

California Fish and Game Commission  
PO Box 944209  
1416 Ninth Street Suite 1320  
Sacramento, California 94244-2090  
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Dear Commissioners and Staff,

Please accept my thanks for at least considering my request to apply for an experimental Market Squid permit for use off the Humboldt and Del Norte Coast. I told my wife (my fishing partner) that we had less than the proverbial “snowball’s chance in hell” of even consideration, let alone, receipt of such a permit. Recently I received a call from department staff person Susan Ashcraft. I had a delightful, intelligent conversation with Ms. Ashcraft, which prompted me to write to you via this letter.

During our talk, Ms. Ashcraft explained that the department received three applications for the Experimental Market Squid permits listed in the Limited Entry Market Squid Plan. She also explained that the department would deny all three permits. My response was laughter – it was pretty much what I had expected. However, her explanation of the reason for denial was the real surprise! She reported that the three experimental (non-transferable) permits designed to allow squid fishing in non-traditional geographic areas (read – Northern California) were not available for the department to issue after 2005. These permits allegedly expired due to a clause in some other part of the Fish and Game Code, kind of like malware, buried in a computer program. This language was not included in the Market Squid Management Plan. In order for one to obtain one of these experimental permits a person had to apply before 2005! What kind of experimental program expires before there is an experiment? To quote Tom Waits, “the large print giveth and the small print taketh away”.

The significant thing about inclusion of this “permit expiration language” is that, in spite of Department and Commission staff attempts to “do the right thing” by at least having a token provision for squid fishing to develop in the far northern reaches of the State of California (even if only on a small scale), the original stakeholders have very effectively foiled any additional entry into this fishery above Point Arena. The two page letter of protest from the Southern California Wetfish Association concerning issuance of these three experimental permits for use above Point Arena is indicative of the problem confronting commercial fishing in our country – a problem now epidemic throughout our society – GREED.

The greed thing is something we now see everywhere. Whether it’s by a “sports fisherman” who scams the system by fraudulently obtaining replacement abalone punch cards to double his legal take, the crab fisherman who applies for in-season replacement crab pot tags before fishing even starts in order to fish more than the number of permitted traps, or a group like Environmental Defense Fund trying to cram transferable catch shares down fishermen’s

throats so that EDF's Wall Street funders can turn fishing into a tradable commodity. The results are the same – everybody else loses.

The Market Squid Plan's deeper implications fit the greed bill exactly. First, there is no open access, small-scale entry into this fishery. If you carefully read the regulations, it's actually totally illegal for me to have even one market squid in my possession on my boat by itself. I can have less than two tons of squid on board as long as I have twenty tons of another species on board, providing I have a permit for those other fish! So, there is no way to fish squid on a small scale.

Second, the whole experimental squid permit provision is totally bogus in that it has been secretly written to expire thereby assuring that no one from our local community, will ever fish above Point Arena. While on the subject of squid above Point Arena, here are a few items of interest.

1. All commercial fisheries on this planet are market dependent. No Market = No Fishery.
2. Squid didn't just suddenly appear above Point Arena this summer – they have been here for ten's of thousands of years—clear up to British Columbia at times.
3. The squid I observed and caught small amounts of in 1982 and 1983 were unmarketable here in Eureka because of low ex-vessel prices (\$60 - \$80 per ton) in Southern California – not because there was no squid, but because there was no local market.
4. The permitted boats that moved north to fish squid off Eureka for the month of September this year were there because the price of squid was high enough to justify the financial risk and investment by those fishermen and their fish buyers. Market demand drove this effort. No Market = No Effort

The internal workings of the Squid Management Plan are even more fascinating. The Plan mimics the reproductive strategies of certain species of sharks, which bear their offspring alive. Developing embryonic sharks actually cannibalize their siblings in utero. The end result is larger, stronger and fewer pups at birth. The Squid Plan started by excluding any fishermen with small landings (read-- small boats), then took the remaining fleet and divided it nearly in half, making those permits non-transferable, designed to expire along with their owners. The result is that the transferable permit holders get a bigger piece of squid pie with each death of their non-transferable permit holder siblings. When the Squid Plan finally runs its course, the net result will be a small fleet of bigger boats under fleet style corporate ownership, with hired skippers and the latest immigrant group working for minimum wage on the back deck. If you are skeptical of all of this, just check out what corporate fleet owners have done to their vessels – 30 ton capacity boats, stretched, lengthened and widened to accommodate 80 tons of fish or even worse, “100 ton plus” purse seiners from Canada, whose owners fraudulently avoided federal ship building laws by building a ¼ inch plywood box inside the cavernous fish hold, telling the California DMV that the boat is now under 5 net tons capacity and registering that boat with the State and California Fish and Game.

What the Squid Management Plan really is, is a beautifully crafted plan to concentrate fishing opportunity in the control of a few big players with no possibility of entry into this fishery by young people. So, let's be totally honest about all this stuff. This is not about my fishing career. I'm 65. I could be dead tomorrow morning and reduced to two pounds of ash and bone fragments in a cardboard box by tomorrow night. So be it. This is about the huge disservice we are doing to the future and tradition of the fishing way of life and the near impossibility of a fishing career for young women and men in our community. After re-reading Diane Pleshner's letter on behalf of the Wetfish Association, I'm reminded of another quote by some other famous person, "the lady doth protest too much!"

In her letter, Diane Pleshner suggests anyone interested in squid fishing can buy a permit. This is an absolutely true statement, it's the details that create some serious consideration. Right now, squid vessel permits are occasionally being traded for between 2 and 3 million dollars – that's right – 2 million plus change. I have been fishing "round haul gear" for about sixteen years. I have a small boat (by choice). It packs a whopping 8 tons in flat weather – 5 tons if it's choppy. I don't want to join the fray in Monterey or the Channel Islands, but would rather scratch out a 30 or 40-ton season here in Eureka. Even if I cleaned out my cash under the bed and ski mask in hand, hit every liquor store here in town, this doesn't pencil out financially. Plus – even if you could borrow the price of a permit at the bank, could you actually feel good about killing 8 million pounds of fish just to pay back the bank? (Also –you might be surprised to find out that commercial fishing is now considered to be a very high financial risk by banks and even established, secured lines of credit are becoming very difficult to renew if you fish for a living.) You and I both know who can buy these permits – large corporations and financial institutions, and, a few but not too many fishermen. My question for Diane Pleshner – and really – all of us – What do you say to the college age young woman that has spent three or four summers on the back deck stacking corks and wants a career as a commercial fisherman and boat owner?

Please don't tell her that she can fish for something else, because she can't. When I was a kid in San Pedro, lobster fishing was an entry-level fishery that, if you worked hard, you could do okay. It took a 16 foot skiff, outboard motor and by law, a minimum of 40 traps. Today, a lobster permit, just the permit, goes for over \$100,000.00, and those are being bought up by lawyers, emergency room doctors, and wealthy non-fishermen who want more than a sport limit of lobsters for their friends, and a tax write-off.

How about "hook and line" rock cod? It's the same skiff and relatively inexpensive gear, but wait – same problem – super expensive permits, lots of closed areas, prohibited species, and even better it's a federal fishery, and requires her to wear an ankle bracelet (VMS – Vessel Monitoring System). When the battery on her boat goes dead at the dock and shuts off the transmitter, she will get the added bonus of being the recipient of a federal fisheries' violation citation! How cool is that?

Okay, so she's definitely not fishing rock cod. How about trolling for salmon? Well, when the licensing moratorium went into effect, there were 5000 troll permits in California. Today there are about 1200 left, all of them suddenly valuable. Fish and Game was legally mandated to start issuing new permits if and when the number of permits fell below 2400. To my limited knowledge not a single permit has ever been issued. Why, you might ask? Because,

these permits are also bought and sold and everybody thinks, if Fish and Game **ever** issued a single new permit, we would all lose our golden parachute retirement check when we sold our trollers, even though our only customers are young fishermen struggling to get started. (“Does this seem like greed to you? Please say no.”)

Okay, by now you’re starting to see a pattern here. There are many more examples of the whole greed thing and saleable fishing permits in **all** of the California limited entry fisheries, but for brevity’s sake and my mental health I’d like to touch on only two more, Dungeness crab and Herring.

Not very many fishermen were winter Dungeness crab fishermen in the 50’s, 60’s and 70’s. It wasn’t until the beginning of Federal salmon management and subsequent salmon season restriction and closures that a massive effort shift began from summer salmon to winter crab fishing. Salmon, then later, Dungeness crab license moratoriums pushed even more fishermen into crab fishing. During this time I sat through 20 years of debate over crab trap limits at our association (Humboldt Fishermen’s Marketing Association) and on the dock. Finally – with the “help” of Environmental Defense Fund, we took a subset of California fishermen (crab fishermen) and turned them into the “have” and “have-nots” with the application of multi-tiered crab trap limits. If that wasn’t enough, permitted crab fishermen and the department began referring to the lowest tier permits (175 traps) as “latent” permits and actually discussed removing these permits from the program because these permits had small crab poundage deliveries! **Do you think for a second that any fishermen in California that has not fished salmon, herring, pink shrimp or swordfish for a few years, thinks that those permits that have been renewed every year are “latent” and should be deleted?** What was really being discussed, with the plan to remove “tier seven” permits, was removal of the entry-level crab permit for young fishermen. Instead of making all the system’s crab permits equal throughout the fishery, most of the top producers rewarded themselves with upper tier permits while effectively eliminating “smaller boat” fishermen. There are some exceptions though. My friend, Craig Goucher, caught more crabs than **anyone else** in the state a few years ago – all with a 30 foot boat out of Trinidad –all through nothing but hard work. His response to the multi-tiered trap limit was “I caught my crabs, why should I be rewarded with the highest level permit?” Right on, Craig!

Well, that brings us to herring. I started herring fishing in 1974, before permits, before limited entry. Charlie Fullerton was the Director of Fish and Game. Within a few seasons, Mr. Fullerton organized the Director’s Herring Advisory Committee, a group of gillnet, lampara and purse seine fishermen, fish buyers, wardens and department biologist volunteers to assist Fish and Game in managing this fishery. I believe limited entry herring fishing was the first such program in California. Permits were non-transferable, and reverted back to the state upon termination of fishing by any permittee. The State set up a point system in which crewmen could qualify for state owned permits as they became available. Fishermen accrued points by holding a commercial fishing license and by fishing herring each season. In the event of two or more individuals, each holding maximum points and applying for the same permit, a lottery was held to award the permit. State controlled, state issued, a license fee was required, but the permits were not subject to a cash bidding war between fishermen. The system was totally experience based. This worked pretty well for a while, then something happened. Some one – I don’t know

who – approached the department and said “ Joe Blow here is my herring fishing partner and I want to quit fishing and Joe wants my permit”. Department staff, trying to do the right thing, came up with a provision for partnership transfers and in a heartbeat every herring fishermen who wanted to quit fishing herring instantly had a partner! What a miracle! Even better, that partner had a pocket full of cash destined for the first half of the partnership! The almighty dollar made it to herring fishing. When the department realized that herring permits were being sold the department staff raised the transfer fee to \$5,000.00. It was fish and Game’s attempt to recoup some of their investment, but it really only added another financial hurdle for young fishermen.

Mike Wolowicz fished herring with me for nineteen seasons, staying up all night, covered with scales and gurry and often as not standing in the rain. He had maximum points for years, but was never able to get even a shot at a permit. Lots of young fishermen were in the same proverbial boat as Mike, and never ever had a chance at herring fishing without jumping into the debt tar bucket. All the efforts by Fish and Game staff to create an “experience based” limited entry fishery, open to young involved fishermen, went into the dumpster with the arrival of cash-based permit transfers.

So, what can be done with this mess? Most people think nothing can be done to change cash based limited entry fisheries. I think differently. It would take long-term selfless motivation by fishermen, but it could be changed. If I were emperor of fishing, here’s what I would propose.

1. All permits would only be held by a live individual – no corporations, partnerships, etc.
2. One permit per fishery
3. The permittee is required to be on-board the boat during fishing operations.
4. All permits in a given fishery would be equal in fishing power (limited by gear restrictions, daily landing limits, etc.). “A permit is a permit”.

Easy so far...

5. All permits are owned by the state and issued to bona fide/qualified fishermen
6. Available permits are awarded via a point system (experienced based) for recycled permits
7. Fishermen, with permits right now, keep their permits except that ownership reverts back to the state.

Here’s the hard part – get ready to start screaming...

8. Vito, Josh, Sven and myself that received our permits as each of our fisheries became limited in their entry can’t sell or transfer our permits – they go right back to state control when we give it up. After all, fishing in California, even though it has the most regulated fisheries on the planet, is a privilege, not a right. It’s my guess that the department and the public that we fish for never intended for the privilege of fishing to be turned into a cash windfall for us after we got to catch the state’s resources.
9. Fishermen, who bought their permits, get compensated (bought back) by the state at the exact price that they paid for them. Exact proper verifiable sales prices are required. If you got your permits by giving someone a brown paper bag full of cash in the dark reaches of some bar and have no documentation – tough luck. Maybe the

system will figure out a minimum payment for those who decided to fly under the IRS radar – maybe not. Bought out, you can keep fishing until you decide to quit. Just keep up your license fees.

Time for more screaming...

10. This program could be funded by dedicated landing taxes on the fish we deliver. These funds would need to be deposited in an account only for permit “buy backs” and overseen by a board of fishermen and department staff. All of this would take time, and remember, if you think this is unfair, think again about how many people don’t get to go fishing because of limited entry. Limited entry has effectively protected permitted fishermen from unrestrained competition.

In the short term, I think that the Fish and Game Commission should seriously reconsider issuing the three experimental squid permits for use north of Point Arena to support local Northern Coastal communities as per MSFMP Goal IV, and then hopefully begin a discussion of California’s Limited Entry Fisheries.

California Limited Entry Fisheries Plans have been warped by a handful of fishermen and paid lobbyist working to get the biggest piece of the state’s fisheries resource pie for the smallest number of individuals at everyone else’s expense. Nobody should get a cash windfall, be it \$10,000.00 or a \$1,000,000.00, after getting to catch California fishery resources. Removing the corrupting influence of permit speculation from fishing in California would go a long way toward allowing a new group of young fishermen to continue to carry on the tradition of the “fishing way of life” we have had the opportunity to enjoy. An experience-based system of permit transfers by the state would accomplish this.

If you have made it this far and have questions, different opinions or thoughts on my comments, please feel free to contact me. Thank you for your time and consideration of my thoughts.

Sincerely,

Ken Bates F/V Ironic

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