

**TESTIMONY OF
Deirdre Gilbert
Department of Marine Resources**

**The Department of Marine Resources (DMR) is testifying
In Support of
LD 77 An Act To Authorize the Department of Marine Resources To Charge an Application Fee
for Entering a Lottery for a Scallop License
Before the Committee on Marine Resources
Sponsored by Representative McDonald
Date of Hearing: February 9, 2021**

Senator Miramant, Representative McCreight, and members of the Joint Standing Committee on Marine Resources, my name is Deirdre Gilbert, Director of State Marine Policy at the Department of Marine Resources, and I am testifying on behalf of the Department in support of LD 77. This is a Department bill, and the Department is grateful to Representative McDonald for sponsoring it on our behalf.

New entry into the scallop fishery has been limited since 2009. The Legislature gave the Department the authority to establish a limited entry system in rule, but due to the activation of latent effort in that fishery during the following years, that authority was not acted upon until 2017, following the adoption of legislation that established an owner-operator requirement for this fishery. The first new licenses since 2009 were issued in 2018, and the Department has held a lottery in each subsequent year since then.

The number of licenses made available each year is based on an exit to entry calculation recommended by the Scallop Advisory Council (SAC). For drag licenses, the ratio is 2 new licenses issued for every 3 licenses that are not renewed, with a further specification that one license goes to an individual between the ages of 18-31 and one license goes to an individual over the age of 31. This was an effort on the part of the SAC to ensure that new fishing opportunity went both to the upcoming generation, which never had an opportunity to obtain a scallop dragging license, and also to fishermen who may have previously participated, but who did not hold a scallop dragging license during the time period required by the limited entry legislation. For dive licenses, a new license is issued for every license that is retired.

While a lottery is certainly not a desirable way to allocate new fishing opportunity, there are few alternatives that would provide fair access in the face of overwhelming demand. For the 2020 lottery, DMR received over 2600 applications for only 10 drag licenses, and 4 dive licenses.

The Legislature has authorized the Department to develop an Apprenticeship Program for scallop licenses, which could someday replace the lottery as a means of license issuance. The Department has had initial conversations with the SAC regarding how such a program would work in this fishery, but there remain significant questions around the design of the program,

its administration, and how the Department could avoid recreating some of the same challenges experienced with the lobster apprenticeship program, specifically long waiting lists for new licenses.

Until those issues can be resolved, the Department intends to continue to issue new licenses based on a random selection of interested individuals. At present, there is no fee to enter the lottery beyond the \$2.00 collected by InforME to use the online system. For this reason, many individuals with no real intent to use the license enter the lottery anyway, as there is no disincentive to do so. This is particularly the case for the dive license lottery, where many individuals who have no dive experience have entered with the hope that they could obtain the license and someday exchange it for a drag license.

Other license lotteries administered by IFW (e.g. the moose lottery) and DMR (e.g. the elver license lottery) require a fee to enter, which has the effect of limiting entries to those individuals who have a more serious intent to actually participate in the activity if they were one of the winners selected. The proposed fee is capped at \$50. The fees associated with the lottery entries would be deposited in the Scallop Research Fund, which supports the science staff doing the assessment and in-season survey work that has allowed this fishery to be managed in its current form, with targeted and in-season closures meant to support the continued rebuilding of this resource.

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