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House panel cuts \$32M from catch share funds

By Richard Gaines Staff Writer

A key U.S. House committee's decision 10 days ago to cut \$32 million from the Obama administration's funding request to further expand NOAA's fishery catch-share system — essentially converting wild fish stocks and fishermen's catch quotas into investor-ready commodities — is renewing a fierce ideological and political battle.

It pits small business interests from the Atlantic and Gulf Coasts against Washington's government and non-government elites in a struggle that some say recalls the 19th century's industrial expansion at the expansion of America's indigenous peoples.

And it features a growing cultural clash between educated elites behind the twin green banners - for the environment and Wall Street - and fishing businesses and communities who do want their industry consolidated or bid and bought by investors.

The anti-catch share coalition in Congress includes some of the president's closest Democratic allies on other issues as well as conservative Republicans. They agree that jobs are being lost — or worse, destroyed to make commercial fishing profitable for the lucky holders of the shares when the transformation is complete.

Indeed, the architect and prime sponsor of catch shares, National Oceanic and Atmospheric Administration chief Jane Lubchenco, has said one goal of the program to see "a sizeable fraction of the fleet" eliminated — leaving fewer holds to convey the same quantity of fish to market.

Now, anti-catch share forces led by Rep. Walter Jones, a North Carolina Republican, are preparing to build on surprising victories in the 2011 budget cycle and push for a legislative ban on catch share programs. But Lubchenco and her allies in the Environmental Defense Fund, a group of grant-giving foundations arrayed around EDF and its fishing proxies, and Wall Street partners all stand in the way.

With at least \$30 million in operating capital from Wal-Mart's Walton foundation among others, EDF, which holds catch shares out as a panacea for conservation and economic efficiency, is deeply invested in the fight to protect a policy that has already converted the New England groundfishery, where opposition and job losses centered on the port cities of Gloucester and New Bedford are most evident.

New catch share programs are in the works for other fisheries along the coast. And EDF has hired a former Republican Congressman from New York and member of the House Appropriations Committee — James Walsh — to help ward off the opponents.

Walsh, part of a lobbying group that was paid \$170,000 by EDF during the first half of 2011, has notified Congress his group has also been paid \$10,000 by the South Atlantic Fishermen's Association to lobby fisheries appropriations issues, according to BLT: the Blog of LegalTimes.

EDF 'lobbying machine'

South Atlantic is widely understood in the region as a proxy for EDF, which has used small groups of fishermen in the Gulf, Chesapeake and New England to advance its political agenda and convince the public that catch shares are popular with industry.

But to the majority in industry not backed by EDF's money and political support, the proxies are despised.

"EDF's lobbying machine created the South Atlantic Fishermen's Association as part of their sleazy lobbying efforts to remove most fishermen from the ocean through catch shares ...," Bob Jones, the longtime executive director of the 59 year old Southeastern Fisheries Association, wrote to the Times. "EDF is committed to destroying the fishing industry in the Southeast in order to eventually get catch shares bought and sold on Wall Street or to the highest bidder whoever that might be."

"The group received over \$200,000 from EDF for lobbying purposes and has run several ads in Politico, the D.C. publication widely distributed in Congress," wrote Bill Kelly, executive director of the Florida Keys Commercial Fishermen's Association.

In recent days, South Atlantic has begun mailings to Congress; unsigned single page pro catch share fliers have also begun arriving in congressional offices.

Calls to EDF in Washington, D.C. and the South Atlantic Fishermen's Association in Charlestown, S.C. were unreturned.

Fishermen drop EDF ties

In Maryland earlier this month, the Chesapeake Bay Commercial Fishermen's Association voted unanimously to "discontinue" working with EDF, which had been given a \$500,000 contract by the state to organize a blue crab industry management design team.

"We see no further need nor do we want to work with outside interest groups that are only here to impose their own political agenda and are personally profiting by doing so," wrote association President Gibby Dean to Tom O'Connell, state director of fisheries.

"We began to have some concerns as well," O'Connell told the Times in a telephone interview.

Meanwhile, Congressman Walter Jones, R-North Carolina, is part of a bi-partisan, bi-cameral Atlantic Coast long coalition that features Massachusetts Democratic Congressmen Barney Frank and John Tierney, and Sen. Scott Brown, a Massachusetts Republican.

Jones is preparing to submit for the second time his amendment to stop catch shares in their tracks, according to his staff.

"The congressman will resubmit the amendment from the floor which will allow no funding for the development or approval of new catch share programs," Joshua Bowlen, Jones's legislative director told the Times.

Key budget resolution

The Jones amendment scored a shocking 251-151 victory during the harried final weeks of writing the Continuing Budget Resolution last winter. In its final form, after the Senate removed a few teeth, the

amendment was made largely symbolic — barring the introduction of new catch share programs during the remainder of the fiscal year, while ends Sept. 30, and marks a period during which no rollouts had been planned.

Rollouts are planned in 2012, however, so there are high stakes in the impending battle.

The success of the Jones amendment took EDF by surprise last February.

And since then, inspector general and special judicial investigations demanded by the Massachusetts congressional delegation have documented government mistreatment of fishermen that Frank last week said was reminiscent of the shameful demeaning of minorities in bygone times.

As if to punctuate the point, an EDF vice president urged investors in 2009 to get into catch shares to professionalize an industry with a drinking, drugging itinerant workforce.

Following multiple credible government reports that U.S. fisheries are among the most sustainable and best managed in the world, the rationale EDF has given for catch shares may be a harder sell this time around, with job retention a top to-do.

Committee budget cuts

Meanwhile, the House Appropriations Committee cut the administration's \$53 million request to continue the transformation of the commons into shares by \$32 million. The \$21.9 million recommended for catch share programs is precisely half what was budgeted for fiscal 2011.

Lest the administration miss the point, the committee directed the General Accounting Office to provide by next Jan. 23 an assessment of the impact of catch shares with a focus on resulting "consolidation" — or job loss, or more precisely, since the loss is actually an engineered end, job destruction.

Although the market was tentative in the first year of catch shares which ended April 30, the new fishing year has seen a burst of activity and many exits from the industry as a handful of fishing businesses grow larger and stronger.