



PORTLAND FISH EXCHANGE

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Proposed Measures to Assist Maine's Groundfishing Industry

Maine vessels forego millions of dollars each year in bycatch lobster revenue. If the State declines to allow bycatch landings, it would be appropriate to reimburse vessels for the foregone revenue.

Compensation for Value of Foregone Revenue Resulting from State Lobster Bycatch Prohibition: \$2.5 million annually for three years

We propose to reimburse vessels landing groundfish and monkfish in Maine 15 cents per pound – approximately the value of buyer and seller handling fees at the Exchange – as a proxy for the value of foregone bycatch lobster revenue. Per the maximum lobster bycatch value discussed in the Governor's Groundfish Task Force report, reimbursements would be capped at \$100,000 per vessel.

We estimate that in 2005 and 2006, this program would have provided \$2.5 million and \$1.4 million respectively in compensation for foregone bycatch lobster to Maine's fleet. Anticipating the program will encourage vessels to return to Maine, we request \$2.5 million.

Measures to Encourage Purchases from Maine Fleet Suppliers: \$0.9 million annually for three years

- Vessels landing groundfish in Maine would receive a credit for ice purchases. Many trip vessels commonly use about 1 pound of ice for each pound of fish. This program would provide vessels with a 1:1 credit for ice purchases (likely rounded to some extent; ice is not measured as precisely as fish).

The two ice suppliers to Maine's fleet report annual ice sales of about \$0.6 million.

- We advocate repeal of Maine's sales tax on diesel fuel charged to groundfishing vessels, as proposed under LD 1377, estimated to be around \$300,000. We include that recommendation here.

Measures to Preserve Maine's Historical & Geographical Participation in the Groundfishery: One-time investment of \$5.0 million, and \$0.1 million annually for three years

- Vessels which offload at a location distant from their market incur additional costs in transportation. For instance, vessels in Port Clyde pay a fee of 5 cents per pound to transport their catch to the Exchange. As a way to provide extra assistance to vessels landing outside of Portland, we propose reimbursing fishermen for that cost of transportation (note this includes fishermen who use their own trucks for transport). Dealer verification of transport should be a simple matter.

In 2006, 1.6 million pounds of product was delivered to the Exchange via truck. Including some product delivered to other markets, we estimate the cost of this program to be \$0.1 million.

- A \$5 million revolving loan program for refinancing of existing debt.

We have advocated for and investigated acquisition of harvesting rights. Recognizing time constraints, we have set it, along with health insurance issues and other Groundfish Task Force recommendations, aside for the moment.

Summary

We recommend a three year bridge package consisting of:

Item	2007	2008	2009
Foregone lobster bycatch	\$2.5m	\$2.5m	\$2.5m
Ice credit	\$0.6m	\$0.6m	\$0.6m
Fuel sales tax*	\$0.3m	\$0.3m	\$0.3m
Transportation	\$0.1m	\$0.1m	\$0.1m
Loan fund	\$5.0m		
TOTAL	\$8.5m	\$3.5m	\$3.5m

* Not including administrative costs