UNITED STATES DEPARTMENT OF COMMERCE
Chief Financial Officer and
Assistant Secretary for Administration
Washington, D.C. 20230

JUN 0 8 2009

The Honorable Barbara A. Mikulski
Chairwoman
Subcommittee on Commerce, Justice,
Science and Related Agencies
Committee on Appropriations
United States Senate
Washington, D.C. 20510

Dear Madam Chairwoman:

Enclosed is the National Oceanic and Atmospheric Administration's (NOAA) Spend Plan for New England Fisheries Assistance. This spend plan is required pursuant to the Joint Explanatory Statement accompanying the Omnibus Appropriations Act, 2009 (P.L. 111-8).

NOAA has received input from key Congressional members regarding the intended use and applicability of the funds to help transition fishing communities to sector-based management in the New England groundfish fishery. Accordingly, NOAA has identified activities required to implement Amendment 16 to the Northeast Multispecies Fishery Management Plan and other key management activities in New England consistent with the intent of the funds and with the goal of ensuring the long-term sustainability and profitability of the groundfish stocks.

Please contact me at (202) 482-4951 if you have any questions. Thank you for your continued support of the Department of Commerce and its programs.

Sincerely yours,

John F. Charles
Deputy Assistant Secretary for Administration

Enclosure

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UNITED STATES DEPARTMENT OF COMMERCE
Chief Financial Officer and
Assistant Secretary for Administration
Washington, D.C. 20230

JUN 0 8 2009

The Honorable Frank R. Wolf
Ranking Member
Subcommittee on Commerce, Justice,
Science and Related Agencies
Committee on Appropriations
United States House of Representatives
Washington, D.C. 20515

Dear Representative Wolf:

Enclosed is the National Oceanic and Atmospheric Administration's (NOAA) Spend Plan for New England Fisheries Assistance. This spend plan is required pursuant to the Joint Explanatory Statement accompanying the Omnibus Appropriations Act, 2009 (P.L. 111-8).

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The Honorable Alan B. Mollohan
Chairman
Subcommittee on Commerce, Justice,
Science and Related Agencies
Committee on Appropriations
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

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Chief Financial Officer and
Assistant Secretary for Administration
Washington, D.C. 20230

JUN 0 8 2009

The Honorable Richard C. Shelby
Ranking Member
Subcommittee on Commerce, Justice,
Science and Related Agencies
Committee on Appropriations
United States Senate
Washington, D.C. 20510

Dear Senator Shelby:

Enclosed is the National Oceanic and Atmospheric Administration's (NOAA) Spend Plan for New England Fisheries Assistance. This spend plan is required pursuant to the Joint Explanatory Statement accompanying the Omnibus Appropriations Act, 2009 (P.L. 111-8).

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John F. Charles
Deputy Assistant Secretary for Administration

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NOAA Spend Plan
for New England Fisheries Assistance

The Joint Explanatory Statement accompanying the Omnibus Appropriations Act, 2009 (P.L. 111-8) provided $10,000,000 under "National Marine Fisheries Service [NMFS] Operations, Research, and Facilities" for New England fisheries assistance. This amount is specified in table 13A in the Conference Report: "New England fisheries assistance. – The bill provides $10,000,000 to assist New England's fisheries impacted by regulations and catch reductions. NOAA is directed to provide the House and Senate Committees on Appropriations with a spend plan for such funds within 30 days of enactment of this Act."

Summary. NOAA plans to spend these funds as follows:

- $4,700,000 for a fishing gear (groundline) exchange program.
- $3,000,000 to support a dockside monitoring program throughout New England, and to subsidize data collection to help implement sector management for the groundfish industry.
- $1,000,000 for collaborative, industry-led research on fishing gear alternatives to reduce bycatch of depleted stocks for winter flounder off southern New England.
- $1,000,000 to support a permit banking program through which fishing opportunity will be preserved for small and remote communities in Maine.
- $290,000 to be retained by NOAA to cover administrative and oversight expenses
- $10,000 to fund the Ernest F. Hollings Scholarship Program.

Fishing gear exchange program. Right, humpback, and fin whales, which are listed as endangered under the Endangered Species Act, are occasionally injured or killed through entanglement in fishing gear. In the Northeast, entanglements typically occur in fixed fishing gear used in the lobster and other pot/trap fisheries and in gillnet fisheries. Provisions of the Atlantic Large Whale Take Reduction Plan (ALWTRP) require permit holders using these gear types employ gear modifications that reduce the likelihood of an entanglement or reduce the chance an entanglement will be injurious to the animals. One such gear modification requires the use of sinking groundlines (the lines connecting traps/pots to each other). These lines reduce entanglement risk to large whales by sinking to the ocean bottom rather than arcing up into the water column. Other risk reduction measures include adding weak links to the gear so entangled whales can break free after an interaction has occurred.

Of the funds provided in this appropriation, $3,000,000 will go to the groundline exchange in Rhode Island, and $1,700,000 to resume a gear exchange program in Maine.

The funds would be awarded as grants, subject to the procedures and conditions of federal grants law. Certain additional conditions would apply, consistent with past gear exchange programs. Distribution of the funds to industry members would be limited to use for conversion of floating groundlines to sinking groundlines, and incorporation of weak links into vertical lines and/or gillnet panels. To be eligible, industry members

must be fishing in waters regulated by the ALWTRP, and groundline collected must be recycled to ensure it is not put to any future in-water use. Additional conditions regarding collection of data on fishing gear and configurations, recordkeeping, and analysis will also apply.

Sector monitoring and data collection. Amendment 16 to the Northeast Multispecies Fishery Management Plan provides for expanded implementation of sector allocation management. A sector is a group of limited access permit holders who enter a contract and agree to cooperate in the harvest and management of a collective catch share. By participating in a sector, permit holders are provided some relief from the input management controls that apply to non-sector vessels. They can pool sector resources and harvest the catch as efficiently as possible. Sectors are intended to be self-managing and self-monitoring.

To aid with the implementation of sectors, NMFS would provide $3,000,000 to offset costs of monitoring the sector fishery. $1,500,000 would be used to pay for the services of dockside monitors and the other $1,500,000 for services of at-sea observers. Observers are critical to the determination of discards in any fishery.

Dockside monitoring. Funding will be used to establish a contract or contracts through a competitive process to implement the requirements of dockside monitoring. Responsibilities of the contractor will be to hire and train dockside monitors, and to oversee and organize monitor interactions with fishermen. The monitors will meet vessels upon landings, certify the landing weights are accurate, verify landings of a vessel at the time it is weighed by a dealer, and validate dealer reports. Pre-sailing and pre-landing hails will be required in order to coordinate the deployment of dockside monitors and report those hails to sector managers/monitoring contractors, ensure all fish landed by sector participants are recorded, and ensure landings are reported to sector managers.

At-sea monitoring. Funding will be used to ramp up the at-sea monitoring component for Limited Access Privilege Programs (LAPP) and implement pilot programs in existing sectors. Although at-sea monitoring will not become mandatory until 2012, many sectors will be interested in acquiring sector-specific data in 2010. In preparation, the program will develop a specialized training curriculum for at-sea monitors to ensure collection of quality data and to ensure safety at sea. Field equipment for those monitors—including standard measuring and weighing equipment, safety gear, and electronic handheld devices for rapid data reporting—will be acquired. Outreach and coordination with sector managers and potential at-sea monitor service providers will be expanded to address emerging questions and to lay the groundwork for the logistics of at-sea monitor training, deployment, and data quality assurance procedures. A pilot program will be implemented to deploy at-sea monitors and current certified fishery observers in two existing sectors through contracts with observer service providers for sea-day coverage.

The total of these funds would offset these significant overhead costs in the first year of the expanded program.

Cooperative research. The current biomass of southern New England winter flounder is critically low, and the rebuilding schedule requires that fishing mortality on the stock be eliminated. In order to allow fishing to continue in the stock area, modifications to groundfish gear are needed to help avoid or prevent the bycatch of winter flounder. To that end, NMFS would allocate $1,000,000 of the total to industry-led research to help develop, test, and approve alternative gear types that may reduce bycatch of depleted stocks. NMFS would collaborate with institutions in the southern New England area with exceptional levels of expertise and experience in the winter flounder fishery. These funds would be administered through a contract competitive process.

Permit banking. The New England multispecies fishery is managed as a limited access fishery. New permits are no longer added to it. To participate in the fishery, one must acquire an existing permit. The fishing capacity and fishing opportunity represented by each permit is based on the fishing history of the vessels previously associated with the permit. Over time, as that baseline of fishing opportunity (allocated days-at-sea [DAS]) has been reduced, the business of the industry has consolidated somewhat in larger ports, leaving some smaller and/or remote ports with few boats working in the fishery.

NOAA proposes to award a grant to the State of Maine, and to work in partnership with the State to develop a pilot permit banking program for smaller ports in eastern Maine. The funds would be used to acquire multispecies limited access permits. The State (or its agent) would then lease additional fishing opportunities (DAS) to qualified vessels in small and remote ports. By ensuring the availability of fishing opportunity, the program should help to maintain fishing infrastructure and traditions in those ports. The State of Maine was chosen as the site for the pilot project because The Nature Conservancy (TNC) is currently working on such a program with the State and industry in Maine and, through a NMFS–TNC–State partnership, funds can be leveraged to ensure a successful outcome. This pilot will inform the potential expansion of the permit banking program to other ports. NOAA proposes $1,000,000 for permit banking programs. If sufficient funds remain after the establishment of the eastern Maine pilot, priority would be given to establishing a program in Rhode Island.

Administrative costs. NOAA proposes to retain $290,000 to cover the administrative costs associated with proper administration of the grants. The funds will cover staff costs for NMFS headquarters and the NMFS Northeast Regional Office where the primary coordination activities will occur.

Ernest F. Hollings Scholarship Program. All NOAA appropriations are deducted 0.1% to fund the Ernest F. Hollings Scholarship Program pursuant to 15 U.S.C. § 1542. NOAA will use $10,000 for this purpose.

Process. Upon approval of this spending plan, NOAA will notify potential recipients of the funding opportunity and the intended purposes of the funds. To comply with federal grants law, NOAA will request a competitive grant proposal, describing the intended process for using the funds, consistent with the approved spending plan. NOAA will then

review the proposals and process the grant award. If funding is granted directly to the states no competition will be held.

NOAA $10,000,000 SPEND PLAN FOR NEW ENGLAND FISHERIES

	State	Proposed Spend Plan
Permit Banking	Maine	$ 1,000,000
ALWTRP Gear Buyback	Maine	$ 1,700,000
	New Hampshire	
	Massachusetts	
	Rhode Island	$ 3,000,000
Unspecified	Other than Maine	
A16 Dockside Mon.	All	$ 1,500,000
	Maine	
Subsidize Industry Monitoring	Maine	
	All	$ 1,500,000
S.New Eng. Gear research	All	$ 1,000,000
NMFS Admin		$ 290,000
Ernest F. Hollings Scholarship Program	National Program	$10,000
	Total	$ 10,000,000
Totals by state	Maine	$ 2,700,000
	New Hampshire	
	Mass	
	Connecticut	
	Rhode Island	$ 3,000,000
	Region-wide	$ 4,000,000
	NOAA	$ 290,000
	Ernest F. Hollings Scholarship	$10,000
	Total	$ 10,000,000