

Statement of John Pappalardo  
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Testimony on the Reauthorization of the  
Magnuson-Stevens Fishery Conservation and Management Act

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Natural Resources Committee  
United States House of Representatives

Chairman Hastings, Ranking Member Markey and Members of the Committee, my name is John Pappalardo. I am the CEO of the Cape Cod Commercial Hook Fishermen's Association (CCCHFA), an organization started over 20 years ago by independent small-boat fishermen on Cape Cod. We work with over 100 commercial fishing businesses catching 12 million pounds of seafood worth \$17 million each year, including cod and haddock, lobster, conch, scallops, monkfish, dogfish, skates, sea clams, striped bass and bluefin tuna. These businesses support hundreds of fishing families and form the backbone of our area's coastal economy. Between 2002 and 2011, I served on the New England Fishery Management Council, including five years as Chairman.

The 2006 reauthorization of the Magnuson-Stevens Act was a wise step forward in fortifying our nation's fisheries laws by mandating better understanding of our marine resources, rebuilding depleted fish stocks, and holding fishermen accountable for their catch.

I support that law because I see evidence of rebuilding fish populations and restoring profitable small fishing businesses. I see noteworthy success stories on Cape Cod and around the nation. While many look to New England and see the failures of the codfish industry, I choose to look to successes such as the scallop, dogfish and monkfish fisheries.

We can improve Magnuson Stevens. In my comments, I will make a series of recommendations on how we can further improve implementation of the law to help ensure continued growth for small fishing businesses in my community and around the nation.

**An End to Overfishing**

The cornerstone of our management under Magnuson is the commitment to setting annual catch limits; this truly is the only way forward. However, annual catch limits demand annual stock assessments. We cannot end overfishing without better, more reliable, real-time information and timely stock assessments.

The value of industry-supported annual assessments is obvious when comparing the responses of New England's scallop and groundfish fisheries to significant reductions in available harvest this year.

The Atlantic sea scallop fishery, with annual assessments based on three independent surveys including two that are industry-based, faced their 30% quota reduction by acknowledging their confidence and support in the science. While painful, industry accepted quota cuts as necessary for the continued sustainability of their fishery.

The groundfish fishery consists of 17 different stocks with quotas generally set every three years based almost entirely on a single government trawl-survey with no industry participation and little industry confidence. Many of these assessments show persistent and troubling signs of inaccurate catch information among other problems. The groundfish fishery largely responded to the announcement of significant reductions in a number of key stocks by following a time-honored regional tradition of questioning the science and challenging the cuts.

It's important to remember that all wild populations will experience occasional downturns, even when well managed. However, without timely and accurate information and industry buy-in to the process, our Science Centers spend more time and money defending their assessments than improving them. This has to change if we are going to create an environment for small fishing businesses to thrive.

But annual assessments alone will not give us the tools we need to take the next step. We also need to improve the quality and timeliness of the data, particularly the catch information that feeds into our stock assessments. Unless we have better catch information, our fishing businesses will continue to be hamstrung by unpredictable, fluctuating quotas that are often misaligned with the reality of the resource in the water.

Therefore, we must rethink how we collect fisheries dependent catch information. We need to do it better, faster and cheaper and that means changing how we approach the problem and how we utilize the private sector to solve it.

Almost a decade ago, Cape Cod fishermen volunteered to pilot electronic monitoring systems to provide a safer, more efficient and cost-effective alternative to human observers. Yet, despite all the time and resources we put into proving the viability of cameras in New England fisheries, we do not appear any closer to implementation. Meanwhile fishermen from almost every region are facing the reality of having to pay an ever-rising portion of the monitoring cost.

Our small businesses cannot afford not to have comprehensive coverage and real-time accountability, but they also cannot afford to pay for a bloated and costly observer program to deliver catch information. We need to move forward with innovative solutions that rely on the efficiencies and strengths of the private sector to solve these problems. This is why last year our organization supported former Congressman Barney Frank's bill, HR 4208, which proposed reforming the S-K grant program. S-K funds can and should be used to provide much needed resources to the regions for these kinds of important improvements in monitoring and stock assessments.

## **Building Stronger Businesses and Fishing Communities**

We must do even more to protect and strengthen our fishing communities under a system of annual catch limits and accountability. I was on the front lines in New England when we tried to rebuild fish stocks without annual accountability. That effort thoroughly failed to protect fish stocks or to serve the small fishing businesses built on them. Watering down the conservation mandates of this law will not help a single small business grow for the future.

If we want to have strong businesses in a fishery managed by annual limits then I'm convinced, that we will need to utilize catch shares. It's the only way forward that I can see to stabilize our fisheries, build profitable small fishing businesses and harvest all of the quota recommended by our scientists. Now, I have also realized that catch shares, while an important part of better management, can have unintended consequences on our fishing communities, causing consolidation and community dislocation. These are challenges that we must prepare to address in all of our nation's fisheries.

So the question is, "How do we make this transition while building stronger ports, stronger businesses?"

We need to build resilience through securing diverse fisheries access at the business and port level. For centuries small boat fishermen in New England weathered downturns in a given fishery by maintaining access to other harvesting opportunities. When groundfish were less abundant, many fishermen would re-rig to target scallops or lobster; this allowed small fishing businesses to adapt, adjust and grow. However, too often allocation decisions and rising costs of fishing permits/quota are forcing our small boat fishermen to specialize in order to remain in a fishery.

We need to counter this trend and support the continued diversity of access that's essential for strong businesses and ports. To do this, we need innovative financing programs to support initiatives like community permit banks and fisheries trusts which allow communities to buy permits, maintain permanent fisheries access, and provide affordable opportunities for local fishermen.

My organization saw the need to build this type of program over five years ago as we saw the threat of permits being sold out of our communities and our fisheries diminished. Through the Cape Cod Fisheries Trust, we've helped dozens of local scallop, groundfish and sea clam fishermen gain access to additional fishing opportunities, ensured that seafood was landed in our local ports and that those fishing businesses provided stable, good-paying crew jobs for Cape Codders.

Through this program we've also provided business training and development, reinvested in fishermen-driven research, and have worked to identify, support and encourage the next generation of captains in our industry. It is not enough to simply be a good hunter of fish. Today's commercial fisheries demand that captains also be sophisticated businessmen. We must invest now in developing the next generation, ready to succeed in this new industry.

This community-based model can work in ports throughout the country, but it must be supported. We must invest in these economic engines through cross-agency collaborations and microfinancing programs.

### **Market Support and Seafood Fraud**

Our fisheries need more than robust fish stocks and fisheries access to succeed; they need stable markets and transparent distribution pathways to ensure a fair price. Recent media investigations have confirmed what those of us connected to wild harvest fisheries have long known, rampant seafood mislabeling is undermining our small fishing businesses as well as the health and safety of American consumers who are too often unknowingly dining on foreign substitutes after ordering a domestic seafood entrée.

We must begin to stamp out seafood fraud and bring more transparency to the supply chain by passing Congressman Markey's Seafood Fraud legislation.

But we must also take steps to develop and strengthen domestic markets for underutilized stocks, like dogfish and skates which are abundant but are currently exported as high-volume/low-value products to European markets. While we rebuild other stocks, our small businesses must be able to adapt to harvest these stocks profitably and sustainably.

As a country, we have invested and worked to stabilize markets for our nation's agricultural products; and we must take a similar approach with our domestic fisheries. Our robust fish stocks represent a critical source of affordable and sustainable protein that we should be using to feed our soldiers, schoolkids and those relying on federal food programs. This is the ultimate win-win and we must pursue this kind of solution.

### **Ecosystem-based Fisheries Management**

The final topic I would like to discuss is what people refer to as Ecosystem-based Management. I work with fishermen who have spent their lives on the water. Not a week goes by without one of these fishermen telling me how important it is to manage the ocean while considering how the species interact, how the increased abundance of one stock can directly impact another, how important the improved protection of critical habitat is to some of our most depleted and important stocks, like codfish. They never use the words, Ecosystem-based Management, but that's what they're talking about; that's the approach that their lifetime of experience on the water tells them is essential.

They recognize that we will never be able to rebuild New England's flagship cod populations without a robust forage base of herring and mackerel for those fish to feed on. We need to be more conservative with the commercial harvest of these forage stocks, since the consequences of even small declines in these populations ripple across our ecosystems and fisheries.

Not long ago, seeing a grey seal was a rare occurrence. Now, we motor past miles of breeding grey seals on the beach on our way out to the fishing grounds and routinely pull up seal-eaten cod and haddock on our hooks and in our nets. We recognize the need to have healthy marine

mammal populations but we cannot pretend to manage an ocean ecosystem while refusing to manage top-order predators like seals.

This isn't an easy conversation, but we need to have it if we're going to strengthen our small fishing businesses and better manage our oceans.

### **Conclusion**

We can and must do more to build strong, resilient, and profitable fisheries and fishing ports. To do it, we have to resist the temptation to go back to our old ways of mortgaging the future of our fisheries by allowing short-term overharvesting. That's liquidating our fisheries, not investing in them.

Instead, we must move forward to rebuild our fish stocks, through expanded accountability, improved annual stock assessments, innovative and cost-effective programs for gathering real-time catch information. We must make a commitment to providing our communities with the tools to invest in the future of their fishing economies and managing the entire ecosystem .

There are certainly challenges ahead, but I remain confident that we can build stronger fisheries and profitable small fishing businesses.

Thank you, I'd be happy to answer any questions you have.