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House Small Business Committee Hearing on the Regulations Governing Recreational Marine Industries: Testimony/ Oral Remarks

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Introduction and areas of research expertise

I am a professor of ocean and fisheries [economics](#) at the [University of British Columbia](#) (UBC), [Canada](#), and the Director of the Fisheries Centre and Fisheries Economics Research Unit at the [UBC Fisheries Centre](#). I specialize in [bioeconomics](#), marine ecosystem valuation and the analysis of global issues such as fisheries subsidies, [IUU](#) (illegal, unreported and unregulated) fishing and the economics of [high](#) and deep seas [fisheries](#). I have experience working in fisheries and natural resource projects in the USA, Norway, Canada and the North Atlantic region, Namibia and the Southern African region, Ghana and the West African region and Hong Kong and the South China Sea.

It is worth noting that the specific statutes and legislative proposals being discussed at this hearing are outside of my area of research, but I hope that the broad-based economic research results and ideas I present would help enrich the Hearing.

Marine recreational activities (MRA) research:

- I present research that examines the current and potential value of marine recreational activities worldwide;
- I briefly describe research methodology and results from work reported in Cisneros and Sumaila (2010) - see attached 2 ppt;
- Insights from study:
 - Millions of people engage in MRAs (especially recreational fishing) for fun, jobs and dollars;
 - MRAs at this scale are bound to have environmental consequences (e.g., recreational fishing taking significant quantities of some weak U.S. fish stocks);
 - It is important to note that MRAs rely on a healthy ecosystem, without which the fun, jobs and dollars would disappear.

Broader application of MRA research:

- MRAs undoubtedly support a wide variety of businesses, yet all MRAs require a healthy ecosystem for their existence;
- As I said earlier, the specific statutes and legislative proposals being discussed at this hearing are outside of my area of research, but the key point is that MRAs will only be viable if you protect the healthy ecosystem, and that requires regulation and active management.

- Recreational activities need to be part of the management equation, and participants, both businesses and consumers need to accept responsibility to help ensure that the fun, the jobs and profits continue to flow through time;
- I provide examples from economic theory to illustrate the points made above:
 - The foundational role of a healthy ecosystem - Adam Smith quote: “The Earth and the fullness of it belongs to every generation, and the preceding one can have no right to blind it up from posterity” (Adam Smith, 1766 Lecture on Jurisprudence);
 - On the need for regulations: I will use the economic theories of common pool and the Prisoner’s dilemma to illustrate the point.

Some conclusion:

- Our research and those of colleagues around the world show that MRAs support billion dollar businesses, and that these businesses have impacts on the ecosystem;
- To protect the ecosystem and, hence, the businesses and jobs it supports, we need regulation;
- From economic theory, we know that deregulation of businesses that depend on common pool resources is very risky;
- Finally, it is important not to forget the fact that a healthy environment is the basis of any economy no matter how sophisticated.

Attachments

1. Key results of MRA research at the Fisheries Economics Research Unit, UBC Fisheries Centre.
2. Cisneros-Montemayor, A.M., and Sumaila, U.R. (2010). A Global Valuation of Ecosystem-Based Marine Recreation. *Journal of Bioeconomics*, 12:245–268, DOI 10.1007/s10818-010-9092-7.