

# GloucesterTimes.com, Gloucester, MA

November 10, 2010

## Report: Cape group profiting off disputed catch shares

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A small but influential association of Cape Cod commercial fishermen, granted access to a disputed, oversized portion of the harvest when the New England groundfishery was converted to a catch shares system last year, has been leasing out much of its allocation for profit, according to a market report posted by the government.

During roughly the first six months of the fishing season that began on May 1 — the start of the catch share system — the Cape Cod Commercial Hook Fishermen's Association leased the rights to catch close to 2 million pounds of mixed groundfish from its allocation, according to the report of transactions.

The environmental group Oceana issued a statement Wednesday, calling the transactions "disappointing."

Oceana asserted that the "Hookers," which practice lower impact fishing with hook and line or fixed gillnets, were profiting by selling to mainstream fishermen who worked with trawl gear that disrupts the ocean bottom

But some commercial fishermen also saw transactions as a sign of the benefits accruing to the Hookers from the allocation decision by the New England Fishery Management Council.

The original allocation decision by the council, an arm of the federal government, was hotly argued at the time because the extra fish given to the Cape Cod group was taken from the allocation to others.

David Goethel, who was the only member of the council to vote against the overall management scheme known as Amendment 16 — and filed a minority report with Secretary of Commerce Gary Locke — said the government market report reflects the Hookers' transformation into fish "brokers."

"My argument all along was that we didn't take the time or put in the effort to equitably divide the fish," said Goethel.

His argument to Locke, which was rejected, was largely restated in a lawsuit filed last summer by commercial fishing interests — including the cities of Gloucester and New Bedford — that described Amendment 16 as illegal and unconstitutional.

Goethel's letter and the lawsuit both cited the extra fish given to the Hookers and a similar extra allocation to the recreational fishermen.

"Since two user groups received their historic high allocation of (cod) the most important New England groundfish species, then, effectively all other fishermen received less," he wrote. "Such allocations are neither fair nor equitable, (and) provide an excessive share of the fishing privileges to a select few fishermen."

The lawsuit, which also alleges "preferential treatment to two groups," is in a pre-discovery phase in U.S. District Court in Boston.

Eric Brazer, manager of the fishing cooperative or catch share "sector" for the Hookers, said the added allocation was limited to Georges Bank cod and represented about 250,000 pounds, less than 3.3 percent of the total allocation.

"This represents less than 1 percent of the total allocated groundfish in New England," said Brazer in an e-mail response to questions from the Times.

He also said that, along with the transfer of "approximately 2 million pounds of all groundfish stocks, including 800,000 pounds of Georges Bank cod," his organization has done "fish for fish trades" and other activities that make the "aggregate numbers you cite ... misleading."

Still, the decision by the council made by a series of votes during a June 2009 meeting in Portland is one of the central elements in the lawsuit brought against the federal government by Gloucester, New Bedford and other commercial fishing interests along the Atlantic Coast.

The recipient of what the lawsuit describes as "preferential treatment" is a commercial fishing association that built strong alliances with powerful environmental non-government organizations, including the Environmental Defense Fund and the Pew Environment Group.

John Pappalardo, the chairman of the New England Council at the time of the allocation votes favoring the Hookers, was on the staff of the Hookers, and is now their CEO.

In its early years, the Hookers — as they call themselves — used hook and line fishing for cod from Cape Cod that, through aggressive and careful marketing to the mainstream media, made a case against the commercial trawling from Gloucester and New Bedford.

EDF and Pew have routinely presented the Hookers as emblematic of enlightened fishing. And in the pitched political and legal battles in the past two decades, the Cape Cod group could be counted on to side with the environmentalists against many fishing interests from the urban ports of New England.

An EDF strategic planning document from 2005, obtained by the Times, highlighted the value in investing in the Chatham-based Hookers along with having one of their own — senior staffer Sally McGee — appointed to the council to help the organization work from the inside to bring in the catch share system and bringing corporate investment dollars and market dynamics to the fishing world.

Under the catch share format, fishermen work in cooperatives, or sectors, and are allocated shares of a total allowable catch for various fish stocks. The system encourages the buying, selling or trading of the shares among fishermen or with outside interests — and the result in systems to date has been the consolidating of fleets, through small businesses selling out to large-scale buyers.

The market report detailing the Cape Cod group's more than 400 sector-to-sector transfers — or leases — was posted on the NOAA Web site for less than a week in October, then taken down.

No explanation was posted, but NOAA spokeswoman Maggie Mooney-Seus, responding to a query from the Times, said the decision to withdraw the report was made after a legal determination that the listing of individual transactions contained "proprietary information."

Oceana noted it had expressed "serious concerns" during the development of Amendment 16, which covers the catch share system as an "unregulated transfer of quota between sectors."

But the council and NOAA contended that the transfers were purely administrative acts, without significant environmental impacts.

"There is no question that shifting quota from an environmentally responsible gear like a hook or longline to a large trawler would have significant impacts for the seafloor," Oceana said in its statement to the Times.

"The recent report from the (federal government) shows that this shift may be happening on a large scale.

"It is disappointing to see this large scale shift of quota away from the inventors of the sector concept to the sectors with the largest trawlers," the Oceana statement said. "It appears that sector quota has become a simple commodity to be traded without any regulation or oversight."

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