**TESTIMONY OF CHRIS DORSETT**
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**BEFORE THE**
**HOUSE RESOURCES SUBCOMMITTEE ON FISHERIES AND OCEANS**
**HEARING ON THE EFFECTS OF KATRINA AND RITA**
**ON THE FISHING INDUSTRY AND FISHING COMMUNITIES IN THE GULF OF MEXICO**

**DECEMBER 15, 2005**

## INTRODUCTION

Mr. Chairman and Members of the Subcommittee, thank you for the opportunity to testify today on the effects of hurricanes Katrina and Rita on the fishing industry and fishing communities in the Gulf of Mexico.

My name is Chris Dorsett, and I serve as Gulf of Mexico Fish Conservation Program Director at the Ocean Conservancy. The Ocean Conservancy strives to be the world's foremost advocate for the oceans. Through science-based advocacy, research, and public education, we inform, inspire, and empower people to speak and act for the oceans. The Ocean Conservancy is the largest and oldest nonprofit conservation organization dedicated solely to protecting the marine environment. Headquartered in Washington, D.C., The Ocean Conservancy has offices throughout the United States, including New England, the Southeastern Atlantic, the Gulf of Mexico, the Pacific, and the Caribbean.

My testimony is organized as follows. First, I will provide background on fisheries management issues facing the Gulf of Mexico and how these issues were affected by the hurricanes. Second, I will propose ways in which the Congress and the Administration can provide desperately needed assistance in the most effective manner. This includes consideration of how the federal government might join with states and localities in the Gulf region to plan for the future, rebuild fishing fleets and communities in an economically and ecologically sound manner, and preserve the vitality and culture of coastal fishing communities.

## BACKGROUND

Decision-makers in Washington, D.C. and the capitals of the Gulf States are striving to put restoration efforts in place after the destruction of Hurricanes Katrina and Rita. The Ocean Conservancy supports a swift and compassionate relief response that will also recognize an opportunity to improve the economic competitiveness and sustainability of the fishing industry in the Gulf. Ensuring that the rebuilt fishing, processing and marketing infrastructure is sized to fit the productivity of the region would make tremendous progress toward a sustainable future for coastal communities. Efforts to

match fishing capacity to the Gulf's resources and the global marketplace are long overdue. Now, with the national focus on the region and a major commitment of resources by both public and private sectors, we have a chance to rebuild these fisheries well, and rebuild them right.

In response to Hurricane Katrina, the Secretary of Commerce declared a fishery resource disaster and fishery failure on September 9, 2005 for the Florida Keys and the northern Gulf from Pensacola, Florida to the Louisiana/Texas border. This declaration was followed by an additional declaration on October 4, 2005 for coastal Louisiana and Texas due to the impact of Hurricane Rita. Hurricanes Katrina and Rita did extensive damage to an area of great importance to the commercial and recreational fishery in the Gulf of Mexico. The declarations by the Secretary of Commerce pave the way for federal funding to help restore this vital area.

While the hurricanes affected a number of fisheries, we are particularly concerned with two key federal fisheries in the northern Gulf of Mexico: red snapper and shrimp. We are focusing on these fisheries because they are an important part of the economy and ecology of the Gulf region, and because they are fisheries for which managers have previously failed to achieve sustainable fishery mandates. Both fisheries experienced poor economic performance even before the storms and are largely situated in the disaster areas. In the wake of the hurricane devastation, Congress, the states and the National Marine Fisheries Service (NMFS) can seize an unprecedented opportunity to implement solutions that will ensure the long-term sustainability of these fisheries.

**RED SNAPPER – DIRECTED FISHERY AND BYCATCH**

Red snapper is a top-level predator in the Gulf of Mexico ecosystem that supports an economically important directed fishery consisting of commercial, recreational and charter fishing vessels. Prior to the storms, the commercial red snapper fishery was recognized by NMFS as overcapitalized, meaning that there are too many participants in the fishery.[1] According to NMFS, overcapacity "fosters destructive derby operations [the race to fish], aggravates overfishing and bycatch, creates chronic management problems and undermines the economic performance of the harvesting sector."[2] These problems have been evident in the commercial red snapper fishery. In addition to capture in the commercial and recreational fisheries, many red snapper also are inadvertently killed as bycatch in the nets of shrimp fishermen. NMFS estimates that the shrimp fishery kills 25 to 45 million juvenile red snapper annually. [3]

[1] NOAA Fisheries. 2004. United States National Plan of Action for the Management of Fishing Capacity. NOAA Fisheries, 1315 East-West Highway, Silver Spring, MD 20910-3282. 26 pp. Overcapitalized fisheries in the Gulf of Mexico include red snapper, shallow water groupers, king mackerel, stone crab and shrimp (excluding royal red).

[2] *Id.*

[3] Southeast Data Assessment and Review (SEDAR). 2005. SEDAR 7 Gulf of Mexico Red Snapper Advisory Report. National Marine Fisheries Service, Southeast Fisheries Science Center, 12 pp.

Unfortunately, past management has failed to end directed overfishing of red snapper, and actions taken to reduce bycatch have fallen well short of expectations.[4] After over twenty years of federal management, red snapper is still at under five percent of its historic abundance due to chronic overfishing (Attachment 1, Figures 1 and 2). As a result, the red snapper fishery requires immediate action to restore populations to a healthy level that supports increased economic opportunities for fishermen. The latest assessment of red snapper health completed earlier this year shows that, in order to return red snapper to a healthy level capable of supporting long term sustainable yields, mortality in both the directed red snapper and shrimp fisheries must be reduced by up to 80 percent.[5] This will require short-term reductions in red snapper catches and a reduction of red snapper bycatch in both the directed red snapper fishery and the shrimp trawl fisheries.[6] The good news is that if red snapper is managed properly, future yields could be roughly three times higher than current levels, providing for increased fishing opportunities and a stronger coastal economy (Attachment 1, Figure 3).

**SHRIMP**

The second key fishery affected by the hurricanes is the Gulf's shrimp fishery. The three species of *Penaeus* shrimp in the Gulf of Mexico are an important prey species for a large number of fish and wildlife. The fishery they support is also the most valuable in the Gulf of Mexico and one of the most valuable in the nation. Increasing fuel prices, combined with cheap foreign imports of shrimp and the failure to address known overcapitalization of the industry since the 1980s, however, has resulted in an economic nightmare.[7] Even before the storms the fishery appeared to be at a breaking point: reports from the coast over the last few years indicate that many fishermen have kept their boats tied to the dock, unable to make a profit, and that banks have had to repossess increasing numbers of vessels. In fact, prior to both hurricanes NMFS predicted that over thirty percent of large shrimp vessels operating in the federal waters of the Gulf of Mexico would go out of business over the next ten years if current conditions remained unchanged.[8]

To make an already difficult situation worse, the areas identified in the disaster declarations by the Secretary of Commerce in response to hurricanes Katrina and Rita are home to roughly eighty percent of the federal shrimp permits in the Gulf of Mexico and

[4] Southeast Data Assessment and Review (SEDAR). 2005. SEDAR 7-DW-38 1999-2003 North-Central and Western Gulf of Mexico BRD Performance Report to SEDAR. National Marine Fisheries Service, Southeast Fisheries Science Center, 16 pp.
[5] NOAA Fisheries. September 20, 2005. Letter from Dr. Nancy Thompson, Director of the Southeast Fisheries Science Center to Julie Morris, Chair of the Gulf of Mexico Fishery Management Council. 23 pp.
[6] *Id*.
[7] Between 1997 and 2001 Gulf shrimp prices declined 27% while imports increased 300%. Fuel prices also rose during this time period.
[8] GMFMC. 2004. Amendment 22 to the Reef Fish Fishery Management Plan to Set Red Snapper Sustainable Fisheries Act Targets and Thresholds, Set a Rebuilding Plan, and Establish Bycatch Reporting Methodologies for the Reef Fish Fishery. Gulf of Mexico Fishery Management Council, 2203 N. Lois Ave., Tampa, FL 33607. 218 pp. plus appendices.

eighty percent of commercial landings in the Gulf's red snapper fishery (Attachment 2).[9] While damage estimates are still preliminary, it appears that fishing vessels and infrastructure were severely damaged, especially in the shrimp fishery.[10] Impacts on red snapper and shrimp populations themselves are unknown at this point; it may take years to fully quantify hurricane related impacts on these species. What is clear is that the industry is desperately in need of help.

**RECOMMENDATIONS**

Congress and the Administration can provide sorely needed assistance to the Gulf region by joining in an effort to rebuild sustainable fishing fleets and communities. We believe that a well-designed response to the fishery disaster and failure declarations by the Secretary can result in a win-win situation for the environment and Gulf of Mexico fisheries. On the other hand, a poorly designed response that seeks to restore fisheries to pre-hurricane levels will further exacerbate poor economic and environmental conditions and hamper efforts of the Council and NMFS to restore red snapper.

As previously noted, the significant reductions in mortality necessary to restore depleted red snapper populations in the Gulf of Mexico will require fishing effort reductions in both the directed red snapper and shrimp fisheries. Simply rebuilding the fisheries to pre-existing levels in the face of that evidence will likely necessitate additional federal money in the future to remove excess capacity in an effort to achieve long-term sustainable fishery mandates. Fortunately, solutions exist that can help restore red snapper populations and improve the economic viability of the red snapper and shrimp fishing communities. TOC respectfully recommends the following four-part solution to move these Gulf fisheries toward economic and environmental sustainability:

1. Congress should authorize and, in conjunction with NMFS and the Gulf States, develop a voluntary buyback program to allow fishermen in overcapitalized fisheries to exit the fishery by permanently retiring their permits and vessels.
2. Congress should provide job re-training opportunities for those fishermen who choose to exit the fishery.
3. Congress should authorize funding for the replacement of lost or damaged fishing gear with gear that incorporates the latest technologies to reduce bycatch and adverse impacts on habitat and improve management.

[9] Shrimp permit numbers from GMFMC. 2005. Final Draft Amendment 13 to the Fishery Management Plan for the Shrimp Fishery of the Gulf of Mexico, U.S. Waters. Gulf of Mexico Fishery Management Council, 2203 N. Lois Ave., Tampa, FL 33607. 197 pp. plus appendices. Red snapper landing information from National Marine Fisheries Service on-line landings query for 2003.

[10] November 3, 2005 letter from Larry Simpson of the Gulf States Marine Fisheries Commission; October 4, 2005 Congressional Research Service Report for Congress: Hurricanes Katrina and Rita: Fishing and Aquaculture Industries- Damage and Recovery. Order Code RS22241.

4. Congress should provide funding assistance to help update fish handling and processing equipment to produce a higher quality product that will be more competitive in the global marketplace.[11]

Our recommendations are consistent with those of the Council, which we endorse.[12]

In order for this four-part solution to achieve long-term benefits, it is essential that a buyback program contain a moratorium on new entrants into the fishery. Otherwise, individuals who are "bought out" will likely be replaced by others joining the fishery. This would defeat the purpose of the buyout package and would amount to a poor expenditure of taxpayer dollars.[13] We therefore urge Congress to ensure that the limited entry program adopted by the Council for the shrimp fishery is implemented before providing a hurricane response package that includes voluntary buyouts.

In order to be successful, the timing of an economic assistance program is also critical. Prompt implementation of a well-designed buyout program could provide economic assistance to fishermen and their families when it is most needed. In addition, quick action would help reduce fishing capacity to sustainable levels -- before individuals who are interested in a buyout are forced, by economic necessity, to repair and rebuild boats and fishing gear and rejoin the fishery.

**CONCLUSION**

In conclusion, we urge Congress to act as expeditiously as possible to provide much needed relief to fishermen affected by the hurricanes. If done right, this will be a wise investment. A rebuilt red snapper fishery can provide almost three times the current catch levels, producing greater landings and fishing opportunities. Furthermore, a rationalized shrimp fishery, combined with investments in product handling technologies, can better compete with imported products, bringing higher prices to the industry. Finally, adoption and implementation of our recommendations will ensure that Congress not only maintains but enhances the vibrancy of the Gulf's unique coastal communities, an important part of our culture and regional identity.

Mr. Chairman, I would like to conclude by thanking you for holding this hearing. The Ocean Conservancy looks forward to working in partnership to devise solutions for responding to the fishery resources disaster caused by this year's hurricanes. I'm pleased to respond to any questions you may have.

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[11] See, for example, the Quality Improvement Project for the Louisiana Shrimp Industry at www.seagrantfish.lsu.edu/management/LAshrimp.htm.

[12] October 7, 2005 letter from Julie Morris, Chair, Gulf of Mexico Fishery Management Council, to Senators Thad Cochran and Trent Lott.

[13] General Accounting Office 02-576. Supporting Congressional Oversight: Budgetary Implications of Selected GAO Work for Fiscal Year 2003.