

Northeast Multispecies Fishery Capacity Reduction Program

Information Sheet

This sheet presents helpful information pertaining to frequently asked questions regarding the proposed Northeast Multispecies Capacity Reduction Program. The program is still in development, and aspects of the proposal are subject to change.

HOW DID THIS PROGRAM GET STARTED?

In 2003, Sea Grant sponsored a series of workshops up and down the New England coast regarding capacity reduction in the New England groundfish fishery. One of the conclusions of those workshops was the need for the industry to take the lead in crafting any proposals involving a buyout of fishing vessels or permits. In late 2005, a committee of active groundfish fisherman and other interests began work on just such a proposal.

WILL THE BUYOUT END OVERFISHING ON GROUND FISH?

It might help, but that is not its goal. An industry-funded fishing capacity buyout is, first and foremost, a business decision for groundfish fisherman. Those fishermen who are having a tough go of it under current regulations are provided a guaranteed market for the sale of their groundfish permit. Fisherman wishing to remain in the fishery will see fewer boats making a living from the groundfish fishery in the future. If the buyout removes a large amount of 'latent' fishing capacity, future improvements in the health of fish stocks are more likely to translate directly into healthier fishing businesses, both at sea and ashore. If the buyout removes active fishing capacity as well, then pressure on the resource may be reduced in the short term, and stock rebuilding may be accelerated.

HOW IS THIS DIFFERENT FROM PREVIOUS BUYBACKS IN NEW ENGLAND?

The New England groundfish fishery has had two previous buybacks, both of which were federally funded (the first, in 1996, targeted active groundfish vessels and the second, in 2000, targeted latent groundfish permits). The first and most striking difference between those two buybacks and this buyout is that this proposal is funded by the groundfish industry via a federally-backed loan. The second difference is in the regulations governing access to the groundfish fishery. In the past, fishing permits were readily available, even after limited access was instituted. A 2001 federal court-ordered settlement agreement, and Amendment 13 that followed it, significantly decreased the number of fishing permits available to the fishery. Substantial reductions in fishing capacity are now possible, whereas before 2001 they would likely have been cost-prohibitive.

WHO CAN PARTICIPATE?

All vessels holding a valid, current Northeast Multispecies Limited Access fishing permit with allocated Category A, B or C Days-at-Sea may participate in this program.

DO I GET A SAY IN THE PROGRAM?

Yes! This Buyout is industry led and relies heavily on your feedback. Public information sessions are an open discussion forum and a great opportunity for interested parties to

If you have further questions or require more information on the Northeast Multispecies Capacity Reduction Program please visit nebuyout.org or contact 508-495-2008.

learn more and voice their comments, concerns, and suggestions. The Capacity Reduction Committee reviews and discusses input provided by the public at meetings and uses the information as a foundation for decision making. In addition, you can call 508-495-2008 or visit nebuyout.org and send an email to ask questions or provide feedback.

WHEN MIGHT THE BUYOUT ACTUALLY HAPPEN?

The proposed Buyout is currently in the public discussion stage of development. If the current timeline is maintained, the Buyout may be implemented as soon as late summer or early fall of 2007. See the buyout timeline available online at our website for more details.

HOW MUCH MONEY WILL BE NEEDED AND HOW MUCH GROUND FISH FISHING CAPACITY WILL BE BOUGHT?

The Committee anticipates requesting a loan of between \$75 and \$150 million dollars from the United States Congress. The Committee has set a desired minimum amount of capacity removed through this program at 30% of the fleet's total capacity (*this percentage is a working number and may be changed*). Capacity is being estimated using upgraded permit baseline vessel length and horsepower, as well as allocated Days-at-Sea.

WHAT SHOULD MY BID BE BASED ON?

Your bid is entirely up to you! Your bid will be a personal decision on the amount of money it would take for you to surrender your permit or permits. Note that exactly which permits you will be surrendering is based upon which Alternative is ultimately selected.

WHAT AM I BEING PAID FOR IF MY BID IS ACCEPTED?

In all cases, you will be paid the amount of your bid. In addition to surrendering your groundfish permit, two Alternatives (2 and 3) may require the surrender of all federal fishery permits. If this is the case, additional payments will be added to the amount of your bid. Funds are also available for the retirement of category 'C' Days-at-Sea, and further funds may be available to permit holders who chose to participate in the voluntary vessel scrapping program.

IF MY BID IS ACCEPTED WILL I HAVE TO STOP FISHING ALTOGETHER?

No! The program requires the surrender of a permit or permits, depending on the final Alternative selected, but it places no constraints on what a person may do in the future.

IF I CHOOSE NOT TO BE BOUGHT-OUT, WHAT WILL THE BUYOUT COST ME?

If you choose not to be bought out or if your bid is not successful, you will be required to pay a fee on all landings from trips made on a multispecies Day-at-Sea for the term of the loan (estimated to be 30 years).

HOW DOES THE BUYOUT ADDRESS THE POTENTIAL FOR EFFORT SHIFTING FROM THE GROUND FISH FISHERY TO OTHER FISHERIES?

It is difficult to determine exactly how effort may shift. The Committee has proposed several choices for reducing capacity in the groundfish fishery. Each choice has a different outcome with regard to what a permit holder can do with their vessel after the Buyout is complete. You should pay particular attention to the three Alternatives, as well as the Options for Disposition of Vessels, and judge for yourself what you think the implications of these choices may be.

If you have further questions or require more information on the Northeast Multispecies Capacity Reduction Program please visit nebuyout.org or contact 508-495-2008.