ECONOMIC IMPACT OF WHALE REGULATIONS WOULD BE PROFOUND

By Melissa Waterman

You see it when you drive into town. The simple clapboard houses along Route 187 have ocean views that reach to the horizon. Head down the road a bit and you come to Moosabec Marine, Hamilton Marine and the Jonesport Shipyard. Across the harbor on Beals Island are lobster pounds, lobster boats, bait shops and the seafood processor A.C. Inc. What you don’t see are art galleries, T-shirt shops, and high-end restaurants, Jonesport is a town that has long turned to the sea, whose livelihood today is based on one fishery: lobster.

In 2019, according to the Department of Marine Resources (DMR), Jonesport lobstermen landed 2,929,282 pounds of lobster. Vessels homeported in Beals landed 5,993,452 pounds. At an average price per pound of $4.82, the two ports brought more than $43 million into the local economy last year. That level of economic activity means a lot in a county with Maine's highest 2019 unemployment rate (6.1%).

There's a saying in Maine: "You can't eat beauty." While tourists and summer residents admire the coast's splendor, its residents know that living there can be tough, particularly in the region east of Ellsworth. In Hancock and Washington counties one doesn’t see the sorts of jobs available in the southern areas of the state — manufacturing, retail, office work. Here people derive their sources of income from the water.

That way of life hangs by a single thread. In 2018, the Center for Biological Diversity, Defenders of Wildlife, the Humane Society of the United States and Conservation Law Foundation sued the National Marine Fisheries Service (NMFS), arguing that the agency was not fulfilling its legal mandate to protect endangered North Atlantic right whales under a suite of federal laws. The case was assigned to the Federal District Court for Washington D.C.

In April 2020, Judge James Boasberg ruled that NMFS had violated the Endangered Species Act (ESA) in permitting the lobster fishery. The judge's opinion states that "failure to include an ITS [Incidental Take Statement] in its 2014 BiOp [Biological Opinion] after finding that the American lobster fishery had the potential to harm the North Atlantic right whale at more than three times the sustainable level is not sustainable welfare for the species."

Continued on page 6
The effects of the COVID-19 pandemic, leading to a severe national and international decline in demand for seafood, and the looming threat of a shutdown of the New England lobster fishery due to several court cases brought forward to protect right whales have combined to make this a season like no other. At a time when Maine lobsters traditionally have been setting their traps and catching up with each other at the summertime lobster boat races, many are instead searching for a silver lining in what appears to be a rather dark cloud.

We start this month’s issue of Landings with a look at the repercussions in Maine’s coastal economy if lobster fishing, the number one commercial fishery in the state by value, were severely restricted or closed due to its assumed threat to endangered North American right whales. Lobstermen earned more than $85 million in 2019, strictly in boat prices. That figure can be multiplied many times when the numerous ancillary businesses, such as marine electronics, boatbuilders, bait businesses, and others, are factored in. The money earned by lobstermen goes to pay local property taxes, pay for groceries, and keep numerous other businesses not directly affiliated with the fishery operating. As Will Tuell, state representative from East Machias, said, “If the fishery were to close, it would be far more devastating than the coronavirus over the next twenty years.”

The Maine Lobstermen’s Association (MLA) is working to make sure that doesn’t happen. As an intervenor in the court case taking place in Washington, D.C., the MLA has the opportunity to present information to the judge that may influence his decision, due later this summer. To do that, it has assembled a strong legal team in Washington. Jane Luxton and Mary Anne Mason bring a valuable depth of legal knowledge and understanding of protected species laws and regulatory processes to the team, as we note in this month’s issue.

Landings also features an article on what has motivated some of our industry’s young lobstermen to make generous donations to the MLA’s Legal Defense Fund (LDF). To pay for the work of its legal team, the MLA kicked off a $500,000 fundraising campaign in May. And lobstermen quickly stepped up to defend their fishery. Offshore lobsterman Alec Pippen, who donated $5,000 to the LDF, put it succinctly: “Our jobs are at stake. No one else has gone through what we have been through.”

When the CARES Act was passed in March to provide financial aid to individuals and businesses affected by the coronavirus, $340 million was set aside for assistance to the nation’s seafood industry. In May, the National Oceanographic and Atmospheric Administration (NOAA) finally released the award figures for 31 states and territories. Maine was awarded $20.3 million, as Patrick Kelihier, Department of Marine Resources (DMR) Commissioner, writes in Landings. DMR asked those in the seafood sector to make their thoughts known on how that money should be distributed via an online survey; the majority of respondents favored dividing the amount up into direct payments. In the meantime, Kelihier cautions all involved in the lobster fishery to be conservative this season. “[If] lobster landings in Maine and Canada occur as they have historically, there is the potential for there to be large volumes of lobster with no place to go and negative impacts to the price this summer as a result.”

We also hear from Marianne Lacroix, executive director of the Maine Lobster Marketing Collaborative (MLMC), on how that organization is adapting to a changing market landscape for seafood. The MLMC had planned to focus this year on educating those in the food supply chain about the qualities and stories associated with Maine lobster. But with COVID-19 causing restaurants to close and people to eat primarily at home, the MLMC shifted gears. It introduced a Resources for the Home Cook section of its website, turned its digital advertising focus to home consumers, and concentrated on other methods to drive demand for Maine lobster among retail customers. “The MLMC is working closely with industry groups to make sure that we have the most robust and effective marketing program possible to create demand in all available channels and to remain nimble as market conditions continue to change,” Lacroix writes.

Ann McAllhany, an advisor at the Small Business Administration office in Bangor, gives some tips this month to those facing an uncertain future on the importance of having a plan on how to structure one’s business. Intermitting business and personal expenses and accounts leaves a business proprietor liable for all sorts of legal and financial headaches, McAllhany writes. At a time when the financial situation is uncertain, taking stock of your business structure makes good sense.

Landings continues its series on the changing Gulf of Maine with an article on the Atlantic Meridional Overturning Circulation (AMOC). The AMOC is an ocean circulation system that draws warm surface water from the equatorial latitudes to the far north, where it cools, becomes saltier and denser, then sinks to the deep ocean where it moves southward, to repeat the entire cycle. The AMOC however has become weaker in strength, allowing the warm Gulf Stream to move northward. That in turn has let warmer water enter the Gulf through the deep Northeast Channel. Warmer water at depth has had a distinct effect on certain species, among them a small copepod much desired by endangered North Atlantic right whales, causing a shift in their feeding patterns.

Finally, we look at an enterprising bait dealer located in Jonesport, Durkee Lobster Bait and its spinoff, Bring It Inc., supply lobster bait for many lobstermen in Downeast Maine. Ben Durkee has worked with his father Manford since he was a child. A proud MLA business member, Durkee donated to the MLA’s Legal Defense Fund and online auction because, he said, “This is a scary time. Lobstermen are the targets now...if the fishery is shut down it will be bad for everyone. Every little bit helps.” Thank you Ben, and the many other MLA business members who have shown their support.

And thank you for your continued interest in the Maine lobster fishery and the men and women who keep it healthy.

**COASTAL OUTLOOK**

**Thoughts from MLCA President Patrice McCarron**

Thank you for your continued support of our efforts here at Landings to bring you the very best in news and information on the Maine lobster industry. As you may know, the pandemic has had a significant impact on our ability to produce the Landings newsletter on a regular basis. We are hopeful that conditions will improve in the near future and we can return to our regular publishing schedule.

With the current uncertainty, the Maine Lobstermen’s Association (MLA) and the Maine Lobster Marketing Collaborative (MLMC) are working hard to ensure the survival of the Maine lobster fishery. The MLA is currently involved in legal actions to protect the fishery from closure, which would be a disaster for the industry and the coastal economy. The MLMC is working on marketing strategies to help lobstermen sell their product during these difficult times.

We want to thank all of our members and supporters for their continued support during this challenging time. Your contributions are critical to our ability to continue our important work.

Thank you for your continued support.

Patrice McCarron, President
BY PATRICK KELIHER

It was early May when I first learned how much of the $700 million in CARES Act funding for the nation’s seafood sector had been allocated to Maine. First, the good news: Maine is receiving $20 million to provide relief to fishermen and fishery-related businesses, such as dealers, processors, aquaculture operations and party/charter operations affected by COVID-19. The National Oceanic and Atmospheric Association (NOAA) made the allocations based on a multi-year average of the total annual revenue of each region’s commercial fishing, charter fishing, processor, and aquaculture sectors. The $20 million Maine will receive represents the fifth-highest amount awarded to 31 different recipients (other states, jurisdictions and Tribes).

Now, the bad news: Maine is only receiving $20 million. Don’t get me wrong -- $20 million is a lot of money, and I am grateful to the Maine delegation for their hard work to get this funding approved and directed toward Maine’s seafood industry. But at the same time, $20 million isn’t a lot of money, not when you start trying to divide it up among the many deserving recipients across all of Maine’s fishing sectors. Remember, in 2019 the landed value of just Maine seafood was nearly $700 million. DMR sells roughly 20,000 licenses and permits. With so many businesses in every part of the supply chain suffering the impacts of drastically reduced markets, $20 million can’t possibly address all the needs.

In recognition of this reality, Governor Mills has communicated to our congressional delegation the need for additional funding for Maine’s seafood industries. But at the same time, $20 million isn’t a lot of money, not when you start trying to divide it up among the many deserving recipients across all of Maine’s fishing sectors. Remember, in 2019 the landed value of just Maine seafood was nearly $700 million. DMR sells roughly 20,000 licenses and permits. With so many businesses in every part of the supply chain suffering the impacts of drastically reduced markets, $20 million can’t possibly address all the needs. In recognition of this reality, Governor Mills has communicated to our congressional delegation the need for additional funding for Maine’s seafood industries. There are already efforts underway to secure billions more for U.S. fisheries to fund such efforts as additional disaster assistance, purchase of seafood for foodbanks, and development of markets and advertising to increase seafood consumption. I am hopeful that these efforts will be successful, but in the meantime, I am well aware of the urgency to get the dollars that we do have into the hands of the people who need them.

Toward that end, DMR conducted an online survey to collect as much input as possible on the best use of these limited funds. By the time the survey closed, we had received nearly 900 responses. Overwhelmingly, people favored direct payments (85% of respondents), even understanding that a system that simply divided the money up among all eligible parties would mean a relatively small amount for everyone.

Thank you to everyone who took the time to share their thoughts. We received many useful comments and good information on the timing and nature of the impacts.

We are still waiting for final guidance from NOAA, but my staff has been working on the details of how a system of direct payments could work across all eligible sectors. Once that is worked out, DMR must submit our proposed “spend plan” for approval. The Atlantic States Marine Fisheries Commission (ASMFC) has been tasked with coordinating and assisting the states with getting the payments out. My goal is to do this as quickly as we can. I will then, with the full support of the Governor and the Maine Congressional delegation, focus on trying to secure a second pot of funding to address the longer-term impacts of this crisis.

While I hope that the direct payments will provide some immediate relief, we also need to be prepared to act to help ourselves as the potential impacts of reduced markets and processing capacity play out over the summer. While there is no way of knowing for certain, a “guess” would suggest that if lobster landings in Maine and Canada occur as they have historically, there is the potential for there to be large volumes of lobster with no place to go and negative impacts to the price this summer as a result.

If that is where we find ourselves, I truly believe that this problem is best solved by the industry (harvesters, dealers and processors) working together to communicate market realities and reduce the supply as best we can to match the demand, rather than the state stepping in with sweeping management actions.

In my opinion, state intervention should be a last resort.

While I know it is easier said than done, everyone needs to be prepared to set aside past baggage and try to trust that everyone in the industry will be working in good faith toward the best outcome we can achieve in a terrible situation. It is very likely that no one will have the luxury of just going on auto-pilot, doing everything the same way we have in years past.

Continued on page 23
Maine lobster dealers are working to line up new grocery customers and increased demand as consumers cook more at home. To meet that demand, ties: direct to consumer sales and grocery stores. These segments are reporting in consumer behavior have revealed two sales channels as growth opportunities: direct to consumer sales and grocery stores. These segments are reporting increased demand as consumers cook more at home. To meet that demand, Maine lobster dealers are working to line up new grocery customers and expand volumes and product offerings with existing customers.

Given the changes in demand, the MLMC shifted the focus of its marketing program from supply chain promotions to consumer promotions. The first step was to launch the ‘Resources for the Home Cook’ section of our website. This provides home cooks with all the basics of buying, storing, cooking and shucking lobster. The same content is available in our Content Hub for use by dealers, grocery customers and other suppliers, making it easy for everyone to promote Maine lobster.

In 2019, MLMC ran a robust digital advertising campaign targeted at supply chain customers. The campaign reached 83% of the U.S. wholesale seafood industry and resulted in a 43% increase in intent to purchase among those who were exposed to ads as compared to those who were not. This year, given the new reality, we are going to shift the focus of the digital advertising campaign to consumers.

We have consistently targeted consumers over the years through public relations and social media, and with this year’s increased focus on that audience, we will promote the key attributes of Maine lobster, including its sweet flavor, American origin and seasonality. An additional support message will ask consumers to choose Maine and in turn support working lobstermen and coastal communities. By using digital advertising, we’re able to target consumers with relevant content year-round as well as during key holidays.

The MLMC will also work to increase demand through grocery chains by partnering with lobster dealers to run advertising programs with retail customers. These campaigns will drive demand by promoting Maine lobster’s key product attributes rather than price discounts. We will continue to promote Maine lobster to food service channels through our webinar series put on in partnership with Seafood Source, distribution and promotion of our new comprehensive Buyers Guide, introduction of a new newsletter, and media relations efforts with trade publications.

Unfortunately, the pandemic isn’t the only issue the Maine lobster industry is facing in 2020. Additional whale protection regulations may be forced on the fishery as a result of court cases. The MLMC’s role is to protect the brand reputation of Maine lobster so that consumer and wholesale customers have continued confidence in our products.

Gauging public perception of the issue is an important part of determining our marketing response. We continually audit news coverage and social media conversations on the subject and this year also conducted a survey to determine any changes in consumer perception about Maine lobster. Both the audit and the survey show that consumers are largely unaware of any connection between Maine lobster and endangered right whales, and two-thirds of those that do follow the issue closely are still eating lobster.

If you’ve not yet visited the RightWhalesAndMaineLobster website we created last year, it’s full of content about Maine’s long-standing efforts to protect right whales and preserve our traditions and fishery. MLMC has also added a ‘Support Maine Lobstermen’ section to our home website that highlights lobstermen’s efforts to protect right whales over the years.

The MLMC is working closely with industry groups to make sure that we have the most robust and effective marketing program possible to create demand in all available channels and to remain nimble so that we can respond as market conditions change.

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**GUEST COLUMN:** Changing strategy to adapt to pandemic impacts

By Marianne Lacroix

At the Maine Fishermen’s Forum, the Maine Lobster Marketing Collaborative (MLMC) presented a plan for promoting Maine lobster to wholesalers, retailers and consumers in 2020. Shortly after, the world changed dramatically as a result of the COVID-19 pandemic. The MLMC quickly evaluated the new landscape and made changes to the marketing plan to drive demand in the new market conditions.

One of the biggest impacts of the pandemic is the dramatic decrease in foodservice demand that resulted when restaurants, cruise ships, casinos and events shut down across the country and around the world. These foodservice channels typically account for about two-thirds of Maine lobster consumption. Even as markets begin to re-open, the future of these establishments is uncertain.

The issues with food service present a significant challenge, however changes in consumer behavior have revealed two sales channels as growth opportunities: direct to consumer sales and grocery stores. These segments are reporting increased demand as consumers cook more at home. To meet that demand, Maine lobster dealers are working to line up new grocery customers and expand volumes and product offerings with existing customers.

Given the changes in demand, the MLMC shifted the focus of its marketing program from supply chain promotions to consumer promotions. The first step was to launch the ‘Resources for the Home Cook’ section of our website. This provides home cooks with all the basics of buying, storing, cooking and shucking lobster. The same content is available in our Content Hub for use by dealers, grocery customers and other suppliers, making it easy for everyone to promote Maine lobster.

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The MLMC is working closely with industry groups to make sure that we have the most robust and effective marketing program possible to create demand in all available channels and to remain nimble so that we can respond as market conditions change.
TIME IS SHORT FOR MLA LEGAL TEAM

The Maine Lobstermen’s Association (MLA) has assembled a powerful legal team to represent its members in legal and regulatory challenges regarding the level of protection necessary to safeguard endangered right whales from lobster gear. Jane Luxton, from the Washington D.C. office of Lewis Brisbois, and Mary Anne Mason, now retired from Crowell & Moring, are currently representing the organization in a court case that alleges that lobster gear poses significant harm to right whales.

Mason was a highly respected anti-trust lawyer during her career and also has expertise in maritime law, having served as executive director of the U.S. delegation to the Law of the Sea Conference and as a policy advisor in NOAA’s Office of Coastal Zone Management in the early 1980s. She has extensive experience on right whale and policy issues having served as MLA’s counsel since 2007.

Luxton has had a stellar career in the public and private sector and brings extensive knowledge of the workings of the National Oceanic and Atmospheric Administration (NOAA). From 2007 to 2009, she served as general counsel of NOAA, acting as the chief legal officer for all NOAA activities. She was a policy advisor to the Under Secretary of Commerce for Oceans and Atmosphere, providing advice on legal and policy issues related to natural resource damages, coastal area and fisheries management, endangered species and marine mammal protection. She is currently the Administrative Partner of Lewis Brisbois’ Washington, D.C. office, and co-chair of its Government Relations Group Leadership and Environmental and Administrative Law practices.

“I have a keen appreciation of the complexity of these issues and the need to find working solutions,” Luxton said. “The Endangered Species Act is very difficult to work with. Its requirements make it very hard to find a balanced outcome.”

Luxton’s connection to Maine began as a child when her family vacationed at small cabins along the Penobscot Bay between Camden and Rockland. “I have an affinity for Maine. When I had my own family we would spend part of the summer at Biddeford Pool and more recently in St. George. My son became fascinated with lobsters and he still is,” Luxton said. Mason and her husband spend summers on the St. George peninsula and return to Maine each year for MLA’s Annual meeting and the Maine Fishermen’s Forum.

Luxton and Mason are preparing the MLA’s brief to present in DC District Court on June 18. The MLA is an intervenor in the court case filed against National Marine Fisheries Service (NMFS) by four environmental groups, providing the association full standing in the case, which means that it can present information about the lobster fishery which the judge previously had not heard. To be granted recognition by the court as an intervenor, an organization must demonstrate that it has a unique interest in the case that the judge needs to take into account to make a just decision.

“We are in an urgent situation,” Luxton continued. “The brief is due by June 18 on the question of a remedy. We are putting together compelling expert testimony that highlights the need for a workable and balanced remedy. We have worked hard to find knowledgeable, highly credible experts who can bring home to the judge the weight of our arguments. The system is set up to give us our day in court and to have the judge listen to us.”

“Our aim is to provide the court with a full picture of the work Maine’s lobster harvesters have already done to protect the right whale and to ensure that any decision is made on the basis of the best available science about interactions between Maine’s fishery and endangered whales,” Mason added.

The timeline for a final decision in the federal court case is short with the judge expected to render his opinion by late summer. The work of the MLA’s legal team does not end with the court’s decision. The MLA will review the court’s findings and determine if an appeal is necessary.

The MLA legal team is also reviewing the court case filed in Bangor District Court by Richard “Max” Strahan seeking an injunction against the permitting of vertical buoy lines in Maine’s coastal waters. “We are exploring options to determine how best to support the Maine Department of Marine Resources, which is the defendant in this case,” explained Mason. “We want to ensure that we bring the full force of our resources and expertise to facilitate the best outcome for the state and our members.”

Navigating the morass of red tape created by the legal and regulatory requirements necessary to balance protection of large whales while maintaining a successful and sustainable lobster fishery are not new to the MLA. “The MLA has been fighting for Maine lobstermen to be treated fairly under the whale rules since Pat White was first appointed to the Take Reduction Team back in 1995,” said Patrice McCarron. McCarron took over from Pat White and has served in this role for more than 15 years. “The MLA has a deep understanding of the complex legal and regulatory framework of this issue. Our legal team is ready to see this fight through the courts and the rulemaking process.”

The courts have made it clear that NMFS will be required to issue an Incidental Take Statement (ITS) to continue to permit the lobster fishery moving forward. In its court filings, NMFS revealed that it followed an alternate rulemaking procedure when it issued the 2014 Biological Opinion without an ITS because the lobster fishery would not have been able to proceed had it complied with a strict interpretation of the ESA. The judge wrote disapprovingly of NMFS’ action stating that, “[NMFS] cannot rewrite the statute just because they do not agree with its consequences.”

Luxton does not take this challenge lightly. “The standard to obtain an ITS is significant because it brings the strict conservation standard of both the ESA and MMPA together under one requirement.” She added, “We have our work cut out for us to ensure that NMFS is able to develop an ITS for the lobster fishery that passes legal muster while sustaining a safe and successful fishery for Maine lobstermen.”

By Melissa Waterman
able rate is about as straightforward a violation of the ESA as they come.” He further states, “Congress enacted the ESA in 1973 to halt and reverse the trend toward species extinction, whatever the cost.” As a consequence, the judge could require NMFS to close or severely restrict the lobster fishery in order to meet the requirements of the law.

“If the lobster fishery were to go away, it would be devastating,” said Will Tuell, state representative from East Machias and a member of the Joint Committee on Marine Resources. “My district is mostly lobstermen. They have families. They spend their money at local businesses, like restaurants and hardware stores. If the fishery were to close, it would be far more devastating than the coronavirus over the next twenty years.”

H & H Marine, Steuben; Hancock Marine Service; James H. Rich Boatyard in Bernard; Libby’s Boat Shop in Beals; Nautilus Marine Fabrication in Trenton; Midcoast Marine Electronics in Rockland; Great Island Boat Yard in Harpswell; York Harbor Marine. The list of small businesses related to the lobster fishery goes on and on.

“A general observation is that there is probably no fishery or aquaculture sector that will match the magnitude and value of Maine’s lobster fishery,” said Paul Anderson, executive director of the Center for Coastal Fisheries in Stonington. “If you look at landings data, even when salmon farming is having a good year, the total value is dwarfed by the lobster value, plus they really don’t employ as many people.”

The lobster fishery sustains thousands of businesses and communities. Lobster is not only a Maine icon, but is an economic pillar for Maine tourism and the coastal economy. “This is an urgent situation for Maine’s lobster fishing families and also for everyone in Maine who values our cultural heritage and the economic impact tourism brings to the state,” said Amy Lent, executive director of the Maine Maritime Museum.

I fear that in that vacuum, the gates natives will change the demographic character of those communities. The exodus that could happen if there are severe cutbacks in the lobster fishery with no reasonable alternatives will change the demographic of many rural coastal communities. I fear that in that vacuum, the gates will swing wide open to gentrification, which could change those communities forever, shifting them away from working waterfront communities to vacation and seasonal resident communities,” Anderson said.

A research study published by Colby College economics professor Michael Donohue in 2018 examined the economic value of the lobster supply chain, those businesses who are connected to lobster after it leaves the wharf. He found that the wholesale lobster distribution supply chain contributed an estimated $967.7 million to the Maine economy and supported more than 5,500 jobs in 2016. Those are the jobs found in companies like Ready Seafood, Beals Jonesport Coop, Seaview Lobster, or Island Seafood.

“Nor will other commercial fisheries in aggregate or aquaculture enterprises at the size and scale that Maine’s coast allows can employ as many people as the lobster fishery does on the water, on the docks, and in the post-harvest sectors,” said Anderson emphatically.

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Source: DMR
MAINE LOBSTERMEN’S ASSOCIATION UPDATE

Maine Lobstermen’s Association

Advocating for a sustainable lobster resource and the fishermen and communities that depend on it since 1954.

President: Kristian Potter
Cutler, 259-3336
1st VP: John Williams
Stonington, 367-2731
2nd VP: Dustin Delano
Friendship, 542-7241

Directors
Bob Baines, Spruce Head, 596-0177
Sonny Beal, Beals Island, 497-3440
Lauren Brooks, Kennebunk, 468-2165
Herman Coombs, Orr’s Island, 807-8596
Laurin Brooks, Kennebunk, ME 04043
Sonny Beal, Beals Island, 497-3440
Bob Baines, Spruce Head, 596-0177

Executive Director
Andi Pelletier
Executive Director
John Tripp, Spruce Head, 691-9744
Jason Joyce, Swan’s Island, 526-4109
Robert Ingalls, Bucks Harbor, 255-3418
Jamien Hallowell, S. Bristol, 677-0148
Gerry Cushman, Port Clyde, 372-6429
Herman Coombs, Orr’s Island, 807-8596
Laurin Brooks, Kennebunk, ME 04043
Sonny Beal, Beals Island, 497-3440
Bob Baines, Spruce Head, 596-0177

www.mainelobstermen.org

STEAMING AHEAD

In this line of work one thing I can always count on is a phone call from a lobsterman telling me just how things are going to be. The subject may be the lobster price, the price of bait or fuel, or management changes that are coming.

From the conversation, you learn which problems are unique to an individual, which ones are likely to work them- selves out, and which ones you need to roll up your sleeves and try to fix. Lobstering has been so good too many that, honestly, the days when guys would regularly call the office to give me an earful had become few and far between.

That has all changed. Today’s circumstances are a stark contrast to the comfortable place many lobstermen and the MLA have enjoyed in recent years. As the director of MLA, my job has always been to work with the MLA Board and members to make sure that the forces the affect the lobster industry — and there are a lot of them — do not undermine our industry, traditions and sustainable fishing practices.

To do this requires the MLA to act for the fishery as a whole; that is why MLA’s work is often viewed as controversial.

This year is one in which we must navigate uncharted wa- ters. Lobstermen are opening their season in the steepest market decline since the Great Depression. Predictions suggest that the severe constriction of the food service and entertainment sectors will translate directly into a lack of customers for the millions of pounds of lobster we have yet to land. Simple economics dictate that if you have more product than customers, price goes down. Lobster is par- ticularly vulnerable to price deflation due to the tremendous risk in holding and moving live product.

Add to this uncertainty the fact that currently there is not a single person who can tell lobstermen how to prepare for the next round of whale rules. Despite having created one of the most sustainable fisheries in the world, the lobster industry finds itself on the wrong side of the Endangered Species Act (ESA). We know that the outcome of the pend- ing court cases and the long anticipated new Biological Opinion on the lobster fishery will require us to change how we fish. The changes will be significant, but we do not know what they will be or when they will need to be in place.

Bottom line, thousands of owner-operated businesses that sustain our entire coastal economy are flying blind and cannot plan for the next few months and years.

While there is no crystal ball to tell us how this will play out, the MLA is here. We’ve been here for more than 65 years, through the good and the bad and somehow we, and you, have always made it through. In this time of vast un- certainty, there are three things I know to be true. First, the MLA is not going anywhere. We will put every bit of our more than six decades of knowledge and experience to work to chart a steady course for lobstermen to get through these rough waters. Second, this industry is resili- ent and we always find a way through. Third, these next few years will truly test us all.

The MLA has always fought for what is in the best interest of the lobster fishery — the Maine lobster fishery. We do not work for one harbor, or one zone, or one area of the coast. When we take a stand, it is on behalf of the entire fishery. You can assure that you working through a contentious issue at MLA board meeting with 21 lobstermen, each from a different harbor and each with a different perspective, is a lot more difficult than chewing over an issue at the local wharf. The board takes time, listening and debating what is the right thing to do for the industry as a whole. It can be uncomfortable, but true leadership is never easy. It leads to tough decisions. Not surprisingly, our board members are often met with harsh criticism from fellow lobstermen.

Still, when you’ve been around for more than half a centu- ry, you get used to harsh judgement. You cherish those who understand the value of MLA’s steady activism on behalf of the industry, year after year and decade after decade. No one can come out swinging every time and expect to find people willing to work with you. It is a credit to our loyal members that the MLA has been successful in ensuring that our lobster fishery has remained as strong as it has been. It is due to you that we are able to stand up to the fierce currents that are setting against us now.

While there are times when you need flexibility, there are also times that require you to stand your ground, times when you are staring down the barrel of a gun. The ESA and the MMPA are a loaded gun held by the environmental com- munity and pointed straight at our fishery. The MLA and our legal team provide a shield to temper the blow from that gun, and we are standing our ground to fight for your future.

Look around your town. The local grocery store is support- ed by the income from your boat. The local school is paid for by your property taxes. The boatyard, marine electronic- s store and bait shop are all thriving because of you. If lobstermen are hurt or lose their businesses, others will be hurt too. There is too much at stake for us to let this fishery fail. We cannot let that happen.

We must all work together to keep the ship heading on course through this truly historic year. If you are not yet an MLA member, I urge you to join today. Your membership dues ensure that the MLA has a professional staff in place ready to respond to whatever issues come next (currently only 2.5 people). And if you have not yet donated to the Legal Defense Fund, please consider supporting us today. It will take all of us joining together to get through this.

I am grateful for the outpouring of support and good will we have received, so thank you.

As always, stay safe on the water.

Patrice

WAHLE UPDATES

Legal Defense Fund Launched to #SaveMaineLobstermen

The MLA has launched #SaveMaineLobstermen, an ambiti- ous fundraising campaign to raise $500,000 to preserve a future for Maine lobstermen and the businesses and communities that depend on their success. Th ere are currently three court cases – in Washington D.C., Boston, and Bangor – each of which could significantly impact the fu- ture operation of the Maine lobster fishery. Lobstermen must grapple with several federal laws, including the Endangered Species Act, Marine Mammal Protection Act and the Administrative Procedures Act. Each of these legal mandates will require us to navigate an equally challeng- ing rulemaking process to get across the flsh line.

Th e MLA is extremely grateful for the outpouring of sup- port from the industry. As of May 28, we have raised $110,000. While we still have a way to go, this is tre- mendous progress given the difficult economic times facing our state and our industry. Funds raised for the MLA Legal Defense Fund are dedicated to the legal challenges mov- ing through the courts and for policy experts to ensure our indust- rycan effectively take part in the rulemakings once these legal issues are decided.

MLA cannot guarantee the outcome of these court cases or future rulemakings, but we can promise to do everything possible to save our industry. We can guarantee is that lobstermen will lose a lot if we don’t keep up the fight to save Maine lobstermen. If you haven’t already, please support the MLA Legal Defense Fund and do your part to #Save Maine Lobstermen by visiting the MLA website. If you have already made a contribution, thank you so much! We urge you to encourage others in your area to help us in this fight.

Federal Court Case (CBD vs Ross in DC District Court)

Four environmental groups filed suit against the National Marine Fisheries Service (NMFS) early in 2018 seeking more stringent regulation of the American lobster fishery

Continued on page 8
In late April, the judge set the final schedule for this case:

May 15: Plaintiffs (4 environmental groups) file opening motion on remand
June 15: Federal Defendants (Dept. of Justice on behalf of NMFS) file response
June 18: Defendant-Intervenors (MLA and Massachusetts Lobstermen’s Association) file response
June 22: MLA amicus curiae file its brief (Maine Dept. of Marine Resources)
July 10: Plaintiffs (4 environmental groups) file their reply

Since the schedule was set, two lobster industry groups have filed motions to intervene. The Maine Lobstering Union (MLU) filed its Motion to Intervene on May 12 and Little Bay Lobster (Shafmaster) on May 13. As a party to the case, the MLA was consulted on both of these filings and did not object to either group requesting intervenor status. The environmental groups opposed these requests; NMFS did not object to them. The MLA filed a Response to MLU’s Motion to Intervene to correct factual information about the MLA on May 15. The Plaintiffs filed a brief opposing the two motions to intervene on May 26. The judge has full discretion on whether or not he will grant intervenor status to these groups.

On May 15, the environmental groups filed its “Plaintiffs Brief on Remedy and an Expert Declaration” in support of their brief. The plaintiffs have asked for an interim remedy to include:

• The Judge vacate the 2014 Biological Opinion but temporarily stay any injunction while the matter is remanded to NMFS with a requirement that NMFS issue a new Biological Opinion and Final Whale Rule by January 31, 2021; and
• NMFS is prohibited from permitting the use of vertical lines in the Southern New England Restricted Area (the area south of Nantucket) until the agency issues a Biological Opinion that includes an Incidental Take Statement for right whales and any necessary mitigation measures are in effect on the water; and
• NMFS provide monthly status updates to the court and that the court retain jurisdiction over this matter pending issuance of the new Biological Opinion and implementation of any necessary mitigation measures on the water.

The good news is that the Plaintiffs have not recommended an interim management action in the Gulf of Maine. We hope that the judge does not stay from this recommendation because it would allow Maine lobstermen to get through the 2020 fishing season at least without additional whale regulations. However, this proposal sets a precedent for the prohibition of buoy lines under certain circumstances and will require NMFS to issue an Incidental Take Statement (ITS) with the new Biological Opinion, which will be a daunting challenge. NMFS has not previously included an ITS with the Biological Opinion because it could not make the case that the lobster fishery would have a ‘negligible impact’ on right whales. The MLA will file its brief and expert declarations by June 18. The judge will consider all of the briefs filed in the court by the July deadline and will ultimately decide what comes next for the fishery.
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Save Maine’s Lobster Industry

One of the world’s most sustainable fisheries could be shut down and we cannot let that happen. Right whales are not dying in Maine lobster gear.

Patrice McCarron, executive director
Maine Lobstermen’s Association

- The federal government has violated the Endangered Species Act.
- The Maine lobster fishery could be shut down.
- This could mean the end of the lobstering tradition for our children.

The MLA is raising $500,000 for the Legal Defense Fund to save Maine’s lobster industry.

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How did we get here?

There are currently three court cases pending in Washington D.C., Boston, and Bangor—each of which could significantly impact the future operation of the lobster fishery. These cases bring the full force of the Endangered Species Act (ESA), Marine Mammal Protection Act (MMPA), and the Administrative Procedures Act (APA) to bear on the lobster fishery. Each of these legal mandates also requires completion of a challenging rulemaking process in order to keep the lobster fishery in operation.

In early 2018, four environmental groups filed suit against National Marine Fisheries Service (NMFS) seeking more stringent regulation of the lobster fishery to protect North Atlantic right whales. The MLA intervened in May 2018 gaining full standing in the case which proceeded in two phases. The first was to decide if NMFS had violated the law in permitting the lobster fishery, and the second, if necessary, would seek a remedy to bring NMFS, and in turn, the lobster fishery, into compliance with the law.

In April 2020, the judge ruled that NMFS violated the ESA when it issued its 2014 Biological Opinion (BiOp) and permitted the American lobster fishery without an Incidental Take Statement. The judge wrote, “Congress enacted the ESA in 1973 to halt and reverse the trend toward species extinction, whatever the cost”.

Phase 2 of the case is underway to identify a remedy to bring NMFS permitting of the lobster fishery into compliance with the law. The court has not yet heard from the fishing industry as Phase 1 dealt strictly with legal issues. MLA will have a strong presence in Phase 2 during which it will correct significant errors in the factual basis for the alleged harm to right whales from lobster fishing gear such as the outstretched role of Canada in right whale deaths over the last five years. Sadly, all ten right whale deaths in 2019 were attributed to Canada.

The industry received good news on May 15 when the Plaintiffs did not recommend an interim management action in the Gulf of Maine. This gives us hope that Maine lobsters may get through the 2020 fishing season without additional whale regulations. However, this proposal sets a precedent for the prohibition of busy lines in the lobster fishery and will require NMFS to issue an Incidental Take Statement (ITS) with the new BiOp by January 31, 2021, which is a daunting challenge. In its court filings, NMFS revealed that is issued the 2014 BiOp without an ITS because the lobster fishery would not have been able to proceed had it complied with a strict interpretation of the ESA. The judge wrote disapprovingly “[NMFS] cannot rewrite the statute just because they do not agree with its consequences”.

In a separate court case, a judge is requiring the state of Massachusetts to obtain an incidental take permit within 90 days in order to continue permitting its state waters lobster and gillnet fisheries; a similar complaint is moving forward in Maine seeking to cease the permitting of vertical lines in Maine’s coastal waters.

Timeline of Federal Court Case

January 2018 — Center for Biological Diversity, Defenders of Wildlife and Humane Society file suit against Department of Commerce, NOAA & NMFS.
February 2018 — Conservation Law Foundation and Earth Justice also file suit.
March 2018 — Judge consolidates both cases into a single case. Plaintiffs are the four conservation groups (eNGOs) and Defendant is NOAA Fisheries.
May 2018 — Judge orders case split into two phases. Phase 1 (Liability Phase) to deal with legal issue of whether NMFS has violated the ESA, MMPA or APA; and Phase 2 (Remedy Phase) to decide what remedy, if any, is necessary to cure a violation of the law.
May 2018 — MLA granted status as Intervenor/Defendant with full rights to participate in the case.
June 2019 — Plaintiff eNGOs file motions for summary judgment in Phase 1.
March 2019 — Discovery completed on Phase 1 legal issues.
October 2019 — Judge denies NMFS motion to “stay” pending TRO outcome.

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Thank you for your Support!!!

Richard Wall met the Jay Smith Challenge by donating $1,000!!

June 30th

ONLINE AUCTION
All proceeds benefitting the Maine Lobstermen’s Association Legal Defense Fund.

Save Maine Lobster

Find the event on Facebook. Bidders will be posted here and at noon with bidding ending at 6 pm on June 30th.

We are truly all in this together! Thank you for all your efforts. Go get them!!

-Steve Budrow

John Stanley met the Jay Smith Challenge by donating $1,000!!
**Thank you for helping to Save Maine's Lobster Industry**

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- York Lobstermen's Assoc.

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- Alec Phippen
- Spruce Head Fishermen’s Co
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toward species extinction, whatever the cost. NMFS must comply with the Endangered Species Act. The Maine lobster fishery, the mainstay of the state’s coastal economy, could be shut down or severely limited as a consequence. “This case could lead to closure of the world’s most sustainable fishery and we cannot let that happen. Right whales are not dying in Maine lobster gear,” MLA executive director Patrice McCarron said. “Lobstermen have done everything they have been asked to protect right whales and remain committed to doing their part to save the species.”

Phippen, who got his student license when he was nine years old, is modest about his contribution. “It didn’t seem like that much money to me. I told the guys who fish around me what I’d done and asked them to step up too,” he said. Phippen noted that should the lobster fishery shut down, the trickle-down effect on communities throughout the coast would be catastrophic. “There’s a lot of money [from lobster] coming into the state and lobstermen spend most of that in the state. Think about the dock workers, truck drivers, boat yards, banks. It would be a colossal hit to the whole state,” he said.

Eric Emmons also felt compelled to do something to save the lobster fishery. In addition to making a contribution, he and fellow lobsterman Cody Nunan went to all the lobstermen in their homeport of Cape Porpoise and asked them to contribute to the Legal Defense Fund. “It worked well. We asked them to put their contribution in a sealed envelope and then collected the envelopes. I think about 80% of the guys gave something,” he said.

Emmons was amazed to find many lobstermen in his harbor did not fully understand the threat they were facing. “The decision by the judge surprised a lot of guys around here,” he said. “They didn’t know anything was going on.”

Emmons began fishing full-time when he graduated from high school in 1988. “The last ten years of fishing have been ‘decent,’” he said, with 2018 being among his best years ever. Like many lobstermen, he is accustomed to heading out to sea whenever he wants to. “My biggest worry is that they will put in place seasonal closures. Look what’s happened in Massachusetts. Or ropeless fishing, my God!” he said.

Travis Reynolds, who fishes from Spruce Head, made his donation after he learned the verdict of a court case in the US District court in Boston brought by Max Strahan, a longtime whale activist. In late April the judge ruled in favor of Strahan giving the state only 90 days to obtain an Incidental Take Permit under the Endangered Species Act, putting that state’s lobster fishery in jeopardy. On May 15 Strahan filed a similar case in Maine to prohibit the use of vertical lines in coastal waters.

“I know that my livelihood is in jeopardy especially if they are talking about closures or shutting us down one hundred percent,” Reynolds said. Reynolds, who received his student license when he was eight years old, has two young children, Owen and Rose. His mother, Daphne, still lobstered on her own vessel. His wife’s father lobstered for many years.

“I’m worried that my kids won’t be able to carry on this tradition. I feel we need to raise as much money as we possibly can to stop these activists taking away our livelihood,” he said. Other Spruce Head lobstermen that Reynolds knows have been taking a set amount of their catch each week and donating that amount of money to the Legal Defense Fund. Phippen hopes that lobstermen from every harbor on the coast will contribute to the Fund in order to fight for the fishery. “If everyone who would be affected gave $500 we would be talking about millions of dollars. That’s not even a half a day of fishing for most,” he said.

Contact: Andy Moss amoss@nelooproducts.com 800-346-3525 www.nelooproducts.com

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MLA BUSINESS MEMBER: Durkee Lobster Bait and Bring It Inc., Jonesport

By Melissa Waterman

You might say that bait runs in the family. Ben Durkee, 35, grew up helping his father, Manford Durkee, in the family’s lobster bait business in Jonesport. Durkee Lobster Bait has been in operation since forever, according to Ben. “He started it before I was born,” Durkee said, “and I’m working with him still.”

But last year Durkee struck out on his own, starting a second bait business called Bring It Inc. “It’s a joke I had with my niece and nephew when they were real young,” Durkee said, declining to elaborate. Together the two companies handle every variety of bait sought by lobstermen in the region.

Herring has always been the mainstay for lobstermen along the Downeast coast. Durkee and his father have managed to keep the herring supply going for their customers, despite a sharp reduction in the herring quota in recent years and a rise in wholesale prices. “We have good sources. They are reliable. We don’t jump around,” Durkee explained.

If the fishery is shut down it will be bad for everyone. Every little bit helps.”

He acknowledged that the bait business has changed a lot in the past decade or so. As herring became more restricted, Durkee had to broaden his offerings of other baits. “We get our bait from everywhere now. There’s a lot of demand for hard bait. We are starting to sell pig hide this year. Everybody wants to try something different,” he said. Herring still remains a staple, but lobstermen in his area are trying to stretch out every bit of the expensive fish, using other species to supplement.

The two companies sell throughout the region. This year Durkee plans to deliver pig hide anywhere along the coast, selling it by Xactics rather than buckets or crates. “The Xactics are more convenient. The guys can get it right on the dock. You sell it in buckets, the buckets come back but not the covers. There’s a lot of those covers floating around out there,” he said.

Durkee signed up to be a business member of the Maine Lobstermen’s Association (MLA) just this spring. “I’ve known [MLA board member] Bobby Ingalls all my life,” he explained. “He said I should be a member.” The company not only became a member but Durkee also has made a generous donation to the MLA’s Legal Defense Fund and donated bait for the June online Facebook auction.

“This is a scary time. Lobstermen are the targets now. If the virus wasn’t bad enough, now we have a judge and Max Strahan coming after us. If the fishery is shut down it will be bad for everyone,” he said. “Every little bit helps.”

New MLA business member Bring It Inc., based in Jonesport, offers pig hide bait and other baits to lobstermen throughout the coast. Photo courtesy of Downeast Acadia Regional Tourism.

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OUR CHANGING GULF: The Atlantic Meridional Overturning Circulation

By Melissa Waterman

Take a look at your coffee cup when you add a teaspoon of milk. The cold milk sinks to the bottom of the cup. Blow across the top of the coffee cup. The top layer of the coffee will move and the milk below slowly rises to the top, turning your black coffee a smooth shade of brown. That, in its simplest form, is a convection cell.

Now think about the Atlantic Ocean. At the equatorial latitudes, the water is hot. The air is hot. Everything is hot. At the northern latitudes, the water and air are cold. A northward flow of warm surface water, powered by the wind, moves from the south along the eastern coast until it ends up in the chilly North Atlantic. The warmer water rapidly loses its heat to the cold atmosphere and becomes more saline due to evaporation. Colder, saltier water is dense; it sinks to the bottom of the ocean. This convective motion is called the Atlantic Meridional Overturning Circulation (AMOC).

The Gulf of Maine is located at the border of cold northern water (the Labrador Current) and the warm surface current (the Gulf Stream). Because the Gulf is largely an enclosed sea, deep water enters it primarily through the Northeast Channel. The source and temperature of that water is largely controlled by the AMOC.

The warming global climate has affected the AMOC’s strength. As more ice melts in the Arctic and Labrador Seas, more freshwater enters the North Atlantic. The warm southerly surface water that enters the region is diluted by the freshwater, reducing its salinity. The water then does not sink but rather remains in a cold layer at the ocean surface, effectively turning off the convective current.

In addition, the oceans are growing steadily warmer, particularly at the northern latitudes, reducing the temperature contrast between southern and northern regions. This too has diminished the AMOC. Scientists estimate that the AMOC has weakened by about 15% since the mid-twentieth century.

The weakened AMOC, in turn, has had an effect on the Gulf of Maine. The Gulf Stream has shifted northward; the cold Labrador current flowing into the Gulf of Maine is weaker, allowing the warmer Gulf Stream water to enter into the Gulf of Maine. As a 2019 article in Oceanography, co-authored by Nick Record, Bigelow Laboratory for Ocean Sciences, Jeffrey Runge, Gulf of Maine Research Institute, and others noted, changes in the AMOC have resulted in deeper water of the Gulf of Maine. “The fastest warming rates occurred at depth in the late summer, autumn, and winter months. Warming was fastest at depths of 20–150 m, from August to February, reaching as high as 0.5°C per year, twice the extreme warming rates of 0.23°C per year reported by Pershing et al. for surface waters.”

Too much warm water at depth may be one reason that C. finmarchicus abundance has changed in the Gulf of Maine. Right whales once traveled to the mouth of the Bay of Fundy each summer, where they stocked up on C. finmarchicus in large groups. Today the whales have become more rare in that area. Record and Runge suggest that in the eastern Gulf of Maine, the warming at depth has been so great as to make the area inhospitable to dormant C. finmarchicus.

As the authors note, “Warming has been most rapid in deep water during these seasons [late summer through winter], likely reflecting changes in flow through the Northeast Channel. The decline in C. finmarchicus is likely a combination of reduced supply and a more direct effect of deepwater temperatures.”

Meanwhile, C. finmarchicus has been abundant in the western Gulf of Maine. The abundance is largely due to the transport of the copepods to the region by the Maine Coastal Current and is not due to changes in the AMOC. In Cape Cod Bay and south of Nantucket, right whales have shown up in large numbers in recent years, presumably to forage on the copepods.

It’s a long way from the Gulf of Maine to the Arctic Ocean. Yet the steadily warming temperatures in that region and resulting ice melt are causing fundamental changes to the Gulf’s currents and ecology and, inevitably, its commercial fisheries.
FIRE DESTROYS PROCESSING PLANT IN NEW BRUNSWICK

A May fire at the Les Pêcheries de Chez-Nous factory in Val Comeau New Brunswick, destroyed two of the company’s three processing buildings. The loss of the two buildings means the company is unable to purchase and process more than 80,000 pounds of live lobster per day. Prior to the fire, 331 people were working at the plant processing lobster caught by almost 100 lobster fishermen. Val Comeau is a community of 800 people that relies on the fishing industry. Les Pêcheries de Chez-Nous was purchased by international seafood company Thai Union in 2016.

P.E.I. LOBSTER PROCESSORS FACING LACK OF WORKERS

Prince Edward Island lobstermen are harvesting a lot of lobster, typical of catches seen in recent years. But they can’t sell it all. The season was delayed for two weeks, starting on May 15. According to Lucas Lesperance, he has harvested 1,000 pounds of lobster on some days but his buyer has only been accepting 600 to 700 pounds. The problem is a lack of workers in the lobster processing plants. P.E.I.’s Seafood Processors Association said that factories on the island are short about 200 workers. Those workers usually come from foreign countries but, because of COVID-19, are currently not allowed into Canada. As a result the workforce and processing capacity in P.E.I. plants is down by about 30%.

CANADA PROVIDES FINANCIAL SUPPORT FOR FISHERIES

In mid-May the Canadian government announced $469 million (CN) in direct support to fishermen affected by the COVID-19 pandemic, to be allocated through two programs. The Fish Harvester Benefit, a program worth up to $267.6 million (CN), will provide income support to eligible self-employed fish harvesters and crew members who cannot access the Canada Emergency Wage Subsidy. The benefit will be available to fishermen who have experienced fishing income declines of greater than 25% in the 2020 tax year. The Fish Harvester Grant, worth up to $201.8 million (CN), will provide support of up to $10,000 to self-employed fish harvesters with a valid fishing license and who are ineligible for the Canada Emergency Business Account or equivalent measures. This is in addition to a $62-million aid package rolled out in April for fish processing companies across Canada to cover the costs of protective equipment and supplies for their plants.

MAINE SEA GRANT HIRES AQUACULTURE AGENT

Maine Sea Grant recently hired Heather Sadusky to join its marine extension team as the coordinator of the Maine Aquaculture Hub. Sadusky will work with Hub partners to expand training in response to workforce needs, support the development of a 10-year roadmap for aquaculture in Maine, and evaluate Hub impacts, according to a news release. She will also help coordinate partner efforts and support the hub’s steering committee. The Hub is a collaboration formed with leadership from Maine Sea Grant to help the aquaculture industry in the state overcome barriers to growth and to support industry innovation.

NOAA ANNOUNCES $8 MILLION FUNDING FOR SK PROJECTS

NOAA Fisheries announced recommendations to fund 30 projects for more than $8 million under the 2020 Saltonstall-Kennedy Competitive Grants Program. Projects fall into two categories: Promotion, Development and Marketing and Science or Technology that Promotes Sustainable U.S. Seafood Production and Harvesting. Eight of those projects, which are recommended to receive roughly $2.25 million, are in the Greater Atlantic Region. The University of Maine was awarded $299,000 for its project, Improving Business Practices to Reduce Mortality in the Lobster Supply Chain.
June 1-7
MLA’s Facebook auction to raise funds for its Legal Defense Fund. The auction starts at noon on June 1 and ends at 6 p.m. on June 7. Visit www.facebook.com/events/5415088026738873 to place your bid!

June 9
New England Fishery Management Council Herring Committee webinar. 1:30 p.m. To speak you must register in advance at www.nefmc.org/calendar/jun-9-2020-herring-committee-meeting.

June 23-25

June 26
“Halibut, No Plaice Like It: Halibut Science in Maine,” on-line talk by DMR’s Bill DeVoe, 12:30 p.m., Maine Center for Coastal Fisheries, https://coastalfisheries.org/events.

June 27
Rockland Lobster Boat Races, all day. Proceeds benefit the MLA’s Legal Defense Fund.

BIZ 101: WHO ARE YOU?
By Ann McAlhany

Sometimes we find ourselves in a business and realize that we got there without a lot of intentional planning. Maybe we eased into the business with someone else, or really started our operations as a hobby rather than a true profit-generating enterprise. Perhaps we inherited it from someone else, for instance. Or, just maybe, we thought planning decisions were too expensive ... or not a big deal ... or we were too busy. Then a time comes when it is important to step back and think about our operation as a business, as something intentional and apart from ourselves. Legal entity is a great place to start. So, who are you?

It’s a question worth answering. The choice of “legal entity” is influenced by the dual considerations of business liability and tax implications. Basically, there are two choices for your business. Either you and the business are joined, or you have separated the business into a different entity. Either you are a sole proprietor and you and your business finances are mashed together, or you have created a separate legal entity for your business. If you don’t do anything, you are, by default, a sole proprietor. In this case any liability in the business or your personal life can affect the other; they are not separated. That means, should there be an accident with your boat — the sun is in your eyes as you motor back to the wharf and you nick one of those kayaks slithering on the water. OOPPS! — then all your personal assets, all the things that you own, such as your house or your car or your motorcycle, could be in jeopardy. That is because you and the business are considered one. On the other hand, you can separate the business from your person by creating a separate legal entity. The most common are LLC (Limited Liability Company) or subchapter S-corporation. In either of these, you have separated the business from your personal affairs and therefore separated the liability.

Ok, so you want to form a legal entity, but you don’t know how and you worry that it will be awfully expensive. Yes, you can get the forms from the state (Maine Bureau of Corporations) and do it yourself for a couple hundred dollars. However, there might be questions you don’t know how to answer, or advantages to the various business structures that support your long-term goals that a lawyer would be best suited to help you navigate. To form a legal entity is a one-time expense (with annual renewals), and from my conversations with attorneys, a basic business formation costs about eight hundred to a thousand dollars. It may be well worth the extra cost to talk to someone who knows the ins and outs of the formation process.

But remember, if your business is a separate entity, then you need to act like it is something separate. You should have a separate business bank account. All business bills get paid from the business account. All personal payments, such as your personal house mortgage payment or your ATV payment, are made from your personal bank account, and so forth. Sure, the business is there to make money for you, so you write yourself a business check or make a bank transfer to take an owners draw (or issue a paycheck to yourself, in the case of an S-Corp). But then, pay all your personal bills from your personal account.

If you continue to pay personal bills from the business side or vice versa, then that would be considered “piercing the corporate veil,” and you would have defeated the purpose of separating the business liability from yourself. Also, by separating the business transactions from your personal finances, you have a better opportunity to analyze the financials of the business and understand how the business is operating. This will allow you to make better and more informed business decisions. That has a lot to do with business recordkeeping... which will be an article for another time!
WE WORK TOGETHER

Working together has taken on new meaning during the COVID-19 pandemic. For some Maine lobstering families, however, it is just the way work gets done. Fishing as a couple is not for everyone, but for these folks it makes the harvest even better.

Many thanks to all who submitted photos via Instagram!

Richard Bubar and Leslie Duncan, F/V Knot Guilty, Stonington.

Cory and Genevieve McDonald, F/V Hello Darlings II, Stonington.

Herman and Monique Coombs, F/V Jocelyne K, Orrs Island.

Carroll and Lindsey Staples, F/V Age Quod Agis, Swans Island.

Travis and Ashlee Reynolds aboard F/V Owen’s Rose, Spruce Head.

Herman and Monique Coombs, F/V Jocelyne K, Orrs Island.