

The Catch Shares Choo Choo's Leaving the Station

*When you hear her whistle blowing, then it's too late
Getting rid of "fishers" is number 1 on her slate
Billionaires for competition
Controlling how you're fishin'
Jane Lubechenco's catch shares program, isn't it great?
(With more apologies to the memory and the art of Glenn Miller)*

Is this the future of fishing?

Nils E. Stolpe/FishNet USA
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What's the probability of a federal agency becoming involved in an attempt to wrest control of a public resource-based industry away from the communities that have built up around it since colonial times - an industry with a Congressionally mandated role in the management of the resources it depends on - and turn it over to private "charitable" foundations and the business entities they are linked to? If your answer is "pretty low," give some serious consideration to the following.

The David and Lucile Packard Foundation commissioned a study, *Financing Fisheries Change: Learning from Case Studies*, by Manta Consulting, Inc. that was completed last month (January, 2011). The report, which is available as of this writing at http://www.packard.org/assets/files/conservation%20and%20science/Financing-Fisheries-Change_case_study_report.pdf (if it disappears, contact me and I'll provide you with the file) lays out in 119 pages how foundation supported ENGOs and the "green" businesses they support can take over recreational and commercial fisheries. This could have the effect of reducing people who were previously independent vessel or fishing-related business owners/operators to wage slaves working for the environmentally correct "company store," being forced to adapt their methods, their technologies and ultimately their lifestyles to what billionaire industrialists and their heirs deem they should be. Is this anything but elitist social engineering at its worst?

"The expectation is that the lessons from each (of the presented case studies) will help new innovators and entrepreneurs to adapt and design their own investment and governance structures to achieve significant change on the water." (Packard/Manta report, pg 7)

How is this to be accomplished? According to Packard/Manta, *"foundations in the field are now looking to support this transition from fisheries conservation as a purely philanthropic investment to a blended conservation and business investment by encouraging non-profits, social change leaders and business entrepreneurs to create innovatively structured projects that can both build value for private investors and improve the speed and scale of fisheries conservation impacts."*

In the report, several examples of "sustainable" seafood marketing companies are cited. They got an initial boost from the Sea Change Investment Fund, launched by Packard and California Environmental Associates. It *"is funded equally from low-interest Program Related Investment*

debt from the Packard Foundation and private equity from independent investors.” How would you like to be an owner of a truly independent business and have to compete with a business on the next block that has the Packard Foundation behind it?

It’s glaringly obvious that when foundations have billions of dollars in assets, an unprecedented amount of political clout and highly effective PR machines, the potential “encouragement” they are able to offer to what they have decided are acceptable businesses is going to be staggering. It’s going to be particularly staggering if you’re the owner of or if you’re dependent on one of the businesses that is about to find itself with a competitor of such Brobdingnagian proportions.

Mega-foundations whose directors in their ivory towers are convinced that they know more than the hundreds of thousands of people who depend on fishing and on healthy fisheries to support their families and their way of life is an issue that’s been studiously ignored by the main stream media. A handful of these foundations have spent tens of millions of dollars pushing their dream of catch shares, the form of fisheries management that is most amenable to this kind of “encouragement,” with no apparent thought given to the human repercussions.

Then there’s the role being played by ex ENGO super-star Jane Lubchenco and her no-holds-barred campaign as head of the National Oceanic and Atmospheric Administration to convert every US fishery she can to catch shares, whether the conditions of the fishery warrant such a cataclysmic change – or any change, for that matter - or not. (Relative to any so-called necessity for massive changes in how we manage our fisheries, I recommend reading an interview with recently retired NOAA/NMFS head scientist Steve Murawski. In it he announced that by the end of this year overfishing would be a thing of the past in U.S. fisheries. It’s at http://www.nola.com/business/index.ssf/2011/01/overfishing_has_ended_top_us_s.html.)

But is that all there is? Not hardly.

You’re probably aware that some of these “charitable” foundations, generally characterized as anti-fishing by fishermen, are associated with what they call sustainability guides rating various fish and seafood species. Packard is one of them, through the Monterey Bay Aquarium’s Seafood Watch. These guides are compiled with seemingly scant consideration given to whether the fishery is pursued in compliance with the appropriate fisheries management plans, whether it is free of overfishing, or whether it is anything else, apparently, other than what the whims of the people doing the rating dictate. If they like the way the fish are harvested – or perhaps if they like the people who are doing the harvesting – they’ll stamp the products of that fishery as acceptable. If they don’t, they’ll give them the thumbs down.

With the increasing market focus on the sustainability of fish and shellfish, itself the response to a huge investment in PR by the same foundations, these “thumbs down” ratings have a significant influence on the demand for the seafood products being rated. This is reflected in the prices that are paid for those products from the boat all the way up the chain.

So we have huge foundations spending millions of dollars to convince the public that what they’ve decided is “sustainability” should be the critical criterion when buying seafood and spending other millions of dollars on supporting rating programs that grade whether seafood products should be embraced or avoided by seafood consumers, we have fishermen who are fishing well within the letter of the world’s most stringent array of fishing laws here in the U.S., and there is no connection between the two. The fish labelers at the Monterey Bay Aquarium are ready, willing and able to brand a product “avoid” simply because they don’t like how it’s caught.

Take monkfish as a case in point. The National Marine Fisheries Service monkfish page on its own seafood rating website, Fish Watch, states “*monkfish are primarily caught with bottom trawls and gillnets. Dredges also account for a small percentage of landings. Monkfish habitat has been determined to be only minimally vulnerable to these fishing gears,*” and continues regarding bycatch in the monkfish fishery “*measures have been implemented to reduce any impact.*” Yet the Monterey Bay Aquarium warns consumers against eating monkfish “*due to high bycatch concerns and severe habitat impacts.*”

Needless to say, the National Marine Fisheries Service doesn't have anything approaching the dollars that the Monterey Bay Aquarium, with its connection to the Packard Foundation (in 2010 the Aquarium received \$36 million from the Foundation) has. So the federal agency with the responsibility to manage our marine fisheries is saying to go ahead and buy and enjoy monkfish with a clear conscience and the Monterey Bay Aquarium is saying don't you dare. Guess which message is reaching more consumers?

Why the discrepancy?

To collect its own data, the aquarium could have a fleet of research vessels manned by a crew of scientists that no one knows anything about, but operating in a low-profile stealth mode is uncharacteristic of the foundation funded crowd. As the Pew/Oceana folks showed us in the Gulf of Mexico during the BP disaster, when going down to the sea in ships they want their creature comforts with them and they want everyone to know – see *The Oil Slick – Oceana scientists “roughing it” in the Gulf* at the bottom of the page at <http://fishnetlite.blogspot.com/>. Minus collecting their own data, the Monterey Bay Aquarium fish raters must be using the same information that NMFS is using. They're sure coming to different conclusions. So having their own, independently gathered information is probably out.

Is it because they don't like gill nets and otter trawls? They rate black sea bass as a “good alternative,” and they're caught with otter trawls, as are silver hake (“good”), Alaskan pollock (used in surimi and rated “good”), sand dabs (“good”) and lingcod (“good”). They rate Atlantic croaker a “best choice,” and they're caught with gillnets, as are bluefish (“good”), Spanish mackerel (“good”) and salmon (“good” to “best”). It's apparently not the gear being used.

Whatever their reasons for this rating, it puts a dent in the demand for monkfish. That's why they are doing it. This dent in demand is translated into a lower price for the fish that is felt by everyone from the fishermen to the retailers.

The monkfish fishery is one of the initial candidates for Jane Lubchenco's catch shares revolution. As I'm writing this, a series of public hearings are being held from Maine to North Carolina so that federal regulators can gauge the interest in catch shares in the fishery. If she is successful, rights to the annual monkfish harvest will be divided among some of the “historic” participants. Fitting in with the Packard Foundation's grand plan for “saving the fisheries” while at the same time turning a profit, this could open the door for green organizations and individuals to start buying control of the fishery. The Packard Foundation has now provided them with a roadmap of how to do this and, based on past actions, might well be willing to provide them with financing as well.

The lower the consumer demand for monkfish, the lower the cost for outsiders to “buy” into the fishery.

Putting the icing on this particular cake, monkfish are classified as a data poor stock. In other words, the fisheries scientists claim they don't know as much about the condition of the monkfish population as is necessary to manage them adequately. This being the case, the monkfish quotas are set extremely conservatively. If the scientists were more comfortable with the condition of the stock, if the uncertainty was less, the quotas would be increased, and they'd probably be increased significantly.

The level of knowledge that scientists have about any fish stock is determined by the amount of money available to collect and analyze data about that stock. Given adequate funding, monkfish could be taken off the data poor list in fairly short order. What would result? It's impossible to believe it would be anything other than a significant increase in the quota. Ms. Lubchenco has taken millions out of the NMFS research budget and put it into her catch shares campaign. At least for the time being, it's apparent that monkfish are going to continue as a data poor stock. (Note that I work for the Monkfish Defense Fund, an industry trade group.)

It's safe to say that less data = lower quotas = less income to the fishery participants = lower price for acquiring catch shares in the fishery.

But is it possible for a foundation – or an ENGO that it supports – to decide to start supporting a massive monkfish survey effort as soon as it becomes a catch share fishery and a bunch of those shares have been acquired by the “right” kind of people, businesses and organizations? Why not? And then monkfish could be taken from the data-poor category, the allowable catch could be increased significantly, monkfish could be promoted to a “best choice” by the fish labelers, the value of the catch shares could increase dramatically, and everyone would be happy – except for the fishermen and the other folks who would be casualties of this green takeover of their fishery.

So we're looking at a possible scenario where the value of the shares in a fishery can easily be driven down by a combination of government and foundation efforts and where the value of those shares can just as easily be increased by making a few adjustments in consumer ratings and research funding levels.

It's not just monkfish.

In spite of formidable and totally justified political pressure to do so, the Secretary of Commerce has just refused to allow Northeast groundfish fishermen to catch significantly more of the uncaught 80% or so of the target Total Allowable Catch that a complicated web of extremely harsh regulations presently prevents them from catching. The groundfish fishery is in a tailspin because of this government mandated underfishing, and thanks to a catch share system instituted at Ms. Lubchenco's insistence last year, quota can be acquired at bargain basement rates. (See *Chronic Underfishing - The Real New England Groundfish Crisis* at http://www.fishnet-usa.com/chronic_underfishing.htm.)

These regulations resulted from successful lobbying by the foundation-funded ENGOs, and their heavy-handed implementation has been guaranteed by a series of lawsuits brought by those same ENGOs. Several of the projects detailed in the Packard report focus on this fishery, and its current dismal condition and future promise (a harvest with the potential to increase at least 400%) would seem to make it a natural for investment. But to allow that investment to be made, guided or encouraged by members of the same complex of foundations, ENGOs, investors and bureaucrats who are responsible for the dismal conditions that exist in the fishery today (and the attendant human suffering) is, or should be, far beyond the pale.

As of now, it isn't.

It would seem that a couple of amendments to the Magnuson Act could forestall some serious potential problems. The Act already requires that before any individual quota system is put in place by either the Gulf of Mexico or New England Fishery Management Council it has to be approved by two-thirds of the permit holders in a fishery-wide referendum. This should be expanded to apply to all of the Councils, all of EEZ fisheries and all proposed Catch Share programs, not just those dealing with individual quotas. And any quota acquisition by a non-fishing entity should only be allowed with the express approval of a certain percentage (20%?) of the permit holders in that fishery. Without these provisions at the least, it's very possible that the type of speculation that destroyed the U.S. housing market could be inflicted on our commercial and recreational fisheries.

Trouble in the catch share paradise or something else entirely?

The Alaskan halibut fishery, which has been operating on a catch shares basis for several years, has been held up as one of the examples of what a superior form of management it is; in fact, the only system that guarantees sustainability. On December 10 Craig Medred wrote in **2011 halibut quota cut nearly in half**:

"Fishermen who borrowed money to finance the purchase of "shares" of the allotted halibut harvest are struggling to make payments as the value of those shares goes down along with the harvest.

Everything was rosy in the commercial halibut fisheries off Alaska's shores as long as it was rosy. Now the dark side of what is called "privatization" has begun to emerge.

Commercial fishermen who borrowed money to finance the purchase of "shares" of the allotted halibut harvest find themselves struggling to make payments as the value of those shares goes down along with the harvest.

Shares looked like a good investment in 2005 when the International Pacific Halibut Commission, which sets catch quotas for the water off Alaska and Canada, set a limit of 10.93 million pounds for Area 2C in the Gulf of Alaska off the panhandle. Catch quotes, however, have been going down ever since. The commission is recommending a catch of only 2.33 million pounds for next year. The area had a 2010 quota of 4.4 million pounds this year"

(Alaska Dispatch <http://alaskadispatch.com/voices/medred/7796-halibut-quota-cut-in-half-for-2011>).