

**TESTIMONY OF
Patrick Keliher
Commissioner**

**The Department of Marine Resources (DMR) is testifying
in Opposition to**

L.D. 563 An Act Regarding the Purchase of Trap Tags in the Lobster Fishery

**Before the Committee on Marine Resources
Sponsored by Representative Kumiega
Date of Hearing: March 18, 2015**

Senator Baker, Representative Kumiega, and members of the Joint Standing Committee on Marine Resources, my name is Patrick Keliher, Commissioner of the Department of Marine Resources, and I am testifying on behalf of the Department in opposition to LD 563.

Since becoming Commissioner I have held over 50 meetings along the coast to discuss the issue of latent effort in the lobster fishery, and ways to reduce or eliminate it. Latent effort comes in three forms. First are trap tags that are purchased, but not all fished - for example a fisherman buys 800 tags but only fishes 400. Second are people who don't buy their maximum number of tags. Third are those who buy their licenses and don't fish at all, or report very little in the way of landings. There are many ways to characterize this issue, but as just one example – when the Department analyzed the degree of the last form of latency in 2013, we looked at landings information and found 1,137 license holders who did not fish at all in any of the previous five years. At the time, there were 5,670 commercial license holders. This means that 20% of license holders had no landings in any of the previous five years.

In all these meetings I have been clear with the industry – the high degree of latency in this fishery could have major ramifications for future management decisions. The management options available are different, depending on whether or not you have dealt with latent effort. This is true whether the resource is healthy or not, and whether you are taking a management action to address effort, or just to create a better management system to meet the needs of the industry.

There is a recent example of the unintended consequences of management actions that we should all remember and learn from. In the late 1990's, scientists said that the models were indicating a downturn in the lobster stock, and managers needed to limit landings to protect the resource. The tool chosen was a trap reduction. Trap reductions are a blunt tool that really only impacts those at the top. This was the tool used in 1998 to reduce effort in the fishery. It did not work - it pushed many license holders to reduce their gang of gear from 1200 to 800. However, those fishing fewer than 800 (the majority of license holders) did not want to lose gear in the future, so they built up their gang of gear above what they had historically fished. The end result was that latency was activated from a portion of the fishery, which resulted in more traps in the water. This was a total failure of management because there was not an understanding of the degree of latency, and the impact it would have. Again, a better understanding of latent effort would allow us to make management decisions that are more equitable across the fishery.

As I have said to the industry numerous times, we do not have to take action to address latent effort, but the industry does need to make that decision with eyes wide open. Doing nothing is one of the

decisions that we face – and yes, doing nothing is a decision. There is a risk associated with not doing something about latent effort. There is also a risk of doing something--but we may have different opportunities available to us because we have done something. These are not easy discussions, but making them now, why landings are strong and we are not under pressure to do something is the best time to act. Making decisions under crisis conditions never works well for the long-term future of the fishery.

The Department understands and appreciates Representative Kumiega's intention in bringing this bill forward, and agrees that more conversation is warranted before making changes to the lobster licensing or trap tag system. Addressing licensing issues such as latent effort will require industry buy-in. It is my intent to continue discussing these issues with the industry, and I urge the Committee to allow more time for this conversation to develop. Based on these conversations and input, the Department will be drafting legislation that addresses these issues more holistically. A piecemeal approach is often more manageable, but in this case we believe it may prevent the best possible outcome.

Thank you for your consideration, and I would be happy to answer any questions you might have.
