

November 7, 2006

Dear groundfish permit holder,

We are writing you today to update you on the status of our efforts and to solicit your input. Along with this letter you will find a Capacity Reduction Program Development and Description document and a ballot to gauge your level of support for, and to provide feedback on, our continuing efforts in this regard.

As you may know, this program is a collaborative effort by various members of the fishing community, with coordination provided by the Massachusetts Division of Marine Fisheries. The Capacity Reduction Committee members all participate on a voluntary basis and do not represent any organization or group. A primary motivation of the Committee is a desire to create an alternative means of balancing harvesting capacity and resource availability while avoiding new restrictions that seem to be a constant in the industry. For the industry, more restrictions could loom on the horizon. The proposed default measures in Amendment 13 may require the industry to cut Days-at-Sea by 18% from current levels in 2009 unless stock conditions improve dramatically in the upcoming years. With this in mind, the Committee would like to improve the financial future of the groundfish industry, while allowing those who want to exit the fishery in the near future a legitimate and sensible way of doing so.

The Capacity Reduction Program initially took shape in the spring of 2006, and has been revised and strengthened based on industry input obtained during ten coast-wide public information sessions. Meeting summaries and the analysis used by the Committee in its decision making, as well as the Program Prospectus, are available for your review and can be found on the Committee's web site www.nebuyout.org. A majority of the Committee supports the program proposed here, and the details of the differing strategies and approaches are discussed in the Development and Description document included with this letter.

We ask that you evaluate the strategy that the Committee has prepared and communicate your position on the enclosed ballot. If a substantial majority of the returned votes indicate support, we intend to continue our efforts, seek funding from Congress, and prepare enabling legislation to implement the proposal. If the industry indicates a lack of support, the Committee will terminate this process. Please submit your ballot by November 22, 2006. If you have any questions, our staff can be reached by phone at 508-495-2008 or by email at nebuyout@gmail.com.

Sincerely,

Peter Kendall	Vito Giacalone
John Pappalardo	Phil Ruhle
Greg DiDominico	Barbara Stevenson
Bob Lane	Geoffrey Smith
Carlos Raphael	

Enc.
Program Development and Discussion
Program Benefits and Risks
Referendum Ballot