

ATLANTIC STATES MARINE FISHERIES COMMISSION

2008 ANNUAL REPORT



HEALTHY, SELF-SUSTAINING FISH POPULATIONS FOR ALL ATLANTIC COAST FISH SPECIES OR
SUCCESSFUL RESTORATION WELL IN PROGRESS BY THE YEAR 2015





**67TH ANNUAL REPORT
OF THE
ATLANTIC STATES
MARINE FISHERIES COMMISSION**

**TO THE CONGRESS OF THE UNITED STATES
AND TO THE GOVERNORS AND LEGISLATORS
OF THE
FIFTEEN COMPACTING STATES
2008**

Presented in compliance with the terms of the Compact and the state-enabling acts creating such Commission and Public Law 539 - 77th Congress assenting thereto (Chapter 283, Second Session, 77th Congress; 56 Stat. 267) approved May 4, 1942, as amended by Public Law 721, 81st Congress, approved August 19, 1950.

Atlantic States Marine Fisheries Commission
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1444 Eye Street, N.W.
Washington, D.C. 20005

Tina L. Berger, Editor

February 2009

LIST OF COMMONLY USED ACRONYMS

ACFHP

Atlantic Coastal Fish Habitat Partnership

ACFCMA

Atlantic Coastal Fisheries Cooperative Management Act

ACLs

Annual Catch Limits

AMs

Accountability Measures

ASMFC

Atlantic States Marine Fisheries Commission (also referred to as the Commission)

BRDs

Bycatch reduction devices

CPUE

Catch-per-unit-effort

DPS

Distinct population segments

F

Fishing mortality

FMP

Fishery Management Plan

GARM

Groundfish Assessment Review Meeting

GOM

Gulf of Maine

ISFMP

Interstate Fisheries Management Program

ISC

Interim Steering Committee

ITC

Interstate Tagging Committee

ITT Program

Individual Trap Transferable Program

MAFMC

Mid-Atlantic Fishery Management Council

MOU

Memorandum of Understanding

MSTC

Multispecies Technical Committee

MSY

Maximum sustainable yield

MT

Metric tons

NEAMAP

Northeast Area Monitoring and Assessment Program

NEFSC

Northeast Fisheries Science Center

NMFS

National Marine Fisheries Service; also known as NOAA Fisheries Service

NOAA

National Oceanic and Atmospheric Administration

PRT

Plan Review Team

SAFMC

South Atlantic Fishery Management Council

SAW/SARC

Northeast Regional Stock Assessment Workshop and Stock Assessment Review Committee, respectively

SCA

Statistical catch at age

SCS

Small coastal shark complex

SEAMAP

Southeast Area Monitoring and Assessment Program

SEDAR

SouthEast Data, Assessment, and Review

SNE

Southern New England

SNE/MA

Southern New England/Mid-Atlantic

SPR

Spawning potential ratio

SRT

Status Review Team

SSB

Spawning stock biomass

TAC

Total allowable catch

TAL

Total allowable landings

TRAC

Transboundary Resource Assessment Committee

USFWS

U.S. Fish and Wildlife Service

VPA

Virtual population analysis

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ASMFC MISSION, VISION, AND GOALS

MISSION

To promote cooperative management of fisheries – marine, shell and diadromous – of the Atlantic coast of the United States by the protection and enhancement of such fisheries, and by the avoidance of physical waste of the fisheries from any cause.

VISION

Healthy, self-sustaining fish populations for all Atlantic coast fish species or successful restoration well in progress by the year 2015

GOALS

1. Rebuild and restore depleted Atlantic coastal fisheries, and maintain and fairly allocate recovered fisheries through cooperative regulatory planning
2. Strengthen cooperative research capabilities and improve the scientific basis for stock assessments and fisheries management actions
3. Expand and fully utilize cooperative fisheries statistics programs
4. Improve stakeholder compliance with Commission fishery management plans
5. Enhance and cooperatively protect fisheries habitat
6. Strengthen congressional, stakeholder, and public support for the Commission's mission, vision, and actions
7. Respond efficiently and effectively to member states' needs
8. Develop and advance strategies to enhance learning and growth within the Commission
9. Provide efficient administration of the Commission's business affairs and ensure the Commission's financial stability

ASMFC COMMISSIONERS



ASMFC COMMISSIONERS

George D. Lapointe, Chair
Robert H. Boyles, Jr.,
Vice-Chair

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Patten D. White
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PREFACE

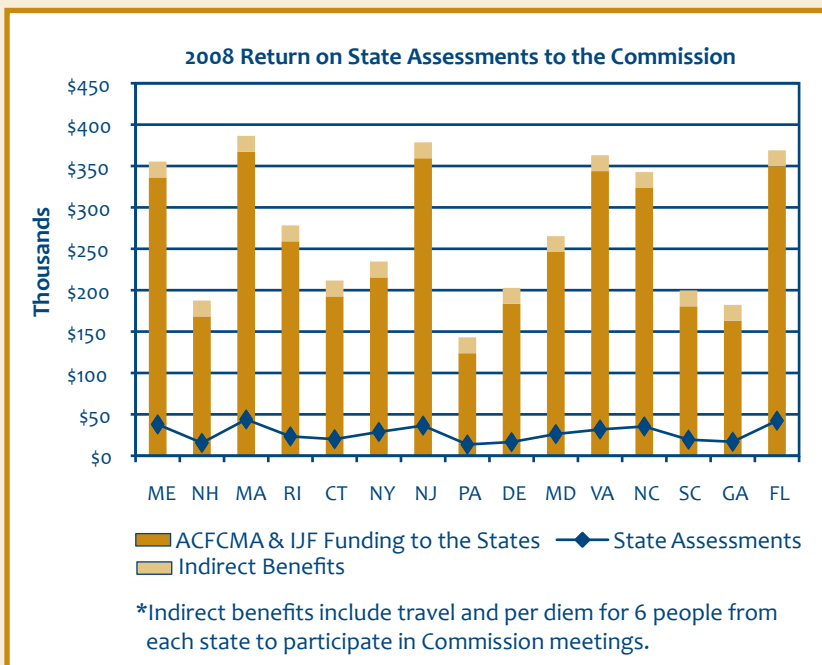
The Commission was formed 66 years ago by the 15 Atlantic coast states to assist in managing and conserving their shared coastal fishery resources. With the recognition that fish do not adhere to political boundaries, the states formed an Interstate Compact, which was approved by the U.S. Congress in 1942. The states have found that their mutual interest in sustaining healthy coastal fishery resources is best promoted by working together cooperatively, in collaboration with the federal government. With this approach, the states uphold their collective fisheries management responsibilities in a cost-effective, timely, and responsive fashion.

The Commission's current budget is five million dollars. The base funding (\$496,424) comes from the member states' appropriations, which are determined by the value of commercial fishing landings and saltwater recreational trips within each state. The bulk of the Commission's funding comes from a combination of state and federal grants, the largest being a line-item in the National Marine Fisheries Service (NMFS) budget appropriated to implement the Atlantic Coastal Fisheries

Cooperative Management Act of 1993 (ACFCMA). The Commission also receives funds from NMFS to carry out the mandates of the Interjurisdictional Fisheries Act of 1986 (P.L. 99-659). The accompanying graph illustrates the benefits that states receive from ACFCMA and the Interjurisdictional Fisheries Act.

The U.S. Fish and Wildlife Service (USFWS) also provides grant funding to the Commission through its Federal Aid in Sport Fish Restoration Program (Wallop/Breaux). Also, since 1999, the Commission has overseen the administration of the Atlantic Coastal Cooperative Statistics Program, a state and federal partnership for Atlantic coastal fisheries data collection and management. Funding for this program is provided by ACFCMA.

The Commission serves as a deliberative body of the Atlantic coastal states, coordinating the conservation and management of nearshore fishery resources, including marine, shell, and diadromous species. The 15 member states of the Commission are (from north to south): Maine, New Hampshire, Massachusetts, Rhode Island, Connecticut, New York, New Jersey, Pennsylvania, Delaware, Maryland, Virginia, North Carolina, South Carolina, Georgia, and Florida. Each state is represented on the Commission by three Commissioners: the director of the state's marine fisheries management agency, a state legislator, and an individual appointed by the state's governor to represent fishery interests. These Commissioners participate in deliberations in the Commission's main policy arenas: interstate fisheries management, fisheries science, habitat conservation, and law enforcement. Through these activities, the states collectively ensure the sound conservation and management of Atlantic coastal fishery resources and the resulting benefits that accrue to their fishing and non-fishing publics.





REPORT TO OUR STAKEHOLDERS

John V. O'Shea, Executive Director

We are delighted to present this Annual Report to you – the friends, colleagues, partners, overseers, and stakeholders of the Atlantic States Marine Fisheries Commission. It describes our activities and progress in carrying out our public trust responsibilities for the valuable marine fisheries resources under Commission stewardship. These resources generate billions of dollars in economic activity and tens of thousands of jobs within our coastal communities. This report on the status of the stocks under our care reflects our Commissioners' commitment to accountability and transparency in all that they do.

During 2008, our Commissioners initiated new management measures for a number of coastwide species to help maintain and, in some cases, restore the abundance of those stocks. Elsewhere in this report we have included implementation dates of significant management actions along with the historical records of biomass levels to provide readers a context for those actions.

This report also fulfills our requirement to report to Congress on the use of the federal funds provided to the Commission. Our Commissioners recognize that they have earned the trust and confidence of Congress through their successes in restoring fisheries and they remain committed to building on that record. We are grateful for the interest and support of our congressional delegations and their staffs.

2008 marked the third year of our states working cooperatively on projects to collect critical

information related to red drum, American lobster, and Chesapeake Bay menhaden, as well as the abundance of other nearshore marine fish species.

This work was made possible through funds added by Congress to conduct research designed by state fisheries scientists and, in some cases, carried out by fishermen. These efforts focused on key species of high public interest and value, whose collective range includes the waters of all our states from Maine to Florida.

We continue to invest in people through our sponsorship of courses in fisheries stock assessment for Commissioners, staff, and state scientists. Our Commissioners are committed to

enhancing the skill and expertise of our scientific advisors, ensuring they are knowledgeable about the latest and best methodologies for assessing fish populations. This investment will pay dividends for years to come by providing our Commissioners with the best scientific advice available.

Our professional staff continues to grow in experience and in their contributions to our states. Commission stock assessment scientists provided needed help to our over-worked and understaffed state fisheries scientists on a number of tasks, including the current stock assessment of our most valuable commercial species, American lobster. In these and many other areas, our staff continues to excel. I am delighted by their high energy, professionalism, and dedication to our states and the public we serve. Their performance reflects the strong wisdom, leadership, and loyalty of our

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senior staff, who collectively represent decades of service to our Commission.

We are also fortunate to have dedicated Commissioners, who volunteer long hours of their time. They collectively act with courage and wisdom in their difficult job of making decisions that are best for the long-term, while often facing strong demand to attend to short-term needs.

Through our updated Strategic Plan (2009 - 2013) they have charted a course and a commitment to ensure healthy fishery resources for the next generation to enjoy. Their Plan recognizes the power of the fundamental principle of our Commission – that the states can accomplish more by working cooperatively than they could by standing alone.

Our previous management successes have demonstrated the economic benefits and jobs that can result from abundant and healthy coastal fisheries. That lesson reinforces the relevance and importance of the Commission's vision today and in the years to come. Readers can track our activities and progress by visiting our website, www.asmfc.org.

To all of you who participate in and support the Commission's process, thank you for your efforts and commitment to help our states achieve their vision of healthy, self-sustaining populations for all Atlantic coast fish species or successful restoration well in progress by the year 2015.



REPORT FROM THE CHAIR

George D. Lapointe

As Commission Chair it is my duty and distinct pleasure to report to you – our stakeholders – the status and accomplishments of the Commission over the past year, and to share with you some of my thoughts about the challenges and opportunities I see before us. Before doing so, I want to acknowledge and publicly thank my Vice-Chair Robert Boyles from South Carolina, who has worked closely with the staff and me throughout 2008.

Looking back over 2008, we can all take pride in what we have accomplished. We attended to the numerous science and management details necessary for the ongoing oversight of the species under our fishery management plans (FMPs). These have included species like Atlantic herring, striped bass, summer flounder, American lobster,

northern shrimp, and horseshoe crab, each with its own set of constituents and challenges. We approved a comprehensive Interstate FMP for Atlantic Coastal Sharks, an ambitious project that involved all of our member states and a diverse group of stakeholders from environmental, commercial, and recreational communities.

We completed another year of the Northeast Area Monitoring and Assessment Program's (NEAMAP) nearshore trawl surveys through the collective cooperative funding efforts of the Commission, the State of New York, the Northeast Fisheries Science Center (NEFSC) and the Mid-Atlantic Fishery Management Council (MAFMC). The preliminary data confirms the value of this survey, making it imperative for us to continue the time series.

Our re-constituted and re-focused Habitat Committee actively leveraged the expertise, interests, and resources of a variety of entities to improve fish habitat through auspices of the Atlantic Coastal Fish Habitat Partnership, an initiative made possible by a substantial grant from the USFWS Multi-state Conservation Grant Program.

We engaged on a number of levels with NMFS on the important task of developing the Marine Recreational Information Program. This initiative will improve the credibility and utility of recreational catch data, helping both fisheries managers and the scientists who advise us. It also impacts state programs directly and indirectly, so it needs our continuous attention.

In the area of leadership, Commissioners worked hard reevaluating and revising our five-year Strategic Plan, setting a course for themselves and our fisheries for the next five years. Of particular note in the plan are new Commissioner values – a clear consensus statement to the public and ourselves about what we feel is important and the standards under which we will operate.

All of these accomplishments and many more are the direct results of your commitment to cooperation, dedication and hard work, all great strengths of our Commission. To each of my fellow Commissioners, I say thank you.

Another great strength of our Commission is our professional and enthusiastic staff who directly reflect the leadership and commitment of our three directors, Laura Leach, Bob Beal, and Pat Campfield. We have a few new faces on our staff since last year. I continue to be pleased by our

ability to recruit and integrate top-notch people onto our team.

I think there is little question that we all want to be part of an organization and a process that is known for its successes. Looking forward, we face a number of challenges in the coming year and beyond, providing opportunities for us to succeed.

Our Commission has enjoyed unprecedented success in the past through our actions to restore stocks, earning us credibility and public support. However, we are now separated from those difficult decisions by two generations of Commissioners. We, the current generation, need to define and pursue our own successes. We have set the course to do that through the re-write of our Strategic Plan. We now need a commitment to follow it.

Our past accomplishments and successes have demonstrated the power of cooperation, of what can be achieved by our states and partners when we work together. This, of course, was the founding principle of the Commission back in 1942. But my sense is that at times we have drifted away from this concept, especially in the area of fisheries management.

Collectively, we need to recommit in words and actions to this fundamental principle.

One of the other great strengths of our Commission is the flexibility provided in ACFCMA, allowing us to move quickly with solutions that best meet the individual needs of our states. We need to guard against well-meaning but misdirected efforts to amend our process by ensuring that we do not use flexibility to delay action, but rather use it to produce tangible results. Our best defense against a revision of ACFCMA is to produce results that move us significantly toward our stated vision.

**OUR PAST
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TOGETHER.**

The Magnuson-Stevens Fishery Conservation and Management Reauthorization Act sets new standards for the use of science by the Regional Fishery Management Councils. While these standards do not apply directly to the Commission, they have raised the bar regarding public and congressional expectations about the role of science in the management of the public's marine fisheries. We need to commit to strengthening the linkage between the scientific advice and our management decisions. Where science gaps exist, we need to work cooperatively and aggressively to fill them.

Given the current fiscal challenges facing federal and state governments, it is clear we will be in a no-growth funding situation for the next few years. We need to commit to looking for improved effectiveness and efficiencies in how we use our collective human and fiscal resources.

We have had a long history of counting on the help of our federal partners from both NMFS and USFWS. Those partnerships impact all of our activities and will be especially critical in the years ahead. We need to commit to strengthening our relationships with both agencies.

I am confident that we can rise to meet all these challenges. The steadiness and experience of long-serving Commissioners, and the energy and enthusiasm brought by new Commissioners, federal partners, and an increasingly engaged stakeholder community give us the right tools to succeed.

Our stated vision is to restore Atlantic stocks, with restoration well underway, by 2015 – a deadline that has been widely publicized and one that is fast approaching. That deadline is our opportunity to reaffirm our credibility. Back in 1942, our states came together in recognition of what could be accomplished by working together: that through cooperation the states could accomplish more than by operating on their own. That principle still holds true today, and should give us all confidence in our ability to successfully meet the challenges of the future. I pledge to you to operate in that spirit, and ask you all for your continued help and support. Thank you.



STOCK STATUS OVERVIEW & SPECIES HIGHLIGHTS



The Atlantic States Marine Fisheries Commission has continued to make progress toward its vision of “healthy, self-sustaining fish populations for all Atlantic coast fish species or successful restoration well in progress by the year 2015” through the collaborative management of 24 interjurisdictional species groups. In 2008, rebuilding progress was seen in bluefish, northern shrimp, and spiny dogfish stocks. However, there is still substantial work ahead to fully rebuild valuable Atlantic coastal fishery resources such as winter flounder, weakfish, tautog, American shad, river herring, and American eel. In 2008, the Commission completed the Interstate FMP for Atlantic Coastal Sharks to complement the federal management effort and establish a comprehensive management program throughout the range of the species.

Consideration of species interactions, habitat, and water quality, in addition to the more traditional considerations of stock rebuilding and the allocation of finite fisheries resources, continues to increase the complexity of the task of managing interjurisdictional resources.

The Commission maintains its role as an honest broker and forum for the Atlantic coastal states to come together and discuss the biological, socioeconomic, and environmental issues that are central to developing management programs for each species.

The following section provides a summary of the status of species managed by the Commission and highlights species management activities that occurred throughout 2008. For this summary, “overfishing” is defined as removing fish from the population at a rate that exceeds the target established in a plan, while the “overfished” determination is based on whether or not a stock biomass falls below the threshold established in the plan. The term “depleted” reflects low levels of abundance though it is unclear whether fishing mortality is the primary cause for reduced stock size. Improving these stocks while protecting healthy ones requires the continued commitment of the Commission, our partners, and stakeholders.

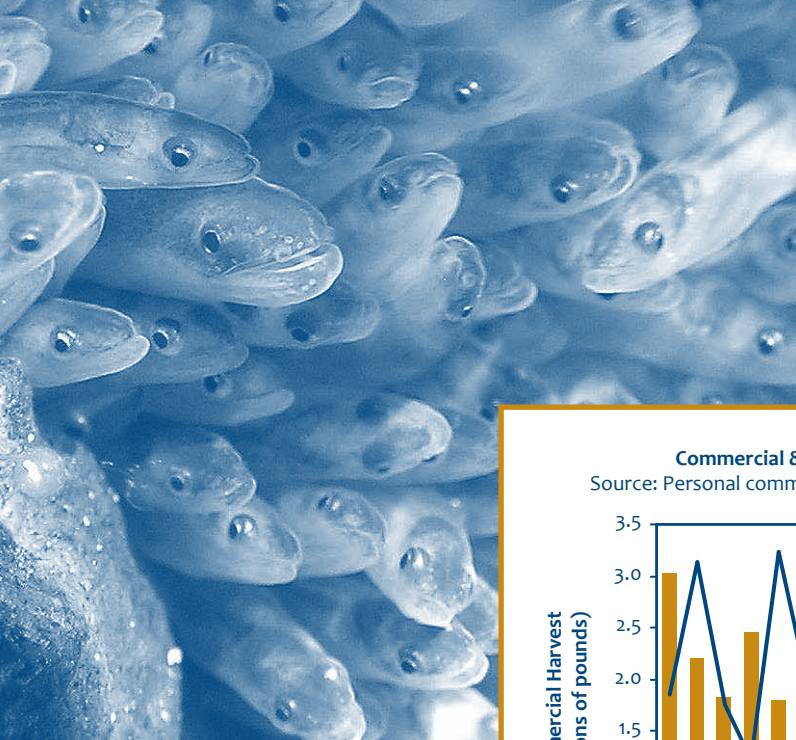
GUIDE TO ASMFC SPECIES STOCK STATUS

(CURRENT AS OF DECEMBER 2008)

STATUS/TRENDS	SPECIES	OVERFISHED	OVERFISHING	REBUILDING STATUS & SCHEDULE
√	Atlantic Striped Bass	N	N	Rebuilt since 1995
√	Atlantic Herring	N	N	Rebuilt
√	Atlantic Menhaden	N	N	Rebuilt
√	Northern Shrimp	N	N	Management action triggered when $F > 0.22$ or biomass < 19.8 million lbs.
√	Spiny Dogfish	N	N	Determined to be rebuilt in 2008 based on current levels of stock abundance; SSB projected to decline ~ 2017 due to low recruitment trends since 1997
√	American Lobster Gulf of Maine	N	N	Gulf of Maine and Georges Bank stocks rebuilt
√	American Lobster Georges Bank	N	N	
↓	American Lobster Southern New England	Depleted	Y	
√	Atlantic Croaker Mid-Atlantic	N	N	Mid-Atlantic stock component rebuilt
?	Atlantic Croaker South Atlantic	Unknown	Unknown	
↑	Spanish Mackerel	Unknown	N	Status based on 2008 benchmark assessment; continuing to rebuild until stock biomass $> B_{MSY}$
↑	Bluefish	N	N	Status based on 2008 assessment update; to be rebuilt by 2009
↑	Summer Flounder	N	N	Based on SARC 47 results; to be rebuilt by 2013
↑	Atlantic Sturgeon	Y	N	40+ year moratorium; to be rebuilt by ~2038

√ = Healthy ↑ = Rebuilding ↓ = Depleted ? = Unknown

STATUS/TRENDS	SPECIES	OVERFISHED	OVERFISHING	REBUILDING STATUS & SCHEDULE
↑	Tautog	Y	N	SSB and fishing mortality targets and thresholds established in 2007
↓	Weakfish	Depleted	N	6-year rebuilding period if spawning stock biomass < threshold level
↓	American Shad	Depleted	N	Management Board considering biological reference points based on 2007 assesment
↓	Winter Flounder Gulf of Maine	Y	Y	While biological reference points were not approved by the 2008 GARM due to uncertainty, the model suggests it is likely that stock is overfished and overfishing is occurring
↓	Winter Flounder South New England/Mid- Atlantic	Y	Y	To be rebuilt by 2015
√/↓	Coastal Sharks	Varies by species & species complex	Varies by species & species complex	No rebuilding schedule
?	Scup	Y	Unknown	Unspecified
?	Black Sea Bass	Y	Unknown	To be rebuilt by 2010
?	Red Drum	Y	Unknown	No rebuilding schedule; benchmark stock assessment scheduled for 2009
?	River Herring	Unknown	Unknown	Management Board considering management measures to reduce fishing mortality
?	American Eel	Unknown	Unknown	No rebuilding schedule
?	Horseshoe Crab	Unknown	Unknown	No rebuilding schedule
?	Spot	Unknown	Unknown	No rebuilding schedule
?	Spotted Seatrout	Unknown	Unknown	No rebuilding schedule



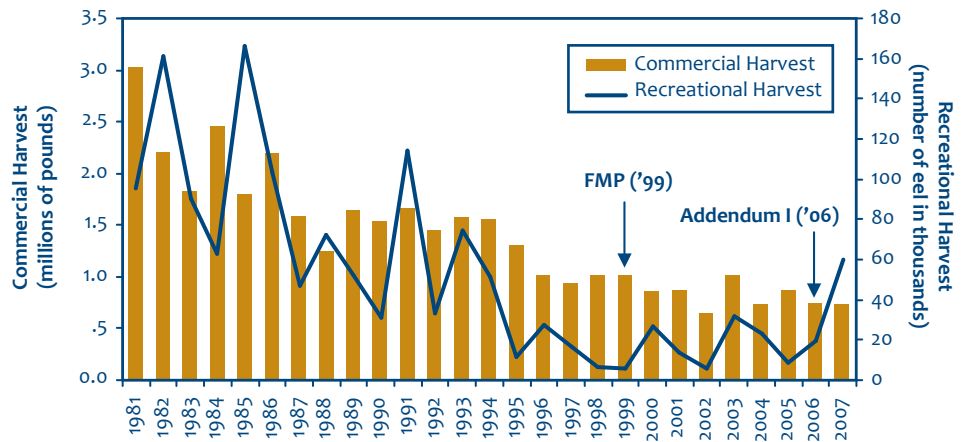
The most recent information on the status of the American eel stock is contained in the 2006 benchmark stock assessment, supplemental analyses, and the USFWS American Eel Status Review (2007). While USFWS determined that “protecting the eel as an endangered or threatened species under the Endangered Species Act is not

AMERICAN EEL

In 2008, the American Eel Management Board approved Addendum II to the Interstate FMP for American Eel. The Addendum maintained status quo on state management measures, and placed increased emphasis on improving the upstream and downstream passage of American eel. The states will revisit management measures upon completion of the American eel stock assessment in 2010.

The Public Hearing Draft of Addendum II considered a number of additional restrictions on eel harvest to facilitate escapement of adult American eels (also known as silver eel) on their spawning migration, with the intent of halting any further declines in juvenile recruitment and eel abundance. The Board chose to delay action on management measures in order to incorporate the results of a pending stock assessment in 2010, which will present new and updated information on American eel stock status, including the long-term young-of-the-year index being conducted by the states. In addition, the Board received overwhelming public comment and advice from its Advisory Panel that further restrictions on American eel harvest would significantly impact fishermen.

Commercial & Recreational Harvest of American Eel along the Atlantic Coast
Source: Personal communication from NMFS Fisheries Statistics Division, Silver Spring, MD, 2008



warranted,” the assessment indicated that the abundance of yellow eel (a juvenile life-stage of the American eel) is at or near historic low levels coastwide. Further, relative abundance is likely to continue to decline unless mortality decreases and/or recruitment increases.

The Commission also continued to work on the development of a Memorandum of Understanding (MOU) with the Great Lakes Fishery Commission and Canada to facilitate coordinated management of American eel throughout its international range. The MOU, slated for completion in 2009, will bring together scientists and managers with the ultimate goal of a single comprehensive North American management program for American eel.

AMERICAN LOBSTER

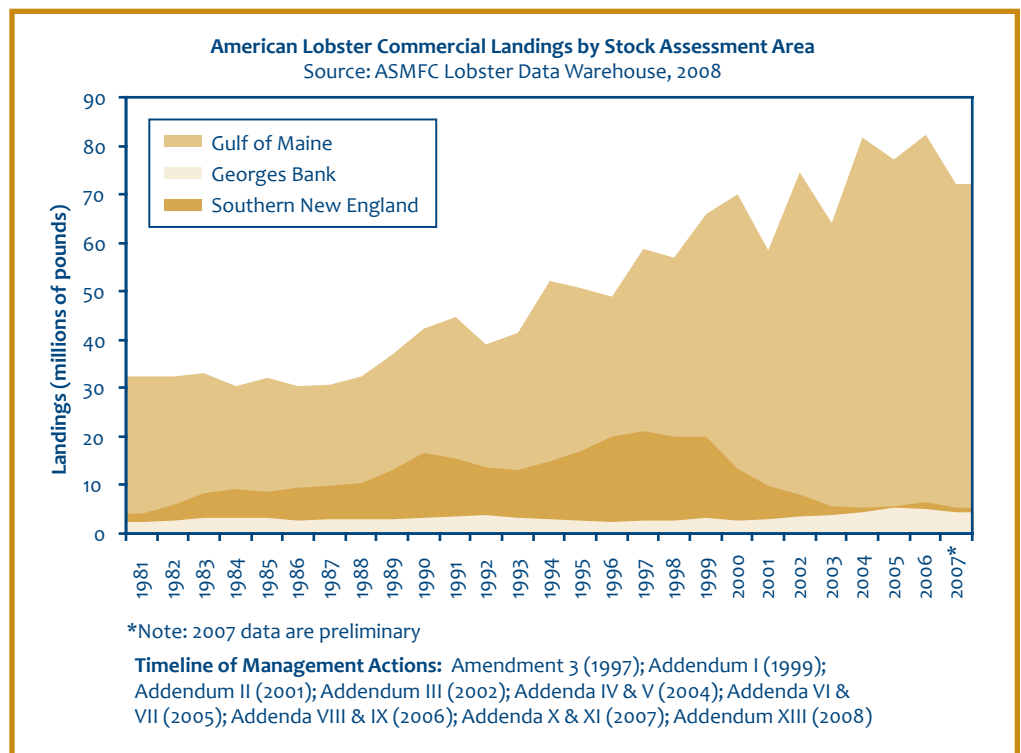
In 2008, the American Lobster Management Board continued the development of Draft Addendum XII to provide for fair and consistent implementation of individual trap transferable (ITT) programs for the plan’s lobster conservation management areas. The goal of the Addendum is to provide for fair implementation of ITT programs that allow for flexibility to the fishery, meet the conservation objectives of the plan, and ensure that effort does not increase as a result of trap transfers. The protocols will address: assignment of fishing history, especially for individuals who hold both a state license and a federal permit (dual permit holders); the potential for fishing effort to increase with trap transfers of multi-area trap allocations; the potential for effort to shift between states; and the application of the “most restrictive rule.” Addendum XII is scheduled to be completed in early 2009.

The Board approved Addendum XIII to the Lobster FMP. The Addendum codifies language previously adopted by the Commonwealth of Massachusetts for the Outer Cape Cod lobster conservation management area effort control program. The Addendum also eliminates the 20% trap reduction provision of Addendum III.

The 2005 stock assessment and peer review is the most recent comprehensive review of lobster stock status and presents a mixed picture of the American lobster resource, with stable stock abundance throughout most of the Gulf of Maine and Georges Bank, low abundance and recruitment in Southern New England (SNE), and decreased recruitment and abundance in Area 514 (Massachusetts Bay and

Stellwagen Bank). Of particular concern is SNE, where depleted stock abundance and recruitment coupled with high fishing mortality rates led the peer review panel to call for additional harvest restrictions.

During 2008, significant progress was made on the development of the comprehensive benchmark stock assessment. The assessment and peer review are scheduled to be completed in 2009, with the results to be presented at the Commission’s Spring Meeting.





mortality is low in the Mid-Atlantic region (North Carolina and north). The 2004 estimates of spawning stock biomass (SSB) (201 million pounds) and fishing mortality (0.11) are well within the targets and thresholds established by Amendment 1. The stock status for the South Atlantic region (South Carolina to the southern tip of Florida) is unknown due to a lack of data. The management program for Atlantic croaker was not adjusted in 2007.

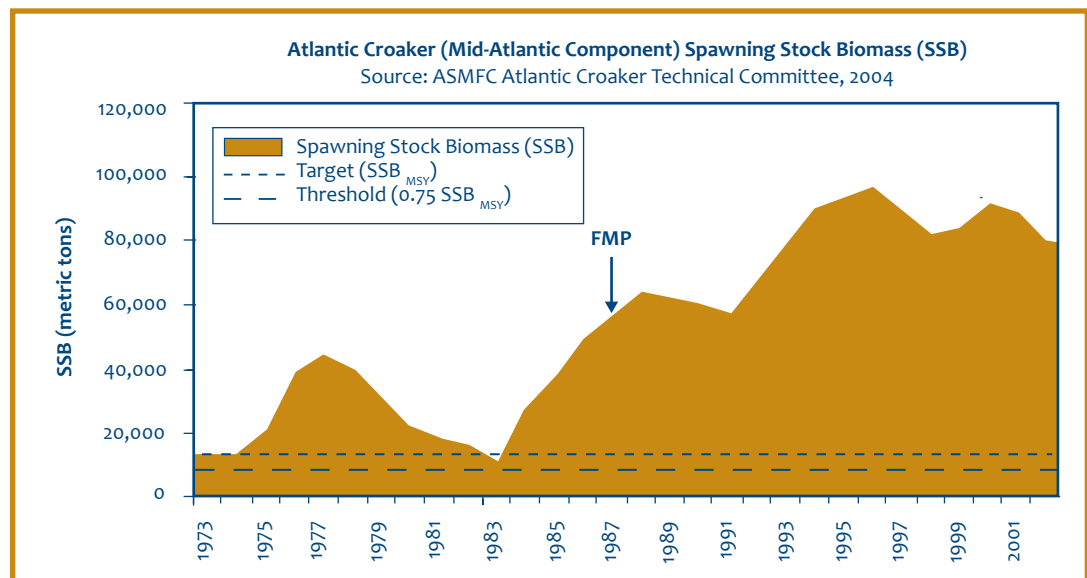
Commercial landings have decreased since the high in 2003, with both 2006 and 2007 landings hovering below 21 million pounds. Within the management unit (New Jersey to Florida), the majority of 2007 commercial landings, by weight, came from Virginia (55%) and North Carolina (35.7%). New Jersey landed 6.6% and Maryland 2.5% by weight; the remaining states all landed less than 1%.

Since 2001, the recreational harvest has declined slightly, averaging 10.9 million fish (9.2 million pounds) from 2002-2007. Recreational harvest in 2007 is estimated at 10.6 million fish (8.2 million pounds). Virginia was responsible for 72.7% of the 2007 recreational harvest, in numbers of fish, followed by Maryland (10.3%), and Florida (4.4%). The remaining states each landed less than 4% of the coastal total. The number of recreational releases has increased over the time series. In 2007, anglers released over 14.8 million fish, about 4.3 million more fish than they landed.

ATLANTIC CROAKER

The Commission continues to monitor the status of the Atlantic croaker population, as required by Amendment 1 to the Atlantic Croaker FMP. A series of triggers determine if a stock assessment update is warranted prior to the next scheduled assessment in 2010. The 2008 review of the triggers concluded that an assessment update was not necessary based on the 2007 recreational and commercial landings and their relative percent change from the previous two years' average landings. The Atlantic Croaker Technical Committee also monitored catch composition, mean size at age, catch-per-unit-effort, and fishery-independent indices of abundance for Atlantic croaker.

The most recent peer-reviewed stock assessment, conducted in 2004, indicated that Atlantic croaker abundance is high and fishing



The next benchmark stock assessment will be initiated in 2009. Following the completion of this assessment, the results will be peer reviewed through the SouthEast Data, Assessment, and Review (SEDAR) process in 2010.

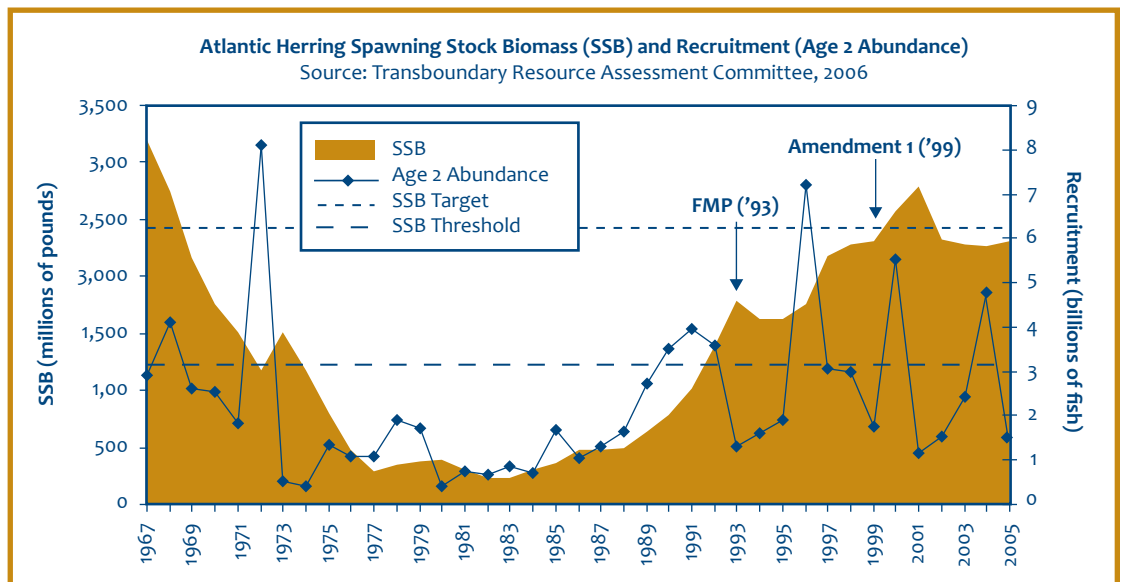
ATLANTIC HERRING

In 2008, the Atlantic Herring Section approved Draft Addendum I to Amendment 2 to the Interstate FMP for Atlantic Sea Herring for public comment. The Draft Addendum proposes new measures to control effort in the inshore Gulf of Maine (Area 1A) while also allowing for a steady supply of herring throughout the fishing season. A significant reduction in the total allowable catch (TAC) for Area 1A over the last two years, combined with changes in the type of gear used to harvest herring in this area, has limited herring availability throughout the season. Additionally, in-season modification of the days-out restrictions has further limited harvesters' ability to provide a consistent supply of herring to the market. Draft Addendum I was developed to explore new ways to control harvest, ensure a steady flow of herring throughout the season, and enhance harvesting predictability (due to fewer in-season days-out modifications).

The most recent assessment for Atlantic herring was conducted in 2006 by the Transboundary Resource Assessment Committee (TRAC), a review body that addresses stock assessments for fisheries shared between the U.S. and Canada. The assessment indicated that the Atlantic herring stock complex overall has recovered to high levels of abundance and has stabilized. The

resource appears to have redistributed throughout much of its historical range and sampling suggests that the age structure of the stock has expanded, both of which are positive signs of a healthy, recovered stock. The Atlantic herring stock is not overfished and overfishing is not occurring. Fishing mortality rates have remained steady at approximately $F=0.11$ since 2002. SSB (ages 2+) increased steadily from about 239 million pounds in 1982 to nearly 2.8 billion pounds in 2001 and was estimated to be 2.3 billion pounds at the beginning of 2005.

While the herring resource is considered fully rebuilt and overfishing is not occurring, scientific models have suggested that total herring biomass may be overestimated and fishing mortality underestimated. In addition, abundance survey trends in the inshore Gulf of Maine are declining. Given these findings, the Commission opted to manage the fishery in a more cautious manner by reducing the amount of herring available to the fishery for 2008-2009 to 45,000 mt (99.2 million pounds) in Area 1A, an inshore region off the coasts of Maine, New Hampshire, and Massachusetts. In 2009, the stock assessment will be updated through the TRAC process to provide an updated estimate of stock status.



ATLANTIC MENHADEN



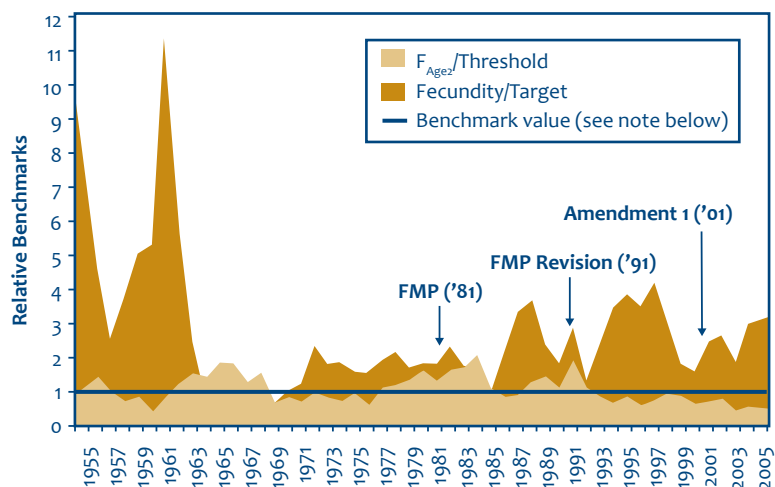
Due to the uncertainty in the status of the menhaden in the Chesapeake Bay, the Commission approved Addendum III in 2006. The Addendum establishes a five-year annual cap on reduction fishery harvest in Chesapeake Bay of 109,020 metric tons, a number derived from the average of harvests from 2001 – 2005. The cap was implemented in 2006 and extends through 2010. Harvest for reduction purposes will be prohibited in the Chesapeake Bay when 100% of the cap is landed. Over-harvest in any given year would be deducted from the next year's quota. The Addendum also includes a provision allowing under-harvest in one year to be credited only to the following year's harvest, not to exceed 122,740 metric tons. With total reduction landings in 2008 estimated at 85,000 mt, well below the 109,020 mt cap, the Chesapeake Bay reduction harvest cap for 2009 was set at 122,740 mt.

The Chesapeake Bay menhaden research effort, established by Addendum II in 2005 and supported through federal and state resources, continued in 2008. Its goal is to determine the status of menhaden in the Bay, assess whether localized depletion is occurring, and support future menhaden management decisions.

Addendum I to Amendment 1 to the Interstate FMP for Atlantic Menhaden requires an annual review of a series of triggers to determine if a stock assessment update is necessary prior to the next scheduled assessment in 2009. The 2008 review of the triggers concluded that an assessment was not warranted based on the catch-per-unit-effort of the fishery and the size composition of the catch in 2007.

The most recent stock assessment update for Atlantic menhaden was completed in 2006 and includes landings and survey data through 2005. This update concluded that menhaden are not overfished and overfishing is not occurring on a coastwide basis. Given the lack of available data, the Technical Committee was not able to determine menhaden's status in the Chesapeake Bay.

Atlantic Menhaden Fishing Mortality Relative to Threshold Benchmark ($F_{Age2}/\text{Threshold}$) and Population Fecundity Relative to Target (FEC/Target) Age
Source: ASMFC Atlantic Menhaden Technical Committee, 2006



Note: The graph provides a relative index of fishing mortality versus its FMP threshold and fecundity (measured in the number of mature ova) versus its FMP target. Management action will be triggered when $F_{Age2}/\text{Threshold}$ is above the relative benchmark value of 1 (as indicated by solid black line) or Fecundity/Target falls below the relative benchmark value of 1.



ATLANTIC STRIPED BASS

The recovery of the Atlantic striped bass continues to be one of the great success stories of fisheries management. In fewer than 20 years after the enactment of the Atlantic Striped Bass Conservation Act, the resource rebuilt from a historic low of about seven million fish to a historic high of 65 million fish. Fishermen from Maine to North Carolina are enjoying the benefits of this historic abundance.

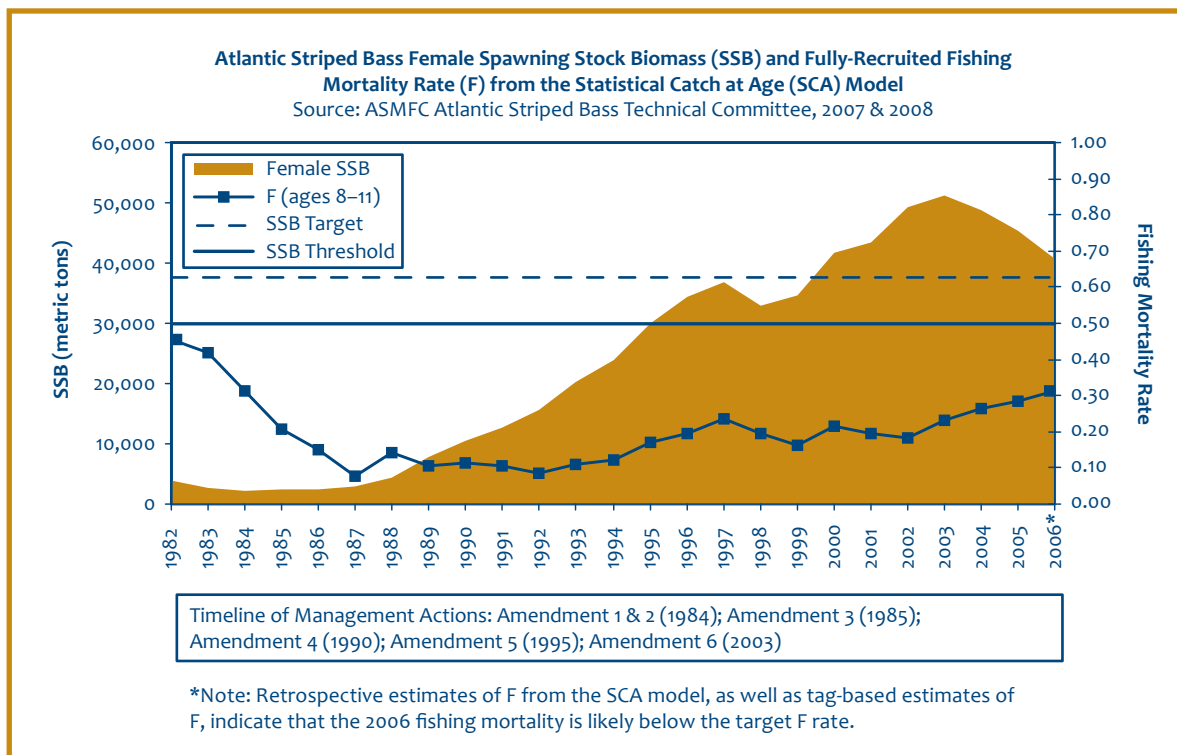
In 2008, the Atlantic Striped Bass Management Board approved new estimates of the biological reference points established in Amendment 6, as well as improved estimates of female SSB for 1982-

	Fishing Mortality Rate	Female Spawning Stock Biomass
Target	0.30	37,500 metric tons
Threshold	0.34	30,000 metric tons

2006 (see accompanying table and figure). This action was taken in response to recommendations of the 46th Stock Assessment Review Committee (SARC), which reviewed the 2007 striped bass stock assessment.

With these updates, the stock status of Atlantic striped bass remains not overfished and not experiencing overfishing. The new estimate of female SSB in 2006 (40,639 mt) is above the new threshold and target levels (30,000 mt and 37,500 mt, respectively). The 2006 estimate of fishing mortality (0.31), generated from the statistical catch at age model (SCA), is below the new threshold of 0.34. Retrospective estimates of fishing mortality from the SCA model, as well as tag-based estimates, indicate that the 2006 fishing mortality is likely below the target rate, which remains at 0.30.

In 2007, the recreational fishery harvested an



estimated 2.19 million fish (22.7 million pounds), down from 2.76 million fish (29.2 million pounds) in 2006. Recreational releases also decreased by over nine million fish to 16.9 million fish, for an estimated 1.35 million dead discarded fish (8% of releases). Total recreational removals in 2007 (harvest and dead discards combined) decreased by nearly 27% from the previous year. Maryland harvested 31% of the coastwide recreational landings in number of fish, followed by New York (16.9%), Massachusetts (15.8%), Virginia (11.1%), and New Jersey (9.4%). The remaining states each landed less than 5.1% of the 2007 recreational harvest by number of fish. Coastwide, anglers released over 88% of the striped bass they caught.

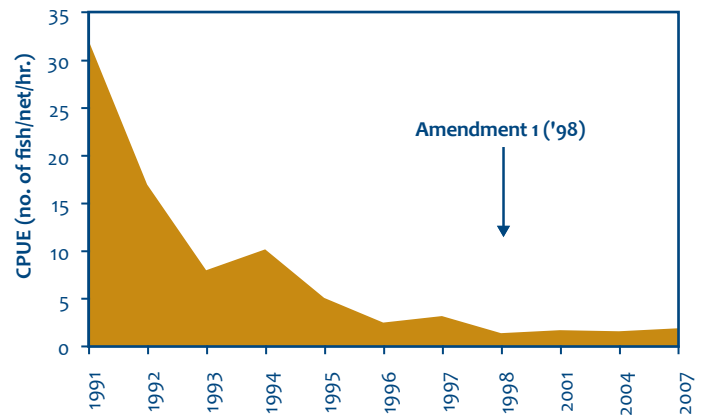


The commercial fishery landed an estimated 1.02 million fish (7.05 million pounds) in 2007. Whereas commercial landings by number decreased from 1.05 million fish in the preceding year, commercial landings by weight increased by 650,000 pounds. The Chesapeake Bay jurisdictions accounted for the majority of the 2007 commercial harvest; by pounds, Maryland landed 33.2%, Virginia landed 21.7%, and the Potomac River Fisheries Commission landed 8.5%. Elsewhere along the coast, Massachusetts landed 14.8% and New York 10.4%. North Carolina, Delaware, and Rhode Island each landed between 2 and 6% of the total commercial landings by pounds.

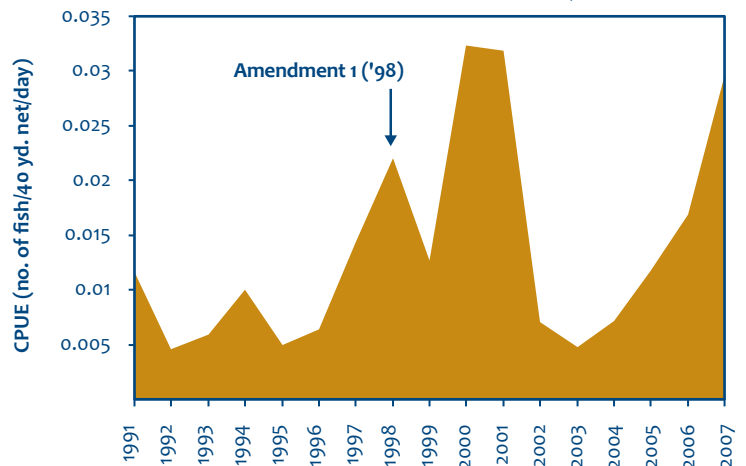
ATLANTIC STURGEON

The Commission developed Amendment 1 to the Interstate FMP for Atlantic Sturgeon in 1998. This Amendment requires the states to implement a 40-year moratorium on harvest to rebuild the Atlantic sturgeon stock. Very little is known about the species' stock status. Reliable data are difficult to obtain because many river systems have few fish, and rivers with more fish are often not easily sampled. In 1998, the Commission completed a peer-reviewed coastwide assessment of the population. The assessment was conducted for each river system

Fishery-independent Catch Rates of Subadult Atlantic Sturgeon Taken in the Delaware River Tag-Recapture Program
Source: DE Fish & Wildlife Division, 2008



Fishery-independent Catch Rates of Juvenile Atlantic Sturgeon in Albemarle Sound
Source: NC Division of Marine Fisheries, 2008



where Atlantic sturgeon were found historically. All assessed systems held significantly less sturgeon than they did in the late 1800s and early 1900s, with very few signs of recovery detected.

Bycatch mortality has been identified as a significant threat to the recovery of Atlantic sturgeon. In 2007, the Commission hosted an Atlantic sturgeon bycatch workshop with the purpose of examining the federal observer database and developing estimates of bycatch rates and mortality by fishery and region from 2000-2005. The workshop results highlighted the potential for sturgeon bycatch in the anchored gillnet and the monkfish fishery to negatively impact rebuilding.

In 2005, NMFS conducted a status review to evaluate whether this species required protection under the Endangered Species Act. The Status Review Team (SRT) determined that Atlantic sturgeon should be broken down into five distinct population segments (DPS): (1) Gulf of Maine, (2) New York Bight, (3) Chesapeake Bay, (4) Carolina, and (5) South Atlantic. The SRT found that the Carolina, Chesapeake Bay, and New York Bight DPSs were likely (>50% chance) to become endangered in the next 20 years.

results of this effort will be published in early 2009 and may impact the management of the species.

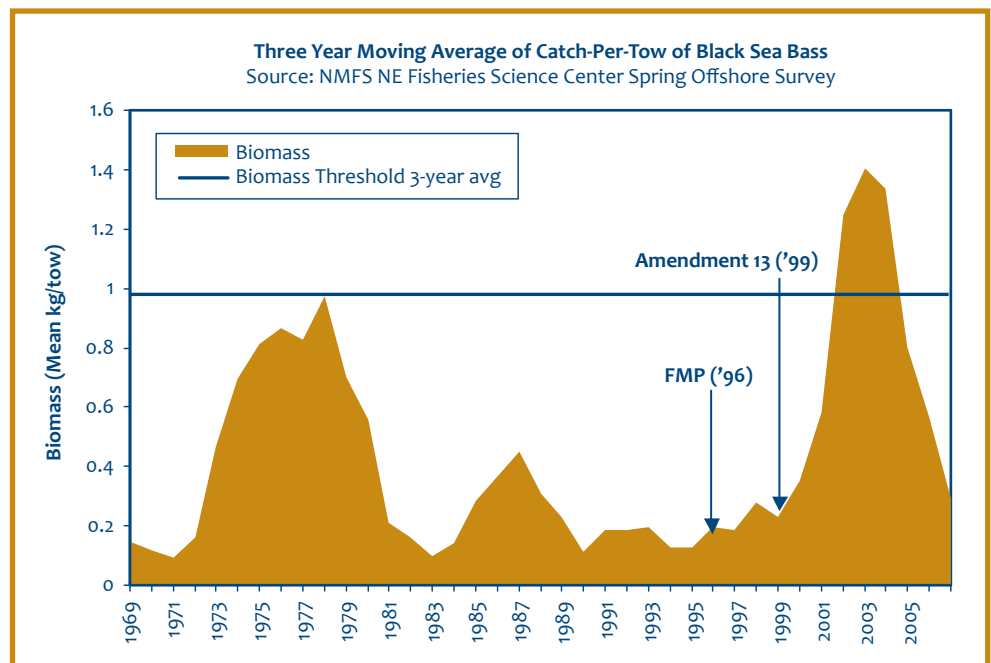
Given that there currently is no quantitative assessment for black sea bass, the Commission based its management on the biomass threshold contained in its Black Sea Bass FMP. The threshold is based on the maximum value of a three-year moving average (0.98 kg/tow) of the NEFSC Spring Survey. The most recent three-year average (2005-2007) is 0.29 kg/tow; as such, the stock is considered overfished. In response to this overfished status, the Commission reduced the quota for 2009 to 2.30 million pounds from 4.22 million pounds in 2008.

The Commission and Council suspended work on Amendment 15 to the Summer Flounder, Scup, and Black Sea Bass FMP while the Council works on an amendment to implement annual catch limits (ACLs) and accountability measures (AMs) as required by the Reauthorized Magnuson Stevens Act. Amendment 15 will be revisited following the ACL and AM amendment.

In 2007, the Commission approved Addendum XIX to the Summer Flounder, Scup, and Black Sea Bass FMP. The Addendum extends the current state-by-state black sea bass commercial management strategy indefinitely. Under Addendum XIX, the state-specific shares remain as follows: Maine and

BLACK SEA BASS

In 2008, the Commission maintained its joint management program for black sea bass with the MAFMC. This program, which focuses on the stock north of Cape Hatteras, has been in place since 1996 and includes quotas to restrict the commercial fishery and possession limits and minimum sizes to control recreational landings. In 2006, a stock assessment peer review determined that the assessment did not provide a credible basis for evaluating stock status; therefore, it is not known if overfishing is occurring. In late 2008, a new assessment effort was conducted through the NEFSC Data Poor Workshop. The

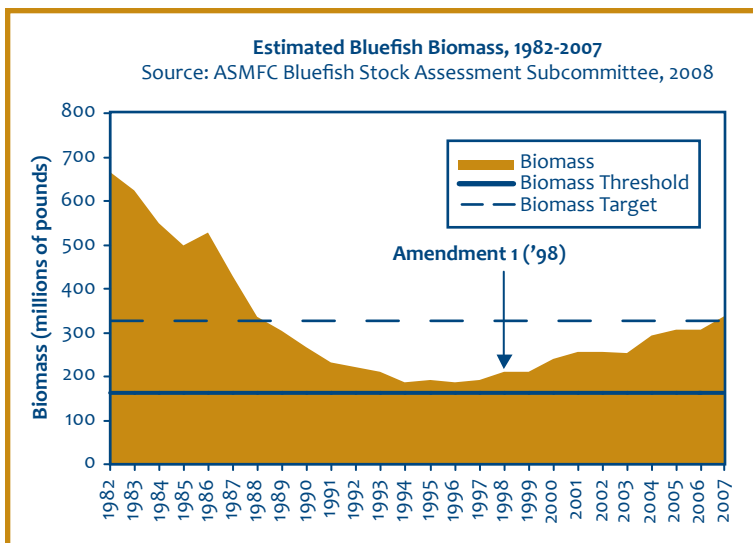


New Hampshire (0.05% each), Connecticut (1%), Delaware (5%), New York (7%), Rhode Island, North Carolina and Maryland (11% each), Massachusetts (13%), and New Jersey and Virginia (20% each).



BLUEFISH

The Commission and the MAFMC jointly manage bluefish through Amendment 1 to the Bluefish FMP (1998). The Amendment includes commercial and recreational management programs, as well as a rebuilding schedule to achieve a fully restored



biomass prior to the rebuilding deadline of 2010. The commercial fishery is controlled through state-specific quotas, while the recreational fishery is constrained by a maximum possession limit.

In 2008, the bluefish stock assessment was updated by the Bluefish Technical Committee to incorporate the 2007 landings and survey indices. The assessment indicated that the stock is not overfished and overfishing is not occurring. In 2007, biomass (339.2 million pounds) exceeded the biomass threshold of 162.1 million pounds and the biomass target of 324.2 million pounds. This biomass estimate indicates that the stock is fully rebuilt, however, the Technical Committee recommended that this estimate be viewed with caution due to weakness of some of the input data and the potential for retrospective bias in the biomass estimate. Fishing mortality was estimated to be 0.19, well below the target and threshold of 0.31 and 0.40, respectively.

Based on the positive information contained in the assessment update, the Commission increased the bluefish total allowable landings to 29.36 million pounds for 2009, which is an increase of 1.16 million pounds from 2008.

COASTAL SHARKS

In 2008, the Commission approved the Interstate FMP for Atlantic Coastal Sharks. The FMP addresses the management of 40 species,

Table 1. Atlantic Coastal Shark Species Listed by Species Group

Species Groups	Species Contained Within Group
Prohibited	Sand tiger, bigeye sand tiger, whale, basking, white, dusky, bignose, Galapagos, night, reef, narrow-tooth, Caribbean sharpnose, smalltail, Atlantic angel, longfin mako, bigeye thresher, sharpnose sevengill, bluntnose sixgill, and bigeye sixgill sharks
Research	Sandbar sharks
Small coastal	Atlantic sharpnose, finetooth, blacknose, and bonnethead sharks
Non-sandbar large coastal	Silky, tiger, blacktip, spinner, bull, lemon, nurse, scalloped hammerhead, great hammerhead, and smooth hammerhead sharks
Pelagic	Shortfin mako, porbeagle, common thresher, oceanic whitetip, and blue sharks
Smooth dogfish	Smooth dogfish

including smooth dogfish, and establishes a suite of management measures for recreational and commercial shark fisheries in state waters (0 – 3 miles from shore). Table 1 provides a complete listing of the species included in the FMP.

Coordinated state and federal management is essential to establishing healthy self-sustaining populations of Atlantic coastal sharks. Many species are depleted and vulnerable to collapse if fishing pressure continues as it has in recent years. Most of these sharks utilize state water coastal estuaries and bays as pupping grounds and nurseries. The FMP seeks to protect pregnant females when they are concentrated in these areas to give birth.

Prior to the FMP, there was inconsistent application of shark regulations at the state level. Some states mirrored federal regulations while others had less stringent provisions. Implementing the complementary plan will not only help the stocks rebuild by controlling fishing pressure but will also increase enforceability throughout the species management area.

The FMP establishes a seasonal closure to protect pregnant female sharks and a requirement that fins must remain attached through landings; these measures apply to both recreational and commercial fisheries. Recreational management measures include a prohibition on the harvest of severely depleted species, size limits, and authorized gear. Commercial management measures include species groupings (such as prohibited and research only); the opening and closing of fisheries concurrent with federal actions for small coastal, large coastal, and pelagic species groups; a smooth dogfish quota; seasons, landings restrictions, possession limits, gear restrictions and bycatch reduction measures; state commercial license/permit requirements; display and research permit exemptions; and federal dealer permit requirements.

In 2007, an assessment of the small coastal shark (SCS) complex of species was conducted and reviewed using the SEDAR process. SEDAR 13 used data through 2005 and included the assessments of four species with similar life history characteristics, namely Atlantic sharpnose (*Rhizoprionodon*

Table 2: Stock Status of Atlantic Coastal Sharks Species and Species Groups

Species or Complex Name	Stock Status		References/Comments
	Overfished	Overfishing is Occurring	
Porbeagle	Y	N	Stock Assessment Report on NAFO Subareas 3 - 6 Porbeagle Shark (2005)
Dusky	Y	Y	Stock Assessment of Dusky Shark in the U.S. Atlantic and Gulf of Mexico (2006) Duskies are a prohibited species.
Large Coastal Sharks	Unknown	Unknown	SEDAR 11 (2006) Assessing the LCS as a species complex is difficult due to various life history characteristics and lack of available data
Blacktip	Unknown	Unknown	SEDAR 11 (2006)
Sandbar	Y	Y	SEDAR 11 (2006)
Atlantic Sharpnose	N	N	SEDAR 13 (2007)
Blacknose	Y	Y	SEDAR 13 (2007)
Bonnethead	N	N	SEDAR 13 (2007)
Finetooth	N	N	SEDAR 13 (2007)
Smooth Dogfish	Unknown	Unknown	No Assessment

terraenovae), blacknose (*Carcharhinus acronotus*), bonnethead (*Sphyrna tiburo*), and finetooth (*C. isodon*) sharks. These sharks range across the South Atlantic and the Gulf of Mexico.

Status of the SCS complex in the last year of the assessment (2005) was determined to be not overfished and overfishing was not occurring. The complex as a whole appears to have experienced very little depletion with respect to virgin levels. An independent peer review panel supported the single-species assessment approach in place of the SCS complex assessment for use in providing scientific advice. Table 2 provides an overview of stock status by species group.

HORSESHOE CRAB

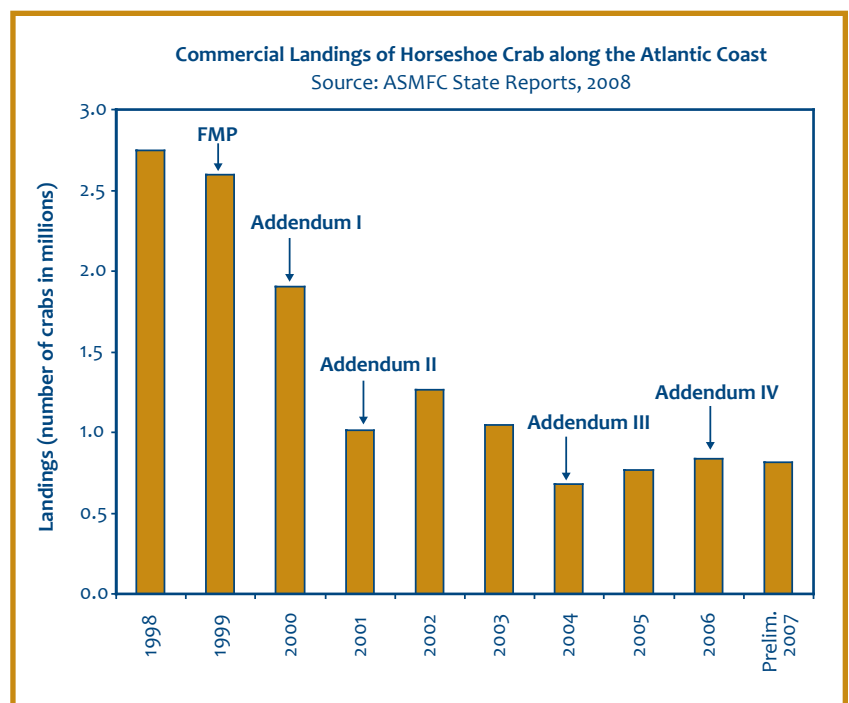
The management of horseshoe crab is an interesting case study of the increasing complexity of fisheries management along the East Coast. Horseshoe crab play a vital ecological role in the migration of shorebirds along the entire Atlantic seaboard, as well as providing bait for commercial American eel and conch fisheries along the coast. Additionally, their unique blood is used by the biomedical industry to produce Limulus Amoebocyte Lysate, an important tool in the detection of contaminants in patients, drugs, and other medical supplies. The challenge for fisheries managers is to ensure that horseshoe crab stocks can meet all these diverse needs, while conserving the resource for its self-perpetuation.

In 2008, the Commission's Horseshoe Crab Management Board approved Addendum V to the Interstate FMP for Horseshoe Crab. The Addendum maintains the suite of management measures contained in Addendum IV for an additional year. These measures seek to address the needs of the migratory shorebirds, particularly the red knot, while allowing a limited commercial bait fishery. The USFWS Shorebird Technical

Committee has indicated that the red knot, one of many shorebird species that feed upon horseshoe crab eggs, remains stable at very low population levels. Red knots have shown no sign of recovery, despite a nearly 70% reduction in horseshoe crab landings since 1998.

Addendum V essentially mirrors the management measures contained in Addendum IV. These include a delayed, male-only harvest in New Jersey and Delaware for one year. Specifically, it prohibits the harvest and landing of male and female horseshoe crabs from January 1 through June 7 in the Delaware Bay, and restricts the annual harvest to 100,000 males per state from June 8 through December 31. As with all Commission plans, states have the prerogative to implement more conservative management measures. In the case of New Jersey, it implemented a moratorium on the harvest and landing of horseshoe crab.

The Addendum also establishes a delayed harvest in Maryland, prohibiting horseshoe crab harvest and landings from January 1 through June 7 for one year. The Addendum further prohibits landing of horseshoe crabs in Virginia from federal waters from January 1 through June 7 for one year. No more than 40% of Virginia's quota may be landed from ocean waters and those landings must be comprised of a minimum male to female ratio



of 2:1. The Addendum also contains an adaptive management provision that allows, through Board vote, the extension of these management measures an additional one-year period.

Information on the status of the horseshoe crab population is limited. The short time-series of horseshoe crab population data make it difficult to assess its status. However, based on four years of data, the important Delaware Bay population appears stable.

The USFWS Shorebird Technical Committee and the ASMFC Horseshoe Crab Technical Committee are developing an adaptive resource management model that links the population assessments of horseshoe crabs and red knots. The goal of this effort is to produce a model that will provide a single set of recommendations to manage these valuable species.

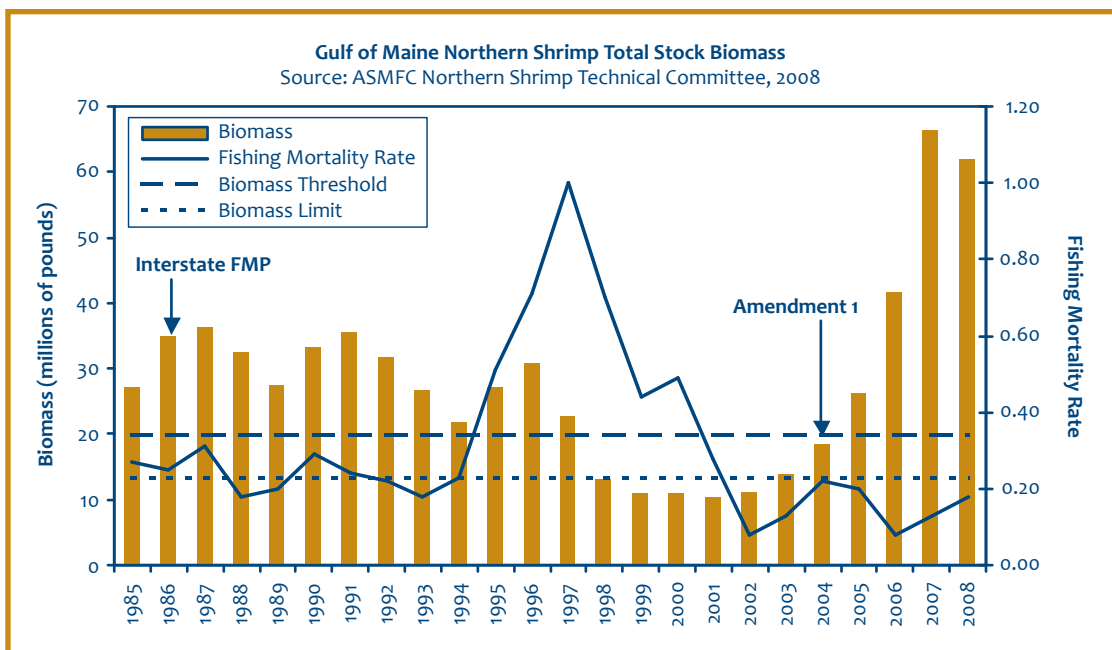


current market conditions have constrained effort and participation in the fishery.

Updated in 2008, the northern shrimp stock assessment indicates that the stock is not overfished and not experiencing overfishing. Exploitable biomass generally declined from approximately 30.2 million pounds in 1996 to a time series low of 9.5 million pounds in 2001. Since then, the biomass estimate has risen to 26.7 million pounds in 2005 (as a result of the appearance of the strong 2001 year-class), and to 61.5 million pounds for the 2008 season. Based on this estimated high abundance, the Northern Shrimp Section approved a 180-day fishing season for the 2008-2009 northern shrimp fishery, a 28-day increase from the previous year's season. The 2004 year-class appeared strong in the 2008 summer survey. These five-year-old shrimp will be available as a quality product to the 2008/2009 fishery.

NORTHERN SHRIMP

Northern shrimp continues to provide a small but valuable coastal fishery for Maine, New Hampshire, and Massachusetts fishermen. Throughout the early part of this decade, there was concern for the status of the northern shrimp stock and the ability of the resource to sustain high harvest levels. This resulted in severe harvest reductions in the 2001-2005 fishing seasons. These reductions have resulted in a rebuilt stock, with biomass near an all time high. While the resource's favorable stock status have allowed managers to lengthen the fishing season and provide greater access to the resource,



The 2005 year-class also showed up strong in the summer survey and should provide the base for the 2009/2010 fishery. The 2006 year-class continues to be very weak, while the above-average 2007 year class showed up for the first time in the survey.

The last red drum stock assessment was conducted in 2000 and included data through 1998. Due to the nature of the fishery, there is very little information to estimate the stock size of adult red drum.

Landings of red drum are principally subadults (ages one to four), and while there are some catches of older fish, they must be released alive due to maximum size restrictions. Because of these data limitations, stock status is assessed through the use of spawning potential ratio (SPR). SPR is defined as the ratio of estimated female SSB or egg production in a fished versus an unfished stock.

RED DRUM

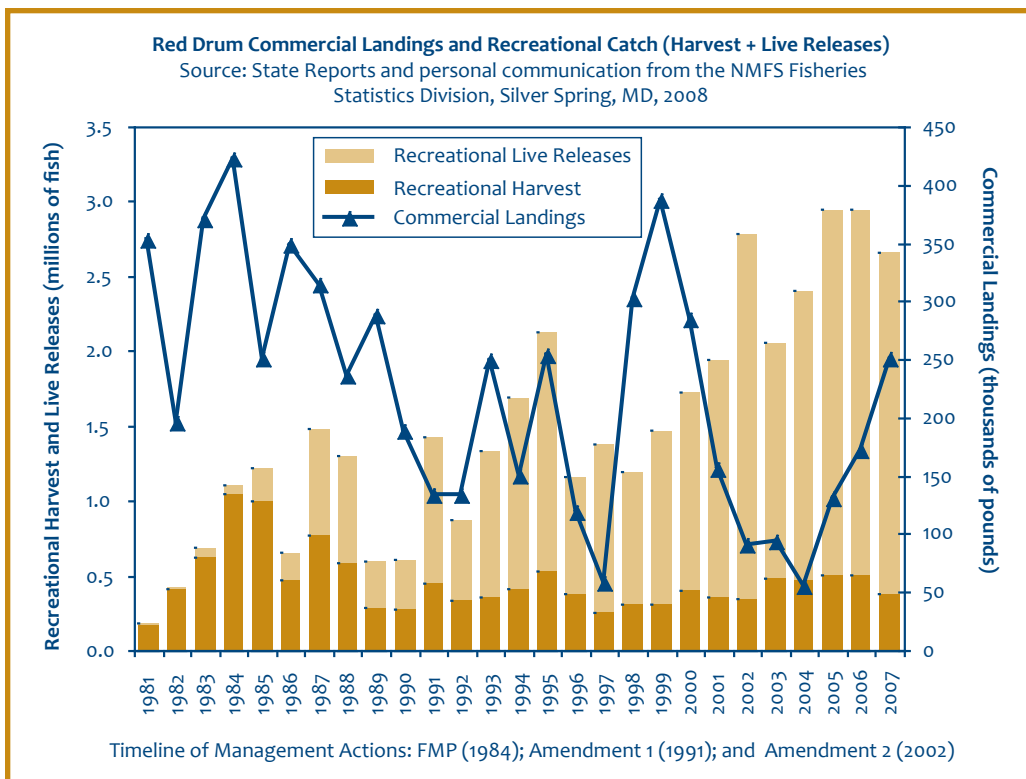
Red drum is one of the most popularly sought recreational fish throughout the South Atlantic. Since the 1980s, recreational fishing has accounted for about 90% of all red drum landings. The recreational fishery is a nearshore fishery, targeting small “puppy drum” and large trophy fish. Through successful joint management by the Commission and the South Atlantic Fishery Management Council (SAFMC), red drum populations have shown significant increases over the last ten years.

In 2008, the management authority for red drum was transferred solely to the Commission while maintaining the harvest moratorium in federal waters. Also, an Executive Order was signed that prevents the commercial sale of red drum harvested from federal waters.

In the northern region (North Carolina to New Jersey), SPR increased from 1.3% for the period 1987-1991 to approximately 18% for 1992-1998. In the southern region (Florida to South Carolina), estimates of SPR increased from 0.5% for the period 1987-1991 to approximately 15% for 1992-1998. The 2000 assessment also indicated recruitment seriously declined in the southern region from a high of 1.2 million recruits to age-1 in 1987 to 200,000 in 1998. Recruitment in the northern region fluctuated without trend ranging from 550,000 recruits in 1991 to 75,000 in 1998. In 2009, stock status will be reassessed through the SEDAR process to determine if the Amendment’s goal of 40% SPR is being reached. Currently, information

suggests that overfishing is not occurring, although it is not clear if the stock is overfished.

In 2008, North Carolina, South Carolina, and Georgia continued to conduct sampling programs to provide a fisheries-independent index of abundance for adult red drum. This adult index will be used in the upcoming assessment to help determine biological reference points for the species. The states also began to develop stocking protocols that could be used to enhance red drum populations.



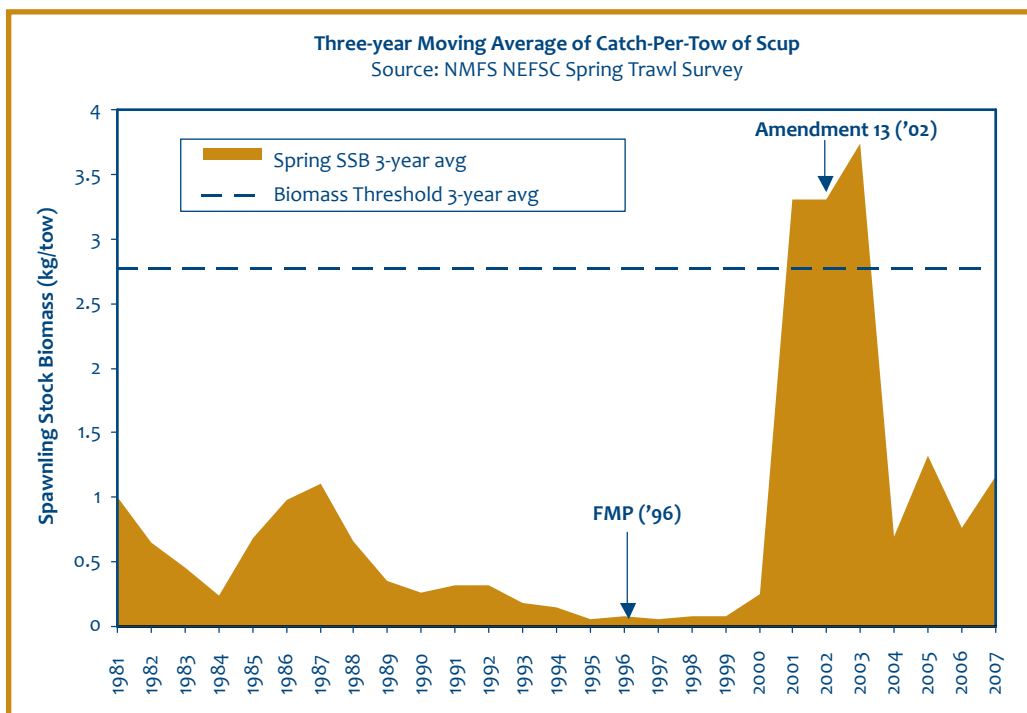


information, the Commission and Council set the 2008 total allowable landings (TAL) limit at 11.18 million pounds. In late 2008, a new assessment effort was conducted through the NEFSC Data Poor Workshop. The results of this effort will be published in early 2009 and may impact the management of the species.

In 2007, the Commission approved Amendment 14 to the Summer Flounder, Scup, and Black Sea Bass FMP. The Amendment maintains the current management program for scup, which applies a constant fishing mortality rate of $F=0.26$ to determine landings and assesses stock status based on available survey indices. This management strategy will be in place until it is demonstrated that the substitution of the R/V Bigelow for the R/V Albatross would not invalidate use of the long-term scup time series and rebuilding goals established via the Albatross' survey indices. If, at a later date, the survey indices developed from the two vessels are found to be compatible, the Commission will pursue development of a scup rebuilding plan.

SCUP

For over a decade, the Commission has jointly managed the scup resource with the MAFMC. Due to considerable uncertainty in the estimate of the magnitude of bycatch mortality, there is no peer-reviewed stock assessment for scup. Therefore, management of the stock is based on a three-year running average of the NEFSC Spring Trawl Survey. The average survey value increased in 2008 to 1.16 kg per tow but remains below 2.77 kg per tow or the current proxy used for the total stock biomass threshold. As such, the stock is considered overfished. Based on this limited





Rappahannock River (Virginia), and some South Carolina and Florida stocks. Stocks in the Potomac and York Rivers (Virginia) have shown some signs of rebounding in recent years. Data limitations and conflicting data precluded the report from indicating much about the current status or trend of many of the stocks from North or South Carolina.

In response to these findings, the Commission's Shad and River Herring Management Board released the Public Information Document (PID) for Amendment 3 to the Interstate FMP for Shad and River Herring for public review and comment. The PID sought public comment on (1) incorporating the biological reference points and stock restoration goals identified in the 2007 benchmark stock assessment; (2) not increasing directed fisheries for American shad; and (3) restricting fisheries operating on stocks where total mortality is increasing and relative abundance is decreasing. Final action on Amendment 3 will likely occur in 2009.

SHAD & RIVER HERRING

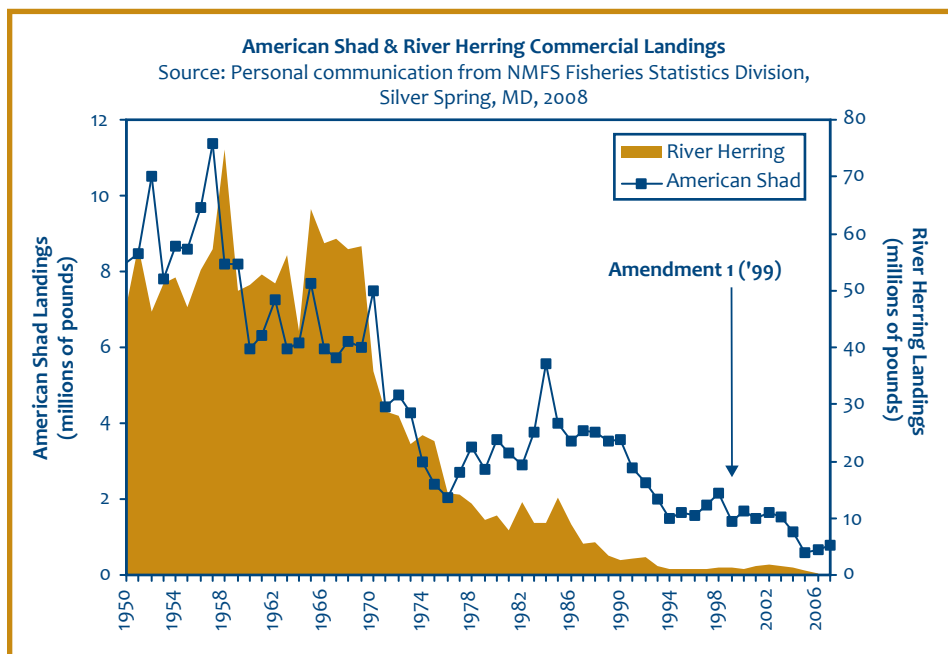
Shad and river herring species are currently managed under Amendment 1 and Technical Addendum I to the FMP for American Shad and River Herring. Amendment 1, adopted in 1999, required a total closure of the American shad ocean-intercept fishery by January 1, 2005. It also required the implementation of fishing mortality targets for in-river fisheries and an aggregate 10-fish daily creel limit in recreational fisheries for American and hickory shad, with all jurisdictions maintaining existing or more conservative recreational regulations for river herring.

AMERICAN SHAD

In 2007, the American shad benchmark stock assessment was completed and peer reviewed. The peer review supported the assessment finding that stocks of this historically important fish species are at all-time lows. Recent declines of American shad were reported for Maine, New Hampshire, Rhode Island, and Georgia stocks, and for the Hudson (New York), Susquehanna (Pennsylvania), James (Virginia), and Edisto (South Carolina) Rivers. Low and stable stock abundance was indicated for Massachusetts, Connecticut, Delaware, Chesapeake Bay, the

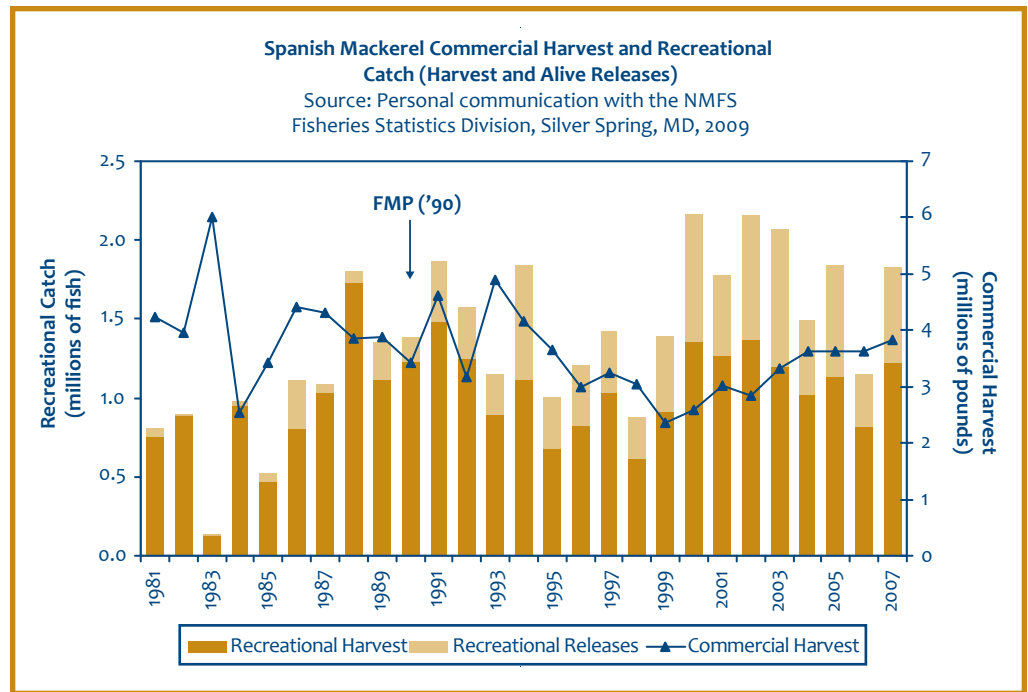
RIVER HERRING

While many populations of blueback herring and alewife, collectively known as river herring, are in decline or remain depressed at stable levels, lack of fishery-dependent and independent data makes it difficult to ascertain the status of river herring stocks coastwide. Between 1985 and 2004, commercial landings of river herring dropped



by 90% from 13.6 to 1.33 million pounds. In 2007, Commission member states reported river herring landings of approximately 1.1 million pounds. In response to declining stocks within their own waters, four states – Massachusetts, Rhode Island, Connecticut, and North Carolina – have closed their river herring fisheries.

In 2007, based on concern about low survey indices and reduced landings levels, the Shad and River Herring Management Board initiated the development of Amendment 2 to the FMP. In 2008, the Draft Amendment was released for public review and comment. It proposed a suite of management measures to address stock status concerns and ensure the survival and enhancement of depressed stocks or the maintenance of presently stable stocks. Proposed measures included mandatory data and bycatch monitoring provisions, as well as options to close fisheries by river system or establish a coastwide moratorium on the river herring fishery. Specific commercial measures included area closures, escapement provisions, and landings reductions by river systems, as well as limited access. Recreational measures included recreational license/permit, limiting recreational harvest by the days of the week, coastwide creel limit, gear restrictions, and area or seasonal closures by river system. Final action on Amendment 2 is anticipated in 2009.



have implemented bag and size limits, or provisions for seasonal closures to complement the SAFMC's measures implemented in federal waters.

A benchmark assessment and peer review was conducted for Spanish mackerel in 2008. The peer review identified a number of concerns with the stock assessment. It was determined that the stock was not experiencing overfishing, however, the model could not reliably determine whether the stock was overfished or not.

The 2007 landings were 3.83 million pounds, 85% of which were harvested in Florida. North Carolina harvested nearly 13% of the total 2007 landings by pounds, with the states of Rhode Island through Virginia landing the remaining 1.9% of the total.

Recreational anglers harvested an estimated 1.22 million Spanish mackerel (1.91 million pounds) in 2007, about 50% more than the unusually low harvest in 2006. The number of recreationally harvested fish appears to show a cyclical trend, with low harvests in the early to mid-80s and mid-to late 90s, interspersed with higher harvests. Florida and North Carolina continue to account for the majority of recreational landings in both number and weight (>70% by number since 1981); in 2007, Florida harvested 49% of the total number of fish, and North Carolina 40%. The number of

SPANISH MACKEREL

The Commission and the SAFMC cooperatively manage Spanish mackerel. This species supports important recreational and commercial fisheries in the South Atlantic and is gaining importance in the Mid-Atlantic. Since adoption of the Interstate FMP in 1990, states from New York through Florida

recreational releases of Spanish mackerel has generally increased over time, reaching a peak of over 867,000 fish in 2003, before declining to just over 608,000 fish in 2007.

SPINY DOGFISH

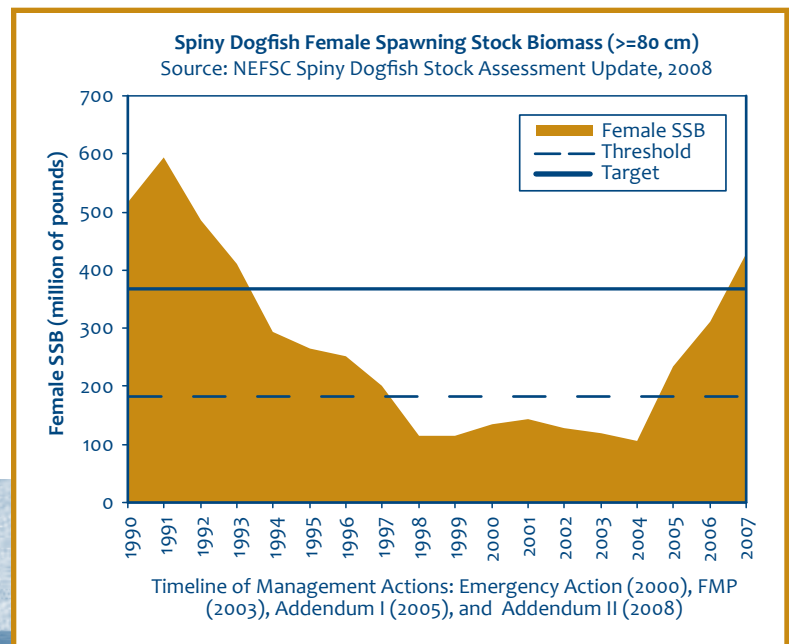
The Commission and the MAFMC have developed complementary management plans for spiny dogfish. During the 1990s, tremendous growth in the commercial fishery exceeded the availability of the resource, resulting in the implementation of stringent fishery management measures in state and federal waters.

In 2008, the Spiny Dogfish and Coastal Sharks Management Board approved Addendum II to the Interstate FMP for Spiny Dogfish. Under the Addendum, the annual quota is divided regionally with 58% allocated to the states of Maine to Connecticut, 26% allocated to the states of New York to Virginia, and the remaining 16% allocated to North Carolina. The Board allocated a specific percentage to North Carolina because spiny dogfish are not available to its fishermen until late into the fishing season when most of the quota has already been harvested.

Addendum II was applied to the 2008/2009 fishing season which has an annual quota of 7.94 million pounds after adjustments for overages. The states from Maine to Connecticut may harvest 4.61 million pounds, states from New York to Virginia may harvest 2.06 million pounds, and North Carolina may harvest 1.27 million pounds.

In 2008, the spiny dogfish stock assessment was updated based on the assessment methodology approved by peer review in 2006. The assessment update indicates that the spiny dogfish biomass is no longer overfished, with the 2008 SSB estimate of 429 million pounds exceeding the target biomass of 370 million pounds. Further, the most recent estimate of fishing mortality for the spiny dogfish stock indicates that overfishing is not occurring. Total removals in 2007 were approximately 28.6 million pounds corresponding to a fishing mortality (F) estimate of 0.1104, well below the overfishing threshold of $F = 0.39$ and essentially equivalent to $F_{\text{rebuild}} = 0.11$.

While the stock is considered rebuilt, the assessment update contains a number of caveats. After considering the assessment update and technical advice, the Board approved a 2009/2010 quota of 12 million pounds and provided the states with the flexibility to set their own trip limits up to 3,000 pounds to allow for small scale directed fisheries or maximize the utilization of dogfish caught incidental to other fisheries.





commercially harvested spot are taken in gillnets (68.7% in 2007 by pounds). Virginia landed over 77% of the commercial harvest (by pounds) in 2007, followed by North Carolina's 16% of the harvest.

The recreational harvest of spot along the Atlantic coast from 1981-2007 has varied between 3.6 and 20.1 million fish (or 1.7 and 6.9 million pounds). There has been an increasing trend in the recreational harvest since the low in 1999, reaching 15.9 million fish (5.5 million pounds) in 2007. Anglers in Virginia accounted for 41% of the total number of fish harvested in 2007, followed by anglers in North Carolina (27%), Maryland (24%), and South Carolina (6%). The estimated number of spot released annually by recreational anglers has remained relatively constant, ranging from 2 to 6.4 million fish, with the exception of a few years. The number of fish released alive in 2007 is the eighth highest in the time series at 5.6 million fish.

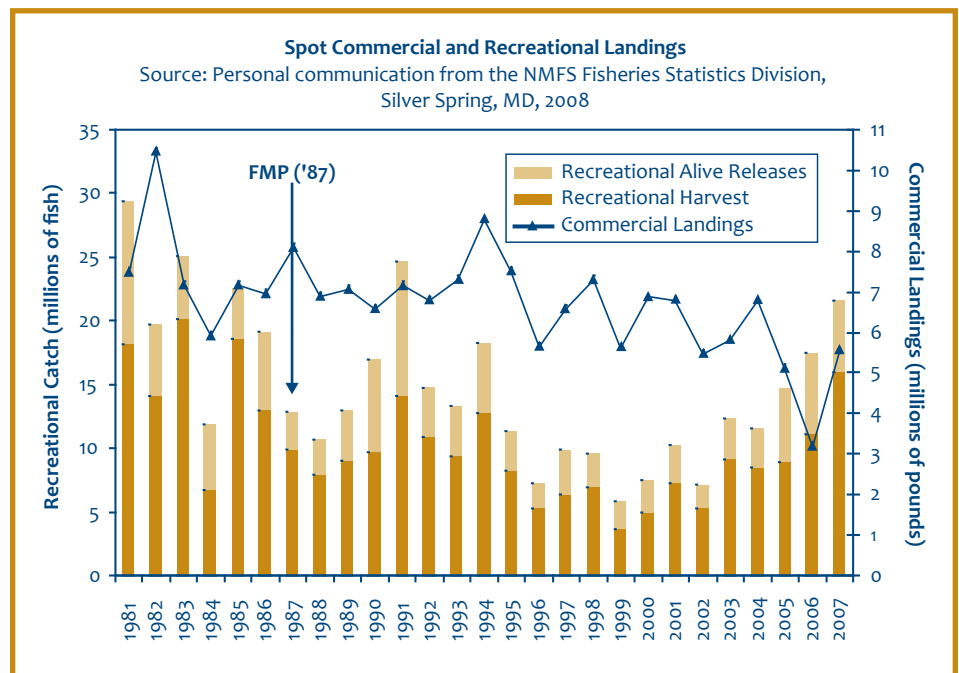
A concern for managers is that small spot remain a major component of the bycatch in seine, trawl, and pound net fisheries in the Chesapeake Bay and North Carolina, as well as a large part of the bycatch of the South Atlantic shrimp trawl fishery.

No coastwide assessment has been performed for spot; however, the Spot Plan Review Team (PRT) compiled commercial and recreational harvest and

SPOT

Spot occurs along the Atlantic coast in estuarine and coastal waters from the Gulf of Maine to Florida, although they are most abundant from Chesapeake Bay south to South Carolina. Spot supports important recreational and commercial fisheries in the South Atlantic, with total landings of spot in 2007 estimated at 11.05 million pounds, an increase from 2006 and slightly greater than the average landings for the period 1981-2007. The recreational fishery harvested slightly more than the commercial fishery (50.2% to 49.8% respectively, by pounds), for only the second time since 1981, and the second year in a row.

Commercial spot landings have fluctuated between 3.2 and 14.5 million pounds from 1950-2007. For the last two decades, commercial landings have averaged 6.6 million pounds. Landings in 2007 are estimated at 5.5 million pounds, an increase from the time series low that was harvested in 2006. Coastwide, the majority of



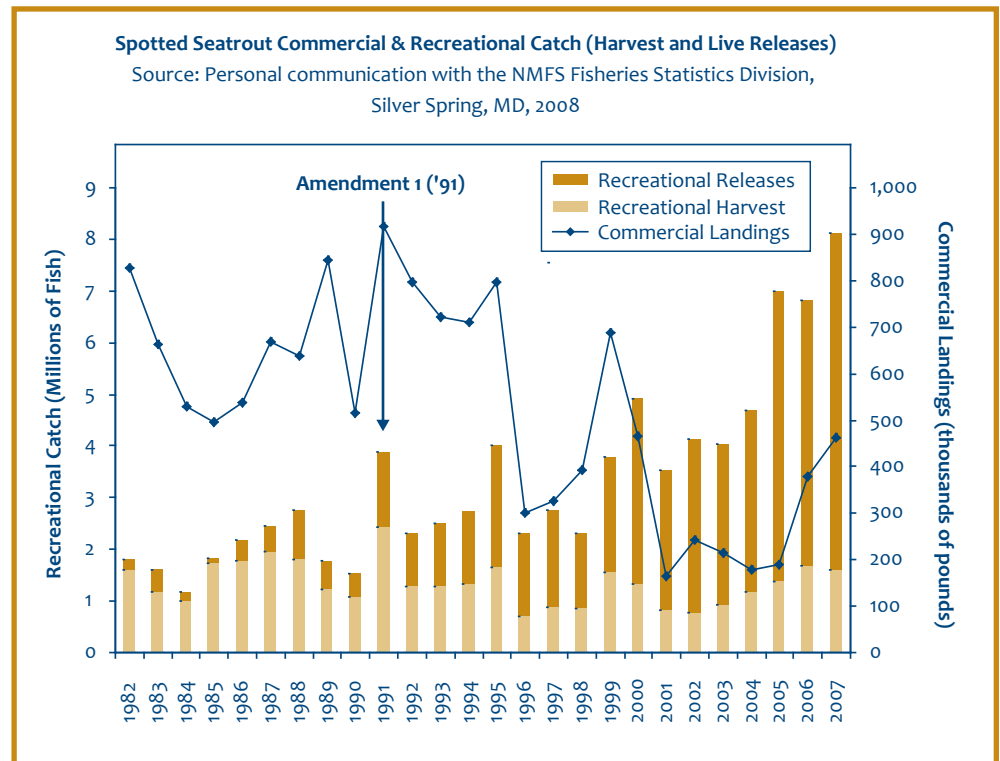
effort data and fishery-independent survey data from Maryland, Virginia, and North Carolina, the three states that harvest the majority of spot. Recent trends in data include: declining juvenile abundance indices in Maryland and Virginia and a variable trend in North Carolina; declining adult abundance index in North Carolina in recent years; declining commercial harvest and effort in several commercial fisheries, including a historic low harvest in North Carolina; variable but generally increasing recreational harvest and effort; and declining number of citations for large fish in Maryland and North Carolina. In general, the PRT found that some of the trends were of concern and could reflect a gradual decrease in abundance, although other data were contradictory. The PRT recommended another year of reporting to the Board, with additional improvements to analysis of the data.



Spotted seatrout is managed under Amendment 1 to the Interstate FMP (1991). All six states with an interest in this species (Maryland to Florida) have established a minimum size limit of at least 12 inches. In addition, each state has either initiated spotted seatrout data collection programs or modified other programs to gather the necessary information for a future coastwide stock assessment.

SPOTTED SEATROUT

Spotted seatrout supports significant recreational fisheries throughout the Southeast, with 8.1 million fish harvested and released in 2007. In Florida alone, where the fish is highly accessible, spotted seatrout is often the most sought-after and exploited gamefish. The commercial fishery is just a fraction of the recreational catch, harvesting about 463,000 pounds in 2007, which represents a 22% increase from the 2006 harvest. One of the biggest challenges for this species is that its life cycle depends on the same coastal areas that are highly populated by humans. There is no coastwide stock assessment for the species, and local assessments vary by state.





Based on the 2008 stock estimates, the Commission and MAFMC voted to increase the 2009 summer flounder TAL by 2.68 million pounds to 18.45 million pounds.

TAUTOG

The Commission adopted the Interstate FMP for Tautog in 1996. Following the approval of the original plan, a series of addenda have been developed to further reduce fishing mortality. Given the long-lived nature of the species, with individuals over age-30 reported, the management program must be very conservative to rebuild the stock.

In 2005, the tautog stock assessment was reviewed and approved by an independent peer review panel. In 2006, this assessment was updated to include the 2005 landings and survey indices. The assessment indicated that since the mid-1980s tautog has undergone a substantial decrease in biomass and remains at a low level of abundance. Total stock biomass has been generally stable since 1999.

The Commission completed Addenda IV and V to the Plan in 2007 in response to the 2006 stock assessment update. The addenda require that

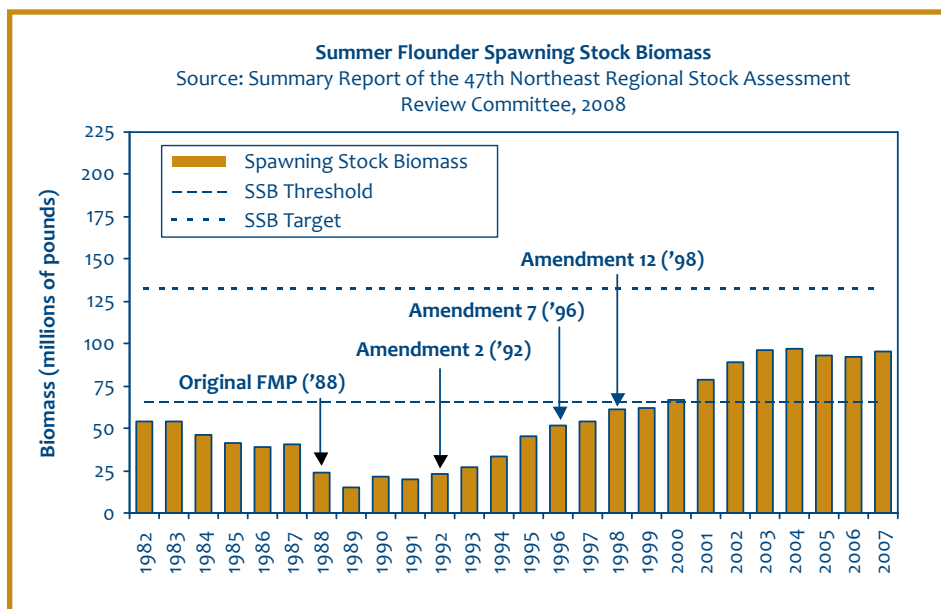
the states achieve a 25.6% reduction in exploitation through adjustments to their recreational and/or commercial fisheries. This reduction in overall fishing mortality is necessary to initiate rebuilding of the severely depressed tautog stock. Addendum IV established stock rebuilding goals to measure the success of the reductions in exploitation.

Addendum IV also established new biological reference points, setting a SSB target and threshold of 59.1 million

SUMMER FLOUNDER

The Commission and the MAFMC have jointly managed summer flounder for more than 20 years. The population is demonstrating a positive response to the joint management program, although not as quickly as previously estimated.

In 2008, the Summer Flounder, Scup, and Black Sea Bass Management Board approved new biological reference points based on information from the June 2008 SARC. Owing to a new stock assessment model and related assumptions, the rebuilding target for summer flounder was reduced from a SSB target of 197.1 million pounds to 132.4 million pounds. This change in biological reference point means that summer flounder are not overfished nor is overfishing occurring.



WEAKFISH

Weakfish is currently managed under Amendment 4 to the Interstate FMP (2002). This Amendment includes biological reference points, an updated recreational management program, and adjustments to commercial bycatch provisions. The management measures in the Amendment are designed to continue rebuilding the stock while allowing fishermen access to the available biomass.

The current status of the weakfish stock is uncertain. The coastwide landings have declined dramatically, while some of the fishery-independent surveys have remained stable. In 2006, the benchmark stock assessment was further refined and provided significant evidence for five conclusions that the Commission has accepted for management use (1) the stock is declining; (2) total mortality is increasing; (3) there is not much evidence of overfishing; (4) something other than fishing mortality is causing the decline in the stock; and (5) there is a strong chance that regulating the fishery will not, in itself, reverse stock decline.

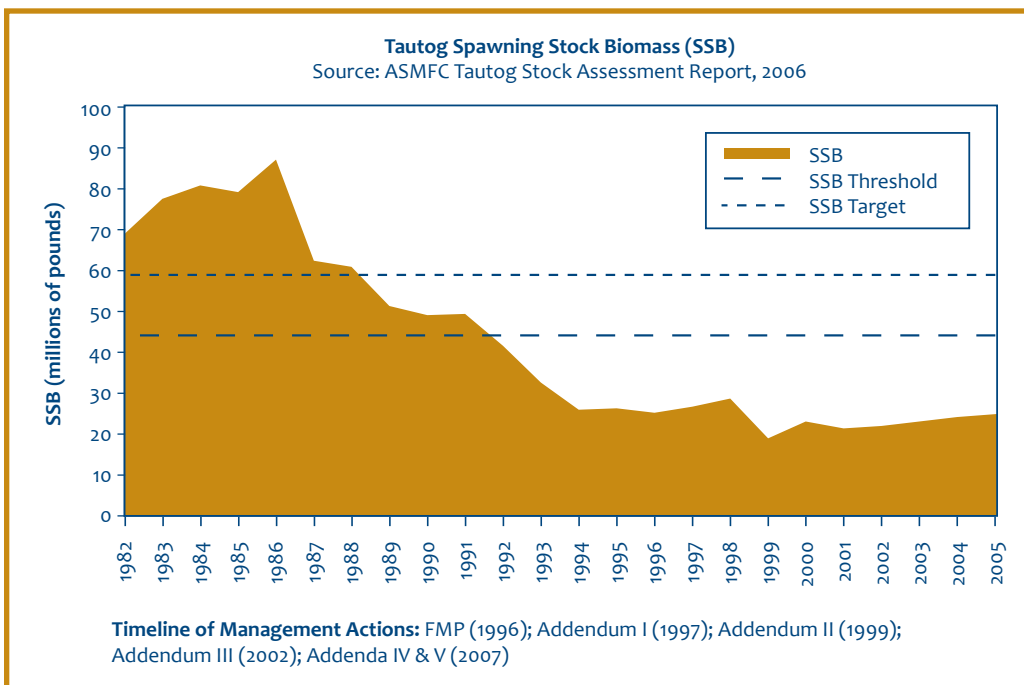
In 2007, in response to the updated assessment information, the Commission's Weakfish

Management Board approved Addendum II with the goal of controlling expansion of the fishery in the event that weakfish availability improves. Also in 2007, the Board approved Addendum III modifying Amendment 4's bycatch reduction device (BRD) requirements for the southern penaeid shrimp trawl fishery in order to further reduce weakfish bycatch.

At 1.48 million pounds, the total coastwide landings of weakfish in 2007 are



pounds and 44.3 million pounds, respectively, and a rebuilding fishing mortality rate of $F=0.20$. Using these new reference points, the tautog stock is considered to be overfished and overfishing is occurring.





one million fish since 1993, peaking at over five million in 1996, and decreasing to 1.4 million fish in 2007.

In addition to using a virtual population analysis (VPA) to assess weakfish stock status, the Weakfish Stock Assessment Subcommittee has been exploring other modeling approaches for future assessments, including using a separable VPA and relative exploitation. The most recent weakfish stock assessment used a relative exploitation model due to the inconsistency between VPA results and recent landings trends.

The Board has approved the continued exploration of multiple approaches for the next weakfish stock assessment, scheduled for peer review by the SARC in 2009.

the lowest on record from at least 1982. Total landings dropped 25% from the 2006 landings of 1.98 million pounds, and 78% from the ten-year (1997-2006) average of 6.73 million pounds. The commercial fishery (899,045 pounds) accounts for 61% of the total 2007 landings, and the recreational fishery (581,222 pounds) for 39%. Virginia (45%), North Carolina (20%), and New Jersey (18%) dominated the 2007 commercial weakfish landings. Except in 2007, North Carolina has annually landed the most weakfish since 1982 and Virginia has consistently landed the second-most since 1993.

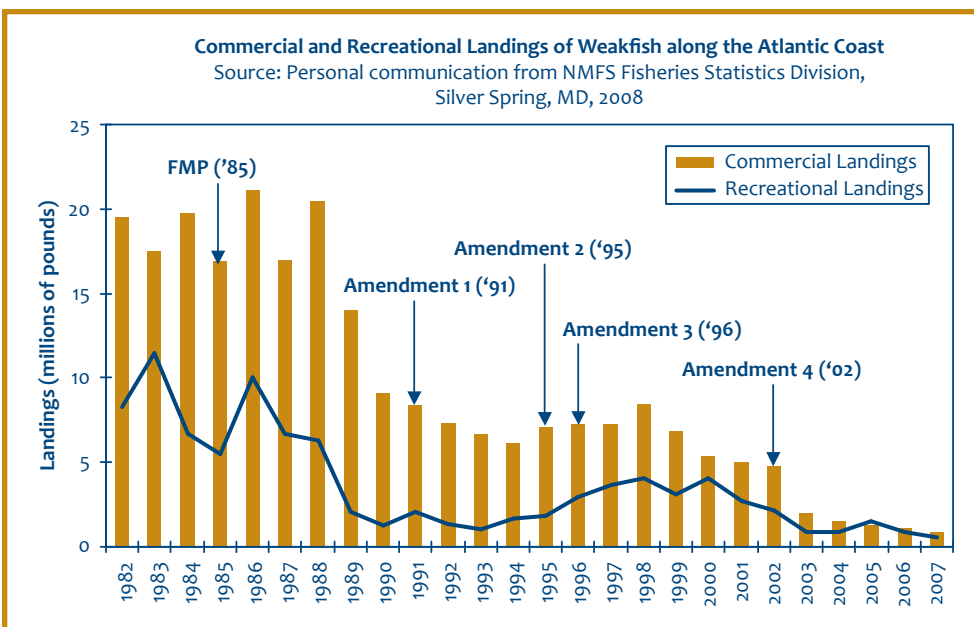
Since 1982, coastwide recreational landings have ranged from the high of 11.5 million pounds in 1983 to the low of 581,222 pounds in 2007. Landings have averaged 940,000 pounds (or 767,000 fish) the last five years. The number of fish released alive by anglers has remained above

WINTER FLOUNDER

Winter flounder is an important commercial and recreational fish throughout New England and the Mid-Atlantic. Inshore habitat degradation and overfishing have contributed to serious stock declines throughout the species' range, leaving both fisheries at a fraction of their historical numbers.

The 2008 assessment for the Gulf of Maine (GOM) and the Southern New England/Mid-Atlantic (SNE/

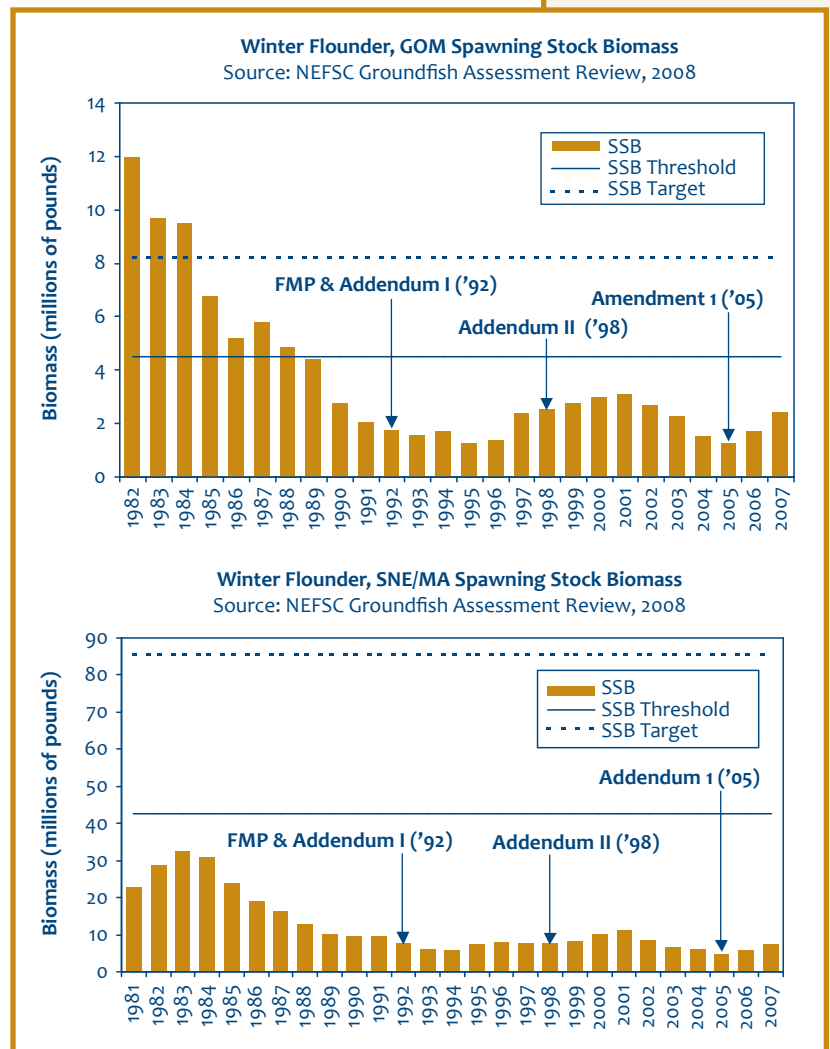
MA) stocks, conducted by the NMFS Northeast Groundfish Assessment Review Meeting (GARM), further confirmed that both stock components are near all time lows. While the assessment indicated a high level of uncertainty on the status determination for the GOM stock complex, it suggested that it is likely that the stock is in an overfished condition and is probably experiencing overfishing. The SNE/MA stock complex was determined to be overfished





and experiencing overfishing. Fishing mortality in 2007 was estimated to be 0.649, over twice the F_{MSY} proxy of 0.248. 2007 SSB was estimated to be 7.43 million pounds, about 9% of SSB_{MSY} (85.5 million pounds). Further, the 2006 year class of 3.6 million fish (age 1 in 2007) was estimated to be the smallest on record. The 2007 year class (age 1 in 2008) was estimated to be 8.8 million fish.

Both stock complexes are currently managed under Amendment 1. Implemented in 2005, the Amendment includes measures designed to aid in the rebuilding of inshore stocks and complement federal management measures for offshore stocks implemented through Amendment 13 to Northeast Multispecies FMP for Groundfish. Based on the bleak results of the GARM assessment, the Winter Flounder Management Board intends to initiate an addendum that will explore a suite of management measures to reduce fishing mortality on inshore stocks. The Board is scheduled to meet in early 2009, upon the release of the NMFS's interim rule for groundfish management, to discuss the details of the draft addendum.





SUPPORTING FISHERIES MANAGEMENT THROUGH SCIENCE



HABITAT PROTECTION, RESTORATION, AND ENHANCEMENT

Acknowledging the important role of fish habitat in achieving the Commission's vision of "healthy, self-sustaining populations for all Atlantic coast fish species or successful restoration well in progress by the year 2015," the Habitat Program made progress on several fronts in 2008.

The Habitat Committee completed changes to the guidance and protocols included in the Habitat Program Operational Procedures Manual. All of these changes were made in recognition that protection, restoration, and enhancement of fish habitats are essential to promoting the sustainability of fisheries along the Atlantic coast.

In 2008, the Commission held a Fish Passage Workshop for Commissioners and Technical Committee members on passage issues impacting Atlantic coast states. The goals of the workshop were to develop a fish passage protocol for addressing future passage issues, summarize current fish passage technologies and techniques, discuss recent experiences with dam re-licensing

and future Commission/state involvement, and evaluate species-specific fish passage concerns and solutions. Participants developed a number of recommendations to be addressed by a newly formed Fish Passage Working Group beginning in 2009.

The Habitat Program provides habitat managers with valuable sources of information on current habitat issues through its "Habitat Management Series," a collection of publications full of guidance on a variety of topics. In 2008, the Program added to the series with the publication of Habitat Management Series #9, *Atlantic Coast Diadromous Fish Habitat: A Review of Utilization, Threats, Recommendations for Conservation, and Research Needs*. The Habitat Program also produced and distributed three issues of the *Habitat Hotline Atlantic* newsletter, covering issues ranging from fisheries and climate change, to fish passage on the Atlantic coast, and the economic value of coasts and estuaries. The Commission also produced an educational poster entitled "Save Our Schools," highlighting the importance of healthy habitat to the Commission's 24 species/species groups. The poster, based on a design by Noel Design LLC, is a favorite among teachers and children alike. These are just a few of the outreach tools the Commission utilizes to disseminate information about the relationship between habitats and productive fisheries to fishermen, resource managers, and the general public, including participation in state "Coast Day" events.

In 2008, the Commission was involved with the startup and growth of the Atlantic Coastal Fish Habitat Partnership (ACFHP), under the auspices of the National Fish Habitat Action Plan. The purpose of the national effort is an action-oriented, science-based effort with a mission to protect, restore, and enhance the nation's fish and aquatic communities through partnerships fostering fish habitat conservation. The Partnership obtained

candidate partnership status with the National Fish Habitat Action Plan Board and has developed a Memorandum of Understanding consisting of signatories from cooperating agencies from 16 states, NMFS, and Tribal Nations, as well as several key non-governmental organizations.



The ACFHP Interim Steering Committee (ISC) and Science and Data Working Group are developing a habitat spatial bibliography, a compilation of habitat conservation plans and assessments along the Atlantic coast. The ISC has also established Endorsement Criteria to use when considering individual habitat projects for ACFHP endorsement. The Partnership will continue efforts in 2009 to complete the assessment of existing information on Atlantic coastal habitats and create a coast wide conservation strategic plan. These steps are necessary for the Partnership to become officially recognized by the National Fish Habitat Action Plan Board.

STOCK ASSESSMENT PEER REVIEWS

The Commission's species management boards rely on the scientific and technical information provided by peer reviews to evaluate stock status and develop fisheries regulations based on the best science available. In 2008, two Commission stock assessments were evaluated through peer review processes. Winter flounder stock assessments for the GOM and SNE/MA stocks were reviewed through the NEFSC GARM. The Spanish mackerel assessment was evaluated through the SEDAR process. Information on the outcome of these peer reviews can be found in the species highlights section of this report.

STOCK ASSESSMENT TRAINING

The Commission's Fisheries Science Program continues to organize stock assessment training workshops to provide instruction to scientists and managers on the most innovative and progressive fisheries analysis methods and models available for use in stock assessments. In 2008, a workshop on "Linear Models in R" was held to help fisheries professionals develop skills in standardizing fishery-independent indices data using the statistical software "R". Stock assessment workshops are provided each year to meet the specific training needs identified as most pertinent to support coast wide stock assessments and to provide managers with a better understanding of assessment outcomes.

FISHERY-INDEPENDENT DATA COLLECTION & MANAGEMENT

Fishery-independent monitoring provides insight into the status of fish stocks without the biases inherent to catch-related information. The Commission coordinates two Atlantic coast fishery-independent data collection programs – the South Atlantic component of the Southeast Area Monitoring and Assessment Program (SEAMAP) and the Northeast Area Monitoring and Assessment Program (NEAMAP).

SEAMAP

SEAMAP is a cooperative program made up of universities and state and federal agencies to facilitate the collection, management, and dissemination of fishery-independent data and information in the Southeastern U.S. and Caribbean. Since 1982, SEAMAP has sponsored long-term standardized surveys that have become the backbone of fisheries and habitat management for its three components – the South Atlantic, Gulf of Mexico, and Caribbean regions. In 2008, SEAMAP-South Atlantic continued to collect data on the abundances and distributions of a variety of important commercial and recreational species from North Carolina through Florida. A SEAMAP Data Management Work Group was formed to integrate and share information across several fishery-independent surveys under the SEAMAP umbrella. Progress was also made on a deepwater

geographic information system regional database project describing the location and characteristics of hard bottom resources throughout the South Atlantic Bight.

NEAMAP

NEAMAP is a cooperative state/federal fisheries-independent research and data collection program for coastal waters from the Gulf of Maine to Cape Hatteras, North Carolina. The program, established in 1998, was developed in response to the lack of adequate survey coverage and coordination in the coastal waters of the Mid-Atlantic Bight. Its primary tool has been a nearshore trawl survey, which was piloted in 2006 and has completed two full years of trawl surveys. Because of the survey's ability to sample inshore waters in the Mid-Atlantic, its data may be used to augment NEFSC's long-running time series (conducted by the R/V Albatross for many years and soon to be conducted by the R/V Bigelow).

In 2008, a crew from the Virginia Institute of Marine Science (VIMS), working aboard the F/V Darana R, owned and operated by Captain James



Ruhle, completed the Spring and Fall Trawl Surveys. The 2008 Spring Survey successfully conducted tows at 150 locations in depths ranging from 3 to 25 fathoms. Approximately 70,500 pounds of fish and crustaceans representing 85 species were captured, including nine species not previously seen in NEAMAP cruises. Individual length measurements

were recorded for over 54,000 specimens. Lab processing is being conducted on the 6,133 aging structures (ear bones, vertebrae, spines) and 4,810 stomach samples that were collected.

The 2008 nearshore trawl surveys not only extend the time series of estimates of fish and invertebrate abundances and distributions from Cape Hatteras, North Carolina northward to Aquinnah, Massachusetts, but also provide important fish age data for striped bass, black sea bass, and other Commission managed species. These data are vital to improving our ability to track year classes and understand changes in population age structure. With additional years of sampling, the nearshore trawl survey has the potential to become a valuable source of fishery-independent data to support and improve stock assessments.

Funding has been secured to continue this effort and complete full surveys in the spring and fall of 2009.

RESEARCH INITIATIVES

In 2008, the Commission continued to make significant progress on several research initiatives that were supported and funded by Congress as high priority issues for the Atlantic coastal states and their stakeholders.

AMERICAN LOBSTER

As one of the Commission's highest priority species, increased funding was dedicated to support several lobster research initiatives. The first research project is a lobster port-sampling program of dealers in New Hampshire, Massachusetts, Rhode Island, and New York, designed to collect representative samples of lobster catches in federal and state waters. The project also continues New Hampshire's sea sampling operations to collect detailed catch, effort, and biological data representative of the state's fishery. In 2008, Maine continued to collect fishery-dependent data on size composition and poundage of landed lobsters through a voluntary harvester logbook program. Lastly, a cooperative random stratified ventless trap survey was implemented to generate accurate estimates of lobster relative abundance and recruitment. This survey is being conducted

by Maine, New Hampshire, Massachusetts, Rhode Island, and New York to support the assessment of lobster abundance and recruitment throughout the Northeast and Mid-Atlantic regions.

ATLANTIC MENHADEN

To help assess the status of menhaden abundance in Chesapeake Bay, funding was used to continue a fisheries-independent survey for menhaden in Chesapeake Bay that will describe seasonal distribution, abundance, and biomass using light detection and ranging (LIDAR). Additionally, some funding supports a study to estimate, analyze, and model inter-annual variability in growth and size-at-age of Atlantic menhaden and bay anchovy, two primary forage fish in Chesapeake Bay.

RED DRUM

The Commission identified red drum as a priority research area because the status of the adult portion of the population is not well known. With these dedicated research funds, North Carolina, South Carolina, and Georgia implemented a bottom long line survey to provide a fishery-independent index of abundance for adult red drum. Many red drum encountered in the survey are tagged to collect information on migratory behavior and stock identification. Information is also collected on the presence of hatchery-origin fish in the offshore adult population, as well as sex ratios, maturity, and age structure of the population. All of this information is critical to determining the

status of the red drum population, especially the adult portion of the population, and developing a successful red drum management program.

MULTISPECIES ASSESSMENTS & MODELS

The Commission recognizes the importance of ecological interactions, such as predator-prey relationships, in understanding the population dynamics of fishery resources. The Commission's Science Program continues to incorporate information on multispecies interactions into its decision-making process through a group of cooperating scientists developing quantitative multispecies models. The Multispecies Technical Committee (MSTC) continues to evaluate the status of the Commission's multispecies model development, perform updates to the current model (MSVPA-X), evaluate the status of research recommendations from the MSVPA-X SAW/SARC report, and work with the Assessment Science Committee to consider and evaluate alternate stock assessment models incorporating environmental and ecosystem factors. In 2008, the MSTC updated the MSVPA-X model with the most recent years of data, and included additional prey species. The MSTC will next consider when the model should undergo another peer review, and will begin to prepare for that review.

FISHING GEAR TECHNOLOGY WORK GROUP

The Commission's Fishing Gear Technology Work Group is a collection of fishing gear experts from nine of the Atlantic coast states, the Potomac River Fisheries Commission, and NMFS. In 2008, the Work Group reviewed new gear innovations from the U.S. and around the world, and evaluated their potential application in Atlantic coast fisheries to reduce bycatch, discards, and habitat alteration. It focused on a dozen Atlantic coast fisheries and gears known to have the greatest effects on coastal ecosystems. The Work Group held its annual gear review meeting in June 2008, and produced a comprehensive final report. The report summarizes evaluations of recent gear developments and includes recommendations for management implementation and future gear research.



INTERSTATE TAGGING COMMITTEE

The Commission's Interstate Tagging Committee (ITC) was created in 1999 to improve the quality and utility of tagging data through the development and promotion of protocols for effective tagging programs. In 2008, the ITC focused its efforts on updating and planning for a major upgrade of the Cooperative Tagging Website and Registry (<http://www.fishtag.info/>), a website providing information on coastwide tagging programs and that allows anglers to search a database by multiple variables (fish species, tag type, tag color, etc.) to identify

unreadable or partially damaged recovered tags. The planned upgrade of the website includes restoring functionality of the database search engine, adding additional types of information to the existing database (e.g., photos of tags, radio telemetry frequencies), and improving the usability of the website. The ITC also launched the Commission's Tagging Program Certification process, a voluntary scientific review of scientific and angler-based tagging programs designed to recognize and promote quality tagging data collection.



AWARDS

DURING 2008 THE COMMISSION HAD THE PRIVILEGE OF PRESENTING AWARDS TO SEVERAL DESERVING INDIVIDUALS WHO HAVE DIRECTLY CONTRIBUTED TO FURTHERING THE COMMISSION'S VISION OF HEALTHY, SELF-SUSTAINING POPULATIONS FOR ALL ATLANTIC COAST FISH SPECIES OR SUCCESSFUL RESTORATION WELL IN PROGRESS BY THE YEAR 2015.

CAPTAIN DAVID H. HART AWARD



The Atlantic States Marine Fisheries Commission presented Harry Mears, Director of State, Federal and Constituent Programs for the NMFS Northeast Region, the David H. Hart Award, its highest annual award, at the Commission's 67th Annual Meeting in Rehoboth Beach, Delaware.

The Commission instituted the "Captain David H. Hart Award" in 1991 to recognize individuals who have made outstanding efforts to improve Atlantic coast marine fisheries. The award is named for one of the Commission's longest serving members, who was dedicated to the advancement and protection of marine fishery resources.

Mr. Mears has exemplified the ideals of the award throughout his career in fisheries management. For three decades, he has been an invaluable asset to the Commission process, serving as the lead NMFS representative on several Commission species management boards. His leadership and guidance have allowed NMFS to provide administrative and regulatory support to the Commission's Interstate Fisheries Management Program.

Mr. Mears has been responsible for the federal management component of the American lobster fishery. His contributions to the American Lobster Management Board exemplify the benefits of effective state-federal partnership. He is also

known for his longstanding involvement in the Commission's Management and Science Committee, on which he prioritized research needs and scientific review processes critical to the Commission's decision-making.

As the long-standing Director of State, Federal and Constituent Programs Office, he is the face of federal financial assistance for fisheries grants and contracts. These grants have supported the activities of the Commission and its member states on an annual basis, providing critical funding for interjurisdictional fisheries research and management activities. Under his direction, the Commission and its member states have received in excess of \$41 million in federal grants awarded under ACFCMA, Interjurisdictional Fisheries Act, and Anadromous Fish Conservation Act since 1988.

Mr. Mears is a prominent and respected contributor to the Commission's programs and activities. His expertise and dedication to interjurisdictional fisheries management has provided a solid foundation for the successful alignment of federal and state fishery management activities. His ability to analyze and work through the often complex and contentious issues that exist within the interstate fishery management process epitomizes the true spirit of collaborative and interjurisdictional natural resource management. He has clearly devoted his career to the promotion of sustainable coastal fisheries and is a dedicated proponent of facilitating the cooperative management of these important resources, consistent with the goals of the Commission and his agency.

ANNUAL AWARDS OF EXCELLENCE

DR. DAVID PIERCE, DR. GARY NELSON, MR. JOHN CARMICHAEL, AND SERGEANT FRANCES ETHIER WERE PRESENTED THE COMMISSION'S 2008 ANNUAL AWARDS OF EXCELLENCE FOR THEIR CONTRIBUTIONS TO THE SUCCESS OF FISHERIES MANAGEMENT ALONG THE ATLANTIC COAST.

MANAGEMENT AND POLICY



Dr. David Pierce, a biologist and manager for more than thirty years with the Massachusetts Division of Marine Fisheries received the award for work in the area of management and policy. Dr. Pierce has played a prominent role in fisheries management at local, state, interstate, federal, and international levels. At the

interstate and regional levels, he is renowned for his tireless devotion to effective management, with his contributions being a critical component in the success of the current management regimes for Atlantic herring, fluke, scup, black sea bass, dogfish, tautog, and others. He brings to the table a unique combination of skills, blending science, policy, and decades of fisheries management knowledge. Always insightful in his approach to resolving complex fisheries management problems, Dr. Pierce has never been afraid to think outside the box and provide novel approaches to difficult challenges. His ability to bridge the gap between stakeholders and the complex and often convoluted fishery management processes has made him an indispensable asset to his state and its fishing constituents.

SCIENTIFIC, TECHNICAL, AND ADVISORY

Dr. Gary Nelson's unfailing and innovative work in stock assessment and fish biology has been a credit not only to his state and the Commission but also to the field of fisheries biology in general. As the lead for Massachusetts Division of Marine Fisheries analysis and statistical modeling group, as well as the Commission's Striped Bass Technical Committee and Stock Assessment Subcommittee, Dr. Nelson has put forth an extraordinary effort to improve the ability to assess striped bass



stocks coastwide. As the Commission's Striped Bass Stock Assessment Chair, he oversaw the completion of the 2007 striped bass stock assessment, guiding it through the arduous Northeast Regional SAW/SARC process with very positive reviews. He has implemented several new approaches that seek to

solve many of the known problems with the current striped bass assessment.

Dr. Nelson also places great emphasis on sharing his knowledge and expertise with his colleagues along the coast and with up and coming fisheries scientists. He has contributed to the Commission's Advanced Stock Assessment Training Series, and also now serves as Adjunct Faculty to the Department of Natural Resources Conservation at the University of Massachusetts, Amherst. He continues to teach a number of short courses on statistics, biological data analysis, and sampling design to a variety of audiences. Overall, Dr. Nelson has made major contributions to the understanding of the biology and management of several Commission species through his research, writing, leadership, and teaching.



Mr. John Carmichael has participated in the Commission process for over fifteen years. He currently works for the SAFMC, where he has been instrumental in the development and implementation of SEDAR, the stock assessment peer-review process used by the South Atlantic, Gulf

of Mexico, and Caribbean Fishery Management

Councils, and the Commission to improve the quality and reliability of fishery stock assessments in the U.S. Southeast.

Mr. Carmichael began his career in fisheries at the Maryland Department of Natural Resources. After receiving a master's degree at North Carolina State University, he came to work for the Commission as an FMP Coordinator for summer flounder, scup, black sea bass, bluefish, and tautog. In his three years as Plan Coordinator, he skillfully oversaw plan amendments for tautog, scup, and black sea bass, setting the bar high for future FMP Coordinators with his outstanding work ethic and keen attention to detail.

Next, Mr. Carmichael returned to work for a state resource agency, this time lending his talents to the North Carolina Division of Marine Fisheries as a stock assessment biologist. He developed stock assessments for a variety of species, including striped bass and river herring. He represented the state on the Commission's Atlantic Striped Bass Technical Committee, which he chaired for two years. He earned especially high accolades for his river herring assessment.

During his time with the South Atlantic Council, he has continued to be involved with the Commission as a member of the Commission's Assessment Science Committee, including chairing the committee from 2004-2006. Throughout his career, Mr. Carmichael has consistently demonstrated the expertise and work ethic needed to put together complex stock assessments and the ability to effectively communicate assessment methodologies and results to both managers and constituents. These traits have not only gained him the respect of his peers and colleagues but also have helped to advance the public's understanding of fisheries stock assessments.

LAW ENFORCEMENT

Sergeant Frances Ethier's interest in marine law enforcement began over twenty years ago, while working during her summers as a deckhand on a lobster boat to help pay for her college tuition. It was not long after that she decided to dedicate herself to the protection of marine resources through conservation law enforcement. In 1989,



she completed her formal education with a masters degree in Marine Affairs from the University of Rhode Island and began to work for the State of Rhode Island.

During her time with the Rhode Island Department of Environmental Management, Division of Law Enforcement, Sergeant

Ethier has consistently demonstrated leadership in marine law enforcement. Well respected by her peers both at home and along the coast, she is often sought out for her interpretation of current laws and fishery trends, as well as her knowledge of the fishing community. She has also shown firm commitment to working closely with other jurisdictions.

Sergeant Ethier successfully spearheaded an investigation into monkfish and spiny dogfish violations in cooperation with NOAA special agents and the Connecticut Environmental Conservation Police. This operation led to the seizure of several gillnets and lobster traps, and the issuance of three separate Notices of Violation and Assessment in the amount of \$1.2 million. Sergeant Ethier is a true professional, recognized coastwide by colleagues and fishermen alike as an honest, dedicated, and fair officer.

FINANCIAL REPORTS



CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' Report

To the Executive Committee
Atlantic States Marine Fisheries Commission
Washington, D.C.

We have audited the accompanying statements of financial position of the Atlantic States Marine Fisheries Commission as of June 30, 2008 and 2007, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Atlantic States Marine Fisheries Commission as of June 30, 2008 and 2007, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 2, 2008 on our consideration of Atlantic States Marine Fisheries Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying 2008 and 2007 schedules on pages 11 and 12 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedules of expenditures of federal awards are required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

October 2, 2008

ATLANTIC STATES MARINE FISHERIES COMMISSION
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2008 AND 2007

	2008	2007
ASSETS		
CURRENT ASSETS:		
Cash (Note 1)	\$ 439,597	\$ 790,147
Investments (Note 5)	652,342	715,164
Grants receivable	801,646	234,671
Accounts receivable	68,708	85,572
Prepaid expenses	57,472	51,692
Total Current Assets	\$ 2,019,765	\$ 1,877,246
PROPERTY AND EQUIPMENT, AT COST: (Note 1)		
Office furniture and equipment	\$ 1,007,691	\$ 981,307
Capital lease equipment	26,188	26,188
Leasehold improvements	34,458	34,458
Total	\$ 1,068,337	\$ 1,041,953
Less, Accumulated depreciation	(903,212)	(833,237)
Property and Equipment, Net	\$ 165,125	\$ 208,716
OTHER ASSETS:		
Security deposits	\$ 20,941	\$ 20,941
Investments (Note 5)	1,123,250	987,874
Total Other Assets	\$ 1,144,191	\$ 1,008,815
TOTAL ASSETS	\$ 3,329,081	\$ 3,094,777
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable	\$ 399,283	\$ 271,803
Accrued vacation	185,109	185,874
Deferred revenue	40,715	60,934
Contract advances	54,065	91,332
Current portion of capital lease obligations (Note 4)	6,381	5,716
Total Current Liabilities	\$ 685,553	\$ 615,659
CAPITAL LEASE OBLIGATIONS (Note 4)	12,477	18,891
TOTAL LIABILITIES	\$ 698,030	\$ 634,550
UNRESTRICTED NET ASSETS	2,631,051	2,460,227
TOTAL LIABILITIES AND NET ASSETS	\$ 3,329,081	\$ 3,094,777

The accompanying notes are an integral part of these financial statements.

ATLANTIC STATES MARINE FISHERIES COMMISSION
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2008 AND 2007

	2008					
	Total	ASMFC	Outside Contracts			
			Wallop/ Breux	Other	ACCSP	ACFCMA
REVENUE:						
Contract reimbursements	\$ 6,187,059	\$ -	\$ 200,371	\$ 872,927	\$ 1,499,885	\$ 3,613,876
Contributions from member states	472,785	472,785				
Annual meeting fees	18,674	-		18,674		
Investment income (loss)	(13,193)	(13,193)				
Total Revenue	\$ 6,665,325	\$ 459,592	\$ 200,371	\$ 891,601	\$ 1,499,885	\$ 3,613,876
EXPENSES:						
Salaries	\$ 2,289,697	\$ 690,434	\$ 120,127	\$ 328,823	\$ 616,226	\$ 534,087
Travel	1,031,859	75,909	7,684	126,968	111,510	709,788
Subcontracts	1,793,958	72,000	-	245,036	-	1,476,922
Fringe benefits (Note 3)	559,265	157,949	31,772	82,835	147,824	138,885
Professional services	54,091	30,045	-	-	-	24,046
Rent	324,814	324,814	-	-	-	-
Equipment maintenance	170,935	122,394	-	-	48,541	-
Depreciation	69,975	69,975	-	-	-	-
Office	72,788	60,671	-	375	7,752	3,990
Printing	27,898	20,936	-	3,026	-	3,936
Meetings	4,226	4,226	-	-	-	-
Postage	31,260	30,663	-	-	597	-
Other	23,818	16,380	-	-	7,438	-
Dues and subscriptions	9,728	6,236	-	-	938	2,554
Telephone	14,088	14,088	-	-	-	-
Interest	1,854	1,854	-	-	-	-
Insurance	14,247	14,247	-	-	-	-
Indirect cost allocation (Note 1)	-	(1,171,751)	39,501	148,644	387,503	596,103
Total Expenses	\$ 6,494,501	\$ 541,070	\$ 199,084	\$ 935,707	\$ 1,328,329	\$ 3,490,311
CHANGE IN NET ASSETS	\$ 170,824	\$ (81,478)	\$ 1,287	\$ (44,106)	\$ 171,556	\$ 123,565
NET ASSETS, BEGINNING OF YEAR	2,460,227					
NET ASSETS, END OF YEAR	\$ 2,631,051					

The accompanying notes are an integral part of these financial statements.

2007

Total	ASMFC	Outside Contracts			
		Wallop/ Breaux	Other	ACCSP	ACFCMA
\$ 5,486,132	\$ -	\$ 217,944	\$ 690,880	\$ 1,654,469	\$ 2,922,839
450,269	450,269				
21,150	-		21,150		
173,227	173,227				
<u>\$ 6,130,778</u>	<u>\$ 623,496</u>	<u>\$ 217,944</u>	<u>\$ 712,030</u>	<u>\$ 1,654,469</u>	<u>\$ 2,922,839</u>
\$ 2,147,201	\$ 617,080	\$ 124,947	\$ 300,474	\$ 634,294	\$ 470,406
978,470	19,736	9,848	67,645	129,588	751,653
1,317,889	72,000	-	136,547	85,795	1,023,547
487,234	125,846	31,072	74,033	141,574	114,709
20,998	16,906	-	-	-	4,092
308,573	308,573	-	-	-	-
235,062	51,263	-	-	181,359	2,440
91,848	91,848	-	-	-	-
91,766	65,104	-	-	12,791	13,871
34,936	29,374	739	2,457	-	2,366
39,406	39,406	-	-	-	-
34,629	34,629	-	-	-	-
25,437	14,628	-	-	10,809	-
10,496	6,259	-	-	-	4,237
12,414	12,414	-	-	-	-
1,297	1,297	-	-	-	-
15,508	15,508	-	-	-	-
-	(1,139,833)	42,767	101,775	432,393	562,898
<u>\$ 5,853,164</u>	<u>\$ 382,038</u>	<u>\$ 209,373</u>	<u>\$ 682,931</u>	<u>\$ 1,628,603</u>	<u>\$ 2,950,219</u>
\$ 277,614	\$ 241,458	\$ 8,571	\$ 29,099	\$ 25,866	\$ (27,380)
<u>2,182,613</u>					
<u>\$ 2,460,227</u>					

ATLANTIC STATES MARINE FISHERIES COMMISSION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2008 AND 2007

	2008	2007
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from members and contracts	\$ 6,052,246	\$ 5,980,220
Annual meeting fees	18,674	21,150
Investment income received	91,763	103,055
Cash paid to suppliers and employees	(6,301,737)	(5,607,225)
Interest paid	(1,854)	(1,297)
	<u>\$ (140,908)</u>	<u>\$ 495,903</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of furniture and equipment	\$ (26,384)	\$ (70,667)
Purchase of investments	(756,323)	(546,941)
Cash received from sales and maturities of investments	578,814	366,911
	<u>\$ (203,893)</u>	<u>\$ (250,697)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Capital lease obligations - payments	\$ (5,749)	\$ (3,966)
NET INCREASE (DECREASE) IN CASH	<u>\$ (350,550)</u>	<u>\$ 241,240</u>
CASH, BEGINNING OF YEAR	<u>790,147</u>	<u>548,907</u>
CASH, END OF YEAR	<u><u>\$ 439,597</u></u>	<u><u>\$ 790,147</u></u>
Reconciliation of change in net assets to net cash provided by (used in) operating activities (Note 6)		
Equipment purchases financed by capital lease obligations	<u><u>\$ -</u></u>	<u><u>\$ 26,188</u></u>

The accompanying notes are an integral part of these financial statements.

ATLANTIC STATES MARINE FISHERIES COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007

Note 1. **Summary of Significant Accounting Policies**

Organization:

The Atlantic States Marine Fisheries Commission (the Commission) (a nonprofit organization) was established in 1942 to represent the interests and needs of the marine fisheries of its member states (Maine, New Hampshire, Massachusetts, Rhode Island, Connecticut, New York, Pennsylvania, New Jersey, Delaware, Maryland, Virginia, North Carolina, South Carolina, Georgia, Florida). Since the Commission is an instrumentality wholly owned by member states, it is exempt from income tax; therefore, an internal revenue code exemption is not required. The purpose of the Commission, as set forth by Congress in Article I of the Commission's Compact, is "to promote the better utilization of the fisheries, marine, shell and anadromous, of the Atlantic seaboard by the development of a joint program for the promotion and protection of such fisheries."

Basis of Accounting:

The Commission prepares its financial statements on the accrual basis of accounting. Consequently, revenue is recognized when earned and expenses when incurred.

Monies received under grants are accounted for separately. Revenue is recognized when funds are expended for the purposes specified in the grant. The Commission funds any excess of expense over revenue incurred in the performance of a grant project.

The accompanying statements of activities reflect expenses summarized on a functional basis. Expenses that can be identified with a specific program or support service are allocated directly according to their natural expenditure classification. Fringe benefits and administrative costs of the Commission have been prorated among the programs by various statistical bases.

Financial Statement Presentation:

Under SFAS No. 117, Financial Statements of Not-for-Profit Organizations, the Commission is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. The Commission has only unrestricted net assets.

Cash:

Cash consists of deposits in checking and money market accounts. The Commission's demand deposits with financial institutions at times exceed federally insured limits. The Commission has not experienced any losses in such accounts, and management believes it is not exposed to any significant credit risks.

ATLANTIC STATES MARINE FISHERIES COMMISSION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2008 AND 2007

Note 1. **Summary of Significant Accounting Policies** (Concluded)

Investments:

Investments are recorded at fair value.

Property and Equipment:

Depreciation of property and equipment has been provided for using the straight-line method over useful lives of five years for computer equipment and ten years for other furniture and equipment. The Commission capitalizes equipment purchases with a unit cost exceeding \$500.

Leasehold improvements are recorded at cost and amortized using the straight-line method over the term of the office lease.

Indirect Cost Allocation:

Indirect costs are allocated to contracts based on the Commission's indirect cost allocation rate or the indirect cost allocation allowed by the contract.

Bad Debts:

The Commission recognizes bad debts when, in the opinion of management, an account becomes uncollectible.

Estimates:

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications:

Certain 2007 amounts have been reclassified for comparison with the 2008 presentation.

Note 2. **Lease Commitments**

The Commission leases office space and postage equipment under noncancelable operating leases. The office lease provides for annual base rent increases of two percent plus annual adjustments for the Commission's proportionate share of operating expenses and real estate taxes.

ATLANTIC STATES MARINE FISHERIES COMMISSION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2008 AND 2007

Note 2. **Lease Commitments (Concluded)**

The Commission also has two capital leases for copiers. (See Note 4). The minimum lease payments are included below.

Minimum lease payments are as follows for the years ending June 30,:

	<u>Office Space</u>	<u>Equipment</u>	<u>Capital Leases</u>	<u>Minimum Lease Payments</u>
2009	\$ 301,024	\$ 10,512	\$ 8,268	\$ 319,804
2010	307,044		8,268	315,312
2011	103,021		5,512	108,533
	<u>\$ 711,089</u>	<u>\$ 10,512</u>	\$ 22,048	<u>\$ 743,649</u>
Less, interest			<u>3,190</u>	
Capital lease obligations			<u>\$ 18,858</u>	

Note 3. **Retirement Plans**

The Commission sponsors a defined contribution pension plan which covers all employees. The Commission contributes 7% of eligible wages to the plan. The Commission also matches employee contributions up to 3% of eligible wages under an eligible Section 457 plan. Pension expense for the years ended June 30, 2008 and 2007 was \$213,200 and \$182,367, respectively.

Note 4. **Capital Lease Obligations**

The Commission has two capital leases secured by copiers. (See Note 2). Maturities are as follows for the years ended June 30,

2009	\$ 6,381
2010	7,197
2011	<u>5,280</u>
	<u>\$ 18,858</u>

ATLANTIC STATES MARINE FISHERIES COMMISSION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2008 AND 2007

Note 5. **Investments**

At June 30, 2008 and 2007, investments consisted of the following:

	2008		
	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Gain (Loss)</u>
Cash and money market funds	\$ 40,499	\$ 40,499	\$
Bonds and certificates of deposit	934,518	911,790	(22,728)
Equities and mutual funds	<u>837,601</u>	<u>823,303</u>	<u>(14,298)</u>
Total Investments	<u>\$ 1,812,618</u>	<u>\$ 1,775,592</u>	<u>\$ (37,026)</u>
	2007		
	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Gain (Loss)</u>
Cash and money market funds	\$ 176,078	\$ 176,078	\$
Bonds and certificates of deposit	547,323	539,087	(8,236)
Equities and mutual funds	<u>879,646</u>	<u>987,873</u>	<u>108,227</u>
Total Investments	<u>\$ 1,603,047</u>	<u>\$ 1,703,038</u>	<u>\$ 99,991</u>

Unrealized and realized gains (losses) included in investment income on the Statement of Activities totaled \$(104,955) and \$70,172 for the years ended June 30, 2008 and 2007, respectively.

ATLANTIC STATES MARINE FISHERIES COMMISSION
NOTES TO FINANCIAL STATEMENTS (CONCLUDED)
JUNE 30, 2008 AND 2007

Note 6. **Reconciliation of Change in Net Assets to Net Cash Provided by (Used in) Operating Activities**

	<u>2008</u>	<u>2007</u>
Change in Net Assets	\$ 170,824	\$ 277,614
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	69,975	91,848
Unrealized and realized gain (loss) on investments	104,955	(70,172)
(Increase) decrease in assets:		
Grants receivable	(566,975)	34,081
Accounts receivable	16,864	11,846
Prepaid expenses	(5,780)	59,837
Increase (decrease) in liabilities:		
Accounts payable	127,480	102,320
Accrued vacation	(765)	(13,178)
Deferred revenue	(20,219)	21,447
Contract advances	<u>(37,267)</u>	<u>(19,740)</u>
Net cash provided by (used in) operating activities	<u>\$ (140,908)</u>	<u>\$ 495,903</u>

Note 7. **Concentrations**

The Commission received 77% and 75% of its revenue from the Atlantic Coastal Act Program for the years ended June 30, 2008 and 2007, respectively.

Note 8. **Risks and Uncertainties**

The Commission invests in various investment securities, which are exposed to risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term, and such changes could have a material effect on the amounts reported in the financial statements.

ATLANTIC STATES MARINE FISHERIES COMMISSION
 SCHEDULE OF CONTRIBUTIONS REQUESTED AND RECEIVED
 FOR THE YEAR ENDED JUNE 30, 2008

	<u>Requested</u> 2007-2008	<u>Received</u> 7/1/07 - 6/30/08
Member States:		
Connecticut	\$ 22,675	\$ 22,675
Delaware	19,025	19,025
Florida	46,783	46,783
Georgia**	19,130	19,130
Maine**	47,364	33,725
Maryland	28,437	28,437
Massachusetts	53,607	53,607
New Hampshire	18,037	18,037
New Jersey**	43,891	22,000
New York	32,836	32,836*
North Carolina	39,181	39,181
Pennsylvania	15,759	15,759
Rhode Island	26,353	26,353
South Carolina	22,217	22,217
Virginia	<u>37,490</u>	<u>37,490</u>
Totals	<u>\$ 472,785</u>	<u>\$ 437,255</u>

* Received 8/18/08

**GA owes \$17,636 from FY 06; NJ owes \$24,953 from FY 06; ME owes \$10,358 from FY 07

ATLANTIC STATES MARINE FISHERIES COMMISSION
SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEARS ENDED JUNE 30, 2008 AND 2007

Federal Grantor/ Program Description	Federal CFDA Number	Federal Expenditures	
		2008	2007
Department of Commerce:			
Interjurisdictional Fisheries Act	11.407	\$ 296,611	\$ 214,334
Atlantic Coastal Act	11.474	3,613,876	2,922,839
Atlantic Coastal Act	11.474	1,499,885	1,654,469
Southeast Area Monitoring and Assessment Program	11.435	51,009	45,648
Fisheries Cooperative Economic Data Collection and Management Program	11.434	<u>44,142</u>	<u>11,393</u>
Total Department of Commerce		<u>\$ 5,505,523</u>	<u>\$ 4,848,683</u>
Department of the Interior:			
Atlantic Coastal Fish Habitat Partnership		\$ 23,260	\$ ---
Federal Aid in Sport Fish Restoration Act	15.605	<u>200,371</u>	<u>217,944</u>
Total Department of the Interior		<u>\$ 223,631</u>	<u>\$ 217,944</u>
Total Expenditures of Federal Awards		<u>\$ 5,729,154</u>	<u>\$ 5,066,627</u>



CERTIFIED PUBLIC ACCOUNTANTS

Report on Internal Control over
Financial Reporting and on Compliance and Other Matters Based on
an Audit of Financial Statements Performed in
Accordance with *Government Auditing Standards*

Executive Committee
Atlantic States Marine Fisheries Commission
Washington, DC

We have audited the financial statements of Atlantic States Marine Fisheries Commission as of and for the year ended June 30, 2008, and have issued our report thereon dated October 2, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Atlantic States Marine Fisheries Commission's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Atlantic States Marine Fisheries Commission's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the organization's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the organization's financial statements that is more than inconsequential will not be prevented or detected by the organization's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the organization's internal control.

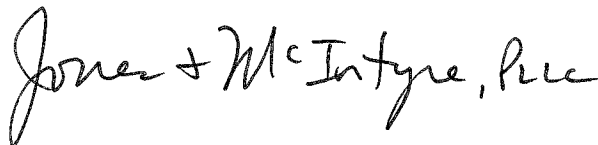
Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Atlantic States Marine Fisheries Commissions's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain other matters that we reported to the management of Atlantic States Marine Fisheries Commission in a separate letter dated October 2, 2008.

This report is intended solely for the information and use of Management, the Commissioners, the Department of Commerce, the Department of the Interior, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Jones + McIntyre, LLC". The signature is written in a cursive, flowing style.

October 2, 2008



CERTIFIED PUBLIC ACCOUNTANTS

Report on Compliance with Requirements Applicable to each
Major Program and on Internal Control over Compliance in
Accordance with OMB Circular A-133

Executive Committee
Atlantic States Marine Fisheries Commission
Washington, DC

Compliance

We have audited the compliance of Atlantic States Marine Fisheries Commission with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2008. Atlantic States Marine Fisheries Commission's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Atlantic States Marine Fisheries Commission's management. Our responsibility is to express an opinion on Atlantic States Marine Fisheries Commission's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Atlantic States Marine Fisheries Commission's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Atlantic States Marine Fisheries Commission's compliance with those requirements.

In our opinion, Atlantic States Marine Fisheries Commission complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008.

Internal Control Over Compliance

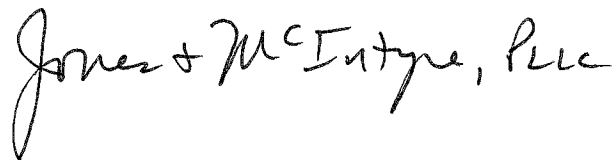
The management of Atlantic States Marine Fisheries Commission is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Atlantic States Marine Fisheries Commission's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Atlantic States Marine Fisheries Commission's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the organization's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the organization's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the organization's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of Management, the Commissioners, the Department of Commerce, the Department of the Interior, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Jones & McIntyre, PLLC". The signature is written in a cursive, flowing style.

October 2, 2008

ATLANTIC STATES MARINE FISHERIES COMMISSION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2008

1. The auditors' report expresses an unqualified opinion on the financial statements of Atlantic States Marine Fisheries Commission.
2. No significant deficiencies relating to the audit of the financial statements of Atlantic States Marine Fisheries Commission are reported in the report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with government auditing standards.
3. No instances of noncompliance material to the financial statements of Atlantic States Marine Fisheries Commission were disclosed during the audit.
4. No significant deficiencies relating to the audit of the major federal award programs are reported in the report on compliance with requirements applicable to each major program and on compliance in accordance with OMB Circular A-133.
5. The auditors' report on compliance for the major Federal award programs for Atlantic States Marine Fisheries Commission expresses an unqualified opinion on all major federal programs.
6. There were no audit findings relative to the major federal award programs for Atlantic States Marine Fisheries Commission.
7. Major programs tested included:
 Department of Commerce:
 Atlantic Coastal Act 11.474
8. The threshold for distinguishing Types A and B programs was \$300,000.
9. Atlantic States Marine Fisheries Commission was determined to be a low-risk auditee.

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ACKNOWLEDGEMENTS

WE WOULD LIKE TO ACKNOWLEDGE THE FOLLOWING PEOPLE AND AGENCIES FOR THE USE OF THEIR PHOTOGRAPHS IN THIS PUBLICATION.

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Cape Henlopen Lighthouse at Sunset: Tony Pratt

Front Cover Insets:

Left image: John McMurray, www.nyflyfishing.com

Horseshoe Crabs: Dr. Rob Robinson, British Trust for Ornithology

Inside Front and Back Covers:

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Historical Map of Delaware Bay: Delaware Public Archives

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Peter L. Groves, Woo's Shad Fishing Website (www.woofish.com/shad.html)

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Open Boat Laura Lee

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Upper right (blue image): NEAMAP

Lower left (blue image): SEAMAP Cooperative Winter Tagging Cruise

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Tom Wagner, Town of Waterford, Connecticut

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NEAMAP

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