

Congress of the United States
Washington, DC 20515

April 14, 2011

The Honorable Gary Locke, Secretary
Department of Commerce
1401 Constitution Avenue
Washington, DC 20230

Dear Secretary Locke:

At a recent meeting, Fishermen brought to our attention that they have been solicited to participate in a privately run market for catchshare fishing allocations operated by an organization called ACExchange.org. ACExchange.org currently offers this Allowable Catch Entitlement (ACE) market for fishermen and sector managers in the Northeast to utilize ACExchange.org's "marketplace" to buy/sell/transfer ACE fishing rights for the New England Groundfishery. We have enclosed a copy of the solicitation that a fisherman received in the mail for your review. The fishermen that have contacted us are also unsure and concerned as to how this company acquired their contact information.

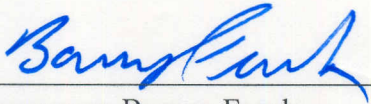
The House Financial Services Committee staff has done a preliminary analysis of the ACE market and concluded that due to what is being bought and sold is the present right to go out and fish, the market would not fall under the jurisdiction of the Commodity Futures Trading Commission (CFTC), as they do not regulate "cash" markets for purchase or sale. Additionally, the ACE market would not fall under the jurisdiction of the Securities and Exchange Commission (SEC), because one of the hallmarks of a security is that you are investing for the purpose of profiting from the work of another person or entity, rather than the right to do the work yourself.

Their conclusion was that if anyone has jurisdiction over this market, it would be the agency that created the "allowable catch entitlements" – which is of the course the Department of Commerce. Fishermen are justifiably concerned that this marketplace is operating without proper oversight. What mechanisms are in place to oversee the ACE market to prevent fisherman from abuse? Are there any regulations in place to monitor an ACE market, or a registration process to identify the entity that is running the ACE market? Who would fisherman contact to file a complaint if they are harmed by this market? Who would be responsible for any fraudulent activity by such an

entity? Did the Department envision such a marketplace when it created the catchshare system in the Northeast Ground Fishery? Are third-party operated Allowable Catch Entitlement marketplaces authorized by or allowable under the Magnuson-Stevens Act?

Thank you for your time and attention to this pressing concern. We look forward to your timely reply.

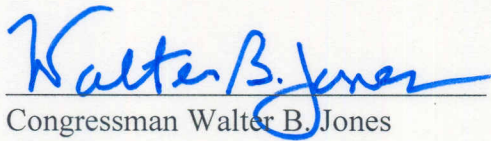
Sincerely,



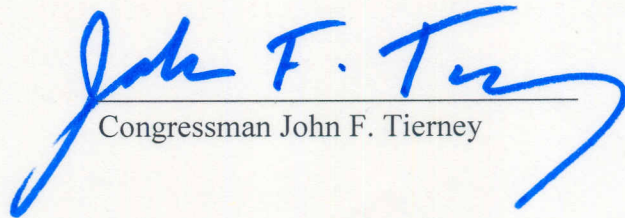
Congressman Barney Frank



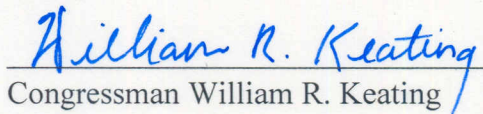
Congressman Joe Courtney



Congressman Walter B. Jones



Congressman John F. Tierney



Congressman William R. Keating