional committees, the Secretary of Commerce, the NOAA Assistant Administrator for Fisheries, and other interested parties. In addition, the report will be available at no charge on the GAO website at <http://www.gao.gov>.

If you or your staff members have any questions about this report, please contact me at (202) 512-3841 or fennella@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. Key contributors to this report are listed in appendix III.



Anne-Marie Fennell
Director, Natural Resources and Environment

List of Requesters

The Honorable Marco Rubio
Chairman
Subcommittee on Oceans, Atmosphere, Fisheries, and Coast Guard
Committee on Commerce, Science, and Transportation
United States Senate

The Honorable Thad Cochran
United States Senate

The Honorable Jeff Sessions
United States Senate

The Honorable Richard Shelby
United States Senate

The Honorable David Vitter
United States Senate

The Honorable Roger F. Wicker
United States Senate

Appendix I: Objectives, Scope, and Methodology

Our objectives were to examine (1) the challenges that have been identified with the National Marine Fisheries Service's (NMFS) data collection efforts for managing marine recreational fisheries and (2) the steps NMFS has taken to improve data collection and challenges that remain.

To conduct our work, we reviewed and analyzed relevant laws, agency policies, guidance, and other documentation related to fisheries data collection, including documentation related to specific federal and state marine recreational fisheries data collection projects.¹ We also reviewed previous GAO work related to fisheries management.² To determine the challenges that have been identified with NMFS' data collection efforts, we first reviewed reports and evaluations of NMFS' data collection programs issued since 2006 from the National Research Council, the Department of Commerce Inspector General, NMFS, states, and independent consultants and assessed the extent to which they discussed data collection challenges.³ Of these reports, we relied primarily on the findings of the National Research Council and NMFS to identify data collection challenges. To obtain insights into the challenges identified in these documents, as well as to obtain information on any additional challenges, we interviewed officials from NMFS headquarters and three of NMFS' six regional Fisheries Science Centers (Northeast, Northwest, and Southeast); representatives of three of the eight Regional Fishery Management Councils (Gulf of Mexico, Pacific, and South Atlantic) and all three interstate Marine Fisheries Commissions (Atlantic, Gulf, and Pacific States); and officials from state fisheries agencies in Alabama, Florida, Louisiana, Mississippi, North Carolina, Rhode Island, Texas, and Washington. We selected federal and state agencies and regional organizations to interview based on such factors as geographic representation, locations of large volumes of recreational fishing, and representation from key data collection and management stakeholders.⁴ The views of representatives from the agencies and organizations we

¹See, for example, Magnuson-Stevens Fishery Conservation and Management Act.

²See, for example, GAO-14-794R.

³See, for example, National Research Council, Ocean Studies Board, Committee on the Review of Recreational Fisheries Survey Methods, *Review of Recreational Fisheries Survey Methods* (Washington, D.C.: 2006).

⁴According to NMFS statistics, the largest volumes of recreational fishing are in the Gulf of Mexico, followed by the South Atlantic, and then the mid-Atlantic regions.

contacted are not generalizable to other agencies and organizations, but they provided various perspectives on recreational fisheries management. In addition, to obtain additional information about data collected by the recreational fishing sector and challenges associated with data collection, as well as to obtain views on recreational fisheries data collection generally, we interviewed 22 nongovernmental marine recreational fisheries stakeholders. Of these stakeholders, 17 had expressed interest in, or concerns about, NMFS' recreational fisheries data collection to congressional staff. These stakeholders added to the geographic variation and the recreational fishing sectors represented in our review, but their views do not represent the views of NMFS stakeholders generally. To supplement views on recreational fisheries data collection, we interviewed 5 additional stakeholders, including 4 stakeholders identified by NMFS and 1 stakeholder we identified through our previous work on fisheries management.⁵ The 22 stakeholders we interviewed included charter boat owners, private recreational anglers, members of academia, and advocacy groups, among others, and represented various geographic locations and different recreational fishing sectors. The NMFS statistical surveys used to collect data for managing recreational fisheries cover a wide range of methods, apply to a wide diversity of locations and often entail in-depth technical knowledge about fisheries data collection. For these reasons, we did not conduct a technical evaluation of these challenges or assess their technical validity.

To determine the steps NMFS has taken to improve data collection and challenges that remain, we conducted interviews as described above and reviewed NMFS' reports and other documents. Specifically, we reviewed NMFS' strategic plans, recreational fisheries planning documents, and recreational fisheries data collection program documents.⁶ We compared this information with the framework of leading practices in federal strategic planning contained in the Government Performance and Results Act of 1993, the Government Performance and Results Act Modernization Act of 2010, and Office of Management and Budget guidance. We also compared this information to key practices related to communication we

⁵GAO-14-794R.

⁶See, for example, National Marine Fisheries Service, *Development and Testing of Recreational Fishing Effort Surveys: Testing a Mail Survey Design, Final Report*, July 31, 2014.

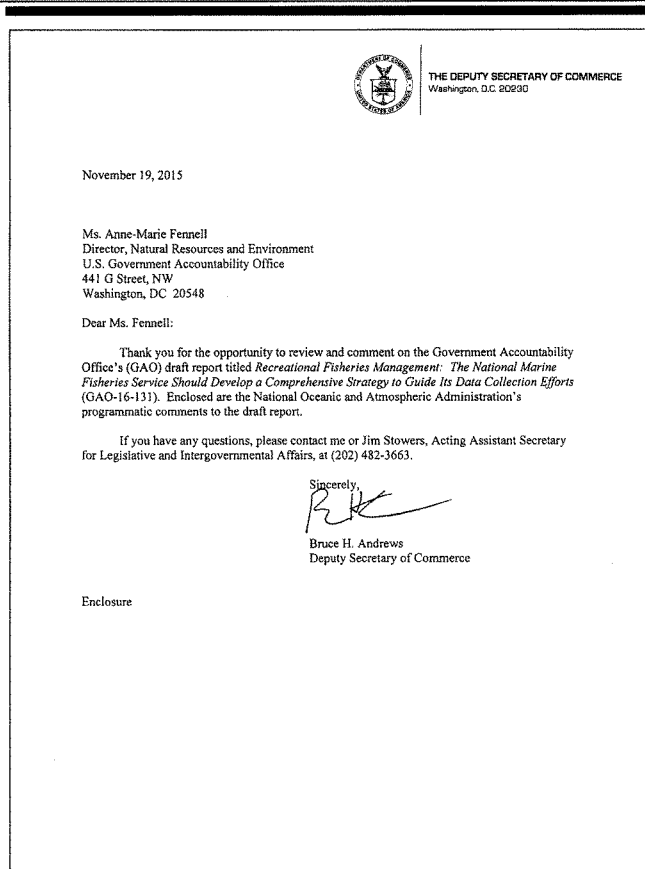
Appendix I: Objectives, Scope, and Methodology

identified in previous reports.⁷ Consistent with our approach to the previous objective, we did not conduct a technical evaluation of NMFS' steps to improve data collection or assess the appropriateness of those steps in light of the challenges NMFS faces.

We conducted this performance audit from July 2014 to December 2015 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

⁷See, for example, GAO-09-192 and GAO-03-669.

Appendix II: Comments from the Department of Commerce



Appendix II: Comments from the Department
of Commerce

Department of Commerce
National Oceanic and Atmospheric Administration
Response to the GAO Draft Report Entitled
*Recreational Fisheries Management: The National Marine
Fisheries Service Should Develop a Comprehensive
Strategy to Guide Its Data Collection Efforts*
(GAO-16-131, December 2015)

General Comments

The Department of Commerce's National Oceanic and Atmospheric Administration (NOAA) appreciates the opportunity to review the Governmental Accountability Office's (GAO) draft report on recreational fisheries management. Please see our comments below, specifically prepared by NOAA's National Marine Fisheries Service (NMFS).

1. The GAO report examines challenges that have been identified with the agency's data collection efforts for managing marine recreational fisheries, examines steps taken by the agency to improve data collection, and identifies challenges that remain. To support its analyses, the report relies on laws, agency policies, and guidance related to Federal and State recreational fisheries data collection methods; NMFS' and external documents on recreational fisheries data collection; and, interviews to obtain views on NMFS' data collection efforts from Federal and State recreational fisheries officials and other stakeholders selected to provide geographic representation.

Interviews were conducted with the following partner organizations:

State officials

FL, AL, MS, LA, and TX – all five Gulf States
NC and RI – two of 15 Atlantic States
WA – one of three Pacific States

Regional Fishery Management Councils (FMCs)

Gulf of Mexico FMC, South Atlantic FMC, and Pacific FMC – three of eight regional councils

Interstate Marine Fishery Commissions/Fishery Information Networks (FINs)

All three commissions, but only two of the three FINs (Gulf FIN and Pacific FIN, but not the Atlantic Coastal Cooperative Statistics Program)

On pages 2-3 of the report, GAO states, "We determined that the selection of these entities and individuals was appropriate for our design and objectives, and that the selection would generate valid and reliable evidence to support our work."

Comment: The disproportionate representation of Gulf Coast partners may weigh the report's conclusions differently than if other regions were better represented through the interview process. No interviews were conducted with key partners in the western Pacific, Caribbean, or Atlantic Highly Migratory Species partner communities. Both the Atlantic and

Appendix II: Comments from the Department
of Commerce

Pacific Coasts appear underrepresented. Accordingly, the report states on page 3 that "The results of our interviews cannot be generalized to all stakeholders or data collection activities, but they provide examples of different recreational fisheries data collection efforts and challenges." We agree with this statement and suggest that a more representative group of partner interviews might have resulted in additional or differently weighted conclusions about our challenges and Marine Recreational Information Program's (MRIP) progress in addressing these challenges.

2. On page 3, the report states "...we did not conduct a technical evaluation of these challenges or assess their technical validity." On the same page, the report also states "Consistent with our approach to the previous objective, we did not conduct a technical evaluation of NMFS' steps to improve data collection or assess the appropriateness of those steps in light of the challenges NMFS faces." These are important points because they suggest that an additional technical evaluation is needed to determine whether NMFS has appropriately prioritized MRIP's challenges.
3. The report identifies several unaddressed challenges, but fails to address that such challenges require funding levels above the current MRIP budget. For example, on page 14 in the section "Obtaining a sufficient number of survey responses and biological samples," the report indicates that State officials informed GAO that NMFS does not allocate sufficient levels of sampling for catch data and biological data on catch. Another example is on page 16, where the report notes that NMFS and State officials told GAO, "NMFS' data collection systems have not evolved quickly enough to support management decision making. It may help the reader's interpretation of examples such as these if the report acknowledged that a substantial increase in funding would be needed to implement the increased sampling levels that would be necessary to provide more frequent in-season tracking of recreational catches with well-designed statistical surveys.

NOAA's Response to GAO Recommendation

The draft GAO report states, "To improve NMFS' ability to capitalize on its efforts to improve fisheries data collection for managing marine recreational fisheries, we recommend that the Secretary of Commerce direct the NOAA Assistant Administrator for Fisheries:"

Recommendation 1: "To develop a comprehensive strategy to guide NMFS' implementation of its marine recreational fisheries data collection program efforts, including a means to measure progress in implementing this strategy and to communicate information to stakeholders. As part of this strategy, NMFS should clearly identify and communicate programmatic goals, determine the program activities and resources needed to accomplish the goals, and establish timeframes and performance measures to track progress in implementing the strategy and accomplishing goals."

NOAA Response: NOAA concurs with this recommendation. As articulated in the October 2008 Implementation Plan, MRIP has followed a strategy that sequenced its priorities as:

- First, address the fundamental design issues raised by the 2006 National Research Council (NRC) review (e.g., improperly weighted data used in estimation, potential bias in shoreside survey design, and potential bias in telephone survey).

**Appendix II: Comments from the Department
of Commerce**

- Design, test, peer review, and certify new and improved survey designs.
- Implement improvements that address the fundamental design issues.
- Then, scale up data collection to address regional needs for improved precision, timeliness, coverage, and special needs.

As of 2015, substantial progress has been made in implementing improved survey designs that address the fundamental design issues raised by the NRC Panel. NMFS agrees that transitioning from a primarily research and development focused program to one that is more focused on implementing survey improvements, as discussed at pages 25-26 of the report, presents an opportunity to engage in strategic planning. This will help us develop an enhanced approach to managing the program.

The current initiatives to develop MRIP Regional Implementation Plans and initiate a new NRC review of the program's progress to date, represent important milestones on the path to developing a comprehensive strategic plan. Over the next year, we will work with our regional partners to develop MRIP Regional Implementation Plans that include milestones, timelines, appropriate performance metrics, and resource needs. We will simultaneously work to develop national-level strategic planning that will set overall programmatic goals, strategies, and priorities; provide ongoing guidance to the regional planning efforts; and lay out a schedule for addressing remaining overall needs for improving the designs of the surveys (e.g., developing methods for assessing private access catch, evaluating accuracy of released catch data, etc.). This effort will be further informed by the findings and recommendations of the NRC in its review of MRIP.

NMFS will initiate this strategic planning effort in the second quarter of FY 2016, to be completed within 6 months of receipt of the new NRC review, so that the NRC's findings and recommendations can be incorporated into the MRIP program.

Appendix III: GAO Contact and Staff Acknowledgments

GAO Contact

Anne-Marie Fennell, (202) 512-3841 or fennella@gao.gov

Staff Acknowledgments

In addition to the individual named above, Steve Gaty (Assistant Director), Steve Secrist (Assistant Director), Leo Acosta (Analyst-in-Charge), Mark Braza, Joseph Capuano, Elizabeth Curda, John Delicath, Richard Johnson, Jerry Leverich, Jeanette Soares, and Sara Sullivan made contributions to this report.

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Chairman VITTER. Right now, there are over three million salt-water recreational anglers, including charter boats, all the way from Florida to Texas, and nearly 400 commercial red snapper fishermen. However, federal management authorities weigh the priorities of the few over the public, which can be seen in the reduction of the recreational red snapper season from 40 days to 10 or fewer days.

I certainly understand the need to find a balance in timing for recreational and commercial harvests, but it is clear that federal authorities are not taking into account the effects their decisions have not only on anglers, but on thousands and thousands of small businesses that surround the recreational community.

For the livelihoods of Gulf Coast anglers and the small businesses that rely on the red snapper fishery, updating the outdated collection strategies and allocation levels is an urgent matter. In the Gulf alone, salt and freshwater anglers generate \$13.5 billion for the region, as well as supporting almost 121,000 jobs. On a wider scale, the recreational angler industry contributes around \$115 billion annually to the national economy, helping keep close to 563,000 people employed.

The issues surrounding these Gulf fisheries have continued to spur national attention. While several logical solutions have presented themselves, including a historic agreement by the Gulf states to manage some of the worst managed federal fisheries themselves, progress on this issue has been thwarted by those who demand the status quo.

This is clearly seen in the flurry of lawsuits in recent years that have been aimed at any attempt to adjust allocation levels. Many of these efforts to diminish the voices of millions of Gulf anglers and related small businesses are led by organizations from outside the Gulf region. It is time for the Gulf states to take a larger role in the management of these important assets.

In a time of economic uncertainty, the U.S. effort should be focused on data-backed solutions that support our Nation's small businesses and that spur job creation.

Again, I want to thank everyone for being here today and I look forward to our discussion.

Now, before I introduce our witnesses, I know Senator Ayotte also has some other engagements, so I am going to defer to Senator Ayotte.

**OPENING STATEMENT OF HON. KELLY AYOTTE, A U.S.
SENATOR FROM NEW HAMPSHIRE**

Senator AYOTTE. Oh, I want to thank the Chairman.

I just wanted to mention, I know on the second panel today we are going to have—Senator Shaheen had said Dr. Wiersma and also James Hayward, both who are representative and are going to tell us about the plight, really, of our ground fishermen in New Hampshire, and they are going to be a great example of they are trying to do everything they can, really, to make sure that the fishermen can continue to thrive and grow.

And I think that Mr. Hayward is a great example, as a second generation fishermen, that these are family small businesses. And, not only are these small businesses important, but they are also

generational. I have said before, but having our small fishermen—it is iconic. It is so important not only to have, you know, the availability of fresh fish, the work that they do as small businesses, but also this is something that I think is a great tradition that is being devastated, basically eliminated.

As Senator Shaheen said, this is not right, Mr. Chairman, because what has happened, essentially, is that the catch share rules and the dramatic increases—cod is a prime example of this—have put our fishermen in such a difficult position where they cannot make a living.

And then on top of it, to add insult to injury, is now these monitoring fees, which are \$710 a day, is the average, okay. And, if you put together what a ground fisherman actually makes on an average day, often, what they would have to pay at the monitoring fees and the few fishing days that they get actually exceed what they would make after they pay their crew.

And, so, you know, I think about—we worry about too big to fail around here. Well, the way this is set up is that it is going to end up with the larger fishing boats are able to thrive and grow, but the small businesses, the fishermen, they are going out of business and they are going to extinction unless we do something about it.

And, I am glad you raised the issue of research and data and making sure that we are making these decisions based on good information, because I know this is an issue I know that Dr. Wiersma is very well versed in, but also that I have heard from my fishermen about the concerns they have that the decisions that are being made of the dramatic reductions, for example, in cod, which are 95 percent reductions, essentially, over a very short period, they are concerned because when they are out on the waters, they are seeing things that are different. We need to make sure that we are making these decisions based on good information, as well.

So, I appreciate the opportunity to comment on this today and I certainly will want to question—be back to ask about these issues. But, this is something in this committee that I hope we can address.

I recently—I serve on the Commerce Committee, as well, and I recently asked the Deputy Assistant Administrator for NOAA about this issue on the monitoring, because here is the thing. The Appropriations Committee has said in the language in the appropriations bill that we intended to fund the at sea monitoring, but NOAA is not following through on it. So, the Congress said, we do not want to put this fee on our fishermen because we do not want them to go out of business, and yet NOAA is doing it anyway, I believe in contravention to what we have said in the appropriations process. And, I got a completely unacceptable answer when I asked the Deputy Administrator the other day. I said, you cannot find this money anywhere?

That is something I hope we can work together and push, as well, because they are violating the intent of Congress to pay for the at sea monitoring, which is the straw that will break the camel's back here. And, so, we have got to do something about this. We need good data, first of all. We need to stop putting the small fishermen out of business. And, certainly, these at sea monitoring fees

should be paid for by NOAA, because that is what the Congress intended.

And, I really appreciate your having this incredibly important hearing today.

Chairman VITTER. Thank you, Senator Ayotte, and certainly count me in as we try to address all of these fisheries issues, certainly including that really devastating situation in the Northeast.

Congressman Garret Graves and Congressman Austin Scott requested to be present as a first members panel, and we are happy to hear from them and eager to hear from them. I will introduce Congressman Graves, who is here. I hope Congressman Scott is on the way, and if he shows up, I will obviously introduce him in turn. And then after their presentations, I will introduce our second panel.

But, Congressman Graves represents Louisiana's Sixth Congressional District. He sits on the House Committee on Transportation and Infrastructure and the Committee on Natural Resources. The Congressman is a lifelong resident of Baton Rouge, where he lives with his wife, Carissa, and three children. He has been a champion of recreational fishing rights in the House and currently has legislation pending that would turn control over troubled fisheries to the Gulf States.

Congressman Graves.

**STATEMENT OF HON. GARRET GRAVES, A U.S.
REPRESENTATIVE FROM THE STATE OF LOUISIANA**

Representative GRAVES. Thank you, Mr. Chairman, Senator Ayotte. I appreciate the opportunity to be here today.

The House actually just called a vote, so either Congressman Scott or I is making the wrong decision—

[Laughter.]

But nonetheless, great to be here.

Mr. Chairman, in 2010, the White House announced the Great Outdoors Initiative, and they went across the United States engaging different outdoor recreation opportunities and stakeholders, trying to figure out how to get people off their couches and enjoy our Nation's bounty, our Nation's natural resources, much more so than we have seen in regard to recent trends. I totally support the initiative. As a former wilderness instructor and outdoor guide, I appreciate the fact that they are engaging people and trying to get them up, get them in the outdoors.

Senator Ayotte, Senator Shaheen, your home State, the Presidentials, that traverse is on my wife and I's bucket list. We have not done it yet, but we will be there. I have seen pictures and friends and amazing things, an amazing place. But, if you think about what it takes to go there, people go to the stores, they go to the gas stations, they go to the gear shops, they go to the hotels, they go to the restaurants. There is so much involved in that.

My wife's family is from Washington State, where I know Senator Cantwell represents, and Washington State, we go every year we go, and we go enjoy, whether it is Mount Baker that we have climbed and named our daughter after. We go and enjoy the Olympic Peninsula, the Olympics, the Cascades. We enjoy getting in the outdoors.

But, I want to flip back to Louisiana. We do not have those mountains, and I would love to have them. If you want to send some, we need them. But, we would love to have those opportunities, but we have a different type of outdoors in Louisiana.

Our state is known as a sportsman's paradise, and what that means to us is that we enjoy going out hunting and fishing and enjoying our outdoors, which are very different, very unique, and fantastic. It is a huge part of our culture, our economy, our way of life at home.

And, what we have seen in recent years that so much contrasts what it was like when I was a child. When I was a child, we used to be able to go out and fish 365 days a year, and it was a family thing. We would all go out with family and friends and extended family. In fact, we would do it during holidays. That is what we do at home. And we have some of the best food in the Nation as a result of this incredibly productive ecosystem we have in Coastal Louisiana.

But, what has happened in recent years, we went from being able to fish 365 days a year to, in 2014, just 9 days for red snapper and just two fish. In 2015, it was just 10 days. Amazing to go from 365 days a year and reducing it down to just 10, or 9. Federal policy has obstructed our access, our opportunity to the great outdoors. Federal policy, on one hand, is conflicting the Great Outdoors Initiative, and it is preventing our ability to enjoy our outdoors the way we like to do it at home in Louisiana.

Mr. Chairman, I was a natural resource manager. It is what I did, and I am a big proponent of sustainable management, and you have got to have good science. And, as we have dug into this issue in trying to understand it, we now understand that you have got rookie science. You have got science that is insufficient. For red snapper, for example, they are using stock assessments that they do not assess the fisheries in reef areas. The only problem is that red snapper is a reef fish. Of course, the stock assessments are showing that they are low volume, low quantity of fish. It is a flawed process.

Magnuson-Stevens, the federal law that governs our fisheries, it was named after Senator Stevens, who I used to work for. I assure you, of the time I spent with him, this is not his intent, to have federal policy obstruct and impede. It is not his intent to allow for regional solutions, as we have reached in the Gulf, to be obstructed by federal policy. And it would not be his intent to prevent people, parents, children, and grandchildren, from being able to fish as federal policy is today, does today.

I will say it again. We have some of the top restaurants in the United States. It is a huge part of our tourism economy in Louisiana. Foodies come to our state to eat because of the great, bountiful resources we have. We also have the top commercial seafood industry in the continental United States. It is a huge part of our economy. It is a huge part of our culture. And, we cannot screw that up, either.

But, there was a recent article that was in the Alabama newspaper that, Mr. Chairman, I would like to ask if you could include this in the record, that lays out—

Chairman VITTER. Without objection.

Representative GRAVES [continuing]. The obstructions in federal policy that are preventing our ability to sustainably manage our fisheries and access.

[The information of Mr. Graves follows:]

Kingpins of the Gulf make millions off red snapper harvest without ever going fishing



By Ben Raines | braines@al.com

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A little-known federal program has turned dozens of Gulf of Mexico fishermen into the lords of the sea — able to earn millions annually without even going fishing — and transformed dozens more into modern-day serfs who must pay the lords for the right to harvest red snapper.

A four-month probe by AL.com has found that roughly \$60 million has been earned since 2007 by this small number of fishermen whose boats never left port. That money was collected from the labor of fishermen who have no choice but to hand over more than half of the price that their catch brings at the dock.

As it stands today, the right to catch 77 percent of the annual red snapper harvest is controlled by just 55 people, according to a AL.com analysis of hundreds of pages of federal documents, reports and websites.

The lion's share of the commercial harvest was concentrated in the hands of a very few in 2007 when a federal program known as the Individual Fishing Quota system, or IFQ, was established. The National Marine Fisheries Service divided up the Gulf's snapper harvest like a pie, with the largest pieces going to the fishermen who landed the most fish in the preceding years. A handful of snapper fishermen got shares as large as 5 or 6 percent of the Gulf's total harvest, while others received shares as small as a ten thousandth of a percent, which granted the right to catch about a dozen fish a year.

"I sold my first snapper when I was 16 or 17," said Ricky Wilson, a welder who lives in a small cottage on Mobile Bay. Commercial snapper fishing provided part of his income for 20 years.

When the IFQ portions were handed out, his share amounted to about 430 pounds, which would have taken him one or two days to catch and brought less than \$1,000 at the dock.

"My percentage was 0.000187 percent of the total allowable quota. There just wasn't any point in fishing it," Wilson said, standing in front of his snapper boat, the Gulf Rambler, which sits on a trailer in his yard, covered in mildew and leaves. It hasn't been in the water since 2007, the year that the IFQ program started. "I've never made more than \$30,000 in my life. I couldn't afford to lease (the right to catch) snapper from somebody."

Almost immediately, in the new system's first year, the fishermen who had received the largest shares realized that fishermen like Wilson were in a desperate fix. They were no longer allowed to pursue their livelihood, unless they could come up with a share of the harvest.

Taking advantage of the situation, an average of 86 fishermen who receive a share of the federal bonanza each year have turned to renting or selling their entire allotment to the highest bidder instead of fishing it, according to federal records. They have become the kingpins of the Gulf, trading the right to harvest red snapper for cash. Called "Sea Lords" by federal officials, these

kingpins control a significant portion of the fishery and make a living off of the fish without ever untying their boats.

Meanwhile, the fishermen who missed out have been turned into sharecroppers of the sea.

"These guys are making tremendous amounts of money not working. All they are doing is taking advantage of the fact that they were gifted this public resource," said Bob Shipp, the retired chairman of the Gulf of Mexico Fishery Management Council.

The council, along with the National Marine Fisheries Service, approved and established the IFQ program. The program came into being during Shipp's tenure as chairman.

The IFQ program succeeded in its goals of making the snapper fleet smaller and safer, keeping the harvest within the annual quota, and providing the public a year-round source of red snapper, Shipp said.

"But the system has also evolved in ways the council never anticipated, and created a wildly unfair situation," he said.

"This business of leasing shares, I don't think that's something that ever occurred to any of the council members or the (fishery service) people either. It just evolved," Shipp said. "There are people making lots and lots of money from a gifted public resource. We are talking millions each year. These people who are no longer fishing, no longer lifting a finger, just making money off their peers, that really needs to be corrected."

This government distribution of a public commodity to private individuals who are then legally allowed to sell it for a profit is unprecedented in the modern age. The fish swimming in the nation's oceans are a publicly owned resource, just like the oil beneath the seafloor, the trees in our national forests, or the minerals buried beneath federally owned land. For all those resources, the federal government holds auctions and sells the right to harvest the publicly owned commodities to the highest bidder.

But that is not what happened with red snapper.

IFQs and dashed dreams

The IFQ system went into effect on Jan. 1, 2007 after a vote by commercial fishermen. By all accounts, the effort was well-intentioned. The idea was to correct the problems with the traditional management of the fishery, which pitted the fishermen against each other in a race to land as many snapper as possible before federal officials decided the annual quota had been reached and closed the fishery. Some years, that took as little as 52 days. Over time, a system evolved that opened the fishery for the first 10 days of every month.

Everyone agrees the old way of doing things meant all the snapper hit the market at the same time, driving down prices. It also meant that fresh red snapper was only available for a week or so each month, and fishermen were forced to go to sea even in dangerous conditions, lest they miss out on the harvest.

Jim Clements, a commercial fisherman from Carrabelle, Fla., received about a 10th of a percent of the Gulf's annual snapper harvest, roughly 4,500 pounds, worth about \$24,000 at the dock.

"For people who are jealous of the fishermen who have quota that the government gave them, well, they don't understand what our fishery was like before the IFQ. It solves the problem of the tragedy of the commons," Clements said, explaining that he has since purchased a larger share, and sits on the board of directors of the Gulf Fishermen's Association, which lobbies in support of the IFQ program.

"The old system, if the weather was good, everyone would run out, catch the fish, dump it on the dock and the price would fall out. Then the fishermen had to run right out and do it again because you only had 10 days," Clements said. "The restaurants could never put a permanent red snapper item on the menu. We had to fish in terrible weather. And there were too many boats catching too many fish."

David Walker, a commercial fisherman from Alabama who is one of 18 voting members of the Gulf Council, agrees. He said the IFQ program has rescued the snapper fishery from chaos and overfishing. Walker receives about 2.5 percent of the Gulf snapper harvest each year, one of the 20 largest shares, worth \$600,000 at the dock. He said he fishes almost all of his portion each year.

"It's been great. I don't know any fishermen who want to go back to the way it was," Walker said. "It has been hitting all the goal of the National Marine Fisheries Service, and all the goals of the Magnuson-Stevens Act. It's been very agreeable for everyone involved."

Based on that success, the IFQ program was expanded to the multimillion-dollar grouper and tilefish fisheries in 2010. But it has also created this new class of millionaire fishermen who essentially own large shares of the harvest.

"The IFQ created a system of haves and have-nots. And a lot of the people who got to vote are the same people who are getting rich without working today," said Pete Barber, president of the Alabama Seafood Association.

The vote that Barber mentions has become a point of contention for some. While federal websites report that the IFQ passed with 81 percent support from commercial fishermen, it was not a typical, one-man/one-vote poll. Instead, only the top 167 fishermen — those who had caught at least 5,000 pounds of snapper the previous year — were allowed to vote, and their votes were weighted according to how many fish they caught. For instance, a vote by a captain who caught 5 percent of the harvest counted as 5 percent of the total vote.

Meanwhile, about 350 of their fellow fishermen were not allowed to vote. In the end, the top fishermen who voted for the IFQ were the very fishermen who stood to benefit the most under the new system. In effect, they were allowed to vote for a system that has granted them the rights to the lion's share of the Gulf's snapper harvest each year since 2007. And the people who stood to lose the most could not vote at all.

What I see is that we've turned our fishermen into sharecroppers

"I thought it was a good idea initially, but the devil is in the details," Barber said. "And the details are that a lot of hardworking fishermen are supporting a lot of people who have been able to quit working."

Stock market of the sea

Perhaps the strangest aspect of the IFQ program was the emergence of a private market at which you can buy the right to go fishing. There are even traders using this market who have never fished and don't own boats. They just buy and sell the right to fish like brokers buying stock on Wall Street, buying when prices are low and selling when prices are high.

"Leasing red snapper allocations, \$2.75/pound! Call..." reads an ad on the Boatsandquota.com website, which is part of the private market. Another offers "1,135 pounds Red Snapper for lease, \$3.05/lb."

Thirty-five such ads selling the right to fish have been posted on the Boatsandquota.com Twitter account in the last two weeks.

This week, you can lease the right to catch 500 pounds of red snapper for about \$1,500. But those fish are worth only about \$2,500 back at the dock. That means a fisherman who missed out on the federal windfall ends up paying \$3 per pound for the right to catch a fish that sells for a little less than \$5 a pound wholesale.

Walker, who was appointed to the Gulf Council as a commercial fishing representative, said the leasing system works well.

"I fish most of my quota. Sometimes I lease a few fish. Mostly, I'll trade snapper for grouper with another fisherman. I'll lease some grouper from a few folks. We try to keep it all in the system, trade fish back and forth," Walker said. "Every fisherman I talk to loves it. They are happy to lease fish from others. It's capitalism. People are only going to pay what the fish are worth to lease them."

Meanwhile, say the critics, the sea lords sitting at the dock make more money off of each fish than the men who actually do the work of pulling the snapper from the sea.

AL.com has obtained the fishery records that detail how much of the quota each snapper captain gets every year. However, federal officials have refused to identify the captains who sell their right to go fishing, arguing they are required to protect such business information by the Magnuson-Stevens Act, which regulates the nation's fisheries. That protection makes it difficult to pin down who the sea lords are.

But an examination of federal transaction records — which do not contain the names of the fishermen — proves conclusively that many one-time fishermen are indeed selling all of their shares instead of fishing.

The Sea Lords

Federal fishery managers said the term "Sea Lords" was a reference to those making a living primarily by renting the Gulf to other fishermen, like landlords with tenant farmers.

Federal officials say they are only beginning to understand the scope of the issue because of the complex web of seafood dealers, captains, boat owners, and brokers who trade in the right to fish.

For instance, federal records indicate that perhaps 10 percent of the trades made in the private markets may be between people who are actually business partners or relatives, and though the transactions appear to be sales, they are really not. Likewise, some seafood dealers buy shares in the market so they can provide them at a favorable rate to the fishermen who bring snapper to them. Others barter for goods or services with their share of the harvest, so those transactions don't show up as sales in the federal records. Reporting the sale price for a trade is also voluntary, further confounding the data.

But no one disputes that most trades are "necessarily for monetary gain," as a chart in a 2015 fishery service document described the majority of such transactions.

Meanwhile, the amount of snapper sold on the market has increased steadily since the program's inception. In 2007, the first year, the right to catch just over 300,000 pounds was sold this way. By 2013, that number had jumped to 2 million pounds.

An AL.com analysis of federal records suggests that, collectively, the sea lords may have reaped upward of \$60 million since 2007 without fishing, either by renting their shares or permanently selling them. Exact figures are difficult to obtain because federal officials consider most of the details regarding the IFQ system to be business secrets. As such, they are classified as "confidential" and exempt from Freedom of Information Act requests.

But, in 2013 and 2014, the most recent years for which figures are available, at least 76 of the fishermen receiving a share of the federal harvest did not fish at all. Instead, they traded all of their portions on the private market. Those 76 people together would have earned \$17 million without ever leaving the dock, according to average price estimates for such trades in the fisheries service documents. That's an average of \$223,000 per person, though some of the fishermen would have earned less, and some a great deal more.

The money involved in the transactions is impressive, whether a sea lord goes fishing or not. For instance, a captain with a 4 percent share of the harvest who actually went fishing would earn about \$1 million this year, minus the cost of fuel, crew and bait. Meanwhile, if that same captain elected to lease his share to another fisherman at the market price of \$3 per pound, he would earn \$606,000 without venturing onto the water.

Finally, if the captain elected to permanently sell his 4 percent portion on the market — where shares sell for \$40 per pound — he could walk away from the fishing industry with around \$8 million in his bank account.

In response to AL.com questions, federal officials noted that some captains choose to lease or sell their share because "greater profit could be earned from selling allocation than harvesting allocation."

The strangely lucrative arrangement was born out of an attempt to save the Gulf's red snapper population from extinction and help the fishermen at the same time. While federal officials say they never intended for some folks to end up making so much money by taking advantage of this unforeseen loophole, the Gulf Council has done nothing to change the way it works, even after eight years.

Plantation owners and sharecroppers

"You've got shareholders who think it is wonderful and I don't blame them. We've made them millionaires," said Glen Bryant, owner of Bryant Products Inc., a seafood distributor in Bayou La Batre, talking about the snapper kingspins. "Everyone told me how wonderful it was going to be. I don't see it. What I see is that we've turned our fishermen into sharecroppers. They go work for these people who actually own the fish."

And that group of people who "own" most of the fish turns out to be a very small group indeed.

An AL.com analysis of federal records reveals that just 28 people hold the right to catch 58 percent of all the red snapper harvested from the Gulf each year. That's about 3 million pounds of fish, worth \$14 million at the dock.

Only one of those 28 people fished his entire portion of the harvest in 2014. The other 27 — who were each given between 1 and percent of the total harvest — leased some or all of their shares. Two out of every three pounds given to the 28 largest shareholders was leased for profit.

Expand that group just a little more to include fishermen and brokers with at least half a percent of the harvest and you will find that just 55 people own the right to catch fully 77 percent of all the snapper in the Gulf, a haul worth \$18 million annually.

With so much of the harvest concentrated in the hands of a mere 55 people, the remaining 25 percent of the harvest, a little over 1 million pounds, is split among about 500 people, which means there are a lot of very small shares. And a lot of fishermen who must buy the right to fish.

Bryant said many of the captains who brought their fish to his processing house in years past lost out when the IFQ program came in. Mostly smaller family operations, their annual harvest totals were simply not big enough to qualify for a share of the IFQ pie when the fishery was divided up.

"I've got fishermen who have fished all their lives, and they didn't get any quota. Now they are having to lease it from these people who get to own the resource," Bryant said. "The real question is how do you own a resource? I don't understand it. How can it be that these people get to sell the resource to fishermen who are actually working for a living?"

Bryant's question gets at the most contentious issue with the IFQ system: Why should people who have quit fishing be allowed to reap profit from those willing to go out and work for a living?

"There are some people who are trying to make it a big issue. They call them 'arm chair fishermen' because they just lease it out," said Clements, the Carrabelle fisherman. "Well, we need those guys in the armchairs, otherwise there wouldn't be any allocation to lease out. Nobody new would be able to enter the fishery. If I'm catching too many snapper, I can buy some (snapper) allocation and keep them. And if I'm catching less grouper, I can sell some of that. So you need those guys who don't fish it to help the system work."

Likewise, Walker said the trading was a good thing. Fishermen haven't complained to him.

"I haven't heard this talk of the sea lords," Walker said. "I think most of this talk is coming from outside opponents. Every fisherman I talk to is happy."

David "Punkin'" Simms was born 10 minutes after midnight on Halloween. He is a third generation fisherman and owns three snapper boats. He voted for the IFQ in 2006. He received 12,000 pounds when the IFQ system came in and was surprised. Other fishermen he knew who harvested about the same amount of snapper he did every year, received over 100,000 pounds worth of

the quota.

"I own three boats. Split three ways, I didn't see where I could make a profit off 12,000 pounds," Simms said. He decided to sell his share in 2009 and concentrate on the other species he fished, including Spanish mackerel, king mackerel, vermillion snapper (a smaller relative of the red snapper, better known as beeliners), grouper and amberjack.

But then something unexpected happened. The red snapper population exploded.

"You never used to see red snapper out past 300 feet of water. Now I see them in 450 feet. You can't fish without catching them," Simms said. "It got to where I was catching 2,000 pounds of snapper a trip, along with 3,000 pounds of the other fish. Rather than throw them back, float 'em off and feed them to the sharks, I said we might as well be able to keep them. So therefore we lease them."

In 2015, Simms estimated that he leased the right to catch 50,000 pounds worth of red snapper, for more than \$150,000. He leased about 15,000 pounds worth from an Alabama charter boat captain who decided not to fish it this year, and the rest from broker. Preparing for a six-day trip recently, Simms put in a call to an IFQ broker in Dunlin, Fla.

"Can you find me about 1,000 pounds? OK, I'll head to the bank and wire you the money. There's a check on the way for what you got me last time," Simms said during a phone call that lasted about three minutes. Talking to a reporter, he said it burned him that his money was going to guys "sitting on their butts while we do all the work. I'm totally against it."

Back at the dock Thursday after a three-day trip, Simms had about 1,000 pounds of snapper. After paying \$3.25 a pound to lease the right to catch them, Simms earned \$1,750, while the person he got the quota from reaped \$3,250.

"If it was up to me, I'd go back to the way things were before the IFQ in a minute," Simms said. "You earned the money you made by catching fish, not by trading while you sat at home."

Chris Nelson, owner of Bon Secour Fisheries in coastal Alabama, who serves on the Gulf States Marine Fisheries Commission, said adopting the system seemed like a good idea at the time, but problems were quickly exposed.

"It created this huge plantation owner and sharecropper situation. I don't think anyone thought it would become nearly so lucrative for some of these guys," Nelson said. "The downside for us, we had a boat that fished for us for years and it didn't get any quota, so they couldn't fish for snapper anymore. That meant we lost our traditional source of red snapper. If I wanted a boat to bring snapper in here I'd have to buy shares to give them."

Pushback and fixes

As the private market developed, fishermen left with no choice but to buy quota began complaining, especially as it became apparent that the sea lords were living off their labor. Complaints from those left out in the cold became a regular feature at public meetings of the Gulf of Mexico Fishery Management Council, which has been hard pressed to agree on a fix.

"The increase in the number of shareholders not landing any fish has led to perceptions that many are profiting from the program at the expense of hard-working fishermen," reads a fisheries service report from February 2015.

Another report stated that sea lords and brokers buying up ever larger chunks of the fishery, coupled with an increase in the number of shareholders not landing any fish, "have led to the perception that many people are profiting simply by transferring ('leasing') allocation and not fishing."

Despite the recognition that there is a problem, nothing has changed. For the last eight years, federal officials have doled out the shares based on catch records that are a decade old. The same handful of fishermen receive the greatest part of the quota each year, whether they go fishing or not.

However, nothing in the federal rules guarantees fishermen will receive the same size portion of the quota from year to year. The Gulf of Mexico Fishery Management Council, made up of state officials and members who represent recreational and commercial fishermen, could change the system, including who gets the right to catch the fish, at any time that it wishes. So far, the council has declined to change anything.

Shipp, who was chairman of the Gulf Council when the IFQ program began, said that no one realized the extent of the problem for years. And then, there was little interest in opposing the commercial interests that were defending the program.

"The commercial guys who had shares, they showed up at every meeting. They were pretty much intimidating," Shipp said.

He said that the commercial captains who were benefitting the most moved to shut down any talk of redistribution by talking about how much safer the fleet was under the new system. "But nobody on the council realized the scale of what was going on. I had no idea it was as bad as it is," Shipp said.

Today, Shipp advocates an immediate redistribution of the harvest based on current catch records. He would take shares away from the sea lords and give them to the fishermen who have been stuck renting the right to fish, like Simms.

"That would be fantastic, but I don't see it happening. There's too much money and too much politics," said Simms, who spends about \$150,000 a year to lease snapper quota. "I would love somebody to look at the paperwork and say, 'My God, what's going on here?'"

Both Shipp and Simms were quick to draw a distinction between fishermen who received a large share of the quota and still go fishing and catch those fish themselves every year, versus the fishermen who simply lease their quota to others.

"I don't mind guys having a lot of quota based on their historical catch if they fish it. But if they are just leasing their quota, that's not right. There are a lot of guys making a really good living who don't ever lift a finger," Shipp said. "These guys making money as if they own the resource. That's absurd. Selling the right to fish for \$40 a pound, that's abusive! It's not theirs. It belongs to the nation. ... If they are not going to fish it, they should lose it, not be able to sell it."

But so far, the council has refused to endorse a so-called "use-it or lose-it" provision.

A federal report states that the council, "evaluated alternatives for use-it or lose-it provisions that would have revoked and redistributed shares from accounts using less than 30%, or 50%, of the allotted RS-IFQ shares, over a 3-year, or 5-year, moving average period. Ultimately, the Council selected no action and did not adopt this use-it or lose-it provision."

Federal officials said the Gulf Council is again weighing this issue, including at a meeting this week, and have begun work on an amendment that might include both a "use-it or lose-it provision" and a redistribution of the quota. Walker said he did not think the council would adopt such a provision, because "there is no need."

Fishery officials said that in any case, the council will probably wait to take action on snapper once a five-year review of the grouper and tilefish IFQ has been completed. That process will take about a year.

In the meantime, Gulf snapper fishermen are busy leasing and buying the right to catch the 2016 harvest.

The most recent trade listed on the Boatsandquota.com website was a permanent sale of the right to catch 7,048 pounds of red snapper a year for \$267,000.

"We don't have a choice," said Simms. "If we want to go fishing, we've got to pay up."

Updated Jan. 26 to correct that Chris Nelson served on the Gulf States Marine Fisheries Commission.

This is the first in an ongoing series.

Follow Ben Raines as he explores Alabama's natural wonders. Shoot him an email with questions or story ideas at braines@al.com.

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Representative GRAVES. The states have proven that their management practices across the board do not result in over-fishing. They manage species all over the place in their own waters, and in some cases, Mr. Chairman—the Atlantic striped bass, state-based management; Alaska salmon, state-based management; Dungeness crab on the West Coast, state-based management. We are asking for the same thing, not to take away from commercial or charter or anything else, to get better science to better manage the species, to provide access and allow my kids and grandkids to have the same opportunities that I did—that I had when I grew up.

Lastly, Mr. Chairman, I just want to thank you for taking on topics like this. You know, since 2009—since 2009—we have had more small businesses lost in the United States than we have had created, and as I understand from NFIB. That is the first time in recorded history whereby that has occurred, we have had a net loss in small businesses. And I think in many cases, some of these federal decisions and management practices and regulations are having a profound effect, and people are not looking at the effect on the small businesses like our fishermen that have been pounded in Louisiana by Hurricane Katrina, Rita, Gustav, Ike, and Isaac, pounding their infrastructure and their livelihood and their way of life.

And, I appreciate you doing this and I appreciate the opportunity to testify today.

Chairman VITTER. Absolutely. Thank you, Congressman, and we hope to hear from your colleague, Congressman Scott.

In the meantime, we will turn to our second panel and they can get seated as I introduce all of them, and then they will testify in the order of introduction.

Pam Anderson is the Operations Manager for Captain Anderson's Marina in Panama City Beach, Florida. Pam has served as the First Vice President of the Panama City Boatman's Association and has served the fishing industry on the Bay County Chamber of Commerce's Government Affairs Committee since 2007.

Hughes Andry serves as the representative and Vice President of Fishing Sales for Sportco Marketing, a representative agency that acts as a subcontractor for manufacturers in the tackle business. In 2014, Hughes was appointed to the Government Affairs Committee for the American Sports Fishing Association.

Brad Gentner is the President and Chief Economist of Gentner Consulting Group. He previously worked as an economist for the National Marine Fisheries Service, NMFS, and he also chaired the National Economic Impact Working Group.

James Hayward is a second generation commercial fisherman. He owns and manages Heidi Seafood Services, the only federal licensed groundfish dealership at the state facility in Portsmouth Harbor.

And Dr. Josh Wiersma has over 15 years' experience working with commercial fishermen in New England to improve their businesses. He is now the Manager of Northeast Fisheries at the Environmental Defense Fund, where he continues to work with fishermen to shape effective management, to improve fishery science and data collection, and to develop better seafood markets and other business conditions.

We certainly look forward to hearing from all of you and we will start with Ms. Anderson.

STATEMENT OF PAMELA W. ANDERSON, CO-OWNER AND OPERATIONS MANAGER, CAPTAIN ANDERSON'S MARINA, PANAMA CITY BEACH, FL

Ms. ANDERSON. Thank you, Chairman Vitter and committee members. I am Pam Anderson, co-owner and Operations Manager of Captain Anderson's Marina, Panama City, Florida, First Vice President of the Panama City Boatman's Association, and the fishery rep for our Chamber of Commerce Government Affairs Committee, and I am honored to be here today to represent our company to give testimony to this committee.

My husband grew up in the fishing industry and we have managed a dinner cruise boat for 40 years and the marina and fishing boats since 2001, after his father passed.

Small businesses in our industry have been unreasonably burdened by the extreme deadlines and mandates dictated by the Magnuson. Compounding the problem, the Gulf Council, under the direction of NOAA Fisheries, has picked winners and losers in the commercial industry through catch shares. Now they are attempting to do the same in the for hire industry. Catch shares are designed to reduce access and put people out of business.

Angling is all about access and opportunity, opportunities to share memorable experiences with family and friends. It is often an activity that vacations are built around. It is also an important economic engine for our Nation and our communities that continue to grow.

At Captain Anderson's Marina, next year, we will be celebrating our 60th anniversary in that location, supporting 40 small businesses. We have 5 large head boats, 4 dive boats, 27 charter boats, and most of them are owned by third- and fourth-generation families. In our business, we employ—in just our businesses only—we employ about 40 people.

In addition to the marinas, local tackle shops and bait and ice suppliers, fuel suppliers, and boat repair shops all play a role in our industry. Johnny Patronis, co-owner with his brother of Captain Anderson's Restaurant, has said more than once, "When I look out in the morning and see the parking lot full of fishermen, I know we are going to have a good night in the restaurant." If you are not fishing much, business is slow. That applies to a lot of the businesses around our area.

Our anglers make vacation plans well in advance so they will be able to secure lodging and to request time off from their workplace for the June 1 start of red snapper season. Unfortunately, every year, it is a guessing game as to the season length until February, March, or April, and when we are given dates and take reservations, the dates may change.

For example, in February 2014, we were told by the Council that our red snapper season would be 40 days, 40 to 45 days, and begin June 1. I called back to the office to say they could book red snapper trips for a 40-day season. They immediately put the word out and we were almost booked full for all boats, all trips, within a few weeks.

At the very next Council meeting in April, we were told that due to a ruling on a lawsuit by EDF and commercial fishing groups against NOAA, our federal season was cut to 11 days. In May, the season was cut again to just nine days. We were forced to contact our customers and cancel more than 30 days of booked trips just a few weeks before the start of the season. The situation was not good for our businesses, and it was certainly not good for Florida's tourism. Just one of the charter boat owners said he lost 40 trips between his two boats at \$1,000 each.

The catch share program that has been put in place for the commercial red snapper sector is now being seriously considered for charter boats. This management model has made sharecroppers out of the small commercial businesses, as you will see in the provided article by Ben Raines, and I do not support it for our business. Our family has not stayed in business since 1935 by hurting others to make a profit for ourselves.

The stock recovery short will show the NOAA data that red snapper is growing faster than NOAA expected. The states know how to adapt regulations to the changing needs of their coastal communities and that is why we have advocated for true regional management of this fishery.

The best way to ensure fair regulations and ample opportunities to access healthy fisheries is for NOAA to accept the state's more accurate harvest data and more robust independent fishery data as best available science; for NOAA to allow Gulf States to have full regional control out to 200 miles, as was originally proposed under Amendment 39; for the Gulf Council to take seriously the testimony of all stakeholders, whether they are present in the meetings or not; for NOAA to direct funding to research and development of ways to increase fishery habitat in the Gulf, such as artificial reef programs and dealing more seriously with negative impacts of non-native species, such as lionfish. These programs would grow the fisheries to meet the demands of the Nation's anglers instead of placing undue limitations on the industry, assuming a limited fishery.

Mr. Chairman, this concludes my testimony. I will be happy to answer any questions.

[The prepared statement of Ms. Anderson follows:]

WRITTEN TESTIMONY OF
PAMELA W. ANDERSON, Co-owner/Operations Manager
CAPT. ANDERSON'S MARINA, TO
UNITED STATES SENATE
COMMITTEE ON SMALL BUSINESS AND ENTREPRENEURSHIP
THE IMPACTS OF FEDERAL FISHERIES MANAGEMENT ON SMALL BUSINESSES

March 3, 2016

Dear Chairman Vitter and Members of the Committee,

I am Pamela Anderson, co- owner and Operations Manager of Capt. Anderson's Marina, Panama City, FL, First Vice President of the Panama City Boatman's Association, and fishery representative on our Bay County Chamber Governmental Affairs Committee. While my husband and I operated a large Dinner Cruise boat for 40 years, until 2013, we have managed the marina and fishing boats since 2001 after his father passed.

I am honored to be here today to give testimony to the Senate Committee on Small Business and Entrepreneurship regarding 'The Impacts of Federal Fisheries Management on Small Businesses'. Fisheries management has resulted in negative economic impacts on the fishing industry and associated businesses that have been caused by the Reauthorization of the Magnuson-Stevens Act of 2007.

Today you will hear from me, a small business owner in the recreational fishing industry, about how thousands of similar businesses tied to recreational fishing in the Gulf have been unreasonably burdened by the excess deadline mandates in the 2007 MSA. From others you will hear a different opinion, and this is why - the Gulf Council, under the direction of NOAA Fisheries, is picking winners and losers in the industry through catch shares programs. You will not hear from the losers, not because they don't care, but because they have become sharecroppers to those who were granted large portions of shares early on in the process and have given up and because they cannot afford to continue to fight.

Recreational angling is a \$16B industry in the Gulf States. According to Florida's Fish & Wildlife Research Institute , \$12.5B is attributed to all of Florida's anglers. It is important to our economies to offer *opportunities* to fish in our coastal communities. Unfortunately, NOAA's interpretation of the Magnuson-Stevens Act, is to manage for a finite number of fish, and, since the popularity of fishing is increasing, they must stop that increase through choosing winners and losers in the fishery. That has been done in the Commercial sector in the Gulf, shrinking the Red Snapper commercial shareholders from 800 to less than 400, with less than 55 controlling 77% of the total harvest. They call it reducing overcapacity, I call it eliminating jobs, businesses and gifting a public resource. The Council plans to reduce the number of recreational angling charter boats and head-boats in the Federal for-hire industry, from the original 1600 to less than 1000. Right now there are about 1250 licensed captains. In the private angler arena, the plan is to develop fish tags to sell, lease, auction or use in a lottery system, allowing only the most affluent anglers to fish recreationally.

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Currently the commercial fishermen who were fortunate enough to be granted their own share of the fishery through an Individual Fishing Quota (IFQ) are the only winners, with a handful of very outspoken leaders who have become quite wealthy. These commercial beneficiaries are trying to force the same type of regulations on recreational anglers. An excellent article was written recently by Ben Raines, an investigative reporter for the Alabama Media Group (AL.com). His eye-opening article is in your packet***. It clarifies what has happened in the management of our fisheries and where it is headed.

Recreational angling is all about access and opportunity-the opportunity to catch fish, with a chance to catch a big fish, while sharing the experience with family friends. While it is a growing sport and because modern technology allows anyone to find fish and access these public resources themselves, that should not be viewed as a bad thing. Fishing is about recreation, taking a break, enjoying wholesome family time, and often what vacations are built around.

But it's not just about the experience. It's also about the jobs created and supported by recreational anglers-the tackle shops and manufacturers that supply them, hotels and restaurants (from local coffee shops to fine dining) that house and feed them, and the other attractions that are used when anglers go to the coast and fish on head-boats, charter boats, or their own private boats. It's about businesses being able to offer their employees a reasonable, predictable season that they can count on, which was at least 6 months up until 2007. Even then, most who worked in the recreational fishing industry had winter jobs working in commercial fishing, construction, and some even worked in the school system.

In Bay County, our Tourist Development Council is promoting more year-round tourism, and although people are coming, we cannot offer them much in the way of catching and keeping the fish they prefer. We have made the decision to add advertising to our marina costs in addition to what the individual boats pay*. Visitors would love the opportunity to catch a red snapper in April or October, as before, and take it to a local restaurant that offers 'hook n cook', preparing their fish with sides to go with it. This is not possible for most species, but it is not necessarily due to their being depleted fisheries.

For Red Snapper, it is due to excess regulations and/or arbitrary deadlines for rebuilding the fishery, to a lack of transparency in assessing or revealing the health of the fishery, and failing to look for ways to grow the fishery to meet public demands beyond limiting harvest. It is due to inaccurate NOAA fisheries harvest data that has prompted each of the Gulf States to implement their own data program focusing on the reef fish anglers.

I have spoken numerous times with Dr. Bonnie Ponwith, NOAA's Southeast Fisheries Science Center Director, about what was needed to gather more accurate information on harvest levels. She stated two simple pieces of information were needed-the 'universe of anglers' who fish for reef fish and their 'contact information' so they could survey actual reef fish anglers for harvest data. I was rather taken back that the Magnuson-Stevens Act had been in place for 30 years at that time, and those responsible for collecting information on our fishery had not even figured out a way to collect that data. Ms. Ponwith also said better recreational results could be gained

*See annual advertising expenses on Capt. Anderson Marina graph

**See Slide 6 in 3rd section in packet and next page for explanation.

***Southerland graph is in section 3.

***Ben Raines article/ AL.com

[Type text]

by using estimates instead of a census, the latter requiring 100% participation, which is cost prohibitive and not practical because 100% would not be collected.

Florida's Fish and Wildlife Conservation Commission (FWC) will be reporting the results of their new data collection program, which is significantly different from the NOAA data, at their April 2016 meeting. To gather the necessary information, FWC simply asked anglers to check a 'box' to their recreational salt water licenses in 2015 if they planned to target reef fish. They were then able to use this new, narrowly focused database to contact actual reef fish anglers for harvest information instead of using ineffective, random phone surveys of households. Our Panama City Boatman's Association was instrumental in assisting the FWC with this plan.

NOAA's MRIP has just implemented a mail survey for anglers which is better than the previous survey of landline phone numbers, but is still not as focused specifically on reef fish anglers, as the individual Gulf States are doing.

NOAA Fisheries, with the aid of the Gulf Council, continues to implement overbearing regulations on a fishery that is growing, without knowing exactly how much it is growing. Because of 'the uncertainty in their data', they believe they must be more stringent in their regulations for a fishery that, no matter how much they believe anglers have overfished using their poor data, has rebounded significantly. Regulations are set very conservatively, with added buffers so anglers will not overfish the limits that are set on uncertain data. If you do overfish their arbitrary limits, there are accountability measures to reduce your quota and season days for the next season. As you are given fewer days to fish, their statistical assumptions are that a much higher percentage of anglers will catch their limit each day**; therefore, the next season the numbers show as much or more overfishing. It doesn't work that way in real life, but I'm afraid common sense is not a factor in the statistical equation that determines seasons for Red Snapper or any NOAA-regulated fishery in the Gulf.

How does this affect our small businesses? At Capt. Anderson's Marina next year we will be celebrating our 60th Anniversary in that location. We have 5 large head-boats, 4 dive boats, and 27 charter boats. Our businesses are providing the service of taking recreational anglers who do not have their own boats out into the Gulf to fish for reef fish.

In addition to those fishing boats, we have 2 sightseeing boats, a gift shop, photo shop, a seafood market and a large seafood restaurant with several others close by. Local tackle shops and bait and ice suppliers, fuel suppliers, and boat repair shops are just a few of the supporting businesses.

The Capt. Anderson Marina graph* I have provided shows gallons of fuel sold at our marina in and out of Red Snapper season with numbers of anglers in and out of Red Snapper season. We have been able to continue our businesses but not without a price. If you look to the right of the graph you can see that additional 'Advertising' expense has been added in recent years. Until 2007, the boats were able to operate successfully with their own marketing, but now, we are supplementing that to keep everyone as busy as possible. The graph shows that, even with the

*See annual advertising expenses on Capt. Anderson Marina graph

**See Slide 6 in 3rd section in packet and next page for explanation.

**Southernland graph is in section 3.

***Ben Raines article/ AL.com

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additional marketing, we are not selling as much fuel as we did in our 194-day Red Snapper season. The passenger counts for the head-boats are broken down between the shorter 5 & 6 hour trips, compared to the longer 8, 10, and 12 hour trips. I did this to show how regulations have changed the way people fish and to show that the change has made a difference in income. As the Red Snapper bag limit was changed to 2 fish and then shorter seasons, the guests began to switch from long trips to shorter trips. We heard a lot of 'if I can only catch two snapper I don't want to go on the more expensive trip'. We knew they were more likely to catch those snapper on the longer trips, but that was their choice. The monetary difference is two-fold; the owner of the shorter trips got a windfall and the owners of the longer trips took quite a financial hit, especially the one with the 12 hour trip. That is the reason we added the 8 hour trip, to help his business. In addition, the head-boat owners pay a percentage on ticket sales. The shorter trips cost less, so the marina makes less per person on ticket sales.

Our anglers, during high tourism months, make vacation plans well in advance so they will be able to secure hotel or condo reservations for their families and to request time off from their workplace. Many want to make reservations in January or February for the June 1st start of Red Snapper season in NW FL.

Unfortunately, every year we go through an endurance game of not knowing what the seasons on different species will be until February, March or April. Sometimes when we are given dates and take reservations, the dates change. Each year the story is different. And each year we must work harder to keep our customers updated so they will continue to come.

For example, in February, 2014, we were told by the Gulf Council that our Red Snapper season would be 40-45 days starting June 1st as long as the states didn't change their seasons and they didn't. I called back to the office to say they could book fishing reservations for Red Snapper trips from June 1st for a 40 day season. They immediately put the word out through social media, website, and the TDC. We were booked almost full for all boats, all trips within a few weeks.

At the very next Gulf Council meeting in April, we were told that, due to a ruling on a lawsuit by EDF and commercial fishing groups against NOAA claiming the recreational sector was *overfishing* and *unaccountable*, our season had been cut to 11 days. In May the season was cut again to 9 days, just a couple of weeks before the season began June 1st. So, we were forced to contact our customers and cancel more than 30-days of booked trips on our boats, just a few weeks before the start of the season. It was not good for our businesses and it was not good for Florida's tourism for us all to be put in this position. Some came anyway, but most either cancelled their trip to Panama City or just decided not to fish that year. On Charter boats, some of their long-time customers had been coming for generations, but didn't come back. The smaller businesses were hit the hardest.

At this time I want to stop and discuss two words that you will hear a lot in these discussions. One is 'overfishing' which means in reality that we are, again according to poor harvest data, harvesting more than the overfishing limit **set by the Gulf Council**. It does not mean we are even close to reaching the Overfishing level as defined by Magnuson. For accountability, all

*See annual advertising expenses on Capt. Anderson Marina graph

**See Slide 6 in 3rd section in packet and next page for explanation.

***Southerland graph is in section 3.

***Ben Raines article/ AL.com

[Type text]

these millions of anglers are and have been abiding by the rules that have been set by the Gulf Council. Possibly, the Gulf Council or SERO is not getting it right, but we are abiding by current laws, and the stock is still increasing as much or more than ever.

To be *accountable*, the Gulf Council and EDF pundits are pushing to require a VMS (vessel monitoring system) on each of the head-boats and charter boats in the Federal fishery. These systems cost a minimum of \$3500.00 up front with a monthly maintenance cost of \$65-85.00 per month on an annual contract to produce data for less than a two month season.

Up until 2007 our tourists and locals alike could count on making plans for a 194 day season, and now, it may be 9 days, or 40 days or anything in between. It is very difficult to run a business with this degree of uncertainty. In our industry, we need to be able to offer fish that the consumer wants when they are going to be in town. In the shoulder months, that is mostly weekends, but starting mid-May when schools are out until Labor Day, we need fish to offer. When we have Red Snapper the boats are full, when we don't they may run half full, or not at all. Reservations drop off like closing a water faucet. The States know how to adapt to the changing needs of their coastal communities, so they adapt State regulations accordingly. That is why we have advocated for true Regional Management.

Johnny Patronis, co-owner with his brother of Capt. Anderson's Restaurant, has said more than once, "When I look out in the morning and see the parking lot full of fishermen, I know we are going to have a good night in the restaurant. If you're not fishing much, business is slow."

In the package I have prepared for you in section 3**, you will see on slide one a graph that was presented to the Gulf Council in 2013 by Melissa Thompson, District Deputy Director for Representative Steve Southerland. This is a culmination of graphs and information regarding the Gulf Red Snapper stock approved by Dr. Bonnie Ponwith, Exec. Director of the NOAA Science Center in Miami. The Gulf Council had, up until that time, always been presented the overfishing level that scientists set on the stock, but not the whole biomass-the whole estimated stock status. Then they were shown the acceptable biological catch, set by the Science & Statistical Committee, and then the annual catch limit set by the regulatory arm, SERO and the Gulf Council. But never altogether like in this graph.

The Gulf Council was quite surprised. Many quick comments to discredit the presentation were made but the info was out there, and it was NOAA data. It didn't show as much stock as independent scientific studies, but this graph told an incredible story- the Red Snapper fishery is very healthy.

In 2000, the graph shows the stock at 15 million red snapper (fish) that are 2 pounds each or greater (which are what anglers called 'keepers' then). We went from a year-round season with a 7 fish bag limit to a 194 day season with a 4-fish bag limit that year. The for-hire industry participants agreed to enter a limited access privilege program to prevent future industry growth in the Federal reef fish fishery and were given Federal reef fish permits. A bad move we would find out later with Amendment 30B implemented in 2009.

*See annual advertising expenses on Capt. Anderson Marina graph

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***Ben Raines article/ AL.com

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But on the graph you can see the fishery began to rebound. The Blue is the stock and the red area at the bottom is the recreational angler harvest estimates by NOAA each year. (If you add the commercial harvest, both rec and commercial together are under 4.5 million fish at their highest points.) In 2006, the stock shows it had increased from 15 million fish to about 23 million, with the 6 month season and 4 fish bag limit. By 2013 it had grown to more than 30 million fish with 5-7 pound average. It is continuing to grow exponentially, but as you can see and hear from testimony, our access, the harvest levels, have continued to be low due to the excess regulations and Gulf anglers are asking why.

One answer is politics. Not you, NOAA, EDF, OC, PEW trusts vs recreational anglers. In 2009 when Dr. Jane Lubchenco was head of NOAA fisheries (and former board member of EDF who designed the fishery catch share program), she called a meeting here in DC. In that meeting she directed NOAA's Regional managers and the Chair of the Gulf Council at the time to go back to their regions, see what the objections to catch shares were and fix them. All this at a time the catch share program was being introduced as a stakeholder choice, from the bottom up, that NOAA would not implement unless requested by stakeholders. In addition, EDF operatives boasted at Council meetings that their organization had designated \$50 million to promote Catch Shares in the Gulf.

Being a simple, common-sense type person, I was thinking, 'If it is going to take \$50 million to talk us into this plan, it is probably not what we want.' A meeting was called with a group of anglers, Council members and EDF to introduce catch shares to us. I attended the first one in Sarasota, FL. The Council member who was a professor there at New College was very good at moving the meeting participants toward the preferred goal of attempting to convince us all that this would be good for our businesses. The premise was then, as it is now, that if you get onboard with this social engineering project called catch shares, you will be one of the winners. The EDF rep said several times, if you join us you can be one of the winners, and own more than enough shares and even lease them to others at a 400% profit. I asked, who are the others? He said they are the ones that don't have as large a business as we do, without as much catch history. There would be a limited number of 'shares' to go around so many would be left out or have so few shares they would have to close their operation. He went on to say if we wanted, we could just lease shares to others for a profit and not even have to operate a boat any more. That is what many commercial shareholders are doing now. They have basically made sharecroppers out of the smaller commercial businesses.

(Catch Shares and Sector Separation documents came before the Council and have passed with 95% of stakeholders comments to the Council being 'no, we don't want them'.)

My answer to the EDF rep then and now is-it is not right. Our family has not stayed in business since 1935 by hurting others to make a profit. It will not be sufficient to keep our marina operating if a number of the charter or head-boats go out of business. The marina depends on rent and fuel sales to survive. We need all of them running trips as much as possible. As fishing opportunities increase so does participation in the other services we offer, like sightseeing and dining.

*See annual advertising expenses on Capt. Anderson Marina graph

**See Slide 6 in 3rd section in packet and next page for explanation.

***Southerland graph is in section 3.

***Ben Raines article/ AL.com

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Remarkably, according to NOAA's own data, a catch share is not 'owned' by the shareholder. It can be taken away at any time. There are no guarantees in law or in NOAA rules that say we will keep the shares forever. They are not tangible assets and therefore, not a good business option in my opinion.

The best way to ensure fair regulations and ample opportunities to access healthy fisheries is for NOAA to accept the States' more accurate harvest data as best available science; for NOAA to accept the States' more robust independent fishery data as best available science; for NOAA to allow Gulf States to have full Regional control out to 200 miles as was presented in the *originally* proposed document, Amendment 39; for the Gulf Council to be directed to take into consideration testimony of all stakeholders, whether they are present in the meetings or not, weighing comments equally from all participants; for NOAA to direct funding to research and development of ways to increase fishery habitat in the Gulf, such as a robust artificial reef program and dealing more seriously with the negative impacts on the reefs of non-native species such as lionfish, to reduce their impacts on the fishery. These programs would grow the fishery to meet the demands of the Nation's anglers.

Mr. Chairman, this concludes my testimony. I will be happy to answer any questions this committee may have to the best of my ability.

Thank you.

Respectfully submitted,

Pamela Anderson, Operations Manager,

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*See annual advertising expenses on Capt. Anderson Marina graph

**See Slide 6 in 3rd section in packet and next page for explanation.

**Southerland graph is in section 3.

***Ben Raines article/ AL.com

Chairman VITTER. Thank you very, very much.
And next, we will hear from Mr. Andry. Welcome.

**STATEMENT OF HUGHES ANDRY, REGIONAL MANAGER,
SPORTCO MARKETING, RICHMOND, TX**

Mr. ANDRY. Good morning, Chairman Vitter and members of the committee. I want to thank you for the opportunity to testify before you today.

My name is Hughes Andry and I work for a sales and marketing agency called Sportco Marketing. Sportco is a representative agency that acts as a subcontractor for manufacturers within the fishing tackle business. I have been in the tackle business since the early 1990s and have worked throughout various market channels within. Over the years, I have worked in four out of the five Gulf states selling fishing tackle at every level. The Gulf of Mexico is my fishery and is my home.

What I would like to discuss this morning is the importance of planning for opportunity and how small and large fishing tackle businesses capitalize on opportunities by planning. It is no secret that effective planning is what makes the difference between a successful business and an unsuccessful one.

Fishing tackle dealers are often balancing a very tight line with their open to buy dollars, available monies that they have to spend on fishing tackle, trying to assure that they bring in just enough product to cover the demand of a specific fishery or season, but not too much. There will almost always be some sort of anomaly in historical patterns, such as major weather events or an oil spill.

Dealers rely on historical information to plan their purchases, oftentimes as far out as a year in advance. Manufacturers that bring in fishing tackle typically have lead times that range from 90 to 120 days and farther out to land goods in the United States. Even domestically made products, such as G Loomis fishing rods or Power Pro fishing line, take months to produce from the time that the goods are ordered to the time that they land on the dealers' shelves. Larger tackle dealers and chain stores plan their sets at the beginning of every spring in anticipation of the fishing season and often have little flexibility with making adjustments during mid-season.

This level of planning is designed to be able to capitalize on opportunity. When the opportunity is reduced or lost, so are sales. Fishermen and women will buy fishing tackle regardless if they actually go fishing if there is opportunity.

With a 9-day recreational snapper season in 2014 and a 10-day recreational season in 2015, there has been virtually no opportunity for anglers and dealers to capitalize. The current federal management plan makes it very difficult to near impossible for tackle dealers to plan and take advantage of opportunity. With seasons and bag limits not set until the 11th hour, a fishing tackle dealer can only be reactive with anticipating demand.

In the years prior to the current federal mismanagement of Gulf red snapper, a dealer would expect a 25 to 30 percent lift in his business leading up to and during the spring and fall seasons. Some dealers were reporting as much as a 40 percent deficit in sales due to the current management. That is a fairly significant

amount to any level of tackle dealer, much less the mom-and-pop independent dealers.

Fortunately for these dealers, they operate in states, like Louisiana, that have sound and successful management plans for species that they are tasked with managing. Several years ago at a Gulf Council Gulf of Mexico Fisheries Management Council meeting, I spoke with Mark Mathews, the owner of Superior Bait and Tackle in Baton Rouge, Louisiana. Mark said that it is not the lack of fish that is crippling his business, it is the Gulf Council constantly messing up the federal red snapper season. He stated that the state seasons have helped him to get through the slow months, and without the states' red snapper seasons, Mark said he would hardly sell any snapper tackle at all. Mark and Superior Bait and Tackle is just one example of an abundance of coastal dealers that employ anywhere between 3 and 30 employees each.

Texas, Louisiana, Mississippi, Alabama, and Florida all have species that they manage independently from one another based upon the health of the fishery and the needs of the community. These regulations are set well in advance of the start of the season and are relatively stable from one year to the next. This creates opportunity that can be planned for and capitalized on.

Federal management of our Gulf fisheries is extremely volatile and ultimately produces ever-changing regulations and decreasing recreational fishing opportunities, despite healthy and recovering stocks. There is seemingly no consideration whatsoever by NOAA Fisheries or the Council about how their unpredictable and last minute decision making impacts small recreational fishing-dependent businesses all along the coast that are tremendously important to coastal communities.

It is time for Congress to step in and set a new course for the Gulf red snapper management. The Gulf states are significantly better equipped to manage this public resource in a way that maximizes its benefits, both recreationally and commercially, to the Nation. I urge Congress to act now to set the Gulf red snapper management on a new course and away from the current system that is failing small businesses throughout the Gulf region.

Thank you.

[The prepared statement of Mr. Andry follows:]



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Good morning, my name is Hughes Andry and I work for a sales and marketing agency called Sportco Marketing. Sportco is a representative agency that acts as a sub-contractor for manufacturers in the tackle business. Some of the lines we currently represent are Shimano, Power Pro and G Loomis. Sportco provides the tools and tactics for the manufacturers we represent to take their products to market in specific regions throughout the country as well as helping the dealer base to strategize getting that product to the consumer. The region I am specifically responsible are the TALO states – Texas, Arkansas, Louisiana, and Oklahoma but I also have indirect responsibilities throughout the Gulf south as well as upper Midwest and northeast.

I have been in the tackle business since the early 1990's and have worked throughout various market channels within, as retail counter staff for Puglia's Sporting Goods in Metairie, LA to wholesale representative with Big Rock Sports, and have been in a manufacturers representative position for the last 16 years. Since then, I have worked in four of the five Gulf states, selling fishing tackle at every level. The Gulf of Mexico is my home, and my fishery.

What I would like to discuss this morning is the importance of planning for opportunity and how small, and large, fishing tackle businesses capitalize on opportunities by planning. It is basic business 101 that effective planning is what makes the difference between a successful business, and an unsuccessful one.

The majority of the dealers that we service have recognized the importance of developing buying strategies that allow manufacturers the insight as to what they feel as though the demand will be on any one product or series of products. In many cases, manufacturers have partnered with these dealers to ensure that the product assortment, mix and depth that is brought in to accommodate a particular season or fishery, is enough to fulfil the needs of the dealer and eventually the consumer.

Dealers are often balancing a very tight line with their open to buy dollars, trying to ensure they bring in just enough product to cover the demand of a specific fishery or season but not too much. There will almost always be some kind of anomalies in historical patterns, such as major weather events – or an oil spill. Dealers rely on historical information to plan their purchases often times as far out as a year ahead of time.

Manufactures that bring tackle in typically have lead times that range from 90-120 days and farther out to land good in the US. Even domestically made products such as G Loomis fishing rods take months to produce product from the time the goods are ordered to the time they land on the dealer's shelves.

Larger tackle dealers and chain stores plan their sets at the beginning of the spring in anticipation of the fishing season, and often have little flexibility with making adjustments during mid season.

This level of planning is designed to be able to capitalize on opportunity. When the opportunity is reduced or lost, so are sales. Fishermen and women will buy fishing tackle, regardless if they actually go fishing, if there is opportunity. With a 9-day recreational red snapper season in 2014, and only a 10-day season in 2015, there has been no opportunity for anglers and dealers to capitalize on.

The current federal management plan makes it very difficult to near impossible for tackle dealers to plan and take advantage of opportunity. With season's and bag limits not set until the 11th hour, a fishing tackle dealer can only be reactive with anticipating demand. In the years prior to the current federal mismanagement of Gulf Red Snapper, a dealer would expect a 25-30% lift in business leading up to and during the spring to fall seasons. Some dealers are reporting as much as a 40% deficit in sales due to the current management. That is a fairly significant amount to any level of tackle dealer, much less the mom and pop independent retailer.

Fortunately for these dealers they operate in states that have sound, and successful, management plans for the species that they are tasked with managing. Several years ago at a gulf council scoping meeting for amendment 40 in Baton Rouge, Mark Mathews from Superior Bait & Tackle said it's not a lack of fish that's crippling his business, it's the Gulf Council constantly messing up the snapper season. He said that the state seasons have helped get him through slow months. When the state opens its season, he gets a good infusion of business, guys coming in to get reels spooled, by new tackle, line, hooks etc. Anglers are buying snapper tackle along with trout and redfish tackle. Without the state season, Mark said he wouldn't sell hardly any snapper tackle. Texas, Louisiana, Mississippi, Alabama and Florida all have species that they manage independently from one another based upon the health of the fishery and the needs of the community. These regulations are set well in advance of the start of the season and are relatively stable from one year to the next. This creates opportunity that can be planned for and capitalized on.

Federal management of our Gulf fisheries is extremely volatile, and ultimately produces ever-changing regulations and decreasing recreational fishing opportunities, despite healthy and recovering fish stocks. There is seemingly no consideration whatsoever by NOAA Fisheries or the Gulf of Mexico Fishery Management Council about how their unpredictable and last-minute decision-making impacts small recreational fishing dependent businesses all along that coast that are tremendously important to coastal communities. It's time for Congress to step in and set a new course for Gulf red snapper management. The Gulf states are significantly better equipped to manage this public resource in a way that maximizes its benefits – both recreationally and commercially – to the nation. I urge Congress to act now to set Gulf red snapper management on a new course and away from the current system that is failing small businesses throughout the Gulf region.

Chairman VITTER. Thank you very much, Mr. Andry. Now, we will turn to Mr. Gentner. Welcome.

STATEMENT OF BRAD GENTNER, PRESIDENT, GENTNER GROUP CONSULTING, LLC, TUCSON, AZ

Mr. GENTNER. Chairman Vitter and members of the committee, thank you for inviting me to testify today. My name is Brad Gentner. I have been doing economics research and political consulting in fisheries for about 20 years now.

What I would like to talk to you today about is the fundamental difference between commercial and recreational fisheries and how that difference is currently being ignored by federal managers.

Commercial fishermen are small in number, typically. They catch as many fish as possible, bounded by their own costs. They try to be as efficient as possible. And, as an economist, we talk about that as profit. They try to operate their business and maximize their profits, and councils recognize this and they try to manage commercial fisheries with those goals in mind.

Recreational anglers, on the other hand, are very different. They are very large in number. There are millions of us. And, we make our choices about how to take trips in a very dynamic fashion. We are driven by abundance. We are driven by weather on any given day. We are driven by our own personal economy. We are driven by macroeconomic factors. And, what that boils down to is because of all of those factors, we need opportunity. We need opportunity to get out on the water when it fits with our lives and when it fits with our political—our own personal economy.

And, so, it is this—primarily, when it comes right down to the individual management, it is fisheries' abundance that drives effort, and it is effort that drives the spending that drives the livelihoods in our coastal communities. It drives the vibrancy and the economic resiliency of these coastal communities. And, that currently is being ignored and that is currently being squandered by the way we manage our fisheries.

And, particularly, I want to use red snapper in the Gulf of Mexico as an example of this failure to recognize how recreational fisheries are different than commercial fisheries. When you have a stock with an inadequate allocation for the recreational sector and that stock is in a rebuilding cycle, you end up in what is called—I like to call the stock recovery drought, and Pam's in-depth testimony that she handed in goes into great detail about what that means.

And, as a stock recovers, it is easier to catch fish. And, so, recreational anglers are attracted to abundance. That abundance drives higher effort. That effort generates higher catch per unit effort because the stock is increasing. What ends up happening is you end up with this downward spiral of fewer and fewer days in each season in the face of a recovering stock. We have a stock that is bigger than we have ever seen before in recorded history and perhaps bigger than a lot of scientists ever thought possible, and yet we are still stuck in this rebuilding schedule.

And, so, as a recreational angler and from the recreational community and the recreational businesses supported by this fishery look at this, they are confused because they see catch shares being

put in with the justification of enhancing or maximizing commercial fisheries value while their value is being completely ignored.

We tried to address this by doing an allocation amendment, Amendment 28 in the Gulf Council, and the analysis that was used in the examination of that allocation was conducted by National Marine Fisheries Service and that analysis showed that recreational value is four times higher than commercial value for that next fish, suggesting we should move some fish.

So, we put in all kinds of suggestions on how to move some fish and how to create more opportunity for recreational anglers and all of those were suggested until we come upon a recalibration attempt. The Marine Recreational Information Program changed the way they estimated effort, back-casted to that original flawed allocation that happened in the 1980s, and showed that the allocation should be higher for the recreational fishery.

And, so, currently, that is the only allocation amendment that is before the Secretary of Commerce to be signed, and it is not even a reallocation. It is not recognizing any increase in value. It is simply a recalibration of data. And, yet, we are being sued currently to stop that, even though that recalibration would be nearly automatic in any other council in this country.

So, what are we doing about that? Well, we are ignoring this value. We are squandering this value. We are not maximizing value in these fisheries and we are harming local communities and local livelihoods.

Reallocation only addresses part of this problem. It is a symptom of a larger issue of not focusing on the correct thing in our management for recreational fisheries. We need a completely new paradigm to focus—to look at how to manage recreational fisheries. And, it is only new at the federal level. The states already manage for opportunity. They manage for opportunity in freshwater. They manage for opportunity in saltwater, and they do a very good job of that. They treat their recreational anglers like clients and that is something we need to do at the federal level, as well.

I thank you for my opportunity to comment.

[The prepared statement of Mr. Gentner follows:]

Brad Gentner
President
Gentner Consulting Group

Recreational Fishery Management and Small Businesses: A Red Snapper Case Study

Commercial fisheries are managed for yield and are prosecuted by a relatively few fishers, all with the same goal – to catch as many fish as possible as efficiently as possible, in order to maximize profit from the sale of whatever species they pursue. Recreational fisheries, on the other hand, are dynamic in nature, prosecuted by millions of individuals with diverse goals; some try to catch fish for food, some like to catch and release fish, some just fish in order to enjoy the outdoors. Anglers are responding to stock abundance, weather, the economy or any of a myriad of factors. As fish populations increase, so does recreational effort and catch and, as fish populations decrease, effort and catch decrease as well. Abundance drives effort. Effort drives spending and value for small businesses. Which should be a good thing, but at the moment that value is not only being ignored, it is being squandered.

During rebuilding, effort increases as the stock increases. Because the stock is increasing, catch per unit of effort also increases, meaning it takes less effort to catch the same weight of fish as the stock grows. In fisheries with inadequate recreational allocations, this can induce a downward spiral of ever tightening regulation in the face of rebounding stocks when the recreational sector is managed like a commercial fishery. The original allocation of red snapper is widely accepted to be totally flawed. It was based on a brand new survey during a period when abundance, and therefore effort and catch, was at an all-time low. That early catch data was so awful it has been rejected for stock assessment use, but that data is the basis for this current allocation. Recently, new NMFS Marine Recreational Information Program estimates have been used to adjust these historic catch estimates upward. In other fishery management councils, this data adjustment would have triggered a nearly automatic allocation correction. Instead, the Gulf Shareholders are suing to stop this fair and equitable correction of the recreational red snapper annual catch limit in the Gulf. This flawed and unfair allocation has created this downward spiral that has all but crushed the recreational red snapper fishery and the businesses supported by recreational red snapper fishing, while the stock continues to grow rapidly. Many would say we have a bigger red snapper stock than we have ever seen or that many even thought was possible. Yet this rebuilding has been a disaster for the recreational industry jobs and income through the ever decreasing season while the commercial sector has thrived under rationalization.

This brings up an excellent point. Catch shares and fishery rationalizations are justified because they capture the resource rent, or economic value, from our shared, public resources that traditional commercial fisheries management drains. So if maximizing value, or at least vastly increasing value for the commercial use of red snapper, is a goal of our commercial fisheries management, why doesn't that same argument transfer over into recreational fisheries management or for fisheries management as a whole? The National Marine Fisheries Service's own scientists have shown the Gulf Council that reallocating fish to the recreational sector would further enhance value, perhaps to the tune of four times more value than the current rationalized commercial value, but that advice has been ignored. Other resource management agencies are bound to maximize economic value subject to minimizing harm on small business. MSA and its various reauthorizations, also call for maximizing value tempered by small business impacts.

Brad Gentner
President
Gentner Consulting Group

The latest analysis of commercial and recreational fisheries conducted by NMFS in support of Amendment 28, the reallocation amendment, showed that commercial value, or economic profit, was \$2.75-\$2.95 per pound of red snapper (Agar and Carter, 2012). That study established a recreational value of \$11.21 per pound for those same fish; over four times the commercial value (Table 1). Those NMFS economists concluded that the current allocation was economically inefficient and more value could be realized by the American public if commercial allocation was shifted to the recreational sector. The Socioeconomic Science and Statistical Committee (SESSC) of the Gulf Council agreed with those findings. The Griffin et al. (2009) study went so far as to simulate a market where recreational anglers could buy red snapper quota. Their simulation model showed that not only would the recreational sector purchase all the red snapper quota, they would also buy a significant portion of the shrimp quota to reduce bycatch and increase the red snapper stock further. Disregarding this NMFS analysis and the SESSC's recommendations, the council has yet to increase recreational allocations.

Table 1: Recreational Red Snapper Values Per Pound from the Scientific Literature
Red Snapper Values Available in the Literature.

Study Authors	Year	Species	Recreational Value
Gillig et al.	2000	Red Snapper	\$20/fish
Haab, T. et al.	2008	Red Snapper	\$108/fish
Griffin et al.	2009	Red Snapper	\$52-\$155/day
Carter and Liese	2012	Red Snapper	\$20-\$63/fish
Agar and Carter	2012	Red Snapper	\$11.21/pound

Lately, the Gulf Shareholders have been fighting any sort of reallocation because they don't want to have their privatized public wealth, which they were granted for free, taken from them. They have been using the argument that the American public is owed red snapper protein. Nothing could be more disingenuous coming from this sector. The American public is owed the highest return on their resources. Particularly when that highest return benefits a larger number of small, coastal businesses. Recently, on the NatGeo show "Big Fish, Texas," a prominent red snapper commercial fisherman, Buddy Guidon, left 11,000 pounds of red snapper on the deck too long and those fish had to be sold for "dog food." Using the analysis above, those fish would be worth \$123,310 dollars to the recreational sector. Buddy sold those fish for only \$49,500 and his profit, or economic value, was only \$30,250. If those red snapper were caught by recreational fishermen, they would generate four times more value. Instead they ended up as dog food. Why doesn't Buddy Guidon think enough about the value of red snapper as a food for America to keep those fish from ending up as dog food?

State wildlife agencies recognize that recreational fisheries provide more value and economic activity than commercial fisheries. That is why the majority of the inshore species in the states are allocated predominantly or completely to the recreational sector. The states treat anglers not as regulated

Brad Gentner
President
Gentner Consulting Group

entities, as the Councils and the National Marine Fisheries Service do, but as clients. Recreational anglers, through license sales and excise taxes, pay the full cost of their own management and, generally, the lion share of enforcement and management of federal commercial fisheries too. As a result, the states tend to have a much less adversarial relationship with the recreational angling community.

To add insult to injury, the Gulf Council is currently considering giving recreational allocation in both the king mackerel and red drum fisheries to the commercial sector without any economic analysis at all. All the commercial sector had to do was ask for it. I have been valuing recreationally caught fish for most of my fisheries career and I would guarantee that those red drum and those king mackerel are worth more to anglers, worth more to the American public, in the recreational allocation. We can no longer ignore this double standard. It is time for allocation guidelines. Economic value must be considered when moving fish from sector to sector. The way this has been approached and is currently being approached is unfair, not transparent, inequitable and destroys economic value. We must be pro-active about examining allocations and allocating based on economic value or we risk damaging coastal livelihoods and the economic resilience of coastal communities.

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Chairman VITTER. Thank you very much.
And now, we will turn to Mr. Hayward. Welcome.

STATEMENT OF JAMES HAYWARD, OWNER, F/V HEIDI AND ELISABETH AND HEIDI AND ELISABETH LLC, AND PRESIDENT, XI NORTHEAST FISHERIES SECTOR, INC., PORTSMOUTH, NH

Mr. HAYWARD. Thank you, Mr. Chairman, Ranking Member Shaheen, and members of the committee. My name is James Hayward, a lifelong second-generation commercial fisherman.

I am primarily a day boat gillnet fisherman operating out of the Gulf of Maine. I currently own two fishing boats located in Portsmouth Harbor, New Hampshire, as well as use four fishing permits on those boats. I own and manage Heidi Seafood Services, the only licensed federal groundfish dealer at the state facility in Portsmouth Harbor. I am President of the community's groundfish sector, Northeast Fisheries Sector XI. I am also Treasurer of the New Hampshire Community Seafood, the local community-supported fishery.

I want to start by saying in 2010, the fleet transitioned over into a catch share program. At that time, New Hampshire's roster of active boats comprised of 26 vessels. Many new requirements were put into place at that time, for instance, an at sea monitoring program as well as a dockside monitor program, and fishing continued for a couple of years and vessels were able to survive.

And in early 2012, a NOAA trawl survey indicated that cod stocks were not as healthy as anticipated and the cuts to the ACLs, annual catch limits, began. Since 2012, ACLs on cod have been reduced by a total of 95 percent. For New Hampshire, cod is the lifeblood for our fleet. Not only did cod represent the majority of the fishermen's quota in the sector, but also its state permit banks.

Currently, our fleet has been reduced to seven vessels. Our sector is operating on a \$60,000 budget and is predicting a \$35,000 loss. Our state's offloading infrastructure is on the verge of bankruptcy. Permit holders that invested in additional permitting to secure their businesses are left with deflated permits barely worth pennies on the dollar.

As if that was not damaging enough, beginning in March, NOAA Fisheries has passed the at sea monitoring expense on to the fishing fleet, introducing an industry-funded at sea monitoring program at the cost of nearly \$4 million annually. Although difficult to predict the damages it will impose, many owners are calling this the final nail in the coffin for the fleet.

In my honest opinion, much of this hardship could have been avoided. Reducing total allowable catches greater than 20 percent in any one year on any one species only creates hardship. We are clearly at the infant stages of understanding fisheries science, models, and how to effectively use them to manage a large multi-stock ecosystem.

The repairs that need to be made to fix this industry are going to clearly take many years to come, but in order to prepare for the future, some steps need to be taken immediately to preserve the fishing culturing in the small ports of the region. I would suggest the following.

Congress should direct NOAA Fisheries to continue to fund the at sea monitoring program until the time where the fleet is viable enough to assume the costs.

They should also integrate new sources of fisheries dependent information, like cost per unit effort, and environmental factors, especially climate change factors.

Congress should make additional funds available for communities most affected and direct those funds to be allocated to state permit banks to provide an additional level of protection in investment in a sustainable—of the at-risk community sectors.

It is in my opinion that those areas are the most important, that these areas of fisheries management were improved through actions taken by Congress and NOAA Fisheries could grow over time and this catch share program become sustainable and provide new opportunities and better jobs for the future.

Thank you for the opportunity to testify before you today.

[The prepared statement of Mr. Hayward follows:]

TESTIMONY OF MR. JAMES HAYWARD

OWNER, F/V HEIDI & ELISABETH AND HEIDI & ELISABETH LLC

PRESIDENT, XI NORTHEAST FISHERY SECTOR

BEFORE THE U.S. SENATE COMMITTEE ON SMALL BUSINESS AND ENTREPRENEURSHIP

REGARDING THE IMPACT OF FEDERAL FISHERIES MANAGEMENT ON SMALL BUSINESSES

MARCH 3, 2016

WASHINGTON, D.C.

Mr. Chairman, distinguished members of the committee, my name is James Hayward, a second generation commercial fisherman. First off I am a husband, married for 16 years, and a father of one beautiful two year old daughter. I'm primarily a day boat gillnet fisherman operating in the Gulf of Maine ranging from 20 to 120 miles from port. I currently own two fishing boats located in Portsmouth Harbor New Hampshire, F/V Heidi & Elisabeth and F/V Isabelle Nicole. I also own four federal fishing permits that I use with these boats. I own and manage Heidi Seafood Services, the only federal licensed groundfish dealership at the State facility in Portsmouth Harbor. I am President of the communities' groundfish Sector, XI Northeast Fisheries Sector, Inc. I am also Treasurer of New Hampshire community supported fishery, NH Community Seafood. I am board member of the Northeast Seafood Coalition and the Northeast Sector Services Network. I am also, as community leader, a member of the Seafood Harvesters of America.

Having been raised in a fishing family it was relatively easy for me to get involved at a very young age. In fact I started at the age of 12 spending my summers on boats doing what I could to provide for the business. From that young age I developed a passion for fishing. Today at 42, with 30 years on the water I understand why so many before me had risked as much as they had to make a career in this business. Most fishermen will say they enjoy their work, finding their duties very noble. Harvesting their catch, feeding families, providing for their own is very rewarding to most. Today's fishermen have the pride and passion to protect the resource and ecosystem in order to preserve the tradition for the generations that follow.

I began fishing in the groundfish fishery full-time in 1993. Regulations were far different then, than they are today. We took about three observers a year. There were no trip limits, no area closures; the only rule was on the mesh size of your nets. I'm not saying management was better then. I want to paint the picture of how far and how fast the fishing industry in the Northeast Region has been squeezed by the seemingly endless means of regulatory management.

In 2004, after working 10 years as full time Captain and crew I finally made the big step and bought my first boat. At the time I knew that there was a level of risk involved but I chose to invest my life savings into what I wanted to make as a career. At this time, managers had the fleet working in a DAS (days at sea) system and days had already been reduced by one half of what they were when the system was introduced in 1997. Each vessel had about 50 days a year to make their living.

During this era, which ended in 2010, various reductions in DAS took places, including two for one counting. There were varying trip limits on cod, as well as other species like monkfish and dogfish. We took about two federal observers a month. Vessels purchased acoustic devices in order to protect marine mammals, commonly referred to as pingers. Most of the vessels in my community were able to survive by leasing DAS from other permits or diversifying fisheries. In my opinion in the years leading up to 2010 fisheries managers were growing weary that too many groundfish vessels were engaging in fisheries activities even though managers were taking great measures to slow fishing capacity. Although the community's fleet was shrinking at this point it wasn't at an alarming rate. It was somewhat consistent to the 20 year average.

In May of 2010 managers and regulators changed the currency of which the fleet operated under. Instead of the DAS system where vessels were allocated so many days per year, vessels were allocated PSC (potential sector contribution). Fishing community started entities to pool and manage their community's allocation. This would be known as the Sector catch share system.

In New Hampshire, the first year of catch shares saw a few more small businesses decide that they were too small to participate and choose to take an inactive role. My sectors roster comprised of 26 active vessels. Some new requirements were put into place, for instance an at sea monitoring program or ASM as well as dock side monitoring. The ASM federal observer would be notified of the trip 48 hours in advance of the trip, and they would join the vessel on the fishing trip weighing and measuring what the vessel would keep and discard. The dockside monitor required from the vessel a two hour notice upon landing. They would record the offloaded weights breaking them down by species for every trip landed.

During the first couple of years under catch shares the sectors leaders were able to create a permit bank in conjunction with the States Fish and Game Department. They were able purchase a couple of permits with the help of federal funding from within the community. These permits were basically comprised of cod. The leaders understanding the local resource, knowing the high value that the cod represented, choose these permits knowing that they directly assisted the needs of the community, for both near term and long term objectives. Although skeptical about the future, our fishing fleet remained active harvesting roughly three million pounds of fish each of the first two years.

Early in 2012 NOAA trawl surveys indicated that cod stocks were not as healthy as anticipated and the cuts to the total allowable catch began. In 2012 the total allowable catch on cod was reduced by roughly twenty percent. This coinciding with more cuts looming on the horizon created acceleration in consolidation throughout the region. By the start of the fishing year in 2013 managers and regulators were left with no choice but reduce catch limits by an additional seventy-five percent solely based on a trawl survey that had been knowingly inaccurate in the past.

This in itself was devastating to small business. Vessels that fished in small vessel near to shore were impacted the hardest. They had run out of options and many were forced out of business. New Hampshire's struggling groundfishing community was reduced to 13 active vessels many of them part time working only one or two months of the year. The fallout of these reductions triggered the federal government to declare a Fisheries Disaster upon the region. Unfortunately for all permit holders the worst was yet to come.

In August of 2014 news broke that NOAA had completed another trawl survey, an unscheduled survey much to the surprise of the ones invested in the fishery. This survey stated the cod stocks were in their worst condition in history. By November NOAA regulators imposed an emergency action plan closing the majority of the inshore waters and imposing strict trip limits on cod in other regions. This cost the fleet millions of dollars. Regulators essentially took the fleets remaining quota for that fishing year and made it unharvestable. Any stakeholder that was holding cod quota to harvest in the second half of the fishing year was not only unable harvest it but was also unable to recoup any of the value that they had invested in it.

With the start of the next fishing year, 2015, regulators imposed a second seventy-five percent reduction in Gulf of Maine cod. This in itself was an additional disaster not recognized by the original Disaster Declaration. This essentially reduced permits holding Gulf of Maine Cod PSC to less than five percent of what it had originally acquired only five short years prior in 2010.

The effects of this were catastrophic. Landings by all vessels in our small sector had already been cut in half prior to 2015. I can predict our Sector's landings in fishing year 2015 will not eclipse one million pounds. Our current fleet has been reduced to seven vessels. Our sector operating on a \$60,000 budget is predicting a \$35,000 loss. Our States offloading infrastructure is on the verge of bankruptcy. Permit holders that invested in additional permitting to secure their business are left with deflated permits barely worth pennies on the dollar.

As if that wasn't damaging enough beginning in March NOAA fisheries has passed the ASM expense on to the fishing fleet. Introducing an industry-funded ASM program at a cost of nearly four million dollars annually on this fleet greatly reduces its chances of survival. The nearly four million dollars represents an estimated 10-15 percent of gross revenues for the entire Northeast Region. Although difficult to predict the damages this will impose on small business owners many are calling it "the final nail in the coffin".

In my honest opinion much of this hardship could have been avoided. Reducing total allowable catches by greater than twenty percent on any one species annually only creates hardship. We are clearly at the infant stages of understanding fisheries science models and how to effectively use to manage this large multi-stock ecosystem.

The repairs that need to be made to fix this industry are clearly going to take many years to come. But in order to prepare for the future some steps need to be taken immediately. To preserve the fishing culture in the small ports of the region I would suggest the following:

- 1) Congress should direct NOAA to continue to fund the ASM/future EM programs until the time where the fleet is viable enough to assume costs.
- 2) Congress should direct NOAA to integrate new sources of fisheries dependent information (like CPUE information) and environmental information (especially climate change factors) as additional reference points for stock assessments in order to reduce uncertainty and provide greater stability for ACLs.
- 3) Congress should make additional funds available to the communities most affected, and direct those funds to be allocated to the State Permit Banks to provide an additional level of protection and investment in the sustainability of the at-risk Community Sectors.
- 4) Congress should direct NOAA Fisheries to develop and implement new technologies for real time, monitoring, reporting, and increased accountability, like EM/ER, and use these new streams of fisheries dependent data to inform stock assessments.
- 5) Congress should streamline the size of NOAA Fisheries agency—especially the fisheries sampling branch-- so that new technology and integrated management systems replace the bloated systems that is subject to much human error.
- 6) Direct Congress to make sure the Office of Law Enforcement is adequately funded to address the myriad of new challenges, and level the playing field for everyone and improve the level of fleet wide accountability.
- 7) Congress should cap the amount of allowable variability in ACLs from year to year, so that uncertain science and poor stock assessments don't lead to extreme changes in mortality estimates greater than X percent from year to year.
- 8) Congress should redefine the definition of "Over-Fishing" to reflect the fact that almost all overfishing determinations have been a result of poor science and management advice. The perception is that fishermen just over-harvest ACLs, and this leads to poor perceptions of the fishery and low rankings on seafood watch lists that prevent market opportunity—e.g. GOM cod price remained low even after severe cuts and limited supply.
- 9) Congress should direct NOAA to develop management incentives that encourage the fleet to adopt higher levels of accountability. For example, if EM is implemented on a fleet wide basis, it should also eliminate the 48 hour pre-trip notification system; or, fishermen should get management uncertainty back in their allocations.

It is my opinion, that if these areas of fisheries management were improved through actions taken by both Congress and NOAA Fisheries that the New England ground fishing industry could grow over time, become sustainable, and provide new opportunities and better jobs for the future. Thank you for this opportunity to testify before you today.

Chairman VITTER. Great. Thank you very much.

And next, we will hear from Dr. Joshua Wiersma. Doctor, welcome.

STATEMENT OF JOSHUA B. WIERSMA, Ph.D., NORTHEAST FISHERIES MANAGER, ENVIRONMENTAL DEFENSE FUND, BOSTON, MA

Mr. WIERSMA. Thank you. Chairman Vitter, Ranking Member Shaheen, and distinguished members of the committee, thank you for this opportunity to testify on the impacts of federal fisheries management on small businesses.

My name is Dr. Josh Wiersma. In 2006, I began my career working at the Massachusetts Fishermen's Partnership in Gloucester as an economist and research assistant, finishing up my Ph.D., looking at the value of collaborative research to New England fishermen. In 2008, I began working at the Northeast Seafood Coalition as a New Sector Policy Analyst, where I became a lead architect for the development and eventual implementation of the new sector system in 2010.

I went on to manage New Hampshire's two groundfishing sectors over the next five years, and while Sector Manager I also co-founded and was the Executive Director of New Hampshire Community Seafood, our small community-supported fishery program. I am now the Manager of Northeast Fisheries in Environmental Defense Fund, where I continue to work with fishermen, the government, and other stakeholders to shape effective fisheries management.

Sector management has helped the industry deal with strict quotas, but as you know, fishermen are still struggling. Small businesses need stability to thrive, and for fishermen, stability is driven from good science and stable management.

Currently, fisheries science and management is plagued by uncertainty in stock assessments, non-transparent quota leasing markets, and outdated monitoring and reporting technology, and low levels of fleet accountability and enforcement. The result has been a severe economic depression for both the individuals and the waterfront communities reliant on New England groundfish.

The time is now to address these issues, because despite the obstacles, there is hope for a better, more stable and sustainable fishery. Regulators could make improvements in monitoring and accountability, stock assessment methodology, collaborative research, the quota leasing and permit markets, and overall electronic and integrated infrastructure.

But first, the agency must improve monitoring, reporting, and accountability, because rebuilding New England key groundfish stocks, especially cod, has been unsuccessful, due in part to the high levels of uncertainty that plague assessment models, and part of the answer is to fully account for fishing activities and to adopt modern technologies, like electronic monitoring, because if everyone knows that everyone else is playing by the same set of rules, the entire business landscape becomes more efficient and less uncertain, a good characteristic for any business.

The second, stock assessments must be more accurate. Developing more accurate stock assessments and catch limits requires better data streams continually feeding the stock assessment proc-

ess, and it requires that climate change and other environmental variables that significantly affect fish stocks are taken into account. This is another area where EM and electronic reporting could be useful, as the data could be used to send real-time ecosystem, biological, and effort information from fishing boats to science to improve current assessment models and also to develop more refined and standardized Catch Per Unit Effort models based on fishing effort to ground traditional independent trawl surveys. The more accurate models and estimates would provide more stable quotas while rebuilding important stocks to the benefit of all small fishing businesses, restaurants, and others.

Third, collaborative research should be expanded and better integrated into decision making. The level of investment in collaborative research has been both inadequate and inconsistent. Collaborative research gives fishermen a direct voice in the science and management process and an understanding of how and why the data is used as fisheries managers. And through broad co-research projects and through providing more granular, more frequent reporting at sea or field testing new technology, fishermen can directly contribute to the science and management. In fact, if the whole fleet used integrated and new technologies like electronic monitoring, electronic reporting, it could effectively turn every boat into a cooperative research vessel, similar to the study fleet that has been implemented through NOAA's Fishery Science Center.

Fourth, we badly need more transparent quota leasing and permit markets. Currently, data confidentiality restrictions restrict information about quota leasing, leading to high price volatility and the inability to effectively make a business plan. The opaqueness of both the quota lease markets and permit sales market restricts access to private capital through the high level of risk financial institutions bear because of their inability to value fishing assets. As a result, fishermen have a very difficult time using their fishing permits as collateral when applying for a loan to improve their business and often take second or third mortgages on their homes or sacrifice important benefits like health insurance.

Finally, data reporting, collection, and storage issues are stymieing innovation in the fisheries. NOAA Fisheries has prioritized the development of new systems of integrated EM/ER in their fisheries modernization plan, but they continue to push back the time of full implementation and will not commit to some type of final transition. Currently, only 20 percent of the fleet reports electronically, which is unfortunate because the information collected at sea through a modernized system if integrated reporting and monitoring would have broad benefits to both the fishery and the fleet. This type of catch inventory would be extremely beneficial to local restaurants, stores, and fish markets trying to plan, sell, and promote local seafood.

In conclusion, on behalf of all fisheries-dependent small businesses, I thank you for holding today's hearing and for the opportunity to testify.

[The prepared statement of Mr. Wiersma follows:]

TESTIMONY OF DR. JOSHUA B. WIERSMA
NORTHEAST FISHERIES MANAGER, ENVIRONMENTAL DEFENSE FUND
BEFORE THE COMMITTEE ON SMALL BUSINESSES AND ENTREPRENEURSHIP
REGARDING THE
IMPACT OF FEDERAL FISHERIES MANAGEMENT ON SMALL BUSINESSES
MARCH 3, 2016
WASHINGTON, DC

Chairman Vitter, Ranking Member Shaheen, and distinguished members of the Committee:

Thank you for this opportunity to testify on the impacts of federal fisheries management on small businesses. My name is Josh Wiersma. I have a BS in Environmental Management and Policy from the University of Maine, an MS in Resource Economics from the University of New Hampshire, and a PhD in Environmental and Natural Resource Economics from the University of Rhode Island. In 2006, I began my career working at the Massachusetts Fishermen's Partnership in Gloucester, MA, as an economist/research assistant, finishing up my PhD looking at the value of collaborative research to New England fishermen. In 2008, I began work at the Northeast Seafood Coalition (NSC) as their Sector Policy Analyst, and became one of the lead architects for the development and eventual implementation of the new Sector system in 2010.

I went on to manage New Hampshire's two groundfishing sectors over the next five years. Although the transition to sectors was difficult for many of our state's fishermen, we were able to accomplish some very positive programs focused on community preservation, sustainable fishing, ecosystem protection, and advancing local markets. While a Sector Manager, I also co-founded and was the Executive Director of New Hampshire Community Seafood Association, a successful community supported fishery cooperative that offers fresh, local, underutilized fish to the New Hampshire public through a type of fish share model. I am now the Manager of Northeast Fisheries at Environmental Defense Fund, where my job is to continue to work with fishermen, the government, and policy makers to shape effective fisheries management, improve monitoring and accountability, improve fisheries science and data collection, and develop better seafood markets and other business opportunities.

In short, I am here today after spending more than ten years working to improve fisheries management in New England and considering, based on my economics training as well as my practical experience with the fishing industry, how federal fisheries management impacts small businesses. My testimony will focus on how improving federal management can help small businesses, including but not limited to fishermen, in New England.

Challenges of Current Fisheries Management and Science

As noted above, I worked with many others in New England to develop the sector program, which allocates fish quota to 17 sectors, primarily defined by geography and gear type. In its nearly five-year existence, sector management has redefined the culture and economy for New England's ground fish industry. Fishermen changed their harvesting strategies, fished more selectively with different gear, implemented new and more robust data-collection and reporting systems and technology, accepted new monitoring requirements, entered into financial and legal arrangements with other fishermen, and created new transaction schemes with buyers. The new flexibility and efficiency of the Sector system resulted in fleet-wide revenue increasing to its highest level in recent history over the first two years of the Sector program.

However, starting in 2012-2013, the quotas for key stocks like Gulf of Maine cod and many flounder stocks were dramatically slashed to address severe flaws in the stock assessments for these key species. For other stocks, quotas have varied widely, by as much as 600% from one year to the next. Processors and buyers are intolerant to that level of volatility, and out of necessity have reduced their dependence on New England groundfish in favor of more consistently available domestic sources and foreign imports. That movement away from local landings exacerbates the financial stress fishing businesses are already facing.

The current climate of uncertainty in stock assessments, combined with a non-transparent quota leasing and permit market, outdated monitoring and reporting technology, and low levels of fleet accountability and enforcement threaten to worsen the economic problems for both the individuals and the waterfront communities reliant on New England ground fish. The time is now to address these issues. Our best fishermen are exiting the fishery at an alarming rate, because even those fishermen—the ones our nation needs to be fishing to serve as stewards of this resource—can't figure out how to make a business plan from year to year, and therefore can't figure out how much to invest in the fishery's future and in their families' future.

Opportunities to Improve Fisheries Management and Science

I'm pleased to say that federal regulators have tools available to them to address these challenges and improve the stability of fishing businesses and the sustainability of the resource. This is a critical juncture for the future of New England fishing businesses. Despite the obstacles, there is hope for a better, more stable and sustainable fishery. I address below areas where fisheries management and science could do to benefit the stability of small fishing businesses and the long term sustainability of the fishery resource. They are:

- 1) Improve Monitoring, Reporting, and Accountability
- 2) Improve Stock Assessment Methodology
- 3) Increase Reliance on Collaborative Research in Science
- 4) Create a More Transparent Quota Leasing and Permit Market
- 5) Improve Data Reporting Systems and Infrastructure

1- Improve Monitoring, Reporting, and Accountability

Rebuilding key New England ground fish stocks, especially Atlantic cod, has been unsuccessful due in part to the high levels of uncertainty that plague assessment models. Scientists must rely on limited information to predict fish populations, which yield highly variable estimates from year to year. One of the biggest unknowns is what volume and type of fish that fishermen discard into the sea on

each fishing trip. A significant part of this uncertainty is due to the low levels of at-sea monitoring (ASM) that NOAA provides; scientists must rely on discard estimates from a few observed trips to *assume* what is happening on all remaining unobserved trips. As a result, scientists continue to underestimate discards and therefore overestimate abundance from year to year for some stocks—even for healthy stocks—a statistical anomaly known as a “retrospective pattern.”¹ This pattern delays the rebuilding process for overfished stocks and could eventually jeopardize the health of the rebuilt stocks.

The answer: find the best, most cost-effective means to provide complete information about what is happening to fish stocks. The answer, more specifically, is to set a goal of full accounting of fishing activities, and to adopt modern and tested technologies – electronic monitoring (EM) – to achieve this goal in a cost-effective manner. EM is an unbiased and scientifically valid form of monitoring that can provide full accountability to the fleet, which is critically important, at a reasonable cost. If everyone knows that everyone else is playing by the same set of rules, then the entire business landscape becomes more efficient and less uncertain—two characteristics good for any business.

Under the current human observer program, fishermen fill out paper vessel trip reports (VTRs) to record what they caught and discarded at sea. However, much of the information from these reports is not used in stock assessments because the reported data cannot be verified. EM offers a way to validate fishermen’s observations, giving them direct input into the science that informs management. This opens up a wealth of scientifically valid fisheries-dependent information currently unavailable to fisheries managers, with the added benefit of reducing conflict and distrust of management decisions since those decisions would then be based on verifiable records that fishermen trust.

2) Improve Stock Assessment Methodology

In recent years, Annual Catch Limits (ACLs) have varied significantly as a result of poor information, and highly uncertain scientific models. These models repeatedly over-estimate how much fish is in the ocean. Often, the true population size isn’t known until years later, and has led to more fishing than stocks could sustain. In addition, continually altering scientific assessments, retrospectively, to address this over-estimation problem has led to significant distrust of the entire scientific process and eroded social capital and stakeholder participation. Generally speaking, the northeast region has among the most robust bodies of fisheries science anywhere in the world, but it also needs to adapt to the new management system, the new technology, and to new sources of information (e.g. biological, ecosystem, bio-economic).

Developing more accurate catch limits requires better data streams feeding into the stock assessment process, and it requires that climate change and other environmental variables that can significantly affect fish stocks be taken into account. Climate change is causing fundamental shifts to the underlying ecosystem, including warmer waters and other effects such as ocean acidification and changing currents. Warming waters are causing some species to shift their abundance either northward or into deeper waters in search of more suitable habitat, and the Gulf of Maine is warming faster than 99.9% of the world’s oceans. In short, a warmer ocean is a different ocean. Yet today’s fisheries science does not account for this significant and dynamic factor. A recent study found that not accounting for

¹ Dr. Paul Rago (Population Dynamics Branch) Ground fish Operational Assessments 2015 (Summary)—presented to the New England Fishery Management Council Plymouth, MA September 30, 2015
<http://www.nefsc.noaa.gov/groundfish/operational-assessments-2015/>

climate change caused stock assessment scientists to overestimate the size of the Gulf of Maine cod stock and set catch limits too high.²

An improved stock assessment methodology could account for dynamic environmental factors and lead to more accurate catch limits, more certainty and trust, and less risk of fishing at unsustainable levels. This is another area where EM and electronic reporting (ER) would be useful. Because electronic data is more robust, complete, and accessible, monitoring data can be used not just to verify compliance but also for stock assessment science. It provides not only catch numbers, but detailed geographic and time information that is often missing or erroneous with the VTRs used today. This data could be used to generate real-time ecosystem, biological, and effort information at sea from fishing boats to scientists so they could better formulate models about the dynamic changes in the fisheries and oceans—and develop more refined and standardized Catch Per Unit Effort (CPUE) assessment models to ground-truth traditional independent trawl survey stock assessment models.

3) Increase Reliance on Collaborative Research in Science

The level of investment in collaborative research has been both inadequate and inconsistent. The inconsistency of funding is just as problematic as the overall level of funding. Fisheries science depends upon long term time-series information about the environment, stock biology and abundance, and the efficiency and effectiveness of new gear technology.

Federal funding for collaborative research has historically been constrained to two-year projects, which severely limits the usefulness of the projects as well as the engagement of a broad number of industry participants. As a result, data from collaborative research projects is very rarely used in fisheries management for stock assessments, and new selective and efficient gear technology is rarely transferable industry-wide.³

The Magnuson-Stevens Act (MSA), as amended in 2007, calls for the establishment of regionally-based cooperative research and management programs to address the needs identified under the MSA, and to address any other marine resource laws enforced by the Secretary of Commerce.⁴ It specifies that these research priorities be addressed through collaborative research projects—where fishermen and scientists work together in all phases of the project, including development of the research question, the project design, the performance of research, the analysis of the results, and the dissemination of study findings.

Collaborative research gives fishermen a direct voice in the science and management process as well as an intimate understanding of how and why the data collected will be used by fisheries managers. Therefore, the efficiency and cost effectiveness of expanded cooperative research programs may be improved if policy makers use fishermen as research partners and prioritize research that evolves from the ground up. If a full-blown collaborative research project is not appropriate, fishermen can also be

² <http://science.sciencemag.org/content/350/6262/809>

³ "Slow adaptation in the face of rapid warming leads to collapse of the Gulf of Maine cod fishery" Andrew Pershing, et al.

⁴ The most notable exception to this is the "ruble trawl", also known as the "eliminator trawl", which allows fishermen to target haddock and avoid cod based on a unique net design that takes into account the behavior of captured fish. If they use this technology, fishermen are allowed to fish with a different discard rate than if utilizing other gear, and are allowed exemptions to previously closed fisheries. More investment in transferable gear technology like this will be a critical part of sustaining a healthy bio-economic ecosystem moving forward.

⁴ [cite]

incentivized to participate in a limited manner, for example by agreeing to report fisheries-dependent information on a more granular or more frequent basis, filling in additional reports, or field testing new technology. In fact, if the whole fleet used EM/ER, it would effectively turn every boat into a cooperative research vessel.

4) Create a More Transparent Quota Leasing and Permit Market

Quota leasing is the system of transferring Annual Catch Entitlement (ACE) between Sector fishermen, or between Sectors. Individuals within Sectors are allowed to fish, lease, or trade the amount of allocation that they brought into the Sector through their permit allocations. This is critical because fishermen are allocated a share of 16 different stocks even though most fishermen don't target all these stocks. Instead, they are allowed to trade the fish they don't want to catch for another type of fish, or for cash. This creates a type of "stock market" for fishing rights. But currently, there is not a transparent leasing market for this quota (ACE), and price volatility is a major issue, inhibiting a fisherman's ability to plan. The season's market trajectory typically starts in May and June with high lease prices, and then plummets at the end of the season as unused quota and diminished effort drive prices down. Participants are often uncertain of when to invest in more ACE, as they cannot predict whether they'll be able to land the fish they lease, and do not know the price they'll receive for their catch.

Information about the price and quantity of what fishermen are "asking" for their ACE is currently available through disparate emails between managers, text messages, or private phone calls. Almost no information about the actual execution prices of ACE trades is available, especially on a real time basis useful for making dynamic fishing decisions in a changing ecosystem. These inefficiencies in the quota lease market can have significant economic impact. In 2013, over 17.8 million pounds of quota (\$15M) was leased between sectors, which accounted for 30 percent of total landings. Fishermen either wait too long to sell their ACE, or accept a price well below market value because no other information is available. The market is currently distorted because asymmetrical information is benefiting a disproportionate number of businesses. These businesses then set the market for those who don't possess the same information.

Fisheries permits sales are also subject to the same level opacity, which degrades their value to fishermen and limits their use as collateral. The value of fishing permits changed significantly after the DAS management system based on leased days transitioned to the Sector Management System based ACE. Because ACE is determined by catch history, some permits with high catch history became highly valuable, others lost most of their value. Given all the changes in management and uncertainty in ACLs in recent years it is very hard to predict a permit's value. This is exacerbated through lack of transparent information about recent permit sales.

The opaqueness of both the quota markets restrict outside capital from interested financial institutions from actively investing or providing loans to New England fishing businesses because of the difficulty in calculating the cash-flow potential from leasing and, thus, the value of the permit and fishing enterprise. In addition, no mechanism exists to validate the presence of a lien on a permit with the financial community before a transfer, and no third party verification exists for valuing assets (like quota). While sector managers facilitate transfers, traditional markets rely on appraisers and brokers to value assets so financial institutions can invest in or lend against the asset. This mechanism is not functioning in New England. As a result, fishermen have a very difficult time using their fishing permits as collateral when applying for a loan to improve their business, and as a result they often take second or third mortgages on their homes, or sacrifice important benefits like health insurance.

5) Improve Data Reporting Systems and Infrastructure

Investment in overhauling the fleet's hardware, like old computers and other electronics, would significantly help the broad transition towards things like EM/ER. Computer hardware takes a beating at sea, and programs that could help recycle old electronics for new ones would help greatly. A good example is the Gulf of Maine Research Institute's program to provide a free new laptop to all fishermen who transition to Electronic Reporting.

But currently, only 20 percent of the fleet uses ER, and the system that is in place is not adaptable to new "smart technology." NOAA Fisheries has prioritized the development of new systems of integrated EM/ER in their "Fisheries Modernization Plan," but they continue to push back the time of full implementation and won't commit to some type of final transition date. The information collected at sea through a modernized system of reporting and monitoring would have broad benefits to both the fishery and the fleet.

Currently, managers, dealers and fishermen are disparate entities that don't fluidly communicate with one another. We need an integrated and real time network of data flow and communication that connects Vessel Trip IDs with dealer-reported trip landings to government and sector records. The sustainability of today's fishing communities depends on the move towards this type of integrated approach to data collection, management and integration.

An integrated information management system would channel single-entry landings information in real-time to an information network of software services and devices that enable efficient reporting and compliance, improved dealer business management, more efficient ACL utilization, improved bycatch avoidance, and enhanced marketing capacity by facilitating locally-branded, traceable, and immediately available harvest inventory to community marketing efforts. This type of real time inventory of catch would be extremely beneficial to local restaurants and fish houses trying to plan their promotion of local seafood. This information network would form the infrastructure for multiple user interfaces with existing software platforms (e.g. Sector business management tools, or marketing tools like traceability and catch verification).

In addition, this real-time integrated approach to data collection and management is a pre-requisite for a robust trading platform. First, we need real-time landings information flowing continuously to the National Marine Fisheries Service and to the commercial fishing industry via sectors. This is a necessary condition for a successful trading clearinghouse because in order to execute trades in real time, it is necessary for individuals to have knowledge of their remaining ACE allocations in real time. Currently, this information is eight days behind, which makes it difficult to plan a business.

Conclusion

In conclusion, addressing these key areas of fisheries management and science would lead to more certainty in the system, higher levels of investor confidence, reduced risk (both financial and safety) to fishermen, improved science, more equitable distribution of the fishery resource, and better business opportunities. Clearly, not all of these areas can be addressed and improved at once, and some need to be addressed before the full benefit of others can be realized. So, I prioritize the areas from to focus on the most important area first. It starts with better monitoring and accountability, which will lead to better reporting and data systems integration, which can then facilitate real time quota trading exchanges, and also new streams of environmental data feeding into more real time and adaptable management and science. Thank you for the opportunity to provide this testimony to address this important topic.

Chairman VITTER. Thank you very much. Thanks to all of you. Your testimony was really enlightening and really excellent.

As we continue the conversation, let me first make a few points about the Gulf side of things, which is my obvious focus, three points in particular.

Number one, no one involved in the effort to improve the situation in the Gulf, certainly including me, wants to move away from sound fisheries management based on real science. We are absolutely committed to that. Nobody wants to move away from that and end up over-fishing any stock and ruining the situation for everybody, which it would do. We are absolutely committed to sound science and sound management. We just do not think that is happening now on the federal side and know it can be done better.

Number two, I certainly appreciate and value the impact, economic and otherwise, of the commercial sector, and nobody wants to harm that or shove that out of the picture. And, in fact, several of our proposals to improve the situation in the Gulf have been made with the built-in caveat that if this lessens the catch on the commercial sector by one fish, it will be negated. We will go back to the old way. So, we have offered sort of an absolute hold harmless that the commercial sector will not be hurt by a single fish because we do not want to hurt that sector and we recognize their importance.

And, number three, let me just point out with regard to our proposal specifically, moving state management from three nautical miles to nine nautical miles, in the Gulf, that is already the case off Texas and off Florida. So, this is not some radical idea in the Gulf. In the Gulf, a whole bunch of the Gulf is under that rule already, specifically off Texas and off Florida.

So, with all those issues in mind, Mr. Gentner, I wanted to ask you, do you consider the science and the data in the Gulf on issues like red snapper better on the federal side or on the state side?

Mr. GENTNER. Thank you, Senator. Because they have not been sort of in charge of red snapper, let us say, I think that the states are sort of playing catch-up at the moment. But, I think their systems for collecting recreational data have made leaps and bounds recently with—I think every state in the Gulf has an electronic, an automatic electronic reporting system for private recreational anglers either in the works or on the ground, and they have instituted such things as special license check-offs for red snapper fishing so that they can have a dedicated survey frame for red snapper fishermen to make survey efforts much more efficient and much—be able to make catch estimates much more quickly than the current federal effort.

Chairman VITTER. All of the Gulf states, as I think you know, Mr. Gentner, have come together and agreed on a management plan that would apply, including if their jurisdiction were extended to nine miles. This strikes me as very significant, that all the states have agreed. I mean, obviously, those states, those governors, those offices deal with and have to acknowledge and represent all the sectors, commercial, charter, recreational. How would you describe the significance of their coming to that agreement in terms of a plan, Mr. Gentner?

Mr. GENTNER. I think it is very significant. I think any time you have sort of entities with their own sovereignty that can come together and agree to managing something jointly, I think that is huge. And I think that is mainly driven by the states' recognition of the value of recreational fishing. They understand how this works. They understand that opportunity drives economic value. And they benefit directly from license sales and excise taxes.

And if they are not selling tackle, those states are not filling their management budgets. They are not able to provide the enforcement, the enforcement that enforces commercial regulations as well as recreational regulations. They are not able to provide that infrastructure that supports both commercial and recreational fishing through recreational excise taxes and license sales.

And, so, I think the recognition of the sort of economics that are driven by that opportunity drives them to want to be able to participate and collaborate on this management.

Chairman VITTER. Right. Let me ask all of the Gulf witnesses, is there any evidence right now with regard to fisheries that are managed at the state level of mismanagement, of bad data, of over-fishing? Sure, Mr. Andry.

Mr. ANDRY. Thank you, Mr. Chairman. No, I think that the states independently have done a very good job of managing the individual species that they have been tasked to manage. In many cases, it is the same fish, the same fisheries, but each state has their own individual needs. And for the states to be able to recognize that and manage it, at this point in time, no, there is no significant over-fishing that is being documented or occurring on the species that the states are managing.

Chairman VITTER. Okay. Mr. Gentner.

Mr. GENTNER. I think we have an excellent example in the State of Florida with snook management of crises being treated proactively. I think we had a very severe freeze a couple of years ago that wiped—almost wiped out the spawning capability of the snook population, and they were able to get in front of that and decide that we are not going to have a snook season until this fishery is able to be fished again. And the recreational anglers agreed with that, thought it was a wonderful idea, and they were able to get in front of and stop this crisis from happening.

So, I think instead of failure, we see the opposite of failure. We see environmental conditions driving them to be proactive and keep opportunity alive.

Chairman VITTER. Ms. Anderson.

Ms. ANDERSON. Yes, sir. Thank you, Chairman Vitter. I see the states being a very positive thing for them to have control because of the flexibility. In state management, they can go in and propose something that they know needs to happen in order to not only protect the industry, but also the fishery, and they can have that done within two meetings. If it were NOAA, it would take two years, possibly, to go through all the hoops that they have to go through to do the same thing.

So, flexibility is very important because nature changes. There may be an issue next year. Maybe it will not be there next year. But, it is important that they have that flexibility. They also have flexibility in that Northwest Florida has needs that are different

from Central Florida, that has needs that are separate from South Florida or on the East Coast. So, they have the flexibility of making those changes, where if it is all one-size-fits-all, it is not the same.

Chairman VITTER. All right. Okay. Thank you very much.

Senator Shaheen.

Senator SHAHEEN. Thank you, Mr. Chairman, and I would like to thank all of the witnesses who are here today. While there are different issues that we face in New England than you all have in the Gulf, I think our goal is the same and that is to see a well-managed fishing stock and a robust industry for fishing in the United States, whether it is commercial or for private fishermen.

I want to particularly thank Jamie Hayward and Josh Wiersma for being here. They, as you heard in Senator Vitter's introduction, they have been involved in all aspects of the fishing industry and New England and so you can bring that experience and understanding to today's testimony.

And, I want to start with you, Mr. Hayward, because you talked about the range of fishery management decisions over the past several years that have really effectively decimated New Hampshire's fishing industry. Can you talk more about why small fishermen are affected more than some of the larger fishing operations and why it is a particular issue for New Hampshire and for some other states that have our kind of fishing.

Mr. HAYWARD. Certainly. It boils down to the smaller vessels are not out there. Like you said earlier, the cost of the monitoring per day is the same on each vessel, but the amount of dollars that a vessel is targeting certainly is not the same between a small vessel and a larger vessel. So, in a lot of cases, when the smaller guy is paying a larger percentage of his income for the monitoring program, it is basically just—you know, it has to do with how far from shore you go. It has to do with the amount of horsepower you have in your boat, your—pretty much your fishing capacity, what your vessel and your crew are capable of.

Senator SHAHEEN. And you all spoke to the need to move towards an electronic monitoring system, and I think that is an issue in the Gulf, as well. I wonder, Dr. Wiersma, if you could talk more about what NOAA needs to do and how we in Congress could urge that more rapid movement to that electronic monitoring system.

Mr. WIERSMA. Sure. Thank you for the question, Senator Shaheen. I think from my experience working with the agency, it is a matter of really taking strong leadership on this position and stop delaying the implementation time frame. You know, there have been pilot projects that have been ongoing since early 2009, yielding enough data that at this critical time, where the fleet needs these options for them to be able to understand what their best business plan is moving forward, you know, the option to have electronic monitoring, electronic reporting is critical.

And, so, we were on track to approve that actually this year, and again, the agency seemed to get cold feet and decided that they just did not have enough information yet, and so there will be that option available to a limited amount of boats next year. I believe there are 20 boats that are going to be participating under an ex-

empted fisheries permit. But, that is not the same and it does not provide the broad opportunity for the entire fleet.

Senator SHAHEEN. So, as I have the opportunity to question Secretary Pritzker about this issue, what would you all like for me to say to her about what the impact of the Department of Commerce and NOAA's delay in moving to this system means for people on the ground who are trying to keep their businesses alive? And, I would ask either or both of you.

Mr. HAYWARD. I will answer saying that time is crucial and the road we are heading down now is not a good one. It is pretty much the end is near, and if things are not changed soon, at least to some extent, that the fleet is going to look a lot different in 36 months, I can assure you of that.

Senator SHAHEEN. Will we still have any fishing in New Hampshire if we do not see some changes in NOAA's decision in some of these areas?

Mr. HAYWARD. What will happen is the infrastructure will be gone, and when that is gone, then the boats will leave. The ones that want to remain, they will be forced out because they will have no place to offload or even markets to sell.

Senator SHAHEEN. Dr. Wiersma, do you want to add anything to that?

Mr. WIERSMA. Yeah, I think—and Jamie really hit the nail on the head. It is a matter of presenting these options in a timely manner to the fleet, you know. And, I think, I like to describe it as the fleet has kind of been in a state of limbo for the last year with the uncertainty about both the switch to the at sea monitoring program, but also about, really, a lack of opportunity for them to modernize their boats to be able to adapt new technologies, you know, be able to participate directly in the science through those programs. You know, I think it really comes down to giving fishermen these opportunities and doing so in a timely manner with strong leadership.

Senator SHAHEEN. Thank you. Thank you, Mr. Chairman.

Chairman VITTER. Thank you.

Senator Ayotte.

Senator AYOTTE. Thank you, and I certainly share Senator Shaheen's concerns and am so glad that this hearing is happening today. I appreciate it.

And, I wanted to ask you, Mr. Hayward, you are in our position. What are the most immediate steps that we need to take to ensure that the fishermen do not go out of business? So, your answer to Senator Shaheen is very, I mean, compelling and dire, and we do not want you to go out of business. We appreciate what you do. So, what are the things you feel the most urgency for that you want us to do?

Mr. HAYWARD. Well, the most critical thing at this point right now is the ability to use cod to harvest other fish. With our cod allocations being reduced by 95 percent in a 36-month period, it has become nearly impossible to operate a profitable business. So, I mean, yes, that needs to be corrected and that probably needs to be corrected through a science procedure and—

Senator AYOTTE. But, it has got to happen pretty quickly here, does it not?

Mr. HAYWARD. It certainly does. I mean, yeah. These vessels are not going to hold on a great deal longer. I mean, first and foremost, yes, the at sea monitoring funding issue——

Senator AYOTTE. We have got to get that immediately. You cannot afford it, right, so we have got to——

Mr. HAYWARD. Basically, no. The small communities cannot afford it. I do not even know that the bigger vessels can afford it. I mean, it might have—the damages that it is going to cause to infrastructure are the ones that concern me the most, is if the volumes of fish reduce so much that the shoreside infrastructure cannot stay open, they cannot do anything, then once they are gone, then it is not going to matter how much fish is left in the ocean because nobody is going to have any place to put it. Nobody is going to have a way to get it off their boat. No one is going to have the tools that they need to operate a fishing business.

Senator AYOTTE. So, I mean, I certainly understand and appreciate the idea of moving to technology for this, but we have got an issue right before us, right, that you need to be—the at sea monitoring costs have to be covered now or people will be out of business. And, we can change the monitoring system any way we want, but if you are out of business, then we no longer have our fishermen.

And, this is an issue that I know Senator Shaheen and myself, others in New England have written on. The language in the Appropriations Committee, I think, is clear, that NOAA is not following, that they should be funding this at sea monitoring, and I am sure we will continue to put that language in and clarify and we have got—but, I think we have got to do whatever we can to get that funded right now.

What other issues do you want to make sure that we address, the immediate, obviously, burning fire, but what is your view on the research and the information in terms of the science?

Mr. HAYWARD. I think that the models need to be adjusted, to be honest with you, and I think that more tools need to be implemented into stock assessments, like even at sea monitoring data, even, you know, Catch Per Unit Effort data. Things like this need to be included. I mean, the information that is acquired by the commercial fleet needs to have a role in the stock assessment, in the science models. One way or another, it has to get in there, because——

Senator AYOTTE. Because you are on the waters——

Mr. HAYWARD. The commercial——

Senator AYOTTE [continuing]. And it is a pretty important observation you are making, right?

Mr. HAYWARD. The commercial fleet is not comfortable with the ability for scientists to harvest fish.

Senator AYOTTE. Now, I have heard that. I have heard that——

Mr. HAYWARD. Or count fish, for that matter.

Senator AYOTTE. Yeah, because you are out there on the waters and you are seeing different information that you feel like is not taken into account.

Mr. HAYWARD. In some cases, yes.

Senator AYOTTE. Yes. Great.

Dr. Wiersma, I know before your current position, you know, you have been very active also with the New Hampshire Cooperative, and I had the chance, as you know, to come down and visit what is happening. So, I see our fishermen also trying to take on new creative ways, obviously, to market fish and different species. But, as I look at sort of the emergency before us, would you agree we have got to address the emergency and then go forward on if we are going to look at new technologies or development of sales of new species and things. So, I wanted to get your observation on that.

Mr. WIERSMA. I appreciate the question, Senator Ayotte. I think Jamie made some really compelling arguments, and it does come down to providing fishermen the opportunities to be able to stay in business. You know, since I have transitioned to EDF last year, I was actually very proud to be able to work hard—as you know, Congress has appropriated \$3 million for electronic monitoring, which is immediately available for fishermen if they want to use that technology this year, but it is really the agency who has not approved it for use. So, we are stuck in a position where there is some short-term relief in that way, yet it is not broadly available to the entire industry.

You know, there has to be an understanding of a path forward that can get us out of this mess, and addressing these short-term needs really is critical now so that we can look at building more information into the stock assessment models, trying to provide that level of stability moving forward, which, as Jamie says, has to depend on more levels and increased amounts of data, new streams of data from fishermen, observations directly into science, addressing climate change and other factors in those models which currently is not taken into account and is critical to look at. So, I think that those are probably the largest immediate concerns.

Senator AYOTTE. Great. Thank you. I want to thank both of you for being here, and also, I appreciated the testimony of the other panelists, too, who I know are facing challenges, as well. We all want to ensure that we continue to have the fishermen thriving and being able to really hope there is a third generation, really, for you, Mr. Hayward, and that is what we care about. So, I appreciate you being here.

Chairman VITTER. Great. We have some additional time, so I am going to invite another round and participate in that myself.

You know, in the Gulf situation as it relates to red snapper and other things, another thing I am really concerned about is the extent to which we are really taking a public resource and privatizing it and putting it in the hands of a very select number of people as the public, particularly recreational fishermen, can participate and enjoy the resource less.

I mean, for red snapper, there are right now in the Gulf 418 what are called IFQs, Individual Fishing Quotas, sort of permits, essentially, on the commercial side. That is a significant decrease from five years ago. So, you need one of these to participate on the commercial side. They are not—new ones are not created very often at all. They can be passed down generation to generation.

And, by the way, the way this is split up, 49 percent of the shares are held by Florida residents, 30 percent by Texas residents,

18 percent only by Louisiana and Mississippi and Alabama combined, and two percent by non-Gulf state residents. About 19 people in Louisiana hold a commercial red snapper IFQ, even though 40 percent of the red snapper biomass is off the Louisiana coast. So, that is a whole another level of concern I have, of really privatizing a public resource.

Do any of you, particularly the Gulf witnesses, have any comments or thoughts about that?

Ms. ANDERSON. We have made it clear as we testified in Gulf Council meetings that we do not approve—we do not believe that the catch share system is the proper system to apply—be applied most definitely to the recreational industry. Whether you are charter for hire, head boats, or private anglers, we are all recreational anglers.

And, the—it surprises me that we have had to go this far to—in discussions knowing that, I believe, that Congress' intent with this law was to protect fisheries and the fishing industry, and yet NOAA's goal of the way they are going to do that is by limiting the number of opportunities people have to fish in the recreational sector and limiting the number of people who have shares in the commercial fishery, and I do not think that was the intent of Congress to do that, to eliminate jobs and businesses. So, I believe that it is very important that we look at that and question that.

Chairman VITTER. Thank you, Ms. Anderson, and I think your comment is particularly relevant and noteworthy given that because of you all's charter business, you would really have the opportunity to benefit from that system and from things going in that direction by essentially getting that sort of elevated status, correct, but you are still against moving in that direction.

Ms. ANDERSON. Yes and no. The Anderson family would be one of the winners. We are picking winners and losers in the catch share industry, catch share program. So, the Anderson family would be one of the winners because we do—we have been in the industry for a long number of years.

But, then again, we have a marina that has 27 charter boats and 5 head boats and 4 dive boats. So, a lot of those would be put out of business. But, we need all of those boats operating on a regular basis in order to pay their rent and to purchase fuel, because that is how the marina gains its income. Without the marina, we cannot have the boats there.

Chairman VITTER. Right.

Ms. ANDERSON. So, it all works together and it is very important. And sightseeing, sightseeing cruises that we have, they are dependent on families coming down for fishing, also. We all play off of each other.

Chairman VITTER. Right. Thank you.

Senator Shaheen, do you have anything else?

Senator SHAHEEN. I do, actually, Mr. Chairman.

I wanted to go back, Josh, to two of the issues that you raised in your testimony and try and better understand how you envision it working. The first was around collaborative research. You talked about what NOAA could do that would be more helpful to the industry, and one of the things you mentioned was more collaborative

research. Give me more details about how you envision that working.

Mr. WIERSMA. Sure. Thank you for that, Senator, excuse me, for the question, Senator Shaheen. So, collaborative research is actually near and dear to my heart. I completed my Ph.D. looking at the value of collaborative research for New England fishermen, and one of the things that I found during my research was that not only does collaborative research produce this wealth of data that currently is not available for science, but it also benefits the fleet because they gain the knowledge and information and understanding about what science is, what its objectives are, and how they can add to that process.

And, so, traditionally, collaborative research is kind of funded almost ad hoc, right. Ten years ago was probably the heyday, and a lot of times, it comes with different types of disaster declarations or other types of immediate short-term thinking which leads to very short-term research projects, like two-year projects, and then the data just does not get used. It gets put on the shelf. The industry had for a time a very robust industry-based trawl survey that was running side-by-side with the government trawl survey. That was abandoned about five years ago. The State of Massachusetts is just thinking about how they can get that research project up and running again.

And, it is really because of the demand from the industry to say, you know, listen, we want fisheries-dependent information used in the stock assessment process. We think we have a lot to contribute for that, or those purposes. And, prioritizing collaborative research, you know, is a priority of the Magnuson-Stevens Act. It should be a priority of NOAA Fisheries. And it should be implemented in a way that is formal and has a process for that data that is collected to then be flowed into management.

Senator SHAHEEN. So, what you are suggesting is that we really need some funding that will allow NOAA to work with the industry in putting together the research in particular areas where we need to get more information about what is happening and to be very directive about that.

Mr. WIERSMA. That is true, and also to allow the industry to prioritize what those research agendas are, and I think that is also part of the problem, is that, typically, it has been this top-down driven process where research priorities come from the top, and they might not necessarily coincide with what the fishing industry feels like are the research priorities they would like to address.

Senator SHAHEEN. So, give me an example.

Mr. WIERSMA. So, as an example, you know, the government typically has focused a lot on conservation gear research, and while some of those efforts have been very successful, like how to accept radar trawl and others, fishermen want more collaborative research to do stock assessment science. They would like to have these side-by-side research trawl vessels going along to ground truth the independent trawl surveys.

And, just as another example, I think there are two levels. There is kind of a lower level, where you are not necessarily having a full-blown research project, but fishermen can also act as co-manage co-operative research participants by agreeing to have more frequent

reporting at sea, to take new technologies like electronic monitoring, electronic reporting, to integrate haul by haul information that gives you that level of temporal and spatial information that can really do interesting things, like develop robust Catch Per Unit Effort index models to really understand where the footprint is of these species, especially in an environment now that is rapidly changing, and from year to year, you know, I think it is clear in the Northeast that climate change is having a significant impact on the movement of these stocks. We need all eyes and ears out on the water as we can at this point.

Senator SHAHEEN. And, talk a little bit more, if you would, about what you were suggesting with more transparent quota leasing.

Mr. WIERSMA. Sure. Yeah. So, as a Sector Manager, that was really one of the big issues that I faced, is this system of tradable fishing rights. While it produces efficiency in the system, it can also lead to inefficiencies if that level of market data is not available to everyone.

I will give you an example. Imagine trying to sell your house in an environment where you do not know any of the prices of the houses that sold around you, but the buyer that comes to buy your house does and he offers you anything that he wants and you are likely to accept that because you do not have any other information to know what those comparable sales are. That is generally how it kind of works in the permit and the quota trading market through disparate e-mails, different types of communications.

Senator SHAHEEN. So, who is actually pushing to keep the leasing system opaque?

Mr. WIERSMA. So, I think there are a combination factors that—you know, it starts from very strict data confidentiality rules. You know, the government has certainly been—

Senator SHAHEEN. Right.

Mr. WIERSMA [continuing]. Slow in trying to address those and pushing for their role in trying to develop more transparent markets. I think, obviously, there are certain players in the industry who are benefiting from disproportionate amounts of asymmetrical information.

Senator SHAHEEN. Okay. Can I ask one more question?

Chairman VITTER. Sure.

Senator SHAHEEN. The other thing that I just wanted to get you to comment on, because it is good news, one of the few bright spots we have got in New Hampshire and Northern New England with respect to fishing, and Senator Ayotte mentioned it, and that is the business model that you are both involved in in the Community Seafood Initiative. So, I wonder if you could talk a little bit about how that works and the positive aspects of that that you have seen, and Jamie, you are the Treasurer, and Josh, you are one of the co-founders, so I do not know which one of you wants to address that.

Mr. WIERSMA. Sure. I will start first. So, as you mentioned, you know, that has certainly been a highlight of my experience working in the industry, and really just because of the level of innovation and collaboration that it took to start it. You know, Jamie was there from the beginning, helping me create it.

It is a cooperative of New Hampshire fishermen, but it is also a cooperative of the New Hampshire public, where we allow the local

New Hampshire public to become shareholders of the organization. So, not only do they pick up a share of fish directly off the boat, so they are getting the freshest, best fish that is available, they can also invest in the organization as a stockholder and they have a seat on our Board of Directors as a consumer stockholder. They collectively make decisions with our fishermen about how we are going to develop our business for the following year, what species we would like to offer. And, it has been very beneficial that way.

And, so, in over three years now, we have 18 different drop-off locations throughout the state. We are working directly with 15 different restaurants who are sourcing groundfish directly from New Hampshire boats. It has been extremely successful in highlighting our traditional fishing community and giving them a voice, I think, that maybe they did not have before.

Senator SHAHEEN. Thank you.

Anything you want to add, Jamie?

Mr. HAYWARD. Well, from the fishermen's standpoint, it has been enjoyable to watch the local consumer enjoy the product that the fishermen harvest and have the availability that was not always there in the past. And, it has been a great pleasure to make that availability possible.

Senator SHAHEEN. Well, thank you all very much, and it is nice that we have at least one positive—we can end on a positive note.

And, I want to thank all of you. It is clear that we have a lot of work to do here to help address some of the concerns that exist within the industry, and I certainly intend to work with this committee, I know Senator Vitter does, as well, and other Senate committees to see if we can address some of these issues in a way that is more positive.

Thank you, Mr. Chairman.

Chairman VITTER. Thank you very much, and thanks to all of you. This was a great discussion because of your background and experience in your testimony. So, thank you.

We obviously have two different situations in the Gulf and New England. However, the common thread is an enormous impact of fisheries on small businesses, both on the commercial side and on small businesses related to that and the recreational side. So, it is a big, big small business issue.

But, I also think this discussion underscores that different regions and different fisheries have very different challenges, and so the best solution, in my opinion, is not some cookie cutter federal approach, which is another reason we would like more state involvement in the Gulf.

So, thank you all very much and we will certainly be following up with legislation and other proposals.

And with that, the hearing is adjourned.

[Whereupon, at 11:25 a.m., the committee was adjourned.]

APPENDIX MATERIAL SUBMITTED

Senator Edward J. Markey

Statement for the Record

THURSDAY, March 3, 2016

10:00 AM EST

Small Business Committee Hearing Room

428A Russell Senate Office Building

Washington, DC 20510

The fishing industry in Massachusetts has its roots in the birth of our nation, and remains an important part of the culture and economy of the Bay State today. From Cape Cod and the Southcoast to Gloucester and Fairhaven, the fishing industry adds over \$600 million per year to the Massachusetts economy, and employs over 8,000 Bay Staters. New Bedford, Massachusetts is the highest grossing fishing port in the country. The Atlantic sea scallop accounts for over 80% of the landing there.

Fisherman, managers, and scientists worked together to revive the Atlantic sea scallop fishery making it the great industry it is today. However, New Bedford's claim as the top seafood port in the nation is in danger due to climate change. Acidifying oceans will make it harder for scallops to make their shells. Warmer waters will also change the ecosystem of New England's oceans. We must begin to address the challenges of climate change today.

While there are great challenges ahead, I hope the collaborative effort of the fishing community that revived the Atlantic sea scallop will be used to create a sustainable and healthy industry and oceans for generations to come.

All Men Are Equal Before Fish

January 29, 2016 | Blog Post

How would you feel if the federal government took all of the gold in Fort Knox and gave it to a few dozen unelected, unaccountable people to decide how to manage it behind closed doors? How would you feel if that same small group unsurprisingly decided to split the country's gold among themselves – each becoming multi-millionaires? If our government gave away the public's property for free and allowed millionaires to be born overnight by diverting that public's property to themselves, I'd be pretty upset – and I am.

As Ben Raines' weekend article in the Times Picayune (http://www.nola.com/news/index.ssf/2016/01/kingpins_of_the_gulf_make_mill.html#comments) and AL.com illuminated, the federal government has hand-picked dozens of multi-millionaire "Sea Lords" by allowing them to control the red snapper fishery in

the Gulf of Mexico. While these select few "Sea Lords" are making millions from our fish, the season for recreational anglers – who used to be able to fish for red snapper all year long – has been absurdly diminished. In 2015, the recreational red snapper season was ten days.

The agency charged with managing our national fishery, the National Marine Fisheries Service, conducted a study on the health of red snapper fish stocks in the Gulf of Mexico. You'll be shocked to learn that federal government's methodology and results were grossly inadequate. Their analysis failed to include reef areas – the actual habitat of red snapper, a reef fish. Think about that. It's like looking for polar bears in Louisiana, finding none, and declaring the population to be at risk of extinction.

Let me be clear, the sustainability of our fisheries is paramount. It is critical that we employ the best science to responsibly manage them and to support their long-term viability. It's no secret that Louisiana is home to some of the nation's top restaurants that rely on the supply of fresh, wild seafood to meet demand. Some argue that expanding recreational access would lead to overfishing and threaten commercial interests. This mentality has bred the current system of a government sanctioned oligarchy that monopolizes a public resource. And it has punished tens of thousands of families across the Gulf Coast that enjoy fishing in Sportsman's Paradise. Luckily, there is another way.

In July of last year, I introduced HR 3094, the Gulf States Red Snapper Management Authority Act ([https://www.congress.gov/bill/114th-congress/house-bill/3094?q=%7B%22search%22%3A%5B%22%5C%22hr3094%5C%22%22%5D%7D&resultindex=1](https://www.congress.gov/bills/114th-congress/house-bill/3094?q=%7B%22search%22%3A%5B%22%5C%22hr3094%5C%22%22%5D%7D&resultindex=1)) in

the US House of Representatives. The bill simply gives the five Gulf States' Wildlife Departments the authority to manage the red snapper that live offshore their coast. This approach favors local control and would transfer management decisions to the professionals who are closest to the fishery. In Louisiana for example, our Department of Wildlife and Fisheries has demonstrated a commitment to using the best science to sustainably manage our fisheries through efforts like the agency's LA Creel program, which helps to provide an accurate count of red snapper fish stocks in our coastal waters. Today, HR 3094 has nearly 30 bipartisan sponsors from across the nation.

The fisheries in the Gulf of Mexico are public property and should be enjoyed by all - not managed like a long-abandoned "sharecropper" model that enriches a select few. Sometimes all it takes is a little sunshine on bad policy to fix things. To quote Herbert Hoover, "all men are equal before fish." Let's enact HR 3094 so we can ALL enjoy the Gulf's bounty.

Tampa Bay Times

WINNER OF 10 PULITZER PRIZES

Column: Don't mess with success in fisheries management

By Brad Kenyon, special to the Tampa Bay Times

Tuesday, March 1, 2016 2:02pm

Under federal fisheries management, red snapper populations in the Gulf of Mexico are recovering and the boating and fishing industries have grown. But on Thursday, a U.S. Senate committee will hear a proposal that could gut a decade of recovery and growth for both. The idea floated by Sen. David Vitter, R-La., would create a piecemeal system by extending the state waters of Alabama, Louisiana and Mississippi from 3 miles to 9. In addition, his plan would loosen some of the stronger tenets of the Magnuson-Stevens Fishery Conservation and Management Act — like science-based rebuilding timelines and annual catch limits.

The other gulf states' gains would be Florida's loss, particularly for anglers in the Tampa Bay area who must travel at least 30 miles offshore to find 60-foot waters where the red snapper population flourishes. In effect, those other three states' extensions would create enough extra state-water fishing pressure that the stock's rebound would be imperiled. To keep the fish populations from plunging, the government would have to severely limit the number of days for fishing in federal waters. As a practical matter, Florida fishermen would have far fewer days to catch snapper.

On Thursday, Vitter will argue before the Senate Small Business Administration Committee that the 3-mile limits hurt small coastal businesses across the gulf that rely on healthy fish populations and liberal access to them. He is wrong. And as a small boat dealership and marina owner, I know something about this.

Under the Magnuson-Stevens Act, the gulf red snapper catch has rebuilt from 5 million pounds in 2007 to more than 14 million in 2014. Not to mention, Vitter's arguments fly in the face of the American Sportfishing Association's economic reports, which suggest the Southeast has a healthy fishing population and an even healthier fishing industry.

His argument is based on a flawed narrative by fishery rights groups that claim short federal-water red snapper seasons are hurting industry growth and that the Gulf of Mexico Fishery Management Council is broken. But here's what is really going on: These groups are part of a growing national move by the states to take public natural resources from federal stewardship and pass them to the states. Think of the fiasco of the armed occupation of the Oregon Malheur National Wildlife Refuge — but in flip-flops and sunglasses.

The problem is, red snapper don't respect state boundaries, and the gulf fishery is bigger than any one state. It takes a big-picture view to manage it appropriately.



This red snapper was caught in the gulf about 65 miles off Florida's coast. Stocks would suffer if three other states extend their state waters.

3/3/2016

Column: Don't mess with success in fisheries management | Tampa Bay Times

Vitter's narrative threatens Florida's saltwater fishing industry that, according to the ASA's *Sportfishing in America*, supports more than 65,000 jobs with an annual retail sales base of \$3.9 billion. This is a huge economic driver for Florida, and these jobs and retail sales are complemented by attracting a robust and vibrant fishing tourism industry that draws more than 1.2 million anglers annually, resulting in out-of-state tourism spending that nudges a \$1 billion a year.

For the gulf region, even more telling is our ability to buck national trends of decreasing fishing license sales; excepting Mississippi, all other gulf states enjoyed increased license sales from 2004 through 2013, the last year registered in the report. How do these numbers reflect a burden on small business, when the economics and participation trends suggest otherwise?

Vitter's proposal is an attack on public federal natural resources and threatens Florida's economic health and Florida gulf anglers. But more frightening for me, the senator's proposal carries the real threat to inject an undue level of chaos into a stable fishery management system that will trickle down to uncertainty in Florida's boating, fishing and tourism industries.

Brad Kenyon is an avid angler who has served on fishery advisory panels to the Gulf of Mexico Fishery Management Council. He owns and operates Boat and Motor Superstores in Tarpon Springs. He wrote this exclusively for the Tampa Bay Times.

Column: Don't mess with success in fisheries management 03/01/16
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March 2, 2016

The Honorable David Vitter
Chairman
U.S. Senate Committee on Small Business and
Entrepreneurship
428A Russell Senate Office Building
Washington, D.C. 20510

The Honorable Jeanne Shaheen
Ranking Member
U.S. Senate Committee on Small Business
and Entrepreneurship
428A Russell Senate Office Building
Washington, D.C. 20510

Dear Chairman Vitter and Ranking Member Shaheen:

As fishermen and small-business owners throughout the Gulf of Mexico, we write in support of federal fisheries management under the Magnuson-Stevens Act. Our livelihoods and customers depend on healthy fish populations. Accordingly, we oppose efforts that could undermine the progress made in ending overfishing and rebuilding overfished stocks, and congressional action that could reduce access to fisheries relied on by our industry and businesses, all of which are vital to the coastal economies of the Gulf.

In the past decade, fishermen and managers in the Gulf have worked hard toward ending overfishing. It hasn't been easy, but the Magnuson-Stevens Act is working to put many fish populations on the road to recovery. Since the Act was last reauthorized, Gulf red grouper, king mackerel, and gag have been taken off the overfished lists. Last year, Gulf fishermen enjoyed both the largest quota and the largest single quota increase of red snapper ever. While not everyone agrees with all management decisions, changes made within the current council system that gives each region a seat at the table can address these concerns without again depleting the Gulf red snapper population and threatening other species or upending the tested fisheries management system.

As you consider how federal fisheries management affects small businesses, we want you to know that our businesses have thrived because of the conservation and management provisions in the Magnuson-Stevens Act.

Thank you for your consideration of our views.

Sincerely,

Dickie Brennan, Steve Pettus & Lauren Brennan
Brower, Managing Partners
Dickie Brennan's Steakhouse, Palace Café, Bourbon
House & Tableau
New Orleans, LA

Stan Harris, President and CEO
Louisiana Restaurant Association
Metairie, LA

Glen Brooks, President
Gulf Fishermen's Association
Clearwater, FL

Mike Colby, Executive Director
Clearwater Commercial Marine Association
Clearwater, FL

Destin Charter Boat Association
Destin, FL

Charter Fisherman's Association
Corpus Christi, TX

Ryan Prewitt, Owner and Chef
Pêche Restaurant
New Orleans, LA

Patrick Singley, Owner
Sue Zemanick, Executive Chef
Gautreau's Restaurant
New Orleans, LA

Seth Hanstead
Continental Provisions
New Orleans, LA

Paul Rotner, COO
Acme Oyster House
New Orleans, LA

Adolfo Garcia, Owner and Chef
highHat Cafe, Ancora Pizzeria Salumeria, La Boca,
Primitivo
New Orleans, LA

Dana Honn, Chef and Co-Owner
Carmo
New Orleans, LA

Tommy Cvitanovich, Owner
Drago's
New Orleans, LA

Chef Pierre S. Hilzim, President
Kajun Kettle Foods, Inc.
New Orleans, LA

Haley Bitterman, Executive Chef and Director of
Operations
Ralph Brennan Restaurant Group
New Orleans, LA

Capt. Steve Tomeny
Steve Tomeny Charters
Port Fourchon, LA

Clarence Seymour
Charterboat SYL
Biloxi, MS

Capt. Bobby Kelly
F/V Miss Brianna
Orange Beach, AL

Capt. Skipper Thierry
Escape Charters
Dauphin Island, AL

Capt. Gary Bryant
Red Eye Charters
Ft. Morgan, AL

David Walker
Walker Fishing Fleet, Inc.
Andalusia, AL

Capt. Brian Swindle
Dauphin Island, AL

Tom Steber
Zeke's Marina
Orange Beach, AL

Tom Steber
Zeke's Marina
Orange Beach, AL

Capt. Brad Gorst
F/V Gulfstream II
Clearwater, FL

Capt. Jim Green
F/V American Spirit
Destin, FL

Capt. Mike Colby
Double Hook Charters
Clearwater, FL

Capt. Billy Archer
F/V Seminole Wind
Panama City Beach, FL

Steve Maisel
Maisel Marine Inc.
Palm Harbor, FL

Kirby Klys
F/V Scamp
Ft. White, FL

James Zurbrick
Jolly Rogers II
Steinhatchee, FL

Richie Landry
Lady Lynn
Steinhatchee, FL

Eric Woods
Bad Behavior
Steinhatchee, FL

Danny Lanier
Pair of Dice
Steinhatchee, FL

Ellis Doshier
Grouper Snooper
Steinhatchee, FL

Bill Tucker
F/V Wing Shot
Dunedin, FL

Bohica Inc.
Madeira Beach, FL

Tom Marvel
F/V Sea Marvel
Naples, FL

Jim Clements
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Jason De La Cruz, President & COO
Wild Seafood Company
E Madeira Beach, FL

William Ward
President, Captain's Finest Seafood, Inc.
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Chad Haggart, Manager, V.P.
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Owner, Tides Up Fisheries LLC.
Owner, Jolly Rogers II Fisheries LLC.
Steinhatchee, FL

Patty Zurbrick
Owner, Jolly Rogers II Fisheries LLC.
Owner, Nature Coast Storage
Steinhatchee, FL

Reef Passage Charters Inc.
Steinhatchee, FL

Landy Fish Company
Steinhatchee, FL

Sammy's Seafood
St. Petersburg, FL

Frank Chivas, President
Baystar Restaurant Group
Indian Rocks Beach, FL

Brad Kenyon, President
Florida Family Fisheries Inc.
Tarpon Springs, FL

Julie Reise, Owner
Rusty Bellies Restaurants
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Eric Spalding, Manager, V.P.
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Clearwater, FL

Maxwell Foster, Owner
Gulfstream Fishing Charters
Clearwater, FL

Capt. Jessie Zuban, Owner
Dolphin Deep Sea Fishing Fleet, Inc.
Tarpon Springs, FL

Steve Reise, Manager
Pelican Point Seafood Inc.
Tarpon Springs, FL

Capt. Jessie Zuban, Owner
Miss Virginia Deep Sea Fishing Headboat
New Port Richey, FL

Jason Delacruz, Owner
Don's Dock Bait and Tackle
John's Pass, FL

Olde Bay Café & Dunedin Fish Market
Dunedin, FL

Glen Brooks, President
F/V Miss Donna, F/V LJ Inc., F/V Miss Allena Inc., F/V
Miss Katie, F/V Miss Rebecca, F/V Miss Gail LLC
GMQ Inc.
Lacanto, FL

Greg Pruitt, President
Miss Bianca, Inc.
Seminole, FL

Jim Clements, President
Captain Jim's Charters Inc.
Carabelle, FL

Gary Jarvis
Back Down 2 Fishing Charters
Destin, FL

Gary Jarvis
Brotula's Seafood House & Steamer and Jackacudas
Seafood and Sushi, Savory Restaurants, LLC
Destin, FL

Gary Jarvis
Sunset Bay Café, Jarvis Restaurants, LLC
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Brad Kenyon
Marina & Dealer
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Ian Iantorno
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James Grove
State-water Captain
St. Petersburg, FL

Jason Kyte
Federal-Permit Holder, SA
Jensen Beach, FL

John Bourgeois
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Panama City beach, FL

Justin Reiger
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Matt Draper
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Jupiter Beach, FL

Teresa Gibson
Commercial Fisherman
Jensen Beach, FL

Tom Marvel
Commercial Fisherman
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Walt Stearns
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Palm Beach Gardens, FL

Will Davenport
State-water Captain
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Will Geraghty
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Capt. Shane Cantrell
Galveston Sea Ventures
Galveston, TX

Capt. Michael Miglini
Out to Sea Adventures
Port Aransas, TX

Capt. Scott Hickman
Circle H Charters
Galveston, TX

Capt. Mike Jennings
Cowboy Charters
Freeport, TX

Bubba Cochrane
F/V Chelsea Ann, Southern Seafood LLC
Galveston, TX

Bruce Shuler
State-water Captain
Salado, TX

Mitch Richmond
State-water Captain
Port Mansfield, TX

Paul Johnson
State-water Captain
Port Mansfield, TX

Pedro Martinez
State-water Captain
Weslaco, TX

Theodore Springer
Federal-Permit Holder, Gulf
Port Mansfield, TX

TJ Greaney
State-water Captain
Corsicana, TX

Wayne Deacon
Federal-Permit Holder
Port Mansfield, TX

Chef Pepper
Ocean Grill
Galveston, TX

John Paul
San Luis Steakhouse
Galveston, TX

Robert Jakubus
Topwater Grill
Dickinson, TX

Paco Vargus
Rudy & Paco's
Galveston, TX

Johnny Smecca
Nono's
Galveston, TX

Chef Michael Brewer
Main Street Bistro
League City, TX

Matt Ward
Woody's Tavern & Grill
Austin, TX

Alan McArthur
McArthur's
Austin, TX

cc: Members of the U.S. Senate Committee on Small Business and Entrepreneurship
Members of the U.S. Senate Committee on Commerce, Science, and Transportation

3/3/2016

Red Snapper Management: The Irony of Protection and Threats from Washington D.C. - Gate House



March 02, 2016 9:00AM

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Red Snapper Management: The Irony of Protection and Threats from Washington D.C.

In the Gulf of Mexico one species of fish has absorbed the spotlight above all others, and that is the Red Snapper. This fishery has been a contentious topic charged with emotion. The Red Snapper fishery is rebounding and stock levels are climbing.

This species is on the road to recovery and now it faces a threat that would undermine the very congressional bill that has given us something to fight for, the Magnuson-Stevens Act (MSA).

While the MSA is tough on science-based rebuilding time, lines and annual catch limits, it is responsible for the ending of overfishing and the prospect of long-term sustainability. With the ever growing popularity of saltwater fishing one has to agree that this type of oversight is needed to ensure future generations have a thriving resource to enjoy.

On Thursday, March 3, Senator David Vitter (R-LA) will chair a hearing of the Senate Small Business and Entrepreneurship Committee to discuss the very things that have helped boost Destin and its fishing community's economic health.

If Senator Vitter has his way, he will strip the Magnuson-Stevens Act of the very tools that have brought this fishery from the grim fate it had a decade ago. I find it ironic that there is an effort lead by a senator to destabilize small businesses that have made sacrifices towards new management solutions and provide more access, and its coming out of the Small Business and Entrepreneurship Committee.

Really? Small businesses are the backbone of our economy and the fishing industry. The city of Destin enlisted the Haas Economic Center to do an economic study of water related tourism. It concluded that the Destin Charter Fleet brought in 173 million dollars into our local economy annually. To do anything to destabilize that would be detrimental not only to Destin, but to all the coastal communities like Destin that rely on a thriving fishery.

The Charter Boat industry Gulf-wide has worked hard for many years navigating through the stakeholder driven process provided by the MSA. We are now starting to see the benefits of this legacy legislation. The improvement of access that has been shared by all sectors of this fishery proves the success of MSA.

This process is arduous and moves at what feels like a glacier's pace, but it is a system of checks and balances that keeps emotional reactions from placing everyone's fishery in peril. Very much like the emotion that Senator Vitter and those backing his efforts have at this time.

It is time for the congressional assaults to stop. The groups pushing for this end-around of the MSA have failed at the Gulf Council level, have failed in the court room, and are now using congressional Representatives and Senators to launch an attack on the Mom and Pop business that make up the Gulf Charter Boat industry, the access point of the American non-boat owning public.

Capt. Jim Green

Vice President of the Destin Charter Boat Association



<http://m.thedestinlog.com/article/20160302/NEWS/160309969>

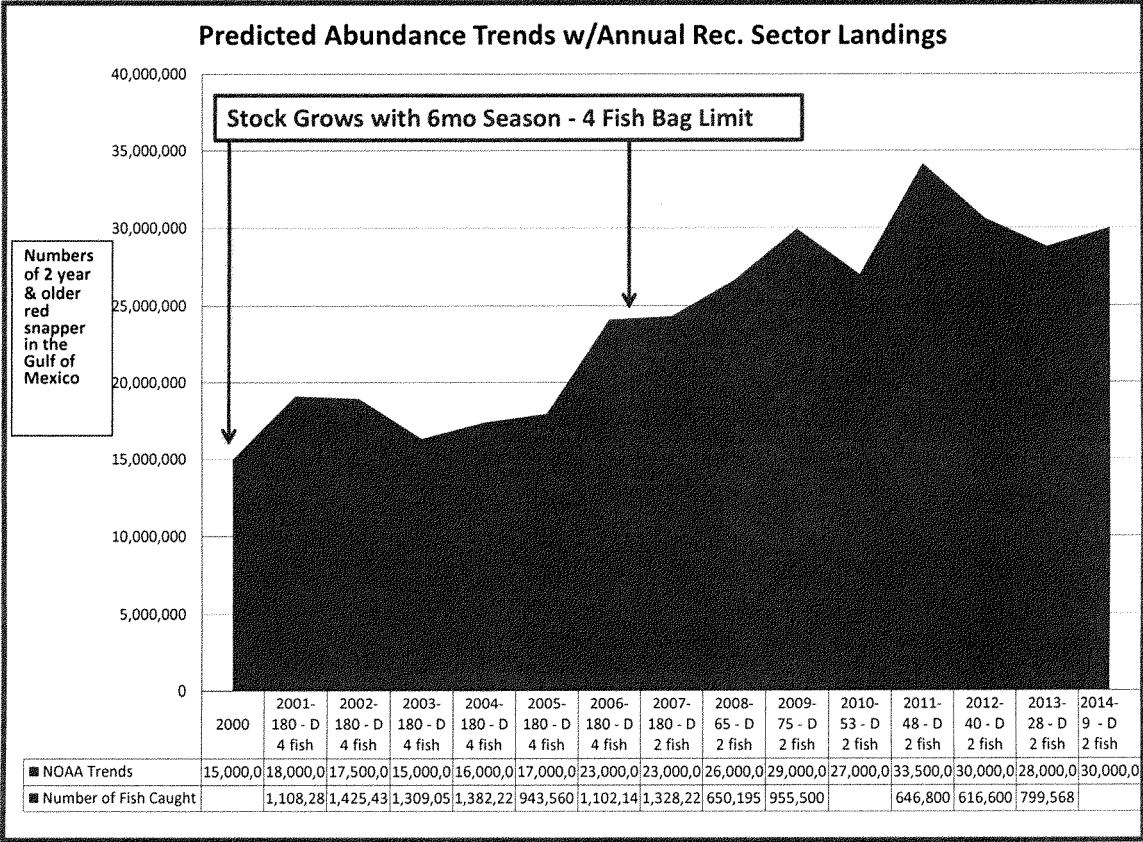
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Capt. Anderson Marina
Fuel Report for Head boat Charter Boat Fleet HB Passenger Counts

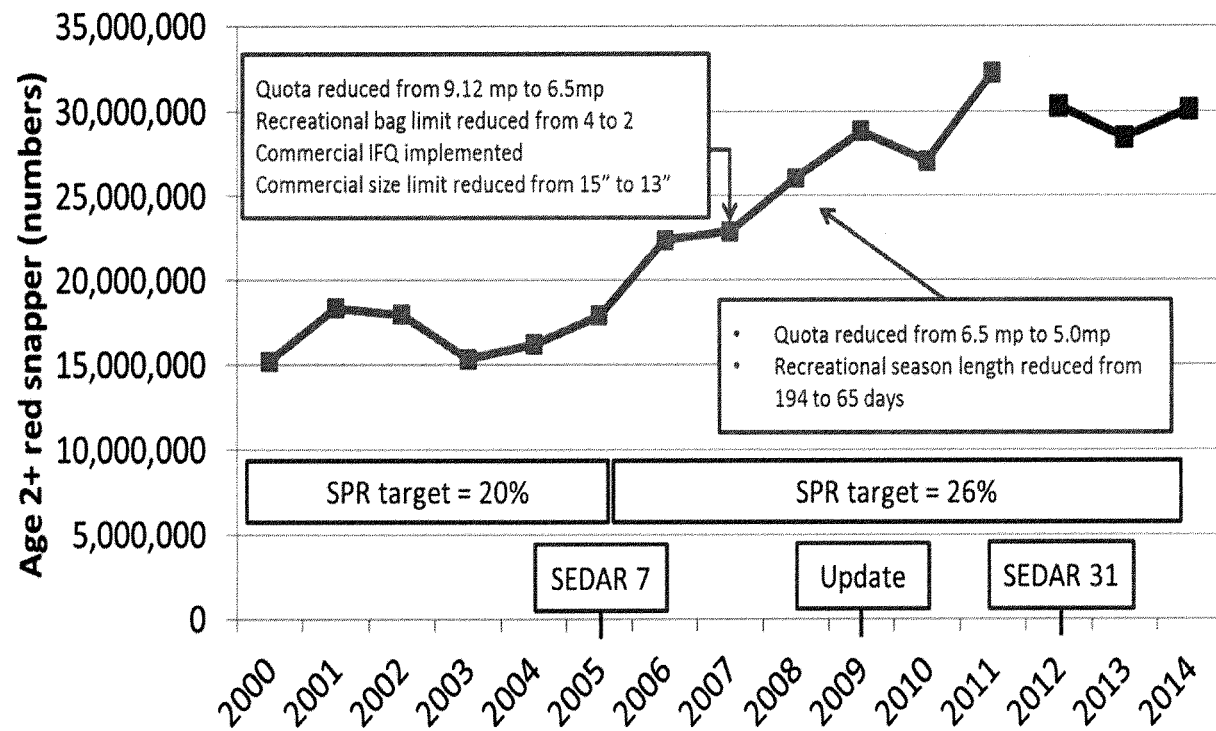
	Jan	Feb	Mar	Apr	May	June	July	August	Sept	Oct	Nov	Dec	Total	Total Gals of Fuel	Advertising
2006	Gag/Red Grouper no closures.... Red Snapper open April 21- October 31... 4/per person bag limit													Anglers	
Gals. Fuel	3090.6	2880.7	11693	30328	53341.9	59402.68	50048.4	40585.6	34575.62	27009.6	5406.5	1146.6		319509.2	
HB pass. 5/6hr	0	53	216	306	986	2346	3017	1147	623	386	194	57.00	9331		
HB pass. 10/12hr	0	136	426	1278	1879	2242	2958	1259	1167	1155	237	38.00	12775		
															\$ 70,052.00
2007	Gag/Red Grouper closure Feb 15-Mar 15....Red Snapper open April 21-October 31 2/person bag limit after May 2nd														
Gals. Fuel	1002.8	4115.4	13452	33121	50160.3	59140.15	60729.8	38274.7	29267.15	21032	6706.6	711.7		317713.8	
HB pass. 5/6hr	0	0	489	574	860	2317	2844	1325	971	797	40	0	10217		
HB pass. 10/12hr	56	90	448	976	1613	1943	2350	1244	964	720	98	0	10502		
															\$ 53,961.00
2008	Economy bad/Fuel prices up/Gag/Red Grouper closure Feb 1- Mar 31...Red Snapper open June 1-Aug 5 2/person bag limit														
Gals. Fuel	1429.9	3039.1	8889	18532	31446.3	50173.65	47455	21036.7	13734.95	15380.3	3204	698.4		215019.15	
HB pass. 5/6hr	0	0	558	1045	1055	2162	3089	1208	374	716	0	61	10268		
HB pass. 10/12hr	0	0	347	547	476	1999	2147	830	426	485	0	0	7257		
															\$ 64,516.00
2009	Economy bad/Fuel prices better/Gag/Red Grouper closure Feb 1-Mar 31...Red Snapper open June 1-Aug 14 2/person bag limit														
Gals. Fuel	1342.3	1180.8	15184	15684	14571.3	54478.2	55672.2	33176.8	8993.8	14696.5	6002.8	863.4		221847	
HB pass. 5/6hr	0	0	476	428	661	2228	2772	1326	743	810	31	0	9475		
HB pass. 10/12hr	0	0	98	455	622	2197	2179	346	505	373	0	0	6775		
															\$ 45,306.00
2010	Economy bad/Fuel better/Gag/Red Grouper closure Feb. 1-Mar 31... BPSPILL ...Red Snapper Open June 1- July 23 + Fall Wkends														
Gals. Fuel	1535.6	475.6	4941	14368	15101	41238.6	24879.3	9958.4	13052.4	18239.3	5680.7	1040.8		150510.71	
HB pass. 5/6hr	0	0	132	999	1086	3489	2700	821	849	1069	57	0	11202		
HB pass. 10/12hr	0	0	136	413	433	2026	1108	363	462	904	422	0	6267		
															\$ 57,493.00
2011	Economy bad/Fuel better/Gag Grouper closure Jan.1-Sept. 15..AJ closed June-July..Red Snapper Open June 1-July 18, 2/person bag lmt.														
Gals. Fuel	268.8	1913.3	6769	13626	20152	58811	48978.8	21397.2	12269.9	16151	3468	1343		205148.32	
HB pass. 5/6hr	0	0	611	1224	1546	5401	6084	2727	1012	881	118	83	19687		
HB pass. 10/12hr	0	63	244	515	784	2539	2386	643	357	420	0	0	7951		
															\$ 60,585.00
2012	Federal Red Snapper season June 1-July 10 (40 days)														
Gals. Fuel	1408	812	9850	13839	25493	48093	53309	26103	16661	16736	2852	792		215948	
HB pass. 5/6hr	0	0	974	1208	2047	4422	5373	2207	1011	927	33	0	18202		
HB pass. 10/12hr	0	0	305	512	652	2391	2583	773	559	429	28	0	8232		

HB Passenger Counts

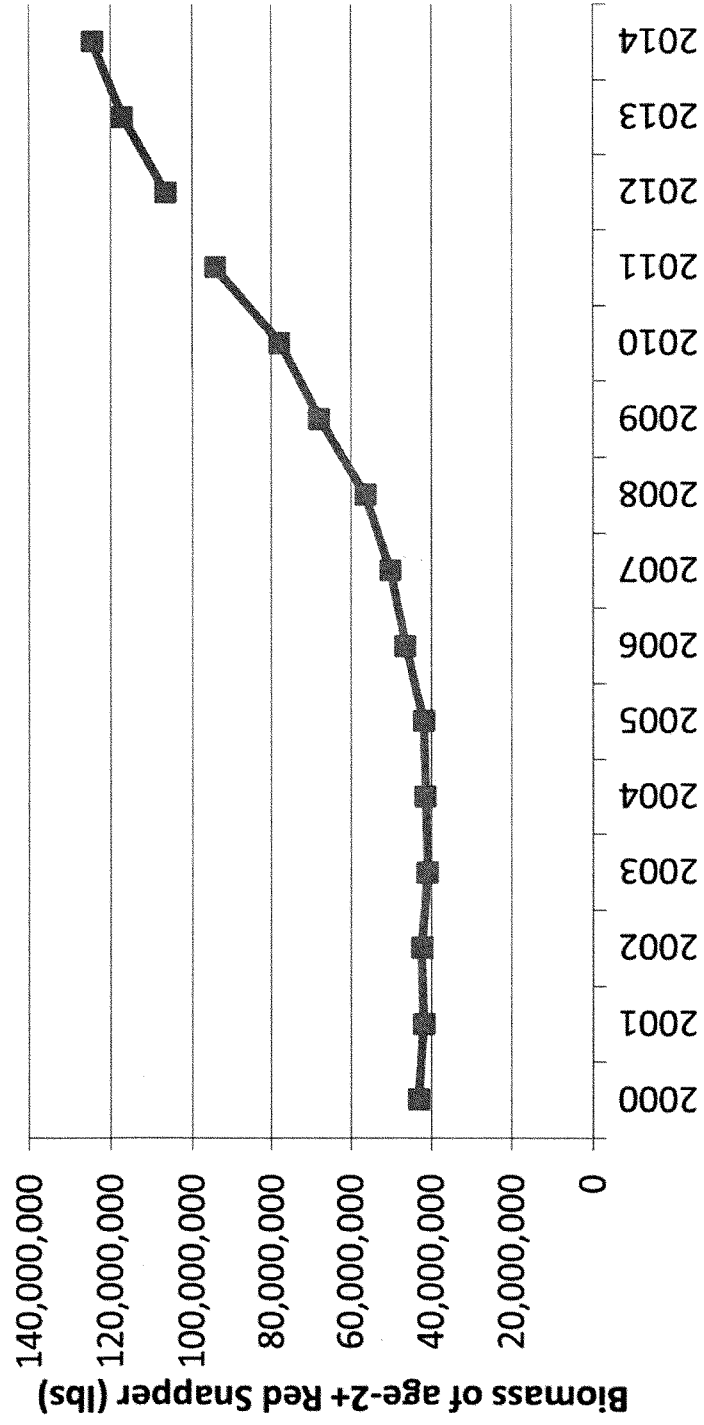
Fuel Report for Head Boat Charter Boat Fleet													H2 Passenger Counts			
	Jan	Feb	Mar	Apr	May	June	July	August	Sept	Oct	Nov	Dec			\$ 66,023.00	
2013				Federal Red Snapper season June 1-28th					(28 Days)							
Gals. Fuel	2405	1945	7892	14159	25046	60456	39418	34277	18011	23434	2560	1721		231324		
HB pass. 5/6hr	0	0	712	880	1509	4297	3490	2431	1469	1406	100	81		16375		
HB pass. 10/12hr	0	0	165	436	570	3022	1411	758	401	967	0	0		7730		
															* \$ 81,268.00	
2014	Federal Red Snapper season June 1-June 9 / Added additional 8 hr night trip for Red Snapper season												(9 days)			
Gals. Fuel	329	4219	8355	14827	28366	53460.5	47658	32900	18643	17909	2753	772		230191.5		
HB pass. 5/6hr	0	0	880	1373	1980	5685	5748	3317	1279	1499	98	0		21859		
HB pass. 10/12hr	0	0	227	479	793	2985	1918	915	538	443	0	0		8298		
															* \$ 129,305.00	
2015	Added 8hr trip to choices in long trips all season/						Red Snapper Federal season June 1-July 15th						(For-hire 44/Pvt rec 10 days)			
Gals. Fuel	1557	378	11537	17660	30305	61615	54536	33137	21622	15329	1754	2970		252400		
HB pass. 5/6hr	0	0	855	1321	2079	4398	5430	2557	1484	1378	70	116		19688		
HB pass. 8/10/12hr	0	0	260	629	900	3568	2995	811	830	575	250	26		10844	**	
** added 8 hr trips															* \$ 123,824.00	
In 2015 many of the charter boats who are dually permitted ran more commercial trips in the winter.																
(They have recreational and commercial permits and are leasing catch shares.)																
* In addition to the increased budget for advertising, we have hired a marketing director for the purpose of bringing more anglers to the marina.																
Notice each year the short, lesser expensive trips have increased and the longer trips have decreased.																
This trend has continued. The ticketed trips/boats pay a percentage of sales for their dockage.																
Since the shorter, lesser expensive trips bring less revenue to the marina, that is another negative economic impact.																



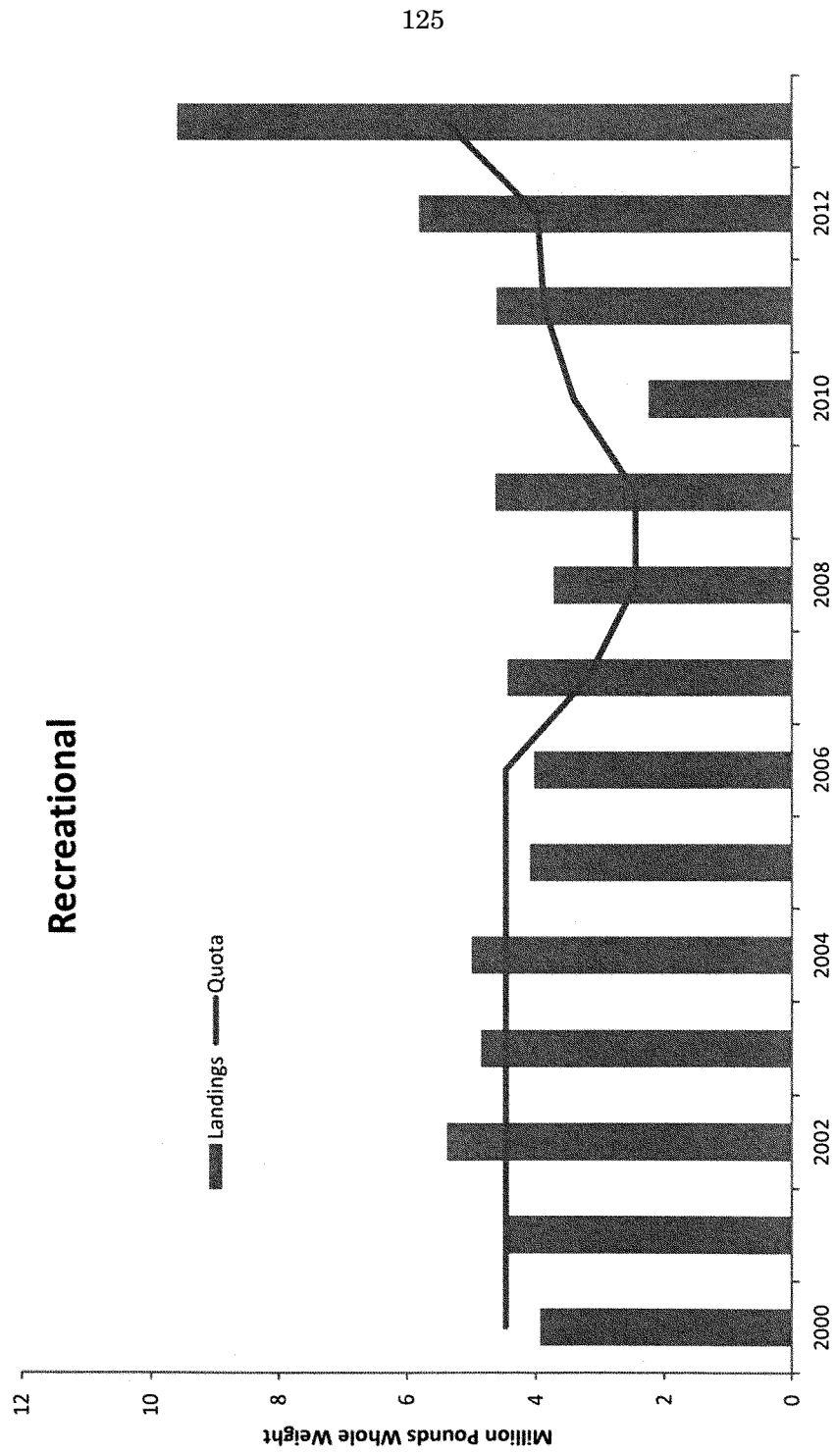
Gulf of Mexico Red Snapper Predicted abundance trends



**Gulf of Mexico Red Snapper
Predicted abundance trends (in lbs)**



Recreational



Commercial

