

Funding Alternatives For the Division of Fish and Wildlife
Bureau of Marine Fisheries
&
Federal Registry White Paper
By Tom Fote

The purpose of this document is to provide information on different methods of funding New Jersey's marine fisheries, one of which is a saltwater fishing license. This discussion should not imply that Jersey Coast Anglers Association (JCAA) has reversed its long standing position in opposition to a saltwater fishing license. This is a framework for discussion, not a decision. In order for me to feel comfortable opening this dialogue within JCAA, both the Legislature and the Governor's office would need to agree to a majority of the conditions in this document. I have been dealing with the Bureau of Marine Fisheries for over 25 years. From 1990 to the present I have served in a variety of positions including the Governor's Appointee to Atlantic States Marine Fisheries Commission (ASMFC), Legislative proxy to ASMFC, member of the New Jersey Marine Fisheries Council, and numerous advisory committees to the Division of Fish and Wildlife and the Bureau of Marine Fisheries. I have worked with all the Department of Environmental Protection (DEP) Commissioners and Division of Fish and Wildlife Directors since the 1980's and have discussed this issue with every one.

In the last 25 years I have seen a complete disregard by the state for adequate funding for the Division of Fish and Wildlife's, Marine Fisheries Administration, Bureau of Marine Fisheries. New Jersey treasury has only contributed a little over 1 million dollars per year from the general fund since the mid 80's. The other 2 million dollars per year comes from Wallop-Breaux funds and interstate grants. Both of these funding sources come from the excise tax on saltwater tackle drawing money directly from user groups.

I have served on the Board of Directors for the American Sportfishing Association which is the tackle manufacturers' trade association. The manufacturers of hunting and fishing supplies are the only group I know which actually went to Congress and asked to be taxed to provide funds for conservation. Because of the great job these funds have done supporting and paying these conservation and fisheries programs, the manufacturers continue to support the reauthorization of Wallop-Breaux Act. That means that every angler who buys a piece of fishing tackle is already paying for the management of freshwater and saltwater fish in New Jersey. Without Wallop-Breaux and Dingell-Johnson (excise tax on hunting equipment) and the license fees for freshwater fishing and hunting, the Division of Fish and Wildlife would be unable to operate. If we use the funding in other states as a guideline, the Bureau of Marine Fisheries should be funded at about 11 million dollars. A slightly higher figure was included in the 2003 White Paper done for the Division of Fish and Wildlife.

In this same period of time I have seen a huge reduction in staff in the Division of Fish and Wildlife, most seriously in the Bureau of Marine Fisheries. Even in the years where money was not tight and other agencies of state government were seeing increases in funding and staff, the Bureau of Marine Fisheries has seen no increase. This has significantly hampered their ability to manage the resource and meet the escalating responsibilities placed on them by the National Marine Fisheries Service (NMFS), the Atlantic States Marine Fisheries Commission (ASMFC) and state mandates. When I first became the Governor's Appointee to ASMFC in 1990 on the recreational side, we were dealing with a fisheries management plan for striped bass, a 13 inch size limit on summer flounder and some bluefin tuna regulations. This required only minimal staff time. On the commercial side we were dealing with shell fish regulations and some fin fish fisheries but these responsibilities were very limited. There were no commercial quotas to monitor on any of the fin fish and there were few size restrictions. Most of the commercial responsibilities were monitoring surf clams, oysters, hard clams and soft clams. There was only insignificant monitoring of commercial fin fish by the state. Without the required monitoring for fin

fish, there was more emphasis on the science of marine fisheries and the environmental connections. The Division of Fish and Wildlife had its own economist who could provide information about the economic impact of hunting and fishing in New Jersey. This has all changed.

In 2007, the Bureau of Marine Fisheries is responsible for implementing over 20 Fisheries Management Plans (FMP) put in place by either the ASMFC or NMFS. Most of the plans require a monitoring of size, recreational bag limits, seasons, commercial quotas and biological information for stock assessment. To meet these additional responsibilities there has been no increase in total staff. In fact, the staff has continued to decrease to a level about 30% less. The Bureau of Marine Fisheries has been in crisis mode and unable to meet minimum requirements for the last 15 years. We have been voted out of compliance by ASMFC since we are unable to do the biological research required in some of the FMP. I am not blaming the Division. Everyone who works there does a fantastic job with way too few people. The fault is not theirs. What I have seen is the impact this understaffing has on morale, sometimes resulting in early retirements of valued staff.

This lack of increased funding has occurred despite the contribution of recreational fishing to New Jersey's economy. Recreational fishing alone contributes 1.3 billion dollars annually to New Jersey's economy. It accounts for over 500,000 visitors to New Jersey each year with fishing as the goal. The boating industry is a 2 billion dollar industry, tied to fishing, a clean environment and a well managed resource. The most recent figures I have seen suggests the commercial industry contributes 4 – 5 hundred million dollars annually. The fin fish component is more than 50 million dollars. The NJ sales tax generated by recreational fishing is over 100 million dollars. This is separate from the federal excise tax that funds Wallop-Breaux. Boat registration generates about 5 million dollars. To buy a vehicle fishing permit to drive a vehicle on the beach at Island Beach State Park costs \$195 annually. With approximately 6,000 permits sold each year, this generated 1,170,000 dollars. Just the vehicle fishing permits at Island Beach exceed the state of New Jersey's annual contribution to the Division of Fish and Wildlife. New Jersey ranks #2 in the country in the number of trips made for recreational saltwater fishing. We rank #2 or #3 in the number of anglers. We rank #3 in the commercial landings. However, we are outspent for a state Bureau of Marine Fisheries by almost every state. We are at the bottom of the list for funding despite being at the top of the list for income generated. To add insult to injury the State is now going to spend 4.5 million dollars to study the effects of the proposed wind mills off New Jersey's Coast and none of that money is going to study fish. That is more than four times what the state contributes to Bureau of Marine Fisheries annually!

Right now the income generated at the Bureau of Marine Fisheries comes from surf clamming licenses, commercial lobster and fish pot permits, permits for the striped bass bonus tag program, recreational and commercial crab pot licenses, some netting license fees, and assorted bait permits. There is no license to sell commercial fish and no recreational saltwater fishing license. There are strong feelings in the recreational and commercial fishing communities that the State of New Jersey has not been contributing its fair share to the Bureau of Marine Fisheries. If 10% of the sales tax that is generated by recreational fishing was allocated to the budget of the Bureau of Marine Fisheries, the current budget would quadruple.

With this information as a background, we need to consider the options for funding the Bureau of Marine Fisheries. Clearly, the option most frequently mentioned at the state level is a saltwater fishing license, since that option generates new money. Before we look at that option, we need to look at other options.

1. The first and most obvious solution is to increase the appropriation for the Bureau of Marine Fisheries from the state budget.
2. There could be a dedication of some portion of the sales tax money generated from the sales tax on saltwater fishing supplies.
3. There could be a dedication of some portion of the fuel tax money generated on recreational boats. (Remember commercial fishing boats and party and charter boats are exempted from this tax.)

4. There could be a dedication of Island Beach State Park (IBSP) four wheel drive fishing permits to the Division of Parks and Bureau of Marine Fisheries for programs to protect the beach environment and enhance fishing opportunities for surf anglers and more fishing access. This could also fund education of the surf fishing public in marine stewardship. This fee was dramatically increased during the McGreevey administration from \$125 to \$195. All of this money goes into the general fund.
5. There could be a dedication of a portion of the money from the dramatic increase of boat registration fees during the McGreevey administration.
6. It is also possible to explore the other options that were in a Division of Fish and Wildlife white paper that was distributed in 2003.

A saltwater fishing license has been the only option discussed by the state for decades and this is of particular concern to anglers since they already feel they contribute a huge amount of money to the state's economy without getting any support and their Wallop/Breaux money already pays for most of the operation of Bureau of Marine Fisheries. **A saltwater fishing license has moved to the forefront because of the passage of the 2006 Magnuson/Stevens Act. The reauthorization of the act called for federal registration of all saltwater anglers by 2009 who fish in federal waters or for anadromous species (striped bass, shad, or river herring). According to the law, the federal government will not be able to charge for this registration until 2011. This does not require a saltwater license but a method of registering all the saltwater anglers who fish in NJ who are not in the registry from other states.** I have included the exact language at the end of the white paper. The Northeast states have held out against a saltwater fishing license for the longest period of time. However, many states now see this upcoming requirement as an opportunity to win support for a state level saltwater fishing license in lieu of a federal license. Delaware just implemented a saltwater license for 2008.

A. Background And History Of Saltwater Fishing License In New Jersey:

It is important to know the history of this discussion in New Jersey. When I first got involved with JCAA over 25 years ago, the first thing I was given was a petition to stop a saltwater fishing license. This was a battle that was around long before JCAA came into existence. JCAA's position has always been to oppose a saltwater fishing license. Every major saltwater recreational group in NJ has also been opposed. In the last few years, every discussion of a saltwater license has been ended before JCAA even had an opportunity to comment. The recreational anglers of New Jersey feel they are already being robbed by fuel tax, excise tax, sales tax, rising boat registration fees, rising permit fees at Island Beach State Park and rising boat ramp fees. This money goes into the state coffers and anglers feel they get no direct benefit as the money goes to fund other programs. These strong feeling are shared among many of the outdoor writers in New Jersey. Their opposition to the saltwater license is included in their articles all the time. They will use their position to stir up the recreation community against a license whenever it is proposed. Already this year there have been numerous articles in NJ newspapers against a saltwater license.

The recreational fishing industry which consists of party and charter boats, tackle stores and manufactures, bait freezers, marinas, boat manufacturer and sales and the marine trades have seen their income decrease to the point where many are facing bankruptcy because of high fuel taxes, unfair fisheries regulations, and lack of support from the state. They feel that a license would discourage people from fishing and cost them tens of millions of dollars. Would the drop in sales tax and loss of other economic benefits far out weigh the benefit of the money generated by a license? We know that every time we raise hunting and freshwater fishing license fees in NJ we lose hunters and anglers.

Our discussion about the importance of recreational fishing continues to fall on deaf ears at the NJ State Department of Tourism. I received a call from the Ocean County Division of Tourism on November

17th asking why saltwater recreational fishing, a major contributor to Ocean County's economy, is being ignored by the NJ Department of Tourism.

In December 2003 the Division of Fish and Wildlife held a workshop to discuss a white paper on ways to fund the Bureau of Marine Fisheries. I was leaving for vacation on December 17th, just a few days after the workshop. I told DEP Commissioner Brad Campbell and Fish and Wildlife Director Bob McDowell that I would not deal with this issue until I returned from vacation in January. While on vacation I received over 150 calls on a saltwater license from legislators, reporters and the Governor's office, something that was only hinted at during the workshop. The press went on a rampage and lambasted everyone who even remotely hinted at a saltwater license. Before I returned home, Governor McGreevey, Commissioner Campbell and numerous state and federal legislators announced their opposition to a saltwater fishing license in New Jersey. JCAA and I didn't need to do a thing. The issue was dead and buried before I even got off the plane. A few people got burnt and that is what happens every time the subject is raised.

I am in constant contact with many legislators. I never bring up a saltwater fishing license but the subject comes up regularly. Lately key Democratic legislators on important committees have voiced their opposition to a saltwater fishing license.

In summary, the problem is this; recreational anglers have no trust in any government agency that in any way impacts on their ability to go fishing. Summer flounder problems and attempts to change the Fish and Game Council will seem like picnics when compared to the amount of animosity that will be generated by any discussion of a saltwater fishing license under the present climate.

B. Before Moving Forward:

Right now, the majority of anglers in New Jersey are opposed to a saltwater fishing license. Before making any proposal, it is crucial to understand their opposition and find a way to gain support. As I have previously stated, anglers feel like they are getting ripped off already and aren't about to agree to what they will consider another tax. A freshwater license is seen differently. It is seen as a way funding stocking and protecting streams and lakes for freshwater fishing. The Division of Fish and Wildlife has a large stocking program for trout, large mouth bass, muskies, and many other species that are valued by freshwater anglers. Freshwater recreational anglers are also the only user group harvesting on the lakes and rivers and are not paying for a license to fund commercial fishing operations. The saltwater anglers share the resource with the commercial fishermen and often the commercial community receives a larger share of the catch. The money used for management for both commercial and recreational fishing comes from Wallop-Breaux funds which come entirely from recreational anglers. There are no stocking programs and nothing is done by the state to enhance saltwater fishing. Due to the fisheries regulations put in place by the NMFS and state government though the ASMFC; there is little or no trust from recreational anglers.

Without dealing with current attitudes, there is no chance a saltwater fishing license will become a reality. The Governor and Legislature need to lay some groundwork and show that they understand the concerns of recreational anglers, consider and act upon those concerns. There is an opportunity to build trust by passing some of the legislation that is currently in the Legislature and taking some action on the issues below.

1. Pots Off the Reef Bill: This bill has moved through the Senate and Assembly Committees and is ready for a vote in each house. We need to pass this legislation now. This bill is being held in the Assembly by Speaker Roberts. This is one of the most important bills.
2. Hooked On Fishing Not On Drugs Bill: This bill has moved through the Senate Environmental Committee and the Assembly Natural Resources and Agriculture Committee. It needs to go through both budget committees before a vote in each house.
3. Fishing Access: There needs to be stronger enforcement of the existing laws on public access by the Public Advocate and DEP. For example, Deal was required by a judge's decision to open public access. Deal has done everything possible to resist compliance. The same is true along the

Hudson River where access for fishing on piers and walkways was part of the original permits granted to developers but access is still denied. New Jersey has one of the poorest public boat ramp systems along the entire East coast. There are funds available and they should be used to increase the boat ramps available throughout the state. There are two new bills in the Senate and Assembly that would curb public access which includes access for recreational anglers. If passed, these bills would send the wrong message.

4. **Protecting Recreational Anglers:** New Jersey needs to stand up to the Federal Government and the Atlantic States Marine Fisheries Commission. That means more than just a letter complaining about actions and regulations. That means serious action and possibly a lawsuit in relation to some of the more serious abuses. The critical issue now is that the National Marine Fisheries Service has refused meet the requirement of the Magnuson-Stevens Act. They have refused to provide the required socio-economic study of the proposed summer flounder regulations. This is clearly a violation of the law and New Jersey should insist NMFS follows the law by taking whatever action is necessary. Recreational anglers need to know that the State of New Jersey stands up for them.
5. **Fiscal Issues:** Because of the current fiscal crisis, the tendency is to require across the board cuts for every agency. The Bureau of Marine Fisheries cannot sustain another round of budget cuts and should be exempt from any discussion of cutbacks in staff or budget. An increase in funding for the Bureau would go a long way in convincing anglers that there is an understanding of how important our marine resources are to our overall economy. In the overall budget, an increase for the Bureau is not a budget breaker. An increase of one million dollars would double the state's contribution and make a dramatic statement.
6. **Fish and Game Council:** There is a perception that this administration and some legislators are anti-sportsman. Because of comments made by some legislators, anglers believe the administration was directly responsible for the legislation that would have corrupted the Fish and Game Council. A strong public statement to the contrary would be appropriate. Remember, sportsmen may well be engaged in hunting, saltwater and freshwater fishing.

C. License – A New Jersey Constitutional Amendment:

In order to gain support for a saltwater license in New Jersey, we need to construct the proposal in a way that is acceptable to anglers and to the legislators. The legislators have been burnt before and are not going to put their heads in a noose for this issue unless it is handled in an appropriate manner. The way to do this is a Constitutional Amendment: The voters should decide if we will have a saltwater fishing license in New Jersey. The Magnuson-Stevens Act allows New Jersey to propose the saltwater fishing license as an alternative to federal registration. In 2011 it is possible the federal government will be able to charge for registration sending that money to the federal government general funds. There are Congressmen who are determined to stop this from happening in 2011 but there is no guarantee. A NJ Constitutional Amendment would also build further trust that there would be no changes unless another Constitutional Amendment was voted on to change it. An amendment would make it difficult for a new governor or legislature to change the structure of the license. When anglers realize any change would be difficult, they might be more likely to support a well conceived license plan. It would also insulate the license fees from the annual budget crisis.

D Constructing a License:

1. The license money needs to be in a dedicated fund. In order to protect the Wallop/Breaux money, this is mandatory.
2. This fund must not be in lieu of but in addition to state contributions to the Bureau of Marine Fisheries. I am suggesting that in order to withdraw money from the dedicated fund, the state would need to match that contribution. As an example, a \$5.00 license would generate 6.5 million dollars (1.3 million anglers). There could be fee exemptions (elderly, disabled, disabled veterans, children under 16, active duty military) but no exemption from registration since the federal law

requires registration. Perhaps we raise 5 million dollars less the administrative costs. That money is in the dedicated fund. Since New Jersey is better able to record our anglers, we would receive a larger share of Wallop-Breaux money. Adding to the existing money from Wallop-Breaux, our added share might be 2 – 3 million dollars more. When this money goes to the Bureau of Marine Fisheries along with the currently existing funding, this would almost match what you take in from the license. Before the license fee could ever be raised, the state would have to match the money from the dedicated fund before putting it to use. This is a deal breaker for many of us since we have seen what happens in other states where the state contribution drops or disappears and the license fee just goes up.

3. An advisory council will be needed to oversee the use of the recreational license money. This is to insure this money is not used for pet projects in DEP or for commercial fisheries. The council could decide to fund projects that enhance the public resource but the first priority must be enhancing recreational fishing. The New Jersey Marine Fisheries Council is not an appropriate council for this license fee. The council makeup is discriminatory and puts the recreational anglers at a disadvantage since commercial fishermen hold a majority of the seats. This ignores the monetary value of recreational fishing which far outweighs the value of commercial fishing. There are 1.3 million recreational anglers in New Jersey. There should be an appointment process similar to the process for the Fish and Game Council. Again, this new council would not set fishing regulations but monitor and approve spending of the money raised from the recreational license fee. How the council is constructed and how it will operate should be part of the hearing process so everyone knows what will happen before voting on the Constitutional Amendment.
4. Before releasing any information to the public, it would be wise for the administration and the legislature to have a conversation to agree to the basic structure of the license. At that time, recreational anglers, the recreational fishing industry and recreational fishing organizations and clubs should be brought into the process at each step.
5. There should be a single fee for residents and nonresidents. One of the main reasons the recreational fishing industry has been opposed is their concerns a license will turn people off to saltwater fishing. Because of gas prices and draconian fisheries management, the fishing industry has been suffering for several years. They are afraid that any action will push them into bankruptcy. Of the 1.3 million anglers in New Jersey, about 500,000 are nonresidents. They are the ones who come from Pennsylvania, Ohio, Delaware and New York, rent houses, eat in restaurants, go on party and charter boats, stay in motels and buy gas. A higher license fee might discourage them from coming.
6. Since New Jersey shares borders with New York and Delaware, we need to find a way to make licenses reciprocal as Maryland, Virginia and DC have already. For example Delaware already has a saltwater license and New York is talking about doing one next year. Do we want to put something in place so we can get a reciprocal agreement with these two states? There are many of us who fish in Delaware Bay, Raritan Bay and New York bight who will be required to buy one of those states licenses if we do not have an acceptable alternative. Those are the type of things that need to be discussed by the people who are going to be affected by this requirement.
7. You need to make it bipartisan and the timing is crucial so it does not become a campaign issue.

E. Hiring Freezes: The latest round of hiring freezes have had a negative impact on the operations of the Division of Fish and Wildlife including the Bureau of Marine Fisheries. We have cut freshwater programs even though we have the Federal funds and license fees to fund them because we have no staff. We are not allowed to spend the money available to hire staff. One of the bills recently introduced would have charged a \$15 fee for a saltwater fishing license. That would have raised more money than necessary. Money without staff is no use whatsoever. If any alternative funding is procured, the hiring freeze must be dealt with. I can see the problem getting worse because the Legislature and Governor's Office are talking about additional personnel cuts. The Division of Fish and Wildlife has always been one of the

leanest departments. They generally operated on the fees they collected with very little budgetary help from the state. The Division is being penalized for their historic thriftiness and making the staff cuts that other bloated departments are finally implementing. We cannot protect the natural resources of this state that are managed by the Division of Fish and Wildlife without the required number of employees.

In closing, I have laid out my ideas about a saltwater license. I am not speaking for Jersey Coast Anglers Association and everything included here comes only from me. No one in JCAA contributed to or approved of this paper. This is my response to questions that have been posed to me over the last 15 – 20 years by former governors, legislators, commissioners of DEP and the Division of Fish and Wildlife. Remember, no matter how this goes forward, there are individuals and outdoor writers who will be absolutely opposed to any kind of saltwater license for any reason.

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2006 Reauthorization of Magnuson-Stevens Fisheries Conservation Act Pages on Recreational Registry and Data Collection

Pages 95-99

H.R. 5946 Amdt.

TITLE II—INFORMATION AND RESEARCH

SEC. 201. RECREATIONAL FISHERIES INFORMATION

Section 401 (16 U.S.C. 1881) is amended by striking subsection (g) and inserting the following:

“(g) RECREATIONAL FISHERIES.—

“(1) **FEDERAL PROGRAM.**—The Secretary shall establish and implement a regionally based registry program for recreational fishermen in each of the fishery management regions. The program, which shall not require a fee before January 1, 2011, shall provide for—

“(A) the registration (including identification and contact information) of individuals who engage in recreational fishing—

“(i) in the Exclusive Economic Zone;

“(ii) for anadromous species; or

“(iii) for Continental Shelf fishery resources beyond the Exclusive Economic Zone; and

“(B) if appropriate, the registration (including the ownership, operator, and identification of the vessel) of vessels used in such fishing.

“(2) **STATE PROGRAMS.**—The Secretary shall exempt from registration under the program recreational fishermen and charter fishing vessels licensed, permitted, or registered under the laws of a State if the Secretary determines that information from the State program is suitable for the Secretary’s use or is used to assist in completing marine recreational fisheries statistical

surveys, or evaluating the effects of proposed conservation and management measures for marine recreational fisheries.

“(3) DATA COLLECTION.—

“(A) IMPROVEMENT OF THE MARINE RECREATIONAL FISHERY STATISTICS SURVEY.— Within 24 months after the date of enactment of the Magnuson-Stevens Fishery Conservation and Management Reauthorization Act of 2006, the Secretary, in consultation with representatives of the recreational fishing industry and experts in statistics, technology, and other appropriate fields, shall establish a program to improve the quality and accuracy of information generated by the Marine Recreational Fishery Statistics Survey, with a goal of achieving acceptable accuracy and utility for each individual fishery.

“(B) NRC REPORT RECOMMENDATIONS.—

The program shall take into consideration and, to the extent feasible, implement the recommendations of the National Research Council in its report Review of Recreational Fisheries Survey Methods (2006), including—

“(i) redesigning the Survey to improve the effectiveness and appropriateness of sampling and estimation procedures, its applicability to various kinds of management decisions, and its usefulness for social and economic analyses; and

“(ii) providing for ongoing technical evaluation and modification as needed to meet emerging management needs.

“(C) METHODOLOGY.—Unless the Secretary determines that alternate methods will achieve this goal more efficiently and effectively, the program shall, to the extent possible, include—

“(i) an adequate number of intercepts to accurately estimate recreational catch and effort;

“(ii) use of surveys that target anglers registered or licensed at the State or Federal level to collect participation and effort data;

(iii) collection and analysis of vessel trip report data from charter fishing vessels;

“(iv) development of a weather corrective factor that can be applied to recreational catch and effort estimates; and

“(v) an independent committee composed of recreational fishermen, academics,¹¹ persons with expertise in stock assessments and survey design, and appropriate personnel from the National Marine Fisheries Service to review the collection estimates, geographic, and other variables related to dockside intercepts and to identify deficiencies in recreational data collection, and possible correction measures.

“(D) DEADLINE.—The Secretary shall complete the program under this paragraph and implement the improved Marine Recreational Fishery Statistics Survey not later than January 1, 2009.

“(4) REPORT.—Within 24 months after establishment of the program, the Secretary shall submit a report to Congress that describes the progress made toward achieving the goals and objectives of the program.”.