

Senate Natural Resources Committee

REVISED: June 16th, 2020

HB 4567-69

Testimony in support

Amy Trotter - Michigan United Conservation Clubs

Good morning, Chairman McBroom and members of the committee, thank you for the opportunity to be here and provide testimony in support of House Bills 4567, 4568, and 4569.

These bills come down to two things: 1) updating Michigan's decades-old commercial fishing laws with common-sense reforms and best management practices and 2) protecting game fish and the local and state economies they support.

As Representative Lilly discussed last week, commercial fishers in Michigan are currently regulated by statutes that are many decades old. These three bills present reasonable updates that are largely consistent with other Great Lakes states, providing for the best management of our fisheries. They update legal definitions, require some additional net-tending and marking procedures and data submission, and increase license fees and penalties and fines for commercial operators. However, even with this increase in fees, the monies received by the DNR will be far below the cost of program management, which is estimated at more than \$1 million annually. These funds are used by DNR law enforcement officers to monitor records, inspect boats, and track shipments of fish, as well as checking nets and cargo loads for compliance. On the fisheries division side, DNR staff spends a great deal of time monitoring the populations of fisheries that commercial fishers utilize.

Now, I'd like to make it clear that these bills are not simply attempting to legislate one industry over another. This legislation has been through an extensive review process, with numerous opportunities for improvement, input, and compromise. These bills have changed in numerous ways since they were first introduced by former Senator Mike Green in 2018, including the following:

- Provide for the commercial fishing advisory committee, despite some concern from other stakeholders;
- Facilitate the potential buyout of commercial fishers, especially to avoid take;
- Ensure industry leaders the "right to renew" their commercial fishing licenses

However, one thing that remains is that lake trout would remain solely a game fish species in Michigan, along with walleye and perch. Lake trout and walleye have not been available for commercial harvest in Michigan since the 1960s.

Now you may have heard that Michigan is out of line by not allowing the commercial harvest of lake trout or walleye. I am here to set the record straight. The harvest of lake trout in other states is exclusively allowed by Wisconsin and Minnesota in Lake Superior and it is overseen by a limited and very restrictive regulatory scheme, neither state describes their commercial fishers as targeting Lake Trout. Notably, in Wisconsin this mechanism requires commercial fishers to stop all fishing **for the remainder of the season** when their bycatch allotment of lake trout is reached. Minnesota's special assessment permits also include extra research requirements that require physical submissions of fish for state agency analysis. It is the opinion of the conservation community that the goal of lake trout recovery in the Great Lakes cannot reasonably occur in the context of commercial fishing. To our knowledge, walleye is not commercially harvested on the U.S. side of the Great Lakes.

To better protect these species, these bills create a list of species available for commercial harvest, while barring the DNR from adding legally recognized game fish to that list. As groups representing recreational anglers, protecting these game fish is deeply important to us and our tens of thousands of stakeholders here in the state. However, this protection is also critically important to maintaining Michigan's robust outdoor recreation industry. Sportfishing is a \$2.3 billion industry in this state, supporting more than 35,000 jobs. Importantly, more than 90 percent of this sportfishing industry is made up of small businesses – including manufacturers of tackle and boats to retailers and charter boat captains. In the packet in front of you today, you will find a letter from the American Sportfishing Association signed by more than thirty tackle manufacturers, boat manufacturers, retailers, and wholesalers in support of the passage of these bills. You will also find numerous letters of support from municipalities that benefit greatly from this industry.

Data from a national survey reveals Michigan hosts an estimated 650,000 Great Lakes anglers annually.¹ These individuals make up about 46% of the total 1.4 million licensed anglers in the state. All of these anglers contribute to Michigan's \$2.3 billion sportfishing economy. However, angler spending does vary by the type of fishing and duration of the trip. According to a survey of Michigan anglers conducted by researchers at Michigan State University, close to 63% of the estimated fishing-trip spending occurs within a 35-mile radius of the fishing site – meaning that most of the money spent stimulates our coastal Great Lakes communities. For all types of fishing, multiple day trips averaged close to \$557 spent per trip (\$184 spent per day on the trip), and single day trips \$187; fishing for trout, steelhead, and/or salmon out of a boat on the Great Lakes for multiple days averaged the highest at \$767 per trip. This value increases greatly when anglers fish with a charter boat captain, as well as when they travel from outside the state of Michigan to recreate in our robust fisheries. From this trip average, researchers teased out that Great Lakes salmon and trout anglers spend about \$280 per day of fishing. According to research conducted by the U.S. Fish and Wildlife Service, the average angler (including Great Lakes, coastal, and inland) spends around \$38 per day in direct expenses. This means that Great Lakes anglers have direct expenses of over seven times that of the average angler.

Anglers who utilize charter boat services tend to spend well above this \$280 average, due to the fees associated with this service industry. As Captain Bill Winowiecki will tell you, there are over 570 charter businesses in Michigan that own and operate more than 650 boats on the Great Lakes. In 2019 alone, these businesses took more than 77,000 people fishing on almost 20,000 trips. This makes up a huge number of recreational anglers, all of whom opened their pocketbooks in support of the businesses in our districts.²

On the other side, the economic impact of commercial fishing pales in comparison to recreational anglers, with Michigan state-licensed fishers bringing in a dockside value of around \$5 million annually.³ In order to offer a fair economic comparison of the commercial vs. sport fishing industries, stakeholder groups were engaged to gain a better understanding of the economic value of each sector. Using the calculations offered by the Department of Natural Resources, the economic value of the commercial

¹ https://asafishing.org/uploads/2011_ASASportfishing_in_America_Report_January_2013.pdf

² <https://mucc.org/wp-content/uploads/2020/06/Charter-fishing-final.png>

³ https://www.michigan.gov/documents/dnr/2018-SL-CommercialFishingData_664809_7.pdf

fishing industry is estimated at ten times the dockside value of harvested fish.⁴ This translates into a liberal estimate of \$50 million in economic impact of commercial fishing to the state of Michigan.

Conversely, the recreational sportfishing industry represents over \$2.3 billion in direct expenditures in this state and supports more than 35,000 jobs, as reported in two distinct economic studies commissioned at both the state⁵ and federal levels.⁶ This value *excludes* the multiplier effects of the industry, which are estimated to be roughly \$4.3 billion. Importantly, more than 90 percent of this sportfishing industry is made up of small businesses – including manufacturers of tackle and boats, retailers and charter boat captains. You should find a letter of support for this legislation from the American Sportfishing Association, on behalf of the members of the industry community, in the official committee record.

It is also important to make it clear that offshore fishing on the Great Lakes is not an elite pursuit, as it is sometimes characterized. According to unpublished data from the previously-referenced Michigan State University survey, more than two-thirds of the people who fish offshore on the Great Lakes have an annual income of less than \$100,000. Everyday people are using these resources and would benefit from the greater conservation of this fishery.

My colleagues here with me today will present on the numerous facets of Michigan's economy and environment that are all touched by recreational angling and why this resource deserves your attention and support. We encourage you to pass HB 4567, 68, and 69 and refer this package to the floor of the Senate with a positive recommendation.

Bryan Burroughs - Michigan Trout Unlimited

Great Lakes fisheries, whether managed exclusively under State authority, or jointly with other states, the United States, Canada, or tribal first nations, are public trust resources. Throughout history, there are countless examples of the Tragedy of the Commons, where competition for private profit led to the demise of public resources, and the Great Lakes fisheries are no exception. By the 1940's most of the Great Lakes fish stocks were severely low, and by the 1960's lake trout had been extirpated from all but Lake Superior, we lost several strains of ciscos, and the unique "blue pike" was gone. These declines were followed by the introduction of invasive species like sea lamprey and alewife, which led to further impacts to Great Lakes fisheries, which continue today with impacts from more recent invasive species like zebra and quagga mussels.

The Public Trust Doctrine dictates how public trust resources shall be managed, generally, in that they should be managed to provide the greatest amount of good to the greatest amount of people, and they be maintained for the benefit of both current and future generations. Recreational fishing has provided the greatest means to achieve those mandates. Michigan's abundance of water bodies and fishery types has made it a mecca for recreational fishing, where the state now consistently ranks in the top 3-5 states in the country for fishing activities and economic impacts. This has maximized the public value of these public resources, by allowing the greatest number of people to directly enjoy them, while also increasing the economic expenditures made in pursuit of them, and creating a wide network of where

⁴ We do not have any references for the ripple factor of the commercial fishing industry, but the federal surveys use a multiplier of ~2x for sportfishing

⁵ http://www.michiganoutofdoors.com/wp-content/uploads/2019/01/MUCC_Report_Corrected.pdf

⁶ https://asafishing.org/uploads/2011_ASASportfishing_in_America_Report_January_2013.pdf

those revenues are spread throughout the public. In Michigan, anglers targeting Great Lakes salmon and trout, spend on average approximately \$280 per day in trip related expenditures while fishing. Where recreational fishing is present, this offers the greatest economic return per fish, and also presents the greatest means to distribute the benefits to the most citizens.

In addition to this maximum benefit proposition of recreational fishing, the anglers themselves pay the cost to have the fisheries managed and/or restored. Fishing license revenues provide the majority of the funding for the DNR to properly manage the fisheries, and the other sizable portion of the fisheries management funding comes from proceeds of federal excise taxes on fishing related goods (Sportfish Restoration Act or "Dingell-Johnson"). Michigan has around 1.4 million anglers per year, including the second most out-of-state anglers in the U.S., all who provide the funds to properly manage these fisheries in perpetuity. Further, these funds facilitate a \$10.5 million game fish stocking program⁷ in Michigan, and allowing the commercial harvest of these game fish species would effectively be a subsidy for the extractive commercial fishing industry from the pocketbooks of Michigan's anglers.

Examples of how these funds have been deployed, include the restoration of walleye to Lake Huron and Saginaw Bay, and the partial recovery of lake trout in Lakes Huron and Michigan. Lake trout have been the focus of a state, federal and tribal restoration program for over 40 years. Currently, the bulk of lake trout in both of those lakes are still dependent on hatchery stocking, and are subject to relatively small harvest limits per angler. For example, Traverse Bays had a limit of 1 lake trout per angler in 2019, and was increased to 2 fish per day in 2020. In other zones 3 per day is the typical harvest limit. This fishery is not "restored" and is the subject of a great deal of multi-state, multinational management effort. In Saginaw Bay, walleye enhancement efforts were partially successful through the 1970's – 1990's, but became very successful starting around 2010, when alewife collapsed in Lake Huron. Walleye have been increasing in abundance, and discussions were just underway to see if sportfishing closures in the spring could finally be lifted. Unfortunately, the recent dam failures by Midland, may have caused a severe loss of the walleye yearclass for the entire Saginaw Bay system, and the status of that fishery is uncertain, and spring sportfish closures may still be needed.

We have to also acknowledge a basic element of social inequity with this subject. Allowing literally a handful of people to claim a disproportionately large share of these fisheries is not fair. For any of these popular fisheries like walleye or lake trout, there can be 10's to 100's of thousands of people all equally sharing access to the fisheries, and local communities deriving benefit to their business for dining, hotels, campground, home rentals, retail stores, charter guiding business, etc. Asking all of those participants and beneficiaries to share less, lower their bag limits, lower their attractiveness to anglers, so that one entity can alone take a larger proportion of the fishery so they can profit more, is not in tune with a public trust resource, and will lead to social contempt.

To summarize, Michigan is a place where gamefish are heavily desired and targeted, resulting in fully allocated fisheries. All the available gamefish are being fully allocated, and are creating optimal amounts of public opportunity to pursue them as well as maximizing the amount and distribution of economic return to the State of Michigan and local economies, all while anglers are funding the costs of management. Given the State's current budget problems due to Covid-19, I'm sure all of you wish more sectors could present the same return on investment scenario. This is an ideal scenario for Michigan as well as any public trust resource. The house bills 4567-4569 seek to update many outdated administrative components of commercial fishing management, while codifying the successful

⁷ https://www.michigan.gov/documents/dnr/FishingGuide2020_684742_7.pdf Page 64

recreational fishing model our State enjoys presently. Trout Unlimited supports these bills and hopes you will too.

If you have additional questions or wish to speak in detail about this subject, please do not hesitate to contact me. We appreciate your attention to this important subject.

Dennis Eade - Michigan Steelhead and Salmon Fishermen's Association

Good morning, Chairman McBroom and members of the committee, thank you for the opportunity to provide testimony in support of House Bills 4567, 4568 and 4569.

Today, sportfishing in Michigan represents a \$2.3 billion dollar industry, but the dollars spent by recreational anglers do not only benefit businesses and the DNR. These dollars also help to greatly stimulate local tax revenues. Of the \$227 million in state and local tax dollars generated from recreational fishing, \$68 million of this sum is directly tied to Great Lakes fishing. We can ill afford a major **drop off** of out-of-state fishing tourism or in-state anglers, which is why it is critical to protect game fish through legislation like this.

Every year, more than 1.1 million Michiganders take to the lakes, rivers, and streams of this state. Michigan is also host to an additional 300,000 anglers from around the world visiting Michigan to experience our world class fisheries. Michigan is second only to the state of Florida for out-of-state fishing tourism, which means individuals are coming from far and wide to fish – and spend money in our small towns, bait and tackle shops, hotels, gas stations, and restaurants. In short, fishing stimulates rural economies.

You'll find in your packet today resolutions from nine municipalities that explicitly recognize the benefits of this robust industry to their communities. Local units of government, including Au Gres, Bay City, Ferrisburg, South Haven, Park Township, Macomb County, Standish, St. Clair Shores and St. Joseph have all passed resolutions of support for these bills. Game fish are a public trust resource that deserve recognition for their value to communities that border our Great Lakes and the thousands of anglers who come to fish and spend money in these communities.

Some of these communities see much greater fishing activity than others. For example, Saginaw Bay represents more than 70% of all angling activity on Lake Huron. Walleye and yellow perch are the major recreational attractions here and yellow perch populations are currently at historic lows. Loss of those fisheries to commercial exploitation will lead to massive losses to state and local economies, but we will also suffer the loss of countless hours of recreational enjoyment that sport fishing provides.

Protecting game fish – and the local economies that they stimulate – means more than just providing an allocation; it means having substantive, modern, and meaningful regulations as well. To properly manage these resources the state needs a clear regulatory framework that allows for meaningful enforcement and the punishment of bad actors.

The Michigan Steelhead and Salmon Fishermen's Association recommends you support the proposed commercial fishing statute bills before you. These bills represent valid distinctions, rules and necessary regulations for properly managing the public trust waters of the Great Lakes.

Thank you for the opportunity to provide testimony in support of these House Bills.

Floyd Dropps - Upper Peninsula Sportsmen's Alliance Fisheries Committee Chairman

Chairman McBroom and members of the committee, thank you for the opportunity to provide testimony in support of House Bills 4567, 4568 and 4569.

The members of the Upper Peninsula Sportsmen's Alliance are proud anglers – and we're pretty good at it too. Living in the UP, we have a great deal of opportunities to take advantage of the many game fish species that live in Lake Michigan, Lake Huron and Lake Superior, but we also know that we must protect these species from abuse that has been too common in our state's history.

After multiple crashes of lake trout, perch and walleye stocks in the 1950s and '60s, Michigan made a policy decision to designate the DNR as the manager of Michigan's fisheries, and in 1985 a Tribal Consent Decree was established giving the tribes an allotted percentage of the fish in treaty waters. As a reminder, the bills that we are discussing today only govern state-licensed commercial fishers. Traps nets were also bought for commercial fishermen, so game fish could be released unharmed. These steps helped restore the fishery. It has been suggested that the commercial taking of lake trout by state-licensed commercial fishers should be allowed in Lake Superior as bycatch. This is a bad idea for the following reasons:

- A. Only incidental catch is currently allowed on the U.S. side of Lake Superior for Lake Trout, but even with this, two Lake trout refuges are maintained in Wisconsin in an attempt to protect from the over harvest of fish. (Gull Island, Devils Island Shoals)
- B. Michigan angler limits are reduced on the west side of the Keweenaw Peninsula three lake trout, vs 5 in rest of the lake. This doesn't sound fully recovered.
- C. The Canadian Commercial fishermen are keeping the Lake trout numbers suppressed in the White Fish Bay Area, as it is closer to Canadian waters.
- D. Allowing commercial taking of game fish would set a bad precedent, if history teaches us anything, it is once someone gets their foot in the door there is no going back. Commercial fishermen would continually be looking for a bigger piece of the pie. Michigan would lose its World Class Fishery designation, along with a large part of the jobs and money brought in by sport fishing.

UPSA is committed to ensuring that Michigan's game fish are here for generations to come, and allowing the commercial harvest of game fish by state-licensed commercial fishers would put our commitment and strong outdoor heritage in great jeopardy. For these reasons UPSA urges you to support House Bills 4567, 4568, 4569.

Bill Winowiecki- Michigan Charter Boat Association

In my lifetime I have seen Lake Michigan's lake trout population crash twice. In the years after these horrible die-offs, people came together to bring them back.

By putting stricter limits on lake trout fishing and investing millions of dollars in stocking, habitat and commercial fishing equipment, we have enabled the recovery of this critically important sport fish. This came about through an agreement between the conservation community, recreational anglers, commercial fishers and state and federal agencies. Since that agreement was reached, charter boat captains have worked under a number of strict rules and regulations to ensure the protection of lake trout and other game fish species.

The charter boat harvest data show that lake trout are the most reliable species in the catch. At many

ports, lake trout are the main species taken and provide for successful fishing trips when other species like chinook salmon are not available.

There are over 570 charter businesses in Michigan that own and operate more than 650 boats on the Great Lakes.⁸ In 2019, these businesses took more than 77,000 people fishing and over almost 20,000 trips. A study conducted by researchers at Michigan State University found that Great Lakes salmon and trout anglers spend about \$280 per day of fishing. Of that \$280, roughly, 25% is for transportation, 15% is for restaurants, 17% for lodging, 10% for boats, 16% for groceries, 10% for tackle, 3% for entertainment, and 5-13% for guides. Anglers who utilize charter boat services are likely above this average.

This fishing accounts for a huge proportion of Michigan's \$2.3 billion dollar recreational fishing economy. Our small businesses contribute to a number of other players in rural economies, especially by creating numerous jobs for motels, boat manufacturers, restaurants, tackle shops and many other small businesses.

We believe that commercial fishers should also respect the importance of these game species by adopting some quite reasonable rules that we already have to follow.

Right now, charter boats are required to report our daily catches and are in the process of switching over to electronic reporting. About 65% of our businesses are voluntarily reporting their daily catch electronically today – which should be pretty easy for the state's few commercial fishers to do as well. The collection of this information is essential for managing the fisheries of the Great Lakes and should be required of any business that removes fish from these waters.

We also strongly believe that commercial fishers should have the locations of their nets reported publicly, as a number of charter captains have ruined their boats by running into unmarked or abandoned nets. In addition to the costs of repairs, fuel and parts, these accidents also take our boats out of commission during the only time of year when we can make our living.

Unfortunately, the charter boat industry was totally shut down for two months this spring due to COVID-19. Many of our Captains lost anywhere from 30 to 50 trips in these months and only time will tell how many more will be lost over the course of the rest of the season.

During the pandemic, the commercial fishers were allowed to keep fishing to keep their businesses afloat. Our charter season is already short and it is likely that many of these small businesses will not be here next year. We do not need more risks to our businesses or the species that we depend on. The protection of game fish and the reasonable updates to Michigan's decades-old commercial fishing laws through these bills is critical to the health of our way of life. I, and my fellow members of the Michigan Charter Boat Association from all of Michigan's ports of call, support this package of legislation and urge you to pass it as it stands.

⁸ <https://mucc.org/wp-content/uploads/2020/06/Charter-fishing-final.png>

