



October 2, 2019

Dear Commissioners:

Omega Protein appreciates this opportunity to speak directly to members of the Atlantic States Marine Fisheries Commission (ASMFC) to expand on its public statement regarding the Chesapeake Bay reduction fishery cap, specified in Amendment 3 to the Atlantic Menhaden Interstate Fishery Management Plan.

The Company understands the importance of the cap to many of you, and the legitimate concerns about the importance of Commission processes. Knowing that, we were faced with a hard decision whether stop fishing in the Bay just after Labor Day (and as Atlantic hurricane season was in full force with Hurricane Dorian). That decision would have reduced employee and crewmember income to stay within the Amendment 3 cap. Our other option was to continue fishing as allowed by Virginia law. It was not an easy choice. But we decided to stand by our fishermen who have depended on this fishery for over 100 years, as well as protect our company's own long-term viability.

Omega Protein regrets that this matter has come to its current state. However, adherence to the lowered cap would have caused significant economic harm, just as we all agree that forcing vessels to fish in unsafe oceanic conditions is clearly unacceptable. **Recognizing the Commission's concerns, Omega Protein commits to not exceeding 67,000 metric tons in Chesapeake Bay reduction harvest in 2019.** To be clear, this means we will stop fishing in the Bay, even if that jeopardizes our ability to catch our full 2019 coast-wide allocation. This 67,000 mt figure is slightly below the mid-point between the Amendment 2 and Amendment 3 cap levels. Perhaps more importantly, by ending fishing in the Bay at or before harvesting 67,000 mt, it ensures that the 2-year, 3-year and 5-year average recent landings from the Bay will be well below the Amendment 3 level. (See Attached)

Some may perceive this gesture as insufficient. Another view, however, is that this approach provides the Commission, Commonwealth of Virginia, and the menhaden reduction fishery a path forward as we move towards the development of the Ecological Reference Points (ERP) in 2020. Hopefully, this ERP process will provide everyone the kind of scientific perspective on the Bay cap that all have recognized has been lacking since it was first put in place in 2006.

The Bay cap has always been a unique measure. It only impacts fishing in one state (and effectively impacts only one company). It was never justified as a scientifically derived catch limit. As ASMFC Leadership noted in its response to Virginia's now-withdrawn appeal in January of 2018, the Bay cap was a negotiated, precautionary measure. It should remain such. The adoption of the Bay Cap in 2006 has had a major impact on how we fish, and the proof is in the harvest figures. Our recent Chesapeake Bay catches are much reduced from prior levels.

Between 1985 and 2006, Bay reduction landings averaged over 137,000 mt. It is important to note that this was a period when striped bass were staging their spectacular recovery.

Omega Protein supported the initial cap as a precautionary measure, and abided by the 20 percent reduction imposed in 2012, when all menhaden fishing was reduced by that amount. The Amendment 3 cut of yet an additional 40 percent, however, was based on the prior five years' average landings. It was no accident that average Bay landings were way down when Amendment 3 was being developed. Nor was it any indication of any lack of menhaden in the Chesapeake Bay.

While you may not agree with the Company's position, we hope you will recognize that we have made significant strides in conducting our fishing operations in a way that other user groups have insisted we operate in the Bay. As explained above, we have fished there less since the cap was put in place, and, without any regulatory action, we also arrived at several gentlemen's agreements geographically in the Bay to avoid user conflicts. We are paying the price now economically and in the management process, with Amendment 3 having reduced the cap by 40% based on the Company's decision to heed Bay Stakeholders' advice to fish more outside of the Bay.

However, 2019 was a year when menhaden were schooling in the far eastern edge of the Bay, just inside the line dividing Bay and oceanic waters. Fishing operations were further complicated by weather. In its own way, the 2019 situation in the Bay is just as episodic as situations other states have confronted with menhaden. Furthermore, many states have exceeded their allocations and have done so without consequence since Amendment 2 was implemented.

Omega Protein re-emphasizes a point stressed in its September 12th public statement; the company has enormous respect for the Commission and its members. Our use of the term "recommendation" to describe the cap reduction in that statement was only for consistency with the terminology in the ASMFC Compact and the ISFMP Charter. It was not meant to denigrate the measure's importance to the Commission or distinguish it from other elements of this or any other amendment.

We look forward to continuing this dialogue and if you have questions or would like to better understand our position regarding the Bay cap, please do not hesitate to contact Ben Landry at (713) 940-6183 or blandry@oceanfleetservices.com.

Sincerely,



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