



# GULF OF MEXICO FISHERY MANAGEMENT COUNCIL



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December 5, 2005

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The Honorable Wayne T. Gilchrest  
Chairman, Subcommittee on Fisheries and Ocean  
1324 Longworth House Building  
Washington, D.C. 20515

Dear Mr. Gilchrest:

We greatly appreciate your invitation for a representative of our Council to appear before the Subcommittee and testify on the effects of the hurricanes on the fishing industry and fishing communities in the Gulf of Mexico, and some of the actions that could be taken by Congress that could assist the recovery of these industries. Mr. William (Corky) Perret Vice-Chairman of the Council will attend your hearing on behalf of the Council. Mr. Perret also serves as Director of the Office of Marine Fisheries for the Mississippi Department of Marine Resources. Mississippi was one of the states most severely affected by the hurricanes.

We are also hereby providing Mr. Adrian Sferle, of your staff, with the disclosure form for Mr. Perret and with Mr. Perret's written testimony. We greatly appreciate your providing us with the opportunity to testify on this important issue.

Best Regards.

Sincerely,

Wayne E. Swingle  
Executive Director

WES:tk

Attachments: Disclosure Form  
Testimony of Mr. William Perret

c: Gulf Council with Mr. Gilchrest Letter  
Adrian Sferle, with Mr. Perret's Written Testimony and Disclosure Form

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DISCLOSURE REQUIREMENT  
Required by House Rule XI, clause 2(g)  
and Rules of the Committee on Resources

A. This part is to be completed by all witnesses:

1. Name: *William S. Corky Perret*
2. Business Address: *Miss. Dept Marine Resources  
1141 Bayview Avenue, Suite 101, Biloxi, Miss. 39530*
3. Business Phone Number:
4. Organization you are representing: *Gulf of Mexico Fishery Management Council*
5. Any training or educational certificates, diplomas or degrees or other educational experiences which add to your qualifications to testify on or knowledge of the subject matter of the hearing:  
*B.S./M.S. - Fishery Science  
40 years Marine Fishery research, management and administration*
6. Any professional licenses, certifications, or affiliations held which are relevant to your qualifications to testify on or knowledge of the subject matter of the hearing:  
*Certified Fishery Scientist*
7. Any employment, occupation, ownership in a firm or business, or work-related experiences which relate to your qualifications to testify on or knowledge of the subject matter of the hearing:  
*40 years Marine Fishery experience*
8. Any offices, elected positions, or representational capacity held in the organization on whose behalf you are testifying: *Vice Chair, Gulf of Mexico Fishery Management Council*

B. To be completed by nongovernmental witnesses only:

1. Any federal grants or contracts (including subgrants or subcontracts) which you have received since October 1, 2002 including the source and the amount of each grant or contract:
2. Any federal grants or contracts (including subgrants or subcontracts) which were received since October 1, 2002, by the organization(s) which you represent at this hearing, including the source and amount of each grant or contract:
3. Any other information you wish to convey which might aid the members of the Committee to better understand the context of your testimony:

**From:** Dawn Aring  
**Sent:** Monday, December 05, 2005 11:09 AM  
**To:** 'Corky Perret'  
**Cc:** Wayne Swingle; Trish Kennedy  
**Subject:** Testimony of Corky Perret, Vice-Chairman, Gulf of Mexico Fishery Management Council, before the House Subcommittee on Fisheries and Oceans (December 15)

**Attachments:** Cochran Letter.pdf; Hurricane Impacts.doc; ATTACHMENT 1.xls; ATTACHMENT 2.doc

### **Summary of Recommendations to Congress on Gulf Fishery Restoration Projects**

At the request of Senators Thad Cochran and Trent Lott, the Gulf of Mexico Fishery Management Council (Council) assessed the hurricane damage to Gulf fisheries and fishermen and reported back to the Senators in the attached letter. Prior to the hurricanes, some of the Gulf fisheries were overcapitalized in terms of excess fishing capacity. This includes shrimp, reef fish and red snapper. Proposals for fully-funded buy-back programs were suggested for these commercial and recreational for-hire fisheries.

In order for funding to reach the affected fishermen, the Council suggested that lost gear be purchased by NMFS or NOAA for the trawls, turtle excluder devices (TEDs) and bycatch reduction devices (BRDs) needed in the shrimp fishery. It was also recommended that vessel monitoring systems (VMS) be purchased for all shrimp vessels and reef fish vessels. This gear is required by amendments pending implementation that would require the cost be paid by the fishermen. If NOAA purchases the gear, the funds saved by the fishermen would amount to a subsidy. Direct funding to the dealers and processors to cover the gap between insurance pay out and cost of replacement is proposed.

Funding for NOAA or the Gulf and South Atlantic Fisheries Foundation (GSAFF) to provide job retraining, hire fishermen and vessels as observers for scientific research, and to help move or map the location of marine debris in the fishing grounds. To provide funding to fishermen it was recommended NOAA waive the costs of all fishing permits and cost recovery for the red snapper for a 3-year period. It was also recommended that in addition to funding the observer program and training, that the cooperative research program under which fishing vessels are paid for carrying out fishery research be funded at a much higher level. Funding of a comprehensive program of habitat restoration for the Gulf areas affected by hurricane damage should be carried out.

We have also appended to this Executive Summary a set of discussion material on the Preliminary Estimated Costs of Restoring Gulf Fisheries Adversely Impacted by 2005 Hurricane Events. This includes costs of the Council recommendations under Attachment – Cochran Letter and costs estimated by the states under Attachment – Hurricane Impacts, with corresponding Attachment 1 & Attachment 2.



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October 7, 2005

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The Honorable Thad Cochran  
Chair, Senate Appropriations Committee  
U.S. Senate  
Washington, D.C. 20510

The Honorable Trent Lott  
Member, Senate Finance Committee  
U.S. Senate  
Washington, D.C. 20510

Dear Senator Cochran and Senator Lott,

Thank you for your letter asking the Gulf of Mexico Fishery Management Council to recommend projects to rebuild fisheries and their associated infrastructure in the Northern Gulf of Mexico.

At our October meeting in St. Petersburg, Florida, the Council discussed your request and developed the attached list of recommendations. All three Council members from Mississippi attended the meeting, and our discussion was greatly informed by their experiences.

The Gulf of Mexico Fishery Management Council is taking deliberate action to address overcapitalization and overfishing in several Gulf fisheries. Shrimp and red snapper are overcapitalized. Red snapper is also overfished. In addition, the charterboat sector is overcapitalized, targeting reef fish and mackerel. Inventories are incomplete, but many vessels in these three fisheries have been damaged or lost in the northern Gulf. A voluntary buyout of vessels and permits in these fisheries would help fishermen who choose to exit the fishery following the storms, and, at the same time, would reduce overcapitalization and support recovery of overfished reef fish.

The storms damaged trawling gear, and a replacement program providing nets with the most effective turtle excluder devices (TED's) and bycatch reduction devices (BRD's) will reduce bycatch in the shrimp fishery.

Docks, fish houses, ice plants, and freezers have been lost and damaged, and fishermen are scrambling to find places to land their fish. Federal relief funds could fill the gap between insured losses and the funds needed to rebuild docks and high quality handling facilities that will bring Gulf seafood to customers.

Over the next months, fishermen could be employed to work with NOAA and the Coast Guard to locate and remove hurricane debris from state and federal waters and conduct research on the effects of the storms. Longer term, fishermen can work as observers, collecting crucial data to improve fishery management.

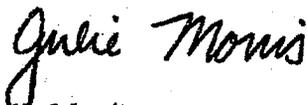
The Council has identified vessel monitoring systems, electronic logbooks, and improved bycatch reduction devices, as important tools for responsible, science based management of the shrimp

Senators Cochran and Lott  
October 7, 2005  
Page 2

and reef fish fisheries in the Gulf of Mexico. Our management plans call for vessel owners to purchase these tools, which will be difficult for fishermen in financial crisis. We also have a strong need for observer data in these two fisheries, and have asked NOAA to fund observers. Congressional funding of these management tools would be a tremendous boost for sustainable fishery management in the Gulf of Mexico.

Thank you again for considering the attached recommendations, and, thank you for your leadership on these issues at this moment of crisis. Our Gulf Council and NMFS staffs can provide rough estimates of costs for many of these recommendations, and I encourage you to work with them as your committee explores way to restore and recover Gulf of Mexico Fishery Infrastructure.

Sincerely,



Julie Morris  
Council Chairman  
Gulf of Mexico Fishery Management Council

C: William Hogarth  
Gulf Council  
Staff

## Recommendations to Congress on Gulf of Mexico Fishery Restoration Projects

Endorsed by Gulf of Mexico Fishery Management Council, Oct. 6, 2005

Overall goals: Compassionate relief response; restore fishing infrastructure; address overcapacity and overfishing through voluntary buyouts and gear improvements; employ fishermen in clean-up and research; provide retraining for fishermen leaving the fishery; add improved management tools to the fishery.

### **Restoration and recovery of fishing infrastructure**

1. Fully fund a voluntary buy-back program for vessels and permits in federally managed Gulf fisheries with limited entry. Vessels bought-back would be scrapped and permits would be permanently retired. The Council's first priority is for shrimp vessels and permits, second priority is for red snapper vessels and permits, and third priority is for charterboat vessels and permits. (Shrimp Amendment 13, currently under Secretarial review, will limit entry by a moratorium on permits, but implementing rules will not be effective until 2006. Congress may need to expedite the moratorium.)
2. Provide funds for replacement of hurricane damaged gear (not including vessels) with best available gear to reduce bycatch and minimize habitat damage (turtle excluder devices -TEDs - and bycatch reduction devices - BRDs, etc.).
3. Provide funding to dealers/processors to cover the gap between insurance payouts and the cost of rebuilding damaged and destroyed fish houses, freezers, and related infrastructure using best available technology to improve handling and processing of Gulf seafood. Ensure that fishery infrastructure persists in strategic geographic areas to support the managed federal fisheries in the northern Gulf.
4. Provide funding to NOAA for a two-year sonar project to map hangs and locations of hurricane debris. Also provide funding to contract with fishing vessels to remove hurricane debris from state and federal waters. Finally, provide funding to remove damaged and destroyed fishing vessels, with special attention to fire and environmental hazards from vessel fuel leaks.
5. Provide job retraining for fishermen who want to voluntarily leave the Gulf fishery.
6. Provide funding to the southeast Cooperative Research Program to support research carried out over the next three years by commercial vessels.
7. Waive cost recovery in red snapper IFQ for three years by providing direct allocation to NMFS for administering the program.
8. Waive minimum income requirement to renew permits for three years for fishermen whose vessels or fish houses were damaged or destroyed.

### **Rebuilding for sustainable fisheries management**

1. Provide funds to pay for VMS for all federally permitted commercial reef fish vessels.
2. Provide funds to pay for VMS for all federally permitted shrimp vessels.

3. Pay for three-year observer programs in the Gulf EEZ commercial shrimp fishery and commercial reef fish fishery.
4. Provide funding to train shrimp fishery observers and reef fishery observers.
5. Provide funding to speed the implementation of the red snapper IFQ and the grouper IFQ.
6. Provide funds for replacement of all shrimp trawling gear in the fleet with best available gear to reduce bycatch and minimize habitat damage (TEDs and BRDs, etc.).

Additional comments: Many Gulf fish stocks depend on northern Gulf coastal habitats. A comprehensive program of habitat restoration, particularly restoration of vegetated wetlands and barrier islands, will be important. In addition, seafood consumers need to be reassured that the majority of Gulf seafood is unaffected by hurricanes Katrina and Rita - the seafood reaching markets has been tested and is safe for consumption.

## **Preliminary Estimated Costs of Restoring Gulf of Mexico Fisheries Adversely Impacted by 2005 Hurricane Events**

1. **BACKGROUND**: Three major hurricanes severely impacted Gulf of Mexico fisheries in 2005. This estimates the costs of projects recommended by the Gulf of Mexico Fishery Management Council (Council) in an October 7, 2005, letter to Senators Cochran and Lott, to restore federal fisheries in the region. NOAA Fisheries Service staff divided Council recommendations into the following three categories of actions:
  - 1) Restore the infrastructure needed to support commercial and recreational fisheries;
  - 2) Provide financial assistance and other types of support services to those fishermen adversely affected by hurricane events; and
  - 3) Develop and fund capacity reduction, bycatch reduction, data collection, monitoring, and enforcement programs intended to improve conservation and management of Gulf of Mexico fisheries over the long term.

Estimates of infrastructure restoration projects (category #1) were provided by the affected states, and consolidated by the Gulf States Marine Fisheries Commission (Commission) in a report dated November 3, 2005. These estimates are dynamic and subject to change as more information becomes available. They cannot be totaled because the individual state data do not share a common metric. These estimates do not include related costs of projects and programs proposed by the NOAA Fisheries Service to restore federal fisheries in the Gulf of Mexico region, which are outlined in the agency's 2006 budget request.

2. **ANALYSIS**: The estimated costs of the Council's recommended projects to restore fishery infrastructure (category #1) are unknown. However, the November 3, 2005, Commission report summarized in Attachment 2 includes some estimates of infrastructure related damages. Infrastructure restoration funds would be used to recover damaged facilities and equipment to ensure fishery infrastructure persists in strategic geographic areas to support state and federal fisheries in the northern Gulf of Mexico. The seafood campaign requested by the Council would reassure consumers all marketed food is safe for consumption.

The estimated costs of the Council's recommended financial assistance projects (category #2) total approximately \$11.5 million. Financial assistance and retraining programs would include contracting with fishing vessels to remove hurricane debris from state and federal waters, and facilitate the exit of fishermen who want to voluntarily leave fisheries. The Council also proposed waiving the cost recovery provision of the Magnuson-Stevens Fishery Conservation and Management Act as it applies to the proposed red snapper IFQ program, and the minimum income requirement to renew permits for three years for fishermen whose vessels or fish houses were damaged or destroyed by hurricane events.

The estimated costs of programs recommended by the Council to improve long-term conservation and management of federal Gulf of Mexico fisheries (category #3) total approximately \$873 million. Specific projects proposed by the Council would reduce overcapacity, restore and protect essential fish habitat, and improve bycatch reduction, data collection, monitoring, and enforcement in federal Gulf of Mexico fisheries.

3. RECOMMENDATIONS: While some of these estimates are uncertain, may not be directly comparable, and are preliminary, they can be considered best information available as of November 8, 2005. These may be used as a starting point in discussions on hurricane related recovery and restoration activities for Gulf of Mexico fisheries.

Attachments

**ATTACHMENT 1: ESTIMATED COSTS OF FISHERY RESTORATION PROJECTS PROPOSED BY THE GULF OF MEXICO FISHERY MANAGEMENT COUNCIL**

Category	Item	Units	Cost/Unit	Admin Costs/year	COST	SUB-TOTAL
<b>Category 1: Infrastructure Replacement and Repair</b>						
1. Infrastructure						
<b>Category 2: Financial Assistance, Job Retraining and Support</b>						
2. Job Retraining (cost estimate from Maine retraining example: \$13 mil & 1,300 individuals)						
	Persons	1000	Cost/Person			
			\$10,000		\$10,000,000	
3. Cost Recovery Program Waiver ((3%*4.5 mp/yr*\$3.77/LB)*3yrs); price/LB reflects increased IFQ value)						
	LBs/Year	Years	Price/LB			
	4,500,000	3	\$3.77		\$1,526,850	\$11,526,850
<b>Category 3: Conservation and Management Improvement</b>						
4. Buybacks (50% buyback shrimp fishery, 20% other sectors; cost per unit reflects 1-year average gross revenue)						
	Vessels	Units	Cost/Unit			
Shrimp Fishery (2000) (post Amd13 active 2004 fleet)	1,019	1	\$207,000		\$210,933,000	
Red Snapper Fishery (top 131 vessels; reflects ifq val)	26	1	\$190,000		\$4,940,000	
For-Hire Fishery (fleet=1,670 vessels, cb only)	334	1	\$91,000		\$30,394,000	
5. Gear Replacement (gear-all vessels; TEDs-all trawl vessels; BRDs-federal+FL+TX vessels)						
	Vessels	Units	Cost/Unit			
Gear	Large Vessels	2,100	\$900		\$18,900,000	
	Small Vessels	9,000	4	\$900	\$32,400,000	
TEDs	Large Vessels	2,100	10	\$300	\$6,300,000	
	Small Vessels	6,000	4	\$300	\$7,200,000	
BRDs	Large Vessels	2,100	10	\$175	\$3,675,000	
	Small Vessels	1,500	4	\$175	\$1,050,000	
6. VMS (federal vessels only) (purchaser+1yr maintenance; intermediate cost RF Amd18A)						
	Vessels	Units	Cost/Unit			
Reef Fish Fishery		1,145	1	\$2,842	\$3,254,090	
Shrimp Fishery (active qualifying vessels, 2004)		2,037	1	\$2,842	\$5,789,154	
7. Electronic Logbooks (federally permitted shrimp vessels)						
	Vessels	Units	Cost/Unit	Admin Costs/year		
All vessels (active qualifying vessels, 2004)		2,037	1	\$500	\$1,228,600	\$210,100
8. Observer Program (3 years; includes training, travel, salary & payment to vessel=\$1,050)						
	Days/Year	Years	Cost/Day			
Shrimp Fishery (1% of days at sea, Shrimp 13)	5,380	3	\$1,050		\$16,947,000	
Reef Fish Fishery (bycatch report)	490	3	\$1,050		\$1,543,500	
9. Sonar Project						
	Days/Year	Years	Cost/Day			
	1,500	2	\$1,500		\$4,500,000	
10. Cooperative Research Program (3 times 2005 budget per year)						
		3	\$1,500,000		\$13,500,000	
11. Habitat Restoration						
12. Seafood Promotion						
				Unknown	\$873,154,344	\$884,681,194
					<b>TOTAL</b>	<b>\$884,681,194</b>

Unknown; See Attachment 2

## **ATTACHMENT 2: SUMMARY OF STATE ESTIMATES OF HURRICANE RELATED IMPACTS TO GULF OF MEXICO MARINE FISHERIES IN 2005**

These estimates reflect available information as of November 3, 2005, and are subject to revision. Please contact state directors directly for updates.

### Alabama

- \$250,000, enforcement losses
- \$350,000, marine biological program losses
- \$38.59 million, marine dockside revenue loss
- \$138.4 million, processed marine product loss
- \$356.5 million, 1 year economic impact of the recreational sector loss
- Unknown, infrastructure loss

### Florida

- \$111 million, marine dockside revenue loss
- \$34.65 million, gear replacement
- > \$10 million, infrastructure loss
- \$80-\$140 million, lost economic activity to the Keys
- \$3-\$9 million, red tide impacts

### Louisiana

- \$262 million, marine dockside revenue loss
- \$268 million, docks and infrastructure replacement
- \$30 million, for-hire industry boat and facility loss
- \$104.25 million, reef rehabilitation and oyster transplant
- \$36.2 million, Department of Wildlife and Fisheries facilities repair
- \$10 million, restoration of coastal wetlands

### Mississippi

- \$31 million, marine dockside revenue loss
- \$98 million, lost economic output associated with dockside revenue loss
- \$9 million, pier replacement
- \$672,000, menhaden fishery net replacement
- \$293 million, economic output associated with marine recreational expenditures
- \$42.6 million, seafood dealer and processor facilities losses
- \$9.3 million, seafood product losses

### Texas

- \$48.9 million, marine dockside revenue loss, 5 months
- \$79.2 million, lost economic output associated with dockside revenue loss
- \$232 million, lost marine recreational expenditures, 1 year
- \$496 million, lost economic output associated with lost marine recreational expenditures
- Unknown, infrastructure loss