



February 9, 2018

By Electronic Mail

N.C. Division of Marine Fisheries
Marine Fisheries Commission Office
P.O. Box 769
Morehead City, N.C. 28557

Re: Commercial Licenses Comments

The North Carolina Watermen United (NCWU) submits comments in opposition to the Commission's proposed changes to the commercial fishing license structure. The NCWU is a volunteer-based organization that represents charter and headboat fishermen, commercial harvesters, recreational fishermen and consumers to "promote and assist in the enactment and enforcement of laws and regulations that allow watermen to continue harvesting the fisheries resource of North Carolina."¹ Since it was established in 2005, NCWU has worked on the state and federal level to promote the interests of professional mariners.²

NCWU opposes the proposed changes, communicated in the Commission's January 12, 2018 news release, to revise the commercial fishing license structure because the changes are unnecessary and would negatively impact commercial fishermen and the broader North Carolina economy. NCWU's concerns are supported by the Commission's 2010 report prepared by the Commercial License Review Taskforce. The report recommended that the Commission make no changes to the existing definition of a commercial fisherman. Given the negative economic consequences and the lack of changed circumstances since the report was released, we urge the Commission to once again follow the report's recommendations and leave the definition of commercial fisherman unchanged.

We reserve the right to offer more substantive comments should the Commission enter the rulemaking process. To date, the Commission has not made available information necessary to provide informed comment. Most notably, the Commission has not issued a document explaining (1) the desired goal of the license structure change; or (2) the information used in reaching its decision to consider the proposed requirements.

The January 12, 2018 news release does not offer this information and only recites the proposed revisions. In order to offer comments more tailored to the issues important to the Commission's decision-making, we request that the Commission make available any supporting documents

¹ NCWU, Objectives and Accomplishments *available at* <http://www.ncwu.net/Objectives.html>.

² *Id.*

(such as an Economic Impact Study) or broad goals (such as affecting catch limits) should this issue continue to be considered. The comments presented in this letter are based on the negative impacts of the proposed changes and existing Commission analysis.

The recommended changes are unnecessary and would negatively impact commercial fishermen and the broader North Carolina economy.

The changes proposed in the Commission's January 12, 2018 press release would significantly reduce the number of licensed commercial fishermen which, in turn, will negatively affect the industry and the economic health of the region. The burdensome proposal to require a licensee to earn 50 percent of his/her income from the Trip Ticket Program will cause the charter/headboat industry to lose a significant amount of skilled crew who commonly fish during non-tourist months. This not only prevents skilled employees from working, but it also deprives operators of necessary crew members.

In addition, the state and the Commission would lose revenue if these proposals were enacted. The Division of Marine Fisheries will lose revenues in excess of \$1.6 Million from the loss of sales of the 4000 inactive licenses. Moreover, these changes would prevent North Carolinians from pursuing multiple, diverse sources of income which improves the economic well-being of residents and the region. Consequently, this loss of personal income would reduce the state's tax revenue.

The Commission's most recent consideration of this issue determined that changes are not necessary

The current proposal is unsupported by any task force or other analyses indicating that the Commission's previous findings were erroneous or no longer valid. The Commission, in May 2010, established a task force specifically to study whether changes to the commercial fishing license structure were necessary.³ The taskforce issued a October 12, 2010 report recommending that the Commission make no changes to the existing definition of a commercial fisherman.⁴ The report evaluated several of the changes proposed in the Commission January 12, 2018 new release.

Minimum Income Requirements

The task force directly analyzed the costs and benefits of adding a minimum income requirement to maintain a license and recommended against such a revision.⁵ Among other considerations, the report states that the seasonal nature and unpredictability of fishing strongly disfavors a minimum income requirement.

³ See *Commercial Fishing License Review Taskforce Final Report*, North Carolina Marine Fisheries (Oct. 12, 2010) [hereinafter *Commission 2010 Report*].

⁴ *Id.* at 1.

⁵ *Id.* at 4-6.

Ultimately, the taskforce did not support establishing minimum criteria. There were a number of reasons for this stance. Among these reasons was how certain outside influences can affect how often an individual fishes or how much they may catch. Examples of this are the recent gill net restrictions implemented in order to minimize turtle encounters and illness, which may limit a commercial fisherman's activity.

The taskforce realized that traditionally, commercial fishing in North Carolina has comprised only a portion of a fisherman's total income. Because of the seasonal nature of fishing, many fishermen have always had other occupations such as carpentry, guiding and farming. Although many fishermen only fish during fall runs of fish (ex. flounder pound nets), income derived from this part time activity can supply a major proportion of their income.⁶

Our organization represents many fishermen who pursue various sources of income and may not earn 50 percent of their income on commercial fishing alone. Coastal fishing communities inherently cultivate economic diversification because of the variability in fishing income and tourism. As the task force report notes, requiring one to derive a minimum level of income from commercial fishing departs from the tradition of these communities. Therefore, because both proposed requirements 1⁷ (requiring income percentage) and 2⁸ (setting an income threshold) have already been evaluated and rejected through a deliberative process and final report, we urge the Commission to reject these requirements.

Trip Ticket Requirement

In addition, the 2010 report offered analysis on several other standards for defining a commercial fisherman. Although not directly considered as a proposal, the discussion of the positive and negative impacts are instructive. For example, in discussing the benefits and disadvantages of defining a commercial fisherman by frequency of trips, the report notes several negative impacts:

- (1) Not necessarily indicative of full time status
- (2) Can be behavior modifying in biologically detrimental ways.
- (3) Difficult to define for out-of-state fishermen who infrequently land in NC.
- (4) Difficult to define some in-state fishermen who frequently land outside NC (have licenses in other states).⁹

⁶ *Id.*

⁷ "Must have 50 percent of earned income from the Trip Ticket Program as in the Fisheries Reform Act of 1997."

⁸ "To address crew issues for those who do not have trip tickets, but are bona fide commercial fishermen as crew or any commercial fishing interest in North Carolina or outside the state, proof of income of \$10,000 or more per year."

⁹ *Commission 2010 Report* at 29.

In contrast, the only positive impact listed was that it would be “easily defined for in-state fishermen”. Given the potential for the improperly categorizing full-time fishermen and encouraging biologically detrimental behavior, the Commission should reconsider its proposal to require commercial fishermen to conduct 36 trip tickets per year.

For the reasons set forth above, we urge the Commission not to submit to the legislature the proposed revisions to the requirements for holding a Standard Commercial Fishing License.

Sincerely,

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