

## Testimony of Ralph Brown

Before the  
United States Senate  
Committee on Commerce Science and Transportation

January 16, 2001  
Newport, Oregon

Good afternoon members of the committee:

I am Ralph Brown, from Brookings, Oregon. I have been involved with the fishing industry since I was a child. I currently own two trawlers that fish out of the Port of Brookings Harbor. I have been a member of the Pacific Fishery Management Council for the past four years.

Like everyone involved with the groundfish fishery, I have spent a great deal of time thinking about our problems and how we got to this point. I'm not sure exactly how we got here, but I am sure that we have to do something different.

Because we know what we did do hasn't worked out, we need to be open to other kinds of management measures and avoid the temptation of doing more of the same. I have several ideas for approaches that we might try. But in the interest of time, I will focus on the one program that I think could accomplish the most – at the least cost.

We need to reduce the fleet. Capacity reduction was first identified as the Council's top priority in 1994. Our strategic plan identified capacity reduction as the top priority. Last week our strategic plan implementation team met for the first time and once again recommended that capacity reduction be the highest priority issue. In fact, capacity reduction has been named the number one priority in nearly every fishery in the world, and yet it is the one aspect of management that the council has little ability to address. We need your help on this.

Specifically, I am asking for your help in getting a fleet buy-back proposal implemented.

We propose that the groundfish fleet be reduced to one-third of its current size by purchasing the vessels and all associated permits, including permits for state managed fisheries. We propose that the funding for this program be shared between the federal government and the industry, with half coming from each. The federal government would need, additionally to provide a loan to the industry that would be paid back over time in order for the program to be implemented quickly.

The industry portion of the program would be split among the beneficiaries of the program. The primary beneficiaries are the pacific groundfish, pacific pink shrimp, and Dungeness crab fisheries. While the specific amounts that each would be required to pay could still be subject to negotiations, the general theme is that each would pay relative to the benefit received.

At this time we estimate the cost of the program at around 50 million dollars but we need to do much more analysis to better pinpoint the true cost.

We know that buy-back proposals have not been very successful in some areas of the country. The primary reason for this is that they have not been large enough to remove enough of the capacity in a fishery to achieve the intended benefit. We believe this program is.

In the past, the trawl fleet has proposed that an industry funded buy-back program be established which would have removed only groundfish permits. Opponents to that proposal pointed out that since vessels would not be removed, they would go into other fisheries. We have not only addressed that issue, but are actually proposing that other fleets be reduced along with the groundfish fleet.

We are asking for the government to fund part of this program because frankly, the industry no longer has the ability to do it alone given the current state of the fishery.

We first publicly presented this proposal in November at the Pacific Fishery Management Council Meeting. We have tried to get it to every segment of the fishery along the coast. The comments that we have received back have been overwhelmingly supportive. Many of these positive comments were from people that opposed the previous proposal. We literally have only heard of one negative comment.

In the interest of time I won't discuss the benefits that we believe could be derived from the program, but I do want to address the cost. We believe that this could be the most cost effective thing that the government could do to fix problems in the fishing industry.

I will use one example. Senator Wyden was able to secure funding for an observer program last year in the amount of 2.5 million dollars. This is a program that we all agree we need, and we thank him for this. If that is all we do however, after ten years we will have spent 25 million dollars and still have the need for federal assistance for observers, as we will have done nothing to make the fleet more able to bear the cost of observers. If instead we spend the 2.5 million on fleet reduction, we can make the remaining fleet profitable enough that they are able to shoulder the cost of observers. The result is fleet reduction and observers both.

We have actually tried to plan a level of fleet reduction such that the fleet would have the ability to shoulder more of the cost of management than just the observer program, but I think that this example is enough to demonstrate the cost effectiveness of the program.

In closing I know that this is a small amount of time to present a big idea, and I am happy to answer any questions. I am eager to work with you or any of your staff members on to make this happen. Once again, thank you for your interest on this matter of critical importance to the fishing industry.

Thank you.