

Legislative Briefing
Management of Rhode Island's Marine Fisheries

**Based on discussions held during the Coastal Institute Phase I/Phase II Fisheries
Management Reform Initiative – 2001-2002**

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April 2002

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Summary:

- ?? ***Need for Change:*** Marine fisheries in the state are under stress, federal and regional management measures are becoming increasingly restrictive, and state managers are struggling to establish a proper balance between fishing pressure and resource protection.
- ?? ***End Moratorium on New Licenses:*** There is general agreement that Rhode Island needs to move past the short-term response of imposing moratoriums on new licenses, replacing the current moratorium with a system that provides for people to enter into and retire out of commercial fishing. The key policy question is whether new entry should be controlled.
- ?? ***Only State With Open Access:*** Rhode Island is the only state on the east coast to continue to have open access to its commercial fisheries.
- ?? ***Status of Major Fishing Sectors:*** The condition of the resource and management needs vary among the state's three major fishing sectors.
- The ***quahog resource*** may be reaching a point of being susceptible to overharvesting. There is concern that a return to open access licensing at the end of the current moratorium will lead to an imbalance between fishing pressure and sustainable levels of harvest, resulting in severe impacts on both the resource and those who rely solely on shellfishing for a livelihood.
 - The ***lobster resource*** is in a serious state of decline, due to a variety of factors including overfishing. Without added controls on entry, blanket management measures such as quotas, closed season, and closed areas are likely to be imposed.
 - Many of the state's commercially valuable ***finfish species*** are under federal, regional, and state quota restrictions as part of recovery programs. Existing participants in all user group categories fear that a return to open access licensing in restricted fisheries will make the conflicts worse and further decrease an individual's share of the limited allowable catch.
- ?? ***Need for Better Database:*** Management measures need to be based on good information. There is a need to develop a new state fisheries data collection system that provides timely, accurate, and complete data on fishing effort and catch by species.
- ?? ***Management Challenge:*** The challenge in designing a licensure framework and management process is tied to the need to protect both the state's marine fisheries resources and the continued livelihood of Rhode Island commercial fishermen.

These findings are the result of a Phase I/Phase II fisheries management initiative conducted at the Coastal Institute, University of Rhode Island over the course of the past year. In accordance with legislative mandates delineated in H6544, managers, members of the fishing industry, state policy advisors, scientists, economists, environmentalists, and interested individuals spent over 130 total hours in 50 meetings identifying, discussing, and evaluating options for fisheries management reform in Rhode Island. The focus was on licensing, and included the concepts of allocation, fairness, flexibility, data collection needs, new entry, market mechanisms, business security, and resource management.

I. Overview:

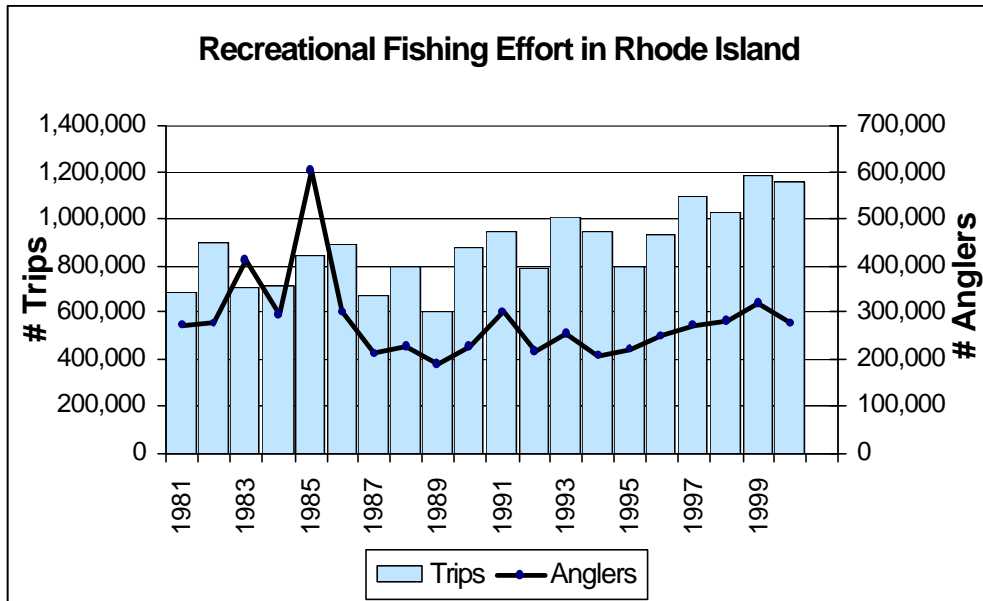
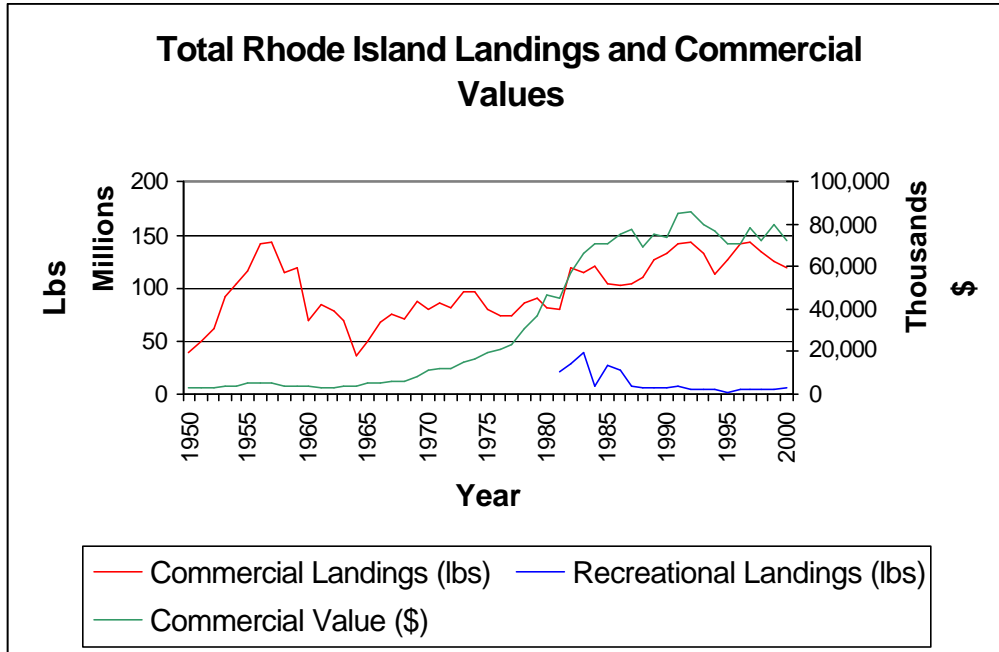
Rhode Island's marine fisheries have historically and continue to be an important part of the state's economy and way of life. Latest available data from the Rhode Island Seafood Council list dockside value of landings at over \$71 million, with the total value of the RI seafood industry in excess of \$712 million. [Most of the landings (some 85%) are destined for foreign markets.] On a national basis, Pt. Judith ranks 8th in terms of value of landings by port. In addition to the jobs commercial fishing generates, it also provides a ready source of food and an opportunity to maximize use of, in an environmentally sound way, the natural resources so intricately connected with being an "ocean" state.

The state's marine fisheries are divided into three major sectors: shellfish, lobster, and finfish. The shellfish sector includes oysters, soft shell clams, and most importantly, quahogs. The lobster sector is primarily comprised of the highly valued northern lobster, *Homarus Americanus*, with some crabs as well. The finfish sector targets a variety of species including winter and summer flounder, tautog, striped bass, scup, bluefish, butterfish, squid, menhaden, skate, and dogfish. A wide range of gear including otter trawl nets, gill nets, fish pots, lobster traps, rod and reel, and clam rakes are used to harvest these species. The state currently issues about 4,500 commercial fishing licenses. [Lazar and Lake, 2001]

Rhode Island marine waters also support a sizable recreational fishing sector. While accurate data on this component is lacking, it is estimated that in the year 2000, some 300,000 saltwater anglers made 1 million fishing trips, with the majority of them being from out of state. [Lazar and Lake, 2001] This indicates that the recreational component is significant both in terms of the associated revenues generated [support industries] and harvesting capacity.

Jurisdictional boundaries make Rhode Island's fisheries management program part of a larger system. State waters include all of Narragansett Bay and out to 3 miles from the shoreline, including a 3 mile zone around Block Island. Federal waters extend from 3 miles out to 200 miles. Marine species that spend most of their time in the federal zone are managed by the New England and Mid-Atlantic Fisheries Management Councils. [Rhode Island has voting representation on the New England Council but only non-voting

representation on the Mid-Atlantic Council.] Superimposed on the state/federal jurisdictions is a regional system. Rhode Island, together with other states along the Atlantic seaboard, is a member of the Atlantic States Marine Fisheries Commission which develops management plans for species that migrate along the coast but stay primarily within state waters. The shellfishing sector is the only one that Rhode Island manages entirely on its own.



Graphs from Lazar and Lake, 2001.

II. Status of Fisheries Management in Rhode Island:

Rhode Island has a tradition of allowing open access to commercial marine fishing and remains the only state on the east coast, and one of only two coastal states nationwide, to continue to do so. [Mississippi currently has open access but is considering limited entry.] However, in the face of increasingly complex and restrictive federal and regional management measures, stock declines, and record levels of fishing effort, Rhode Islanders have found themselves in the position of needing to re-examine this policy. Underlying this evaluation is the broader question of whether or not Rhode Island's current statutes and programs for fisheries management and licensure are flexible enough to meet changing conditions and circumstances.

At any given time, the condition of the resource and management needs vary among the state's three major fishing sectors. Currently, in the shellfishing sector, resource managers report that the quahog resource may be reaching a point of being susceptible to over harvesting. Past trends indicate that the number of participants in this sector is closely tied to the general state of the economy. Given the relatively low capital investment involved in participating, people turn to shellfishing as an alternative means of making a living during bad economic times. At the same time, market demand for shellfish typically declines during economic slowdowns. There is concern that a return to open access licensing at the end of the current moratorium will lead to an imbalance between fishing pressure and sustainable levels of harvest, resulting in severe impacts on both the resource and those who rely solely on shellfishing for a livelihood.

In the lobster fishery, all indications are, from both management and industry perspectives, that the resource is in a serious state of decline. With the decline of the inshore stocks most prevalent, lobstermen are being forced to pursue stocks further offshore, resulting in the need to acquire larger vessels, incur higher fuel costs, invest more time in harvesting, and in some cases, cut crew and take on additional safety risks. While the decline is most likely attributable to a variety of factors, including overfishing, the end result is that the lobster resource is in a very vulnerable state at a time of record levels of fishing effort.

Managers have stated that rebuilding of the lobster resource will require implementing a variety of fishing restrictions, some already in place. Without added controls on entry into the fishery, management measures are likely to expand to include closed seasons, closed areas, and quotas, blanket measures that are viewed by some as fair and equitable but by others as having very serious consequences for invested lobstermen, and for the overall economic stability of the fishery.

The finfish sector encompasses a variety of species, gear types, and user groups, with the central management issue being one of allocation of quotas. As part of stock recovery programs, many of Rhode Island's commercially valuable finfish species are under federal, regional, and state quota restrictions. Managers divide these yearly quotas

into quarters, and institute daily possession limits to extend the harvest over time and give access to all user groups. When the quotas are reached, the fisheries close.

Limited total catch levels result in intense competition among the various user groups, all competing for what they view as their fair share of the harvest. The competition appears to be strongest between the growing number of part-time, rod and reel fishermen and the year round, full-time otter trawl fishermen. Smaller, part-time operations seem to have the advantage in the summer months, when the weather is calmer, the resource is closer inshore, and lower daily catch limits are in effect. Larger operations which tend to be full-time fishermen, find the lower daily catch limits difficult to balance against their higher costs of operation, and are forced to seek out other species that may be less available and/or marketable. Existing participants in all user group categories fear that a return to open access licensing in restricted fisheries will make the conflicts worse and further decrease an individual's share of the limited allowable catch.

III. Fisheries Management Reform Initiative:

Assessment of the current conditions and management needs in the state's major fishing sectors has been the basis of discussions on fisheries management reform over the course of the past year. Under a pause in issuance of new licenses provided for by a moratorium, managers, members of the fishing industry, scientists, economists, environmentalists, and interested individuals spent over 128 total hours in 49 meetings at the Coastal Institute, University of Rhode Island identifying, discussing, and evaluating options for fisheries management reform. As a prelude to and in response to the legislative mandates outlined in the Marine Fisheries Management Modernization Act of 2001 [H6544], discussions focused on the areas of licensing, data collection, and aquaculture.

The Coastal Institute process, structured into a Phase I/Phase II project, culminated in the submittal of two reports. The first, "Options for Commercial Fishing Licensing in Rhode Island", compiled an initial list of licensing options put forward in a series of public meetings held in the winter and spring of 2001. The second report, "Commercial Fishing License Reform Initiative – Phase II" summarized the proceedings of a series of subcommittee and plenary sessions held during the fall of 2001. Phase II built upon the discussions begun in Phase I, and focused on the development of more detailed and comprehensive options for licensure and fisheries management. Both reports were submitted to the Intergovernmental Working Group on Fisheries Management [IWG]. In addition, RIDEM, using input received during the Coastal Institute meetings and in accordance with a legislative mandate delineated in H6544, submitted, under separate cover, its own set of licensing recommendations to the IWG in December 2001.

These documents served as the basis for the drafting of the "Commercial Fishing Licensing Act of 2002" by the IWG in January 2002. The bill outlines the underlying principles for an adaptive system of fisheries management, a new licensing structure, and procedures for an accompanying rule making process. Since the bill's original drafting,

IWG members have continued to work with industry representatives, managers, the academic community, and others to discuss suggested changes and refinements.

IV. Policy Issues:

In recognition that licensing can be used as a tool in fisheries management, much of the discussions on fisheries management reform during the Phase I/Phase II Coastal Institute process focused on options for restructuring Rhode Island's commercial fishing licensure system. Imbedded in the licensing topic are the concepts of allocation, fairness, flexibility, data collection needs, new entry, market mechanisms, business security, and resource management. The challenge in designing a new licensing framework revolves around the need to protect both the state's marine fishery resources and the continued livelihood of Rhode Island commercial fishermen.

Some of the more pertinent policy issues connected with the licensing topic include the following:

Controlled vs. Open Access: Central to the debate about license restructuring is the question of whether or not licensing should be used as a tool to control fishing effort. When fishing mortality rates exceed sustainable levels, should limits be placed on the number of participants in combination with other measures, or should managers rely solely on technical measures such as gear restrictions, quotas, closed fishing areas, and closed seasons? Inherent in this debate is the choice of whether or not management measures should be aimed at providing some degree of economic stability for full-time, invested fishermen, or whether management measures should embrace a survival of the fittest approach.

Flexibility Vs. Management Needs: Under the current licensing system, fishermen with a multipurpose license have the flexibility to move among fishing sectors in response to changing conditions. The drawback is that managers do not have accurate information on the number of active participants in particular fishing sectors, and the effort being exerted to land the harvest. They also do not have the management option of controlling the number of participants entering overfished fisheries, a type of input control. The question becomes how do we best preserve the flexibility which enables RI fishermen to adapt to changing market conditions and resource availability and still enable managers to have the necessary management tools available to assess and control fishing effort to rebuild or protect fish stocks?

New Entry: Maintaining some degree of flexibility for fishermen to move laterally between fishing sectors, and providing opportunities for "new blood" to move into the fishing industry as other fishermen retire, are commonly held goals. The difficulty becomes how to accommodate these needs in fisheries where the resource is in a serious state of decline or under restrictive quota measures such that additional fishing effort further diminishes individual shares of the total allowable catch. It also involves a question of fairness if lateral movement is allowed into some sectors but not others. Should a ranking system be established to determine entry when the number of people

desiring to enter a fishery exceeds the number of participants called for in managing fishing effort? If so, what values should guide the development of the ranking system?

Transferability: Licenses can take on value, depending on rules governing their transfer. Under a free market system, licenses, together with vessels and gear, become assets when fishermen choose to sell their businesses. A fisherman's ability to sell becomes dependent on a buyer's assurance of being able to go fishing. In overfished sectors, however, consolidation of licenses may be a desirable goal. How restrictive should license transfer rules be when fishing effort needs to be decreased for stocks to recover?

Latent Effort: Some current license holders are not actively fishing but are simply holding onto their right to access fisheries. In fisheries where stringent management measures are being contemplated or are in place, it is perceived by many to be a problem. The concern is that the benefits of stock recovery programs resulting from the sacrifices of those active in the fishery will be dissipated if latent license holders become active participants. Should a new license structure provide a mechanism such as a higher fee structure that would discourage holding onto licenses for speculative purposes? Should inactive licenses be involuntarily retired?

Decision-making process: Authority to make decisions regarding access to Rhode Island's fisheries currently lies with the General Assembly. If the state moves in the direction of allowing for controlled access based on resource abundance levels, does the current decision making process allow for timely and flexible decisions to be made? Should an alternative process that encompasses standard administrative procedures be instituted?

V. Management Goal:

The primary focus of Rhode Island's current efforts to reform fisheries management is on designing a licensure framework and management process that enables managers to best achieve the overall goal of balancing fishing pressure and resource protection. More specifically, the challenge is to develop a licensing framework and fisheries management approach that complements data collection, enables managers to respond quickly to changes in stock conditions, differentiates management approaches for different fishing sectors, provides tools to better deal with allocation issues associated with mandated quotas, and integrates economic and social considerations into management measures.

References:

Lazar, Najih and John Lake, 2001. Stock Status of Marine Fisheries in Rhode Island. State Department of Environmental Management, Division of Fish and Wildlife, Marine Fisheries.

List of Groups Participating in Coastal Institute Process:

- Intergovernmental Working Group on Fisheries Management
- Rhode Island Department of Environmental Management
- Rhode Island Marine Fisheries Council
- Rhode Island Department of Health
- Coastal Resources Management Council
- National Marine Fisheries Service
- New England Fisheries Management Council
- Rhode Island Sea Grant Program
- Fish, Fisheries, and Aquaculture Initiative at the University of Rhode Island [economists, political scientists, sociologists, biologists, and marine policy analysts]
- Rhode Island Seafood Council
- Rhode Island Commercial Fishermen's Association
- Rhode Island Lobstermen's Association
- Rhode Island Shellfishermen's Association
- Rhode Island Commercial Rod and Reel Anglers
- Ocean State Aquaculture Association
- Ocean State Fishermen's Association
- Rhode Island Inshore Fishermen's Association
- Rhode Island fish dealers
- Rhode Island Salt water Angler's Association
- Rhode Island Party and Charter Boat Association
- Rhode Island bait and tackle industry
- Newport County Saltwater Fishing Club
- East Bay Anglers
- West Bay Anglers
- Rhode Island Mobile Sportfishermen
- Bristol County Striper Club
- Sierra Club
- Environmental Council of Rhode Island
- Students [University of Rhode Island and Brown University]
- Concerned citizens
- Coastal Institute staff