

 **Southwest Office**
P.O. Box 29196
San Francisco, CA
94129-0196 USA
Tel: 415/561-FISH
Fax: 415/561-KING



 **Northwest Office**
P.O. Box 11170
Eugene, OR
97440-3370 USA
Tel: 541/689-2000
Fax: 541/689-2500

28 September 2011

The Honorable Barack Obama
President of the United States
1600 Pennsylvania Avenue, NW
Washington, DC 20500

RE: Job Creation and Deficit Reduction Opportunities for America's Fisheries

Dear Mr. President:

Recently the Institute for Fisheries Resources was asked to provide a fisheries perspective on your administration's jobs bill, together with the various proposals aimed at reducing the nation's deficit. I am pleased to provide you, along with others, my thoughts in this letter. If approached thoughtfully, the American Jobs Act's emphasis on rebuilding infrastructure could create a positive and long lasting affect on our fisheries - America's oldest industry.

The Institute for Fisheries Resources (IFR) is a non-profit organization created to assist the fishing community with outreach, education and research. While our focus is providing assistance to commercial fisheries, many of our efforts have also benefited important tribal and recreational fisheries, and fish conservation generally.

By way of introduction, I am a commercial fisherman, in addition to serving as the president of IFR. I was one of two commercial fishermen to have served on the Pew Oceans Commission, a distinguished body that included Secretary of Defense Leon Panetta, NOAA Administrator Dr. Jane Lubchenco, and former EPA Administrator Christine Todd Whitman. As a Pew Commissioner, I had the opportunity to travel around our nation talking with fishermen, community leaders, scientists and others about the state of our oceans and the communities and economies that depend on the living and non-living resources from the sea.

Following publication of the Pew Oceans Commission report, I have remained active with the Joint Oceans Commission Initiative (JOICI), which includes members from both the Pew and the U.S. Commission on Oceans Policy working to implement the recommendations we developed for a national ocean policy. Additionally, I am currently a member on the West Coast Governor's Agreement on Ocean Health's "Sustainable Coastal Communities Action Team," and have served as an elected member of the San Mateo County Harbor District for the past 16 years.

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Finally, I was a U.S. delegate to an international fishing organization – the World Forum of Fish Harvesters & Fishworkers. I have thus had the opportunity to visit fishing communities around the globe, which has given me insight into the problems and needs of one of our world's oldest occupations both here and abroad.

JOBS

As you travel the nation discussing the need for job creation and your American Jobs Act, I hope you will visit some of our nations' fishing ports. There, many jobs have been lost and many who are still fishing worry that there is no future in their chosen profession. They not only worry that they will have nothing to pass on to their sons and daughters, but whether they will still have work the next fishing season.

I urge you to visit our fishing communities – the historic ports of Gloucester and New Bedford, the Eastern Shore of the Chesapeake, north to fishing villages such as Point Judith and Port Clyde, west to San Francisco's Fisherman's Wharf or Seattle's Fishermen's Terminal, to Eureka or Astoria, up the coast to Sitka, Ketchikan or Kodiak, south to the Florida Keys, Houma, Bayou La Batre, Biloxi or Brownsville, and any of the dozens of other communities along the mainland coast, Hawaii and the Great Lakes where fishing men and women brave the treacherous waters bringing to market fish for the nation's tables - as they have for hundreds of years.

Your American Jobs Act, with its focus on rebuilding our nation's crumbling infrastructure, could significantly help our nation's fishing industry, which in turn would help protect and create permanent and sustainable jobs. Fishing communities need to hear that, and you need to hear from fishing communities.

Repairing the nation's crumbling infrastructure can help put people back to work quickly and upgrading water treatment facilities and expanding water supply through conservation and reuse will improve the health and vitality of fisheries leading to more permanent jobs.

Water Quality. Infrastructure is not just roads, bridges and schools. For our fish to be abundant, healthy, and safe to eat, they require clean water. But for our fish, like for too many of our communities, the supply of clean water is getting scarce. Just this past weekend, the *New Jersey Star-Ledger* reported on a sewer system that was falling apart and polluting fish-bearing rivers. The outlook for fixing it was bleak with an estimated cost of \$8 billion.

On the Pew Oceans Commission we found that the equivalent of three *Exxon Valdez* spills a year of oil wash off our streets into our waterways. It is time to update our sewer systems to prevent the runoff polluting our waterways and creating a public health problem, harming our fish and costing jobs in the fishing industry. It is also time to lend assistance to our farmers, helping them prevent agricultural runoff containing nitrogen-rich fertilizers and pesticides that are polluting our waters. The West Coast Governor's Agreement on Ocean Health includes recommended actions to combat polluted run-off, as well harmful algae blooms and hypoxia, which should be considered in development of a modern water quality infrastructure.

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The nation's sewage treatment plants need updating to meet current water quality standards and meet the challenge posed by the types of new chemicals entering our waste system; these include endocrine disrupting compounds found in some cosmetics and pharmaceuticals that, untreated, change the behavior of fish – even their sex – and their ultimate survival. These endocrine disruptors can also affect the health of children if they get into drinking water supplies.

The problem is not simply old water treatment plants that can't meet current water quality standards or modern facilities lacking the technology to treat endocrine disrupting compounds, many of our water treatment facilities still use our public waterways as their default dumping area when there are overloads or power failures. This is not acceptable and there are solutions for dealing with untreated water - when there are facility overages or outages - which will not impair water quality, public health and the health of our fisheries.

Lastly, cleaning up many of the nation's polluted groundwater basins could help to expand water supplies and thereby reduce pressures on our fish bearing streams. Groundwater basins are the environmentally preferable place for water storage – and the least expensive. Investing in clean-up of these basins will create employment now and for the future and help to protect the jobs of fishing men and women in many regions of the country where fishery abundance is tied to stream flows.

Water Supply. Coupled with upgrading the nation's water treatment infrastructure, there is a critical need to upgrade its water supply infrastructure as well. This is especially important now with climate change anticipated to disrupt weather patterns and precipitation. Water quantity is not just an issue for our freshwater fisheries or anadromous fish stocks, such as salmon; it is important, too, for a myriad of commercially-important, estuarine-dependent species. Estuarine health depends on freshwater inflow mixing with tidal waters to create the rich, brackish ecosystems that fish and shellfish use for spawning and nursery habitat, where young salmon gain strength to go to sea. When estuaries are deprived of freshwater inflow they change, the native fish are lost and invasive species thrive. The freshwater flowing into our estuaries produces food and jobs, it is not water "wasted to the sea," as some contend.

For the fishing community, developing a water supply infrastructure - which includes more efficient use of available developed water – is necessary to ensure there are ample flows left in lakes, streams and rivers to support fish. It also ensures that groundwater basins are not overdrawn (which can affect streamflow levels) and freshwater inflows to estuaries are maintained.

A recent informational hearing held by the House Subcommittee on Water & Power heard from experts saying, "[r]euse is the world's greatest untapped source of water." Water conservation/efficiency combined with reuse/recycling can make our existing supplies go farther and better prepare us for the uncertain and erratic precipitation anticipated from climate change. Developing a water supply infrastructure that emphasizes conservation and efficiency, reuse and recycling, combined with the development of "green" desalination technology, will not just create jobs and provide for more secure water supplies for our cities and farms, but it will help alleviate pressure on our lakes, streams, rivers and estuaries that also produce food and support jobs.

Dam Removal. It may appear counterintuitive to include dam removal with a list of infrastructure projects. But removal of antiquated dams and other river barriers that are either dangerous, or of marginal value for hydroelectric power or water supply, provides an opportunity for allowing rivers to again run free and restore fish populations by reconnecting them with their

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historic habitats. We were heartened by the statements from Interior Secretary Ken Salazar during his recent swing through the west about the cost benefits to be had from the removal of the dams on the Klamath River. There are many other dams in the west and other regions of the nation that are or should be candidates for removal. Their removal would create jobs in the short term, together with long term jobs from revived fisheries and new businesses created by restored river ecosystems.

Working Waterfronts. It is not just our roads, bridges and schools that are crumbling, or a water treatment and water supply infrastructure that needs upgrading, but our nation's working waterfronts have been in a state of decay for years and need attention. It is true we have seen a modernization of our major ports to better handle container shipping facilitating our nation's trade. Yet our smaller ports, especially fishing ports, have been neglected. These are the ports from where most commercial and recreational fishing takes place. These are the ports that help support coastal tourism from the Maine coast to the Mendocino coast to the Gulf Coast. These are the ports that provide refuge for small craft in a storm. These are the ports that will be increasingly utilized for supporting and supplying some of the new ocean uses now under consideration, such as renewable energy.

The Western Governor's Agreement on Ocean Health has recognized the importance of revitalizing our nation's working waterfronts and made it one of its priorities. Restoring the small and mid-size ports of our nation will bring jobs now and create permanent jobs in the future. Working waterfronts need to be part of the infrastructure element of your jobs bill.

Tax relief will help fishing families and small fishing businesses, including fishing vessel owner/operators and fish processors

The tax relief provided for in the American Jobs Act will help our fishing families. Moreover, it will help small fishing businesses, which includes all fishermen and women who operate their own vessels, along with small fish processing plants and support industries, such as fuel docks, ice houses, boat yards and repair shops. Small recreational fishing businesses, including charter fishing operations and bait and tackle shops, will also be helped. I strongly agree with you that the cost to the budget of this relief can be offset by ensuring all Americans pay their fair share, with an equal tax rate for all.

Fishermen understand the need for rules and regulations and support them where appropriate; your administration should not weaken or eliminate environmental regulations that also protect fishing jobs

We've heard a lot about the need to weaken or eliminate regulations to stimulate job growth. That would be a mistake. We know in the fisheries that rules and regulations are essential for the survival of our industry. Without rules and regulations our fisheries would be destroyed.

Just last week here in California, the Governor signed legislation to implement trap limits in our Dungeness crab fishery. This was not a regulation sought by some bureaucrat, but by crabbers who recognized controls on their fishing were necessary to provide for an orderly fishery, to protect wildlife and other fisheries, and for them to prosper. The bill signing culminated in nearly a decade of effort by these fishermen to place limits on themselves. In the decade before, squid fishermen took similar action, initiating legislation to protect the state's most valuable fishery by putting it under a management plan.

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I raise the issue of regulations, because there are some who would repeal many of the changes made to our nation's primary fishery law – the Magnuson-Stevens Fishery Conservation & Management Act (MSA) – specifically amendments that minimize fishery bycatch, protect essential fish habitat, prohibit overfishing and rebuild overfished stocks. Waiving these MSA requirements may provide some temporary job relief, but would be disastrous, I believe, for long term employment in the fishing industry. Where there are short term fishing job losses due to restrictions imposed for stock rebuilding we ought to be looking for ways to employ fishermen and their vessels in activities such as collaborative scientific data collection and research – helping them in the short term, but also helping provide the good science base for their fisheries when they can return to full fishing. Opportunities for fishing men and women and their vessels to engage in marine debris removal should also be considered for those whose fisheries have been restricted under rebuilding plans.

I am also concerned that some would seek to waive environmental protections such as Clean Water Act water quality standards claiming job protection or creation. Those claims, I believe, are dubious. Moreover, weakening environmental regulations that protect watersheds and freshwater and coastal waterways will jeopardize fishery jobs.

Some regulatory changes are needed, however. The one area of regulation of our fisheries that has cost jobs and could cost far more, unless significant changes are made, has to do with “catch shares.” Catch shares is the catch-all term used to include individual fishing quotas (IFQs), sector allocation and community fishing associations (CFAs).

Individual fishing quotas, the most common form of catch share to date, can improve the safety of fishing operations, increase the value of the catch, even give an individual fishing man or woman more control over their small business fishing operation. Unless extremely carefully crafted, however, these programs can result in unnecessary job losses and a reduction in payments to remaining crew, as happened in the Bering Sea/Aleutian Island crab fishery. They can result in a massive consolidation of the fishery into a few hands as happened with the Mid-Atlantic surf clam fishery. And, IFQ programs can force out smaller operators and cut-off many communities' access to the fish stocks from adjacent waters they have historically depended upon – this is what is expected from the Pacific groundfish trawl “rationalization” plan.

To protect existing fishing jobs and help create new ones, explicit guidelines for catch share programs are needed; current policy does not do that. These guidelines, or standards, need to, among other things, 1) prevent massive consolidation of fisheries into a few hands, 2) prevent the *de facto* privatization of public fishery resources, 3) protect the access of fishing communities to their fish stocks, 4) protect fishing jobs, and 5) ensure fishing men and women not end up as seafaring sharecroppers or itinerate laborers under catch share programs. Moreover, as many communities look to establish CFAs, its important guidelines are established so as not to stymie development of this potentially promising form of catch shares.

Fishermen understand the need for regulations, but bad or poorly crafted regulation or policy, such as we now have for catch shares, requires change. A thorough and independent review is needed now of catch shares to determine what changes, what fixes are needed, or whether the whole program should be scrapped.

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Funding of long-term science programs will lead to healthier fisheries and more permanent jobs.

The 2006 Magnuson-Stevens Reauthorization Act included explicit language to ensure fishery management was science-based. For many of us committed to the future of our fisheries, this was a no-brainer. To ensure our fishing is sustainable, we rely on science to guide us in the development of annual catch limits, season structure, and other measures to ensure the future of fish stocks and their dependent fisheries. The problem is some of the science we have to rely on is suspect, even non-existent. In some instances stock assessments are old, in other cases they were incomplete or failed to cover the extent of the range, or the gear or instruments used were ineffective. Relying on poor or incomplete science puts our fisheries at risk – either from a failure to take full advantage of abundant stocks available for harvest, or from inadvertently fishing stocks that were not as plentiful as we believed.

The single greatest investment that can be made in our fisheries at this time -one that will protect or create thousands of fishing jobs - is in fishery science. This science encompasses full and up-to-date stock assessments, ongoing data collection, and research. We are pleased that many members of Congress recognize our fishery science needs and were willing to grant your budget request, while they trimmed other budget items. What is troubling is that funds needed for and allocated to science have been diverted for other uses having nothing to do with conservation, such as catch share implementation. (Even more troubling was the award of a USDA research grant to a private company to develop sterile genetically-engineered salmon, which if granted approval by the FDA would be grown in a foreign country and sold into a market already glutted with inferior farmed salmon.) Job protection and creation in the fishing industry will not be achieved by short changing fishery science, particularly for questionable programs subsidizing catch share programs or the research and development costs for a private company developing genetically-engineered fish.

It is unfortunate when precious federal dollars are diverted from fishery science for questionable and controversial purposes, but ignoring science in fishery management would be a serious and costly mistake. Sound science is the foundation for sustainable fisheries management and it must be the first priority for fishery dollars. Here, science equates directly to jobs.

Aquaculture must be approached in a manner that will protect, not harm, existing wild fisheries and can be a source of community revitalization and permanent job growth.

According to most fishery scientists, the world fish catch has reached its peak and wild fish production is anticipated to be somewhere between eighty-five and ninety-five million tons annually. To meet the growing demand for fish and shellfish, wild fish production will need to be augmented by aquaculture. This could create new jobs. There are different forms of aquaculture. Some can be sustainable, create permanent jobs, will help to create a net increase in the amount of protein available for human consumption, and will compliment the existing wild fish catch. However, many forms of aquaculture are not sustainable. They threaten wild fish populations, harm existing fisheries, and actually diminish, not increase, the overall supply of protein for human consumption.

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Open water aquaculture, including open ocean finfish aquaculture, is particularly problematic. There are a myriad of problems relating to pollution, spread of disease and parasites to wild fish populations, escape of farm fish (including exotic and invasive species) into the wild with unknown consequences, dependence on wild-caught fish for feed, and less than favorable feed conversion ratios that result in a net loss of edible protein. Conversely, onshore, contained, re-circulating aquaculture systems eliminate many of those problems. These systems can be located in a variety of different areas, from blighted urban areas as part of renewal programs, to the conversion of problem irrigated croplands, even to the desert. This is the type of aquaculture your administration should be promoting from the standpoint of both sustainable food production and job creation.

DEFICIT REDUCTION

I support your plan to use federal dollars now to stimulate job creation, and there is great opportunity for projects that will help our nation's stocks of fish and shellfish. Some of what is needed for job creation and protection in our fisheries will not come from a one or two-time infusion of federal dollars into the economy. For example, the science needed for our fisheries is an ongoing investment. Data sets are of little use if they are only collected following a federal expenditure. Coupled with the discussion of job needs and deficit reduction, there needs to be a discussion now on how to fund items such as science over the long-term.

A Fisheries Trust Fund can be a source of consistent funding for critical and ongoing fisheries research.

On the Pew Commission, one of the most important recommendations we made was for the development of an ocean trust fund to provide a stable and long-term funding source for our nation's ocean programs. The U.S. Commission on Ocean Policy developed a similar recommendation. As a commissioner I strongly supported establishment of an oceans trust fund, and I strongly support the creation of a national fishery trust fund as well.

A little over eight years ago, I co-authored an article, "Planning and Paying for Future Fisheries Research" for *The Fishermen's News*, a West Coast commercial fishery trade publication, calling for the creation of such a trust fund (see: <http://www.pcffa.org/fn-aug03.htm>). In the years following, draft legislation was developed to create such a trust funded by a nominal fee on all seafood sold in the U.S., but no bill was ever introduced. This year, on March 17th, the Pacific Coast Federation of Fishermen's Associations wrote you encouraging discussion on the establishment of a fishery trust fund to support fishery science and other national fishery needs (<http://www.pcffa.org/FishFundingLtrtoPresident-17Mar11.pdf>).

On the eighth anniversary of the aforementioned article on fishery trust funds, I again co-authored a *Fishermen's News* article (<http://www.pcffa.org/fn-aug11.htm>) proposing creation of a more modest trust fund based on the existing Saltonstall-Kennedy Act that would be aimed solely at fishery research. The creation of such a fund could provide the long-term funding for the fishery science needed to support sustainable fisheries and sustainable jobs in America's oldest industry.

I am encouraged by the bi-partisan leadership of Senators Whitehouse and Snowe with the introduction of the National Endowment for the Oceans (NEO) which establishes for the first time an oceans trust fund, much as called for by the two oceans commissions. Many of the programs

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NEO would fund will be good for our fisheries. With the introduction of the NEO, it is now time to develop a national fisheries trust fund.

What has become apparent to me is that your American Jobs Act, particularly if expanded to include improvements for the fishing communities that are mentioned above, is critical for revitalizing our fishing communities – communities which have been an integral part of this nation's heritage. I encourage you to engage with our fishing communities on the American Jobs Act. But, particularly in light of pressing deficit reduction talks, I also ask that you consider and initiate discussions on long-term fishery funding needs, and the creation of a fishery trust fund to ensure our national fishery science and other needs are met. That kind of long-term thinking and investment will lead to long-term and permanent job creation.

I urge you to meet with fishing communities around the country. I and others in the fishing fleet look forward to working with your administration to protect and expand fishing jobs.

Sincerely,

Pietro Parravano
President, Institute for Fisheries Resources

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