

Fish exchange short on landings, short on cash

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By TOM BELL

The volume of groundfish landed at the Portland Fish Exchange has fallen to record-low levels, and the city-owned facility is likely to lose more money than last year.

Exchange officials plan to deliver the bad news to the Portland City Council tonight.

Since it was founded in 1986, the auction house on the Portland Fish Pier has been viewed as a success story and a national model. But in recent years the exchange has struggled, along with the rest of Maine's groundfish industry, because of dwindling fish stocks and new regulations.

The decline in the past year has accelerated because many boat captains have decided they can make more money if they land their fish at Massachusetts ports.

Only 7 million pounds of groundfish have been landed at the fish exchange so far this year, just half the amount landed in 2004 and 20 million pounds less than in the peak year, 1992.

The next 12 months will be critical for the future of the fish exchange, Maine's fishermen and the city's fish processors, Exchange President Thomas Valleau wrote in a letter to the City Council.

"More is at stake than just the Portland Fish Exchange," Valleau wrote. "The future of the groundfish industry in Maine is also in question."

The exchange always has been able to pay its own bills, but last year it had a \$150,000 shortfall, and it's looking at a \$200,000 loss this year, Valleau said.

New England's fishermen are struggling to make money because of federal fishing limits designed to allow fishing stocks to be rebuilt. Fish stocks for the most part are rebounding rapidly, Valleau said, and the fishing industry will be in good shape when the stocks fully recover.

However, if Portland should lose its fishing boats and infrastructure during this lean period, he said, the fleet never will return to Portland.

"We see things rebounding in two, three, four years," he said. "We are worried that our fleet will be gone."

While there's not much Portland officials can do about the regulatory issues, he said, they can improve the business climate so Portland can be competitive with the Massachusetts ports of Gloucester and New Bedford.

Valleau said Massachusetts, unlike Maine, doesn't require fishermen to pay a sales tax on diesel fuel. Also, Massachusetts allows fishermen to land lobsters that fishermen catch by mistake in their nets. This is known as "bycatch." Maine law prohibits fishermen from landing lobsters caught in nets in state or federal waters.

Massachusetts law allows each dragger to catch 500 individual lobsters. When fishermen are trying to stay solvent, that's a lot of money to give up, said Bob Tetrault of Portland, owner of two groundfishing boats.

"That's \$10,000 to \$12,000 per trip," he said. "You can't leave that laying around."

Because crews are paid according to a portion of the total revenue, he said, crew members also want to work out of Massachusetts, making it hard for Maine boats to compete with Massachusetts boats for labor.

Tetrault said Massachusetts ports also offer cheaper berthing space and allow crewmen to collect unemployment insurance. Under Maine law, fishermen are private contractors and do not qualify for benefits.

"Maine's fishing industry is not going away for lack of fish," Tetrault said. "It's going away for lack of a good business environment."

He said distance from the fishing grounds is not a significant factor when it comes to competition between the two ports.

Portland Mayor James Cohen said fishing and its related businesses are important to Portland's economy, and the city wants to do what it can to help the industry thrive, including the possibility of lobbying the Legislature to allow draggers to land lobster bycatch. Valleau said the change may be necessary for the industry's survival.

But changing the lobster regulations would be an uphill battle, to say the least.

Maine's powerful lobster industry would fight any such attempt, said David Cousens, president of the Maine Lobstermen's Association. If any lawmaker dares to submit such a bill this session, he said, the lawmaker should be prepared to hear from a thousand angry lobstermen who will descend on Augusta.

"The lobstermen would come unglued at the thought of it," he said. "We would fight them tooth and nail."

Cousens said lobstermen will help groundfishermen get rid of the sales tax, but they won't help at all if they try to change the lobster rules.

Groundfish nets, which drag on the ocean bottom, can capture and kill hundreds of migrating lobsters in just one sweep. He said the survivors are often muddied and damaged. Allowing them to be sold in Maine would hurt the image of the Maine lobster, Cousens said.

The current prohibitions on lobster landings by draggers don't protect any lobsters, Tetrault said, because draggers from other states catch the lobsters anyway and just bring them back to their home ports.

For years, Maine lobstermen have been working to change the rules in Massachusetts and Rhode Island that allow draggers to catch lobsters. Allowing Maine draggers to catch lobsters, Cousens said, would be a huge setback for that effort.

Tetrault said the Maine lobstermen will never be successful in changing rules elsewhere. But here in Maine, he said, the state's 6,000 lobstermen are so powerful they can squash any proposal they don't like.

"Lobster is king here politically," he said.

Staff Writer Tom Bell can be contacted at 791-6369