

TO: MULTISPECIES CAPACITY REDUCTION COMMITTEE
FROM: CHRIS MEANEY
SUBJECT: GLOUCESTER PILOT PUBLIC MEETING
DATE: 6/2/2006

This is a brief overview of the pilot public meeting held at City Hall in Gloucester on Tuesday, May 31, 2006.

Staff members present were David Borden, Chad Demarest, Jackie O'Dell and Chris Meaney. Vito Giacalone represented the Capacity Reduction Program Committee. There were approximately 24 people in attendance although only 14 signed the attendance sheet. Most of the attendees were area fisherman however the Mayor of Gloucester, two City Council members, and one City of Gloucester employee were in attendance. The Gloucester Daily Times and New England Cable News covered the event.

A brief welcome and introduction was provided by David, followed by an opportunity for questions on the meeting format. A presentation on the proposed Capacity Reduction Program was given by Chad and upon its conclusion David, Chad and Vito answered questions and clarified issues of concern. The meeting was slightly over two hours in duration.

The meeting began with a degree of skepticism which was also reflected at the beginning of the question/comment session. After substantial discussion, some who displayed such sentiments did vocalize interest in the buyout.

Below is a synthesis of participant questions, concerns, and support.

- The Mayor of Gloucester made a strong point about how upset he was that this effort HAD to take place, because he sees it as a failure of the efforts he's been involved with in trying to secure sensible regulation. He said something like he did not like that this was happening, but that there were good people putting in honest effort to offer a choice that the industry should pay attention to and offer thoughtful feedback on. They should be a part of the process, so that the program design reflects their input.
- Some attendees perceived the buyout as a government program despite both Chad and David indicating that the program is presented on behalf of a committee composed of industry representatives and a member of an environmental NGO. Whispers from the crowd such as "more government numbers" could be heard during the explanation of the bid calculation formula.

- Concern over the DAS leasing program surfaced. There are still numerous permit holders who intended to stay in the business but have not been able to secure an additional permit for logistical or financial reasons, and are depending on the leasing market to survive. This buyout would likely entice permits now functioning as lessors to sell, thus squeezing the availability of DAS to those intending to stay in the fishery. Furthermore, this may have the indirect effect of forcing the present pool of single permit vessel owners to sell out now, rather than risk a tight DAS leasing market. This could be an unintended consequence of the Buyout.
- A long-time fisherman had concerns about ensuring that, by using vessel baselines and DAS to determine fleet capacity, the program could be a failure unless future management / allocation continues to use similar baselines for determining access to the fishery. David responded that it might be possible to include language in the legislation that stresses the intent to prevent such a disconnect. This fisherman felt it would be critical that a link be created up front, and that his support would be contingent upon it.
- Some attendees took issue with catch history. Fisherman felt as though current closures put them at a disadvantage with the catch history multiplier, seeing the catch history multiplier as a reward in the formula. Others took issue with the years chosen for the catch history multiplier and suggested that the time of vessel purchase would be more appropriate.
- One participant suggested a “range” formula or calculation that fisherman could reference so they would have a ballpark figure of where they stand compared to other fisherman.
- Others wanted to know if they would have a chance to rescind their bid once they entered it if they decided they no longer wanted to participate.
- One attendee suggested participants in the buyout be exempt from capital gains tax, indicating that not all people who will participate in the buyout are those that have been in the fishery for a lifetime seeking retirement, noting that others will require money to live on once bought out.
- A common theme throughout the meeting was that pending regulation has been the reward for years of dealing with disproportionate management measures in their area and they are now basically being forced out of a business that several testified was one that they loved and do not want to give up, but are left with virtually no choice.

This list of questions will be helpful in preparation for questions and comments that may surface at future public meetings. The next meeting will be held Wednesday, June 14 4-7pm at the Fish Exchange in Portland, Maine.