

July 26, 2011

Dr. Louis Daniel  
Chairman  
Atlantic Menhaden Board  
Atlantic States Marine Fisheries Commission  
1050 N. Highland Street, Suite 200 A-H  
Arlington, VA 22201

**Re: Issues with Respect to the Proposed Addendum for the Menhaden Fishery**

Dear Dr. Daniel:

On behalf of the forty-two below listed participants in the Atlantic menhaden bait and reduction industry, including associations, harvesters, processors, and dealers, we offer the following comments ahead of the upcoming Summer Menhaden Management Board meeting on August 2, 2011. In brief, Board should consider moving forward with an addendum to establish new, interim reference points. In terms of developing a new management program, however, we respectfully request that the Board stick to its plan to conduct a careful, open, and inclusive process before developing any new coast-wide menhaden management system.

More specifically, at its 2011 Winter/Spring meeting, the Board passed a motion to initiate an addendum to the management plan which would (1) task the Menhaden Technical Committee with developing a “multispecies approach” to management; (2) require annual reporting of recruitment; and (3) “initiate an addendum to implement an interim reference point of 15 percent [maximum spawning potential or] MSP level and develop a suite of management measures the board could use in managing the fishery.” To date, no progress has been made on the recruitment update. The Plan Development Team, however, has moved forward with a document designed to achieve the third element of the motion. By its plain terms, establishing a reference point is the only immediate management action item on the Board’s list.

The Board has time to be deliberate. The menhaden stock is at target abundance, twice the level that would be considered overfished. Further, and significantly, the “overfishing” that was found in 2008 was a matter of being only 0.004 over the fishing mortality (“F”) threshold. This was the only time in nine years overfishing occurred. Since 2008, catches and catch rates have climbed, and “anecdotal” reports suggest very strong recruitment (which is one of the reasons the Board asked for annual updates).

Thus, it is very likely that this minor problem has already been corrected. Notably, 2008 represented the lowest year in terms of landings, due solely to plant problems at Omega Protein which forced it to put its vessels on landings quotas. It is possible that these artificially low landings impacted the assessment; indeed, most of the data for the assessment is fishery-dependent. In any event, the terminal year of the assessment is always the least certain due to the limited information on age 0 and 1 fish in the model.

The Board will soon be obtaining significant new information to determine if and how it might want to craft a new management system for the menhaden fishery. A new menhaden

assessment will be conducted next year, providing updates on recruitment and the status of the fishery. As explained above, the Board has also requested an annual report of recruitment to help guide its decision-making at this important juncture, but no report has been forthcoming as of yet. Additionally, this summer, the industry is funding an aerial survey and biological sampling program that is designed to measure the abundance of older fish outside the range of the fishery. Dr. James Sulikowski of the University of New England has designed the survey and has been reaching out to members of the Technical Committee in terms of design. This new survey information will help to better determine the extent of the “doming” in the selectivity curves, which will improve the accuracy of the assessment along lines suggested by the peer reviewers of the 2010 stock assessment report.

The survey is very important as the Board considers stock-wide menhaden management. For instance, the menhaden stock assessment model essentially assumes—because it has no information—there are no age-three or older menhaden in existence outside the range of the reduction fishery in the Mid-Atlantic. This gaping hole in the data drives down both population and fecundity estimates (even though fecundity is at target levels) and drives up fishing mortality estimates. Years of tagging studies show that these older menhaden spend the summer in the northern range of the stock, outside the range of the fishery which has been greatly reduced in geographic scope.

The Plan Development Team has prepared a draft document for the Board’s consideration. In addition to the reference point, the draft document also contains an illustrative “suite of management measures” or tools, including the pros and cons of each. The document also highlights the considerable difficulties inherent in making the wholesale change to menhaden management that would be involved in transitioning to a stock-wide management approach. The Board should consider carefully whether it wants to make the series of difficult decisions that will be involved in changing from the current state-based menhaden management system to a regime that directly affects the interests of multiple states and fishery participants.

As an initial matter, quota management to a new target  $F$  designed to achieve a maximum spawning potential of 15 percent, requires (as Dr. Latour noted in his report to the Board in March) annual assessments. Without knowing the population size, it is impossible to set quotas designed to achieve a target  $F$ . The Technical Committee, moreover, rejected models designed to project stock size in order to achieve this goal due to the uncertainty of such factors as recruitment and growth.

Instead of setting quotas based on population size, the Technical Committee began investigating a work-around, discussed in the draft document, that would calculate the amount of catch designed to achieve  $F_{15}$  in the highly uncertain and unusual year of 2008. (As explained above, Omega’s catches were artificially lower in 2008 because of plant problems not related in any way to the condition of the fishery or the resource)

The Technical Committee’s suggestion could have major consequences for the full range of the bait and reduction fishery. If 2008 is used as the baseline to establish a quota, catches would be reduced by a full 23 percent compared to 2010. This is far from the “small” 5 to 10 percent reduction the Board understood moving to the 15 percent MSP approach would entail.

(Parenthetically, some environmental advocates will urge the Board to set a more conservative “target” – something along the lines of F<sub>20</sub> or greater. If that approach is taken, cuts in harvest could exceed 30 percent. This would be using a bazooka to kill a fly—a far disproportionate response to a minor overfishing problem that may no longer even exist.)

The complexities inherent in coast-wide management do not end with establishing target harvest levels. Quota management requires accurate, real-time catch reporting. To accomplish this, a broad new set of monitoring and enforcement tools will need to be developed, along with mechanisms to determine when the quota is filled. The Board will also at least need to consider whether to limit entry to the fishery, particularly given increased demand for menhaden as bait. Without limited entry, new entrants could harm traditional bait fishermen. The Board may also need to devise tools to avoid derby fisheries – that is, a rush to maximize catches by individual participants that could lead to early closure of the fishery and disruption of markets.

Finally, though far from the last complexity, are the difficult issues of allocation. Because there is no federal management plan, and thus no federal monitoring system, each state could be allocated a share of harvest to manage (and bear the costs of management). State-by-state allocations in any fishery are contentious. With menhaden, the problems are compounded due to the intermittent availability of fish to certain states, particularly in New England. Issues will also arise due to shifts in participation by fishermen in various states over time and the mobility of the bait fleet. Allocation issues that can arise in dividing fish between the reduction and bait sectors, as well as between state and federal waters, need to be carefully considered.

The public affected by these decisions has a right to participate in the plan development through a scoping process and ample opportunities for comment at all stages of development that must be protected. Creating this type of new management plan from scratch is a major undertaking that deserves serious analysis of the environmental and economic impacts. There are a large number of stakeholders who are only just becoming aware that their livelihoods are in jeopardy. They deserve a chance to have their voices heard.

Accordingly, the Board should thus resist any calls to rush forward precipitously, ahead of schedule, with the development of any new management regime. There is simply no way these processes could or should be undertaken in time for final action at the Annual meeting in November, which would be the latest that such measures could be adopted to allow the states time to implement any new requirements through their various processes.

We look forward to working with you and the members of the Menhaden Board as this process continues to unfold. Hopefully, you will take these comments to heart as you lead the Board in this endeavor. Thank you for your time and attention to these important matters.

Sincerely,

Mr. Frank O’Hara  
O’Hara Bait  
Rockland, ME

Mr. Skip Emery  
Emery’s Lobster Bait  
Kittery, ME

Ms. Jennie Bichrest  
Purse Line Bait  
Topsham, ME

Mr. Jonathan Shafmaster  
Little Bay Lobster Company  
Shafmaster Fleet Services, LLC  
Bait Lady  
Newington, NH  
Portsmouth, NH

Mr. Jack Lakeman  
J&L Lakeman Fisheries  
Gloucester, MA

Mr. Dave Ellenton  
Cape Seafoods  
Gloucester, MA

Mr. Brady Schofield  
NORPEL Fisheries  
New Bedford, MA

Mr. Louis A. Silvestro  
Channel Fish Company, Inc.  
East Boston, MA

Mr. Gerald Souza  
Ark Bait Company  
Swansea, MA

Mr. Jerry Carvalho  
Rhode Island Fishermen's Alliance  
East Greenwich, RI

Ms. Andrea Incollingo  
The Bait Company  
Pt. Judith, RI

Mr. Tom Hoxsie  
Hoxsie Fish Trap Co.  
Narragansett, RI

Mr. Allan Glidden  
Black Point Fish Trap Co.  
Narragansett, RI

Ms. Bonnie Brady  
Long Island Commercial Fishermen's  
Association  
Montauk, NY

Mr. Jeff Reichle, President  
Lund's Fisheries, Inc.  
Cape May, NJ

Mr. Greg DiDomenico  
Garden State Seafood Association  
Trenton, NJ

Mr. Peter Hughes  
Atlantic Capes Fisheries, Inc.  
Cape May, NJ  
Point Pleasant Packing  
Point Pleasant, NJ

Mr. Joe Branin  
Belford Seafood Cooperative  
Belford, NJ

Mr. Bill Formon  
Spring Lake Freezer  
Spring Lake, NJ

Mr. Jim Harris  
Trawler Abracadabra, Inc.  
Cape May, NJ

Mount Vernon, LLC  
Cape May, NJ

Western Explorer, LLC  
Cape May, NJ

Lund Marr Trawlers, LLC  
Cape May, NJ

Scombrus One, LLC  
Cape May, NJ

Mr. Bill Lumbruno  
Bunker Bill, LLC  
Cape May, NJ

Elise G, LLC  
Cape May, NJ

Walker Brothers Fisheries  
Cape May, NJ

F/V Opportune, LLC  
Cape May, NJ

F/V Golden Nuggett, Inc.  
Cape May, NJ

Mr. Bill Bright  
Loper Bright Enterprises, LLC  
Cape May, NJ

Mr. Tom Collins  
Kool Ice and Seafood  
Cambridge, MD

Mr. Jimmy Kellum  
Ocean Bait, Inc./Kellum Maritime, LLC  
Weems, VA

Mr. Monty Deihl  
Omega Protein, Inc.  
Reedville, VA

Mr. Stanley O'Bier  
Pride of Virginia Seafood  
Callao, VA

Mr. Ken Smith  
Virginia Waterman's Association  
Kilmarnock, VA

Mr. Sean McKeon  
North Carolina Fisheries Association  
Bayboro, NC

Willy R. Etheridge Seafood Company  
Wanchese, NC

Moon Tillet Fish Company  
Wanchese, NC

Wanchese Fish Company  
Wanchese, NC

cc: Members of the Menhaden Management Board  
Capt. Vince O'Shea