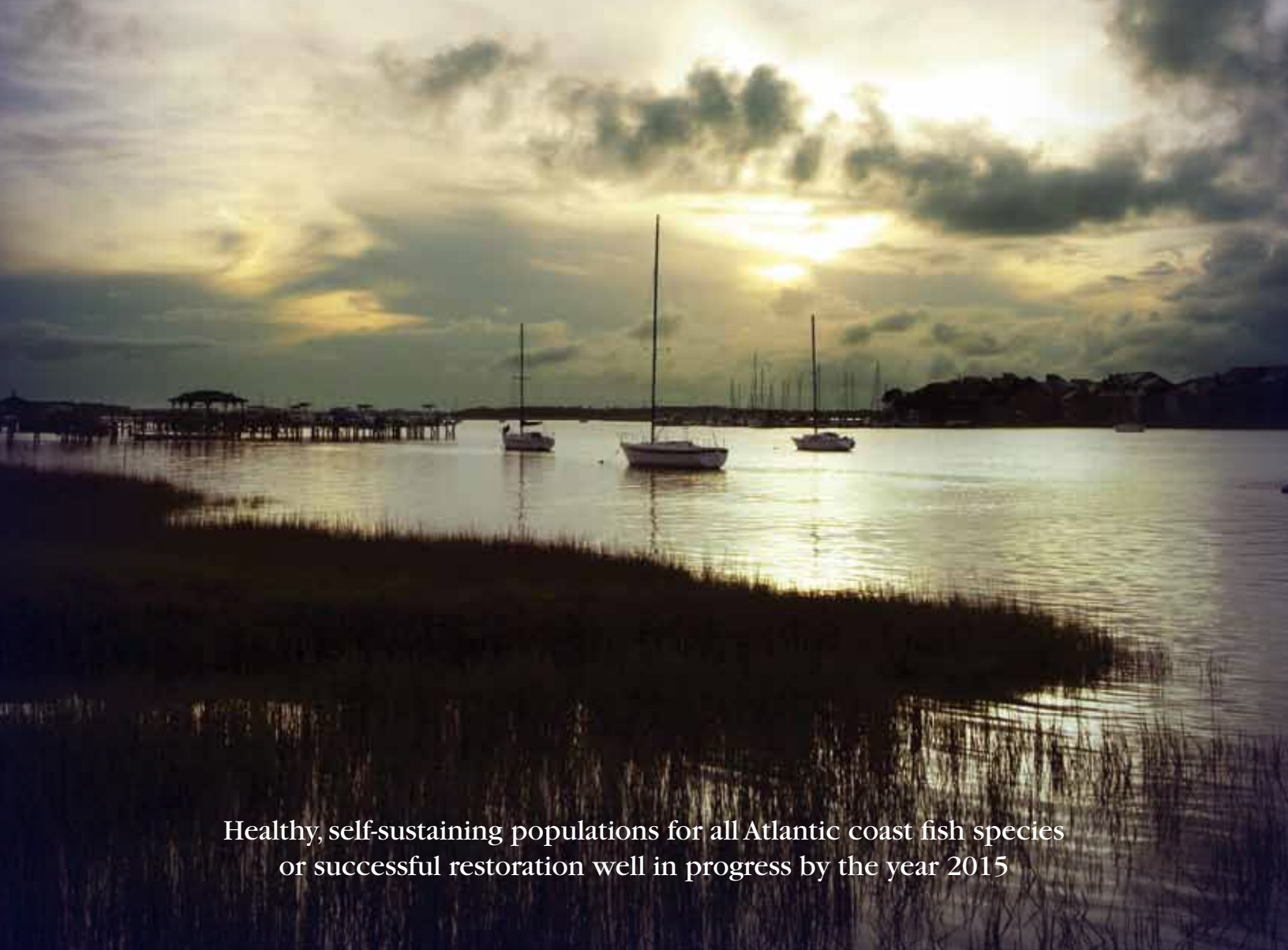




ATLANTIC STATES MARINE FISHERIES COMMISSION



annual report *2010*



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





69th 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

2010

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

John V. O'Shea, Executive Director
1050 N. Highland Street, Suite 200A-N
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Tina L. Berger, Editor

February 2011

Commonly Used Acronyms

ACCSP	Atlantic Coastal Cooperative Statistics Program	NEFMC	New England Fishery Management Council
ACFHP	Atlantic Coastal Fish Habitat Partnership	NEFSC	Northeast Fisheries Science Center
ACFCMA	Atlantic Coastal Fisheries Cooperative Management Act	NFHAP	National Fish Habitat Action Plan
ARM	Adaptive Resource Management	NMFS	National Marine Fisheries Service; also known as NOAA Fisheries Service
ASMFC	Atlantic States Marine Fisheries Commission (also referred to as the Commission)	NOAA	National Oceanic and Atmospheric Administration
CPUE	Catch-per-unit-effort	NYSDEC	New York State Department of Environmental Conservation
DPS	Distinct Population Segments	OY	Optimum Yield
EBFM	Ecosystem-Based Fisheries Management	PRT	Plan Review Team
ESA	Endangered Species Act	SAFMC	South Atlantic Fishery Management Council
F	Fishing Mortality	SAW/SARC	Northeast Regional Stock Assessment Workshop and Stock Assessment Review Committee, respectively
FMP	Fishery Management Plan	SCA	Statistical Catch at Age
GARM	Groundfish Assessment Review Meeting	SCS	Small Coastal Sharks
GBK	Georges Bank	SEAMAP	Southeast Area Monitoring and Assessment Program
GOM	Gulf of Maine	SEDAR	SouthEast Data, Assessment, and Review Process
ISFMP	Interstate Fisheries Management Program	SEFSC	Southeast Fisheries Science Center
ITC	Interstate Tagging Committee	SMBT	Small Mesh Bottom Trawls
LCS	Large Coastal Sharks	SNE	Southern New England
MAFMC	Mid-Atlantic Fishery Management Council	SNE/MA	Southern New England/Mid-Atlantic
MRIP	Marine Recreational Information Program	SPR	Spawning Potential Ratio
MSTC	Multispecies Technical Committee	SRT	Status Review Team
MSVPA-X	Multispecies Virtual Population Analysis	SSB	Spawning Stock Biomass
MSY	Maximum Sustainable Yield	SSC	Scientific and Statistical Committee
MT	Metric Tons	TAC	Total Allowable Catch
NEAMAP	Northeast Area Monitoring and Assessment Program	TAL	Total Allowable Landings
		TC	Technical Committee
		USFWS	U.S. Fish and Wildlife Service
		VPA	Virtual Population Analysis

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Guiding Principles

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, data collection capabilities, and the scientific basis for stock assessments and fisheries management actions
3. Improve stakeholder compliance with Commission fishery management plans
4. Protect, restore, and enhance fish habitat and ecosystem health through partnerships, policy development, and education
5. Strengthen congressional, stakeholder, and public support for the Commission's Mission, Vision, and actions
6. Represent member states collective interests at regional and national levels
7. Strengthen human resource management and enhance learning and growth within the Commission
8. Provide efficient administration of the Commission's business affairs and ensure the Commission's financial stability

COMMISSIONER VALUES

- Effective stewardship of the Atlantic coast's marine resources
- Work cooperatively with honesty and integrity
- Transparency and accountability in all Commission actions
- Courage to make difficult decisions
- Forging a vision for the future
- Support decisions of the Commission
- Ensure the long-term financial stability of the Commission
- Respect for everyone involved in the Commission process
- Dedication to growth and learning
- Freedom and flexibility to solve problems creatively
- Commitment to preparation for and participation in meetings

Commissioners

MAINE

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

NEW HAMPSHIRE

Douglas Grout
Marine Fisheries
Rep. Dennis Abbott
G. Ritchie White
Governor's Appointee

MASSACHUSETTS

Paul Diodati, Vice-Chair
Marine Fisheries
Rep. Sarah K. Peake
William A. Adler
Governor's Appointee

RHODE ISLAND

Robert Ballou
Natural Resources
Rep. Peter Martin
William McElroy
Governor's Appointee

CONNECTICUT

David Simpson
Marine Fisheries
Rep. Craig Miner
Lance L. Stewart, Ph.D.
Governor's Appointee

NEW YORK

James Gilmore
Marine Resources
Sen. Brian X. Foley
Patrick H. Augustine
Governor's Appointee

NEW JERSEY

David Chanda
Fish & Wildlife
Asm. Nelson T. Albano
Thomas Fote
Governor's Appointee



PENNSYLVANIA

John A. Arway
Fish & Boat Commission
Rep. Curt Schroder
Loren W. Lustig
Governor's Appointee

DELAWARE

Patrick Emory
Fish & Wildlife
Sen. Robert L. Venables, Sr.
Roy Miller
Governor's Appointee

MARYLAND

Thomas O'Connell
Fisheries Service
Sen. Richard F. Colburn
William Goldsborough
Governor's Appointee

VIRGINIA

Steven G. Bowman
Marine Resources Commission
Catherine W. Davenport
Governor's Appointee

NORTH CAROLINA

Louis B. Daniel, III, Ph.D.
Marine Fisheries
Rep. William L. Wainwright
Willard Cole
Governor's Appointee

SOUTH CAROLINA

John E. Frampton
Natural Resources
Robert H. Boyles, Jr., Chair
Malcolm Rhodes, M.D.
Governor's Appointee

GEORGIA

Spud Woodward
Coastal Resources
Rep. Bob Lane
John Duren
Governor's Appointee

FLORIDA

Jessica McCawley
Marine Resources
Sen. Thad Altman
William R. Orndorf
Governor's Appointee

Preface

You Are Viewing an Archived Report from the New Jersey State Library

The Commission was formed 68 years ago by the 15 Atlantic coast states to assist in managing and conserving their shared coastal fishery resources. With the recognition that fish do not adhere to political boundaries, the states formed an Interstate Compact, which was approved by the U.S. Congress in 1942. The states have found that their mutual interest in sustaining healthy coastal fishery resources is best promoted by working together cooperatively, in collaboration with the federal government. With this approach, the states uphold their collective fisheries management responsibilities in a cost-effective, timely, and responsive fashion.

The Commission's current budget is five million dollars. The base funding (\$547,308) 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 (ACFCMA) of 1993. The Commission also receives

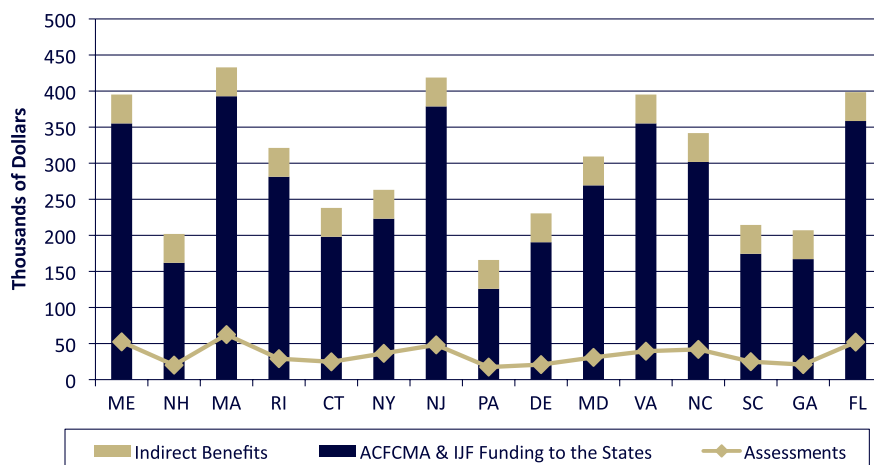
funds from NMFS to carry out the mandates of the Interjurisdictional Fisheries Act of 1986 (P.L. 99-659). The accompanying graph illustrates the benefits that states receive from ACFCMA and the Interjurisdictional Fisheries Act. The U.S. Fish and Wildlife Service (USFWS) provides grant funding to the Commission through its Federal Aid in Sport Fish Restoration Program (Wallop/Breaux).

Since 1999, the Commission has overseen the administration of the Atlantic Coastal Cooperative Statistics Program (ACCSPP), a state and federal partnership for Atlantic coastal fisheries data collection and management. Funding for this program is provided through ACFCMA.

The Commission serves as a deliberative body of the Atlantic coastal states, coordinating the conservation and management of nearshore fishery resources, including marine, shell, and diadromous species. The 15 member states of the Commission are (from north to south): Maine, New Hampshire, Massachusetts, Rhode Island, Connecticut, New York, New Jersey, Pennsylvania, Delaware, Maryland, Virginia, North Carolina, South Carolina, Georgia, and Florida. Each state is represented on the Commission by three Commissioners: the

director of the state's marine fisheries management agency, a state legislator, and an individual appointed by the state's governor to represent fishery interests. These Commissioners participate in deliberations in the Commission's main policy arenas: interstate fisheries management, fisheries science, habitat conservation, and law enforcement. Through these activities, the states collectively ensure the sound conservation and management of Atlantic coastal fishery resources and the resulting benefits that accrue to their fishing and non-fishing publics.

2010 Return on State Assessments to the Commission



*Indirect Benefits include travel and per diem for 6 people from each state to participate in Commission meetings. Please note that this figure does not include the collective benefits derived from the work of the FMP Coordinators and Science Specialists.

Report to Our Stakeholders

JOHN V. O'SHEA, EXECUTIVE DIRECTOR

We are delighted to present this Annual Report to you – the friends, colleagues, partners, overseers, and stakeholders of the Atlantic States Marine Fisheries Commission. It describes our activities and progress in carrying out our public trust responsibilities for the valuable marine fisheries under Commission stewardship. These resources generate billions of dollars in economic activity annually and provide tens of thousands of jobs within our coastal communities.

Included in this report are charts and graphs with historical records of biomass levels of our stocks. Also provided is a summary of the significant management actions our Commissioners initiated in 2010 to maintain and restore the abundance of our managed species. This report reflects our Commissioners' commitment to accountability and transparency in all they do to manage and rebuild stocks under their care.

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

Members of our professional staff continue to grow in experience and in their abilities to help our states, particularly in the area of stock assessment science. They are guided, mentored, and inspired by the strong leadership and enthusiasm of our directors who collectively represent decades of service to the Commission. I am also grateful for the strong support of our federal partners. The fiscal and human resources provided by NMFS and USFWS are an integral part of our interstate fisheries management program and science activities.

Our staff continues to seek ways to support our states who are struggling with shrinking budgets and increasing workloads. We remain committed to investing in people through our sponsorship of

workshops in fisheries science. This reflects our Commissioners' strong commitment to enhancing the skill and expertise of our scientific advisors. This investment will pay dividends for years to come by providing us with the best scientific advice available.

Litigation continues to be an issue for our Commission. Most cases challenge the measures the Commission has taken to rebuild stocks and, therefore, require our strong defense. In 2010, a number of complaints were resolved in favor of the Commission through court decision or actions by the plaintiffs. The Commission has one case pending, alleging insufficient action to protect and restore American shad and river herring. While the outcomes of the resolved cases are encouraging, litigation requires significant fiscal resources, diverting funds that could otherwise be invested in fisheries management and science.

Clearly, the bright side of our Commission is the dedication and inspiration of our Commissioners. The majority of them serve without pay. They are committed to act with courage and wisdom in their difficult job of making decisions that are best for the long-term, often taking severe criticism for the short-term costs.

Their approach recognizes the power of the fundamental principle of our Commission – that the states can accomplish more by working cooperatively than they could by standing alone. The efforts and results listed in this report reflect our Commissioners' solemn commitment to leave healthy and abundant marine fisheries for the next generation to enjoy. Readers can track our activities and progress by visiting our website, www.asmfc.org.

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



Report from the Chair

ROBERT H. BOYLES, JR.



As I complete my first year as Chair, I am grateful for the trust and confidence my fellow Commissioners have placed in me and for the hard work of our dedicated staff. Our Annual Report details the extent of the activities undertaken in 2010. It also describes the stock status and trends of the various species managed

through our interstate fishery management plans. These fisheries generate significant commercial and recreational value – more than one billion dollars a year directly in ex-vessel revenue and recreational harvest. They also generate tens of thousands of jobs within our coastal communities from Maine to Florida.

In the case of our abundant species, the economic and social benefits are the direct result of difficult sacrifices made during rebuilding and the use of judicious harvest quotas on recovered stocks. Given the coastal migratory nature of most of our fisheries, the need for and value of interstate cooperation is apparent. Our Commission process provides important mechanisms to ensure management measures are consistently applied across the geographic range of the species and that harvesting activities of some states do not undermine the conservation efforts of others.

The end of 2010 brings us closer to our self-selected deadline of 2015 to rebuild stocks. While our status of the stocks section found later in this report contains the good news of success, it also illustrates the significant challenges we face in responding to depressed and depleted stocks.

Recreational and commercial harvesters incur significant opportunity costs in the form of forgone harvest due to lack of stock production. In addition, overfished stocks will test our resolve to provide abundant fisheries to the next generation.

Our Commissioners and many of our stakeholders recognize that our actions and decisions within the next few years will determine where our stocks will be five or ten years from now. We collectively understand the risks we face from inaction, both in the form of diminishment of our credibility as managers and from litigation initiated by

stakeholders expecting more responsive management actions and results.

Although these challenges appear daunting, I am encouraged and energized by the strengths of our Commission. We have a terrific staff of talented and dedicated professionals ready to help us and, with ACCSP on line, better catch data than our predecessors

had to make decisions. The measures within ACFCMA provide us with a proven governance and compliance process and we have various stakeholder groups willing to help us make and carry out the difficult decisions that lie ahead.

As Chair, I am committed to working with all of our Commissioners in the coming year to take the actions needed to hand off to our successors healthy and abundant stocks.

I am counting on the support and help of all of you who read this Report, and ask you to join us. I am convinced we all share the deep conviction of wanting to be able to not only tell but show our children that we did our job and took care of the fish.

Stock Status Overview

The Atlantic States Marine Fisheries Commission continues to work towards its vision of “healthy, self-sustaining fish populations for all Atlantic coast fish species or successful restoration well in progress by the year 2015” through the collaborative management of 24 interjurisdictional species groups.

In 2010, rebuilding progress was seen in scup, summer flounder, bluefish, Atlantic croaker, and spiny dogfish stocks. However, there is still substantial work ahead to fully rebuild valuable Atlantic coastal fishery resources such as winter flounder, weakfish, tautog, American shad, river herring, and Southern New England American lobster. In 2010, the Commission updated management programs for six of its species (via amendments or addenda) to respond to emerging stock assessment information and changes in the fisheries.

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 task of managing interjurisdictional resources continues to grow more complex with the consideration of predator/prey interactions, habitat, and water quality, in addition to the more traditional considerations of stock rebuilding and the allocation of finite fisheries resources.

The following section provides a summary of the status of species managed by the Commission and highlights management activities that occurred throughout 2010. 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 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. Increasing the abundance of overfished and depleted stocks, while protecting healthy ones, will require the continued commitment of the Commission, our partners, and stakeholders.



QUICK GUIDE TO SPECIES STOCK STATUS

STATUS/ TRENDS	SPECIES		OVERFISHED	OVERFISHING	REBUILDING STATUS & SCHEDULE
✓	Atlantic Herring		N	N	Rebuilt
✓	Atlantic Striped Bass		N	N	Rebuilt
✓	Black Sea Bass		N	N	Rebuilt
✓	Bluefish		N	N	Rebuilt
✓	Northern Shrimp		N	N	Rebuilt
✓	Scup		N	N	Rebuilt
✓	Spiny Dogfish		N	N	Determined to be rebuilt in 2008 based on current level of stock abundance
✓	American Lobster	Gulf of Maine (GOM)	N	N	GOM and GBK stocks rebuilt Rebuilding program for SNE stock established in 2007; to be rebuilt by 2022
✓		Georges Bank (GBK)	N	N	
↓		Southern New England (SNE)	Y	N	
✓	Atlantic Croaker		Unknown	N	Overfished status unknown; however, biomass has been increasing and age structure has been expanding since late 1980s
↑	Spanish Mackerel		Unknown	N	Status based on 2008 benchmark assessment; continuing to rebuild until stock biomass > B _{MSY}
↑	Summer Flounder		N	N	Based on SARC 47 results; to be rebuilt by 2013
↔	Atlantic Menhaden		N	Y	Status based on 2009 benchmark assessment
↔	Tautog		Y	N	SSB and fishing mortality targets and thresholds established in 2007; stock assessment update scheduled for 2011

✓ = HEALTHY ↑ = REBUILDING ↔ = STABLE/UNCHANGED ↓ = DEPLETED ? = UNKNOWN

STATUS/ TRENDS	SPECIES		OVERFISHED	OVERFISHING	REBUILDING STATUS & SCHEDULE
↔	Red Drum	Northern Region	Unknown	N	SPR above target and threshold SPRs
		Southern Region	Unknown	N	SPR above threshold SPR
↓	American Shad		Depleted	Unknown	Amendment 3 establishes 2012 moratorium unless sustainability can be documented
↓	Weakfish		Depleted	N	6-year rebuilding period if SSB < threshold level; Board has approved further harvest restrictions based on 2009 benchmark assessment
↓	Winter Flounder	Gulf of Maine	Y*	Y*	*While biological reference points were not approved by the 2008 GARM due to uncertainty, the model suggests it is likely that stock is overfished with overfishing likely occurring
↓		South New England/ Mid-Atlantic	Y	Y	Current biomass at 9% of SSB target
√/↓	Coastal Sharks		Varies by species & species complex		No rebuilding schedule
?	American Eel		Unknown	Unknown	No rebuilding schedule; benchmark assessment and peer review scheduled for 2011
?	Atlantic Sturgeon		Y	N	40+ year moratorium; to be rebuilt by ~2038
?	Horseshoe Crab		Unknown	Unknown	No rebuilding schedule; 2010 assessment found New England and NY stocks to have declined, while DE Bay and Southeast stocks have increased over their respective time series
?	River Herring		Unknown	Unknown	Amendment 2 establishes 2012 moratorium unless sustainability can be documented; benchmark assessment and peer review scheduled for 2012
?	Spot		Unknown	Unknown	No rebuilding schedule; approval of Omnibus Amendment scheduled for 2011
?	Spotted Seatrout		Unknown	Unknown	No rebuilding schedule; approval of Omnibus Amendment scheduled for 2011

√ = HEALTHY ↑ = REBUILDING ↔ = STABLE/UNCHANGED ↓ = DEPLETED ? = UNKNOWN

Species Highlights

AMERICAN EEL

The American Eel Management Board approved Addendum II to the American Eel Fishery Management Plan (FMP) in 2008. The Addendum maintained status quo on state management measures, and placed increased emphasis on improving the upstream and downstream passage of American eel. The Public Hearing Draft of Addendum II considered a number of additional restrictions on eel harvest with the intent of halting any further declines in juvenile recruitment and eel abundance. However, the Board chose to delay action on management measures in order to incorporate the results of a pending stock assessment in 2011, which will present new and updated

information on American eel stock status. In 2010, significant progress was made on the compilation of data to support the completion of the benchmark assessment by fall 2011.

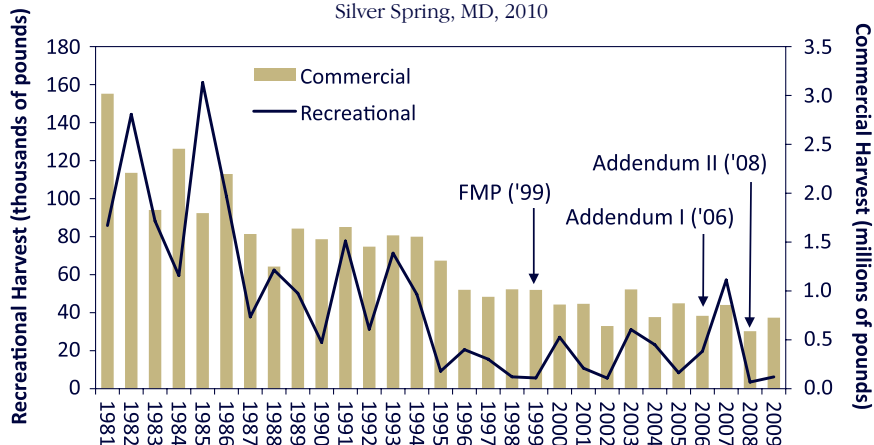
The most recent information on the status of the American eel stock is contained in the 2006 benchmark stock assessment, supplemental analyses, and USFWS' American Eel Status Review (2007). While USFWS determined that "protecting the eel as an endangered or threatened species under the Endangered Species Act (ESA) 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.



A petition to list American eel on the Endangered Species List was submitted in April 2010. NMFS and USFWS are currently reviewing the petition. The finding will either declare that a listing is not warranted or that a listing may be warranted because of substantial information. If NMFS and USFWS find that a listing may be warranted, they will conduct a 12-month status review and seek public input before making their final listing determination.

American Eel Recreational and Commercial Harvest

Source: Personal communication from NMFS Fisheries Statistics Division, Silver Spring, MD, 2010



AMERICAN LOBSTER

With an ex-vessel value of nearly \$303 million in 2009, American lobster ranks as one of the top commercial fisheries along the Atlantic coast. The 2009 peer-reviewed benchmark stock assessment presents a mixed picture of stock abundance throughout its U.S. range. The report indicated record high stock abundance and recruitment (number of lobsters entering the fishery) throughout most of the Gulf of Maine (GOM) and Georges Bank (GBK). The Southern New England (SNE) stock is in poor condition

with continued low abundance and low recruitment.

In 2010, the American Lobster Management Board approved Addendum XVI to Amendment 3 to the American Lobster FMP. The Addendum establishes new biological reference points to determine the stock status of the American lobster resource (exploitation and abundance targets and thresholds). These include a four-tiered approach to evaluate abundance in the GOM and GBK (Figures 1 and 2), a four-tiered approach to evaluate exploitation for all three stock units, and a three-tiered approach to evaluate abundance for SNE (Figure 3). The Board set the SNE abundance reference points at a lower target level than GOM and GBK stocks because it believes that environmental and ecosystem changes have reduced the ability of the SNE stock to rebuild to historical levels. Based on these new reference points, GOM and GBK abundance is in favorable condition with abundance above the 75% percentile (Figures 1 & 2). Exploitation in the GOM is moderate and is in favorable condition in GBK. The SNE abundance estimate is below the 25th percentile (Figure 3), requiring Board action to rebuild the stock. Addendum XVI also modifies the procedures for adopting future reference points to allow the Board to take action on advice following a peer reviewed assessment without going through a formal addendum process.

The Board also worked on the development of a management response to the poor condition of the SNE stock. The Technical Committee (TC) developed a report entitled "Recruitment Failure in the Southern New England Lobster Stock"

Figure 1. Estimated Abundance of American Lobster in the Gulf of Maine

Source: ASMFC American Lobster Stock Assessment, 2009

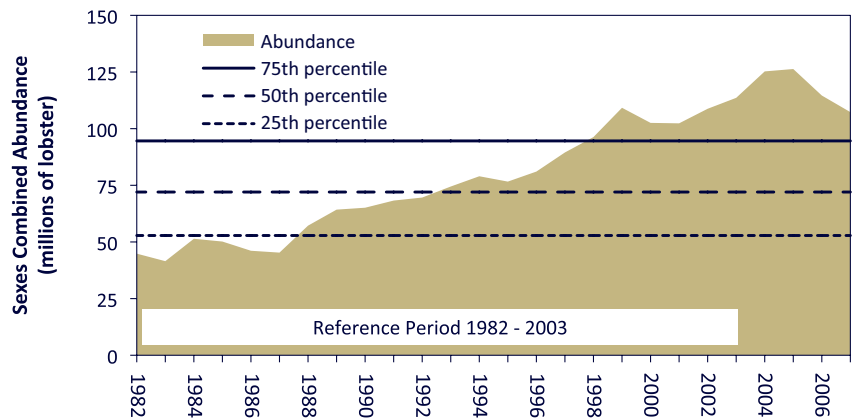


Figure 2. Estimated Abundance of American Lobster in Georges Bank

Source: ASMFC American Lobster Stock Assessment, 2009

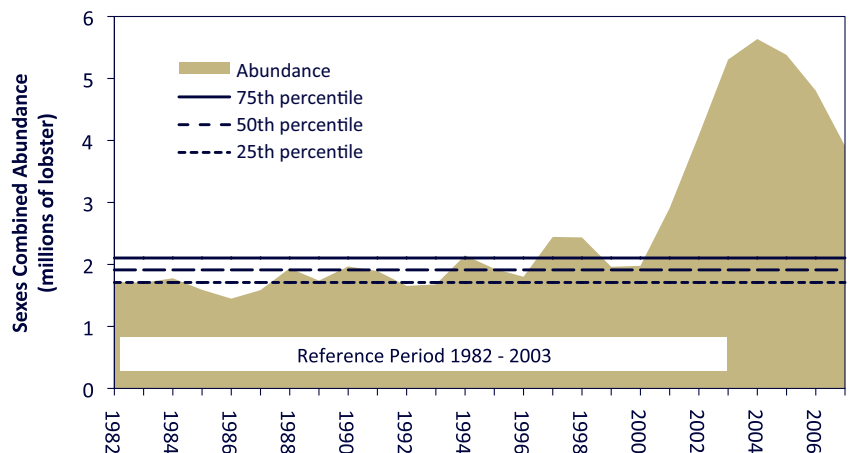
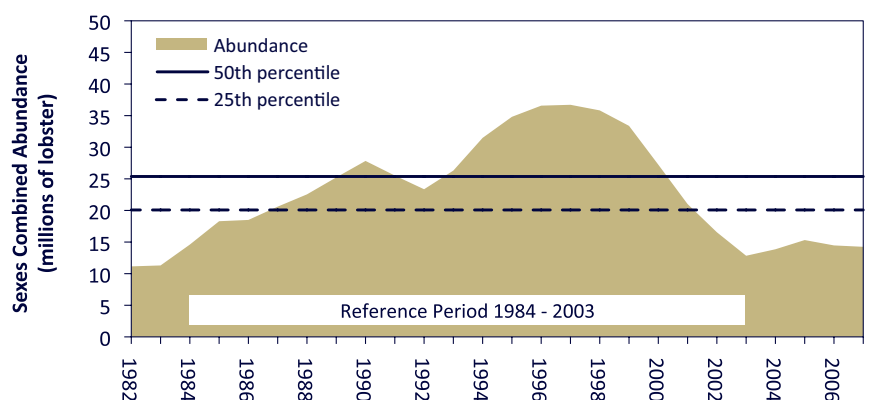


Figure 3. Estimated Abundance of American Lobster in Southern New England

Source: ASMFC American Lobster Stock Assessment, 2009



Timeline of Management Actions: Amendment 3 (1997); Addendum I (1999); Addendum II (2001); Addendum III (2002); Addenda IV & V (2004); Addenda VI & VII (2005); Addenda X & XI (2007); Addendum XIII (2008); Addenda XII, XIV & XV (2009); Addendum XVI (2010)

SPECIES HIGHLIGHTS *continued*

based on additional monitoring information since the release of the 2009 assessment. The report states that the reproductive potential and abundance of the SNE stock is continuing to fall lower than data presented in the 2009 assessment. The SNE stock is critically depleted and abundance indices are at or near time series lows. Given additional evidence of recruitment failure in SNE and the impediments to stock rebuilding, the TC recommended a five-year moratorium on harvest in the SNE stock area.

Due to the significance of the TC recommendation and the importance of the lobster fishery, the Board requested that an independent peer review be conducted on the TC's report. Three independent peer reviewers agreed that increases in sea temperatures and increased prevalence of shell disease indicate natural mortality has likely increased, the SNE stock is "in a poor state," and that a moratorium or severe reductions (75%) in fishing mortality are needed immediately to maximize chances of rebuilding the stock. One of the overall conclusions was that the report could be used for management of the SNE stock.

In order to respond to the stock conditions in SNE, the Board tasked its Plan Development Team with developing a draft addendum for consideration at the Commission's March 2011 meeting to include

a suite of measures that would achieve a 50% reduction in exploitation and a 75% reduction in exploitation. It is anticipated that the draft addendum will be released for public comment and considered for final approval in 2011.

Despite current high levels of abundance and recruitment in GOM and GBK, the 2009 review panel recommended "that managers be particularly vigilant of recruitment patterns in these stocks and stand ready to impose substantial restrictions should recruitments decline." The panel cautioned that productivity has been much lower in the past. For example, GOM landings fluctuated around 20 million pounds without trend from 1930 to 1990, possibly due to low recruitment and production. Those levels are substantially lower than 72.8 million pounds, which was the average annual landings from 2000 to 2007. The current levels of fishing effort and harvest will not be sustainable if the stock returns to lower recruitment and production levels. This was of particular concern because fishermen harvest approximately 50% of the available (i.e., legal-sized) lobster in the ocean. Biological information indicates that only 30% of the available lobster should be removed in order to maintain a healthy fishable population over the long-term.

The lobster fishery has seen incredible expansion in effort and landings since the late 1940s and early 1950s, when landings varied around 25 million pounds. The last two decades alone have seen dramatic increases in lobster landings, rising from 57 million pounds in 1993 and peaking in 2009 at 98 million pounds. Approximately 90% of lobster is caught in state waters (zero to three miles from shore), with Maine and Massachusetts accounting for 77% and 13% of the commercial landings, respectively. Since 2003, approximately 90% of the coastwide landings have come from GOM. SNE has the second largest portion of the catch, accounting for seven to eight percent of the catch over the last five years. GBK has the smallest



portion, representing five to six percent of the total landings.

ATLANTIC CROAKER

The results of the 2010 peer-reviewed stock assessment for Atlantic croaker indicate the resource is not experiencing overfishing. Although model estimates of spawning stock biomass (SSB) were too uncertain to be used to precisely determine overfished stock status, biomass has been increasing and the age-structure of the population has been expanding since the late 1980s. The 2010 assessment considered the population to be a single stock on the Atlantic coast. The previous stock assessment divided the stock into Mid-Atlantic and South Atlantic regions and assessed only the Mid-Atlantic region.

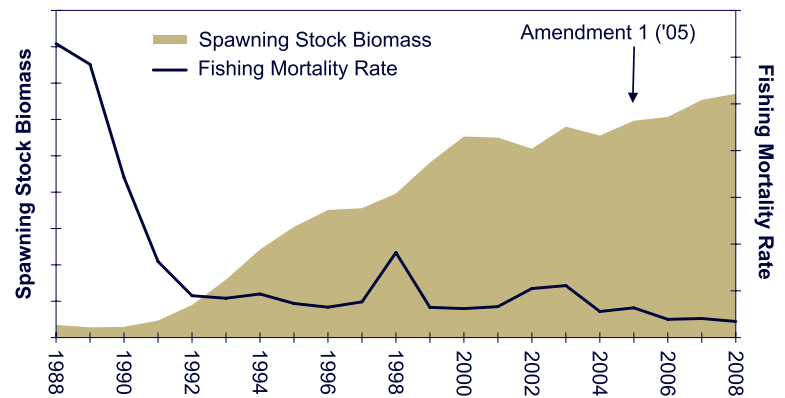
In 2010, the South Atlantic State/Federal Fisheries Management Board approved Addendum I to Amendment I to the Atlantic Croaker FMP. The Addendum changes the management unit to one region (New Jersey to the east coast of Florida), and modifies the biological reference points used to assess stock condition. Both of these changes were based on recommendations from the benchmark stock assessment.

From 1981 to 2009, recreational landings have varied between 1.3 million pounds and 11.1 million pounds, with landings generally increasing until 2001 before declining through 2009. Recreational harvest in 2009 is estimated at 5.4 million pounds. The number of recreational releases has varied without trend for the last decade. In 2009, anglers released 11.4 million fish, about 3.7 million more fish than they landed.

Atlantic coast commercial landings exhibit a cyclical pattern, with low landings in the 1960s to early 1970s and the 1980s to early 1990s, and high landings in the mid- to late 1970s and the mid-1990s to the present. Commercial landings increased from

Trends in Atlantic Croaker Spawning Stock Biomass & Fishing Mortality Rate

Source: ASMFC Atlantic Croaker Stock Assessment Report, 2010



a low of 3.7 million pounds in 1991 to 30.1 million pounds in 2001. Since 2003, landings have declined consistently to 15.9 million pounds in 2009.

Commercial landings comprise about 75% of total reported landings for Atlantic croaker. A major source of uncertainty for the assessment is the magnitude of Atlantic croaker bycatch in South Atlantic shrimp trawls. Most croaker caught in this fishery are less than one year old, too small to be marketed and are thus discarded. Croaker are one of the largest components of the shrimp trawl catch; some studies found that shrimp trawls caught more croaker than shrimp. There are no continuous monitoring programs to account for these discards. This is a problem because the best available estimates of these landings are in some years as large as or larger than reported landings.

SPECIES HIGHLIGHTS *continued*

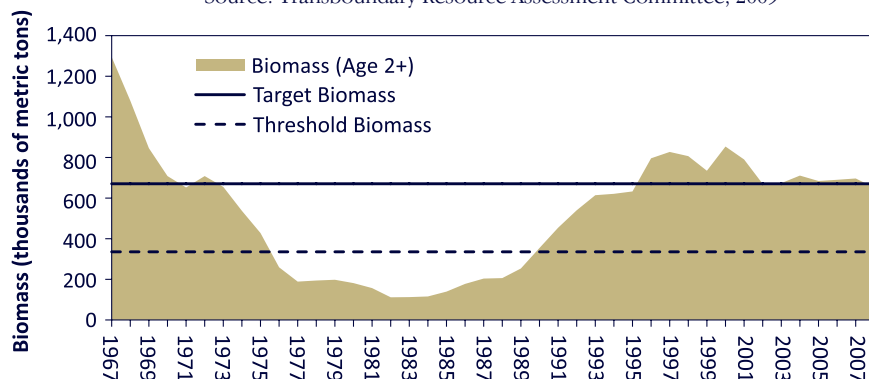
ATLANTIC HERRING

In 2010, the Commission's Atlantic Herring Section (Section) approved Addendum II to Amendment 2 to the Atlantic Sea Herring FMP. The Addendum modifies the process and definitions used by the Commission in setting Atlantic herring specifications. The Addendum also establishes quota overage accountability measures. These changes were made in order to complement the New England Fishery Management Council's (NEFMC) Amendment 4.



Atlantic Herring Biomass for Ages 2+

Source: Transboundary Resource Assessment Committee, 2009



Timeline of Management Actions: FMP (1993); Amendment 1 (1999); Amendment 2 (2006); Addendum I (2009); Addendum II (2010)

The Section also considered Addendum III in 2010. The draft addendum proposed measures to grant small mesh bottom trawl (SMBT) vessels higher possession limits and/or additional landing days and included seasonal, area, and quota restrictions for the proposed measures. The Section decided not to approve Addendum III, but rather initiate Draft Addendum IV to explore granting additional fishing opportunities to SMBTs and small purse seine vessels. Addendum IV will be developed in early 2011.

A seasonal quota allocation was employed for 2010 with no landings before June 1. Nearly three quarters of Area 1A (inshore GOM) total allowable catch were allocated for harvest from June to September with the remainder available from October to December. Maine, New Hampshire, and Massachusetts controlled Area 1A landings through the establishment of 'days out', which restricted the opportunity for fishermen to land herring.

The Section and NEFMC set optimal yield (OY) for the 2010 to 2012 fishing seasons at 91,200 metric tons (mt). OY is defined as the harvest level that achieves the greatest overall benefits, including economic, social, and biological considerations. For all three years, OY will be distributed to the three

Atlantic herring management areas and two sub-areas as follows: Area 1A = 26,546 mt, Area 1B = 4,362 mt, Area 2 = 22,146 mt, and Area 3 = 38,146 mt. OY was reduced by 53,800 mt below the 2008 and 2009 amount (145,000 mt) because of a retrospective pattern in the assessment model that has overestimated biomass an average of 40% over the last several years.

Recent concerns raised by the Commission and stakeholders regarding river herring (alewife and blueback herring) bycatch in the Atlantic herring

fishery has prompted NEFMC to include catch and bycatch monitoring requirements and measures to reduce interactions with river herring stocks in Draft Amendment 5. These measures may include a river herring catch cap for the Atlantic herring fishery and/or area closures in river herring hot spots. Data limitations have made the development of these measures difficult, but the monitoring component of Amendment 5 will help collect valuable data to better understand any interactions and adapt future management accordingly. The Section also places a high priority in protecting river herring and has tasked its TC to work with the Council's Plan Development Team to assist in the development and possible implementation of a comprehensive monitoring program.

ATLANTIC MENHADEN

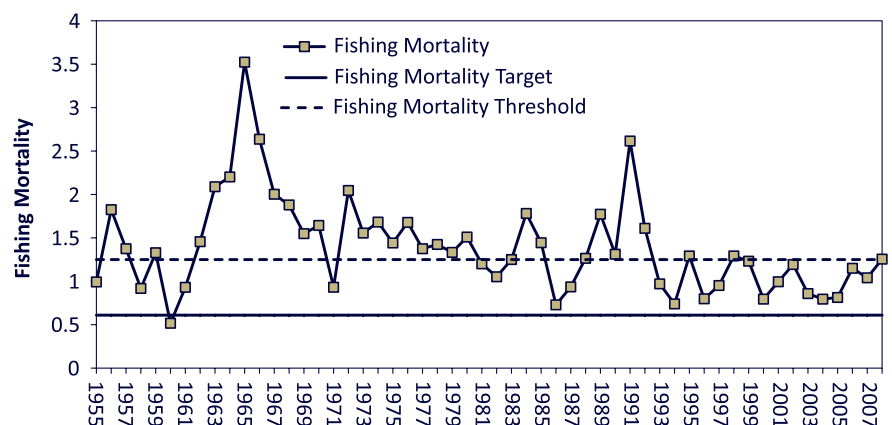
In 2010, an independent panel of scientists reported to the Atlantic Menhaden Management Board that the 2009 benchmark stock assessment is suitable for management use. The panel urged the Board to examine alternative reference points to provide more protection to the spawning stock biomass.

Based on the current reference points, the stock assessment indicates that Atlantic menhaden is not overfished, but is experiencing overfishing. The fishing mortality rate is above the threshold (the maximum rate at which fishing can occur and still allow the population to replace itself). Population fecundity (measured by number of eggs being produced by the population) is slightly below the target, meaning that the spawning stock appears to be adequate



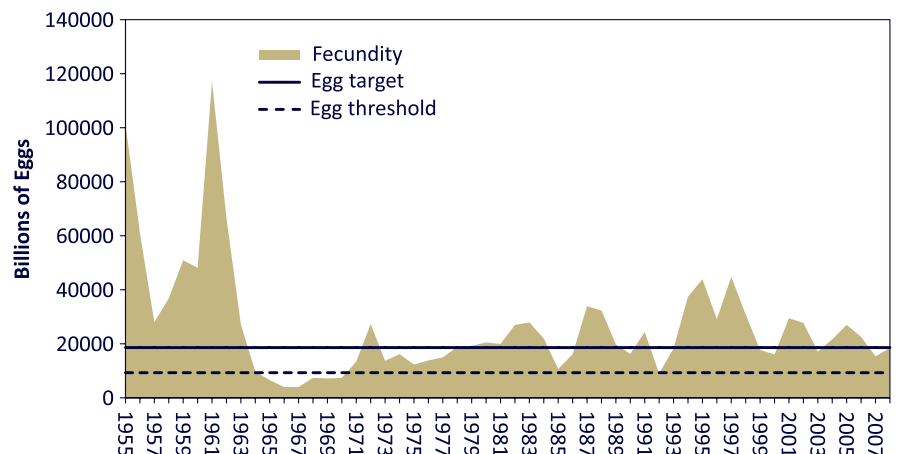
Atlantic Menhaden Fishing Mortality Abundance-Weighted for Ages 2+

Source: ASMFC Atlantic Menhaden Stock Assessment, 2010



Atlantic Menhaden Fecundity

Source: ASMFC Atlantic Menhaden Stock Assessment, 2010



Timeline of Management Actions: FMP (1981); FMP Revision (1991); Amendment 1 (2001); Addendum I (2004); Addendum II (2005); Addendum III (2006); Addendum IV (2009)

SPECIES HIGHLIGHTS *continued*

to produce the target number of eggs. However, the number of young fish in the population has been consistently low in recent decades, indicating that high egg production may not be translating into high survival of young menhaden.

The assessment indicates that the menhaden population has undergone several periods of both high and low abundance over time (1955 to 2008). Abundance has declined steadily since the peak observed in the early 1980s and recruitment (age 0 fish) has been relatively low. As a result of these findings and recommendations by the peer review panel, the Board tasked its TC with developing new reference points to increase protection of the spawning stock. These will include alternative reference points that account for predation on menhaden.

The Board continued to monitor the Chesapeake Bay harvest cap for the reduction fishery that was initially established through Addendum III to Amendment 1 to the Atlantic Menhaden FMP. The cap requires harvest for reduction purposes to be prohibited in the Chesapeake Bay when 100% of the cap is landed (109,020 mt). 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 mt. With total reduction landings in 2009 estimated at 85,000 mt, well below the 109,020 mt cap, the Chesapeake Bay reduction harvest cap for 2010 was set at 122,740 mt.

ATLANTIC STRIPED BASS

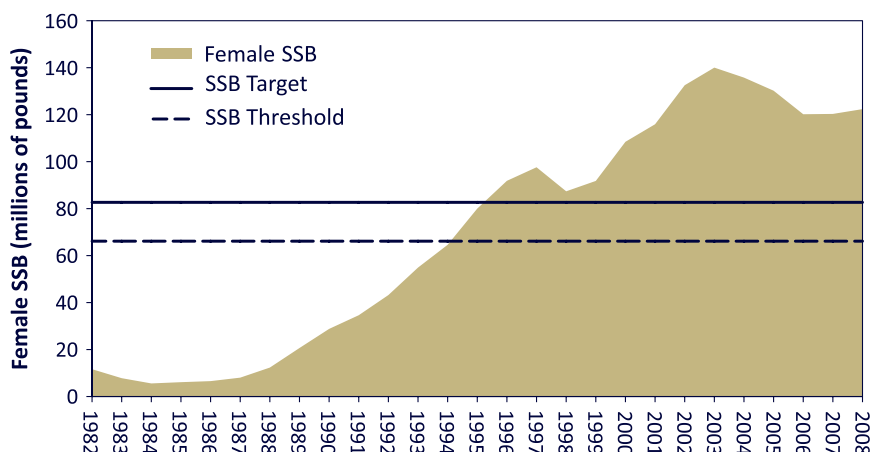
Atlantic striped bass are one of the most sought after species by recreational anglers along the Atlantic coast. In 2009, anglers landed over 1.9 million striped bass weighing 21.4 million pounds. Coastwide landings in 2009 reflect a 30% decline from a high of 2.7 million fish in 2006. Recreational discard mortalities (assuming an 8% mortality of releases) in 2009 were 703,000 fish, a 67% decrease from a high of 2.1 million fish in 2006.

Commercial landings have been consistently lower than the recreational catch (harvest plus releases). Commercial landings increased from 140,000 pounds in 1987 to 5.9 million pounds in 1997 and have remained relatively steady due to quota restrictions. Landings in 2009 were 7.2 million pounds. Gillnets are the dominant commercial gear, followed by hook and line, pound nets, seines, and trawls.

In 2010, the Atlantic Striped Bass Management Board approved Addendum II to Amendment 6 to the Atlantic Striped Bass FMP. The Addendum revises the definition of juvenile recruitment

Atlantic Striped Bass Female Spawning Stock Biomass (SSB)

Source: ASMFC Atlantic Striped Bass Stock Assessment Update, 2009



Timeline of Management Actions: Amendment 1 & 2 (1984); Amendment 3 (1985); Amendment 4 (1990); Amendment 5 (1995); Amendment 6 (2003); Addendum I (2007)

failure based on a TC recommendation. The Board approved status quo management for the coastal commercial quotas, which were being considered for an increase as part of the Addendum.

The proposal to increase the coastal commercial quota by a percentage selected by the Board was intended to bring more parity between the commercial and recreational fishery sectors. Although Amendment 6 established management programs for both fisheries based on the same target fishing mortality rate, coastal commercial fisheries are controlled by quotas whereas coastal recreational fisheries are managed through possession and size limits. As a result, the recreational harvest has increased with expanding striped bass population levels, and now accounts for approximately 70% of the total harvest. The Management Board opted to maintain the existing coastal commercial quotas for several reasons, including a 66% decline in estimated recreational catch (harvest plus releases) from 2006 to 2009, a 25% decline in estimated striped bass abundance from 2004 to 2008, and several years of below-average production of fish from the Chesapeake Bay.

The 2009 stock assessment update estimates that female SSB is at 148% of the SSB target and 185% of the SSB threshold. Estimated fishing mortality in 2008 is equal to or less than 0.21 and below the target (0.30) and threshold (0.34) rates. Striped bass is not overfished and is not experiencing overfishing.

While the stock assessment update indicates that the resource remains in good condition, stock abundance has decreased in recent years. Further, this decline is reflected in a decrease in coastwide landings in 2007 and 2008. Given these findings, the Board approved an assessment update in 2011 to help indicate whether decreasing stock trends are short- or long-term and if corrective action is necessary to maintain the spawning stock biomass above the target level.

ATLANTIC STURGEON

Amendment 1, adopted in 1998, requires the states to implement a 40 year moratorium on harvest to rebuild the Atlantic sturgeon stock. Very little is known about the species' stock status. Reliable data are difficult to obtain because many river systems have few fish, and rivers with more fish are often not easily sampled.



Atlantic sturgeon is currently being considered for listing under ESA. NMFS Northeast Regional Office issued a proposed rule to list the GOM distinct populations segment (DPS) as threatened and the New York Bight and Chesapeake Bay DPS as endangered. NMFS Southeast Regional Office issued a proposed rule to list the Carolina and South Atlantic DPS as endangered. A final rule is expected in 2011.

The most recent stock assessment of Atlantic sturgeon was conducted in 1998. The assessment evaluated each river system where Atlantic sturgeon

SPECIES HIGHLIGHTS *continued*

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



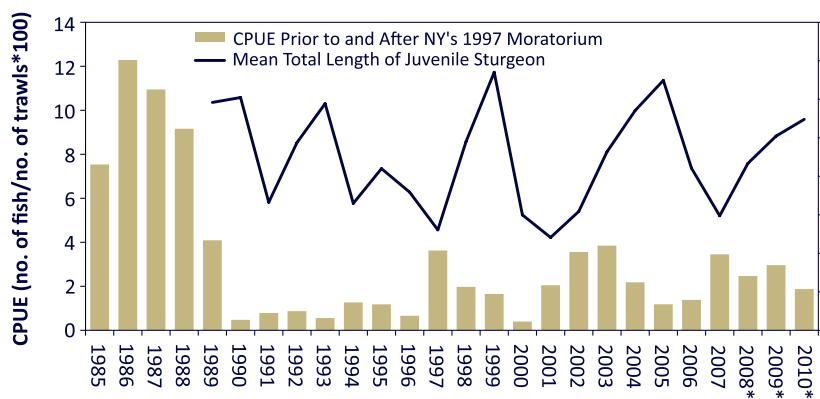
The accompanying graphs depict catch per unit effort for two fishery-independent surveys conducted by New York and North Carolina. Both surveys have experienced significant fluctuations in recent years, with 2009 indices down from time series highs.

BLACK SEA BASS

In 2010, the Commission maintained its joint management program for black sea bass with the Mid-Atlantic Fishery Management Council (MAFMC). This program, which focuses on the stock north of Cape Hatteras, has been in place since 1996. It includes quotas to restrict the commercial fishery, and possession limits and minimum sizes to control recreational landings.

Catch Per Unit Effort (CPUE) of Juvenile Atlantic Sturgeon in the Hudson River Estuary

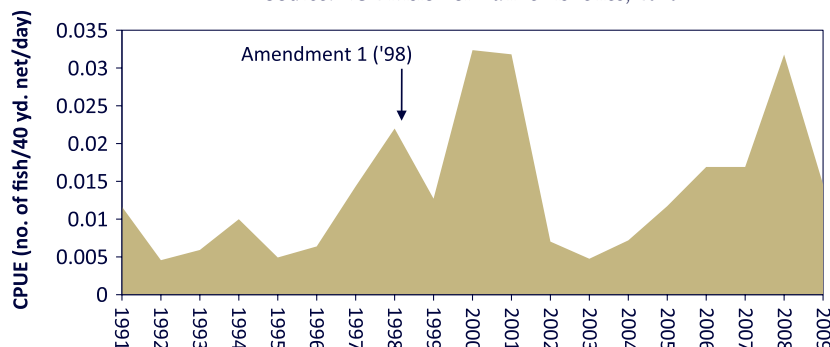
Source: New York State Dept. of Environmental Conservation Compliance Report, 2010



Notes: *2008 – 2010 values are estimated. Coastwide moratorium implemented in 1998.

Fishery-independent Catch Rates of Juvenile Atlantic Sturgeon in Albemarle Sound

Source: NC Division of Marine Fisheries, 2010



The black sea bass stock assessment was updated in 2010 based on the assessment methodology developed in 2009 through NMFS Northeast Fisheries Science Center's (NEFSC) Data Poor Workshop and Peer Review process. The assessment update indicates that the stock is rebuilt (the population is at about 104% of its biomass target) and overfishing is not occurring. Based on the advice of MAFMC's Scientific and Statistical Committee (SSC), both the Commission and Council adopted a 3.6 million pound total allowable landing (TAL) limit for the 2011 black sea bass fishery, 100,000 pounds less than 2010. The Commission took a precautionary approach in setting the TAL due to concerns regarding scientific uncertainty in the assessment model. These include the sensitivity and reliability of the model, the uncertainty in assessing a species with an unusual life history (some females change sex to become males), the presence of a retrospective pattern which tends to overestimate stock size,

and the adequacy of fishery-independent surveys in sampling this species.

The commercial fishery is allocated 49% of the TAL. The principle gear are pots, otter trawl, and handline. After peaking at 22 million pounds in 1952, commercial landings markedly decreased in the 1960s and have since ranged from 1.3 to 4.4 million pounds. In 1998, a quota system was incorporated into the management program and state-by-state shares were introduced in 2003. Since 1998, landings have ranged from 2.86 to 3.53 million pounds. Landings in 2009 were estimated at 1.13 million pounds. Commercial discards are generally less than 440,000 pounds per year.



The recreational fishery is allocated 51% of the TAL. After peaking in 1985 at 12.35 million pounds, recreational harvest averaged 3.75 million pounds annually from 1988 to 1997. Recreational harvest limits were put in place in 1998; harvest has since ranged between 1.1 to 4.4 million pounds. Recreational harvest in 2009 was estimated at 2.44 million pounds. Recreational discards are somewhat higher than commercial discards, ranging between 220,500 to 1.8 million pounds per year.

BLUEFISH

The Commission and MAFMC jointly manage bluefish through Amendment 1 to the Bluefish

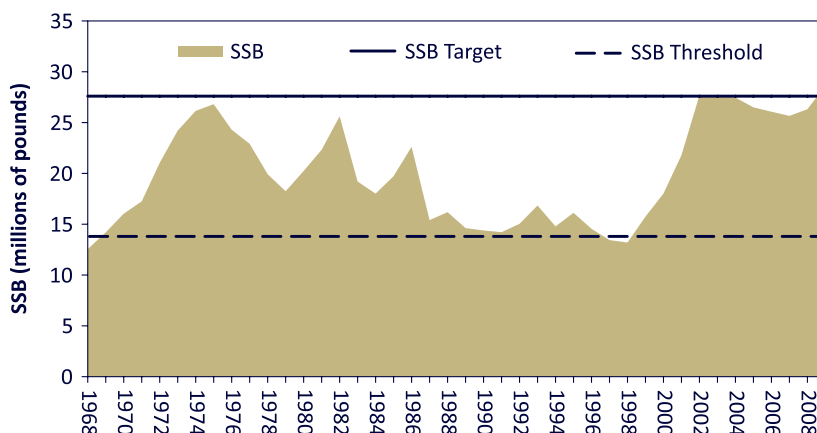
FMP (1998). The Amendment includes commercial and recreational management programs, as well as a rebuilding schedule to achieve a fully restored biomass prior to the rebuilding deadline of 2010. The commercial fishery is controlled through state-specific quotas, while the recreational fishery is constrained by a maximum possession limit.

In 2010, the bluefish stock assessment was updated by the TC to incorporate 2009 landings and survey indices.

The assessment indicates that the stock is not overfished and not experiencing overfishing. The assessment update projected a 2009 stock biomass of 344 million pounds, approximately 106% of its rebuilding target and a slight decline from 2008. The stock was declared rebuilt in 2009, a year ahead of the original stock rebuilding deadline. Fishing mortality is estimated to be 0.12, well below the target and threshold of 0.31 and 0.40, respectively.

Black Sea Bass Spawning Stock Biomass (SSB)

Source: NEFSC Black Sea Bass Assessment Update, 2010



Timeline of Management Actions: FMP (1996); Amendment 10 (1997); Amendment 11 (1998); Amendment 12 (1999); Amendment 13 (2003)

SPECIES HIGHLIGHTS *continued*

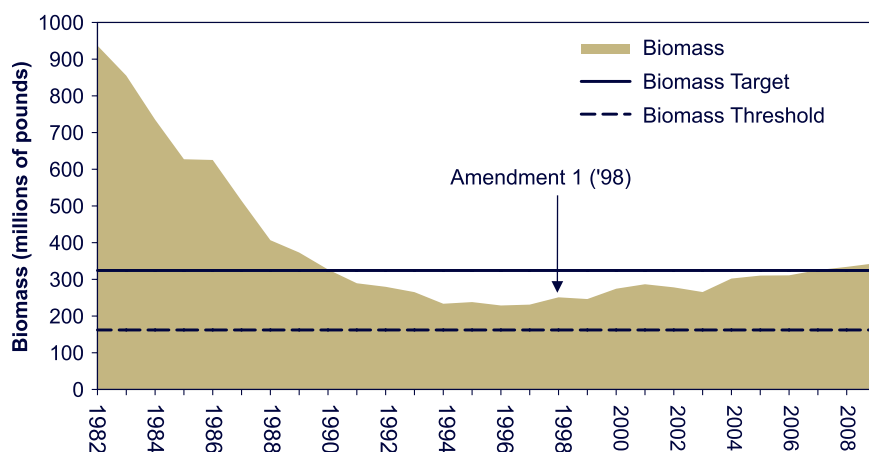
Based on the uncertainty in the assessment update, the Commission slightly decreased the bluefish TAL to 27.29 million pounds for 2011, about a two million pound reduction from 2010.

In early 2011, the Commission will be hosting a workshop to address aging techniques for bluefish. Fish age information is an important component of stock assessments because it is the basis for determining growth rates, the lifespan of a species, and size-at-age. The workshop will establish consistent aging techniques, explore opportunities to make aging efforts more cost-effective, and seek to identify potential funding sources for a coordinated aging program.



Estimated Bluefish Biomass

Source: ASMFC Bluefish Stock Assessment Subcommittee, 2010



COASTAL SHARKS

2010 was the first year that all states fully implemented the provisions of the Atlantic Coastal Sharks FMP. The FMP addresses the management of 40 species and establishes a suite of management measures for recreational and commercial shark fisheries in state waters.

Coordinated state and federal management is essential to establishing healthy self-sustaining populations of Atlantic coastal sharks. Many species are depleted and vulnerable to collapse if fishing pressure continues as it has in recent years. Most of these sharks utilize coastal estuaries and bays in state waters as pupping grounds and nurseries. The FMP was developed to protect pregnant females when they are concentrated in these areas to give birth. Prior to the FMP, there was inconsistent application of shark regulations at the state level – some states mirrored federal regulations while others had less stringent provisions. Implementation of the complementary plan will not only help the stocks rebuild by controlling fishing pressure but will also increase enforceability throughout the species management area.

The FMP establishes a seasonal closure to protect pregnant female sharks and a requirement that fins must remain attached through landings; these measures apply to both recreational and commercial fisheries. Recreational management measures include a prohibition on the harvest of severely depleted species, size limits, and authorized gear. Commercial management measures include species groupings (such as prohibited and research only); the

opening and closing of fisheries concurrent with federal actions for small coastal, large coastal, and pelagic species groups; seasons, landings restrictions, possession limits, gear restrictions and bycatch reduction measures; state commercial license/permit requirements; display and research permit exemptions; and federal dealer permit requirements.

In 2007, an assessment of the small coastal shark (SCS) complex of species was conducted and reviewed using the SEDAR process. SEDAR 13 used data through 2005 and included the assessments of four species with similar life history characteristics, namely Atlantic sharpnose (*Rhizoprionodon terraenovae*), blacknose (*Carcharhinus acronotus*), bonnethead (*Sphyrna tiburo*), and finetooth (*C. isodon*) sharks. These sharks range across the South Atlantic and the Gulf of Mexico. Status of the SCS complex in the last year of the assessment (2005) was determined to be not overfished and overfishing was not occurring. The complex as a whole appears to have experienced very little depletion with respect to virgin levels. An independent peer review panel supported the single-species assessment approach in place of the SCS complex assessment for use in providing scientific advice.

The accompanying table provides an overview of stock status by species group.



Stock Status of Atlantic Coastal Shark Species and Species Groups

SPECIES OR COMPLEX NAME	STOCK STATUS		REFERENCES/COMMENTS
	OVERFISHED	OVERFISHING	
Porbeagle	Y	N	Stock Assessment Report on NAFO Subareas 3 - 6 Porbeagle Shark (2005)
Dusky	Y	Y	Stock Assessment of Dusky Shark in the U.S. Atlantic and Gulf of Mexico (2006). Dusky's are a prohibited species.
Large Coastal Sharks	Unknown	Unknown	SEDAR 11 (2006). Assessing the LCS as a species complex is difficult due to various life history characteristics and lack of available data
Blacktip	Unknown	Unknown	SEDAR 11 (2006)
Sandbar	Y	Y	SEDAR 11 (2006)
Atlantic Sharpnose	N	N	SEDAR 13 (2006)
Blacknose	Y	Y	SEDAR 13 (2006)
Bonnethead	N	N	SEDAR 13 (2006)
Finetooth	N	N	SEDAR 13 (2006)
Smooth Dogfish	Unknown	Unknown	No Assessment

SPECIES HIGHLIGHTS *continued*

HORSESHOE CRAB

Horseshoe crabs play a vital ecological role in the migration of shorebirds along the entire Atlantic seaboard, as well as providing bait for commercial American eel and conch fisheries along the coast. Additionally, their unique blood is used by the biomedical industry to produce Limulus Amoebocyte Lysate, an important tool in the detection of contaminants in patients, drugs, and other medical supplies. The challenge for fisheries

managers is to ensure that horseshoe crab stocks can meet all these diverse needs, while conserving the resource for its self-perpetuation.

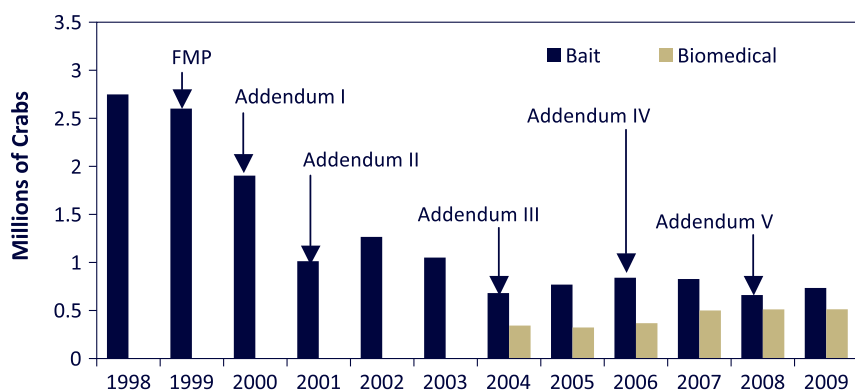
In early 2010, the results of the 2009 benchmark assessment were reported to the Horseshoe Crab Management Board. An independent panel of scientists endorsed the use of the 2009 benchmark assessment and its accompanying multispecies Adaptive Resource Management (ARM) framework for management use.



The assessment indicated abundance has increased in the Southeast and Delaware Bay Regions (New Jersey through coastal Virginia), and decreased in New York and New England. In the Delaware Bay Region, increasing trends were most evident for juveniles, followed by adult males. An increase in adult females is now beginning to be observed in the Virginia Tech Benthic Trawl Survey. These patterns are indicative of population recovery, given that horseshoe crab females take longer to mature than males. In contrast, declining abundance was evident in New York and New England. Declines in the New England population were also apparent in the previous assessment; however, declines in New York represent a downturn from the 2004 assessment.

Coastwide Horseshoe Crab Bait Landings & Biomedical Harvest

Source: ASMFC State Reports, 2010



Note the following details regarding biomedical harvest numbers:

- Harvest numbers include all horseshoe crabs brought to bleeding facilities, including those that were harvested as bait and counted against state quotas.
- Most of the biomedical crabs harvested are returned to the water after bleeding; a 15% mortality rate is estimated for all bled crabs.

The ARM framework includes modeling that links management of horseshoe crab harvest to multispecies objectives, particularly red knot shorebird recovery. It was developed jointly by the Commission, USFWS, and U.S. Geological Survey in recognition of the importance of horseshoe crab eggs to several shorebird species in the Delaware Bay. Within the ARM framework, a

set of alternative multispecies models has been developed for the Delaware Bay to predict the optimal horseshoe crab harvest strategy that would address the needs of red knot population as well as the fishing industry. Both the peer review panel and Board accepted use of the ARM framework as a tool to provide guidance for the multispecies management of horseshoe crab.

Also in 2010, the Board approved Addendum VI to the Horseshoe Crab FMP. The Addendum extends the provisions of Addendum V through April 30, 2013 while the ARM framework is further refined and long-term funding is secured to support the horseshoe crab monitoring program that the ARM framework is dependent upon.

Addendum VI's measures include a delayed, male-only harvest in New Jersey and Delaware, prohibiting the harvest and landing of male and female horseshoe crabs from January 1 through June 7 in the Delaware Bay, and restricting the annual harvest to 100,000 males per state from June 8 through December 31. As with all Commission plans, states can implement more conservative management measures. In the case of New Jersey, it currently maintains a moratorium on the harvest and landing of horseshoe crab.

The Addendum also requires a delayed harvest in Maryland, prohibiting horseshoe crab harvest and landings from January 1 through June 7 and prohibits landing of horseshoe crabs in Virginia from waters outside the Bay from January 1 through June 7. No more than forty percent of Virginia's quota may be landed from ocean waters and those landings must be comprised of a minimum male to female ratio of 2:1. Like New Jersey, Maryland has also implemented more conservative measures to include a minimum male to female ratio of 2:1.

NORTHERN SHRIMP

Valued at \$2.1 million in 2009, northern shrimp continues to provide a small but valuable coastal fishery for Maine, New Hampshire, and Massachusetts fishermen. Throughout the early 2000s, there was concern for the status of the northern shrimp stock and the ability of the resource to sustain high harvest levels. This led to severe harvest reductions in the 2001 to 2005 fishing seasons. These reductions have resulted in a rebuilt stock, with biomass at 40.5 million pounds in 2010.

In 2010, the Northern Shrimp Section and its member states closed the 2009/2010 fishery 24 days before the scheduled closing date of May 29. The decision to close the fishery prior to the season end was based on preliminary landings that indicated that harvest was already at 10.93 million pounds, 125,685 pounds in excess of the TC-recommended landings level. In addition, the Section voiced concern about the harvest of smaller shrimp, a significant component of the May fishery. The TC projected landings could range between 12.6 and 14.3 million pounds if harvest continued through May 29.

Updated in 2010, the northern shrimp stock assessment indicates that the stock is not overfished and not experiencing overfishing. Exploitable biomass declined from approximately 27.7 million pounds in 1996 to a time series low of nine million pounds in 2001. In 2007, biomass rose to a high of 50.7 million pounds and subsequently declined to 40.5 million pounds in 2010. Based on the reduced abundance of northern shrimp, the Section shortened the 2010/2011 season to 136 fishing days. The Section also agreed to assess the pace of the fishery in late February 2011 to evaluate where total landings are relative to the target harvest level of 8.82 million pounds. If necessary, the Section may adjust the closing date to prevent an overage of the target or extend the season to ensure sufficient opportunity to harvest the target.

SPECIES HIGHLIGHTS *continued*

In the northern shrimp fishery, landings are dominated by the availability and abundance of four and five year old northern shrimp. The emergence of a strong year class will tend to support productive fisheries four to five years down the road. The 2006 year-class continues to be very weak and will likely be unavailable in significant numbers as five year olds for the 2011 season. Therefore, the TC expects that catches in 2011 will be comprised mostly of four year old female shrimp, which will be smaller than the five year olds that have been harvested for the past few seasons. Fortunately, the 2007 to 2009 year-classes have shown above average strength when

compared to past survey years, and should provide favorable conditions for the 2012 to 2014 fishing seasons.

Landings in the GOM declined after the mid-1990s, from a high of 21 million pounds in 1996 to a low of 934,000 pounds in 2002, the result of low shrimp abundance and reductions in fishing effort. Since then, landings have increased to 10.8 million pounds in the 152-day 2008 season, and then declined to 5.2 million pounds in the 180-day 2009 season. The preliminary landings for 2010 are 12.4 million pounds, more than double the landings observed in 2009.



RED DRUM

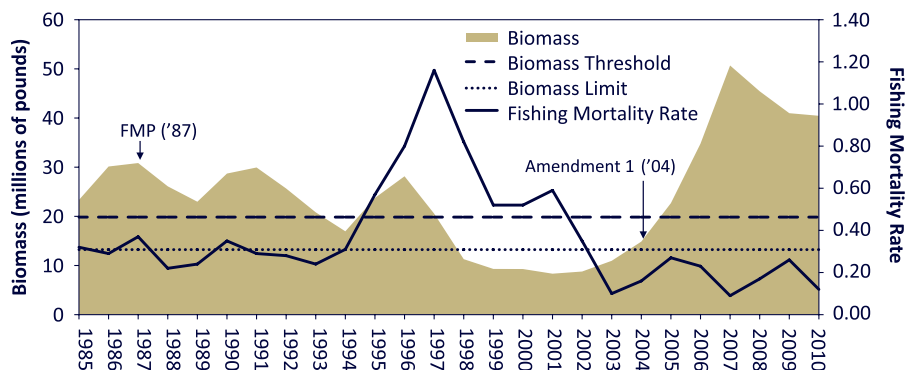
Red drum is one of the most popularly sought after recreational fish throughout the South Atlantic. Since the 1980s, recreational fishing has accounted for about 85% of all red drum landings. The recreational fishery is a nearshore fishery, targeting small “puppy drum” and large trophy fish.

Through successful joint management by the Commission and the South Atlantic Fishery Management Council (SAFMC), red drum populations have shown increases over the last ten years. In 2008, the management authority for red drum was transferred solely to the Commission while maintaining the harvest moratorium in federal waters (three to 200 miles from shore). Also, an Executive Order was signed that prevents the commercial sale of red drum harvested from federal waters.

In 2009, a comprehensive benchmark stock assessment and peer review was completed for red drum. Data limitations resulting from red drum’s

Gulf of Maine Northern Shrimp Total Stock Biomass and Fishing Mortality

Source: ASMFC Northern Shrimp Technical Committee, 2010



life history characteristics and management regime have presented unique challenges to scientists as they try to assess the status of the stock. Relatively little is known about the adult (spawning) population of red drum (ages 4 and older), as these fish are primarily found in offshore waters (three to 200 miles from shore) where fishing for red drum is prohibited under federal law. As such, there is little fishery-dependent information and limited fishery-independent data on the larger, reproductive fish. Existing data are largely for the juvenile component of the resource (ages 1 to 3) found in inshore waters (zero to three miles from shore). Fishery-dependent data are constrained by the fisheries slot limit, which ranges anywhere from 15 to 27 inches (again limiting the amount of information about larger fish) and fishery-independent data are supplied by multiple state inshore surveys.

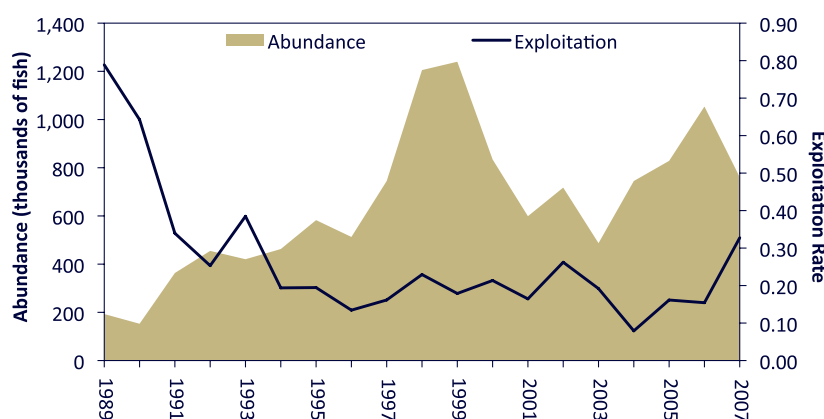
The impact of these limitations is a stock assessment that adequately describes abundance and exploitation rates for the pre-adult component of the population (ages 1 to 3), particularly for the northern region, but provides no reliable information on the adult component. The stock assessment model was considered to be informative only about the relative, not absolute, trends in age 1 to 3 abundance and exploitation for the southern region. Therefore, only general conclusions about trends in stock status could be provided for the southern region.

Overall, the stock assessment concluded that sufficient numbers of young fish are surviving to move offshore and join the adult spawning population, indicating that overfishing is likely not occurring. In the northern region (New Jersey to North Carolina), abundance of age 1 to 3 red drum increased from 1990 to 2000,



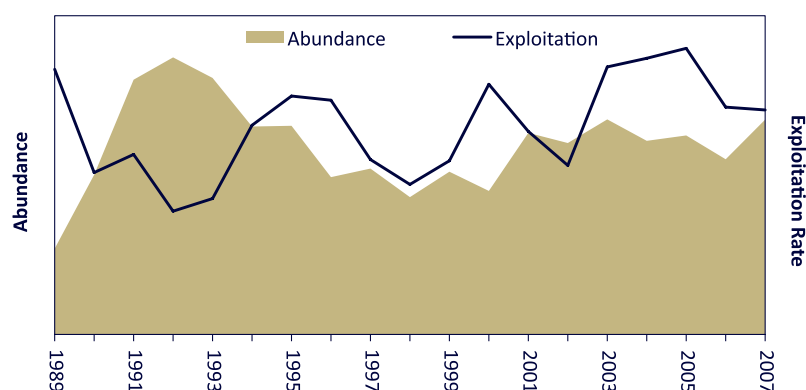
Estimates of Abundance and Exploitation for the Northern Stock Component of Red Drum, Ages 1-3

Source: SEDAR 18 Atlantic Red Drum Stock Assessment Report, 2009



Trends in Abundance and Exploitation for the Southern Stock Component of Red Drum, Ages 1-3

Source: SEDAR 18 Atlantic Red Drum Stock Assessment Report, 2009



Timeline of Management Actions: FMP (1984); Amendment 1 (1991); and Amendment 2 (2002)

SPECIES HIGHLIGHTS *continued*

after which it widely fluctuated. The initial increase in abundance of these age groups can be explained by the reduction in exploitation rates in the early part of the time series with relative stability since then. Fishing pressure appears to be stable, and there is a high probability that the stock is not subject to overfishing.

In the southern region (South Carolina to Florida), the relative trend in abundance of age 1 to 3 red drum increased during 1989 to 1992, declined during 1992 to 1998, and has fluctuated thereafter. As with the northern stock, the initial increase in abundance of these age groups can be explained by the reduction in exploitation rates in the early part of the time series. There appears to have been a slight increase in exploitation rates since 1990.

Given these findings, the Commission's South Atlantic State/Federal Fisheries Management Board did not initiate any changes to the management program.

SCUP

For more than a decade, the Commission has jointly managed the scup resource with MAFMC. In 2010, the scup stock assessment was updated based on the peer reviewed methodology that

was developed in 2009 through the NEFSC Data Poor Workshop and Peer Review process. The new model and reference points represent a more stable approach for monitoring scup stock status and specifying the annual fishery regulations.

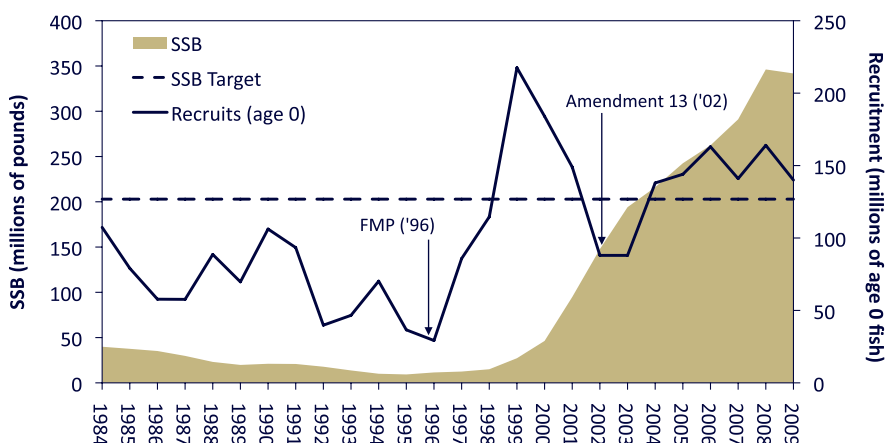
Under the new reference points, the stock is considered rebuilt (the population is at 169% of its biomass target) and not experiencing overfishing. While the new long-term maximum sustainable yield (MSY) estimate appears reasonable given the historical evidence from the fishery, managers may consider a cautious approach in setting quotas. The peer review panel advised that "rapid increases in quota to meet the revised MSY would be unwarranted given uncertainties in recent recruitment. A more gradual increase in quotas is a preferred approach reflective of the uncertainty in the model estimates and stock status."

For the 2011 scup fishery, both the Commission and MAFMC initially set a TAL of 20 million pounds. However, this TAL was increased to 26 million pounds to allow the states to maintain status quo for recreational measures in 2011. This revised TAL represents an increase of 92% relative to the 2010 level.

In 2010, the Summer Flounder, Scup, and Black Sea Bass Management Board met jointly with MAFMC. Both groups reviewed the current scup allocation and discussed possible alternatives for both the commercial/recreational allocation split and the allocation split for the three commercial periods. The Board and Council initiated an analysis of scup allocation between the winter and summer periods and the commercial and recreational fisheries to determine if there is a justifiable economic/social/biological reason to support a modification to the current

Scup Spawning Stock Biomass (SSB) and Recruitment

Source: NEFSC Stock Assessment Update, 2010





allocation scheme. Upon completion of this analysis, the Board and Council will continue to discuss potential reallocation of the available scup TAL.

Commercial scup landings peaked in 1960 at 48.5 million pounds. In recent years, landings have fluctuated from 15.6 million pounds in 1991 to a time series low of 2.7 million pounds in 2000. In 2009, commercial landings were 8.2 million pounds. For several years, Rhode Island and New Jersey have harvested the largest share of the total commercial landings of scup.

Recreational fishermen accounted for 17 to 67% of total annual catches from 1985 to 2001. Recreational landings declined steadily from 11.6 million pounds in 1986 to 0.9 million pounds in 1998, the lowest value in the time series. In 2009, recreational landings were 2.94 million pounds.

SHAD & RIVER HERRING

Shad and river herring species present a number of unique management challenges. Due to their broad geographic ranges, these species are susceptible to varied threats throughout their different life stages. The threats to future rebuilding of the stocks include direct harvest, predation, bycatch in other fisheries,

habitat degradation, and barriers to upstream and downstream migration.

American Shad

In 2010, the Shad and River Herring Management Board approved Amendment 3 to the Shad and River Herring FMP to update the shad management program. The Amendment establishes a coastwide commercial and recreational moratorium, with exceptions for sustainable systems. Sustainability is determined through state-specific management plans, and applies to systems where it is demonstrated that the commercial and/or recreational fishery will not diminish future stock reproduction and recruitment. The Amendment allows any state or jurisdiction to keep its waters open to a catch and release recreational fishery. Fisheries without an approved sustainability management plan in place by January 1, 2013 will be closed (with the exception of catch and release recreational fisheries).

The Amendment was developed in response to the findings of the 2007 benchmark stock assessment, which indicates that American shad stocks are currently at all-time lows and do not appear to be recovering. It identified the primary causes for the continued stock declines as a combination of excessive total mortality, habitat loss and degradation, and migration and habitat access impediments. Although improvement has been seen in a few stocks, many remain severely depressed compared to historic levels.

To improve data collection, the Amendment implements additional required fisheries-independent and dependent monitoring for some states or jurisdictions. This includes monitoring of juvenile and adult American shad stocks; hatchery production; and commercial, recreational, and bycatch fisheries. Additionally, the Amendment increases coordination of monitoring activities for river systems under shared jurisdictions, as well as between freshwater and marine agencies.

SPECIES HIGHLIGHTS *continued*

The Board also continues to collaborate with NEFMC and MAFMC as the Councils work to develop bycatch monitoring and reduction strategies for shad and river herring through Amendment 5 (Atlantic Herring) and Amendment 14 (Squid, Butterfish and Mackerel). The NEFMC Atlantic Herring Plan Development Team is considering a suite of options for inclusion in Amendment 5 to improve monitoring and reduce shad and river herring bycatch, including increased observer coverage and portside sampling, the identification of bycatch hotspots, and the development of bycatch caps. MAFMC Amendment 14 is currently being developed, with the goals

focusing on the establishment of an effective monitoring program to evaluate bycatch, identify alternatives to reduce total catch of shad and river herring, and align Atlantic herring and mackerel reporting requirements.

River Herring

In 2009, the Commission approved Amendment 2 to the Shad and River Herring FMP to update the river herring management program. The Amendment prohibits commercial and recreational river herring fisheries in state waters beginning January 1, 2012, unless a state or jurisdiction develops

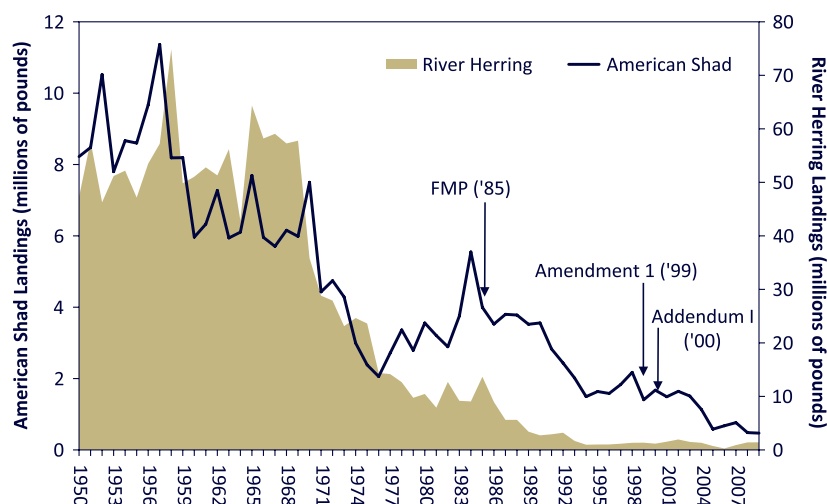
and submits for approval a sustainable management plan. Submitted plans must clearly demonstrate that the state or jurisdiction's river herring fisheries meet the new definition of sustainability (same definition as that used in Amendment 3) through the development of sustainability targets which must be achieved and maintained. The plans are subject to TC review and Board approval prior to the fishing year beginning January 1, 2012.

The Board's action on Amendment 2 was taken in response to widespread concern regarding the decline of river herring stocks. 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 2009, commercial landings decreased by about 90% from 13.6 million pounds to 1.6 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.



American Shad & River Herring Commercial Landings

Source: Personal communication from NMFS Fisheries Statistics Division, Silver Spring, MD, 2010



River herring stocks are a multi-jurisdictional resource occurring in rivers and coastal and ocean waters. While oversight of river herring management in state waters lies with the Commission, river herring can be encountered in ocean fisheries beyond the states' jurisdiction. Bycatch of river herring in small mesh fisheries continues to be a significant concern. Preliminary analyses indicate that, in some years, the total bycatch of river herring by the Atlantic herring fleet alone could be equal to the total landings from the entire in-river directed fishery on the East Coast. As mentioned previously, the Commission will continue to work with the Councils to improve monitoring and reduce bycatch of river herring in federal water fisheries.

approximately 70% and 30% of the resource, respectively. These values match the average contribution of each sector from 1981 to 2007. Coastwide commercial landings have been below four million pounds since 1995. Commercial landings in 2009 were 3.75 million pounds, 70% of which were landed in Florida, with North Carolina (26%) and Virginia (4%) harvesting the remaining landings. The primary commercial gears are gillnets (40%), cast nets (28%), and hook and line (21%).

Recreational anglers harvested an estimated 1.19 million Spanish mackerel (1.79 million pounds) in 2009, an 18% decline in numbers of fish and a 10% decline in pounds of fish from 2008. The

SPANISH MACKEREL

The Commission and SAFMC cooperatively manage Spanish mackerel. This species supports important recreational and commercial fisheries in the South Atlantic and is gaining importance in the Mid-Atlantic. Since adoption of the FMP in 1990, states from New York through Florida have implemented bag and size limits or provisions for seasonal closures to complement SAFMC's measures implemented in federal waters (three - 200 miles from shore).

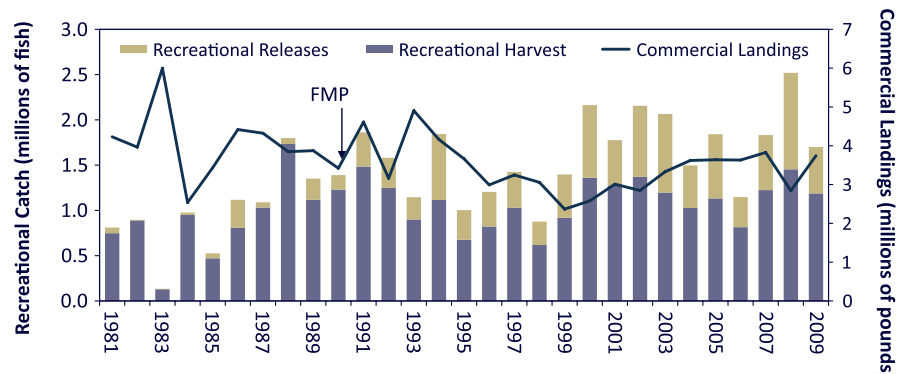
In 2008, a benchmark assessment and peer review was conducted for Spanish mackerel. It was determined that the stock was not experiencing overfishing; however, the model could not reliably determine whether the stock was overfished.

Total 2009 landings were 5.53 million pounds, with commercial and recreational fisheries harvesting



Spanish Mackerel Commercial Harvest and Recreational Catch (Harvest and Alive Releases)

Source: Personal communication NMFS Fisheries Statistics Division, Silver Spring, MD, 2010



Note: Recreational catch (harvest and releases) is expressed in numbers of fish, while the commercial harvest is in millions of pounds. MRIP urges caution when using reported recreational catch in pounds due to the potential for significant uncertainty in the data, therefore, numbers of fish are reported here. Using weight for the commercial fishery is more reliable based on dealer and fishermen reporting programs.

SPECIES HIGHLIGHTS *continued*

number of recreationally-harvested fish appears to show a cyclical trend, with low harvests in the early to mid-80s and mid- to late 90s, interspersed with higher harvests. Florida and North Carolina continue to account for the majority of recreational landings in both number and weight (86% by number since 1981). In 2009, North Carolina harvested 59% of the total number of fish, followed by Florida with 32%. While the number of recreational releases has generally increased over time (reached a peak of over one million fish in 2008), releases declined in 2009 to about 500,000 fish.

Throughout 2010, the South Atlantic Board worked on the development of an Omnibus Amendment to the FMPs for Spanish Mackerel, Spot, and Spotted Seatrout. The Amendment's intent is to update the three species' management plans with compliance measures consistent with Commission standards and procedures, and also align state and federal management for Spanish mackerel. A Draft Amendment is expected to be presented to the Board in March 2011, with plan approval slated for later in the year.

SPINY DOGFISH

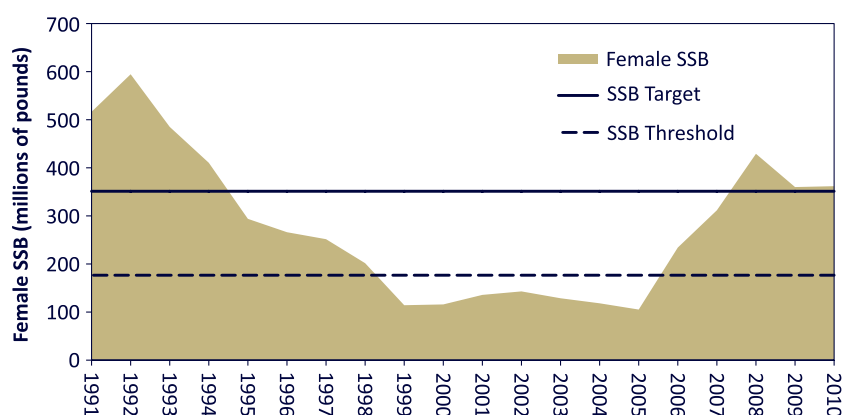
The Commission and MAFMC manage spiny dogfish through complementary management plans. During the 1990s, tremendous growth in the commercial fishery exceeded the availability of the resource, resulting in the implementation of stringent fishery management measures in state and federal waters. Today, as a result of those measures, the stock is considered rebuilt and supports a 20 million pound fishery.

In 2010, the spiny dogfish stock assessment was updated based on the assessment methodology approved by peer review in 2006. The assessment update indicates that spiny dogfish are not overfished, with the 2010 SSB estimate of 362 million pounds slightly above target biomass of 351 million pounds. Further, the most recent estimate of fishing mortality indicates that overfishing is not occurring. Total removals in 2009 were approximately 25.4 million pounds corresponding to a fishing mortality rate of 0.113, well below fishing mortality target and threshold of 0.207 and 0.325, respectively. After considering the assessment update and technical advice, the Board approved a 2011/2012 quota of 20 million pounds and provided the states



Spiny Dogfish Female Spawning Stock Biomass (SSB)(≥ 80 cm)

Source: NEFSC Update on the Status of Spiny Dogfish, 2010



Timeline of Management Actions: Emergency Action (2000); FMP (2003); Addendum I (2005); Addendum II (2008)

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.

Under Addendum II to the Spiny Dogfish FMP (2008), the quota is currently allocated with 58% to states from Maine through Connecticut, 26% to New York through Virginia, and 16% to North Carolina. In 2010, the Spiny Dogfish and Coastal Sharks Management Board initiated an addendum that will consider establishing state-by-state allocations for the southern states. It is anticipated that this addendum will be finalized in early 2011 and apply to the 2011/2012 fishing year.

SPOT

Spot supports important recreational and commercial fisheries in the South Atlantic, with total landings in 2009 estimated at 8.29 million pounds (66% harvested by the commercial sector and 34% by the recreational fishery).

In 2010, the Spot Plan Review Team (PRT) compiled and analyzed available fishery-dependent and fishery-independent data. While some indices exhibited increases in 2007 and/or 2008, the PRT expressed concern about the status of spot. Coastwide commercial landings have declined since 1950. Commercial harvest-per-unit-effort is generally stable or declining in the two states with the largest landings. The commercial catch-at-age data, which showed an expansion of the age structure in the early 2000s, has contracted in the last several years. All reviewed juvenile abundance indices showed poor production in 2009. Most indices of adult spot in the species core area are also either stable or declining.

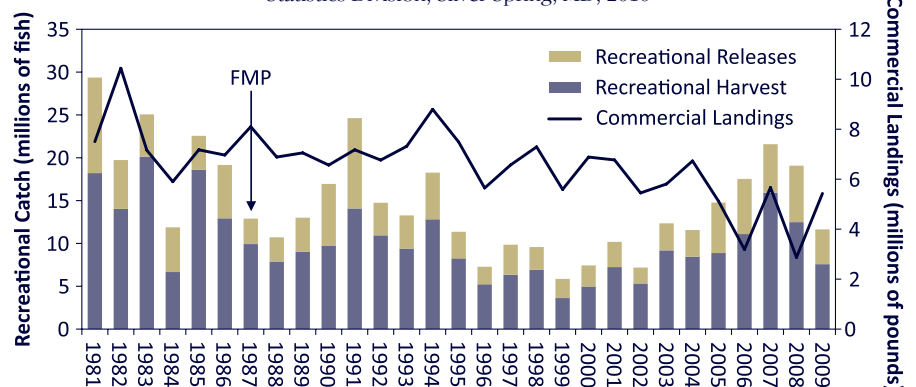
The PRT has enough concern about the spot population that it recommended initiating a spot stock assessment when more and better bycatch and discard data become available. In the meantime, it will develop a management trigger based on an annual review of spot data for inclusion in the Draft Omnibus Amendment for Spanish Mackerel, Spot, and Spotted Seatrout. The Omnibus Amendment is scheduled to be completed in 2011.

Commercial harvest in 2009 was estimated at 5.46 million pounds, with the majority taken in gillnets. Virginia landed 70% of the commercial harvest (by pounds) followed by North Carolina with 18% of the harvest. Small spot are also a major component of the bycatch in haul seine and pound net fisheries in Chesapeake Bay and North Carolina, as well as a significant part of the bycatch of the South Atlantic shrimp trawl fishery.

From 1981 and 2009, recreational harvest along the Atlantic coast has varied between 3.6 and 20.1 million fish (1.7 and 6.9 million pounds). There was an increasing trend in the recreational harvest from the low of 3.6 million pounds in 1999 to a high of 15.9 million fish (5.5 million pounds) in

Spot Commercial Harvest and Recreational Catch (Harvest and Alive Releases)

Source: Personal communication NMFS Fisheries Statistics Division, Silver Spring, MD, 2010



Note: Recreational catch (harvest and releases) is expressed in numbers of fish, while the commercial harvest is in millions of pounds. MRIP urges caution when using reported recreational catch in pounds due to the potential for significant uncertainty in the data, therefore, numbers of fish are reported here. Using weight for the commercial fishery is more reliable based on dealer and fishermen reporting programs.

SPECIES HIGHLIGHTS *continued*

2007; however, harvest declined in 2009 to 7.6 million fish (2.8 million pounds). Virginia anglers were responsible for 42% of the total number of fish harvested in 2009, followed by anglers in Maryland (29%), North Carolina (15%), and South Carolina (12%). The estimated number of spot released annually by recreational anglers has varied between two and 6.4 million fish, with the exception of a few years. The number of fish released alive in 2009 (4.1 million) is just below the time series average of 4.6 million fish.



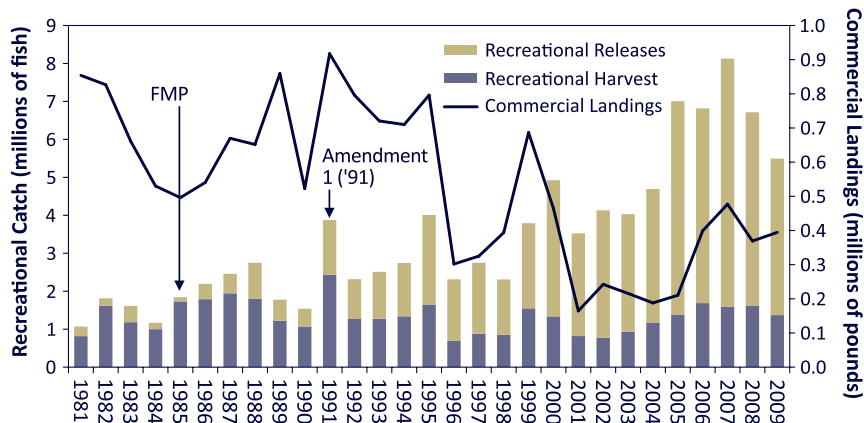
SPOTTED SEATROUT

Spotted seatrout support significant recreational fisheries throughout the Southeast, with 5.5 million fish (two million pounds) harvested and released in 2009. In Florida alone, where the fish is highly accessible, spotted seatrout is often the most sought-after and exploited gamefish. The commercial fishery is just a fraction of the recreational catch, harvesting about 394,000 pounds in 2009. 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.

Spotted seatrout is managed under Amendment 1 to the Spotted Seatrout FMP (1991). All six states with an interest in this species (Maryland to Florida) have established a minimum size limit of at least 12 inches. In addition, each state has either initiated spotted seatrout data collection programs or modified other programs to gather the necessary information for a future coastwide stock assessment. Currently, there is no coastwide stock assessment for the species and local assessments vary by state.

Spotted Seatrout Commercial Harvest and Recreational Catch (Harvest and Alive Releases)

Source: Personal communication NMFS Fisheries Statistics Division, Silver Spring, MD, 2010



Note: Recreational catch (harvest and releases) is expressed in numbers of fish, while the commercial harvest is in millions of pounds. MRIP urges caution when using reported recreational catch in pounds due to the potential for significant uncertainty in the data, therefore, numbers of fish are reported here. Using weight for the commercial fishery is more reliable based on dealer and fishermen reporting programs.

Final approval of the Omnibus Amendment, which will update management programs for Spanish mackerel, spot and spotted seatrout, is scheduled for 2011.

SUMMER FLOUNDER

The Commission and MAFMC have jointly managed summer flounder for more than 20 years. The population is demonstrating a positive response to the joint management program. In 2010, the summer flounder stock assessment was updated and estimated that SSB is currently at

89% of the FMP target of 132.4 million pounds. The stock is not overfished and not experiencing overfishing. If there is continued success in staying at or below annual commercial quotas and recreational harvest limits, the stock is projected to rebuild on schedule by January 1, 2013.

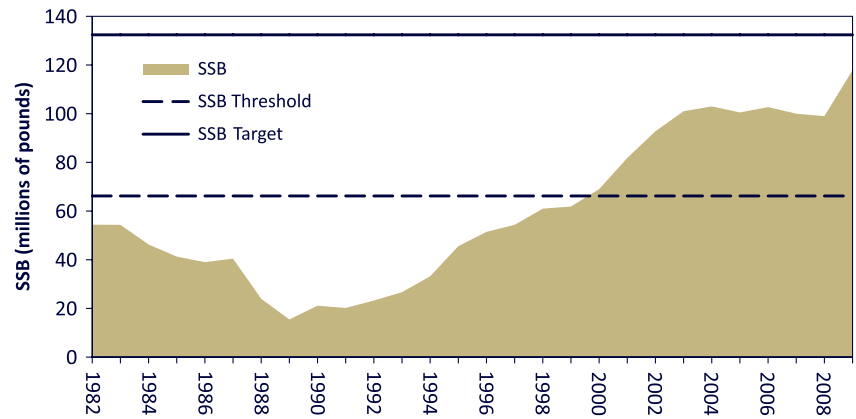
Based on the 2010 stock estimates, the Commission and MAFMC voted to increase the 2011 summer flounder TAL by 7.35 million pounds to 29.48 million pounds. This action was consistent with the recommendations of the SSC and Monitoring Committee regarding acceptable biological catch. The Monitoring Committee recommend a slightly lower TAL of 28.93 million pounds to reduce the risk of overfishing in 2011 due to a strong retrospective pattern in recruitment in the past three years (meaning the model overestimates the number of age 0 fish coming into the population).

During the late 1980s, commercial landings declined dramatically, reaching a low of 9.3 million pounds in 1990. Landings showed an increasing trend through 1995, but have varied without trend through 2009. For the past three years, commercial



Summer Flounder Spawning Stock Biomass (SSB)

Source: NEFSC Stock Assessment Update, 2010



Timeline of Management Actions: FMP (1988); Amendment 1 (1991); Amendments 2-5 (1993); Amendment 6 (1994); Amendment 7 (1995); Amendments 8 & 9 (1996); Amendment 10 (1997); Amendment 11 (1998); Amendment 12 (1999); Amendment 13 (2003)

landings have been around 11 million pounds, with 2009 landings at 11.06 million pounds. Otter trawl is the principle commercial gear.

After reaching a low of 3.2 million pounds in 1989, recreational landings increased to 11.9 million pounds in 1997 and 16.5 million pounds in 2000. Since 2000, landings have varied without trend, with 6.3 million pounds landed in 2009.

TAUTOG

The Commission adopted the Tautog FMP 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 30 years old reported, the management program must be very conservative to rebuild the stock.

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

SPECIES HIGHLIGHTS *continued*

Total stock biomass has been generally stable, at low levels, since 1999.

The Commission completed Addenda IV and V in 2007 in response to the 2006 assessment update. The addenda require that the states achieve a 25.6% reduction in exploitation through adjustments to their recreational and/or commercial fisheries. This reduction in overall fishing mortality is necessary to initiate rebuilding of the severely depressed tautog stock. Addendum IV established stock rebuilding goals to measure the success of the reductions in exploitation.

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

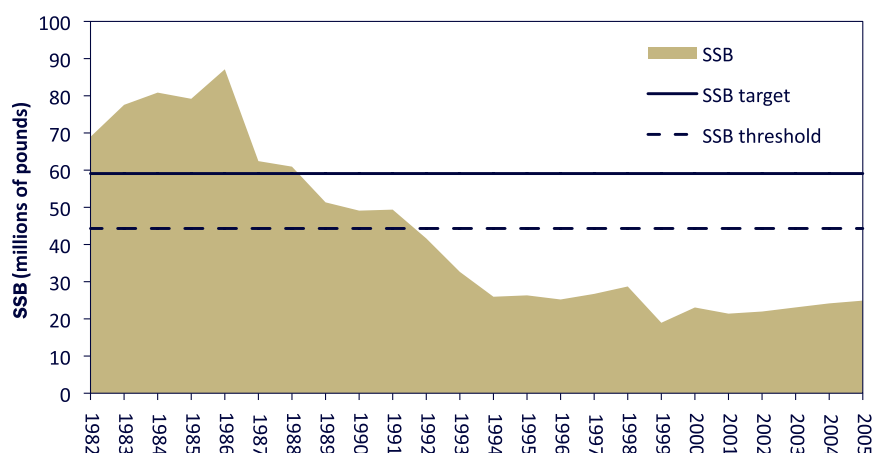
59.1 million pounds and 44.3 million pounds, respectively, and a rebuilding fishing mortality rate of 0.20. Using these reference points, the tautog stock is considered to be overfished and overfishing is occurring.

In 2010, due to emerging concerns regarding the condition of the tautog stock and the potential that fishing pressure may be increasing due to increased restrictions on other species, the Commission's Tautog Management Board approved initiation of draft Addendum VI. Draft Addendum VI will propose measures to address the illegal harvest of live tautog and prevent increases in fishing mortality prior to completion of the 2011 stock assessment update. Proposed measures will include a prohibition of live fish for non-commercial anglers, state harvest reductions, a reduction in target fishing mortality rate, and recommendations to NMFS for federal waters. This Addendum is scheduled to be completed in 2011.



Tautog Spawning Stock Biomass (SSB)

Source: ASMFC Tautog Stock Assessment Report, 2006



Timeline of Management Actions: FMP (1996); Addendum I (1997); Addendum II (1999); Addendum III (2002); Addenda IV & V (2007)

Recreational landings declined overall from 1986 to 1998, reaching a time series low of 1.48 million pounds in 1998. Since 1999, landings have ranged between 2.4 and 5.4 million pounds (3.5 million pound average per year). Recreational anglers harvested 3.3 million pounds in 2009, with New York (39%), New Jersey (15%), Delaware (12%), and Rhode Island (11%) comprising 77% of the catch.

Commercial landings accounted for seven percent of the total harvest in 2009. Landings fluctuated without trend from 1950 to 1980, staying around 200,000 pounds. Landings began to increase in the early 1980s, reaching a high of 1.2 million pounds in 1987. They have since declined with commercial harvest in 2009 estimated at approximately 242,000 pounds. The majority of these landings came from New York, Massachusetts, Connecticut, and Rhode Island.

WEAKFISH

During 2010, all states implemented the requirements of Addendum IV to Amendment 4 to the Weakfish FMP to significantly reduce commercial and recreational harvest of weakfish. This action was taken in response to the depleted state of the weakfish stock.

In 2009, an independent panel of scientists endorsed the benchmark weakfish stock assessment for management use. The review panel confirmed that stocks are at an all time low and current fishery removals are unsustainable under existing stock conditions. The panel agreed with the stock assessment's conclusions that weakfish abundance has declined markedly, total mortality is high, non-fishing mortality has recently increased, and the stock is currently in a depleted state.

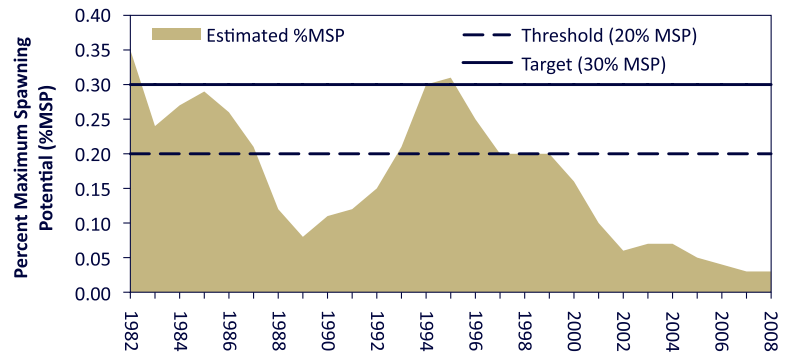
The weakfish stock is depleted, with SSB estimated at 10.8 million pounds (compared to 62 million pounds in 1996). Recent fishery landings are estimated at 1.17 million pounds and 604,000 pounds in 2008 and 2009, respectively. While the decline in the stock primarily results from a change in the natural mortality of weakfish in recent years, it is further exacerbated by continued removals by commercial and recreational fisheries.

Natural mortality has risen substantially since 1995, with factors such as predation, competition, and changes in the environment having a stronger influence on recent weakfish stock dynamics than fishing mortality. Given current high natural mortality levels, stock projections indicate that the stock is unlikely to recover rapidly. In order to rebuild the stock, total mortality will need to be reduced, although this is unlikely to occur until natural mortality decreases to previous levels.

On a positive note, juvenile abundance surveys indicate that young-of-the-year weakfish continued to be present in numbers similar to previous years, suggesting that recruitment at this point has not been severely limited despite low stock size.

Weakfish Maximum Spawning Potential

Source: ASMFC Weakfish Technical Committee, 2009



Timeline of Management Actions: FMP (1985); Amendment 1 (1991); Amendment 2 (1995); Amendment 3 (1996); Amendment 4 (2002); Addendum I (2005); Addenda II & III (2007); Addendum IV (2009)



WINTER FLOUNDER

2010 was the first full year the states fished under the provisions of the Addendum I to Amendment 1 to the Winter Flounder FMP. The Addendum established harvest reductions for both GOM and Southern New England/Mid-Atlantic (SNE/MA) inshore stocks of winter flounder. Its provisions are intended to complement federal management measures on groundfish stocks, significantly reducing fishing mortality on federally-managed groundfish stocks, including winter flounder, in offshore waters.

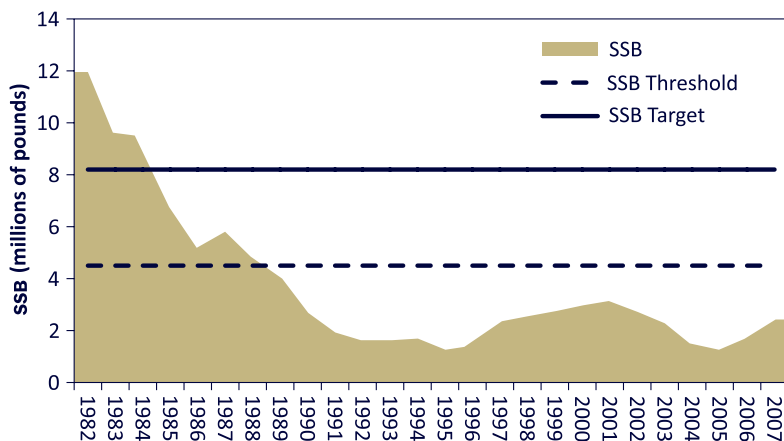
Addendum I was developed in response to the findings of the 2008 Groundfish Assessment Review Meeting, which confirmed that both stock components are near all time lows. While the assessment indicated a high level of uncertainty

SPECIES HIGHLIGHTS *continued*

on the status determination for the GOM stock complex, it suggested that it is likely that the stock is in an overfished condition and is probably experiencing overfishing. The SNE/MA stock complex was determined to be nine percent of the target biomass (overfished) with overfishing occurring. Fishing mortality in 2007 was estimated at 0.649, over twice the fishing mortality target of 0.248. Further, the 2006 year class of 3.6 million fish (age 1 in 2007) was estimated to be the smallest on record. The 2007 year class (age 1 in 2008) was estimated to be 8.8 million fish.

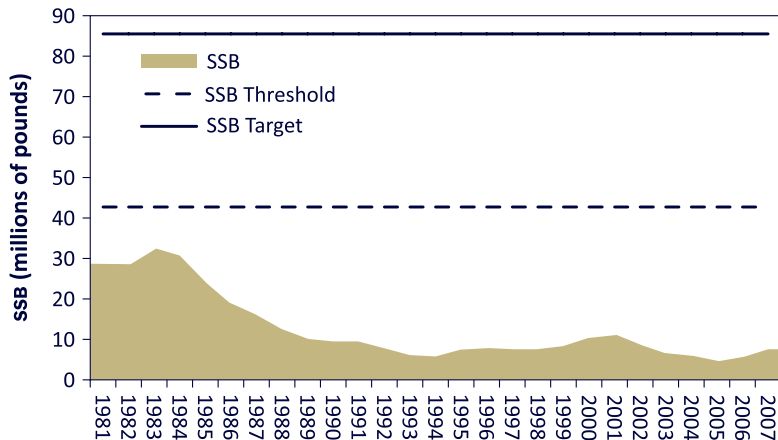
Winter Flounder, GOM Spawning Stock Biomass (SSB)

Source: NEFSC Groundfish Assessment Review, 2008



Winter Flounder, SNE /MA Spawning Stock Biomass (SSB)

Source: NEFSC Groundfish Assessment Review, 2008



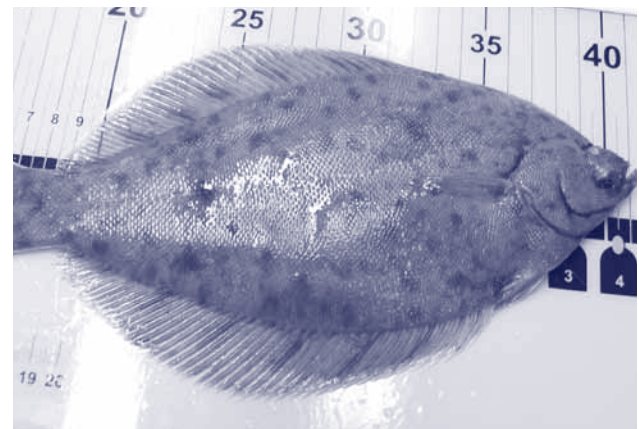
Timeline of Management Actions: FMP & Addendum I (1992); Addendum II (1998); Amendment 1 (2005); Addendum I (2009)

For the GOM, Addendum I required an 11% reduction in fishing mortality for the recreational sector and a 250 pound possession limit for non-federally permitted commercial fishermen (estimated 31% reduction in harvest). Recreational reductions were achieved by using possession limits, seasons, or other measures.

For the SNE/MA, the Addendum established a two fish recreational bag limit with current size limits and seasons maintained and a 50 pound possession limit for non-federally permitted commercial fishermen. Both measures have allowed for the consistent

application of management measures in state water fisheries, complementing federal regulations which prohibit any take of SNE/MA winter flounder from offshore waters (an estimated 62% reduction in fishing mortality). The Board set bag and possession limits that were low enough to discourage directed fishing but allowed fishermen to keep their winter flounder bycatch. The two fish recreational bag limit is estimated to achieve approximately a 50% reduction in harvest, while the 50 pound commercial possession limit is estimated to achieve approximately a 65% reduction in harvest.

A benchmark stock assessment will be conducted in 2011. The Winter Flounder Management Board will review the results of this assessment and determine if additional management action is warranted.



Supporting Fisheries Management THROUGH SCIENCE

FISHERY-INDEPENDENT DATA COLLECTION

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

SEAMAP

SEAMAP is a cooperative program among state and federal agencies and universities to facilitate the collection, management, and dissemination of fishery-independent data 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 regions – the South Atlantic, Gulf of Mexico, and Caribbean. In 2010, SEAMAP-South Atlantic surveys continued to collect data on the abundances and distributions of a variety of important commercial and recreational species (e.g., red drum, croaker, striped bass) from North Carolina to Florida. A SEAMAP Data Management Work Group designed a database structure in a web-based application to integrate and share information among the several fishery-independent surveys under the SEAMAP umbrella. Additionally, the Southeast Regional Taxonomic Center was incorporated into SEAMAP to enhance support for the processing and archiving of biological samples collected by SEAMAP surveys.

NEAMAP

NEAMAP is a cooperative state/federal fisheries-independent research and data collection program established in 1998 for the coastal waters from Maine to North Carolina. The program was developed in response to the lack of adequate survey coverage and coordination in the coastal waters of the Mid-Atlantic Bight. Its primary tool has been the NEAMAP



Nearshore Trawl Survey, which was piloted in 2006 and has completed four full years of surveys in the spring and fall of each year. The survey samples inshore waters from Cape Hatteras, North Carolina, northward to Martha's Vineyard, Massachusetts. Survey data can be used to complement results from the NEFSC trawl survey, which samples in deeper, offshore waters of the Mid-Atlantic and New England.

In 2010, research scientists from the Virginia Institute of Marine Science completed spring and fall trawl surveys, working aboard the F/V Darana R, a commercial fishing vessel owned and operated by Captain James Ruhle. Each survey in 2010 conducted tows at 150 locations in depths ranging from three to 25 fathoms. Nearly four million individual fish and invertebrates, representing over 175 different species, were collected during the six full-scale surveys conducted through the spring of 2010. Individual length measurements were recorded for more than 420,000 animals and laboratory processing is proceeding on the 25,000 stomach samples and 34,000 aging structures (ear bones, vertebrae, spines) collected in the field.

The NEAMAP Nearshore Trawl Survey was successfully peer-reviewed in 2008, receiving high marks. No major adjustments were needed to survey methods, data collection, and analyses. Recommendations from the peer review continued to be implemented by the research team and NEAMAP Board in 2010.

SUPPORTING FISHERIES MANAGEMENT THROUGH SCIENCE *continued*



The 2010 NEAMAP Nearshore Trawl Survey not only extends the time series of fish and invertebrate abundance estimates, but also provides important fish age data for striped bass, summer flounder, black sea bass, and other Commission managed species. These data are vital to improving our ability to track year classes and understand changes in population age structure. With additional years of sampling, the Nearshore Trawl Survey will become an increasingly valuable source of fishery-independent data to support and improve stock assessments.

The majority of funds needed to complete surveys in the spring and fall of 2011 have been obtained; however, there is no long-term funding source for this important survey.

RESEARCH INITIATIVES

The Commission continued several fisheries research initiatives in 2010 that were supported and funded by Congress as high priority issues for the Atlantic coastal states and their stakeholders. Information gathered from research projects provides the scientific basis for Commission stock assessments and is fundamental to informing the fisheries management process about the health of fish and shellfish populations.

American Lobster

As one of the Commission's highest priority species, increased funding was dedicated to support several

lobster research initiatives. The first project conducted was 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 continued New Hampshire's sea sampling operations to collect detailed catch, effort, and biological data representative of the state's fishery. In 2010, Maine continued to collect fishery-dependent data on size composition and poundage of landed lobsters through a voluntary harvester logbook program. A cooperative ventless lobster trap survey in Maine, New Hampshire, Massachusetts, Rhode Island, and New York continues to support the assessment of lobster abundance and recruitment throughout the Northeast and Mid-Atlantic regions.

Northern Shrimp

The 27th GOM Northern Shrimp Trawl Survey was conducted in 2010 by NEFSC in cooperation with the Commission's Northern Shrimp TC. A total of 88 stations were sampled, with information on shrimp numbers, sizes, gender, and maturity collected to provide data for annual stock assessments and related analyses. The survey is a valuable tool for consistently evaluating the stock's condition. Results show that shrimp abundances have been at or above average levels in the last several years, supporting commercial fishery harvests in Maine, New Hampshire, and Massachusetts.



Red Drum

The Commission identified red drum as a priority species in need of research because the status of the adult portion of the population is not well known. With federally-dedicated research funds, state scientists from North Carolina, South Carolina, and Georgia conducted bottom longline surveys to provide a fishery-independent index of adult red drum abundance. Many red drum encountered in the survey were tagged to provide information on migratory behavior and stock identification. Information was 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, and developing a successful red drum management program.

Fish Aging

Fish age and growth information are a key component of stock assessments that improves our understanding of species' population dynamics. With age samples being collected, processed, and read by scientists at several institutions every year, it is important to ensure that all agencies follow the same protocol.

In 2010, the Commission worked to facilitate consistency and information sharing on fish aging through the development of standardized aging protocols, the exchange of fish aging samples among different laboratories, and fish aging workshops. The Commission, in collaboration with state, federal, and academic experts, continued developing a manual of standardized fish aging protocols by species. The manual, scheduled to be completed in 2011, will be made available via the Commission's website. The Commission has also organized exchanges of fish aging samples to promote consistency between laboratories. Exchanges have been coordinated for striped bass, summer flounder, black sea bass, and winter flounder. The Commission also conducts workshops to develop and promote best practices for fish aging; a bluefish aging workshop is being planned for 2011.

COOPERATIVE TAGGING

Tag and recapture data are valuable inputs to the stock assessments of several species managed by the Commission, including striped bass, red drum, sturgeon, weakfish, spiny dogfish, and coastal sharks.

The Commission's Interstate Tagging Committee (ITC) was created in 1999 to improve the quality and utility of fish tagging data through the development and promotion of protocols for effective tagging programs. Recently, ITC focused its efforts on a major upgrade of the Cooperative Tagging Website and Registry. The revised website will provide information on coastwide tagging programs that allows anglers to search a database by fish species, tag type, and tag color in order to identify recovered tags. The upgrade included restoring functionality of the database search engine and improving the usability of the website. The website is currently being beta tested and is scheduled to go on-line in 2011.

MULTISPECIES MODELS & ASSESSMENTS

The Commission recognizes the importance of ecological interactions, such as predator-prey relationships, in understanding the population dynamics of fishery resources. The Fisheries Science Program coordinates the Multispecies Technical Committee (MSTC), a group of state, federal, and university scientists tasked with evaluating relationships among species via a multispecies modeling framework known as the extended Multispecies Virtual Population Analysis (MSVPA-X). MSTC periodically performs



SUPPORTING FISHERIES MANAGEMENT THROUGH SCIENCE *continued*

updates to the model, evaluates the status of research recommendations from the 2005 model peer review, and works with the Commission's Assessment Science Committee to consider and evaluate alternative stock assessment models that incorporate ecosystem factors. The MSVPA-X model was updated with the most recent years of data in preparation for the 2010 Atlantic menhaden stock assessment. Annual mortality-at-age estimates from the MSVPA-X were generated and used in the menhaden assessment model to account for changes in predation rates over time. In addition, MSTC began work on several alternative multispecies models that may be used to develop ecological reference points for menhaden.

STOCK ASSESSMENT PEER REVIEW

The Commission's species management boards rely on the scientific and technical information provided by independent peer reviews of stock assessments to evaluate stock status and develop fisheries regulations using the best available science. In 2010, three benchmark stock assessments were evaluated through peer review processes. The Atlantic menhaden and Atlantic croaker assessments were conducted through the SouthEast Data, Assessment, and Review process. The spiny dogfish assessment was reviewed through the U.S.-Canada Transboundary Resource Assessment Committee. Information on the outcome of 2010 stock assessment peer reviews can be found in the species highlights section of this report.

STOCK ASSESSMENT TRAINING

The Commission's Fisheries Science Program organizes stock assessment training courses to provide instruction to fisheries professionals on the most progressive fisheries analysis methods available for use in stock assessments. Courses are provided each year to meet the specific training needs identified as critical to supporting coastwide assessments, and to provide managers with a better

understanding of assessment outcomes. In 2010, an advanced training course entitled "Application in age-structured assessment models using the NOAA Fisheries Toolbox" was held to enhance state scientists' knowledge of age-structured models and modeling software. Planning also began on a series of intermediate level stock assessment workshops to be held in 2011. Finally, a stock assessment workshop on "Ecosystem-Based Fisheries Management (EBFM)" was provided to Commissioners to improve their understanding of current approaches and to clearly identify the Commission's priorities as progress is made toward developing an EBFM plan.

HABITAT PROTECTION, RESTORATION & ENHANCEMENT

The Commission recognizes that protection, restoration, and enhancement of fish habitats are essential to promoting the sustainability of fisheries along the Atlantic coast. The Habitat Program is responsible for gathering technical information and developing guidance on the important role fish habitat plays 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 Program successfully performed this role through several activities in 2010.

In 2010, the Fish Passage Working Group continued to guide Commission involvement in fish passage



issues. Effective passage is critical to migratory fish (such as shad and river herring), enabling adults to return to spawning grounds, and young fish to migrate out to sea. The Working Group developed a new guidance publication, “Upstream Fish Passage for Managed Species,” that describes and compares the types and efficacy of fishways constructed for migratory species. The Fish Passage Working Group also contributed state agency data to a U.S. Geological Survey project to build a comprehensive database and maps of fishways along the Atlantic coast to be used in guiding research and management activities toward improving passage of migratory fish.

Atlantic Coastal Fish Habitat Partnership

Beginning in 2006, the Commission contributed to the establishment and growth of the Atlantic Coastal Fish Habitat Partnership (ACFHP), an assembly of state, federal, and non-governmental groups whose mission is to conserve habitat for Atlantic coast diadromous, estuarine-dependent, and coastal fish species. ACFHP addresses habitat threats with a broad and coordinated approach, leveraging resources from many agencies, organizations, and corporations to make a difference for fish habitat. ACFHP operates under the purview of the National Fish Habitat Action Plan (NFHAP).

In 2010, ACFHP launched a website where individuals can go to gather information on the Partnership, including on-the-ground projects, the project endorsement process, funding opportunities, and meeting information, as well as links and information to other non-ACFHP fish habitat funding opportunities and conferences. Visitors to the site may sign up to receive breaking news and submit their own fish habitat conservation news to the Partnership. The website can be accessed at <http://www.atlanticfishhabitat.org>.

Additionally, two ACFHP projects were approved to receive USFWS-NFHAP funding in FY2010. The first, “Scoy Pond and Staudinger’s Pond Alewife Access and Habitat Enhancement,” is situated within the Peconic Estuary in New York. ACFHP funds will allow project

partners to remove two structural impediments to migrating fish, and remove overgrown vegetation, such as the invasive plant, *Phragmites*. This project is expected to ultimately restore access to diadromous fish spawning and nursery habitat and enhance the ecological function of estuarine habitat. The second project, “Goose Creek Dam Eel Passage Restoration,” is located within the Cooper River and Charleston Harbor estuary in South Carolina. Project funds are being used to construct an eel passage facility which is expected to restore passage to the entire Goose Creek watershed and adjacent freshwater wetlands that serve as important eel nursery habitat.

ACFHP also endorsed a project in 2010 entitled “Eelgrass Conservation Moorings Demonstration Project,” located in coastal Massachusetts. This demonstration project involves replacing traditional chain and block-anchor mooring systems with new elastic mooring technology, and monitoring to determine whether such technology allows eelgrass to reestablish itself in areas previously scoured by traditional moorings. ACFHP is providing an endorsement of specific remediation actions at the project site which address historic damage caused by the scouring effects of traditional mooring systems. ACFHP supports the search for new tools, techniques, and approaches to address historic impacts in these sensitive ecosystems as well as efforts to forge partnerships between multiple entities.



Awards

During 2010, the Commission had the privilege of presenting awards to several deserving individuals who have directly contributed to furthering the Commission's vision of healthy, self-sustaining populations for all Atlantic coast fish species or successful restoration well in progress by the year 2015.

CAPTAIN DAVID H. HART AWARD

The Atlantic States Marine Fisheries Commission presented **John Frampton**, Director of the South Carolina Department of Natural Resources, the David H. Hart Award, its highest annual award, at the Commission's 69th Annual Meeting in Charleston, South Carolina.



The Commission instituted the "Captain David H. Hart Award" in 1991 to recognize

individuals who have made outstanding efforts to improve Atlantic coast marine fisheries. The award is named for one of the Commission's longest serving members who dedicated himself to the advancement and protection of marine fishery resources.

Throughout his long and distinguished career in natural resource management, Mr. Frampton has been an advocate and practitioner for building strong personal and professional relationships within the natural resource community. His actions reflect his fundamental belief that such relationships lead to cooperation among state and federal natural resource management agencies and conservation and industry

stakeholders, resulting in more effective conservation and management. This spirit of cooperation is one of the founding principles of the Atlantic States Marine Fisheries Commission.

For over three decades, Mr. Frampton has been a tireless champion for legislation and funding benefiting state natural resource management activities, securing millions of dollars for the states to restore and sustainably manage their fish and wildlife resources. In his own state, he secured significant state funds to acquire tens of thousands of acres of land for conservation easements and habitat restoration. He was a guiding force in the development of the National Fish Habitat Initiative, directly benefiting Atlantic coastal states through the significant funding awarded to the Atlantic Coastal Fish Habitat Partnership (ACFHP). This coastwide collaborative partnership strives to accelerate the conservation of habitat for Atlantic coastal, estuarine-dependent, and diadromous fish, and has great potential to restore Atlantic waterways and enhance productivity of many marine fisheries.

Mr. Frampton is a dedicated natural resource manager who has worked tirelessly and effectively for the greater good of fish and wildlife management and conservation along the Atlantic coast and throughout the entire nation. His efforts to elevate the importance of natural resource management have greatly benefitted Atlantic states and have contributed to the betterment of the marine fisheries of the Atlantic coast.

ANNUAL AWARDS OF EXCELLENCE

Mr. Vito Calomo, Dr. Mark Terceiro, and Ms. Kim McKown were presented the Commission's Annual Awards of Excellence at its 2010 Spring Meeting in Alexandria, Virginia for their contributions to the success of fisheries management along the Atlantic coast. Mr. Calomo received an award in the Legislative category, while Dr. Terceiro and Ms. McKown received awards in the Scientific, Technical, and Advisory category.

"Every year a great many people contribute to the success of fisheries management along the Atlantic coast. The Commission's Annual Awards of Excellence recognize outstanding efforts by professionals who have made a difference in the way we manage and conserve our fisheries," said ASMFC Chair, Robert H. Boyles, Jr., of South Carolina. "Today, we honor several outstanding individuals for their contributions to the management and conservation of Atlantic coast fisheries."

LEGISLATIVE

Mr. Vito Calomo has been involved in New England fisheries management issues for nearly half a century. He began his career working in various capacities for the fishing industry, from organizing and managing longshoremen crew for a fleet of vessels, to trawling for groundfish and northern shrimp, to purse seining for Atlantic herring. For the last 15 years, he has been a dedicated and passionate advocate for New England commercial fishermen at the state, interstate and federal levels. He brought his extensive fisheries experience to the Commission process first as an industry advisor on the Commission's Atlantic Herring and Northern Shrimp Advisory Panels and later as proxy to Massachusetts' Legislative Appointee, Representative Anthony Verga. He actively participated on all the management boards for which Massachusetts had an interest, fervently promoting positions beneficial to New England's commercial fishermen. Mr. Calomo also chaired the Commission's Legislative Committee for four years, ensuring their views and concerns were fully integrated in the Commission's decision-making processes. Outside of formal meetings, he was instrumental in bringing Commissioners, staff, and scientists together, providing opportunities to meet one another personally to informally discuss issues



AWARDS *continued*

and exchange ideas. A lifelong proponent for New England fishermen and the fishing community, Mr. Calomo's efforts improved communication among various participants in the Commission's process, enhancing the involvement of the fishing industry in the management process.

SCIENTIFIC, TECHNICAL, AND ADVISORY

Through his scientific analyses and technical committee involvement, **Dr. Mark Terceiro** of the NMFS Northeast Fisheries Science Center has ensured that the best available scientific information has been provided to support management decisions programs for scup and summer flounder. For nearly two decades, he has played an active role on the Commission's Summer Flounder, Scup, and Black Sea Bass Technical Committee, MAFMC's Summer Flounder, Scup, and Black Sea Bass Monitoring Committees, and the NMFS Southern Demersal Working Group. He was the lead biologist for the Data Poor Working Group scup stock assessment that was peer reviewed and accepted, a major accomplishment given that scup stocks have not had an acceptable analytical assessment for many years. As a result of his efforts, managers have been able to incorporate stronger scientific advice into their management decisions. For many years, Dr. Terceiro has successfully performed and defended the benchmark assessments and annual stock assessment updates for summer flounder. His rigorous and thorough analyses have consistently produced strong, defensible assessments and lent considerable credibility to the scientific foundation of our management decisions for this very important and controversial Mid-Atlantic species. Dr. Terceiro's impressive contributions, coupled with his dedication and devotion to his work, make him an extremely valuable asset to the fisheries management process.

Ms. Kim McKown, Senior Fisheries Biologist with the New York State Department of Conservation (NYSDEC), has been involved in fisheries research and monitoring activities for 25 years and in the Commission's science activities for almost two decades. Her early work focused on oversight of NYSDEC's sampling programs for striped bass and Atlantic sturgeon. Today, she leads research and monitoring activities for American lobster, horseshoe crab, and other crustacea in New York's coastal waters. Over the years, Ms. McKown has been a contributor on several ASMFC committees, including the Atlantic Striped Bass Technical and Tagging Committees, the Horseshoe Crab Technical and Stock Assessment Committees, and the Atlantic Sturgeon Stock Assessment Subcommittee and Plan Review Team. For the last two years, she chaired the Lobster Stock Assessment Subcommittee, instrumental in the completion and approval of the 2009 benchmark stock assessment by peer review, which will provide the foundation for lobster management actions over the next few years. She also serves as Vice Chair of the Assessment Science Committee, the Commission's oversight body for all stock assessment and peer review activities. This past March, Ms. McKown chaired the peer review panels for both the Atlantic croaker and Atlantic menhaden benchmark stock assessments. Ms. McKown has added the strength and credibility to the Commission's science process through her impressive work ethic, high leadership skills, and strong adherence to high scientific standards.

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CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' Report

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

We have audited the accompanying statements of financial position of the Atlantic States Marine Fisheries Commission as of June 30, 2010 and 2009, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Atlantic States Marine Fisheries Commission as of June 30, 2010 and 2009, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 4, 2010 on our consideration of Atlantic States Marine Fisheries Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying 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 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects, in relation to the basic financial statements taken as a whole.

A handwritten signature in cursive script that reads "Jones & McIntyre, PLLC".

October 4, 2010

ATLANTIC STATES MARINE FISHERIES COMMISSION

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2010 AND 2009

ASSETS		2010	2009
CURRENT ASSETS:			
Cash (Note 1)	\$	456,117	\$ -
Investments (Note 4)		692,615	681,020
Grants receivable		301,027	924,808
Accounts receivable		70,645	6,312
Prepaid expenses		82,669	63,800
Total Current Assets	\$	<u>1,603,073</u>	<u>\$ 1,675,940</u>
PROPERTY AND EQUIPMENT, AT COST: (Note 1)			
Office furniture and equipment	\$	1,038,539	\$ 1,031,216
Office condominium		128,695	-
Leasehold improvements		34,458	34,458
Total	\$	<u>1,201,692</u>	<u>\$ 1,065,674</u>
Less, Accumulated depreciation		(987,779)	(949,954)
Property and Equipment, Net	\$	<u>213,913</u>	<u>\$ 115,720</u>
OTHER ASSETS:			
Security deposits	\$	20,941	\$ 20,941
Investments (Note 4)		1,176,505	1,016,173
Total Other Assets	\$	<u>1,197,446</u>	<u>\$ 1,037,114</u>
TOTAL ASSETS		<u><u>\$ 3,014,432</u></u>	<u><u>\$ 2,828,774</u></u>
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES:			
Accounts payable	\$	91,863	\$ 166,010
Accrued vacation		249,584	225,417
Deferred revenue		47,421	45,485
Contract advances		59,828	7,267
Total Current Liabilities	\$	<u>448,696</u>	<u>\$ 444,179</u>
UNRESTRICTED NET ASSETS		<u>2,565,736</u>	<u>2,384,595</u>
TOTAL LIABILITIES AND NET ASSETS	\$	<u><u>3,014,432</u></u>	<u><u>\$ 2,828,774</u></u>

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

ATLANTIC STATES MARINE FISHERIES COMMISSION

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2010

	Total	ASMFC	Outside Contracts			
			Wallop/ Breaux	Other	ACCSP	ACFCMA
REVENUE:						
Contract reimbursements	\$ 5,020,250	\$ -	\$ 165,878	\$ 863,541	\$ 1,829,485	\$ 2,161,346
Contributions from member states	521,372	521,372				
Annual meeting fees	17,425	17,425				
Investment income (loss)	172,349	172,349				
Total Revenue	\$ 5,731,396	\$ 711,146	\$ 165,878	\$ 863,541	\$ 1,829,485	\$ 2,161,346
EXPENSES:						
Salaries	\$ 2,682,794	\$ 759,328	\$ 112,225	\$ 307,655	\$ 913,957	\$ 589,629
Travel	900,017	84,285	(4,232)	207,486	58,277	554,201
Subcontracts	431,214	42,000	-	154,521	-	234,693
Fringe benefits (Note 3)	698,850	194,074	30,146	81,819	232,906	159,905
Professional services	130,548	97,771	-	-	-	32,777
Rent	327,012	327,012	-	-	-	-
Equipment maintenance	92,392	13,104	-	-	79,288	-
Depreciation	37,825	37,825	-	-	-	-
Office	44,825	38,824	-	-	6,001	-
Printing	31,640	24,489	-	(4,455)	4,000	7,606
Meetings	9,578	2,110	-	-	7,468	-
Postage	31,941	31,941	-	-	-	-
Other	48,724	26,298	-	-	22,426	-
Dues and subscriptions	3,823	3,823	-	-	-	-
Telephone	12,322	12,322	-	-	-	-
Equipment leases	50,527	50,527	-	-	-	-
Insurance	16,223	16,223	-	-	-	-
Indirect cost allocation (Note 1)	-	(1,241,905)	33,174	169,737	473,506	565,488
Total Expenses	\$ 5,550,255	\$ 520,051	\$ 171,313	\$ 916,763	\$ 1,797,829	\$ 2,144,299
CHANGE IN NET ASSETS	\$ 181,141	\$ 191,095	\$ (5,435)	\$ (53,222)	\$ 31,656	\$ 17,047
NET ASSETS, BEGINNING OF YEAR	2,384,595					
NET ASSETS, END OF YEAR	\$ 2,565,736					

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

ATLANTIC STATES MARINE FISHERIES COMMISSION

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2009

	Total	ASMFC	Outside Contracts			
			Wallop/ BreauX	Other	ACCSP	ACFCMA
REVENUE:						
Contract reimbursements	\$ 6,009,402	\$ -	\$ 217,065	\$ 870,519	\$ 1,805,766	\$ 3,116,052
Contributions from member states	501,594	501,594				
Annual meeting fees	17,255	17,255				
Investment income (loss)	(176,145)	(176,145)				
Total Revenue	\$ 6,352,106	\$ 342,704	\$ 217,065	\$ 870,519	\$ 1,805,766	\$ 3,116,052
EXPENSES:						
Salaries	\$ 2,518,645	\$ 779,639	\$ 117,215	\$ 278,095	\$ 820,720	\$ 522,976
Travel	850,082	58,632	14,093	101,870	121,714	553,773
Subcontracts	1,624,081	72,000	-	251,552	-	1,300,529
Fringe benefits (Note 3)	654,298	213,904	31,698	75,758	194,878	138,060
Professional services	132,825	66,128	-	-	-	66,697
Rent	342,673	342,673	-	-	-	-
Equipment maintenance	111,093	34,413	-	-	74,172	2,508
Depreciation	57,218	57,218	-	-	-	-
Office	72,323	51,029	-	941	20,353	-
Printing	63,466	21,797	-	10,079	4,180	27,410
Meetings	3,640	3,192	-	-	448	-
Postage	29,851	28,887	-	-	964	-
Other	63,054	18,536	-	-	44,518	-
Dues and subscriptions	3,879	3,879	-	-	-	-
Telephone	12,423	12,423	-	-	-	-
Interest	43,494	43,494	-	-	-	-
Insurance	15,517	15,517	-	-	-	-
Indirect cost allocation (Note 1)	-	(1,179,974)	43,986	130,286	469,656	536,046
Total Expenses	\$ 6,598,562	\$ 643,387	\$ 206,992	\$ 848,581	\$ 1,751,603	\$ 3,147,999
CHANGE IN NET ASSETS	\$ (246,456)	\$ (300,683)	\$ 10,073	\$ 21,938	\$ 54,163	\$ (31,947)
NET ASSETS, BEGINNING OF YEAR	2,631,051					
NET ASSETS, END OF YEAR	\$ 2,384,595					

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

ATLANTIC STATES MARINE FISHERIES COMMISSION

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2010 AND 2009

	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from members and contracts	\$ 6,155,567	\$ 6,408,202
Annual meeting fees	17,425	17,255
Investment income received	32,333	38,050
Cash paid to suppliers and employees	(5,581,279)	(6,697,143)
Interest paid	-	(43,494)
	<u>624,046</u>	<u>(277,130)</u>
Net cash provided by (used in) operating activities	\$ 624,046	\$ (277,130)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	\$ (136,018)	\$ (23,525)
Investments, net	(31,911)	(135,796)
	<u>(167,929)</u>	<u>(159,321)</u>
Net cash used in investing activities	\$ (167,929)	\$ (159,321)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Capital lease obligations - payments	\$ -	\$ (3,146)
	<u>-</u>	<u>(3,146)</u>
NET INCREASE (DECREASE) IN CASH	\$ 456,117	\$ (439,597)
CASH, BEGINNING OF YEAR	-	439,597
CASH, END OF YEAR	<u>\$ 456,117</u>	<u>\$ -</u>
Reconciliation of change in net assets to net cash provided by (used in) operating activities (Note 5)		

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

ATLANTIC STATES MARINE FISHERIES COMMISSION**NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2010 AND 2009****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 FASB ASC 958, 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.

Investments:

Investments are recorded at fair value.

ATLANTIC STATES MARINE FISHERIES COMMISSION

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2010 AND 2009

Note 1. **Summary of Significant Accounting Policies (Concluded)****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 2009 amounts have been reclassified for comparison with the 2010 presentation.

Subsequent Events:

Subsequent events are events or transactions that take place after the reporting period statement of financial position date of the financial statements. Certain of these events or transactions (recognized subsequent events) provide additional evidence about conditions and estimates that existed at the date of the statement of financial position and retroactively revise those amounts reflected in the financial statements. Other subsequent events (not recognized subsequent events) did not exist at the date of the statement of financial position, but arose after that date and are reported as additional disclosures in the notes to the financial statements. Management evaluates all significant subsequent events from the statement of financial position date through the date the financial statements are available to be issued.

ATLANTIC STATES MARINE FISHERIES COMMISSION

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2010 AND 2009

Note 2. **Lease Commitments**

The Commission leases office space under a noncancelable operating lease. 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.

The Commission also has two leases for office equipment. The minimum lease payments are included below.

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

	Office Space	Equipment Leases	Minimum Lease Payments
2011	\$ 103,021	\$ 49,348	\$ 152,369
2012		49,348	49,348
2013		21,787	21,787
2014		5,904	5,904
	<u>\$ 103,021</u>	<u>\$ 126,387</u>	<u>\$ 229,408</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, 2010 and 2009 was \$256,968 and \$232,500, respectively.

Note 4. **Investments**

At June 30, 2010 and 2009, investments consisted of the following:

	2010	2009
Cash and money market funds	\$ 424,713	\$ 156,288
Bonds and certificates of deposit	565,126	425,000
Equities and mutual funds	<u>879,281</u>	<u>1,115,905</u>
Total Investments	<u>\$ 1,869,120</u>	<u>\$ 1,697,193</u>

ATLANTIC STATES MARINE FISHERIES COMMISSION

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2010 AND 2009

Note 4. **Investments** (Concluded)

Unrealized and realized gains (losses) included in investment income on the Statement of Activities totaled \$140,016 and \$(214,195) for the years ended June 30, 2010 and 2009, respectively.

FASB ASC 820 establishes a fair value hierarchy that prioritizes the inputs used to measure fair value into three broad categories: levels 1, 2 and 3. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets (level 1) and lowest priority to unobservable inputs (level 3).

In some cases, the inputs used to measure fair value might fall into different levels of the fair value hierarchy. When this happens, the level in the fair value hierarchy that the assets or liability falls under is based on the lowest input level that is significant to the fair value measurement in its entirety.

The fair value of the investments noted in the above table is based on quoted prices in active markets (level 1 inputs).

Note 5. **Reconciliation of Change in Net Assets to Net Cash Provided by (Used in) Operating Activities**

	2010	2009
Change in Net Assets	\$ 181,141	\$ (246,456)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	37,825	57,218
Unrealized and realized (gain) loss on investments	(140,016)	214,195
(Increase) decrease in assets:		
Grants receivable	623,781	(123,162)
Accounts receivable	(64,333)	62,396
Prepaid expenses	(18,869)	(6,328)
Increase (decrease) in liabilities:		
Accounts payable	(74,147)	(233,273)
Accrued vacation	24,167	40,308
Deferred revenue	1,936	4,770
Contract advances	52,561	(46,798)
Net cash provided by (used in) operating activities	<u>\$ 624,046</u>	<u>\$ (277,130)</u>

ATLANTIC STATES MARINE FISHERIES COMMISSION

NOTES TO FINANCIAL STATEMENTS (CONCLUDED)

JUNE 30, 2010 AND 2009

Note 6. Concentrations

The Commission received 72% and 77% of its revenue from the Atlantic Coastal Act Program for the years ended June 30, 2010 and 2009, respectively.

Note 7. Risks and Uncertainties

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

Note 8. Subsequent Events

In August 2010 the Commission purchased an office condominium in Arlington, Virginia and will move its headquarters there in October 2010. The cost of the office condominium was approximately \$3,200,000. The Industrial Development Authority of Arlington County, Virginia and Branch Banking and Trust Company will provide financing of \$2,700,000. The note matures in August 2020. Principal and interest payments (at the adjusted LIBOR rate) are due monthly.

Management has evaluated subsequent events through October 4, 2010.

ATLANTIC STATES MARINE FISHERIES COMMISSION

SCHEDULE OF CONTRIBUTIONS REQUESTED AND RECEIVED

FOR THE YEAR ENDED JUNE 30, 2010

	Requested 2009-2010	Received 7/1/09 - 6/30/10
Member States:		
Connecticut	\$ 24,689	\$ 24,689
Delaware	20,834	20,834
Florida	52,022	52,022
Georgia**	20,795	20,795
Maine	62,433	62,433
Maryland	30,796	30,796
Massachusetts	52,537	52,537
New Hampshire	20,115	20,115
New Jersey	48,168	51,767
New York	36,417	36,417
North Carolina	41,886	41,886
Pennsylvania	17,328	17,328
Rhode Island	29,039	29,039
South Carolina	24,883	24,883
Virginia	39,430	39,430
	<u>39,430</u>	<u>39,430</u>
Totals	\$ <u>521,372</u>	\$ <u>524,971</u>

**GA owes \$17,636 from FY 06

ATLANTIC STATES MARINE FISHERIES COMMISSION
SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEARS ENDED JUNE 30, 2010 AND 2009

<u>Federal Grantor/ Program Description</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>	
		<u>2010</u>	<u>2009</u>
Department of Commerce:			
Interjurisdictional Fisheries Act	11.407	\$ 272,501	\$ 194,952
Atlantic Coastal Act (ACFCMA)	11.474	2,161,346	3,116,052
Atlantic Coastal Act (ACCSP)	11.474	1,829,485	1,805,766
Atlantic Coastal Act (Fisheries Support)	11.474	149,786	---
Southeast Area Monitoring and Assessment Program	11.435	57,601	51,409
Fisheries Cooperative Economic Data Collection and Management Program	11.434	<u>---</u>	<u>131,228</u>
Total Department of Commerce		<u>\$ 4,470,719</u>	<u>\$ 5,299,407</u>
Department of the Interior:			
Atlantic Coastal Fish Habitat Partnership	15.628	\$ 120,487	\$ 147,719
Federal Aid in Sport Fish Restoration Act	15.605	<u>165,878</u>	<u>217,065</u>
Total Department of the Interior		<u>\$ 286,365</u>	<u>\$ 364,784</u>
Total Expenditures of Federal Awards		<u>\$ 4,757,084</u>	<u>\$ 5,664,191</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, 2010, and have issued our report thereon dated October 4, 2010. 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 deficiency in internal control 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 and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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 deficiencies, 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.

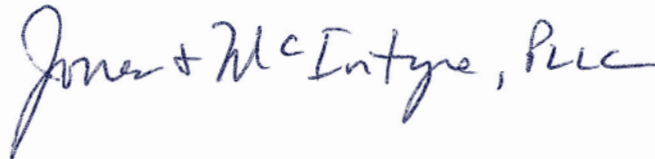
Compliance and Other Matters

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 4, 2010.

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.

October 4, 2010

A handwritten signature in dark ink, reading "Jones & McIntyre, PLLC". The signature is written in a cursive, flowing style.



CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' Report on Compliance with Requirements That Could Have
a Direct and Material Effect on 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 Atlantic States Marine Fisheries Commission's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Atlantic States Marine Fisheries Commission's major federal programs for the year ended June 30, 2010. 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 compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010.

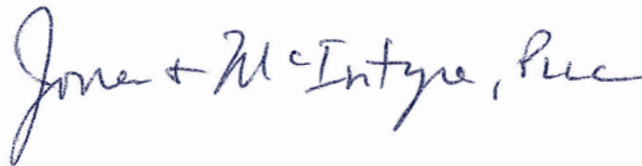
Internal Control Over Compliance

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 the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 deficiency in 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 and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, 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.



October 4, 2010

ATLANTIC STATES MARINE FISHERIES COMMISSION**SCHEDULE OF FINDINGS AND QUESTIONED COSTS****FOR THE YEAR ENDED JUNE 30, 2010**

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

Acknowledgements

We would like to acknowledge the following people and agencies for the use of their photographs in this publication.

BACKGROUND IMAGE FOR FRONT COVER

Sunset on Folly River,
Sterling Stevens

FRONT COVER INSETS

(from left to right)

Captain Walter Bateman,
www.carolinaguide.com
Kim Iverson, SAFMC
SEAMAP-Cooperative Winter
Tagging Cruise

INSIDE FRONT COVER

Kim Iverson, SAFMC

PAGE 2 (top bar from left to right)

Robert Wigger, SC DNR
SEAMAP-Cooperative Winter
Tagging Cruise
Spud Woodward, GA CRD

Page 4 (top bar from left to right)

Gregory Breese, USFWS
NEAMAP
NC Division of Parks & Recreation

Page 6 (top bar from left to right)

Maryland Watermen's Association
NEAMAP
SEAMAP-Cooperative Winter
Tagging Cruise

PAGE 8 (top bar from left to right)

NEAMAP
Cinamon Moffett, University of
Maine
SEAMAP-Cooperative Winter
Tagging Cruise

PAGE 9 (from left to right)

GOM Northern Shrimp Trawl
Survey
SEAMAP-Cooperative Winter
Tagging Cruise

PAGE 12

Brian Gratwicke

PAGES 14 & 36

MA DMF

PAGE 15

Steve Doctor, MD DNR

PAGE 16

NEFSC Pelagic Trawl Survey

PAGE 19

Captain John Brackett of the
Queen Mary

PAGES 20 & 39

SEAMAP-Cooperative Winter
Tagging Cruise

PAGES 21 & 40 (top left)

NEAMAP

PAGES 22 & 37

John McMurray,
www.nyflyfishing.com

PAGE 23

Captain Jerry Adams, NOAA Ship
OREGON II

PAGE 24

Gregory Breese, USFWS

PAGES 26 & 40 (lower right)

Cinamon Moffett,
University of Maine

PAGE 27

Leroy Young, PA Fish
and Boat Commission

PAGE 30

NYSDEC Hudson River
Fisheries Unit

PAGES 31 & 34

Captain Walter Bateman,
www.carolinaguide.com

PAGE 32

MA DMF

PAGE 35

Don Byrne, NJ DFW

PAGE 38

University of Massachusetts

PAGE 41

Bryan Frazier, SC DNR

PAGE 43

CT DEP, Furnace Brook Fishway

INSIDE BACK COVER

RI DFW

OUTSIDE BACK COVER

(left to right)

Steve Doctor, MD DNR
Spud Woodward, GA CRD
SEAMAP-Cooperative Winter
Tagging Cruise



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