

ICAST 2010 Industry Breakfast Remarks

Jeff Pontius, ASA Board of Directors Chairman and President, ZEBCO Brands, and Mike Nussman, President and CEO, American Sportfishing Association

**Jeff Pontius – ASA Board of Directors Chairman – President, ZEBCO Brands
GOOD MORNING!**

And welcome back to Las Vegas. I guess I can assume everyone remembered how to get here...I'm Jeff Pontius, president of ZEBCO Brands and the current Chairman of the Board for the American Sportfishing Association.

I'm kicking off this year's Industry Breakfast where we'll talk about what's going on in our business and the actions your trade association, the ASA, is taking on your behalf. There are some challenges our industry is facing that are frankly bigger than us.

Clearly the US economy is still challenged. We are all experiencing firsthand just how uneven this recovery is going to be. But the economy is bigger than us. All we can do is manage our businesses prudently and prepare for what is hopefully a better future.

And now we have the ongoing challenge of an unprecedented oil spill in the Gulf of Mexico which will have consequences long after the relief wells finally stop the flow.

The economic impact is well into the tens of billions and fishing was particularly hard hit. And while our industry can do our part, this too is bigger than us and something we'll have to find a way to manage through.

In a few minutes Mike Nussman, the president of the ASA will talk more about our efforts in the Gulf. But for now, I'd like to ask you to set aside the problems that are bigger than us and focus on what we can do.

And specifically what your trade association, the ASA, can do. You know it wasn't

too many years ago that the health of this trade show was in serious question. When we surveyed ASA's membership, the #1 "ask" from all of you was to give us a productive trade show. ASA listened to what we said and addressed it. Last year we had a record breaking show in Orlando.

This year's show looks to be every bit as strong with exhibitor booth space and registered buyer and media on track with the Orlando show. At a time and in an economy where trade shows are hurting everywhere, ICAST is strong.

And we plan to keep it that way. Next year, in 2011, we return to Las Vegas and the following year, in 2012, we go back to Orlando. The Show Committee and Board are still discussing 2013 and beyond.

I want to thank the ASA staff and the Show Committee for all the hard work they put into producing ICAST. Leading the effort on behalf of the ASA staff is Maria Del Valle Hamilton and on behalf of the membership is Dave Bulthuis from Costa. Let's give them a hand!

But you want much more from the ASA than just putting on the trade show. Years back there was concern over the decline of fishing participation and the ASA helped pass the legislation that created the Recreational Boating and Fishing Foundation with its own \$12 million funding stream. Similarly there was concern over the decline of consumer shows.

Today, ASA runs 6 consumer shows, 4 on the East Coast and 2 on the West Coast. In the last year ASA launched a new show in the greater Philadelphia market, and completed the purchase of the Fred Hall Shows on the West Coast giving us an even stronger position in consumer shows.

More recently the growing environmental movement has begun attacking our very right to fish by lobbying at both the federal and the state and local level for marine closures and no fishing zones. Folks, it is with great confidence that I tell you - the wolf is at the door.

Closures are happening, we have a pro environmental administration and millions

of dollars are flowing into organizations that want to protect the fish by stopping all fishing. ASA has long been our lobbying force at the Federal level in Washington, and we have done a great job with a limited amount of funding.

But now the challenge is rising exponentially. We have more battles to fight at the federal, state and local level than we have the resources to go into combat.

Plus we have well funded, well organized and passionate opponents like never before. ASA's board has tried to respond to the challenges: many of the best fishing areas of the California coast are either already closed or pending review, Florida is losing red snapper and grouper seasons, Oregon is considering closures, access to Cape Hatteras National Seashore is being restricted, and the list goes on and on.

The momentum is building and we simply don't have the resources to successfully intervene on every front. ASA's Board believes the time has come to begin mobilizing the 'silent majority' of our nation's 60 million anglers and begin turning them into an organized force of voices and votes that can provide the muscle behind our government affairs efforts and provide a source of funding.

That's something we can do and indeed something we must do if we want to keep our traditions intact and our industry healthy. Please take a moment to look around the room.

Everyone's here to sell something, buy something or advertise something for men and women who love to get out on the water. ASA is here to help facilitate that by producing great shows. And the profits from those shows go 100 percent into ASA's efforts to protect fishing for the future.

So your participation in ICAST has a much bigger impact than just the business you do over the next 3 days. But we need to do more. And for that we need a bigger base of support.

We need to tap into those 60 million anglers! We need to keep America fishing. And now, to tell you more about our efforts to fight the good fight

in governmental affairs and discuss our plans for a new advocacy effort here is the President of the American Sportfishing Association, Mike Nussman.

Mike Nussman – ASA President and CEO

Thank you, Jeff. Good morning everyone. I'm Mike Nussman, president of the American Sportfishing Association. To echo Jeff Pontius' opening remarks, it's my pleasure to welcome you to Las Vegas and the 53rd International Convention of Allied Sportfishing Trades, the show we call ICAST.

Although I wish I could thank each of you personally for being here, I expect I should take this opportunity to thank all of our exhibitors, sponsors and attendees for your commitment and for your support of the association and the industry.

Despite an economy that is still trying to find its equilibrium and tough unemployment numbers, we have a strong show floor here today and solid attendance from buyers and media.

We're on track to meet or exceed the record breaking show we had last year in Orlando. As Jeff noted, people have to be smart about where and how they do business; and you're telling us that ICAST is the right place to be.

Everyone here made a conscious choice to attend the show and we appreciate it!

Before I go on, I'd like to recognize Jeff Pontius who has served as Chairman of ASA's Board for the past two years.

Jeff, would you please stand? APPLAUSE Now, if I could ask our other Board members to stand and be recognized. APPLAUSE Their leadership is a great asset for our association. Our thanks go to each of you for your commitment to our industry.

Another person I'd like to recognize for his commitment and his dedication to fishing is long-time outdoor journalist and conservation writer Robert Montgomery. Robert, would you please stand.

Last night during our New Product Showcase reception, the Professional Outdoor Media Association and ASA awarded Robert with the 2010 Homer Circle Fishing Communicator Award. This award recognizes Robert's life-long dedication to fishing and fisheries conservation. Please join me in a round of applause. Congratulations, Robert.

Since we last met here in Las Vegas in July 2008, a short two years ago, we've experienced a remarkable and challenging time.

A little later that year, we as a nation elected a new president and saw all the change that comes with putting a new party in the White House. During that same period our country experienced an economic crisis the likes of which many of us had never seen. Many of the economic conditions which defined much of 2009 are still with us.

Despite challenges in the retail sector and manufacturing troubles, and a double dose of bad luck from the economy, you showed a resiliency and a determination that is the foundation of our industry. We had a very good show in Orlando last year. 2009 also saw an increase in fishing participation - license sales were up almost 5 percent. And while I couldn't describe sales as strong across the industry, many of you told me you did better than you thought you would in 2009 given the business environment. This year, the economy started to take the first steps on what we all hoped would be the road to recovery. In fact, from February to May, wobbly though it may have been, the economy seemed to be headed in the right direction and consumer confidence was on the rise. The stock market was rebounding nicely.

Then in late April came the explosion and sinking of BP's Deepwater Horizon oil rig in the Gulf of Mexico. For our friends and colleagues in the Gulf region, the oil spill is having a catastrophic impact on a region still recovering from the financial and physical devastation of Hurricanes Katrina and Rita. The oil spill's effect on Gulf businesses is being felt nationwide by the manufacturers and distributors who supply bait and tackle shops, marinas and other recreational fishing businesses. If you've been following the news, there is a new cap in place which seems to be

working. We're crossing our fingers that the cap will hold! But in the meantime, we're in discussions with NOAA regarding their plans to open more Gulf waters to fishing. We're told this could happen as early as the end of this week.

While the longer term impacts of the oil on water quality and fish remain uncertain and obviously, must be addressed, at ASA, our first order of business was to help ensure that federal and BP financial assistance reached the Gulf businesses immediately.

We are working closely with the Department of Commerce and key members of Congress to ensure that recreational fishing businesses receive the funding they deserve and that funds will be invested in efforts to protect and rebuild fisheries when that time comes. ASA has worked closely with Senator Richard Shelby from Alabama to include language in the Senate's 2010 spending bill that recognizes the disaster's impact on recreational fishing businesses.

The House is still working through the details of this bill but we expect it to pass this month. We have surveyed businesses in the Gulf region and the picture is not a good one. From Memorial Day through the 4th of July, businesses have seen a 50 - 90 percent drop in sales with a number of tackle shops across Louisiana, Alabama, Mississippi and parts of Florida in a very difficult financial state. Our goal is to make whole the businesses that are impacted by this disaster. And we will continue to work toward that goal over the coming months.

In the past, recreational fishing has been largely ignored by Commerce and NOAA and that was particularly true when the oil disaster first occurred. Through our efforts, they are now consistently addressing recreational fishing as an industry affected by the spill. In fact, what we're really working towards is changing an institutional mindset within Commerce and NOAA to look past the shoreline to the thousands of businesses and jobs that are impacted by recreational fishing.

We are making substantial progress in that arena. And the issues don't end in the Gulf of Mexico. In the South Atlantic, since January, anglers—and the businesses they support—have been living under a red snapper fishing ban based on the first stock assessment completed on that species in 10 years. Without good data,

responsible fisheries management simply isn't possible. In fact, it isn't fisheries management at all; it's crisis management and that is just what we have there.

With Big Rock Sports' assistance, we surveyed bait and tackle shops throughout the South Atlantic to determine the financial impact of this fishing ban. What we found is that because of the ban on red snapper fishing, businesses could lose up to \$78 million in sales in the first year.

The situation needed to be fixed; fixed fast; and fixed legislatively.

I am very happy to announce that today we expect Senator Bill Nelson from Florida to introduce the Fishery Conservation Transition Act. This bill will inject some needed balance and commonsense in federal marine fisheries management.

We support healthy fisheries and good fisheries management, but unnecessarily closing businesses and putting people out of work is unacceptable. I want to thank Gary Zurn and Big Rock Sports and Phil Morlock and Shimano American Corporation for the data and manpower they provided to help us survey businesses in the South Atlantic and the Gulf of Mexico. With their support, ASA has provided NOAA and the administration essential economic information on the red snapper ban and the oil disaster's impact on recreational fishing businesses. Information that, to be honest, the federal government simply did not have. Gentlemen, thanks for your help.

We've also voiced our concerns with NOAA about catch shares, management strategy that would divide a fishery into shares that can be bought, sold or traded. This could have a significant impact on fish stocks that are caught both recreationally and commercially. After a series of discussions with NOAA, we are confident that the agency's final catch share policy will address our concerns, including our concerns with the current saltwater fisheries allocation.

Earlier this year, our friend Robert Montgomery, created quite a stir when commenting on the President's proposed ocean policy, which includes the Great Lakes. Perhaps the best thing that can be said about the Ocean Policy Task Force's final report is that it has been postponed. Although we received assurances that our input regarding priority consideration for fishing, boating and other family-oriented activities will be reflected in the final report, we continue to have our

concerns and will remain vigilant about this far-reaching policy.

Over the past several years, we've been grappling with so many saltwater issues and the well funded opposition groups that come with them; some may think that we've lost sight of the fact that fresh water fisheries are the core of our industry. I assure you that's not true. We're keeping a close watch on invasive species issues, especially Asian carp which poses a significant threat to the Great Lakes' \$7 billion fishing industry. ASA has testified before both the House and Senate on this issue, we've supported legislation to control Asian carp, and we've supported specific funding to address this growing threat to the Great Lakes. To address habitat concerns across the country, ASA has been a leader in developing the National Fish Habitat Conservation Act. This legislation will pass the Senate this year and we're working to gather more House votes. The act when signed by the president, would provide up to \$75 million per year to improve sportfishing. Maintaining and enhancing access to fishing has always been a priority for our industry.

Twenty years ago, access issues were largely confined to setting seasons and bag limits and building new boat ramps or fishing piers. However, over the past decade, from California to Florida, from Louisiana to Michigan, we've seen a dramatic increase in efforts to limit recreational fishing threatening serious financial harm to our industry.

From the bottom fishing ban that's looming in the Southeast to the oil spill ban in the Gulf of Mexico to California's no-take marine protected areas, there is no shortage of challenges. In response to all these issues, we've redefined "access" to include actions and policies that center on the public's ability to use and enjoy our public resources. This means that we need to be represented at every table where decisions are made about the future of our sport and our industry.

This is a necessary and laudable goal, but also an expensive one. And unfortunately, our show fees and membership dues aren't sufficient to meet the needs. Over the past several years, a number of ASA members have stepped forward and made additional contributions that have allowed us to be active on many fronts. The companies listed have made contributions of greater than \$5,000...some of them far, far greater. I want to thank them and everyone,

companies and individuals alike, who have gone above and beyond to help us meet this challenge! Please give them a round of applause right now and shake their hands when you see them on the show floor.

But to quote Police Chief Brody when the great white shark, Jaws, suddenly loomed up out of the water before him – he said "We're gonna need a bigger boat!" And that is my message to you here today. And that boat must include our nation's anglers. As of today, we're launching an ambitious effort to engage anglers to support their sport through a national advocacy and fundraising campaign called KeepAmericaFishing™.

This campaign, KeepAmericaFishing, will become the voice of the American Angler. That's 60 million sportsmen and women who represent the largest group of outdoors enthusiasts with a single common interest – a passion to fish. That's 60 million conservationists - a group dedicated to safeguarding our natural resources that is bigger than all the environmental groups combined. That's 60 million voters with the potential to be the largest voting block in the country.

If we want to keep our waters open, clean and abundant with fish, we need to give our anglers a louder voice. We need to give them a voice that is heard by legislators, by regulators and by environmentalists. We need to give them a voice that promotes conservation over preservation. We need to give them a voice that is founded in science and data, not simple emotion and sound bytes.

Here's how we're going to do that. We'll create the largest network of anglers united around their passion to fish. To put that into perspective, we already have a database of over 1.5 million anglers and its growing! We will empower them to advocate for their right to sustainably fish on our nation's waters. We will raise funds from individual anglers to expand our advocacy activities. And collectively, we will have the voice we need to make ourselves heard.

Here's how you can help. Get involved. If you're not receiving our alerts, sign up. Get your business involved. Every angler - novice and avids alike - need to know about KeepAmericaFishing. You can help us build the brand, fire up anglers and get them engaged. On the screen is a list of ASA members who have already

committed company resources to get our consumer brand launched.

But enough from me, we have three industry members in the audience who want to tell you why KeepAmericaFishing needs the industry's support.

Let's hear from Gregg Wollner, Executive Vice President of Rapala and John Doerr, President and CEO, Pure Fishing. UNSCRIPTED REMARKS

Gentlemen, my thanks to each of you!! But we need more, we need all of you!! And thanks to our friends at BASS, our pros are involved, too. Turn your attention to the screen.

VIDEO

While we are being challenged both individually and collectively as an industry in ways many of us have never experienced, we can't lose sight of the fact that for millions of Americans, fishing is a way of life and a personal means to connect with the outdoors. I believe we can harness the passion that anglers feel for their sport and help secure our future and our sport.

Thanks for all you do for this association. I hope you all have a great show.

But before I let you leave, Jeff has a few more remarks he'd like to make. Chairman Pontius...

JEFF'S PONTIUS' FINAL REMARKS

There's a lot going on at ICAST and in our industry. If you'd like to better understand what your trade association is doing for you, stop by the ASA Resource Center at Booth 1726. If you want to learn more about Keep America Fishing come to the seminar this morning at 11:00 a.m. in room N260 or stop by for coffee tomorrow morning at 7:00 in room N260 before the show opens.

Yesterday the ASA Board met and passed a special resolution recognizing the Leadership of Burt Steinberg and awarded him Lifetime Membership in the association. Most of you know Burt was Chairman of the Association from 2000 -

2002, and led us through a difficult period. We'll be doing a special presentation for Burt at the Sportfishing Summit in the fall.

It's my pleasure to invite all of you to this evening's "Chairman's Industry Awards Reception" which is hosted by ZEBCO. This is where we'll announce the Best of Show honors in the New Product Showcase competition. The party starts at 6:00 at the Hilton Ballroom A and B and everyone is invited.

My term as ASA Board chairman is over this October during the 2010 Sportfishing Summit in Orlando when I hand over the gavel to Frabill's CEO Jeff Marble. It's been an honor and a pleasure to serve the association and the industry in this capacity. But before I go, there is one last thing I want to hear.

I want to know that this industry believes in its future and is willing to fight for it. I want to know that you want to Keep America Fishing. So everybody on your feet. It's time to make some noise and show your support. We'll divide the room into thirds and everyone gets a word.

Yours is KEEP

Yours is AMERICA (you'd better not wimp out)

And yours is FISHING!

So now let's do it!

KEEP.....AMERICA....FISHING

Again

KEEP.....AMERICA....FISHING

Again

KEEP.....AMERICA....FISHING

Thanks everyone! Go have a great show!

