



ATLANTIC STATES MARINE FISHERIES COMMISSION

2007 ANNUAL REPORT





66th 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

2007

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
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81st Congress, approved August 19, 1950.

Atlantic States Marine Fisheries Commission
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Washington, D.C. 20005

Tina L. Berger, Editor

February 2008

LIST OF ACRONYMS

Below is a list of acronyms in this report.

ACFHP

Atlantic Coastal Fish Habitat Partnership

ASMFC

Atlantic States Marine Fisheries Commission

B

Biomass

BRDs

Bycatch reduction devices

CESS

Committee on Economics and Social Sciences

CPUE

Catch-per-unit-effort

DPS

Distinct population segments

F

Fishing mortality

FGTWG

Fishing Gear Technology Workgroup

FMP

Fishery Management Plan

GBK

Georges Bank

GOM

Gulf of Maine

ISFMP

Interstate Fisheries Management Program

ITC

Interstate Tagging Committee

M

Mortality

MOA

Memorandum of Agreement

MSY

Maximum Sustainable Yield

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

SAW/SARC

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

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

TAL

Total allowable landings

USFWS

U.S. Fish and Wildlife Service

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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

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

MAINE

George D. Lapointe
Marine Resources
Rep. Dennis Damon
Patten D. White
Governor's Appointee

NEW HAMPSHIRE

John I. Nelson, Jr.
Marine Fisheries
Rep. Dennis Abbott
G. Ritchie White
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MASSACHUSETTS

Paul Diodati
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RHODE ISLAND

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CONNECTICUT

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Marine Resources
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Patrick H. Augustine
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NEW JERSEY

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Erling Berg
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Fish & Boat Commission
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DELAWARE

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Fish & Wildlife
Sen. Robert L. Venables, Sr.
Timothy Targett, Ph.D.
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Howard King
Fisheries Service
Sen. Richard F. Colburn
Bruno Vasta
Governor's Appointee

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Steven Bowman
Marine Resources Commission
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Catherine W. Davenport
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NORTH CAROLINA

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Marine Fisheries
Rep. William Wainwright
Damon M. Tatem
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Natural Resources
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Malcolm Rhodes, M.D.
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GEORGIA

Susan Shipman
Coastal Resources
Rep. Bob Lane
John Duren
Governor's Appointee

FLORIDA

Gil McRae
Marine Resources
Sen. Mitch Needelman
April Price
Governor's Appointee

PREFACE

The Commission was formed 65 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.

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The Commission's current budget is five million dollars. The base funding (\$472, 784) 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. The Commission also receives funds from NMFS to carry out the mandates of the Interjurisdictional Fisheries Act of 1986 (P.L. 99-659). The U.S. Fish and Wildlife Service 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 the Atlantic Coastal Fisheries Cooperative Management Act.

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 members 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



Once again 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 marine fisheries resources under Commission stewardship. This report of the status of the stocks under our care reflects our Commissioners' commitment to hold themselves accountable to the public through transparency in all that they do.

2007 has been a year of accomplishments and challenges for our Commission. Commissioners have 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 you can find updated information on the status of all stocks overseen by the Commission. We have included implementation dates of significant management actions along with the historical records of biomass levels to help give readers a context of those actions.

This Annual Report also fulfills our requirement to report to Congress on the use of the federal funds made available to the Commission. Our Commissioners recognize that they have earned the trust and confidence of Congress through their results 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.

2007 marked the second year of our states working cooperatively on specific projects to collect badly needed information related to red drum, American lobster, Chesapeake Bay menhaden, shad and river herring, as well as the abundance of other nearshore marine fish species. This important initiative was made possible through funds provided by Congress to conduct research designed by our states' fisheries scientists, and in some cases, carried out by fishermen. These efforts focus 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. This initiative reflects our Commissioners' commitment to enhancing the skill and expertise of our scientific advisors to ensure they are knowledgeable about the latest and best methodologies for assessing fish populations. This investment will pay dividends for years to come by helping to ensure our Commissioners are provided with the best scientific advice available.

This past year we have strengthened our staff with the addition of stock assessment specialists at both the doctoral and master's levels. In their first year they have made significant contributions to our stock assessment process, providing needed help to our often over-worked and understaffed state fisheries scientists. Those folks who I described as "new" in last year's report have fully grown into their jobs, demonstrating energy, professionalism, and passion, qualities that will benefit the states and the public we serve. I continue to be grateful for their talents, as well as the wisdom, leadership, and loyalty of our experienced veterans, some of whom have been with us for decades. I am delighted to report that our staff in 2007 is one of the best ever.

We are also fortunate to have dedicated Commissioners, who volunteer long hours of their time to study the many issues coming before them and to participate in Commission meetings. 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. They are committed to leaving healthy fishery resources for the next generation to enjoy. Their actions and results reflect the power of the fundamental principle of our Commission – that the states can accomplish more by working cooperatively than they could by standing alone.

This report contains a snapshot of what has been accomplished in 2007 through that spirit of cooperation and dedication. Readers can find a more detailed accounting of all of our activities as well as information on the latest issues by visiting our website at 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 Chair of the Atlantic States Marine Fisheries Commission, 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 this year.



My fellow Commissioners can be proud of the many things they have accomplished this year due to their hard work and dedication. Rather than go through the entire list, I'll mention a few that reflect the wide range of Commission activities.

Those within our Interstate Fisheries Management Program (ISFMP) process have acted on various amendments, addenda, and other regulatory actions needed to keep our fishery management activities on track. This has ensured the regulations and quotas for our recreational and commercial fisheries have been set in a timely manner. We have made changes to our public comment process that have improved fairness and efficiency. We've completed the first shad assessment in nearly a decade – no small task. In addition, we have nearly completed an ambitious project of developing a new fishery management plan for coastal sharks.

At the same time, we have some significant challenges within the ISFMP. Much work remains on the knotty issue of how to coordinate joint management plans between the Commission and the Regional Fishery Management Councils. The issue of coordinating without subordinating to our federal partners is before us in many of our species management boards.

We must be ever mindful of moving our management programs toward success in a way that respects the views and needs of our member states. We work on many tough issues that tend to push us apart. Our Commission process needs to respond by bringing us back together again so that we can work cooperatively on the next important issue.

We have to continue to work more efficiently on our species management boards in a way that addresses ongoing management issues while allowing the Commission to concentrate on new and emerging issues. The amount of time spent on some boards, such as lobster, immediately comes to mind; we have to do better in moving the issues along in some of our more time-intensive boards so that we have the opportunity to give sufficient attention to other species.

We also made significant progress in refocusing and recasting our Habitat Committee. Reflecting the ISFMP Policy Board's decision to support the National Fish Habitat Initiative, the Commission actively engaged in helping form the Atlantic Coastal Fish Habitat Partnership. Thanks to the efforts of our Habitat Committee, Commission staff, and others, the Partnership has received a substantial grant award to help advance our efforts to protect and promote fish habitat. This is a great and huge accomplishment.

Our successes have been the direct result of the efforts of our Commissioners and staffs. The staff has done a terrific job in supporting all that we do at the Commission. Our Science Department has been re-energized and re-focused in the last year. Last year at this time, we were looking at several new ISFMP coordinators. Since then they have gained experience and demonstrated their talent and enthusiasm. In addition, our administrative staff continues to ensure we have proper meeting spaces, that our staff gets paid, and our travel claims are quickly processed, all while keeping the books balanced.

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of moving our management
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The strength of our staff is one of the great assets of our Commission, and directly reflects the leadership and commitment of our three Directors: Laura Leach, Bob Beal, and Megan Caldwell. From my perspective as a former Commission staffer, the team of people they now lead is the best I have seen at the Commission.

Looking forward, we face challenges that will impact many of our activities. This past year we said good-bye to Commissioners Gordon Colvin and Pres Pate, as well as others as they moved on to retirement. We can expect others to follow, leaving to us the challenge of providing leadership and sound judgment. Helping new commissioners become productive ASMFC members will be critical to this transition.

We can also expect to continue to operate in a climate of constrained fiscal resources at both the state and federal levels. We will persist in pursuing opportunities to secure assistance from Congress and our federal partners. However, we also need to look for ways to pool our individual resources and to seek out efficiencies in how we operate.



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Appropriately, fisheries stakeholders will continue to hold us accountable for delivering results from our management process. The credibility of our Commission is directly related to the progress we demonstrate in managing and restoring stocks.

I am energized and excited about the opportunities we face in the coming year. The states will need to work together with our federal partners and stakeholders on issues such as:

- Implementing the re-authorized Magnuson-Stevens Act
- Reviewing and renewing the Commission's Five-Year Strategic Plan
- Improving the recreational catch data collection system
- Continuing to grow and expand the Atlantic Coastal Cooperative Statistics Program

We will be doing all of this while also attending to the business of existing fisheries science and management programs. I am confident in our ability to rise to these challenges, given our commitment to operate on the basis of sound science and in the spirit of cooperation.

Our stated vision is to restore Atlantic stocks. In 1942 our states came together in recognition that they could accomplish more by working cooperatively than they could by operating independently. That premise still holds true today and should give us confidence in our ability to meet the challenges of the future. As Chair, I pledge to you that I will operate in that spirit, and I ask 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 22 interjurisdictional species groups. In 2007, 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 summer flounder, weakfish, tautog, and American shad.

The task of managing interjurisdictional resources has increased in complexity as managers and scientists more fully take into consideration species interactions, habitat, and water quality in addition to the more traditional considerations of stock rebuilding and the allocation of finite fisheries 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 2007. 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.



STOCK STATUS OVERVIEW & SPECIES HIGHLIGHTS

STATUS/ TRENDS	SPECIES	OVERFISHED	OVERFISHING	REBUILDING STATUS & SCHEDULE
<div>√ = Healthy</div> <div>↑ = Rebuilding</div> <div>↓ = Depleted</div> <div>? = Unknown</div>				
√	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.
√	Winter Flounder Gulf of Maine	N	N	Rebuilt
↓	Winter Flounder So. New England/ Mid-Atlantic	Y	Y	To be rebuilt by 2015
√	American Lobster Gulf of Maine	N	N	Gulf of Maine and Georges Bank stocks rebuilt. Rebuilding program for Southern New England stock established in 2007; to be rebuilt by 2022.
√	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	N	N	Continuing to rebuild until stock biomass $> B_{MSY}$
↑	Bluefish	N	N	Status based on 2007 assessment update; to be rebuilt by 2010.

STATUS/ TRENDS	SPECIES	OVERFISHED	OVERFISHING	REBUILDING STATUS & SCHEDULE
$\sqrt{}$ = Healthy \uparrow = Rebuilding \downarrow = Depleted ? = Unknown				
\uparrow	Spiny Dogfish	N	N	The time necessary to rebuild the female portion of the spawning stock biomass at F = 0.03
\uparrow	Atlantic Sturgeon	Y	N	40+ year moratorium; to be rebuilt by ~2038
\uparrow	Tautog	Y	N	SSB and fishing mortality targets and thresholds established in 2007
\downarrow	Summer Flounder	Y	Y	2006 biomass estimate fell below threshold; to be rebuilt by 2013
\downarrow	Weakfish	Depleted	N	6-year rebuilding period if spawning stock biomass < threshold level
\downarrow	American Shad	Depleted	Unknown	Management Board considering biological reference points based on 2007 assessment
?	Red Drum	N	Unknown	No rebuilding schedule; benchmark stock assessment scheduled for 2009
?	Scup	Y	Unknown	To be rebuilt by 2010
?	Black Sea Bass	Y	Unknown	To be rebuilt by 2010
?	River Herring	Unknown	Unknown	Management Board considering 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

AMERICAN EEL

In 2007, the American Eel Management Board responded to the findings of the 2006 benchmark stock assessment, supplemental analyses, and the U.S. Fish and Wildlife Service's (USFWS) American Eel Status Review. While the USFWS determined that "protecting the eel as an endangered or threatened species under the Endangered Species Act is not warranted," the assessment indicated that the abundance of

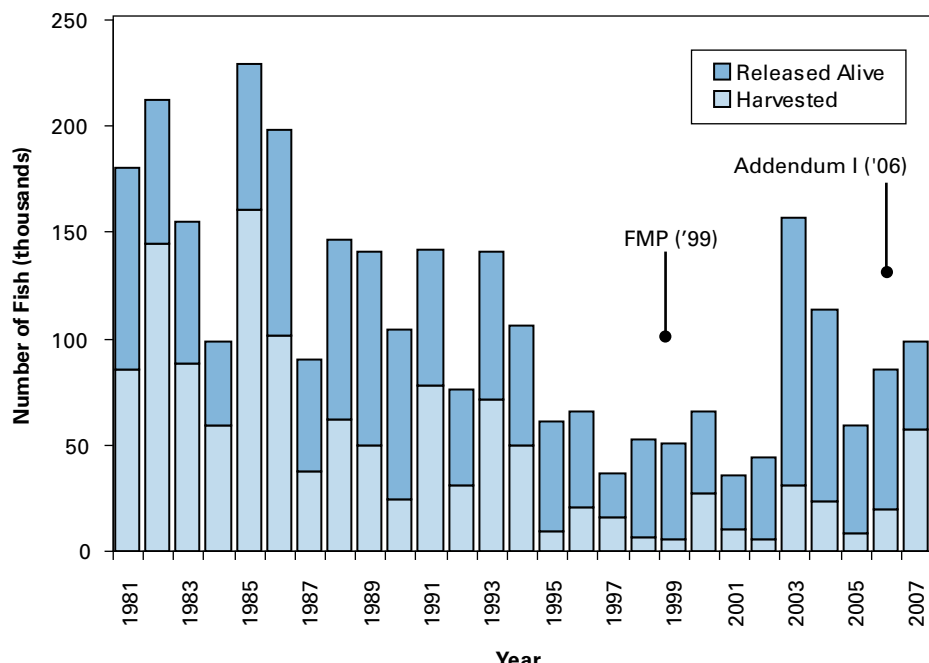
yellow eel (a juvenile life-stage of the American eel) is at or near historic low levels coastwide. Further, relative abundance is likely to continue to decline unless mortality decreases and/or recruitment increases.

The Board initiated the development of Addendum II to the Interstate Fishery Management Plan (FMP) for American Eel. The primary management objective of the Addendum will be 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 current draft Addendum proposes a number of management options to facilitate an increase in the number of silver eels that are able to migrate to the ocean and spawn. Specific options include gear and size restrictions, seasonal closures, management triggers based on juvenile abundance indices, and recommendations to protect the upstream and downstream migration of American eel. This Addendum is scheduled for completion in 2008.

The Commission also initiated the development of a Memorandum of Agreement (MOA) with the Great Lakes Fishery Commission and Canada to facilitate coordinated

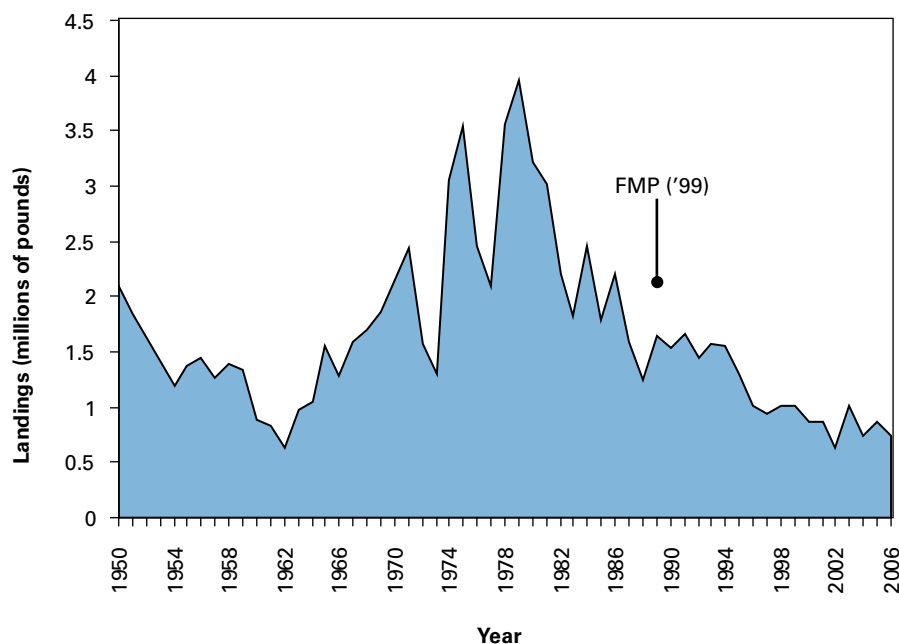
Recreational Catch of American Eel along the Atlantic Coast

Source: Personal communication from the NMFS Fisheries Statistics Division, Silver Spring, MD, 2007



Commercial Landings of American Eel along the Atlantic Coast

Source: Personal communication from the NMFS Fisheries Statistics Division, Silver Spring, MD, 2007



management of American eel throughout its international range. The MOA, slated for completion in 2008, will bring together scientists and managers with the ultimate goal of a single comprehensive North American management program.



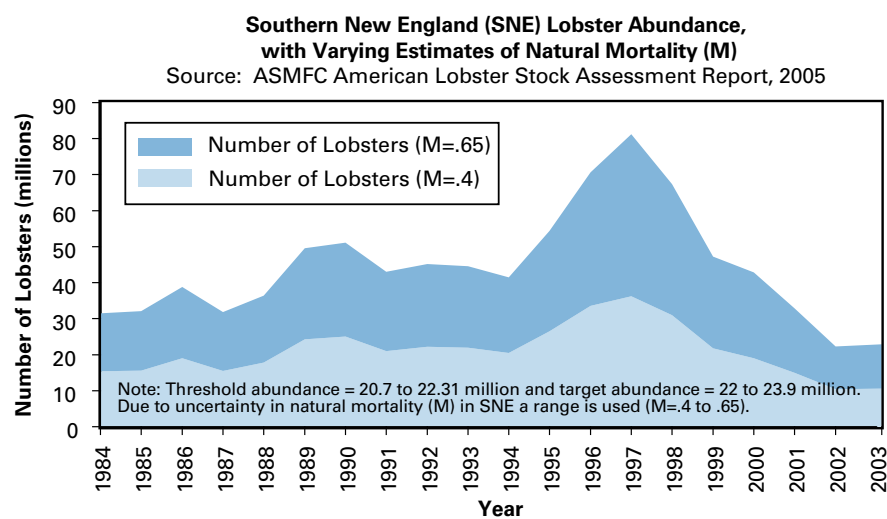
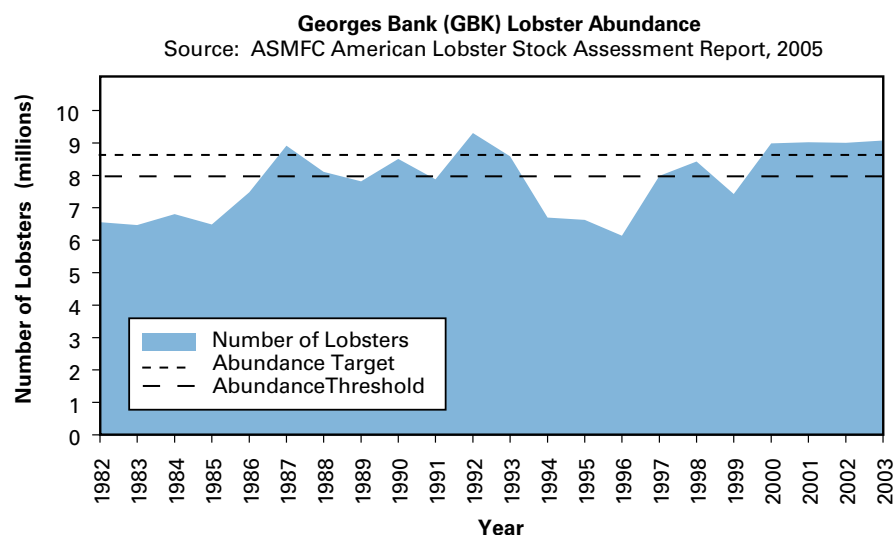
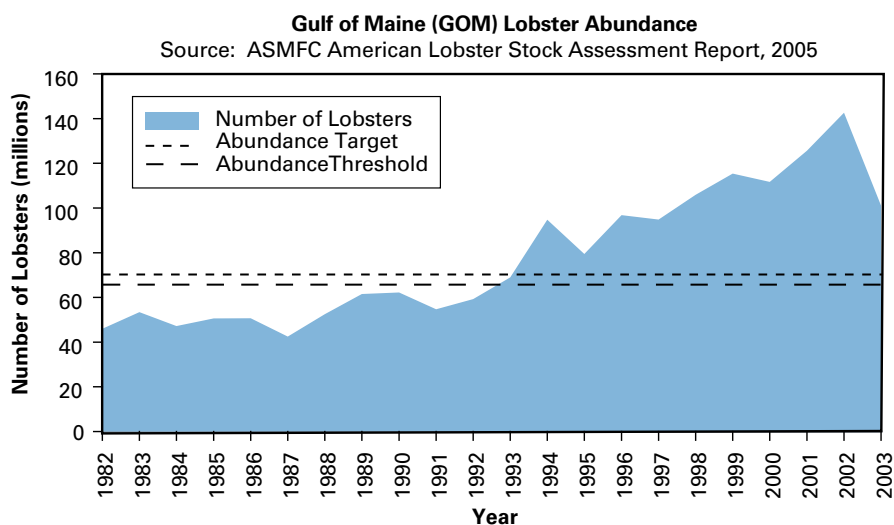
AMERICAN LOBSTER

In 2007, the Commission continued to implement its response to the findings and recommendations of the 2005 stock assessment and peer review. This assessment 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 (GOM) and Georges Bank (GBK), 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 over the past few years have led the peer review panel to call for additional harvest restrictions.

The American Lobster Management Board approved Addendum XI to Amendment 3 to the American Lobster FMP. The Addendum establishes a comprehensive program for all SNE fisheries based on the recommendations of the 2005 peer review panel for a common biological management strategy for the region. Measures include minimum and maximum size limits, possible future trap reductions, as well as a 15-year rebuilding timeline (ending in 2022) with a provision to end overfishing immediately. The Board will monitor the progress of the rebuilding program and consider adjustments if necessary.

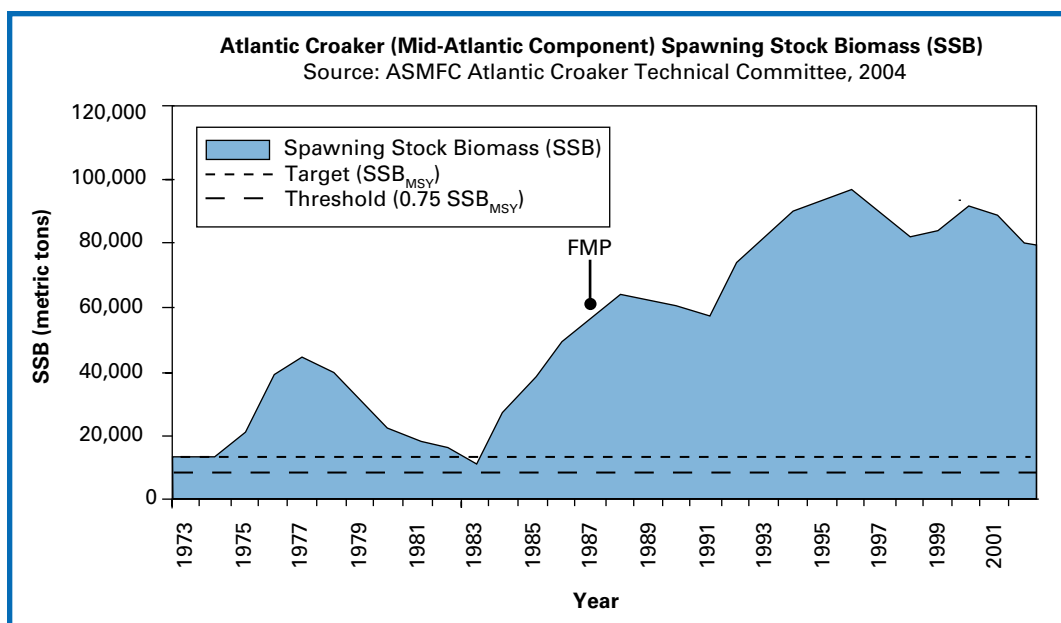
Draft Addendum XII to the FMP was initiated to propose protocols for the consistent application of trap transferability programs for the plan's lobster conservation management areas. The goal of the Addendum is to provide for fair implementation of individual trap transferable programs that allow for 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; and the application of the "most restrictive rule."

In 2006, the Lobster Board received a progress report of stock abundance to guide the development of a SNE stock rebuilding plan as well as keep tabs on the two northern stocks -- GBK and GOM. The stock-wide SNE abundance estimates for 2004 and 2005 are about 50 percent below the long-term average, while relative exploitation estimates for the same time period remain close to 2003 levels. Results for GBK showed a slight decline in abundance in 2004 - 2005 compared to 1996 - 2003, however, annual values for 2004 - 2005 are still about 40 percent above the long-term (1982- 2003) average. The GOM stock was evaluated using state and federal trawl indices to show trends in lobster abundance. These trends show that annual abundance values for 2004 - 2005 are well above the long-term average. However, landings in 2004 - 2005 increased more than abundance did, indicating a relatively high harvest rate. The next benchmark assessment is planned for 2008.



Timeline of Management Actions: Amendment 3 (1997); Addendum I (1999); Addendum II (2001); Addendum III (2002); Addendum IV (2003); Addendum VII (2005); Addendum VIII (2006)

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 will determine if a stock assessment update is warranted prior to the next scheduled assessment in 2009. The 2007 review of the triggers concluded that an assessment update was not necessary based on the 2006 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 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.



Norman Jenkins of Portsmouth, VA holds the largest croaker ever caught, at 8 pounds, 11 ounces. With Jenkins is longtime fishing buddy Sammy Brooks.

ATLANTIC HERRING



The states fully implemented Amendment 2 to the Interstate FMP for Atlantic Herring in 2007. The Amendment revised management area boundaries, biological reference points, the specification process, research set-asides, internal waters processing operations, and measures to address fixed gear fisheries. These measures are intended to maintain the resource's current high abundance level while also maintaining traditional use patterns in the fishery, allowing for an expanded bait fishery, and protecting herring's role as forage in the northwest Atlantic ecosystem.

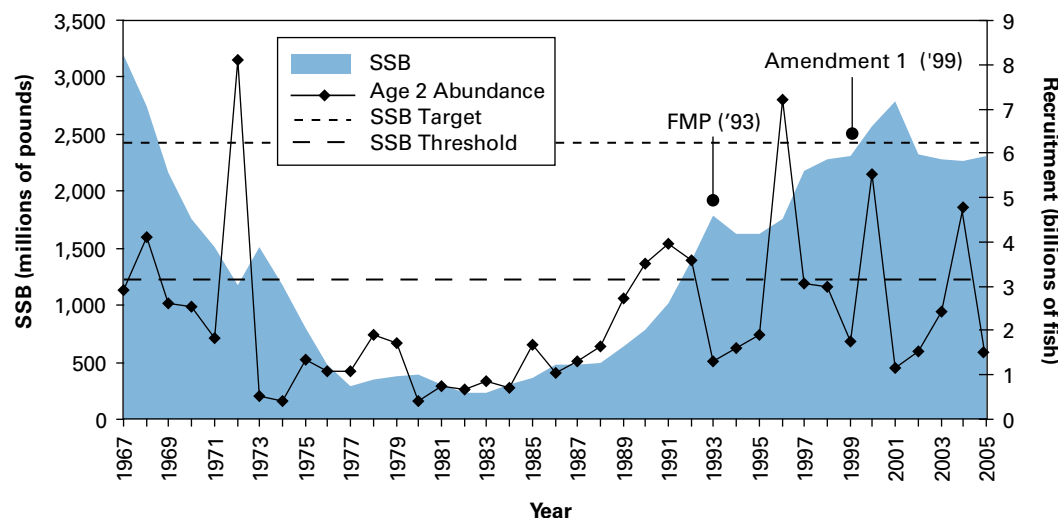
Amendment 2 contains complementary management measures to those contained in Amendment 1 to the federal FMP, approved by the National Marine Fisheries Service (NMFS) in early 2007. Amendment 2 differs from the corresponding federal Amendment with regard to its effort control program ("days out" provision) and spawning restrictions.

The most recent assessment for Atlantic herring was conducted in 2006 by the Transboundary Resource Assessment Committee, 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. Spawning stock biomass (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 metric tons (99.2 million pounds) in Area 1A, an inshore region off the coasts of Maine, New Hampshire, and Massachusetts.

Atlantic Herring Spawning Stock Biomass (SSB) and Recruitment (Age 2 Abundance)
Source: Transboundary Resource Assessment Committee, 2006



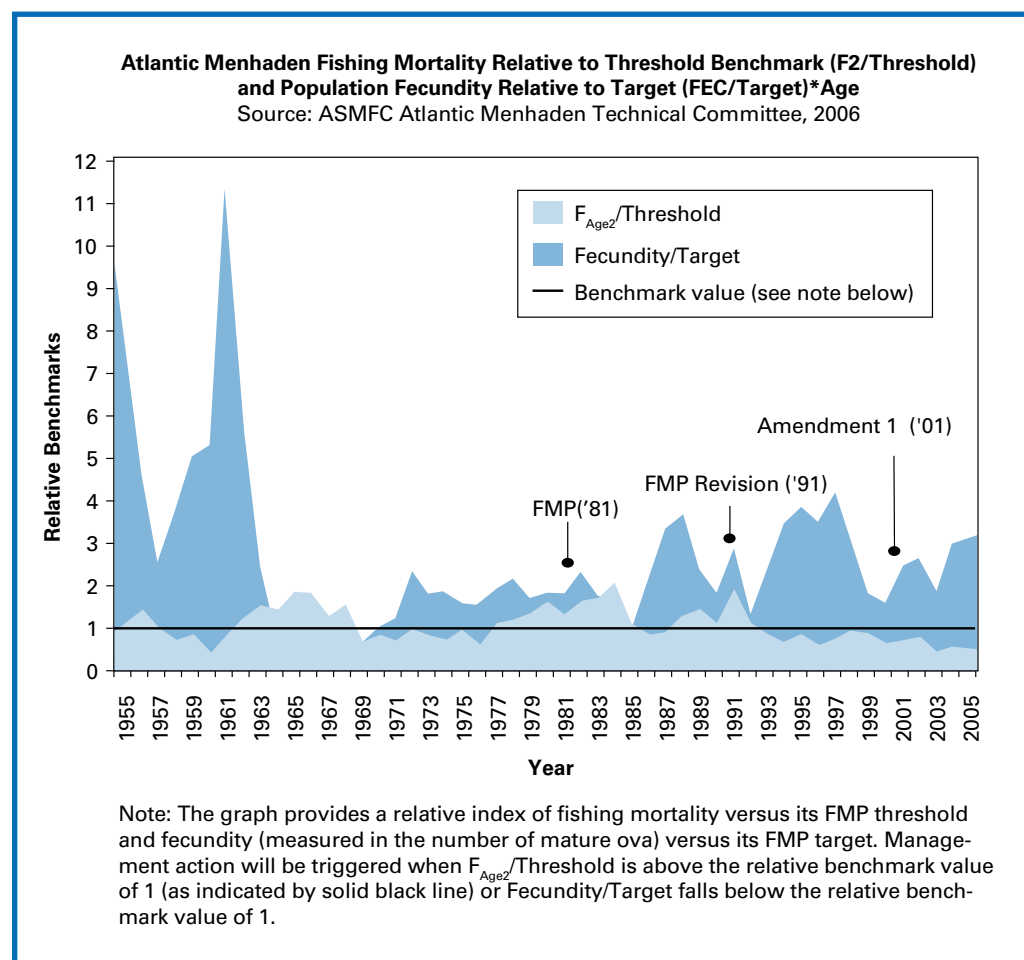
ATLANTIC MENHADEN

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 2007 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 2006.

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.

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 percent 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. Total reduction landings in 2006 and preliminary 2007 landings fall well below the 109,020 metric ton cap.

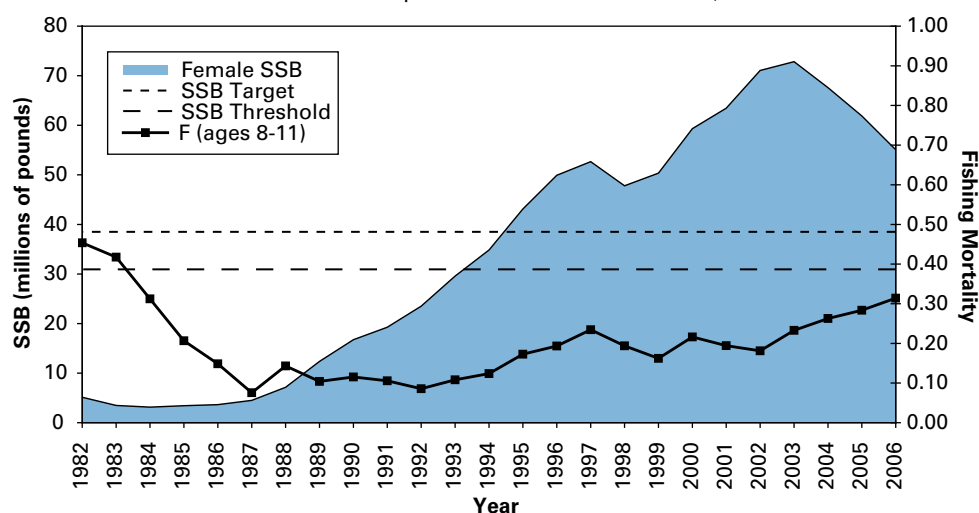
Significant progress was made in 2007 on a research initiative included in Addendum II. This research is aimed to determine the status of menhaden in the Bay and assess whether localized depletion is occurring. Of the 17 projects that have been initiated, three have been completed and several others will be finished over the next year. As the projects are completed, the results will be submitted to the Atlantic Menhaden Technical Committee for consideration in future assessments.

ATLANTIC STRIPED BASS



Atlantic Striped Bass Female Spawning Stock Biomass (SSB) and Fully-Recruited Fishing Mortality Rate (F ages 8-11)

Source: ASMFC Striped Bass Technical Committee, 2007



Timeline of Management Actions: Amendments 1 & 2 (1984); Amendment 3 (1985); Amendment 4 (1990); Amendment 5 (1995); Amendment 6 (2003)

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 2007, a benchmark stock assessment was completed and peer reviewed. The results of this effort indicate that the stock is not overfished and overfishing is not occurring. The estimated 2006 SSB of 55 million pounds is well above the target of 38.6 million pounds and the threshold of 30.9 million pounds. The 2006 fishing mortality rate on age 8-11 fish ($F=0.31$) was slightly above the Amendment 6 target of 0.30 but below the fishing mortality threshold of 0.41.

Total striped bass harvest (commercial and recreational) comprised 3.82 million fish in 2006, a 46 percent increase from 2002 (prior to the implementation of Amendment 6). The commercial harvest (1.05 million fish) was dominated by Maryland's commercial fisheries, which made up 62 percent of the total commercial landings by number in 2006. Virginia accounted for 10 percent of the commercial landings by number, followed

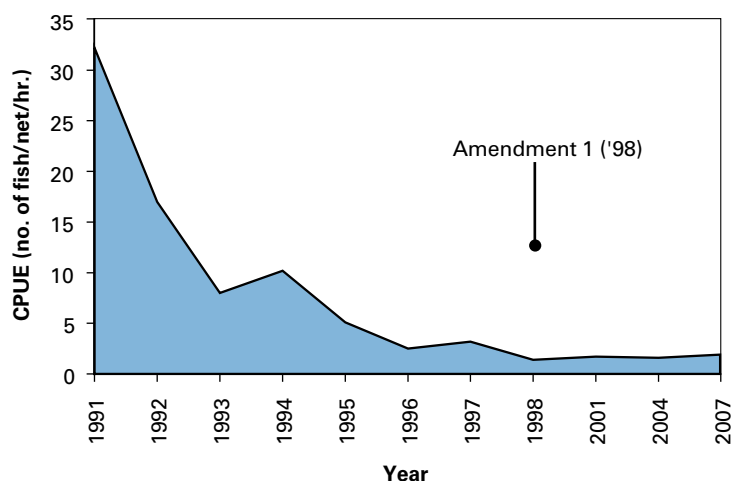
by the Potomac River Fisheries Commission (9 percent), New York (7 percent), and Massachusetts (7 percent). The remaining states with commercial fisheries each landed three percent or less of the total commercial landings in number. Commercial dead discards were estimated at about 217,000 fish in 2006.

Recreational harvest (2.77 million fish) and discard losses (2.07 million fish) account for 57 percent and 43 percent, respectively, of the total 2006 recreational losses. Maryland recreational fisheries harvested 24 percent of total recreational landings in number, followed by Virginia (22 percent), New Jersey (18 percent), Massachusetts (12 percent), and New York (11 percent). The remaining states each landed four percent or less of the total recreational landings in number.

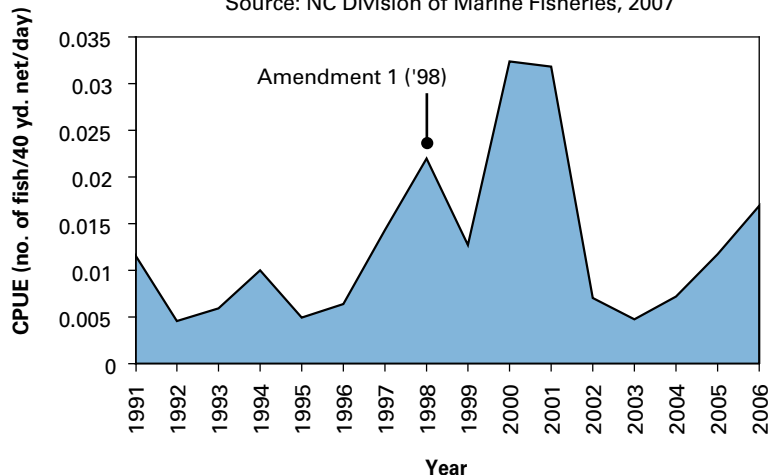
The Atlantic Striped Bass Management Board approved Addendum I to Amendment 6 to the Interstate FMP. The Addendum establishes a bycatch monitoring and research program to increase the accuracy of data on striped bass discards, as required by Amendment 6. The bycatch program establishes a suite of mandatory and voluntary data collection standards, discard mortality studies, and technical committee analyses for commercial, recreational, and for-hire fisheries.



Fishery-independent Catch Rates of Subadult Atlantic Sturgeon Taken in the Delaware River Tag-Recapture Program
Source: DE Fish & Wildlife Division, 2007



Fishery-independent Catch Rates of Juvenile Atlantic Sturgeon in Albemarle Sound
Source: NC Division of Marine Fisheries, 2007



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 the 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 easy to sample. In 1998, the Commission completed a peer-reviewed coastwide assessment of the population. The assessment was conducted for each river system 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.

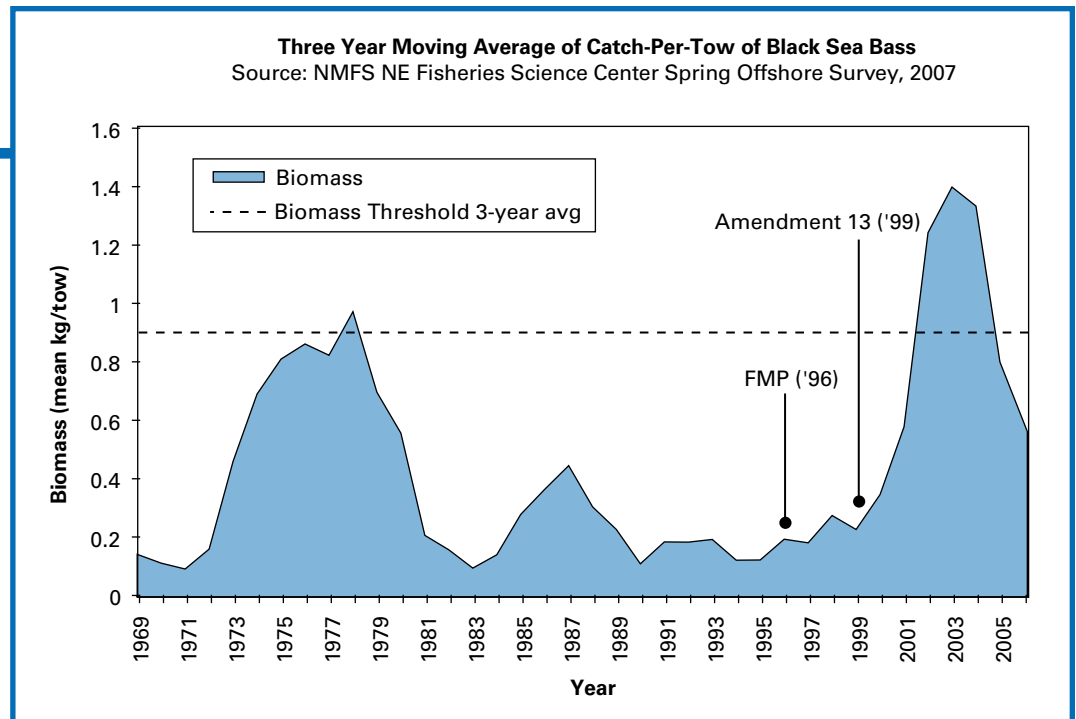
In 2005, NMFS conducted a status review to evaluate whether this species required protection under the Endangered Species Act. The Status Review Team (SRT) determined that Atlantic sturgeon should be broken down into five distinct population segments (DPS): (1) Gulf of Maine, (2) New York Bight, (3) Chesapeake Bay, (4) Carolina, and (5) South Atlantic. The SRT found that the Carolina, Chesapeake Bay, and New York Bight DPSs were likely (>50 percent chance) to become endangered in the next 20 years. In 2008, NMFS will re-evaluate the listing status of Atlantic sturgeon.

BLACK SEA BASS

In 2007, the Commission maintained its joint management program for black sea bass with the Mid-Atlantic Fishery Management Council. 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.

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 Northeast Fisheries Science Center's Spring Survey. The most recent three-year average (2005-2007) is 0.57 kg/tow; as such, the stock is considered overfished. In response to this overfished status, the Commission reduced the quota for 2008 to 4.22 million pounds from 6.5 million pounds in 2007.



The Commission and Council continued to work on Amendment 15 to the Summer Flounder, Scup, and Black Sea Bass FMP. The Amendment 15 Public Information Document addresses a broad range of issues for the black sea bass fishery, including management strategies for allocating commercial quotas, ways to quantify and reduce discards, expansion of data collection requirements, and the rollover of unused quotas in both commercial and recreational fisheries. During 2007, the list of issues to be addressed in the Amendment was refined and work to develop the draft document was initiated. Development of Amendment 15 will continue in 2008.

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

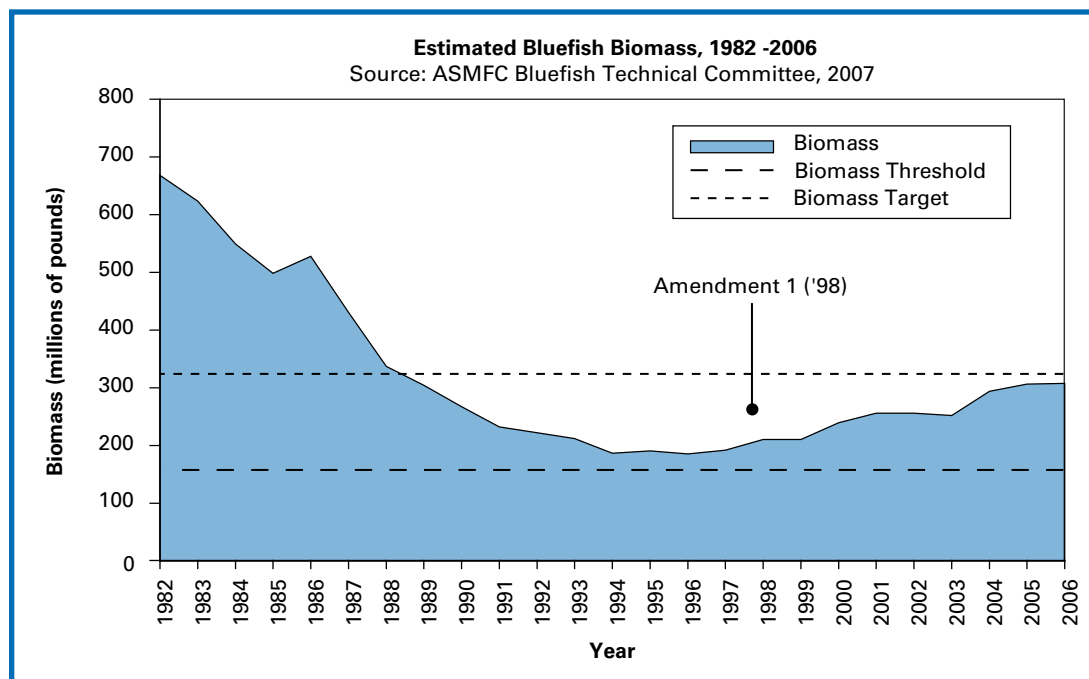
BLUEFISH

The Commission and the Mid-Atlantic Fishery Management Council 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 2007, the bluefish stock assessment was updated by the Bluefish Technical Committee to incorporate the 2006 landings and survey indices. The assessment indicated that the stock is not overfished and overfishing is not

occurring. In 2006, the biomass (308 million pounds) exceeded the biomass threshold (162.1 million pounds) but was still below the biomass target of 324.2 million pounds. The fishing mortality was estimated to be 0.15, well below the target and threshold of 0.31 and 0.40, respectively. The 2007 stock assessment update indicates that projected stock biomass for the 2008 fishing year is at approximately



99 percent of its rebuilding target. While the assessment update was based on previously peer-reviewed methodologies, concerns remain regarding the adequacy of the available data.

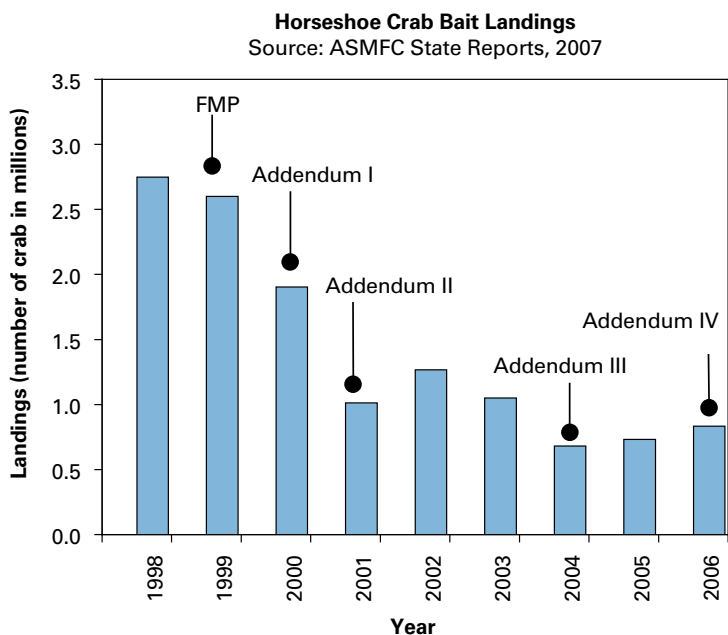
Based on the positive information contained in the assessment update, the Commission increased the bluefish total allowable landings by about half a million pounds to 28.2 million pounds for 2008.

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.

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.



In 2000, the Commission established state-by-state quotas in all Atlantic states for crabs harvested for bait. In 2006, the Commission approved Addendum IV further reducing quotas in New Jersey and Delaware and added additional protection in Maryland and Virginia to increase horseshoe crab and egg abundance in and around Delaware Bay in response to decreasing migratory shorebird populations (i.e., red knots). The Addendum allows for a limited commercial male-only bait fishery in New Jersey and Delaware for two years (2007-2008).

In 2007, New Jersey maintained its moratorium on the harvest of horseshoe crab, while Delaware implemented a limited male-only fishery. New Jersey's action is more conservative than the Commission standards and is aimed at further increasing the availability of horseshoe crab eggs to support shorebird migrations.

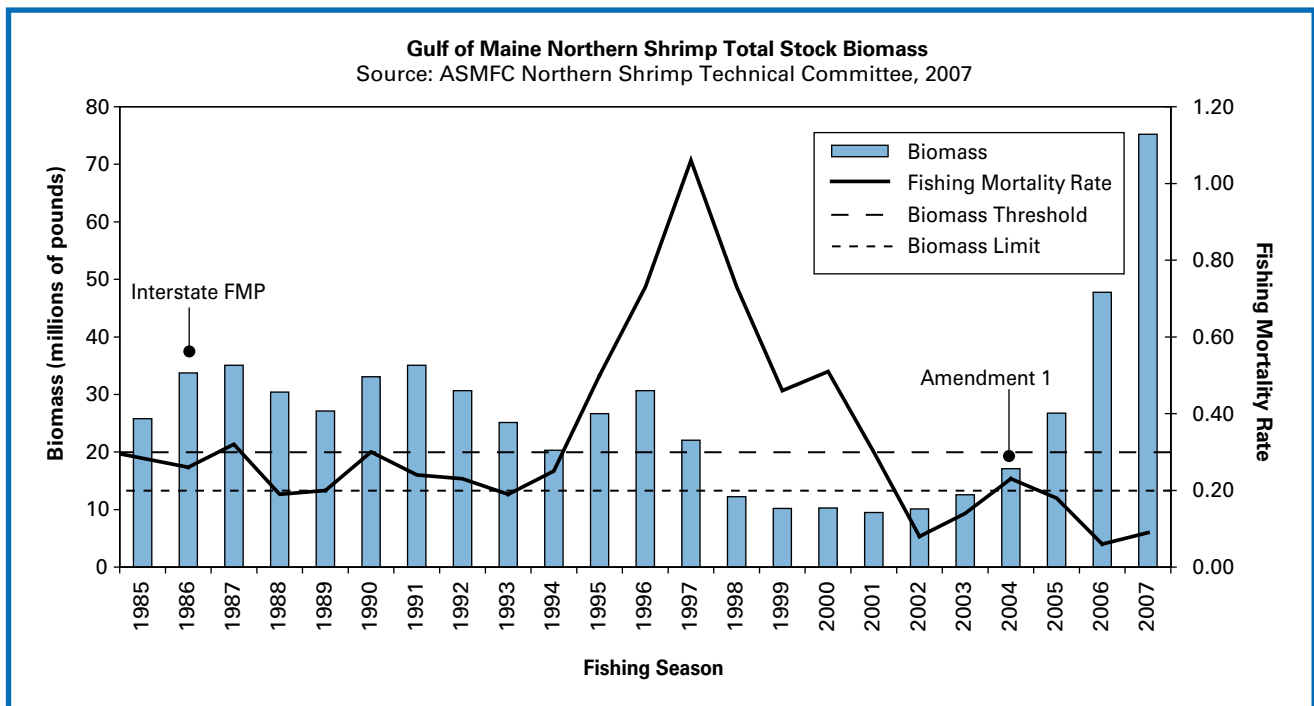
The USFWS Shorebird Technical Committee and the ASMFC Horseshoe Crab Technical Committee are developing an adaptive resource management model that links the population assessments of horseshoe

crabs and red knots. The goal of this effort is to produce a single model that will provide a single set of recommendations to manage these valuable species.

NORTHERN SHRIMP

Throughout the early part of this century, 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 appear to have paid off as biomass has increased over the last two years.

The existing stock provides a small but valuable fishery for Maine, New Hampshire, and Massachusetts with an average historic economic value estimated at around six million dollars. Updated in 2007, the northern shrimp stock assessment indicates that the stock is not overfished and overfishing is not occurring. 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 75.2 million pounds for the 2007 season. The Technical Committee has cautioned that there is a high degree of uncertainty around the 2007 estimate.



Based on the high estimated abundance, the Northern Shrimp Section approved a 152-day fishing season for the 2007-2008 northern shrimp fishery, a 1-day increase from the previous year's season. The Section also made a conditional commitment to set a fishing season for 2008/2009 that spans from December to April. The number of fishing days within that time frame may be adjusted based on the 2008 stock assessment. Due to low recruitment in 2005 and 2006, the 2004 year-class may be the only one to support a fishery in 2008/2009. If the 2004 year-class weakens because of environmental factors or fishing pressure this season, the number of fishing days next season may need to be reduced from 152.

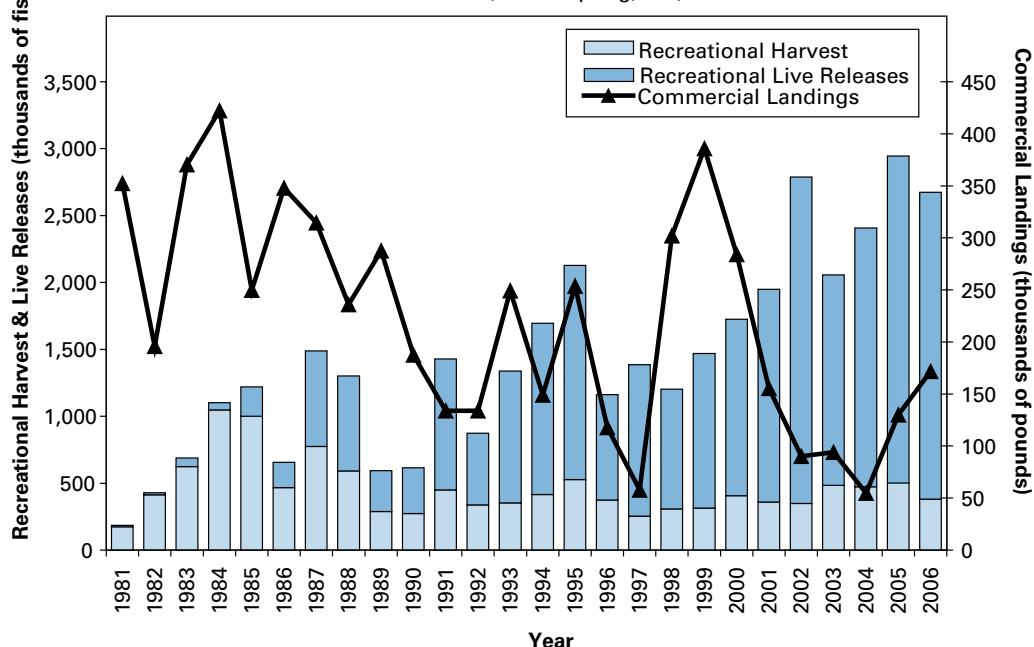
RED DRUM

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 percent 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, red drum populations have shown significant increases over the last ten years.



Red Drum Commercial Landings and Recreational Catch (Harvest + Live Releases)

Source: State Reports and personal communication from the NMFS Fisheries Statistics Division, Silver Spring, MD, 2007



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 sub-adults (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 spawning stock biomass or egg production in a fished versus an unfished stock.

In the northern region (North Carolina to New Jersey), SPR increased from 1.3 percent for the period 1987-1991 to approximately 18 percent for 1992-1998. In the southern region (Florida to South Carolina), estimates of SPR increased from 0.5 percent for the period 1987-1991 to approximately 15 percent for 1992-1998. The 2000 assessment also indicated recruitment has 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 has fluctuated without trend ranging from 550,000 recruits in 1991 to 75,000 in 1998. The stock status will be reassessed in 2009 to determine if the Amendment's goal of 40 percent SPR is being reached. Currently, information suggests that overfishing is not occurring, although it is not clear if the stock is overfished.

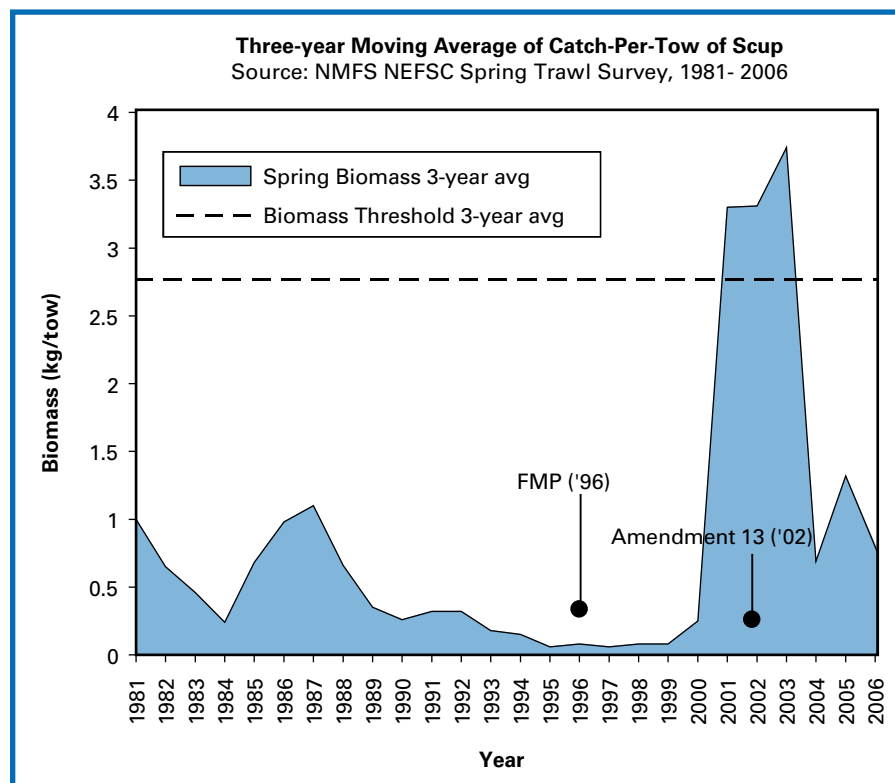
In 2007, North Carolina, South Carolina, and Georgia continued to conduct sampling programs to provide a fisheries-independent index of abundance for adult red drum. This adult index will be used in the red drum assessment process and will aid managers in determining biological reference points. The states also began to develop stocking protocols that could be used to enhance the population of red drum.

SCUP

For nearly a decade, the Commission has jointly managed the scup resource with the Mid-Atlantic Fishery Management Council. 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 Northeast Fisheries Science Center Spring Trawl Survey. The average survey value decreased in 2007 to 0.76 kg per tow and 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 drop, the Commission and Council set the 2008 total allowable landings (TAL) limit at 7.34 million pounds, a significant decline from the 2007 TAL of 13.5 million pounds.



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 S/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.

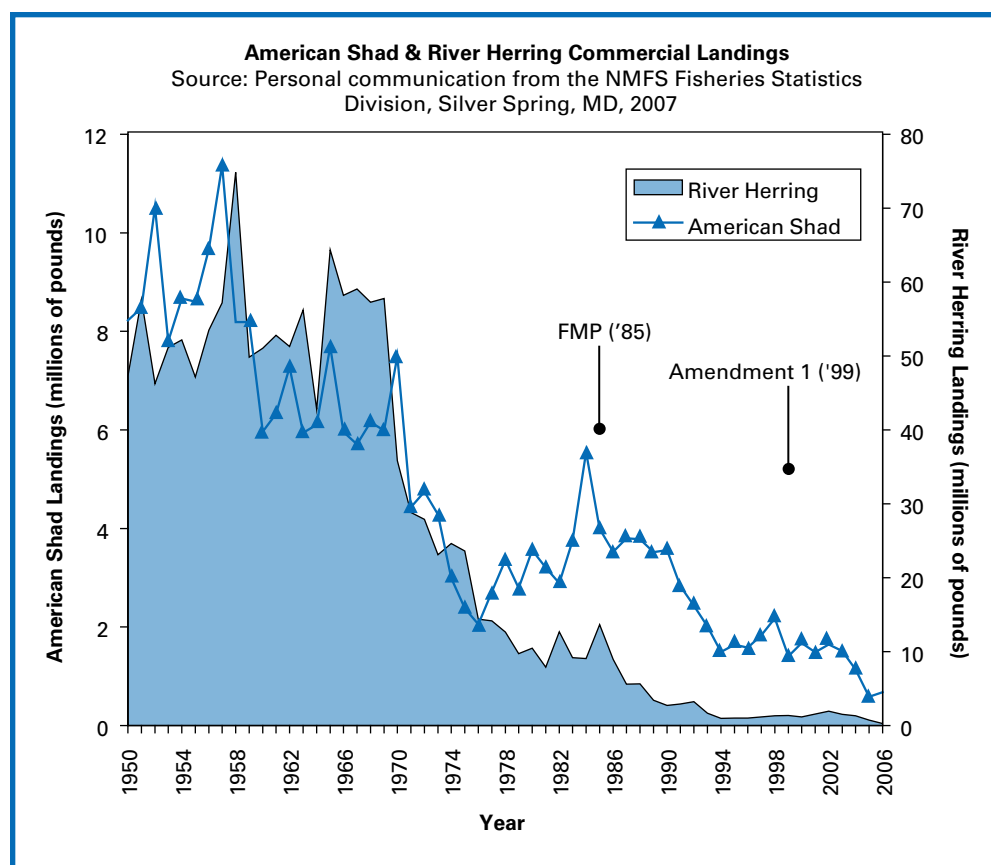


SHAD & RIVER HERRING

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 shad and hickory shad, with all jurisdictions maintaining existing or more conservative recreational regulations for river herring.

AMERICAN SHAD

In 2007, the long-awaited 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, the Chesapeake Bay, the 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 initiated the development of Amendment 3 to the Interstate FMP for Shad and River Herring. The Amendment will address (1) incorporating the biological reference points and stock rebuilding goals identified in the 2007 benchmark stock assessment; (2) restricting fisheries operating on stocks where total mortality is increasing and relative abundance is decreasing; and (3) limiting the expansion of directed American shad fisheries unless a state or jurisdiction with management oversight can demonstrate

Trends in Stock Status of American Shad Populations from the 2007 Benchmark Assessment. A “?” indicates either insufficient data or various data analyses gave conflicting indications of trend. (Source: ASMFC American Shad Stock Assessment Report, 2007)

that an increase in harvest will not jeopardize the rebuilding or sustainability of the stock in question. Final action on Amendment 3 will likely occur in 2009.

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 percent from 13.6 to 1.33 million pounds. In 2006, Commission member states reported river herring landings of approximately 1.4 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. 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. The Amendment’s Public Information Document was released in late 2007 to solicit public comment on potential management actions to protect river herring stocks coastwide. Final action on Amendment 2 is anticipated for 2009.

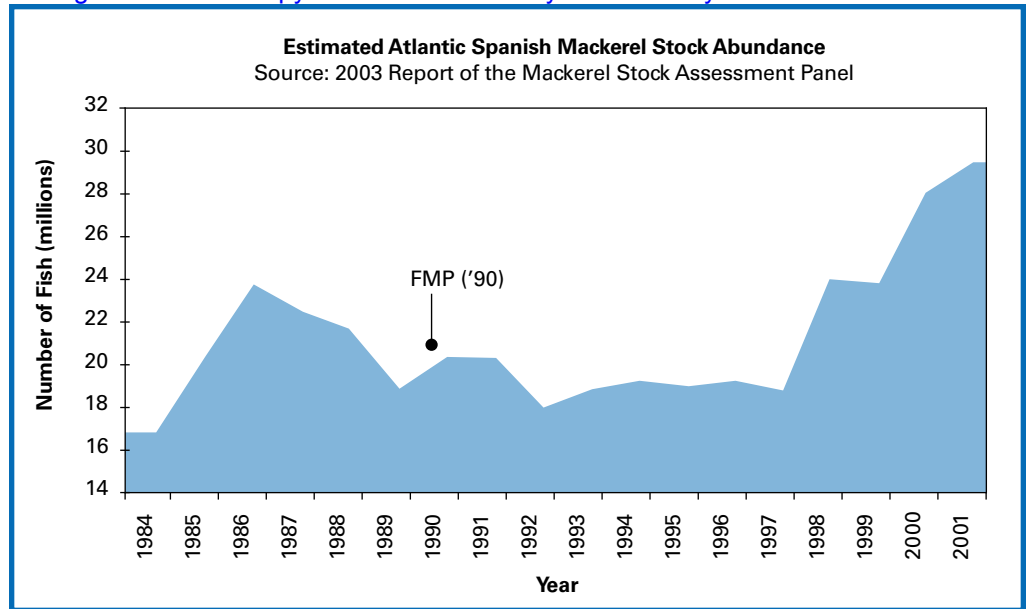
State	River	2005 Status Trend
ME	Merrymeeting Bay	Declining
NH	Exeter	Declining
MA	Merrimack	Stable
RI	Pawcatuck	Declining
CT & MA	Connecticut	Stable
NY	Hudson	Declining
NY, PA, NJ, DE	Delaware River & Bay	Stable
MD	Nanticoke	Stable
PA & MD	Susquehanna River & Flats	Declining
MD, DC, VA	Potomac	Increasing
VA	York	Increasing
	James	Declining
	Rappahannock	Stable
NC	Albemarle Sound	Stable
	Roanoke	Stable
	Tar-Pamlico	?
	Neuse	?
SC	Cape Fear	?
	Winyah Bay	Stable
	Waccamaw	?
	Great Pee-Dee	?
	Santee	?
	Cooper	Stable
	Combahee	?
SC & GA	Edisto	Declining
	Savannah	Stable
GA	Altamaha (+ Ocmulgee)	Declining
FL	St. Johns	Stable

SPANISH MACKEREL

The Commission and the South Atlantic Fishery Management Council 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 have implemented bag and size limits, or provisions for seasonal closures to complement the Council’s measures implemented in federal waters. These actions have resulted in stock rebuilding, with the species currently designated as not overfished and overfishing not occurring.

Total landings of Spanish mackerel in 2006 are estimated at 5.04 million pounds, with the commercial fishery harvesting approximately 72 percent of this total and the recreational fishery harvesting the remaining 28 percent. These values are very close to the average contribution of each sector from 1981-2005 (71 and 29 percent, respectively).

The latest stock assessment, conducted in 2003, indicated that stock abundance has more than doubled since 1995, reaching a high of approximately 30 million fish in 2001. A benchmark stock assessment of Atlantic coast Spanish mackerel will be completed in the fall of 2008 through the Southeast Data, Assessment, and Review (SEDAR) process.

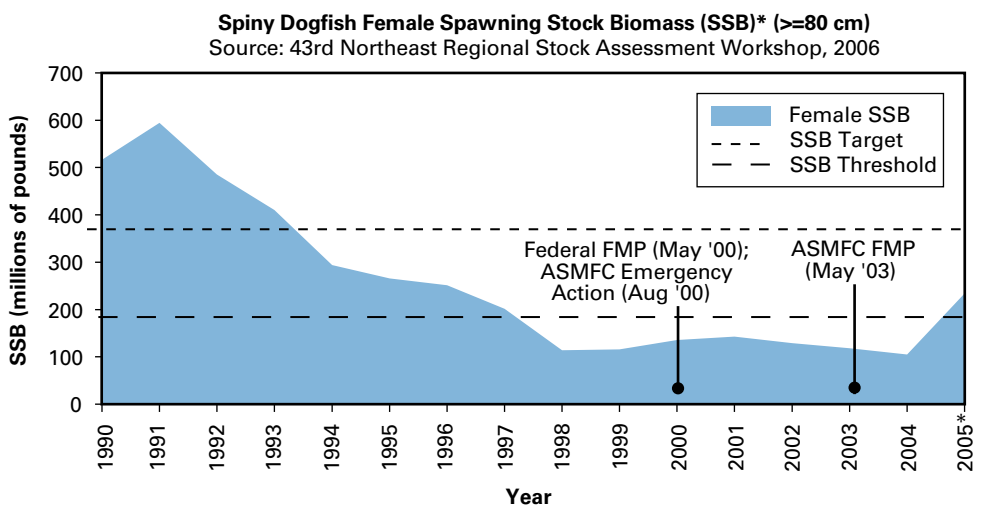


SPINY DOGFISH & COASTAL SHARKS

SPINY DOGFISH

The Commission and the Mid-Atlantic Fishery Management Council 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 2007, 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 has continued to increase. Though the stock has not rebuilt to its target SSB, it is not overfished and overfishing is not occurring. The estimated fishing mortality rate in 2006 (0.11) is below the updated overfishing threshold of 0.39.



*Note: The 2005 estimate of biomass is strongly influenced by the 2006 survey estimate.

Based on the updated assessment information, the Commission approved a 2007/2008 quota of six 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. The Commission also set the 2008/2009 fishing year quota at eight million pounds, with a trip limit of up to 3,000 pounds.

COASTAL SHARKS

Throughout 2007, the Spiny Dogfish and Coastal Sharks Management Board worked to refine the management options contained in the Draft Interstate FMP for Atlantic Coastal Sharks. The Draft FMP, developed to ensure coordinated management between state and federal waters along the Atlantic coast, will be released for public comment and review in early 2008. Final plan approval is scheduled for mid- to late 2008.

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

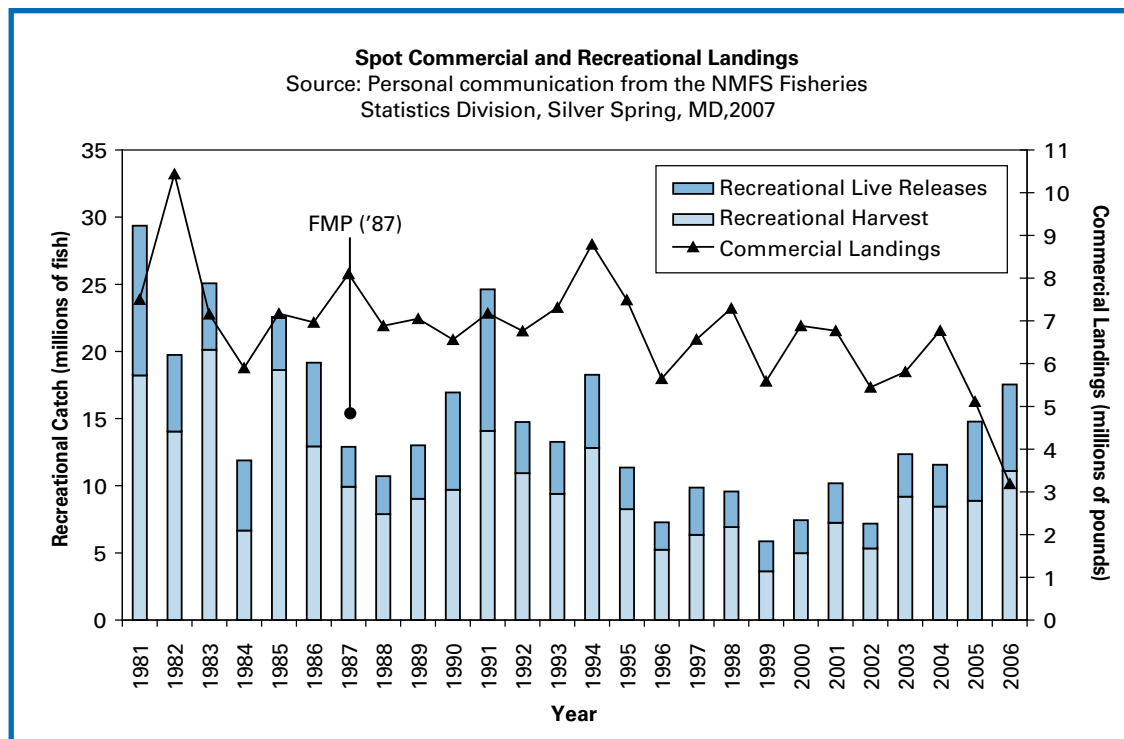


Status of the SCS complex in the last year of the assessment (2005) was determined to be not overfished and overfishing is not occurring. The complex as a whole appears to have experienced very little depletion with respect to virgin levels. An independent peer review panel supported the single-species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

SPOT

Spot occur 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 support important recreational and

commercial fisheries in the South Atlantic, with total landings in 2006 estimated at 7.35 million pounds, the second lowest value since 1981. The commercial fishery landed about 43 percent of this total, with the recreational fishery harvesting the remaining 57 percent. These percentages significantly differ from historical use patterns, with the commercial fishery dominating landings in all other years since 1981.



Except for Virginia, there is no specific spot stock status survey, though the species is a major component of samples in generalized trawl and seine surveys in several states. In 2007, the Spot Plan Review Team compiled fishery catch-per-unit-effort (CPUE) data and fishery-independent survey data from Maryland, Virginia, and North Carolina, the three states that harvest the majority of spot. Since 1994, commercial CPUE has generally increased over time in Maryland, varied without trend in Virginia, and has been relatively stable in North Carolina. In addition, Delaware conducts two trawl surveys for juvenile fish in Delaware's estuarine waters, both of which are highly variable, but below the time series averages in 2006.

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.

SPOTTED SEATROUT

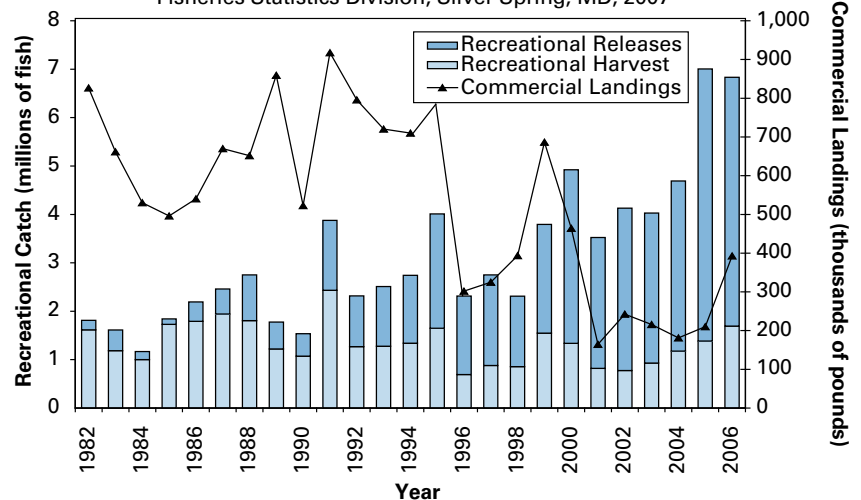
Spotted seatrout support significant recreational fisheries throughout the Southeast, with nearly seven million fish harvested and released in 2006. In Florida alone, where the fish is highly accessible, spotted seatrout is often the most sought after and exploited gamefish. The commercial fishery is just a fraction of the recreational catch, harvesting less than 400,000 pounds in 2006, or about 15 percent of the recreational harvest in pounds of fish. 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.



The Commission cooperatively manages spotted seatrout with the South Atlantic Fishery Management Council. Under the management program, 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 Commercial Landings & Recreational Catch (Harvest and Releases)

Source: Personal communication from the NMFS Fisheries Statistics Division, Silver Spring, MD, 2007

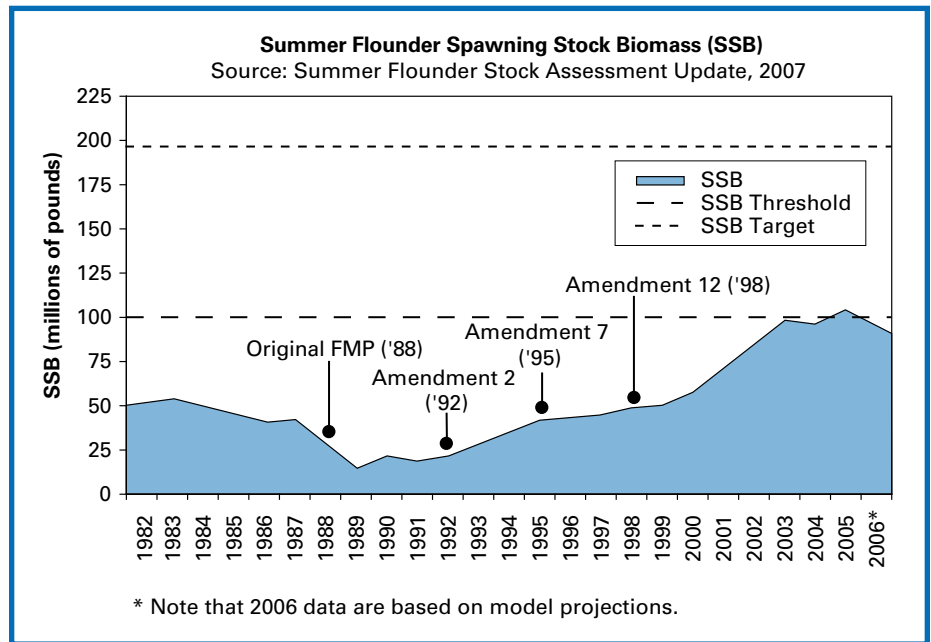


SUMMER FLOUNDER

The Commission and the Mid-Atlantic Fishery Management Council have jointly managed summer flounder for nearly 20 years. The population is demonstrating a positive response to the joint management program, although not as quickly as previously estimated.

In 2007, the Summer Flounder, Scup, and Black Sea Bass Management Board approved new biological reference points based on the recommendations of the 2006 Summer Flounder Assessment and Biological Reference Point Update. In 2007, the assessment was updated further using data through 2006. The 2007 update found the estimated 2006 SSB of 93.3 million pounds to have fallen just below the SSB threshold of 98.6 million pounds and well below the SSB target of 197 million pounds, an amount that would support nearly twice the current harvest. Further, the current estimate of fishing mortality (0.35) is above the target and threshold fishing mortality rates of 0.28. These findings result in an overfished stock with overfishing occurring.

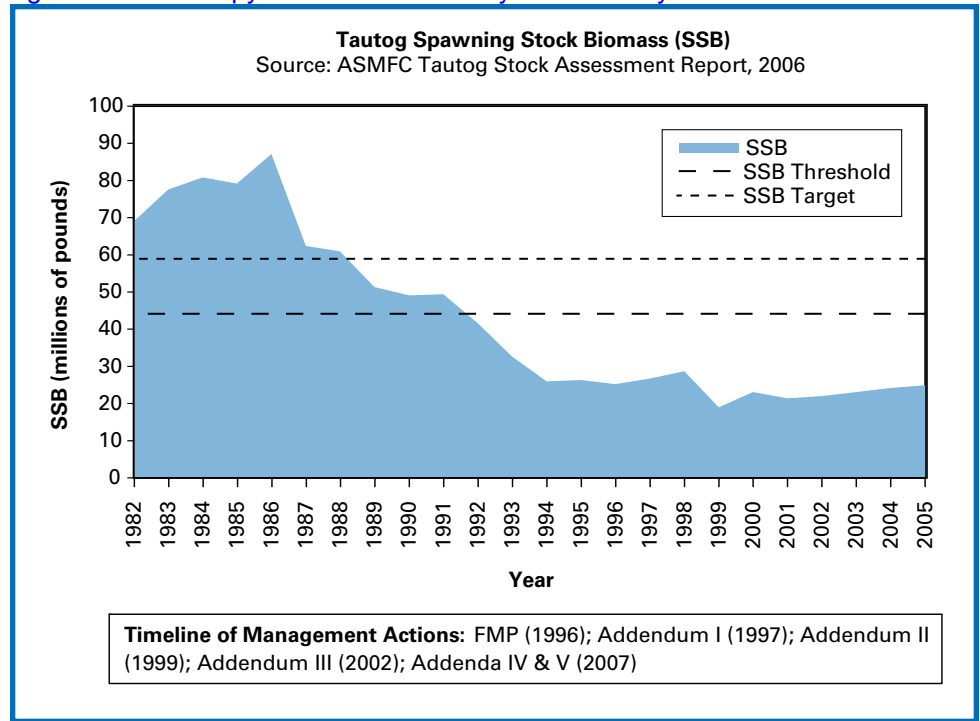
When setting the TAL limit for 2008, the Board took into account the recent reauthorization of the Magnuson-Stevens Act, which included a provision that would allow for the extension of the rebuilding time frame for the summer flounder fishery to no later than January 1, 2013. Based on the 2007 stock estimates, the Commission and Council set the initial 2008 TAL at 15.77 million pounds in order to meet the revised rebuilding timeline.



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.

The Commission completed Addenda IV and V to the Plan in 2007 in response to the most recent stock assessment update. The addenda require that the states achieve a 25.6 percent 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.



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



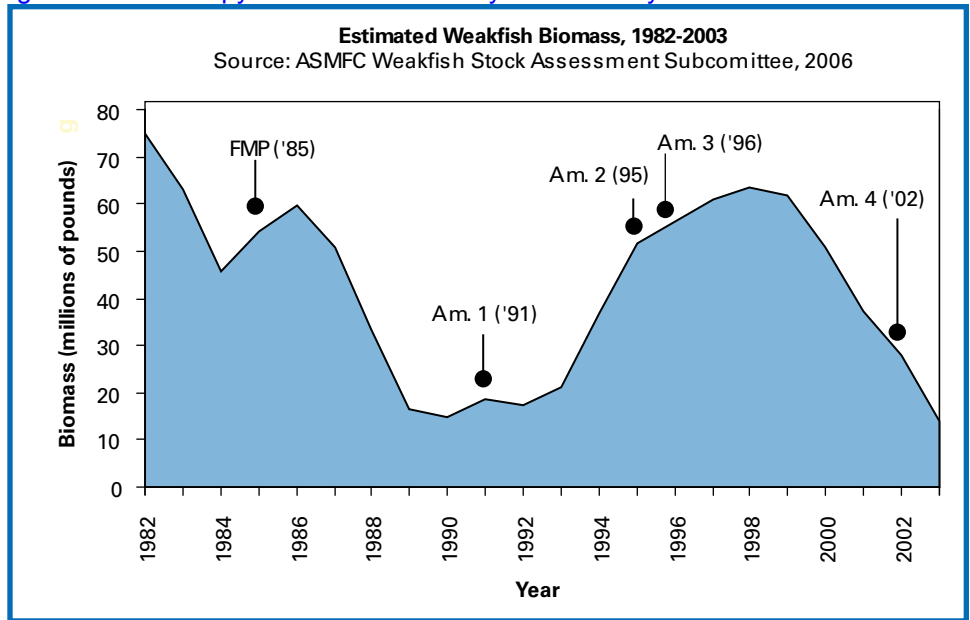
WEAKFISH

Weakfish are currently managed under Amendment 4 to the Interstate FMP (2002). This Amendment includes biological reference points, an updated recreational management program, and adjustments commercial bycatch provisions. The management measures in this 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

stock status improves. Under this Addendum, the states of Massachusetts through North Carolina are required to implement a six fish creel limit at their current size limit for the recreational fishery. Because of their insignificant weakfish landings, the more southern states of South Carolina, Georgia, and Florida are required to maintain their current creel and size limits. For the commercial fishery, the Addendum reduces the allowable bycatch limit from 300 pounds to 150 pounds per day or trip. It also establishes two management triggers that will require the Board to reevaluate the management program when either is reached. These are: (1) when coastwide commercial landings equal or exceed 2.99 million pounds (80 percent of the average landings for 2000-2004), and (2) when any single state's landings exceed its five-year mean by more than 25 percent in any single year.



Also this year, 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. This change affects newly certified BRDs only. All BRDs previously certified through the South Atlantic Fishery Management Council's BRD certification program continue to be certified for the southern penaeid shrimp trawl fishery. States will now require vessels in this fishery to employ previously certified BRDs or those newly tested and certified to reduce the weight of finfish bycatch by 30 percent.

WINTER FLOUNDER

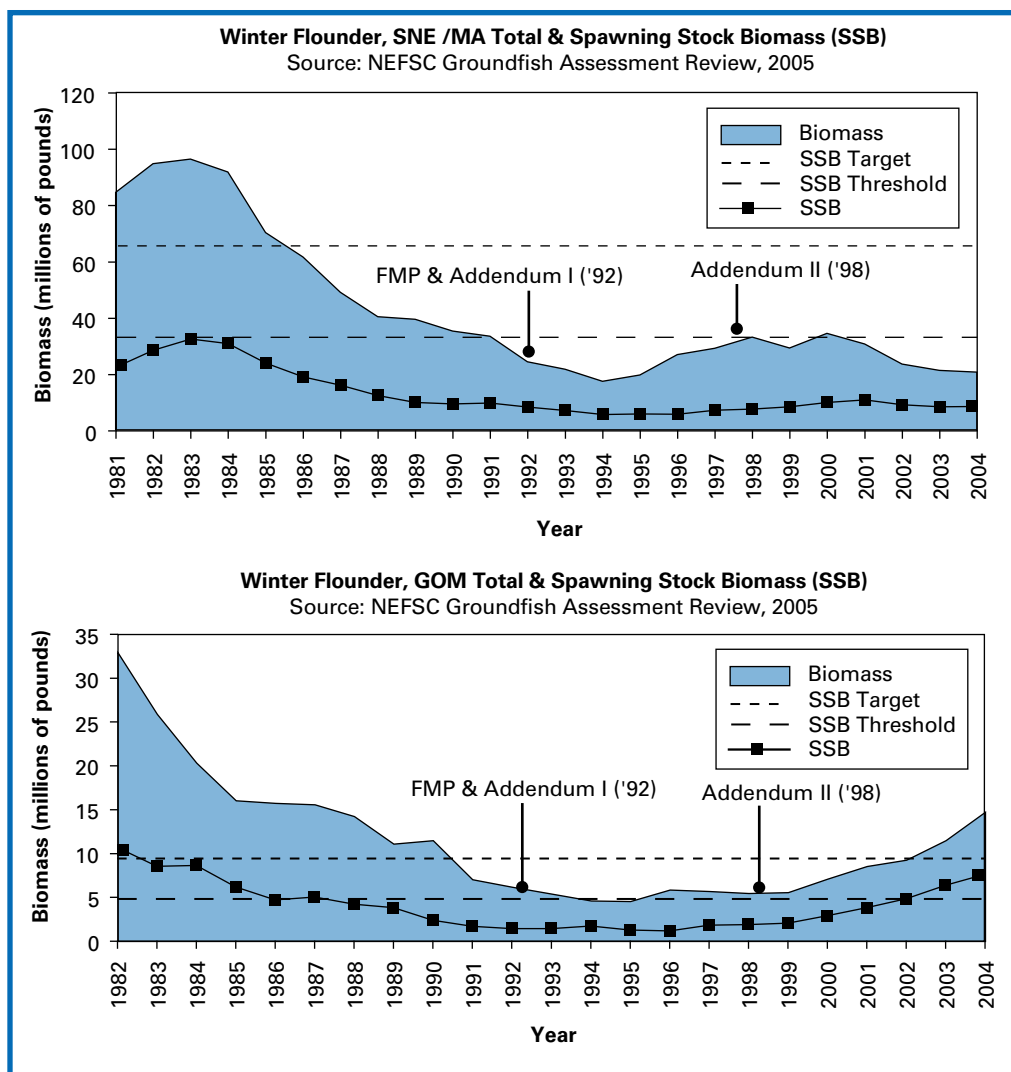
Winter flounder are an important commercial and recreational fish throughout New England and the Mid-Atlantic. Inshore habitat degradation and overfishing have contributed to serious stock declines throughout the species' range, leaving both fisheries at a fraction of their historical numbers. Amendment 1, implemented in 2005, includes measures designed to meet a set of stock-wide conservation standards. These measures, in combination with those of Amendment 13 to Northeast Multispecies FMP for Groundfish, are intended to initiate stock rebuilding for the Southern New England/Mid-Atlantic stock, which is overfished and experiencing overfishing. Amendment 1 also seeks to maintain a healthy and sustainable Gulf of Maine stock.



The most recent stock assessment for the GOM (Gulf of Maine) and the Southern New England/Mid-Atlantic (SNE/MA) stocks was conducted by the NMFS Northeast Groundfish Assessment Review Meeting in 2005. The assessment indicated that the GOM winter flounder stock was not overfished

and overfishing was not occurring. SSB for the GOM stock was estimated to be 7.6 million pounds in 2004, which is about 84 percent of the SSB target of nine million pounds. The fishing mortality rate was estimated to be 0.13, well below F_{MSY} of 0.43.

The assessment indicated that the SNE/MA stock complex was overfished and overfishing was occurring. The estimated 2004 fishing mortality rate of 0.38 was significantly above the F_{MSY} of 0.32. SSB for SNE (8.68 million pounds) is about 13 percent of that necessary to support the maximum sustainable yield (66.4 million pounds). Some studies have indicated that while the population is managed as two stocks, the stock units may be made up of many small sub-stocks with little intermingling. The limited intermixing suggests that protecting the nearshore stocks will provide direct benefits to the states and their fishing constituents.



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 went through some significant changes in 2007. The Habitat Committee revised the Habitat Program's Five-Year Strategic and Management Plan (2007-2011) to align the Habitat Program with the Commission's Five-Year Strategic Plan, and outline the current priorities and direction of the Program. Additionally, the Commission sought to expand the membership of the Habitat Committee to include a total of 15 state, eight federal, and two non-governmental organization representatives, allowing the committee to more effectively pursue the Commission's vision and accomplish the goals set out in its Strategic Plan. The final step in revising the Habitat Program will be to complete the 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 promote the sustainability of fisheries along the Atlantic coast.

The Habitat Program has a publication series called, "The Habitat Management Series," which includes a number of documents that provide habitat managers with valuable sources of information on current



habitat issues. In 2007, the Habitat Program added to the series with the publication of Habitat Management Series #8, *The Importance of Habitat Created by Molluscan Shellfish to Managed Species along the Atlantic Coast of the United States*. The Habitat Program also produced and distributed four issues of the *Habitat Hotline Atlantic* newsletter, covering issues from the National Artificial Reef Plan to molluscan shellfish habitat to the National Fish Habitat Action Plan, and the Commission's involvement with the establishing the Atlantic Coastal Fish Habitat Partnership.

In 2007, a significant portion of the Habitat Program's time and effort was dedicated to

initiating 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 that foster fish habitat conservation and improve the quality of life for Americans. To generate interest and participation in forming an Atlantic coast partnership, the Commission held series of listening sessions, a workshop, several meetings, conference calls, and attended conferences to promote the initiative to a wide variety of audiences. The Partnership now has a number of members that expand beyond the Commission's usual collaborators. An Interim Steering Committee and a Science and Data Working Group have begun working on developing the structure and functions necessary to support a partnership to conserve Atlantic coastal, estuarine-dependent, and diadromous species. ACFHP has obtained candidate partnership status with the National Fish Habitat Action Plan Board. Additionally,

the Partnership received a Multi-State Conservation Grant for 2008-2009, which will help complete an assessment of existing information on Atlantic coastal habitats and create a coastwide 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 2007, four Commission stock assessments were evaluated through three peer review processes. The northern shrimp and Atlantic striped bass stock assessments were reviewed through the Northeast Regional Stock Assessment Workshop/Stock Assessment Review Committee (SAW/SARC) process, while the small coastal shark complex was reviewed through the Southeast Data, Assessment, and Review (SEDAR) process. SEDAR 13 included assessments of Atlantic sharpnose, blacknose, bonnethead, and finetooth sharks as well as the complex of all four shark species.

The Commission conducted a peer review, using an independent panel of fisheries scientists, to assess the benchmark stock assessment for American shad. A total of 30 stocks were assessed by river system and jurisdiction. The assessment, which was four years in the making, received high praise from the peer review panel who characterized the report as "one of the most comprehensive collections of fisheries related data ever assembled for [American shad]."

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 multiple stock assessment training workshops each year. Four such workshops were convened in 2007, providing quality training to



fisheries scientists and managers seeking to improve their knowledge of fisheries science methods and stock assessments models. The workshops held for fisheries scientists included "Maximum Likelihood Estimation for Quantitative Fisheries Science," "Fisheries Dependent Sampling for Stock Assessments," and "Basic Fish Stock Assessment Training." To foster a more complete understanding of stock assessment results and their appropriate use in decision-making for management, the Commission conducted a stock assessment workshop, "An Introduction to Forward and Backward

Projecting Stock Assessment Models" for its state members. These stock assessment workshops are provided each year to meet the specific training needs identified as most pertinent to support coastwide stock assessments and to provide managers with a better understanding of assessment outcomes.

FISHERIES-INDEPENDENT DATA COLLECTION & MANAGEMENT

Fisheries-independent monitoring provides insight into the status of fish stocks without the biases inherent to catch-related information. The Commission coordinates two Atlantic coast fisheries-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 2007, SEAMAP-South Atlantic continued collecting an abundance of distribution data on a variety of important commercial and recreational species from North Carolina through Florida. Progress was also made on a deepwater geographic information system regional database project that includes the location and characteristics of hard bottom resources throughout the South Atlantic Bight.

NEAMAP

NEAMAP was developed in 1998 as a cooperative state/federal fisheries-independent research and data collection program to be conducted between the Gulf of Maine and Cape Hatteras, North Carolina. The goal of NEAMAP is to facilitate the collection, coordination, and dissemination of fishery-independent information for use by government agencies, the fishing industry, researchers, and others. NEAMAP's first major undertaking was the development of a near shore trawl survey in response to the lack of adequate survey coverage and coordination in the coastal waters of the Mid-Atlantic Bight. In addition, the NEAMAP survey has the capability to sample inshore waters in this area that may not be accessible with the larger draft of the Northeast Fisheries Science Center's (NEFSC) new sampling platform, the R/V Bigelow, for long-term groundfish survey. This complementary sampling could support the continuation of the NEFSC's long running time series.



Building on the success of the pilot Mid-Atlantic Nearshore Survey completed in the fall of 2006, a crew from the Virginia Institute of Marine Science (VIMS), working aboard the F/V Darana R, owned and operated by Captain James Ruhle, successfully completed the first full cruise of the NEAMAP Mid-Atlantic Trawl Survey in the fall of 2007. Per a request and funding support from the NEFSC, the full survey range was expanded from Cape Hatteras, North Carolina northward to Aquinnah, Massachusetts, whereas the most northern station in the 2006 pilot survey was Montauk, New York. Successful tows were conducted at 150 locations (the target number of tows) over 24 work days in depths ranging from about 3 to 25 fathoms. Approximately 54,000 kg of fish and crustaceans, representing about 130 species and 1.07 million specimens were captured. Overall, 73,600 specimens were measured, and 5,300 fish from about 30 species were dissected for otolith and/or stomach samples. Funding has been secured to continue this effort and complete full surveys in spring and fall of 2008.

RESEARCH INITIATIVES

In 2005, the Commission received an increase in congressional funding to support several high priority research areas. In 2007, significant progress was made to address these high priority research areas. Information on these research initiatives is highlighted below.

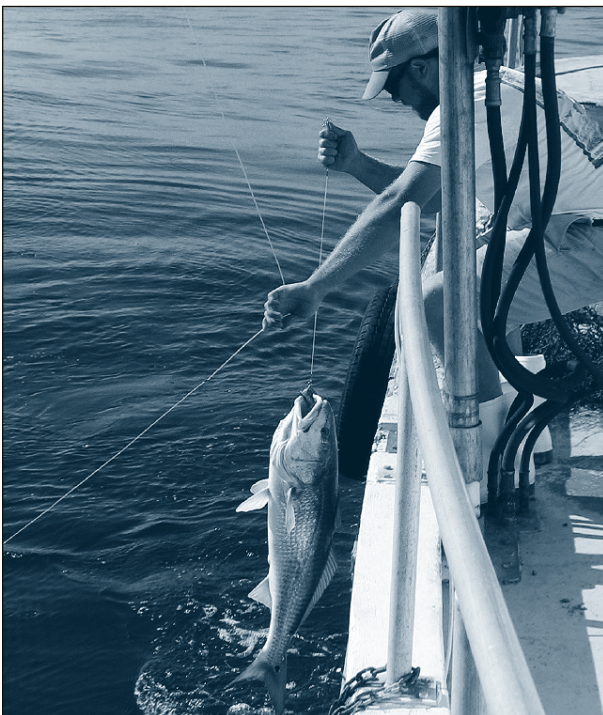
AMERICAN LOBSTER

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 2007, 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 designed 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 the Chesapeake Bay, funding was used to develop a fisheries-independent survey for menhaden in the 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 the 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 developed a bottom longline survey to provide a fisheries-independent index of abundance for adult red drum. Many of the 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 management program for the red drum fisheries.

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 has developed a plan for incorporating information on multispecies interactions into its decision-making process and has worked with cooperating scientists to develop quantitative multispecies models to provide that information. To ensure progress is made in this direction, the Commission's Interstate Fisheries Management Program (ISFMP) Policy Board established the Multispecies Technical Committee to evaluate the status of the Commission's multispecies model development, update 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 that incorporate environmental and ecosystem factors. In 2007, the Committee evaluated the current status of the MSVPA-X model, reviewed progress on updating the model, and developed a process for reviewing alternate stock assessment models that incorporate environmental and ecosystem factors. The Committee will update the MSVPA-X in early 2008, and then will begin to address the SAW/SARC research recommendations, will consider when the model should undergo its next peer review, and will begin to prepare for that review.

FISHING GEAR TECHNOLOGY WORKGROUP

The Commission formed the Fishing Gear Technology Workgroup in 2007, a collection of fishing gear experts from nine of the Atlantic coast states, the Potomac River Fisheries Commission, and the National Marine Fisheries Service. The Workgroup will review new gear innovations from the U.S. and around the world to evaluate their potential application in Atlantic coast fisheries to reduce bycatch, discards, and habitat alteration. The Workgroup held its inaugural meeting in September 2007 and is building a prioritized list of Atlantic coast fisheries and gears known to have the greatest effects on coastal ecosystems. In fall 2008, the Workgroup will release a final report summarizing its evaluations of recent gear developments, including recommendations for management implementation and future gear research.

INTERSTATE TAGGING COMMITTEE

In spring 2007, the Commission's Interstate Tagging Committee (ITC) was revived after a four-year hiatus. The 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 2007, 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 that provides information on coastwide tagging programs and allows anglers to search a database by multiple variables (tag type, color, fish species, etc.) to identify unreadable or partially damaged recovered tags. The planned upgrade of the website would include 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 ASMFC



Tagging Program Certification process, a voluntary scientific review of scientific and angler-based tagging programs designed to recognize and promote quality tagging data collection.

ECONOMIC AND SOCIAL SCIENCE CONSIDERATIONS

The Committee on Economics and Social Sciences (CESS) also had a busy year advising the ISFMP Policy Board on the social and economic considerations of current management issues. CESS helped to develop a study to determine the socioeconomic impacts of a partial moratorium on the horseshoe crab and related fisheries. The results of the final report, which are expected to be released in February 2008, will aid in future management decisions on continuing the moratorium. CESS also advised the ISFMP Policy Board on the merits of a study that examined the economic value of establishing a recreational only fishery for the Atlantic striped bass fishery.

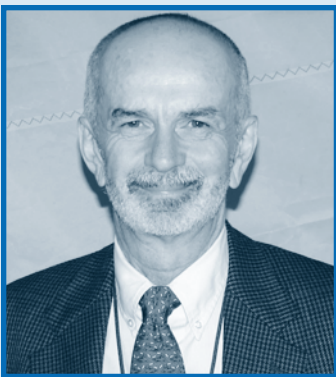


AWARDS

During 2007 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 in progress by the year 2015.

CAPTAIN DAVID H. HART AWARD

The Atlantic States Marine Fisheries Commission presented **Preston P. Pate, Jr.**, former Director of the North Carolina Division of Marine Fisheries, the David H. Hart Award, its highest annual award, at the Commission's 66th Annual Meeting in Annapolis, Maryland.



The Commission instituted the "Captain David H. Hart Award" in 1991 to recognize individuals who have made outstanding contributions to the betterment of marine fisheries on the Atlantic coast. 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. Pate has exemplified the ideals of the award throughout his career in fisheries management. As Director of the North Carolina Division of Marine Fisheries, he oversaw the full implementation of the Fisheries Reform Act, totally restructuring fisheries management within North Carolina. He guided the development and implementation of fisheries management plans for all of the state's significant fisheries, as well as the development of coastal habitat plans protecting critical fisheries habitat. By working directly with the state legislature, he helped ensure that funds raised by North Carolina's recreational saltwater fishing licensing program are reinvested in the state's marine resources.

During his four year tenure as ASMFC Chair, he deftly steered the Commission through several especially contentious issues, including establishing a cap on menhaden fishing in the Chesapeake Bay, balancing the needs of widely varied user groups of horseshoe crab, and ensuring the rebuilding of summer flounder. He also strengthened precedents of strong support for science-based management, the precautionary approach in the absence of sufficient data, and the use of species-specific disincentives to minimize delayed implementation of required management measures.

Obviously comfortable working with others, Mr. Pate approached difficult issues with an open mind, a calm demeanor, a commitment to hearing all views, and a firm belief that most issues can be resolved provided that all available information is sought and considered, all of which led him to accomplishments that are in keeping with the values and principles reflected in the Hart Award.

ANNUAL AWARDS OF EXCELLENCE

SCIENTIFIC, TECHNICAL AND ADVISORY



Dr. John Merriner, formerly of the National Marine Fisheries Service's Beaufort Laboratory, and Fred Schwab, long-standing fisheries conservation advocate and striped bass advisor to the Commission, both received the Commission's Annual Award of Excellence in the area of scientific, technical and advisory contributions.

For over thirty years, **Dr. John Merriner** has worked to improve our understanding and management of important South Atlantic species. His career began at the Virginia Institute of Marine Science, where he was responsible for organizing and disseminating environmental data on striped bass abundance and habitat attributes, as well as overseeing a multitude of research projects that dealt with early life histories of fish. This research included investigations on the impacts of power plant entrainment on fish eggs and larvae, the use of submerged aquatic vegetation as habitat for juvenile fish, and the distribution of larval fish in Chesapeake Bay.

Passionate about clearly communicating the work of fisheries scientists to fisheries managers and the public, Dr. Merriner played an important role in the development and application of the Southeast Data, Assessment, and Review process, the federal stock assessment review for South Atlantic marine fish. Dr. Merriner served with the Commission on several species management boards and technical committees, including the Management and Science Committee and the Atlantic Menhaden Management Board. He was best known and respected on the Commission for his encyclopedic knowledge of fish and fisheries and his clarity of recall on fisheries management and research history. Over the years, his expertise and institutional knowledge on a host of Atlantic coast species proved invaluable.



Mr. Fred Schwab has been an avid supporter of striped bass conservation for over 30 years. He and other Northeast fishermen were instrumental in convincing resource managers and elected officials that the decline in striped bass abundance and the problems associated with overfishing and wasteful fishing practices required a coordinated multi-state conservation program to restore the stock. Their advocacy was pivotal in leading to enactment of the Emergency Striped Bass Study and development of an Interstate Fisheries Management Plan (FMP). As one of the charter members of the Commission's Striped Bass Advisory Committee from 1978 to 1982, he played an important role in the creation of the original Striped Bass Plan. His unstinting advocacy

for the resource's conservation ensured that the plan would include effective conservation measures. Once the FMP was adopted, he worked hard to see it implemented in his home state of New York, personally lobbying his state legislator on the eve of the Assembly debate on the bill. Mr. Schwab rejoined the Commission's Striped Bass Advisory Panel (AP) in 1994 and has served up until this year, consistently advocating for resource conservation. His experience and extraordinary knowledge, coupled with his willingness to listen to all points of view, and his even-handed treatment of issues and interests, have made him a model AP member and Chair. The Commission's ability to achieve fisheries management success is strongly reliant on the service of extraordinary people like Mr. Schwab, who believe in conservation, are willing to invest their time and energy, and have the ability to carefully listen and to work with other people whose views they may not share. He is one of the heroes of cooperative interstate fisheries management.

LAW ENFORCEMENT

Colonel Joseph Fessenden of the Maine Bureau of Marine Patrol received the award for work in the area of law enforcement. Colonel Fessenden has over 30 years of experience in marine law en-



forcement and is a strong believer in cooperative resource management along the Atlantic coast. His dedication to cooperative law enforcement is demonstrated by his long-term commitment to the Commission's Law Enforcement Committee

and species management boards. He participates in the Law Enforcement Committee because of the importance he places on coordinating with his state and federal colleagues and sharing new ways of conducting marine fisheries law enforcement. He has also been a strong proponent of standardized reporting of law enforcement activities and an effective voice for law enforcement concerns in the Commission's management process. He dedicates valuable time to the species management boards for Northeast species including, American lobster, Atlantic herring, northern shrimp, and winter flounder. Colonel Fessenden has also been a leader in developing Joint Enforcement Agreements (JEA) with the National Marine Fisheries Service. The JEA program has allowed states and federal fisheries enforcement officials to enhance their collective ability to monitor and enforce fisheries laws, a critical component of all fisheries management programs. His leadership also helped establish the cooperative program with the U.S. Coast Guard on maritime security. Following the establishment of this program, his state became the first in the nation to take advantage of this cooperative program. His contributions demonstrate a long-standing commitment to cooperative marine fisheries law enforcement; characteristics that help the Commission fulfill its mission of restoring and managing Atlantic coast fisheries resources.



FINANCIALS



CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' Report

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

We have audited the accompanying statement of financial position of the Atlantic States Marine Fisheries Commission as of June 30, 2007, and the related statements of activities and cash flows for the year 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 audit. The financial statements as of June 30, 2006 were audited by other auditors whose report dated September 20, 2006 expressed an unqualified opinion on those statements. The accompanying 2006 schedules on pages 11 and 12 were presented for purposes of additional analysis and were not part of the basic financial statements. Such information was subjected to the auditing procedures applied in the basic audit of the financial statements and, in the opinion of the other auditors, was fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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. Those standards require that we plan and perform the audit 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 audit provides 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, 2007, and the changes in its net assets and its cash flows for the year 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 16, 2007 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 audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying 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 audit 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.

Jones & McIntyre, PLLC

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ATLANTIC STATES MARINE FISHERIES COMMISSION
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2007 AND 2006

ASSETS

	2007	2006
CURRENT ASSETS:		
Cash (Note 1)	\$ 790,147	\$ 548,907
Investments (Note 5)	715,164	798,733
Grants receivable	234,671	268,752
Accounts receivable	85,572	97,418
Prepaid expenses	51,692	111,529
Total Current Assets	<u>\$ 1,877,246</u>	<u>\$ 1,825,339</u>
PROPERTY AND EQUIPMENT, AT COST: (Note 1)		
Office furniture and equipment	\$ 981,307	\$ 852,141
Capital lease equipment	26,188	58,500
Leasehold improvements	34,458	34,458
Total	<u>\$ 1,041,953</u>	<u>\$ 945,099</u>
Less, Accumulated depreciation	(833,237)	(741,390)
Property and Equipment, Net	<u>\$ 208,716</u>	<u>\$ 203,709</u>
OTHER ASSETS:		
Security deposits	\$ 20,941	\$ 20,941
Investments (Note 5)	987,874	654,103
Total Other Assets	<u>\$ 1,008,815</u>	<u>\$ 675,044</u>
TOTAL ASSETS	<u><u>\$ 3,094,777</u></u>	<u><u>\$ 2,704,092</u></u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:		
Accounts payable	\$ 271,803	\$ 169,483
Accrued vacation	185,874	199,052
Deferred revenue	60,934	39,487
Contract advances	91,332	111,072
Current portion of capital lease obligations (Note 4)	5,716	2,385
Total Current Liabilities	<u>\$ 615,659</u>	<u>\$ 521,479</u>
CAPITAL LEASE OBLIGATIONS (Note 4)	<u>18,891</u>	<u>-</u>
TOTAL LIABILITIES	<u>\$ 634,550</u>	<u>\$ 521,479</u>
UNRESTRICTED NET ASSETS	<u>2,460,227</u>	<u>2,182,613</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 3,094,777</u></u>	<u><u>\$ 2,704,092</u></u>

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

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ATLANTIC STATES MARINE FISHERIES COMMISSION
STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2007 AND 2006

	2007					
	Total	ASMFC	Outside Contracts			
			Wallop/ Breaux	Other	ACCSP	ACFCMA
REVENUE:						
Contract reimbursements	\$ 5,486,132	\$ -	\$ 217,944	\$ 690,880	\$ 1,654,469	\$ 2,922,839
Contributions from member states	450,269	450,269				
Annual meeting fees	21,150	-		21,150		
Investment income	173,227	173,227				
Total Revenue	\$ 6,130,778	\$ 623,496	\$ 217,944	\$ 712,030	\$ 1,654,469	\$ 2,922,839
EXPENSES:						
Salaries	\$ 2,147,201	\$ 617,080	\$ 124,947	\$ 300,474	\$ 634,294	\$ 470,406
Travel	978,470	19,736	9,848	67,645	129,588	751,653
Subcontracts	1,317,889	72,000	-	136,547	85,795	1,023,547
Fringe benefits (Note 3)	487,234	125,846	31,072	74,033	141,574	114,709
Professional services	20,998	16,906	-	-	-	4,092
Rent	308,573	308,573	-	-	-	-
Equipment maintenance	235,062	51,263	-	-	181,359	2,440
Depreciation	91,848	91,848	-	-	-	-
Office	91,766	65,104	-	-	12,791	13,871
Printing	34,936	29,374	739	2,457	-	2,366
Meetings	39,406	39,406	-	-	-	-
Postage	34,629	34,629	-	-	-	-
Other	25,437	14,628	-	-	10,809	-
Dues and subscriptions	10,496	6,259	-	-	-	4,237
Telephone	12,414	12,414	-	-	-	-
Interest	1,297	1,297	-	-	-	-
Insurance	15,508	15,508	-	-	-	-
Outreach	-	-	-	-	-	-
Indirect cost allocation (Note 1)	-	(1,139,833)	42,767	101,775	432,393	562,898
Total Expenses	\$ 5,853,164	\$ 382,038	\$ 209,373	\$ 682,931	\$ 1,628,603	\$ 2,950,219
CHANGE IN NET ASSETS	\$ 277,614	\$ 241,458	\$ 8,571	\$ 29,099	\$ 25,866	\$ (27,380)
NET ASSETS, BEGINNING OF YEAR	2,182,613					
NET ASSETS, END OF YEAR	\$ 2,460,227					

2006					
Total	ASMFC	Outside Contracts			
		Wallop/ Breux	Other	ACCSP	ACFCMA
\$ 5,054,912	\$ -	\$ 195,192	\$ 915,996	\$ 1,441,747	\$ 2,501,977
428,832	428,832				
17,590	17,590				
82,483	82,483				
<u>\$ 5,583,817</u>	<u>\$ 528,905</u>	<u>\$ 195,192</u>	<u>\$ 915,996</u>	<u>\$ 1,441,747</u>	<u>\$ 2,501,977</u>
\$ 2,067,947	\$ 554,764	\$ 111,792	\$ 286,863	\$ 620,113	\$ 494,415
1,127,755	24,140	5,873	215,272	136,216	746,254
569,378	72,000	3,000	163,685		330,693
482,201	119,493	27,326	73,840	141,191	120,351
116,149	41,617				74,532
306,850	306,850				
159,798	41,476		(1,452)	116,850	2,924
122,681	122,681				
74,447	52,651			7,077	14,719
40,509	21,426	9,623	861		8,599
49,668	49,668				
38,180	37,067				1,113
20,594	11,567			9,027	
8,226	3,935				4,291
14,266	14,266				
3,279	3,279				
12,860	12,860				
9,500				9,500	
-	(1,257,379)	37,780	180,136	373,785	665,678
<u>\$ 5,224,288</u>	<u>\$ 232,361</u>	<u>\$ 195,394</u>	<u>\$ 919,205</u>	<u>\$ 1,413,759</u>	<u>\$ 2,463,569</u>
\$ 359,529	\$ 296,544	\$ (202)	\$ (3,209)	\$ 27,988	\$ 38,408
<u>1,823,084</u>					
<u><u>\$ 2,182,613</u></u>					

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ATLANTIC STATES MARINE FISHERIES COMMISSION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from members and contracts	\$ 5,980,220	\$ 5,356,014
Annual meeting fees	21,150	17,590
Investment income received	103,055	74,952
Cash paid to suppliers and employees	(5,607,225)	(5,023,155)
Interest paid	(1,297)	(3,279)
	<u> </u>	<u> </u>
Net cash provided by operating activities	\$ 495,903	\$ 422,122
	<u> </u>	<u> </u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of furniture and equipment	\$ (70,667)	\$ (53,095)
Purchase of investments	(546,941)	(1,107,551)
Cash received from sales and maturities of investments	366,911	852,483
	<u> </u>	<u> </u>
Net cash used in investing activities	\$ (250,697)	\$ (308,163)
	<u> </u>	<u> </u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Capital lease obligations - payments	\$ (3,966)	\$ (5,775)
	<u> </u>	<u> </u>
NET INCREASE IN CASH	\$ 241,240	\$ 108,184
CASH, BEGINNING OF YEAR	<u>548,907</u>	<u>440,723</u>
CASH, END OF YEAR	<u><u>\$ 790,147</u></u>	<u><u>\$ 548,907</u></u>
Reconciliation of change in net assets to net cash provided by operating activities (Note 6)		
Equipment purchases financed by capital lease obligations	<u><u>\$ 26,188</u></u>	<u><u>\$ -</u></u>

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

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ATLANTIC STATES MARINE FISHERIES COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007 AND 2006

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.

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ATLANTIC STATES MARINE FISHERIES COMMISSION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2007 AND 2006

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 2006 amounts have been reclassified for comparison with the 2007 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.

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ATLANTIC STATES MARINE FISHERIES COMMISSION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2007 AND 2006

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>
2008	\$ 295,120	\$ 10,512	\$ 8,268	\$ 313,900
2009	301,024	10,512	8,268	319,804
2010	307,044		8,268	315,312
2011	103,021		5,512	108,533
	<u>\$ 1,006,209</u>	<u>\$ 21,024</u>	<u>\$ 30,316</u>	<u>\$ 1,057,549</u>
Less, interest			5,709	
Capital lease obligations			<u>\$ 24,607</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, 2007 and 2006 was \$182,367 and \$187,287, 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,

2008	\$ 5,716
2009	6,414
2010	7,197
2011	5,280
	<u>\$ 24,607</u>

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ATLANTIC STATES MARINE FISHERIES COMMISSION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2007 AND 2006

Note 5. Investments

At June 30, 2007 and 2006, investments consisted of the following:

	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	<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>

	2006		
	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Gain (Loss)</u>
Cash and money market funds	\$ 522,678	\$ 521,809	\$ (869)
Bonds	436,251	421,105	(15,146)
Equities	<u>465,645</u>	<u>509,922</u>	<u>44,277</u>
Total Investments	<u>\$ 1,424,574</u>	<u>\$ 1,452,836</u>	<u>\$ 28,262</u>

Unrealized and realized gains included in investment income on the Statement of Activities totaled \$70,172 and \$7,532 for the years ended June 30, 2007 and 2006, respectively.

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ATLANTIC STATES MARINE FISHERIES COMMISSION
NOTES TO FINANCIAL STATEMENTS (CONCLUDED)
JUNE 30, 2007 AND 2006

Note 6. Reconciliation of Change in Net Assets to Net Cash Provided by Operating Activities

	<u>2007</u>	<u>2006</u>
Change in Net Assets	\$ 277,614	\$ 359,529
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	91,848	122,681
(Gain) loss on disposition of equipment		1,267
Unrealized and realized gains on investments	(70,172)	(7,532)
(Increase) decrease in assets:		
Grants receivable	34,081	(82,429)
Accounts receivable	11,846	(37,679)
Prepaid expenses	59,837	(129)
Increase (decrease) in liabilities:		
Accounts payable	102,320	80,204
Accrued vacation	(13,178)	(6,168)
Deferred revenue	21,447	(868)
Contract advances	<u>(19,740)</u>	<u>(6,754)</u>
Net cash provided by operating activities	<u>\$ 495,903</u>	<u>\$ 422,122</u>

Note 7. Concentrations

The Commission received 75% and 71% of its revenue from the Atlantic Coastal Act Program for the years ended June 30, 2007 and 2006, respectively.

ATLANTIC STATES MARINE FISHERIES COMMISSION
SCEDULE OF CONTRIBUTIONS REQUESTED AND RECEIVED
FOR THE YEAR ENDED JUNE 30, 2007

	<u>Requested</u> <u>2006-2007</u>	<u>Received</u> <u>7/1/06 -</u> <u>6/30/07</u>
Member States:		
Connecticut	\$ 21,653	\$ 21,653
Delaware	18,201	18,201
Florida	45,111	45,111
Georgia	18,383	18,383
Maine	44,083	33,725
Maryland	27,564	27,564
Massachusetts	50,134	50,134
New Hampshire	17,072	17,072
New Jersey	41,586	41,586
New York	31,081	*31,081
North Carolina	38,625	38,625
Pennsylvania	15,009	15,009
Rhode Island	25,050	25,050
South Carolina	21,215	21,215
Virginia	<u>35,502</u>	<u>35,502</u>
Totals	\$ <u>450,269</u>	\$ <u>439,911</u>

*Received 9/5/07

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ATLANTIC STATES MARINE FISHERIES COMMISSION
SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEARS ENDED JUNE 30, 2007 AND 2006

Federal Grantor/ Program Description	Federal CFDA Number	Federal Expenditures	
		2007	2006
Department of Commerce:			
Interjurisdictional Fisheries Act	11.407	\$ 214,334	\$ 318,616
Atlantic Coastal Act	11.474	2,922,839	2,501,977
Atlantic Coastal Act	11.474	1,654,469	1,441,747
Southeast Area Monitoring and Assessment Program	11.435	45,648	54,373
Fisheries Cooperative Economic Data Collection and Management Program	11.434	<u>11,393</u>	<u>98,863</u>
Total Department of Commerce		\$ 4,848,683	\$ 4,415,576
Department of the Interior:			
Federal Aid in Sport Fish Restoration Act	15.605	<u>217,944</u>	<u>195,192</u>
Total Expenditures of Federal Awards		\$ <u>5,066,627</u>	\$ <u>4,610,768</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, 2007, and have issued our report thereon dated October 16, 2007. 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.

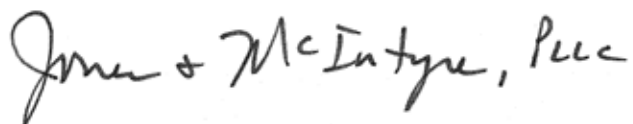
Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any 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 16, 2007.

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 "James McIntyre, LLC". The signature is written in a cursive, flowing style.

October 16, 2007



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, 2007. 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, 2007.

Internal Control Over Compliance

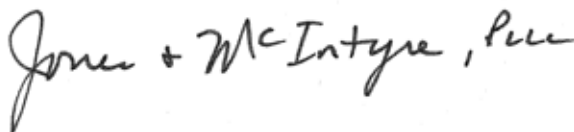
The management of Atlantic States Marine Fisheries Commission is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered 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, LLC". The signature is written in a cursive, flowing style.

October 16, 2007

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ATLANTIC STATES MARINE FISHERIES COMMISSION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2007

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
 Interjurisdictional Fisheries Act 11.407
8. The threshold for distinguishing Types A and B programs was \$300,000.
9. Atlantic States Marine Fisheries Commission was not determined to be a low-risk auditee.

COMMISSION STAFF



John V. O'Shea, Executive Director
William Most, Executive Assistant

Robert E. Beal, Director, Interstate Fisheries Management Program
Michael Howard, Law Enforcement Consultant
Toni Kerns, Senior Fisheries Management Plan Coordinator for Management
Nichola Meserve, Fisheries Management Plan Coordinator
Erika Robbins, Fisheries Management Plan Coordinator
Braddock J. Spear, Senior Fisheries Management Plan Coordinator for Policy
Christopher M. Vonderweidt, Fisheries Management Plan Coordinator

Megan E. Caldwell, Outgoing Science Director, September 2006 – December 2007
Patrick M. Marchman, Incoming Science Director, December 2007
Patrick Campfield, Fisheries Research Specialist
Genevieve M. Nesslage, Ph.D., Stock Assessment Specialist
Melissa Paine, Scientific Committee Coordinator
Jessie Thomas, Habitat Coordinator

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Ellen Lovelidge, Program Coordinator
Jennifer Ni, Information Systems Specialist

ACKNOWLEDGMENTS

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Front and Back Covers (as well as throughout the report): Satellite Images of the Chesapeake Bay – NASA/Goddard Space Flight Center, Scientific Visualization Studio

Front Cover Tip-ins:

Top Image - John Tobin, www.tobinphoto.com

Center Image - John Chisholm, Massachusetts Division of Marine Fisheries

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Page 8 (Background Image): Sara Ellis

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Page 17: Virginia Marine Resources Commission

Page 18: Maine Department of Marine Resources

Page 20 (Bottom Left): Dr. Eugene Kray

Page 21: Albert Spells, U.S. Fish and Wildlife Service

Page 24: Mary Hollinger, National Oceanic and Atmospheric Administration, Department of Commerce

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Page 28: Peter L. Groves, Woo's Shad Fishing Website (www.woofish.com/shad.html)

Page 31: Bryan Frazier, South Carolina Department of Natural Resources

Pages 32 & 34: Captain Walter Bateman, www.carolinaguide.com

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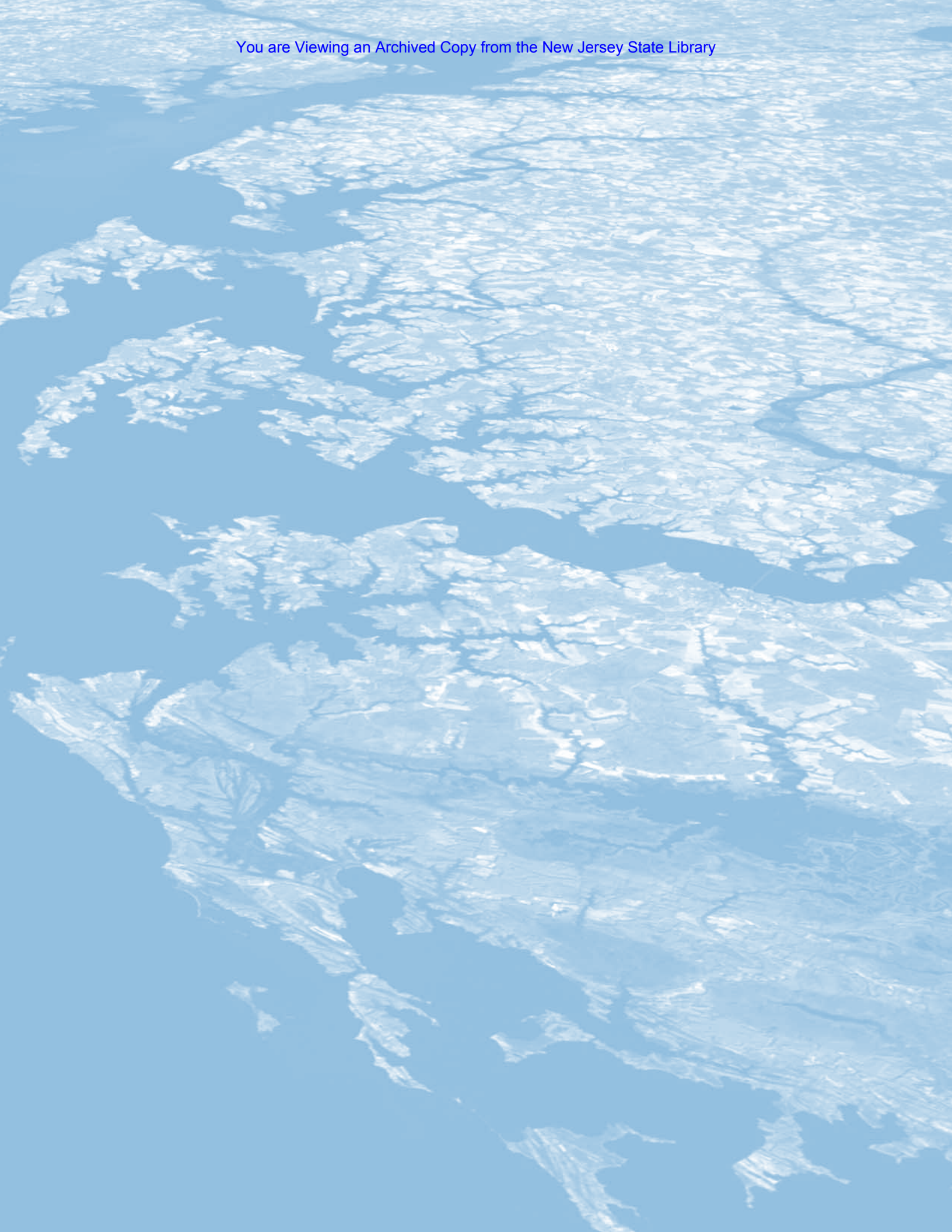
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Page 40:

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