

# Portland Fish Exchange struggling to stay afloat; Battle may be looming over lobster catch

By Randy Billings (published: November 16, 2006)  
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PORTLAND – Seafood buyers pored through totes of groundfish Monday, Nov. 6, at the Portland Fish Exchange shortly before the bell signaling the noontime auction resounded through the frigid warehouse.

With their blue bidding paddles, clipboards, calculators and phones, the buyers piled into the small room between the storage area and the main office, where auctioneer Paul Dewey started the bidding process, as he has since shortly after the exchange opened in 1986.

But how much longer America's first all-display seafood auction house can continue to operate is now being questioned by those who manage and operate the exchange.

The fishing industry received a one-two punch this week as the exchange reported record-low levels of vessels landing their catch at the city-owned facility and a new report predicted a collapse of all fish and seafood species by 2048.

"We're approaching a tipping point," exchange President Tom Valleau said. "We've been watching this slide for about 10 years. But in the last nine months it has plunged downward alarmingly."

## Landings down sharply

With under two months left in the 2006 fishing season, the exchange has moved only 7 million pounds of groundfish (haddock, flounder, pollack, ocean perch and the like), compared to the nearly 14 million pounds last year.

Since landings increased in 2000 by nearly 4,000 pounds (from 13,700 to 18,000), coupled with a modest 1,500-pound increase the following year, the exchange has watched the amount of groundfish landed steadily dwindle.

At the same time, the exchange has tried to recover its operating costs by raising its prices by about 20 percent, laying off 25 workers (or 50 percent of its staff) and dipping into its rainy day account just to stay afloat.

But according to exchange manager Hank Soule, the decrease in landings is not a result of a depletion in populations due to overfishing, as suggested in the Nov. 3 report in the journal *Science*, which predicted a worldwide "collapse" of all fish and seafood species by 2048.

"In many cases we are actually underfishing," Soule said, citing as examples stocks of haddock, pollack, ocean perch and flounder – all of which are vital to Maine's fishing industry. "We tend to catch a lot of these fish. But we do not tend to catch a lot of cod fish, for instance, which is a species which is severely overfished."

At the Nov. 6 auction, bids on cod generated the most competitive activity, with buyers simply holding up their paddle until the price, which rolled off Dewey's tongue with ease, was too high.

Soule said that in 2005 federal regulators determined that 140 million pounds of the Gulf of Maine's 19 species could be caught while still maintaining a healthy fish population. But only half that



Sandy MacIver, left, Dan Scofield and Sam Tucker examine a tote of hake prior to the Nov. 6 auction at the Portland Fish Exchange.

Billings photo

amount, or 70 million, was actually brought ashore. Soule said the current regulations seek to protect two or three stocks of fish by imposing regulations on the entire industry.

Both Soule and Valleau attributed the staggering decrease in activity at the exchange directly to the ebbing number of vessels landing their catch at the auction house.

In 2001, there were 237 boats landing their catch at the exchange. Now there are only 113, a number that alarms exchange officials.

"We want our boats back," Valleau said. He hopes fishermen are waiting out an emergency federal regulation, enacted on May 1 and set to expire on Thanksgiving, which counts every actual day fished as 1.4 days. After that, fishermen will be allowed to fish their full 48 days at sea, except off the Northern coast of Massachusetts and New Hampshire, where one day fished counts as two toward their total – an effort to protect the cod known to live there.

### The solution

According to Valleau, the real problem is more Maine vessels are landing their catch in Massachusetts because they allow draggers, who often pull up lobsters while fishing offshore, to sell up to 500 lobsters per trip. The bycatch, as it is known, can usually net fishermen an additional \$5,000-plus per trip, depending on the prices.

Valleau said it is now time for the state to allow draggers to sell their bycatch within state boundaries. While acknowledging the exchange's decline in activity is not exclusively related to the bycatch issue, Valleau said it's one factor the state can identify and fix with "the stroke of the legislative pen."

"It used to be that fishermen could afford to go without the lobster bycatch," Soule said. "It was a sacrifice they were willing to make to live here. But every year they're putting more and more regulations on these fishermen, so their income is being cut. People are starting to feel the squeeze."

Valleau said that fishermen are now less likely to throw back their bycatch, which is netted more than 100 miles offshore – far away from traditional lobster grounds. Instead, they take the relatively short steam down to Massachusetts, where they can get more bang for their buck, not only by selling bycatch, but also by getting tax-free diesel fuel.

Valleau said on average a vessel burns approximately 500 gallons of diesel per day. He said the sales tax the state applies to diesel fuel can add as much as \$15,000 per year in expenses.

Soule worries that if the current trend continues, the state could lose its entire fishing infrastructure – markets, hydraulic repair shops, ice and fuel houses and processing plants – which would be the end of the fishing industry in Maine, he said.

Soule said the exchange was created in response to the outcry of fishermen, who had to take their catch to seafood processing plants in Massachusetts, as a more cost-friendly and local way to sell their catch. Now, they're in danger of returning to those days, he said.

Valleau knows getting legislative approval to allow the sale of bycatch, which is expected to be fiercely fought by the Maine Lobstermen's Association, is going to be a challenge. But it is one the exchange is ready to undertake.

"It's going to be huge," Valleau said. "It will be like dealing with the National Rifle Association."

*Randy Billings can be reached at 781-3661 ext. 100 or [rbillings@theforecaster.net](mailto:rbillings@theforecaster.net).*