



MIDCOAST FISHERMEN'S ASSOCIATION

October 14, 2008

Re: Senate Field Hearing, Portland Maine
The Honorable Olympia J. Snowe presiding
Glen Libby Testimony

Thank you Senator Snowe I am honored to have been invited to testify here today. My name is Glen Libby, I am a life long, second-generation fisherman from Port Clyde Maine. I am currently Chairman of the Midcoast Fishermen's Association and President of the Midcoast Fishermen's Cooperative. I additionally serve on the board of the Portland Fish Exchange and on the Maine Marine Resources Advisory Council.

There are many issues currently confronting the groundfish industry right here in Maine. Myself, and the fishermen I represent thank you for providing us with this opportunity to speak about those concerns as well as the positive efforts that our two organizations, the Midcoast Fishermen's Association and the Midcoast Fishermen's Cooperative, are doing to insure that groundfishing will continue with sustainable resources and a thriving industry along the coast of Maine today and for future generations.

From our point of view the current regulation system we are operating under, Days-at-Sea, is broken and has fallen short of its original intent to meet the requirements of the Magnuson Act. While there are a few successes outlined in the latest stock assessment, the reality of fishing in our area has been, to use a Maine phrase, *tough sledding lately*. Over the past decade, we have seen a steady decline of fish in the near shore areas of downeast Maine. This decline has led to a loss of fishing opportunity and continual cuts in Days-at-Sea that fail to restore our resource. This landscape coupled with energy prices rising to historical levels while the wholesale price for fish remains flat, is a recipe for disaster to an industry that has been in this state long before the country was founded.

The current allocation of Days-at-Sea (48 days in most cases) barely provides enough time to make a living fishing in the spring, summer and fall. We are fortunate that our shrimp fishery carries us through the winter months. The shrimp fishery, while well managed, carries its own set of problems: the rising costs of fuel, the historically low wholesale prices for shrimp and competing efforts with imported farm raised shrimp.

When you consider all these variables it is remarkable that there are any fishermen left in Maine who pursue anything but lobster. The lobster fishery has been the one bright spot for Maine's fishing economy but that fishery is beginning to suffer from the same set problems that have plagued other fisheries. The real danger to Maine's fishing economy is that we are becoming a single species fishery dependent solely on lobster. If all other fisheries fail due to depletion or market forces, that leaves us in a precarious position of having all of Maine's fishing related economy dependent on one resource and this is not sustainable.

I am always the first person to say "if it ain't broke - don't fix it", our current management system for groundfish is broken and needs to be fixed before the last fisherman leaves Maine. Those of us with a vested interest in healthy resources and sustainable fishing communities saw an opportunity to attain this with new alternatives to fisheries management within the Amendment 16 process. Amendment 16 could be our light at the end of a dark tunnel. Fishermen, conservational and fishing advocacy groups aligned to propose innovative and tried and true alternatives to New England's current management system.

Two examples that my organization has and still supports, are Area or Community Based Management and Sectors. Area Management assigns fishing opportunity to fishermen as well as allocating a portion of fish to a specific area. Each area is recognized as unique and is managed accordingly. This form of management also advocates for changes in fishing technology that reduces bycatch and impact to habitat. These concepts are radically different from the way that the groundfishery has been managed in the northern Gulf of Maine, but is strikingly similar to how our lobster fishery is managed.

The second management structure that my organization supports is Sectors. The development of sectors, a tool with strong accountability measures, hold great promise as a way to get away from of the failing Days-at-Sea system. Sector management, now being promoted by the New England Fishery Management Council, is planned for implementation in time for the 2010-fishing season. Monitoring of the catch and the costs involved are the biggest hurdles facing the council, which may require innovative approaches and fast action within a process that is cumbersome at best. Sectors will need diligent work by the council and the agency over the next year. Although, they could still be stalled in the Amendment 16 process while we debate the science, this would only be to the detriment of the resource and the fishermen.

We are now facing a decision by the National Marine Fisheries Service that will guide fishing effort for the 2009 fishing year. This interim action will most certainly put additional pressure on an already fragile industry with even greater cuts in Days-at-Sea. The council, with credit to those who serve, has tried to balance the rebuilding goals of our stocks with the needs of our fishing communities. The two are directly linked, for fishing communities to prosper healthy resources and a streamlined management system that can act in a timely fashion are needed. These impending cuts for 2009 will continue to cripple fishermen to the point of no return, which is why it is critical to have a new management structure in place for 2010.

This recent turmoil in the fishing industry has lead to another proposal, an Industry Funded Buyout, a federal loan to be paid back by active fishermen. The rationale supporting this buyout is two fold: when Magnuson was enacted the 200-mile limit was established and an enormous amount of money was pumped into the fishing industry around the country. The government played a large role in this by making funds easily available to build a domestic fleet to harvest the seemingly limitless bounty of fish along our coast. As we have painfully learned the supply was not limitless. We are still struggling with an over capacity issue in some areas that demands capacity reduction. The other issue is the fact that many fishermen are struggling for all of the reasons that I have already mentioned and this would be a means for them to retire from the business with financial security. Both of these reasons make sense for a buyout, but there are aspects of this proposal that the fishermen I represent feel would not be in the best interest for the State of Maine.

The concept behind the industry funded component is that, if you remove a certain number of permits from the fishery then a portion of that effort can be redistributed to the remaining fishermen. This is based on the assumption that this amount of effort reduction will result in a recovery of fish stocks due to the buyout. If this recovery does not happen as quickly as hoped and no new reallocation of effort is possible then you have then saddled the remaining fishermen with an additional burden of a tax on their landings that could last for thirty years. Consider that the average age of a fisherman in New England is 50 years of age, that fisherman would be well into his 80's before this loan was paid back. If profits do not increase as hoped and more fishermen leave the business during this time the debt may fall to the remaining few fishermen, creating a heavier burden and spinning the industry into a vicious cycle. These considerations seem to warrant caution and careful analysis of its direct impact to Maine.

We certainly do not have an overcapacity issue in Maine. There is one boat left that is actively fishing between Port Clyde and the Canadian border, where at one time there were hundreds. According to the DMR

only 70 boats actually landed their catch in Maine in 2007. Already this year several Maine fishermen have sold out of the industry and with impending further cuts in Days-at-Sea there may be many more fishermen not far behind to sell out of this fishery forever. Maine cannot and should not lose access to this industry. If the remaining permits are sold to interests outside the state of Maine or are simply taken out of the fishery, we may never regain access back to the fish right off our shores. It is essential that we keep this critical food source and industry here in Maine now and for future generations.

In spite of all this the fishermen I have the privilege to work with have found hope. By taking one of the criteria from the buyout equation, the market structure and changing the parameters, we have found a solution for the short and long term sustainability of this fishery. Although, in its infancy, the initial success of this working model holds great promise for replication for fishermen everywhere.

Consider that we currently have a fishery whose market structure is based on volume. Catch high volumes of lower quality fish for a low price. We have a depleted fish stock here in Maine that does not allow a sufficient volume to be taken for the industry to be economically successful. There are two ways to fix this, consolidate the number of fishermen, which increases the volume of fish that can be taken thus allowing the remaining fishermen catch more fish. This leads to a consolidated fishery putting many out of work and leaving Maine's communities vulnerable, this is the Industry Funded Buyout plan. OR, you change the market structure; you catch low volumes of high quality fish and sell it at a premium price. By increasing profits, this model achieves conservation of the resource by reducing the fishing effort thus redefining overcapacity and maintaining access to the resource for fishermen and the people of Maine.

To ground truth this theory, the fishermen of the Midcoast Fishermen's Cooperative created a Community Supported Fisheries (CSF) based on the successful agriculture model a Community Supported Agriculture (CSA). By selling directly to the people of Maine using this model we have established a way to keep Maine's fishermen fishing as well as creating a bond with our customers. With this bond, they now feel a strong sense of ownership for the fishery and the fishermen in the Gulf of Maine. Our CSF customers are helping to preserve one of Maine's last remaining traditional fishing communities while supporting environmental sustainable fishing which will restore the resource and strengthen Maine's local economy. We have altered our gear to reduce bycatch and lessen the impact on habitat. By branding a product caught in a sustainable manner off Maine waters and landed in our harbor we are able to market it at a price as much as ten times that of wholesale prices.

This model has piqued the interest of people all over the country as a potential way to avoid consolidation of the fishery, to help restore the resources, strengthen local economies and create a local food supply. This was pioneered in Maine and Maine can lead the way by example.

Through our CSF program the people of Maine have sent a clear message that they want "their" community-based fishery to remain and prosper. The fishermen that I work with are determined to leave this fishery in better shape than it is right now for their children and grandchildren. I would ask you Senator, to give your full consideration to this model, along with alternative management plans like Area Management and Sectors as sound tools that would benefit Maine and New England for generations.