

Point Judith, Rhode Island
Commercial Fishing Infrastructure Report, 2004

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with

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Introduction



Fishing industry participants in Pt. Judith identified three factors essential to the viability of a fishing port: a steady supply of product into the port, the proper infrastructure to handle and/or process the fish and shellfish, and a steady demand from buyers. While this report is focused on the infrastructure, it is clear that these three factors are interdependent.

Management regulations have the most direct impact on supply. Reductions in the days fishermen are allowed to fish (DAS), closed areas or “time out of the fishery,” trap limits, and quotas can all affect the available supply. Without a steady supply, most of the infrastructure is vulnerable since market demands a reliable supply. Without a diversified market, demand may disappear and the prices for whatever is caught diminish.

Nevertheless, Point Judith is still considered one of the U.S.’s primary fishing ports. In 2002, Pt. Judith ranked 23 in quantity of landings with 48.5 million pounds and was

ranked 14th in value of its landings at \$33.6 million dollars.¹ These numbers do not reflect the landings in New Bedford by Point Judith vessels.

Point Judith's fishing fleet was traditionally known for its flexibility. With its geographic location on the edge of the southern range of several cold-water species of fish and the northern range of the warmer water species, the fleet learned to shift effort to different species based on their availability and price. (Prices shift according to supply and demand, but also depend on the ability of dealers/processors to handle the quantities landed.) Once considered a strength of this fleet, flexibility has reportedly had negative impacts on the fleet's ability to maintain its productivity. Because regulations are now based on individual's history of landings, those who focused on a single species or category (e.g., groundfish) throughout the seasons and years benefited. In contrast, those fishermen who were focused on alternative species during the selected qualification period thereby lost their opportunity to qualify for species they considered part of their repertoire. As a result, fishermen with DAS for groundfish or permits for other species now hasten to use all that are allocated in fear of a "use it or lose it" decision in the future. One of our panelists pointed out that this has a negative impact on conservation.²

Squid, butterfish, whiting, scup, fluke, sea bass and striped bass were the major species landed. Most of these stocks are now managed under quota and a consistent supply and market are difficult to maintain. Furthermore, scup, fluke, and striped bass are prized in the recreational fishing industry, but there is little enforcement of recreational catch limits. Because of the species they target, Rhode Island's commercial fishermen work under the regulatory purview of Rhode Island, New England and Mid-Atlantic Fishery Management Councils and the Atlantic States Marine Fisheries Commission. For species controlled by days-at-sea (DAS), some of the boats land in New Bedford because of a steaming time advantage, as well as better prices offered by the display auction there.

These days, squid is the dominant species landed in Pt. Judith. Squid tends to be landed in large quantities, resulting in temporary gluts on the market. In consequence, local processors must freeze significant quantities for later processing in order to maintain a regular supply to their markets. Though cod fishing is not a major part of Point Judith's landings, the groundfish regulations have caused fishermen from outside Rhode Island to turn to squid fishing, exacerbating the tendency of that fishery to create temporary gluts on the market.

¹ Fisheries of the United States, 2002.

² Regulations from both New England and the Mid-Atlantic affect decisions by fishermen in Pt. Judith, in some cases increasing the variety or flexibility of individual boats. Some boats that had never used their groundfish days, started using them to compensate for closures in other fisheries. Likewise, traditional groundfish boats have added squid to their list of target species.

Background

The research upon which this report is based is part of a cooperative research project entitled “Institutionalizing Social Science Data Collection,” funded by the Northeast Consortium and the Saltonstall-Kennedy federal grant program. David Bergeron, Executive Director, Massachusetts Fishermen’s Partnership; Dr. Madeleine Hall-Arber, anthropologist at MIT Sea Grant College Program; and Dr. Bonnie McCay, anthropologist at Rutgers University are the principal investigators. A primary goal of the project is to develop a process by which community members themselves can participate in the identification of major issues of concern to their communities as well as the collection of appropriate social and economic information.

Community panels in six fishing communities have been established. Four of these are important hub ports for the region, Gloucester, New Bedford (Massachusetts), Point Judith (Rhode Island) and Portland (Maine). The other two represent the small and medium-sized ports typical of the area: Beals Island (Maine) and several ports along the South Shore (Massachusetts). Because of increasing interest in analyses of the vulnerability of commercial fishing infrastructure in the region, this report focuses on Point Judith’s infrastructure. The preliminary report served as the basis for discussion, contrast and comparison, with the other community panel reports when we met as a whole project in October 2005.

Methods

In accord with an ecosystem approach to fisheries management, we assume that strong relationships exist among factors as diverse as fish stocks, oceanographic habitat, fishing technology, individual harvesters, fishing families and communities, economic policy, public welfare, political participation, and fisheries regulation. Given this level of complexity, examining the social and economic impacts of fisheries regulation requires a range of methodological approaches including both quantitative and qualitative approaches. These include analysis of formal surveys, structured and unstructured interviews, focus groups, mapping, and participant observation, and archival data sources (Glaser and Strauss 1967; Harding 1989; Strauss and Corbin 1998; Stringer 1999; Patton 2001; Creswell 2003; Kumar and Chambers 2003).

As this project began, the focus was on preparing comments on an economic needs report and the potential socio-economic impacts of upcoming groundfish regulations. (A link to the comments the Panels Project submitted to the New England Fishery Management Council on Amendment 13 to the Multispecies Fishery Management Plan is available at <http://web.mit.edu/seagrant/aqua/cmss/comm%20mtgs/commmtgs.html>.)

Both focus group meetings and individual interviews were used to identify concerns and obtain data for the Pt. Judith Community Panel. As a group, the panel expressed a particular interest in enhancing the socio-economic data used to define the commercial fishing community within their region. This report describes the socio-economic data pertinent to the commercial fishing infrastructure.

Three panel meetings were held. The first was focused on identifying the economic needs and priorities of community members with the goal of influencing the use of the emergency funds allocated to the state for economic relief of the impacts of the Interim Rule (groundfish regulations). The second was an open discussion of socio-economic data needs and sources for the Point Judith area. The third reviewed, critiqued and edited the initial draft of this report. In addition, panel coordinator Jackie Odell attended the Rhode Island Commercial Fishermen's Association meeting to discuss the project.

The meetings (or focus groups) identified priorities and dominant themes or issues of concern to Point Judith's commercial fishing industry members (defined broadly). Individual interviews followed. Written protocols were used to elicit information common to the interviewees, but the interviewers were encouraged to use the protocols as open-ended instruments, so individuals could generate information not bounded by the researchers' expectations. The initial set of protocols asked more about the economics of businesses and households, the second set had a broader range of questions. The meeting with the fishermen's association led to the collection of shoreside business information in addition to the cooperation of vessel owners and crew in data gathering.

Jackie Odell served as coordinator of the Pt. Judith panel for the first year and was assisted with data gathering by Carl Granquist, Skip O'Leary and Karen Follett. When Jackie had to leave the project, Skip O'Leary took the lead on interviewing individuals representing all sectors.

Infrastructure requisites

The following were identified by the Gloucester Community Panel as infrastructure essentials for an active fishing port. The Panels Project has found, however, that some fishing communities do not have all of the requisite elements in their own community and must go to a larger fishing port (hub port) to obtain the required services. This may make the dependent ports more vulnerable, having less direct influence on the community upon which they rely but do not live. In Section III, Pt. Judith's existing infrastructure will be detailed and discussed.

Businesses, Structures, and Space

- Mooring space
- Facilities to maintain and repair vessels
- Gear and supply shops
- Open space to work on gear
- Fueling facilities
- Ice plant(s)
- Cold storage facilities
- Fish buyers/auction
- Fish processors
- Transportation for fish and fish products

- Coast Guard/port security

People

- Experienced fishermen (including captains)
- Young fishermen (including young captains)
- Gear technicians (for repair and design)
- Lumpers
- Settlement agents
- Maritime attorneys
- Skilled trades
 - Welders
 - Electricians
 - Diesel engine mechanics
 - Commercial divers/ underwater welders
 - Electronics specialists
 - Refrigeration specialists
 - Maintenance workers for plant machinery
 - Line workers/skilled cutters

Intangibles

- Insurance for vessels (hull, P/I)
- Markets for fish
- Business plans
- Financing for vessels
- Financing for shoreside operations
- Fishermen's training
- Fishing industry organizations
- Voice for the community in fisheries management
- Long-term vision/planning for the harbor
- Positive public relations for the fishing industry
- Clear lines of communication between the community/industry and government decision-makers

Discussion of Pt. Judith's Infrastructure

Introduction

Pt. Judith's infrastructure does have each of the essential components identified by the Panels for "businesses, structures, and space." While having representatives of most of the other identified elements of essential infrastructure components, key concerns noted by Pt. Judith's industry participants fall under the categories of "People" and "Intangibles." Specifically, the aging of the fleet and insurance are two of the most prominent concerns among fishermen and some of the shoreside businesses.

A recent study by URI researcher, David Blaine found that the average age of Rhode Island and Massachusetts fishermen is 51 years old. Seventy-five percent of the fishermen are over the age of 50. The vessels themselves tend to be older and a number of wooden vessels remain operational.

Vessel insurance, the other critical concern for fishermen in the port, may be directly related to the issue of the aging population of fishermen and their vessels. As one respondent noted, “The way the boats are licensed now, there is no practical way to replace a boat unless it sinks.” . . . “It’s a terrible investment, putting money into boats that should have been scrapped . . . you can only patch them up so many times. . . .” “We used to work our way up, once you got prosperous with one boat, you’d sell it to someone just starting off and you built a new one.” With so few young people moving into the industry and with the license restrictions, opportunities for the average fisherman to replace their vessel are few. In consequence, vessel insurance has become much more expensive or, especially for the older, wooden vessels, unobtainable.

In a vicious cycle, some vessels fish short-handed so that their crew receives a larger share. Fishing short-handed however can be more dangerous, leading to higher injury rates followed by higher insurance costs. Fishing short-handed also contributes to the lack of skilled young fishermen. Because fishing short-handed makes each individual’s activity that much more important, vessel owners try to avoid hiring inexperienced crew since that cuts down on the productivity of the vessel. However, there is such a shortage of experienced fishermen in Pt. Judith that owners are sometimes forced to hire inexperienced or unreliable crew. Immigrants are starting to filter into the fleet, though language barriers tend to restrict that flow.

Businesses, Structures, and Space

Mooring space

The fish pier provides sufficient dock space for the existing fleet for now. Respondents regard the facilities for mooring as “adequate.” However, the waterfront real estate is increasing in value (and with the value, a rise in taxes). Most of the businesses on the waterfront have 20-year or 30-year leases with 5-year renewable contracts with the state, but they can be evicted in 6 months. All the docks are state owned but a few of the docks are leased exclusively to the boat owners so they have their private dock and are responsible for maintenance. A complaint about the fish pier is that its systems for electricity and fresh water are poorly maintained. The electrical system is not adequate to run a space heater, for example. The town authorizes all recreational moorings.

Facilities to maintain and repair vessels

Owners of marine repair facilities stated that there has been a drop in the number of haul-outs due to vessels leaving the fishing industry or to vessel owner’s lack of sufficient funds. Respondents noted that some fishermen are repairing their own vessels rather than turning to professionals. Fishermen and the facilities owners say that rather than hauling out their vessel annually or every 18 months for maintenance and repairs, fishermen are

waiting two years. In addition, they do nothing that is not strictly necessary and some even try to “get by with something they know needs to be fixed.” Because the fleet is getting older, repairs and maintenance is generally more expensive. One individual noted that you can only repair something so often, then it has to be pulled out and replaced. Some of the shipyards are diversifying, handling recreational vessels and/or tugboats, etc.

Pushing the boundary on the timing of repairs also applies to safety equipment. Repacking of life rafts, for example, is supposed to be done annually (except on the latest rafts that have a 2-year requirement), but some fishermen wait until they are boarded by the Coast Guard and warned to have it serviced. Most assume that the rafts would be functional in an emergency, so they wait until they are forced to do so before paying the \$500-800 fee for repacking a raft. Similarly, the hydrostatic releases for EPIRPs, flares, and 5-year batteries on various pieces of equipment need regular maintenance or replacement, but some of the fishermen delay. “Whether it’s just because they lost track [of when maintenance or replacement was due], or because they were trying to let it go for awhile, I’m not sure.”

The safety regulations have helped the businesses that supply, repair and maintain safety equipment tremendously. Since regular maintenance and replacement is essential, the positive impact is ongoing. Since 9/11, however, these businesses have noticed that the Coast Guard is making about half as many safety spot checks as in the past. They also make far fewer boardings on vessels, so it may be that fishermen are able to wait longer for maintenance without risking Coast Guard warnings. Also, the Coast Guard personnel are not always up to date on the current regulations since they are complicated. (For example, some fishermen with new rafts have been warned to get them serviced after a year or year and a half, when the current regulation gives them 2 years.)³

Gear and supply shops

The major problem for gear supply shops is the speed with which recent regulations have been imposed. Shop owners argue that there should be at least a six-months lag time before implementation of regulations requiring new mesh sizes. Twine is ordered and shipped from overseas so the suppliers end up with costly inventories of illegal twine when the rules change suddenly. One owner said that he had \$50,000 in illegal twine and vents. Whether or not such accounts are exaggerated, the point is that rapid changes in regulations do create problems. Another gear shop owner indicated that it is “a pain to be stuck with illegal gear,” but suggested that he could sell it down south, or elsewhere, albeit at greater expense due to airfreight.

Accounts receivable is a problem for some of the businesses. Business has gone down in recent years, but expenses have increased. Companies with long-term loyal customers try

³ Safety workshops held in New Bedford in 2005 highlighted the potential for fatal flaws in the apparently region-wide tendency to delay maintenance of safety equipment. For example, during the first workshop, nine of 54 survival suits tested by participants (by donning them and jumping into a pool) failed. Some no longer fit, zippers jammed, suits leaked, etc.

to extend credit as long as possible, but they also “have bills to pay.” One businessman commented that the only price that has not gone up is the price of fish. Another said that he had “good customers” but his receivables jumped \$100,000 over the 4-month period from October 2002-January 2003.

Open space to work on gear

Nets can be spread out for inspection and repair on the pier, though the open space is fairly limited. Some industry people complain that they are being squeezed by increasingly large parking lots provided for visitors to Block Island who take the ferry from Pt. Judith. Fishermen worry that even with state ownership of many piers, loss of essential parking and truck access to the piers to provide services, load or unload product and equipment, or just parking for crew while they are fishing, could be the same as loss of access to the piers.

Fueling facilities

Galilee Fuel Services, Inc. uses Slavin’s ice dock so vessels can have ice, fuel and oil pumped aboard at the same time. This was formerly the Coop ice dock, the only waterfront oil facility in Point Judith.

Norm Oil, the primary fuel supplier to the Point Judith fleet for many years, was sold a few years ago to Santoro Oil. The name Norm Oil has been retained for the trucks and business.

Drew Oil from Cranston, RI, delivers to many of the vessels in Pt. Judith at high volume discount rates. They have been around for many years, but their clientele has increased as vessel owners try to economize wherever possible.

Ice plant

Ice is readily available. Four companies in Pt. Judith sell ice primarily in nugget form. There is no flake ice available.

Cold storage facilities

Freezing capacity is an essential part of the business of processing in Pt. Judith. Because of the large landings in relatively short time frames associated with squid and whiting, the processors must freeze sufficient product to maintain a supply for a year’s processing. Unfortunately, this ties up funds (in maintaining frozen inventory) that might have been spent to develop new product lines.

There was a large facility in Providence used by the Coop that has closed down. Two other facilities still exist that the dealers use and fishermen occasionally use for bait.

Fish buyers/dealers

Some fishermen try to sell their own fish, to get a higher price. Interviewees estimated that about half the groundfish boats land in New Bedford to take advantage of the auction’s higher prices and avoid paying the 12 cents/pound trucking costs. Panelists also noted that by landing in New Bedford, they save DAS since its location results in

fishermen being able to turn their VMS on later and off earlier. Inconsistency in the flow of product has disrupted former relationships with dealers.

The dealers who primarily handle squid are only indirectly affected by groundfish regulations. For example, since squid is regulated by quota, if groundfishermen switch to catching squid (to supplement their groundfish DAS), the vessels that normally sell to the Pt. Judith dealers are likely to have less quota. As is true for the processors, a regular supply of product is critical for dealers to maintain their customers.

As more boats have had to go squidding [to supplement income from other species], the boats that traditionally targeted squid are suffering. Under the Interim Rule⁴, so much effort previously focused on groundfish was switched to squid that loligo squid closed four quarters in a row, whereas prior to the changes in groundfish regulations it had never before closed two quarters in a row. This doubled effort creates a glut of squid which can not be processed immediately so has to be frozen. The cost of cold storage, like every cost, “comes out of the hatch,” i.e., the price the fishermen receive is lower than it would be if the dealers/processors did not have to consider the cost of storing the product.

Fish Processors

One fish processor noted that the biggest impediment to any expansion of fish processing in Pt. Judith is a lack of raw product. In addition, Narragansett requires processing plants to pretreat their waste since the existing treatment plant can only handle about 300,000 gallons per day. The processing plants each use 50-60,000 gallons per day. Both Pt. Judith Fishermen’s Company and Town Dock have had to invest about \$2 million to construct pretreatment facilities for their plants. The uncertainty surrounding the availability of landings, however, does constrain other companies from considering making such large capital investments in their shoreside plants.

As noted, squid is the dominant species landed and processed in Pt. Judith. In the past, yellowtail flounder was an important portion of the landings, but most groundfish is now landed in New Bedford, because of its proximity to Georges Bank (and thus fewer DAS wasted steaming to the grounds). Consequently, most of the dedicated finfish fillet houses formerly part of Pt. Judith’s infrastructure have closed. The plants that process squid do on occasion cut small amounts of groundfish. Employees are bussed/vanned in from Massachusetts and Providence.

There is an awareness of the vulnerability of the remaining processing houses. Groundfish fishermen believe that their catch cannot be handled in Pt. Judith and they pay for transport to New Bedford or they land in New Bedford. The New Bedford auction also generally offers higher prices for the catch. Only day-boat fish is landed in Rhode Island and gets processed.

⁴ This was a negotiated settlement of a lawsuit pending development of Amendment 13 of the Multispecies Fishery Management Plan (groundfish).

The uncertainties contribute to reluctance on the part of the processors to invest more money in order to diversify their processing lines to accommodate the processing of different species. But the capability of a processing plant to handle a diverse range of species, improves the port's survival when one of the species has a poor year.

Some of the dealers import foreign product. One wholesaler noted, "in 1992 we began to import product from the North Sea, Asia, Tyson Foods and Alaska (cod). The purchase of the imported fish tends to reduce the prices on local catch. Once a buyer begins to rely on imported fish, they rarely return to the vagaries of local supply, regardless of the difference in quality." Fresh talapia and Pacific cod are two species commonly imported.

Processors and dealers have regulations that affect them directly, apart from what the vessels face. OSHA checks the plants several times a year; HACCP rules must be complied with; bioterrorism registration with the FDA is required, despite extant registration with FDA as processors; some NMFS regulations apply to the processors (e.g., reporting); and country of origin labeling has to be accurate for any product sold. New electronic reporting requirements are problematic for smaller dealers due to their minimal staffing levels, and in some cases, absence of computers. "Day boats are bringing in 20 slips [paper records] per boat per month," one dealer complained. For small quantities of fish, the amount of paperwork is extreme.

Transportation for fish and fish products

Pray trucking company handles all species, moves between Pt. Judith and New York, Philadelphia and Baltimore. Dealers often have or lease their own trucks.

Coast Guard/port security

Since 9/11, the Homeland Security demands on the Coast Guard have turned attention away from the fishing fleet to an extent. Some Coast Guard personnel note that it has been difficult to keep up with the new and complicated fisheries regulations, particularly since 9/11. The importance of their role in enforcement, however, is suggested above by the comments on safety regulations. Some fishermen seem to rely on the Coast Guard's warnings to remind them when to service their safety equipment. Panel members commented that the Coast Guard checks irregularly, in pulses, though, so some fishermen may be at risk if they truly wait for the Coast Guard to check before taking care of their equipment.

Petty theft seems to have increased in Point Judith. Though the Narragansett police do patrol the pier area, there is not a great "officer presence." One panel member mentioned that his outboard was stolen. In the past, fishermen used to take care of security themselves. Before Magnuson, police were not even allowed to go on the boat. With the various problems in the industry today, leading to less money available for crew, and therefore lower demand for jobs, deck hands might not be as well-screened as they were in the past. In addition, drugs are said to be more prevalent.

People



Experienced fishermen

“When we were overcapitalized, there was an influx of people being paid full share because of the labor shortage. Traditionally, young people would start fishing in exchange for a portion of a share, worked their way up, learning the requisite skills such as net mending, wire splicing, etc. Even today, “you can always find bodies,” the difference is that it is hard to find someone who regards fishing as a career. Their attitude is different, people come down to the port make a few thousand [dollars].” Furthermore, it is said that there’s a whole generation of people who will turn down manual labor. Others want a full-share immediately and a paycheck every three days.⁵ The negative publicity regarding management also dampens the enthusiasm of people for taking up fishing as a career.

⁵ Fishermen are traditionally paid a share of the proceeds from the catch, after splitting with the boat and paying certain expenses. For example, a 50-50 split allocates 50% to the vessel owner who might then pay for fixed costs and a bonus for the captain; the remaining 50% is divided evenly among the crewmembers after the cost of fuel, food, gloves, other items is paid. However, if a crewmember was new to the business, they were traditionally paid a half-share or even quarter share until they proved able to do the requisite work.

One panelist noted that the fishermen out of Point Judith have diverse skills and sometimes work in other occupations when there are closures, or other constraints on fishing.

Regulations that force fishermen to discard fish were said to drive some out of the industry. “People, even in the community, who aren’t involved in the industry don’t understand the issues.”

Young fishermen

Respondents commented that there was no money, future or security in fishing anymore, so it is attracting few young people. “But it is damn good money if you are on the right boat.” Another panel member noted that “If you pay too much to the crew, they might not go the next trip [inference is that they will be busy spending their money]. “No one wants a job with such long hours and hard work anymore.” There’s a difference in both perception and values, according to panel members, between most fishermen and today’s young people.

It is difficult to get loans when first trying to buy a boat. Furthermore, experienced fishermen are not encouraging their children to enter the fishery. Thirty-year old fishermen are the youngest now who plan to stay. There’s a lack of trust in the Council and NMFS (with regard to regulatory change), there’s no medical insurance or benefits,⁶ and with the frequent changes, it is impossible to make business decisions. Others blame the negative publicity, noting that despite the tripling of the stock biomass due to conservation efforts, “they” are still saying cod is doomed. “There are not enough positive articles,” one panelist said.

Since safety can be compromised by inexperienced fishermen, many fishermen would rather go short-handed. One anecdote was related about a vessel that came into port all iced up. (The inexperienced crew should have cleared the ice off the rigging and gear). Because many of the vessels are going out short-handed in order to increase crew shares, the crew members have to work much harder than in the past, increasing fatigue and the risk of accidents. On vessels that used to carry 5 or 6 crew, now 3 or 4 typically work. In a few cases, vessel owners are fishing single-handed.⁷

⁶ A survey conducted of 128 fish harvesting households including 221 adults and 94 children in Rhode Island and Connecticut by the Fishing Partnership Health Plan during the summer of 1998 found that 23% of the fish harvesting population (25% of adults and 19% of children) are without health insurance, and 42% of those under 200% of poverty are uninsured. Insured households spent an average of \$2997 per year on health insurance suggesting that many with health insurance coverage have high out-of-pocket type plans.

⁷ In two cited cases, the vessels are 48 feet and 60 feet respectively, too large to be safely crewed alone.

Economic constraints for crew

Some of the crewmembers interviewed have no health insurance, those who do usually obtain it through their spouse's work. In addition, since taxes are not withheld on paychecks, it is not surprising to learn that crewmembers end up paying penalties and interest with their tax bill.

Housing costs, rental and/or purchase, are very high due to the proximity of URI and an increase in tourist summer rentals. A small cottage rental is typically \$1000/month, but much higher in the summer season. In fact, it is difficult to even find a yearly rental. Some suggest that there has been an influx of people from out-of-state since 9/11.

Gear technicians

Few gear technicians remain. The positive side of the downsizing of the harvesting sector is that gear work/repair used to require a wait of 8 or 10 weeks, but with less business, the wait is not nearly so long.

Lumpers

Lumpers are working in "spurts." They say they are either working too hard trying to keep up or not enough. There are long periods of little work due to closures (associated with quotas) and boats taking out (i.e., landing) in other ports. Many are being forced to take on second jobs.

Settlement agents

Markarian & Meehan are well respected settlement agents in Point Judith. Other fishermen rely on their spouses to "do the books" or they take care of the financial aspects of their business by themselves. In addition, there are a number of small accounting companies who handle vessels' accounts and bookkeeping. Some settlement agents keep fishermen up to date on permits and regulations.

Maritime attorneys

Mark McSally has helped the industry in many cases, particularly following the oil spill. In addition, there are quite a few personal injury lawyers.

Skilled trades

Welders

Rhode Island Welding does most of the welding in Point Judith. Other companies are:

Point Judith Welding (Joe Lori)
 ASAP welding (Jimmy Baptise)
 Eric Hanson
 Paul Carr
 Joe Champlin

Diesel engine mechanics

Some panelists complained that the diesel engine mechanics are not as skilled as they used to be. A lot of the skilled people are from Canada. Cost per hour has almost doubled since 1999 when it was \$35/hour to \$60 this year.

Line workers/skilled cutters

The loss of a steady supply of fish leads to inefficiency, increased injury, and lost profit in the processing plants. The processing plants typically rely on contract labor, but when consistently working, the same workers return day after day. However, when a plant has no product to process, the contract workers go elsewhere. Like the buyers, even once the line is restarted, the skilled workers do not return unless their new jobs have also ended. Consequently, the plants must train new workers, losing time (efficiency) and money in the process.

If the plant cannot handle the entire product that is landed when the fishery reopens, because of the absence of skilled workers, for example, the product is either rejected or trucked elsewhere.

Intangibles

Insurance for vessels (hull, P/I)

In the introduction to this section, several factors were noted that contribute to the higher cost or loss of insurance. In addition to the aging vessels and inexperienced crew, some vessels are fishing farther from the coast than they did before. For example, some of the port's 50-60 foot vessels are now steaming to Georges Bank. In addition, some are fishing in worse weather hoping to maximize their incomes via higher prices for their catch.

With losses due to 9/11 and the fall in the stock market, the numbers of reinsurers dropped from about 100 to 10. Consequently, costs have gone up and insurance underwriters are apparently tightening their controls over the level of risk their companies can accept. With only two and a half main underwriters remaining in the marine insurance business, the companies who write policies have limited options. (The half refers to one underwriter who primarily insured vessels that fished inside of 50 miles and a very few offshore (mainly lobster) boats.) There is still a competitive market for boat insurance for vessels that stay inside 50 miles.

Insurance companies have to analyze potential customers' safety, training, and loss records. Individuals' reputations are critical. The level or frequency of vessel maintenance is also weighed.

More than half of the boats are in the Point Club that is considering instituting mandatory training. Rates are going up in the Club because of a few boats. "Why not designate an endowed university position for safety training?" one panelist suggested. Even transient

crew should have his or her own safety gear (e.g., survival suit). If they are fishing career-oriented, they will have. Perhaps a central place could be designated with certification for transient crew and training. The Coast Guard doesn't enforce drill training as it did before even though it continues to advertise that it does. Some of the vendors that did the safety training in the past have lost their businesses, few remain.

In 30 years of fishing, one captain-owner noted that he had never been asked to show his safety drill log. In the past, crewmembers were more career-oriented and looking forward to their future in fishing. Now, there is less money and more doubt about their future, so they do not spend the time and money to invest in training and equipment. Also, until recently, safety classes and skill training were not easily available. The Coast Guard may give one safety workshop a year. If it were not for the Point Club Insurance, panelists said, there would be no other classes available in Rhode Island.

Some suggested that fishermen need what the farmers have. Government-based insurance for the high-risk boats would create a different pool. Also, boat insurance could be modeled on automobile insurance that rewards a good driving record with lower rates. The Point Club is considering making safety drills mandatory.

Some fishermen forego insurance entirely to cut costs, particularly since costs increased by 33-50%. Many vessels cannot get insurance, or if they had previous claims they just cannot afford the insurance that is available. This became more prevalent since Amendment 13 (to the Multispecies Plan). The increase started after 9/11 because many insurance companies said the fishing industry was too risky and they would not insure offshore fishing vessels. There was also an increase in claims.

Massachusetts Lobstermen's Association insures mainly inshore lobster and gillnet vessels. They do not insure draggers.

Markets for fish

Markets require a steady supply. When a quota has been reached and a fishery shuts down, as in the squid fishery, if the dealer or processor has not set aside product (i.e., frozen it), the buyer will look elsewhere. Even when the fishery reopens, the buyer will not be back unless they lose their alternative supply. One dealer noted that "buyers are less concerned with quality and more concerned with a steady supply, so what happens is that buyers get used to buying an import fish and then they stop buying locally caught [fish]."

Business plans

With regulations that change rapidly, it is virtually impossible to make long-term business plans, according to some respondents.

Vessel financing

Banks are reluctant to give loans to vessel owners due to the perceived uncertainties and poor public image of the fishing industry. If not top notch, even with good record, it is tough to get money. "Banks have been burned pretty bad." One panelist noted that the

easiest way to rebuild his boat's engine was to refinance his house, rather than try to get a vessel loan.

Financing for shoreside operations

With the uncertainty in the fisheries, major investments in the infrastructure require a leap of faith.

Fishermen's training

University of Rhode Island had a marine technology program from 1971 to 1989 that formally trained many fishermen in the diverse skills needed for a successful fishing business, including navigation, net design and repair, hydraulics, electronics and engine repair, as well as safety. A whole generation of crew, captains and vessel owners was trained there. Some interviewees commented that they miss being able to hire trained crew.

While they still have boat-building classes, none of the high school voc-ed programs still teach fisheries skills. A CETA program, in the 1970-80's used to teach basics, but no longer.

Voice for community in fisheries

Panelists observed that no Rhode Island politician is particularly supportive of the industry, but some are working on improved relationships. A Memorandum of Understanding (MOU) between the university, governor's office, Department of Environmental Management, and industry has been developed with a goal of working proactively. This MOU resulted in the creation of the Commercial Fisheries Center of Rhode Island located on the University of Rhode Island campus.

Long-term vision/planning for the harbor

Galilee (part of Narragansett) advisory committee is working on a long-term development plan. A port advisory committee with representatives of the stakeholder, including shoreside industry is working with Don McGovern (supervisor of the port), but no professional planner is involved.

Public relations for the fishing industry

Only the *Fishermen's Call* provides positive information about the industry. Letters to the editor at other papers are rarely printed or printed months later. Relationships between the industry and the environmental reporter for the local newspaper are not particularly good.

There are no clear lines of communication between the community/industry and government decision-makers. While Federal congressional staff is starting to pay attention, state-level representatives seem to know little about the fishing industry. The Marine Fisheries Commission was recently stripped of its power. Interviewees speculated that it would be a surprise to the state to learn that there will be an economic impact to the state of the most recent regulations. Moreover, little is known about the

culture of fishing. It is hoped that the Commercial Fisheries Center of Rhode Island will help bridge some of these information gaps and facilitate communication and data exchange.

Commercial Fisheries Center of Rhode Island and Commercial Fisheries Research Foundation

Coast Guard/port security

Enforcement of safety regulations (inspections) is said to be down due to a shortage of manpower.

General Observations

Fishermen at the meeting to review the draft report noted that the use it or lose it management policy has backfired with regard to conservation. In the past, groundfish was not necessarily the preferred target species and there were months, perhaps years, in which permit holders would be targeting alternative species and would not bother with groundfish. Now however everyone is anxious to keep their options open and all permits viable, so they make sure to use up their allotted days-at-sea. This is, some suggested, the wrong kind of incentive under the circumstances.

Others noted, however, that groundfish days are needed now because of the restrictions on squid and scup imposed by the mid-Atlantic Council, that has no representative from Rhode Island. Likewise, a groundfish fisherman noted that he now has to go squidding, both to keep his permit active and to supplement his income now that groundfishing DAS are so limited.

Appendix 1

Interviewees and panel members

John Aimsworth, F/V Hope

Scott Babcock

Jimmy Baptise

David Beutel, RI Sea Grant Program

Dick Billings, F/V David D

Khris Boehmer, insurance

Ralph Boragine, RI Seafood Council

Christopher Brown, F/V Grandville Davis

Tim Champlin, F/V Legacy; Second Wind; Slacker

Keith Chase, crewmember

Noah Clark, The Town Dock

Al Conti, Snug Harbor Marina

Bill Cote, RI Shellfish Fisherman's Association

David Darnell F/V Nautilus, FV Huntress

Oscar Diaz, F/V Kaitlyn

Steve Dobson, F/V Luann

Donny Dobson, F/V Karen & Linda; F/V Allison

Scott Drake, crewmember

Karen Follett, fisherman's wife

Donald Fox, F/V Lighting Bay

Jay Gallup, RI Engine Company

Glenn Goodwin, F/V Seafreeze

Carl Granquist, fisherman

Brian Handrigan, Champlin's Seafood

Russell Hanns, Washington Trust Bank

Andrea Incollingo, the Bait Company

Charlie Kenyon, Salt Pond Marine Railways

Ray Livernois, F/V Vic-tor-ray

Bill Macelroy, lobster fisherman

Dan Macieski, F/V Fred & Ginger

Michael Marchetti, RI Lobstermen's Assoc., F/V Captain

Fred Matteredra, F/V Travis & Natalie

Jim McCauley, Pt. Judith Fishermen's Company

Jim O'Grady, vessel owner

Frank Ostrow, insurance
Chris Payne, Life Raft Repacking (Portsmouth, RI)
John Peabody, F/V Lady Clare
Carlton Raymond, F/V Mabel Susan
Eric Reid, Deep Sea Fish
Dave Reinhart
Liz Rowell, F/V Elizabeth R
Rodman Saks, F/V Deborah Lee
Roger Smith, Industrial Marine Supply
Bob Taber, Trawlworks
Ken Thompson, Ocean State Fishermen's Association
John Tucker
Bob Westcott, F/V Ocean State

In addition, 24 surveys focusing on economic needs were filled out by individuals. The accounting firm, Markarian & Meehan, also provided data on costs and income of six “typical” vessels in three size categories. This data was analyzed by economist David Terkla (U-Mass, Boston) to test confidence in economic assumptions used for estimating vessel costs in the Amendment 13 Draft Environmental Impact Statement (DEIS). No significant deviations were found in vessel categories for which data were available. There was not sufficient data to render an opinion for large vessels. The DEIS, however, did not consider assumptions for the cost of labor and capital.⁸

⁸ http://www.fishermenspartnership.org/A13_Panels_Comments.pdf (See pp.9-10).

Appendix 2

Businesses, Structures, and Space

Gear and supply shops

- Wilcox Marine Supply
- Trawlworks Inc. designs and hangs nets.
- Narragansett Lobster & Trawl
- Superior Trawl
- IMP
- Industrial Marine Supply
- Seaway Marine
- Rhode Island Engine Company
- Jerry's Paint and Hardware
- Stop and Shop
- Galilee grocery

Fueling facilities

- Galilee Fuel
- Norm Oil
- Drew Oil
- Smith Oil

Ice plant(s)

- Slavin Ice Company
- Town Dock
- Tucker (Atlantic Ice)
- Eastern Ice Co
- Handrigan's

Fish buyers/dealers/auction

- South Pier Fish
- Champlins Seafood
- Deep Sea Fish of Rhode Island
- Ferry Wharf Fish Market (Timmy Handrigan)
- Francis Fleet (Frank Blount)
- Handrigan Seafood
- Harvey LeBlanc
- KSJ Seafood
- Labore Seafood
- Narragansett Bay Lobster
- Osprey Seafood

- Paiva Shellfish
- Point Judith Fishermen's Company
- The Bait Company
- Tom Hoxsie Fish Trap
- Town Dock
- Block Island Bakes
- Skip's Dock
- Snug Harbor Marina
- Parascondlo (Newport)
- Aquidneck Lobster (Newport)
- Variety of shellfish buyers around the bay

Fish processors

- Slavins/Point Judith Fishermen's Company
- Town Dock (cutters, small amount)
- South Pier fish
- Deep Sea fish.
- Handrigan's Seafood
- Ferry Wharf Fish Market

Transportation for fish and fish products

Pray Trucking and individually owned trucks

Facilities to maintain and repair vessels

- Promet Marine Service, Providence
- Salt Pond Marine Railway, Snug Harbor
- Newport Shipyard

People

Settlement agents

- Markarian & Meehan

Intangibles

Insurance for vessels

- Ocean Marine Insurance Agency, Inc.
- The Point Club
- Massachusetts Lobstermen's Association (MLA)

Financing for shoreside operations

- Boston State Street Trust

Vessel Financing

- Washington Trust Bank
- Fleet –may not be lending due to merger with Bank of America
- Independence Bank
- First Pioneer

Fishing industry organizations

- RI Commercial Fishermen's Association
- RI Seafood Council
- RI Lobstermen's Association
- Trawler Survival Fund
- Northeast Seafood Coalition
- Monkfish Defense
- NFI-SCI
- RI Shellfishermen's Association
- Ocean State Fishermen's Association
- Commercial Fisheries Center of Rhode Island
- Commercial Fisheries Research Foundation
- Fishermen's Call (non-profit, fishermen board)
- Pt. Judith Scholarship Fund
- Pt. Judith Memorial Foundation