

GULF OF MEXICO FISHERY MANAGEMENT COUNCIL

PORTION OF SHRIMP ADVISORY PANEL

March 3, 2016

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6
7 **DR. KILGOUR:** Action 3 is the big action, and it's over three
8 slides, and I apologize for the tiny text. I will kind of
9 paraphrase what each of the alternatives are. The first
10 alternative is no action, do not set a threshold number of
11 permits.

12
13 It should be noted that nothing is going to actively reduce the
14 number of permits. The threshold is based on permits not being
15 renewed by the permit holder. There is going to be no effort to
16 actively say, okay, at this threshold, at 1,000 permits, there
17 is not going to be any action on NMFS to go and say, okay, we're
18 going to cull these permits. It just would only reach that
19 threshold through non-renewal, if that makes sense.

20
21 Alternative 2 would be the number of active permitted vessels,
22 those with landings from offshore waters, needed to attain
23 aggregate OY. That was established in the previous action,
24 Action 2.

25
26 Alternative 3 would be the threshold would be the number of
27 active permits, those with landings from offshore waters, during
28 2009, which is the threshold level effort for the incidental
29 take statement for sea turtles. In the biological opinion in
30 2014 for the shrimp fishery, 2009 was set as the threshold year
31 for sea turtle take.

32
33 Alternative 4 is the threshold number of -- It was when effort
34 was highest and nearly reached the juvenile red snapper bycatch
35 threshold. It's a reduction of 67 percent, and in 2011 is when
36 it came closest, although we might have to revisit this with the
37 IPT, because I think 2014 came even closer. It might have to
38 actually go to 2014 for this number.

39
40 We should also note that for the past two alternatives that
41 we're using the number of active permits, active vessels, and so
42 938 permits were actively fishing in 2011, and so that would be
43 the threshold number of active permits.

44
45 **AP MEMBER:** Just for everybody's clarity, active is -- You're
46 defining active as --

47
48 **DR. KILGOUR:** Having landings, correct, offshore landings.

1 Action 3, Alternatives 5 and 6, have to do with the catch per
2 unit effort. Alternative 5 is the number of active permitted
3 vessels where catch per unit effort was the highest during the
4 moratorium, which was in 2008.

5
6 That's on the table, and I have the table there, and it's very
7 tiny, but in 2008 was when the highest CPUE was observed.
8 That's from predicted values and not from the actual CPUE, and
9 so the predicted values is basically an adjustment to make it so
10 that it's the average conditions for shrimp, since it's a
11 highly-variable fishery, and so if average conditions were met,
12 what would CPUE have been? It could be a little higher or
13 lower, depending on the particular environmental conditions of
14 the year.

15
16 Alternative 6 would be in a year with relatively high CPUE
17 without substantially reducing landings. Those are three
18 different years: 2007, which would be 1,133 permits; 2012, which
19 is, I can't see; and 2013, which is a little bit less than that.
20 Those, again, are active permits. That's what the threshold
21 would be.

22
23 Alternative 7 is -- This was a council-recommended alternative,
24 and I believe this is consistent with what the AP recommended at
25 the 2015 meeting. Option e would be what the AP recommended,
26 and this is to set the threshold number of permits based on
27 different years, at the beginning of the moratorium, at the end
28 of 2009, at the end of 2011, at the end of 2013, at the end of
29 2014, or at the end of the moratorium, which we won't know that
30 value until October 26, 2016.

31
32 If any of these are reached for this, we would automatically
33 have a threshold be hit, because we've already passed that. I
34 think the current number of permits that are valid or renewable
35 is 1,455, and so we're already below any options except for
36 Option f.

37
38 Action 4 had to do with when this threshold is reached, what
39 does the council do? Alternative 1, there is no action and
40 nothing will happen when the threshold number of permits is
41 reached. Alternative 2 is when that threshold is reached, the
42 council can create a permit pool and all of those threshold
43 numbers -- Whatever the excess is, say that we set the permit
44 numbers at 999, and there are 980 active permits, then nineteen
45 permits would go into the permit pool.

46
47 Alternative 3 would be nothing -- There is not necessarily a
48 permit pool created, but the council will convene a review panel

1 to see what to do and if action is needed. Do they need a
2 permit pool or can they allow more permits to expire?

3
4 Action 5, again, this is really texty, and I apologize, but the
5 eligibility for the permits, if there was a permit pool created
6 in Action 4, then Action 5 is what -- First of all, when do
7 these permits become available and who is eligible to get a
8 permit?

9
10 Alternative 1 is no action and so individuals must submit the
11 completed application to get a Gulf permit. Alternative 2 is
12 NMFS will maintain a waiting list and, as permits become
13 available, the applicant will then be asked to submit a new,
14 updated application to get one of those permits.

15
16 There could also be eligibility requirements, and these are some
17 of the eligibility requirements that the AP recommended last
18 year at its meeting, and those are all at the bottom, because
19 they're consistent for Alternatives 2, 3, and 4, and that would
20 be there is no eligibility requirements, or that you must be a
21 U.S. citizen, or you must have a vessel that is of X feet in
22 length, and, again, no length requirement was recommended by the
23 AP last year and no length requirement has been recommended by
24 the council yet, and so we still have that ambiguous value
25 there.

26
27 Then Alternative 4 was that it has to go to a vessel with a U.S.
28 Coast Guard Certificate of Documentation. These can be
29 additive. It doesn't have to be one or the other. It could be
30 all options, b, c, and d, or just b and c. Alternative 3 is
31 that they'll be available once per year to eligible applicants
32 and Alternative 4 is that they will be available once per year
33 by lottery, I believe.

34
35 This is a table that we've provided to the council and to you
36 that was used in a previous shrimp document to discuss the
37 vessel length, so that perhaps the council or the AP can make a
38 recommendation on what that appropriate vessel length would be.

39
40 This is Method 1, which has been used in previous shrimp
41 documents, where we have small and large vessels, based on less
42 than sixty-feet or greater than sixty-feet. Then, if you want
43 to break it down into twenty-five-foot increments, that would be
44 the proportion of vessels that meet all those requirements in
45 Method 2.

46
47 The last is the transit provision. It was brought to the
48 council's attention that some state-licensed vessels, or state-

1 permitted vessels, have a hard time getting back to their port
2 without going through federal waters, and so they asked for a
3 transit provision.

4
5 There is a similar transit provision in the South Atlantic. I
6 think it has caused a few headaches, but Alternative 1 is no
7 action, so we don't make a transit provision. Alternative 2
8 would be to let state-permitted vessels transit through federal
9 waters as long as their nets are out of the water.

10
11 Alternative 3 is they can transit through federal waters, but
12 their nets have to be out of the water, on deck, and the trawl
13 doors must be disconnected from the trawl gear and it must be
14 secured.

15
16 That kind of goes through all the document. I sent you one
17 slide about the working group. I want to go over that, so I can
18 make sure I give the AP everything they need for Actions 1 and
19 2. I apologize for not having this available earlier, but they
20 just met yesterday and so I needed to have a little time to --
21 It's just one slide.

22
23 The working group met yesterday. The aggregate MSY was
24 determined to -- They decided to use the method that had been
25 previously used by the Ad Hoc Shrimp Effort Working Group in
26 2006. This aggregate MSY comes out to be 109,237,618 pounds of
27 tails. The effort associated with this is about 143,756 days
28 fished.

29
30 The aggregate OY was where most of the discussion took place for
31 yesterday, and they decided to look at four factors: the turtle
32 threshold, the juvenile red snapper bycatch threshold, high
33 catch per unit effort, and high landings.

34
35 When they were doing this, looking at all of these factors, it
36 looks like 2009 actually had all of these criteria. They
37 decided that the aggregate would be determined to be the
38 predicted landings for 2009, and that ended up being 85,368,059
39 pounds of tails.

40
41 The effort associated with this was 76,508 days. That's below
42 the turtle threshold and it's below the -- I believe they felt
43 that this was the most appropriate way to do OY, without getting
44 into real big, complicated socioeconomic models where you start
45 weighting things differently. They felt that was too
46 subjective.

47
48 Jim is here and so he can be on the hot seat for the working

1 group, since he was part of it, but those would be the
2 alternatives for Action 1 and Action 2.

3

4 **CHAIRMAN PERRET:** Okay. The Chair will be first. Jim, MSY is
5 105-plus and OY is 109,085. That's twenty-four million pounds.
6 Why would the OY be so greatly reduced from MSY?

7

8 **DR. NANCE:** Well, I mean you can use different methodology. You
9 can take a 5 percent, and I mean there's a lot of different ways
10 to come up with OY. We decided to be subjective, or objective
11 in this and --

12

13 **CHAIRMAN PERRET:** Subjective is probably right.

14

15 **DR. NANCE:** Subjective. Thank you. It's one of those
16 objectives anyway, but subjective in the fact that we pick a
17 year where we met all of the criteria that we came up with.
18 2009 is the one where we -- I think in the biological opinion
19 for sea turtles, that's the one that's being used and so that
20 was -- We wanted that one.

21

22 From the red snapper management zone, we were within the
23 framework there. We had a reduction of I think 77 percent that
24 year in the red snapper zone and we had high catch per unit
25 effort in the fleet. We had high landings. We looked at
26 different years, and 2009 seemed to meet all of these different
27 criteria.

28

29 What we did then is took that year's effort and subjected it to
30 the model and that comes up with eighty-five-million pounds of
31 tails would be the OY from that amount of effort.

32

33 **CHAIRMAN PERRET:** In 2009, we landed 100-million pounds of
34 shrimp.

35

36 **DR. NANCE:** Yes, that's correct.

37

38 **CHAIRMAN PERRET:** Here, you're saying OY is fifteen-million
39 pounds less than that.

40

41 **DR. NANCE:** It can be over. You can have higher landings than
42 OY. Remember that OY is a goal, and so what you're trying to do
43 is be able to meet that. That year, we had that much effort and
44 that's right that it's not a cap. If you go over, there are
45 management consequences.

46

47 **CHAIRMAN PERRET:** What is the total days of fishing effort now
48 for all three species?

1
2 **DR. NANCE:** I think that last year the offshore was 73,500.
3
4 **CHAIRMAN PERRET:** So you're saying we should be above --
5
6 **DR. NANCE:** Right around there.
7
8 **CHAIRMAN PERRET:** Thank you. I saw a hand. Frank, first.
9
10 **MR. HELIES:** I listened in on the working group yesterday and
11 Benny mentioned something interesting to me about the 67 percent
12 red snapper target for the ten to thirty-fathom range. I guess
13 he said it was his impression that that was going to be
14 reevaluated as the red snapper fishery rebounded. Do we have
15 any consensus or update on that?
16
17 **DR. NANCE:** That has nothing to do with this, and that would be
18 a totally separate action for the council, and so I'm not going
19 to speak to that, because that's a whole different action.
20
21 **CHAIRMAN PERRET:** Mr. Delaney.
22
23 **MR. DELANEY:** A few things, if you don't mind. First, in
24 response to that, that's definitely a possibility, and I know
25 Benny has done some research which suggests that the relative
26 contribution of the shrimp trawl bycatch mortality to total
27 mortality of juvenile red snapper is even far lower than when we
28 first selected the 74 percent and then the 67 percent reduction
29 thresholds that we're subject to.
30
31 That may manifest in the council at some point in the future,
32 but the reality is this is -- You know it's 67 now, and so we
33 kind of have to operate within that context, legal context.
34
35 That said, it would be interesting to see how you equated -- I
36 mean it's such apples and oranges, because that's a specific
37 depth zone, ten to thirty fathoms, and only the Western Gulf.
38 That must have been difficult to know if in 2009 if it was
39 consistent with that, but we know that it was.
40
41 **DR. NANCE:** That's what we looked at.
42
43 **MR. DELANEY:** Right. I got that.
44
45 **DR. NANCE:** Remember, and I'm going to throw this out too, is
46 that there is not a mathematical relationship between the amount
47 of total effort and the amount of effort in the snapper zone.
48

1 **MR. DELANEY:** Right. That's what I'm saying. It's such apples
2 and oranges. Anyway, the point I'm getting to is those four
3 criteria that you looked at, two of them are legal obligations
4 we have in the shrimp fishery, the red snapper bycatch and the
5 turtle effort.

6
7 The turtle effort, in the most recent 2014 biological opinion,
8 is a legal obligation. I mean there are two thresholds that we
9 must meet in order to be consistent with the Endangered Species
10 Act. Failure to be consistent with the Endangered Species Act
11 means our fishery is no longer authorized to operate. I mean
12 that's the most simplistic interpretation of it, but that's the
13 reality.

14
15 You know we get a special ability to operate our fishery under
16 the Endangered Species Act if we meet certain things in the
17 biological opinion, and those two certain things are, one, that
18 we -- We have to achieve a 12 percent or better exclusion rate
19 or what's the term they use?

20
21 It's related to TED compliance, but we have to exclude 12
22 percent or more of captured turtles. The other one is the 2009
23 effort level. Those two criteria have to be met in order for
24 our fishery to be authorized to operate under the Endangered
25 Species Act. It's a very powerful legal obligation that we must
26 meet there.

27
28 The 2009 effort is Gulf-wide and it's offshore and inshore.
29 It's the entire fishery, and so it's really the defining
30 threshold that we have to meet in the fishery, and that kind of
31 defines the limit of effort that we can prosecute in this
32 fishery. We can't go beyond that or we violate the biological
33 opinion, and therefore potentially cause our fishery to lose
34 authorization to operate under the Endangered Species Act. I
35 just wanted to say the 2009 is the defining limit of effort in
36 our fishery, like it or not.

37
38 **CHAIRMAN PERRET:** Thank you, sir. Mr. Bosarge.

39
40 **MR. BOSARGE:** When we go to speaking of effort, and especially
41 effort in the ten to thirty-fathoms from the -- I think they're
42 going out from the Alabama line to the Brownsville, the
43 Alabama/Mississippi line to Brownsville.

44
45 **CHAIRMAN PERRET:** What's the zones?

46
47 **DR. NANCE:** It's Stat Areas 10 through 21.

48

1 **MR. BOSARGE:** That effort was calculated, if I'm correct,
2 through electronic logbooks. I guess my -- Because we all want
3 to know what are the number of permits and what are the number
4 of permits in federal waters versus state waters. To start
5 with, could you define offshore waters?
6

7 **DR. NANCE:** Offshore waters, in this context, is beach out, co-
8 reg lines out.
9

10 **CHAIRMAN PERRET:** But you don't need an EEZ permit to fish out
11 to -- In two states, it's nine miles and in three states, it's
12 basically --
13

14 **MR. BOSARGE:** No, I think he said from beach out.
15

16 **CHAIRMAN PERRET:** But I am saying you don't need that EEZ permit
17 from beach to three miles or nine miles in Texas or Florida.
18

19 **MR. BOSARGE:** My point is if we look at vessels with active
20 permits, and I think for this year it's -- It's always right
21 around a thousand, one side or the other. Because offshore
22 landings are from the beach out and we have a lot of those boats
23 that are landing their shrimp from state waters that are being
24 counted as federal landings. When I say federal, outside of
25 three miles.
26

27 What I'm concerned about is what would happen if all of a sudden
28 this thousand boats that we, in our minds, think are working in
29 federal waters decided that, okay, we're all going to step up to
30 bigger class vessels and we're all going to work federal waters
31 now? Now, from where that electronic logbook data might have
32 come from a fleet of 500 to 700 boats, now you just jumped it up
33 to a thousand, and you're over the threshold.
34

35 **DR. NANCE:** Remember how effort is calculated. It is not simply
36 adding up all of the effort from the electronic logbooks. It is
37 developing a -- A vessel with a permit, they have to have the
38 permit to fish in federal waters. That doesn't exclude them
39 from fishing anywhere. Some of those vessels can fish inshore
40 and they can fish near shore and they can fish offshore.
41

42 With that electronic logbook, we look and we develop a catch per
43 unit of effort for where they are fishing. Some of those catch
44 per unit of effort for those electronic logbooks are for the
45 near shore. Some of them are from offshore and those types of
46 things.
47

48 With that catch per unit of effort for those various cells, then

1 you extrapolate up the catch per unit of effort from those to
2 total landings, and that's how effort is calculated. Effort is
3 a compilation of catch per unit of effort from a given set, but
4 total landings from everybody. Does that make sense?

5

6 **MR. BOSARGE:** No, not really.

7

8 **DR. NANCE:** Okay.

9

10 **MR. BOSARGE:** It does, but --

11

12 **DR. NANCE:** Okay. So the landings from everyone are included in
13 the effort value.

14

15 **MR. BOSARGE:** Okay.

16

17 **DR. NANCE:** It's not just the permitted vessels.

18

19 **MR. BOSARGE:** So how does that correlate to effort in the ten to
20 thirty-fathoms?

21

22 **DR. NANCE:** Effort in the ten to thirty-fathom area is you're
23 developing a -- Those are the cells. There is zero to ten and
24 ten to thirty and greater than thirty. Then we have different
25 stat areas. You take all of the CPUEs for each of those areas
26 and develop a catch per unit of effort.

27

28 You then take the landings from those specific areas, as
29 reported through the dealers and things like that, and it
30 extrapolates up to then estimate effort for each of those
31 different areas.

32

33 **CHAIRMAN PERRET:** But ten to thirty is a separate area.

34

35 **DR. NANCE:** Ten to thirty is a separate zone.

36

37 **MR. BOSARGE:** So but do you see my point? If we took a bunch of
38 boats that are normally working from the shore out --

39

40 **DR. NANCE:** If everyone fished the ten to thirty in a year, you
41 would have an issue. There have been some years -- I went back
42 and looked at this when we started to do this amendment. There
43 have been some years where we have had, taking the total
44 offshore effort, 21 percent of that has been in that ten to
45 thirty. There have been some years where it's been close to 40
46 percent.

47

48 You can actually have quite a low effort year for offshore, but

1 if everyone decided to fish in the ten to thirty, you could
2 actually go over your effort cap in the ten to thirty even with
3 low offshore effort.

4
5 **MR. BOSARGE:** But you could really go over it if you had a lot
6 of effort.

7
8 **DR. NANCE:** Yes, and so that's why we picked 2009, is because it
9 seems to be a moderate amount of effort, 76,000 days, but you
10 could have 76,000 days and if everyone decided that, hey, let's
11 go fish ten to thirty and that's where all the shrimp are, you
12 could actually -- If you had 76,000 days in that zone, you would
13 be way over, but if no one fished in it, you could have then a
14 real low.

15
16 **MR. BOSARGE:** In my opinion, your offshore vessels, that's where
17 they're going to work, from ten to thirty fathoms. To try to
18 refine this number somewhat of active vessels and what we
19 consider -- When I look at -- Because everything we're looking
20 at now, in most people's minds, at least mine, are the effort
21 taking place in federal waters, although a lot of the effort is
22 not in federal waters. What does it take, what size fleet does
23 it take, to harvest optimum yield in federal waters?

24
25 **CHAIRMAN PERRET:** Just in the EEZ and not that zero to nine and
26 not zero to three.

27
28 **MR. BOSARGE:** That's right. Just in the EEZ. Going back and
29 looking at some of the things that NMFS has provided, if you
30 look back at the summary that -- The Economics of the Federal
31 Gulf Shrimp Fishery, and I think was done by Christopher Liese,
32 he breaks it down into four different categories, where he talks
33 about total number of vessels with permits. Then he talks about
34 total number of vessels with landings. Let me find it here.

35
36 He has commercial fishing vessels holding a federal Gulf shrimp
37 permit, total; the Gulf shrimp fleet, commercial shrimp vessels
38 inactive or active in the Gulf shrimp fishery; active Gulf
39 shrimp fleet, shrimp vessels reporting landings in the Gulf
40 shrimp fishery; and an inactive Gulf fleet, idle commercial
41 vessels not fishing.

42
43 You go back to active vessels in the Gulf, where it takes out
44 the South Atlantic vessels and it takes out folks that are in
45 the middle of the State of Texas that own a fourteen-foot boat,
46 and he says the average landings are -- Let me get to my
47 paperwork. Average landings per vessel is 91,365 pounds. I say
48 that's probably a pretty good estimate, and then I go back to

1 some more NMFS data, and I wish we could put this on the
2 overhead.

3

4 **CHAIRMAN PERRET:** Can we do that?

5

6 **DR. KILGOUR:** Which one are you looking at?

7

8 **MR. BOSARGE:** It's permits activity.

9

10 **DR. NANCE:** I think, Steve, some of the differences in some of
11 the reports is Christopher's analysis, and I hope I am saying
12 this correct, because I wasn't involved in that analysis, but
13 Christopher's analysis that he reports on is from a --

14

15 **MR. BOSARGE:** Economics standpoint.

16

17 **DR. NANCE:** An economics standpoint and he sends out a survey to
18 I think a third of the permitted vessels. He is taking that
19 data from that sample and then coming up with those estimates.

20

21 **MR. BOSARGE:** In my opinion, that's good data.

22

23 **DR. NANCE:** Absolutely. Absolutely. Then you've got then 1,500
24 permits that a lot of them haven't been -- Some of them haven't
25 been interviewed and those types of things, and some of the data
26 you're going to have are then landings from each of those permit
27 holders, and so it's two different datasets.

28

29 **MR. BOSARGE:** If you look at that graph right there, trying to
30 pick out what are Gulf vessels landing -- In other words,
31 working actually outside of three miles, and you look at what --
32 When he breaks it down to the active Gulf shrimp with landings,
33 reported landings, it's a 91,000-pound average.

34

35 It breaks down permits by landings. If you look at zero and, in
36 other words, number of permits with average landings in each
37 category, 2009 to 2012, if you look at zero landings, there was
38 211 permits with zero landings and forty-one -- Going down
39 through, look where 91,000 puts you in the category. In my
40 opinion, if you look at that, then everything from that -- If
41 you add those numbers up, that 326, 292, 80, and 7, that's 704
42 permits.

43

44 **DR. NANCE:** I bet you -- I mean that looks like a pretty good
45 bell curve there. The average looks like around 91,000. That
46 means in his analysis you've got this -- Some guys have nothing.
47 Some guys have, on average, around 91,000. Some guys caught
48 200,000.

1
2 **MR. BOSARGE:** My point is trying to come to a realistic number
3 of the actual vessels fishing in the EEZ.
4
5 **DR. NANCE:** It also would be what would be determined as active.
6 If a guy goes out for one day and catches one shrimp --
7
8 **MR. BOSARGE:** That's what I'm saying. That is active vessels.
9 In other words, they're taking out all the inactive vessels, but
10 you can say a vessel that goes out and catches one shrimp is not
11 a -- He's not an active --
12
13 **DR. NANCE:** He's probably retired.
14
15 **MR. BOSARGE:** Well, I mean but this information here, to me,
16 breaks out a lot of that. This is getting close to what we need
17 to know, and my point being we're all talking about setting a
18 number here. To set a number, or to even think about setting a
19 number, we need to know the actual number, or as close as we can
20 get, to the vessels that are producing the shrimp out of the
21 EEZ.
22
23 If we set a number too high, if you look at that economic
24 analysis and you go on down and it shows the profitability of
25 the industry as it is now, or I think it was 2014, most
26 everything is in the red. With our fleet where it's at now, we
27 don't want to lose it, but we also want to save it.
28
29 Until this number of vessels gets to where they're profitable
30 and they're making money, then that's when you have people
31 looking at the industry and saying, hey, I might want to do
32 that. A young guy saying I might want to -- Right now, a young
33 guy looks at it and says that's too much work for nothing and so
34 there's no interest in it.
35
36 I am trying to get to where a realistic number of active vessels
37 in the EEZ, and not just active vessels from the beach out.
38 That's the argument we're all going to have here, is where is
39 this number? I think this comes close, this 704.
40
41 **DR. NANCE:** I have not looked at that report, but is that -- Is
42 he reporting on that survey, and you may have taken the survey.
43
44 **MR. BOSARGE:** Yes, at the end of the year, the annual, yes.
45
46 **DR. NANCE:** Is it asking for --
47
48 **MR. BOSARGE:** Pounds of tails.

1
2 **DR. NANCE:** Pounds of tails that you caught last year and not
3 pounds of tails caught in the EEZ. Is that -- That's kind of
4 the dilemma, is that a vessel can fish --
5
6 **MR. BOSARGE:** Yes, but if you look at it, Jim, and you say 1,000
7 to 10,000 pounds, that guy is not working in the EEZ.
8
9 **DR. NANCE:** No, and I'm talking about probably a vessel that
10 fishes 180 days a year, something like that. I will bet you
11 sometimes they're probably in state waters fishing. Wouldn't
12 they be?
13
14 **MR. BOSARGE:** I mean unless you have a Texas license --
15
16 **DR. NANCE:** Yes, a Texas or a Louisiana license. I am just
17 saying it doesn't preclude a vessel from fishing --
18
19 **MR. BOSARGE:** Correct. I agree. I agree and I don't want to
20 preclude a vessel that's state registered from fishing in
21 federal waters. That's his right just as well, but I just want
22 to be sure that we don't set a target that could back and just
23 kill us in the end.
24
25 **DR. NANCE:** To over project how many permits. I understand what
26 you're saying.
27
28 **CHAIRMAN PERRET:** Thank you. Frank.
29
30 **MR. HELIES:** We're still talking about the working group report,
31 right? I don't want to get far ahead here.
32
33 **CHAIRMAN PERRET:** Do you want to put the summary of the working
34 group back up?
35
36 **MR. HELIES:** No, this is fine. Steve's graph or table was good,
37 but since they chose 2009, Table 2.3.1 in Amendment 17B, page
38 12, if you look at 2009, which is what they selected as OY,
39 because that's the highest CPUE we've had in the last ten years,
40 I guess Mike Travis came up with a number of 1,074 permits.
41 Now, that's from the beach out. Yours was seven-hundred-and-
42 fifty-something and then his was predicted at 1,074.
43
44 **DR. NANCE:** I don't think it's permits. I think it's vessels.
45
46 **CHAIRMAN PERRET:** Active permitted vessels.
47
48 **DR. NANCE:** See it's vessels. That's something we need to -- A

1 permit, for example, could be, in a year, on several vessels.
2
3 **MR. HELIES:** If somebody sold a vessel or --
4
5 **DR. NANCE:** A trade or whatever. This is number of vessels.
6
7 **CHAIRMAN PERRET:** Active permitted vessels.
8
9 **DR. NANCE:** Yes, and if everybody kept their permit on that
10 vessel that year. I think the way Dr. Travis did this, it's
11 vessels that he's talking about here. It's a slight
12 distinction, but it is an important one.
13
14 **CHAIRMAN PERRET:** Thank you. Okay. Let me just say we've got
15 six action items to go through, and Mr. Bosarge and others
16 brought up a good point, that we would like to have better data.
17 Look, I sat on the council forever and we never get all the data
18 we need to make some of the decisions we've got to make, but
19 hopefully we'll be able to make decisions today and get through
20 these six alternatives. Let's have a little more discussion and
21 then we'll go Action 1 through and hopefully we'll finish up.
22 Mr. Delaney had his hand up.
23
24 **MR. DELANEY:** I was going to suggest that we go back to where we
25 are in the agenda, which is if you could back the working
26 group's report and recommendation. I guess the question is this
27 is very relevant to, obviously, Action 1 and Action 2. The AP
28 has the opportunity to make a recommendation relative to the
29 working group's recommendation, correct?
30
31 **DR. KILGOUR:** Exactly right.
32
33 **MR. DELANEY:** In other words, we could say we agree or disagree
34 with the working group's recommendations. If we disagree, we
35 might choose to provide an alternative. That's kind of where we
36 are.
37
38 **DR. KILGOUR:** That's exactly right and so Action 1, as it is
39 now, would be no action and don't -- Your alternative that we
40 have in the document now is Alternative 1, no action, we don't
41 establish an aggregate MSY. Alternative 2 is to establish an
42 aggregate MSY, and that would be set to 109-million-plus pounds
43 of tails, because that's what the working group's recommendation
44 was.
45
46 **MR. DELANEY:** Alternative 2, right?
47
48 **DR. KILGOUR:** Yes.

1
2 **MR. DELANEY:** Then Action 2 is to set the OY.
3
4 **DR. KILGOUR:** Exactly and the Alternative 1 is no action, don't
5 set an aggregate OY. Alternative 2, as it is in the document,
6 is to establish the aggregate OY based on the working group's
7 recommendation of eighty-five-million-plus pounds of tails.
8
9 **MR. DELANEY:** Thank you, and so that's what we need to respond
10 to right now.
11
12 **CHAIRMAN PERRET:** Okay. Any other hands up? Mr. Lasseigne.
13
14 **MR. LASSEIGNE:** Dr. Morgan said there was 938 boats that had
15 landings, and then you came up with a number of 1,455. The
16 difference is the ones that didn't have landings?
17
18 **DR. KILGOUR:** Right.
19
20 **MR. LASSEIGNE:** So what happens to those boats that don't have
21 landings? Do they have a certain period they have to land or --
22
23 **DR. KILGOUR:** No, there's nothing. As long as you renew your
24 permit, you get it. You don't have to be an active shrimping
25 vessel to maintain your permit. You just have to renew it every
26 year.
27
28 **MR. LASSEIGNE:** Okay, and then they also mention a permit pool.
29 Is there going to be a cost on that?
30
31 **DR. KILGOUR:** That would be Action 4. That would be something
32 the council could create. That hasn't been created yet. It's
33 an alternative for the council to decide upon. Right now, if
34 you don't renew your permit, then it goes away.
35
36 This whole amendment is to say this is how many permits we need
37 in the shrimp fishery and if that many permits are not renewed,
38 then what happens to -- Say you need 1,000 permits in the shrimp
39 fishery and only 950 permits are renewed. What happens to those
40 other fifty? That's what we're doing in Action 4. Do we create
41 a permit pool or should the council just reevaluate what to do
42 with those fifty permits? Right now, there is no permit pool.
43 That would be Action 4, for the council to decide on whether or
44 not to create a permit pool.
45
46 **CHAIRMAN PERRET:** Thank you. Dennis, please.
47
48 **MR. HENDERSON:** What I want to know is if you have a permit, do

1 you have to have a boat? The last meeting I was at, you could
2 have it on a canoe, but you have to have a boat, but it could be
3 any kind of boat.

4

5 **CHAIRMAN PERRET:** Is that where the length thing comes in?

6

7 **DR. KILGOUR:** Yes, and so that was something that was
8 recommended by the AP last year, was that there had to be a
9 requirement so that you could make sure that any permit pool
10 permits would go to shrimping vessels.

11

12 As of now, if you have a moratorium permit, as long as it's
13 assigned to a vessel of any size, and that won't go away. As
14 long as you renew that permit, until the council decides to
15 change something about those permits, that's all you have to do.

16

17 **MR. HENDERSON:** Then it's addressed in Action 5.

18

19 **DR. KILGOUR:** To be clear, Action 5 only establishes those
20 eligibility requirements for permit pool permits. If you still
21 have a moratorium permit, which is different than a permit pool
22 permit, you don't have to have the length requirement.

23

24 **CHAIRMAN PERRET:** Mr. Bosarge.

25

26 **MR. BOSARGE:** I would like to make a motion that we adopt
27 **Alternative 2.**

28

29 **CHAIRMAN PERRET:** Excuse me. I appreciate that, but I wanted to
30 say we've got the working group's info up there. They've got
31 their suggestions, and so I am ready to take -- Go ahead with
32 Action 1. We have two possible alternatives and so if anybody
33 wants to make a motion, let's see if we can get started with
34 Action 1. Mr. Bosarge is ready to start.

35

36 **MR. BOSARGE:** **Action 1, Alternative 2.**

37

38 **CHAIRMAN PERRET:** Action 1, Alternative 2, establish an
39 aggregate MSY using a method --

40

41 **MR. BOSARGE:** Correct.

42

43 **CHAIRMAN PERRET:** Steve, it's your motion.

44

45 **MR. BOSARGE:** I don't know who has got it up there, but it looks
46 real good to me.

47

48 **CHAIRMAN PERRET:** Anyway, I think we understand that he's

1 recommending Alternative 2, to establish the aggregate MSY.
2 What is that they came out with yesterday? Do we need to put it
3 on the board? I know we just had it, but --

4

5 **DR. KILGOUR:** It's 109,237,618 pounds.

6

7 **CHAIRMAN PERRET:** Aggregate MSY is 109,237,618 pounds of tails.
8 Okay. We've got a motion and do we have a second? Mr. Williams
9 seconds and we're open for discussion. Any discussion on the
10 motion? This is the recommendation of the working group and the
11 motion by Mr. Bosarge and second by Mr. Williams. Is there
12 discussion? Any discussion? **All in favor, signify by saying**
13 **aye; any opposition like sign. Okay. We have passed**
14 **Alternative 2 as the Advisory Panel's preferred alternative.**

15

16 Moving on to page 9, Action 2, aggregate optimum yield for Gulf
17 shrimp fishery, and there are two possible alternatives. Mr.
18 Delaney.

19

20 **MR. DELANEY:** Again, I tried to follow carefully the logic
21 behind what the working group conclusion came to be yesterday.
22 The more I think about it, the more it makes sense. The highest
23 level of effort that we're legally allowed to have in the shrimp
24 fishery and still operate, be allowed to operate, with
25 essentially an exemption under the Endangered Species Act, is
26 the 2009 effort level. Is that correct, Jim? Okay.

27

28 That pretty much defines the limit of effort. It defines OY.
29 Whatever the level of OY is that's equivalent to that level of
30 effort is our maximum legal limit. That's what the working
31 group came to, that conclusion, which is an obvious conclusion
32 if you work it through that way. I will make a motion that --
33 Is that relevant to Action 2? The Alternative 2 doesn't really
34 link us to the recommendation of the working group, and so do we
35 create a new alternative, Morgan?

36

37 **DR. KILGOUR:** Action 2, Alternative 2 would be to -- It's the
38 aggregate OY and it's what the working group recommended.

39

40 **MR. DELANEY:** Okay. It would be?

41

42 **DR. KILGOUR:** Yes.

43

44 **MR. DELANEY:** However you need to craft that then, for the
45 purposes of the discussion, following that logic that they came
46 to, then I would offer a motion to accept the working group's
47 recommendation for setting OY. However you want to craft that,
48 I don't care.

1
2 **CHAIRMAN PERRET:** What was the number they recommended?
3
4 **DR. KILGOUR:** It would be 85,368,059 pounds of tails.
5
6 **CHAIRMAN PERRET:** I think Mr. Delaney's motion is to recommend
7 Alternative 2 for the Gulf-wide fishery aggregate OY, that it be
8 equal to 85,368,059 pounds of tails. Is that your motion?
9
10 **MR. DELANEY:** I would just add a further point that that's even
11 way below MSY, but legally we're capped at that level.
12
13 **CHAIRMAN PERRET:** Do we have a second on Mr. Delaney's motion?
14 Frank seconds. Any discussion? Mr. Bosarge.
15
16 **MR. BOSARGE:** I'm just curious, Jim. Because our fishery is
17 going through so many ups and downs, what happens if we hit the
18 management just right and the environmental conditions are
19 really good and we go way over and/or we go way under? I mean,
20 do you know what I'm --
21
22 **DR. NANCE:** Are you talking about effort?
23
24 **MR. BOSARGE:** I'm talking about optimum yield. In other words,
25 trying to get as close to this as we can.
26
27 **DR. NANCE:** I am not a lawyer, for sure, but the way I
28 understand this is that optimum yield is a goal.
29
30 **MR. BOSARGE:** Correct.
31
32 **DR. NANCE:** There isn't any management consequences for going
33 over it. In fact, that year, in 2009, you had -- While our
34 model shows eighty-five-million pounds, the fishery actually
35 caught 101-million pounds of tails that year, and so that was a
36 very good abundant year. That's why catch per unit of effort
37 was so high.
38
39 There aren't any management consequences for going over it.
40 That's just the goal for the fishery. That's where we would
41 like to be as a fishery, is around that area.
42
43 **CHAIRMAN PERRET:** Depending on a lot of things, that number
44 could be over or under and bouncing like a ball. Mr. Delaney
45 and then Mr. Williams.
46
47 **MR. DELANEY:** I just would add that there is a management
48 consequence of exceeding the level of effort that's associated

1 with that. You could still be in compliance on the effort
2 level, below that threshold, and catch a hundred-million pounds
3 of shrimp. That would be great, but what you can't do is have
4 more effort than we're allowed to under that 2009 cap.

5
6 **CHAIRMAN PERRET:** Thank you. Mr. Williams.

7
8 **MR. WILLIAMS:** For clarity, there is consequence for exceeding
9 MSY, correct, two years in a row?

10
11 **CHAIRMAN PERRET:** The council would then take a look at it.
12 Okay. Did we vote? I can't remember. We didn't vote? Okay.
13 Any other discussion? **All those in favor, signify by saying**
14 **aye, please; any opposition. Hearing none, the motion passes.**

15
16 We move to Action 3 on page 10, Minimum Threshold Number of Gulf
17 Shrimp Vessel Permits. We have seven alternatives that are
18 offered. This should generate some discussion. Now, this
19 action does not actively remove any Gulf shrimp permits. The
20 minimum threshold is only for the purposes of monitoring changes
21 in fishery participation and in determining if additional
22 management measures should be established.

23
24 Of course, Alternative 1 is the no action alternative and then
25 there's six other alternatives, and so we've got seven
26 alternatives. What is the pleasure of the committee? Yes, Dr.
27 Morgan.

28
29 **DR. KILGOUR:** I just want to point out that because of the
30 working group's recommendation of setting OY at 2009 levels, now
31 Alternative 3 is exactly the same as Alternative 2.

32
33 **CHAIRMAN PERRET:** Alternative 3 is the same as Alternative 2 and
34 so do we need a motion to --

35
36 **DR. KILGOUR:** You can if you want, or I could -- They're just
37 exactly the same. They're just different rationales. One is to
38 establish it for OY and one is for the turtle threshold.

39
40 **CHAIRMAN PERRET:** Okay. Mr. Collins.

41
42 **MR. COLLINS:** If it's the same thing, would you take no action?

43
44 **CHAIRMAN PERRET:** No, Alternative -- Which two are the same now,
45 3 and 4 or 2 and 3?

46
47 **DR. KILGOUR:** 2 and 3.

1 **CHAIRMAN PERRET:** 2 and 3. So instead of having seven
2 alternatives, we would basically have six, because two of them
3 are the same. I see hands. Kim and then Frank.
4
5 **MS. CHAUVIN:** I would like to make a motion for Alternative 7.
6
7 **CHAIRMAN PERRET:** Okay. We have a motion, but let's make sure
8 we've got it right. Alternative 7 and which of the options?
9
10 **MS. CHAUVIN:** It would be Option b.
11
12 **CHAIRMAN PERRET:** We have a motion for Alternative 7, set a
13 threshold number of Gulf shrimp vessel permits based on the
14 number of valid permits, at Option b, at the end of 2009, which
15 is 1,722 permits. Do we have a second?
16
17 **MS. FALGOUT:** Second.
18
19 **CHAIRMAN PERRET:** Second by Julie. We've got a motion and we're
20 going to have some discussion. Mr. Nacio.
21
22 **MR. NACIO:** Can you explain your rationale? How did you come to
23 that conclusion?
24
25 **CHAIRMAN PERRET:** Kimberly, if you would like to discuss your
26 motion.
27
28 **MS. CHAUVIN:** We had a conversation with Myron that sits on the
29 Gulf Council and we went over all the discussions and, if you
30 look at 1 through 6, it's all active permits. I do not think
31 that we have a right to pull away from anyone that has a permit,
32 per se, but when I looked at the numbers -- In 2009, that was
33 the most money per boat. We had some other issues.
34
35 **MR. NACIO:** Did you look in 2009 at the number of active permits
36 with landings? I guess my point is you realize if we go to
37 1,722 permits that we'll be over our threshold for turtles and
38 we'll be over our threshold for effort and we'll be totally over
39 everything?
40
41 **MS. CHAUVIN:** I am not for diminishing the fleet. We already
42 have a small enough voice as it is, but this is pretty much
43 where I stand, after talking to Myron and going over some of the
44 stuff that he has done in Wildlife and Fisheries and what Benny
45 Gallaway has also done.
46
47 **CHAIRMAN PERRET:** Okay. We have a motion and we have some
48 discussion going. Mr. Delaney. I am looking for other hands.

1
2 **MR. DELANEY:** I am just trying to clarify, and I was,
3 unfortunately, distracted, but what is the -- The Option b, just
4 to be clear, Morgan, is valid permits, which are permits that
5 are still legally valid, meaning that they have been renewed or
6 they're in the one-year period for renewal.
7
8 **DR. KILGOUR:** Right. Correct.
9
10 **MR. DELANEY:** So it's the combination of those two categories,
11 or permit status.
12
13 **DR. KILGOUR:** Correct.
14
15 **MR. DELANEY:** Okay. That's very different than active permits.
16 If we're looking at the number of valid permits for 2009, the
17 number of active permits would be the 1,074, correct, for 2009?
18
19 **CHAIRMAN PERRET:** That's the number in Table --
20
21 **MR. DELANEY:** Yes, that's 2.3.1.
22
23 **DR. KILGOUR:** That's correct. I just wanted to double-check the
24 alternative before I said yes, but yes.
25
26 **MR. DELANEY:** Okay. So they're both using the same reference
27 year, 2009, but Alternative 2 would set the threshold number of
28 active permits at 1,074, and Alternative 7b would set the valid
29 permit threshold at 1,722.
30
31 **DR. KILGOUR:** Correct.
32
33 **MR. DELANEY:** We're using the same year. One is active and one
34 is -- What are the implications of that? I mean I'm having a
35 hard time getting my brain around what that would mean from a
36 manager standpoint, you know to use active vessels in one case
37 or valid permits in the other case, but we're still using the
38 same reference year?
39
40 **DR. KILGOUR:** Right, and Sue can feel free to jump in at any
41 time, but the difference is that right now we have 1,400 valid
42 or renewable permits. If you set the number of threshold
43 permits at 1,722 in this action and then in the following action
44 you decide you're going to have a permit pool that goes to
45 1,722, that means that at this date we have 300 permits that are
46 now available for purchase from NMFS, which means that your
47 active permit -- Your number of people that could be active goes
48 up to 1,722 permit holders, versus the number of active permits

1 now, which is well below that.
2
3 That's where the difference is, is you're opening up the fishery
4 to substantially more potentially active permits than what is
5 currently happening.
6
7 **MR. DELANEY:** So even though it's the same reference year, the
8 implications are very different. If we use valid permits, more
9 permits immediately. If we had a pool, it would go into the
10 fishery using active vessels, active permits, and we would have
11 to wait a few more years, probably, before there would be enough
12 attrition to reach that threshold.
13
14 **CHAIRMAN PERRET:** Now I'm confused. I may be the only one, but
15 Option b, the end of 2009, is seventeen-hundred-plus permits,
16 yet in the table, the valid permits is 1,074. No?
17
18 **DR. KILGOUR:** That's active. You're getting confused with this
19 is the number of valid -- 1,700 was the number of valid or
20 renewable permits. Not all of those permits were actively
21 fishing. 1,074 is the number of active.
22
23 **CHAIRMAN PERRET:** I saw hands. Mr. Bosarge.
24
25 **MR. BOSARGE:** I guess, just to be clear, then if things continue
26 the way they continue, you could add thirty more to that every
27 year, because those are the ones that are not being renewed.
28
29 **CHAIRMAN PERRET:** Yes, based on what's happened in the past.
30
31 **MR. BOSARGE:** Correct.
32
33 **CHAIRMAN PERRET:** Yes, ma'am, Ms. Falgout.
34
35 **MS. FALGOUT:** One of the things that -- Where is my paper? On
36 page 16 of the --
37
38 **CHAIRMAN PERRET:** Of which document, please?
39
40 **MS. FALGOUT:** The one we're going over. This one.
41
42 **CHAIRMAN PERRET:** Page 16.
43
44 **MS. FALGOUT:** Page 16, Table 2.3.2. If you look at it, we've
45 always historically -- We have never had any less than 36
46 percent of the valid permits -- There is always at least 36,
47 upwards, that are inactive. You're going to always have that.
48 You're never going to have everybody's vessels working. That's

1 just the nature of the beast, and for many reasons. There's a
2 lot of different reasons.

3
4 It could be that you have a smaller vessel that has a permit on
5 it, but their plan is to build a bigger vessel. You also have
6 somebody that could have had a heart attack and not worked it.
7 They could have had major engine trouble or something and didn't
8 work that year. You're always going to have people having
9 problems.

10
11 **CHAIRMAN PERRET:** Go ahead, Steve.

12
13 **MR. BOSARGE:** Each year, we have thirty permits that are
14 available for those permits, every year. I mean each year it
15 falls off, but, to the point, there was inactive permits. A lot
16 of them are not on shrimp vessels.

17
18 **MS. FALGOUT:** (The comment is not audible on the recording.)

19
20 **MR. BOSARGE:** I have a suggestion for a way to fix that problem.
21 Of course, I think it's going to come up a little later in the
22 discussion, but, anyhow.

23
24 **CHAIRMAN PERRET:** Okay. We've got a motion. Can we put the
25 motion back on the floor? We have a motion on the floor. Do we
26 have discussion? Mr. Delaney.

27
28 **MR. DELANEY:** I will wait until Morgan is clear. This is kind
29 of directed at Jim, too. Also, help me understand. How does
30 this Option b relate to OY? We have now established OY as the
31 2009 effort cap.

32
33 **DR. KILGOUR:** OY is independent of the number of permits, right,
34 but the number of permits would be dependent on OY only if you
35 chose that alternative. Is that correct? I mean if you set OY
36 at eighty-five-million pounds, that's what OY is. Does that
37 make sense? The number of permits --

38
39 **MR. DELANEY:** This would not constrict our ability to achieve
40 OY, because it's in that same reference year that we achieved
41 OY.

42
43 **DR. KILGOUR:** Right.

44
45 **MR. DELANEY:** Essentially.

46
47 **DR. KILGOUR:** Right.

48

1 **MR. DELANEY:** That's the year we achieved OY. Okay.
2
3 **DR. KILGOUR:** I want to be really clear, because this was
4 something I have struggled with with this document, because this
5 is not an active reduction in the fleet. As long as you renew
6 your permit, you get to keep your permit. The only thing that
7 this action will address is if people are -- If permit holders
8 are continually not renewing their permit, at what level does
9 the council need to step in and create a permit pool or take
10 action?
11
12 If everything -- There is currently 1,455 active or renewable
13 permits. As long as those permits are continually renewed, they
14 will be renewed. They can still be transferred and they can
15 still be sold or bought or whatever the conditions are right
16 now. This is not an active reduction in the fleet. This is
17 only when does the council take action to create a permit pool
18 or review the shrimp fishery again?
19
20 It's something that -- That's why we put the "threshold" instead
21 of I think it was previously "target", because we weren't aiming
22 to reduce the fleet. This is just when the fleet gets reduced,
23 if it does, to some level and when does the council need to take
24 action for this permit pool or when does it need to reevaluate
25 the fishery.
26
27 **MR. DELANEY:** I think that's very clear and thank you for that,
28 but I guess also what my question was getting at is one thing I
29 don't personally believe we can do is adopt a threshold for the
30 number of permits that would prevent us from achieving OY,
31 because we do have a Magnuson Act mandate, under National
32 Standard 1, to achieve, on a continuing basis, the optimum yield
33 from each fishery.
34
35 If we deliberately adopted something under Action 3 that would
36 not allow us, based on our understanding of the data, to achieve
37 OY, to me that wouldn't be approvable by the Secretary. It
38 would be not consistent with the Magnuson Act.
39
40 What I was getting at here is this is not that. It would not
41 prevent us from achieving OY, as we understand the data to date,
42 and I understand you can only predict so much.
43
44 **DR. NANCE:** I think that's the key, the prediction. Remember
45 that active, from an active vessel, they may fish totally near
46 shore, in state waters, but that is still counting that
47 permitted vessel as active. They go out and fish and --
48

1 **MR. DELANEY:** Based on the best scientific information we have
2 available, if we were to adopt something that would, based on
3 that understanding, scientific understanding, lead us to
4 conclude that we couldn't achieve OY under that scenario, that
5 would not be consistent with the Magnuson Act and shouldn't be
6 approved by the Secretary. That was what I was getting at here,
7 and this would not fall under that category. This would still
8 allow us to achieve OY, as we understand it, based on the best
9 scientific information available.

10
11 **CHAIRMAN PERRET:** Thank you, sir. Mr. Lasseigne.

12
13 **MR. LASSEIGNE:** I just wanted a clarification on renewal. In
14 the past, I had a vessel that burned, and I think if you had a
15 vessel that sank, if you didn't replace it, then you lost your
16 permit, but has that changed? What is the criteria for a
17 renewal? You still have to have a vessel or --

18
19 **DR. KILGOUR:** I am going to defer to the NMFS folks over there.

20
21 **CHAIRMAN PERRET:** Go ahead, Dr. Branstetter.

22
23 **DR. BRANSTETTER:** Harris, when we first went to the moratorium
24 permit, there was a requirement that the vessel be such a
25 tonnage. If your boat sank or your boat burned up or your boat
26 was no longer functional, you had to have a vessel that had a
27 Coast Guard documentation and was a certain tonnage. That was
28 only for the initial issuance of the moratorium permits back in
29 2007.

30
31 Since that time, as we talked about a year or so ago, if you
32 want to put it on a canoe, you can. I was telling Jim a while
33 ago that I have some permits -- There are twenty-seven permits
34 on a four-foot boat down in Permits. It's on some kind of a
35 little dingy lifeboat being held by a broker, but the permit
36 doesn't have any kind of vessel qualifications to it anymore,
37 besides just being a vessel.

38
39 **MR. LASSEIGNE:** What is the cost of the permit right now?

40
41 **DR. BRANSTETTER:** Twenty-five-dollars. It's ten-dollars if
42 you've got two.

43
44 **CHAIRMAN PERRET:** Okay. Frank had his hand up. Let me just say
45 I've been told that lunch is here, but we're going to work
46 through lunch, but, Morgan, have you got any suggestions?
47 People can get up and go get things, but we've got a good
48 discussion going and so let's not do anything until hopefully we

1 get this issue taken care of. Lunch is back there somewhere, I
2 think. Okay. It's Frank's turn.
3
4 **MR. HELIES:** I think I need something clarified, for my benefit
5 here. If we choose 1,722 and that's the minimum threshold, and
6 if we go below that, then the council has to take some action to
7 determine what to do with the other permits. We're already
8 below that threshold right now, because we're at 1,464. With
9 that, they would automatically have to take action on that.
10
11 **MR. BOSARGE:** That's what Action 5 is.
12
13 **DR. NANCE:** I think right now we're at 1,455.
14
15 **MR. HELIES:** With that, we would recommend that they build back
16 those three-hundred-and-some permits and throw them into the
17 pool automatically, if that's one of the choices?
18
19 **CHAIRMAN PERRET:** I see Sue is shaking her head yes and Steve.
20
21 **MR. BOSARGE:** Yes, that's Action 5, right?
22
23 **CHAIRMAN PERRET:** Have you finished, Frank? The answer to
24 Frank's question was yes, you build back up three-hundred-plus.
25 Somebody had their hand up. John Williams.
26
27 **MR. WILLIAMS:** This is probably more to Jim, but based on the
28 working group's recommendation of the 1,074 permits and with the
29 sea turtle cap that we're under, I guess any substantial
30 increase in active permits would certainly reduce CPUE and
31 increase landings, but reduce CPUE, and put us in jeopardy of
32 exceeding that sea turtle cap, and is that right?
33
34 **DR. NANCE:** Yes, anything you add to the fishery has the
35 potential to add effort and lower, in theory, if you keep the
36 same amount of landings, would lower catch per unit effort for
37 each.
38
39 **MR. WILLIAMS:** Right, and I think, and correct me if I'm wrong
40 again, but I think with the discussion yesterday with the
41 working group, and I was here also, that I understood it that
42 they came to, and yourself came to, a conclusion that this 1,074
43 active permits under 2009 was certainly the best balance to
44 acquire all those achievements.
45
46 **DR. NANCE:** Yes.
47
48 **MR. WILLIAMS:** Okay. Thank you.

1
2 **CHAIRMAN PERRET:** Okay. Mr. Bosarge.
3
4 **MR. BOSARGE:** Just to clarify this, if we accept Alternative 7,
5 we could put the fishery in jeopardy?
6
7 **DR. NANCE:** You would be adding permits. Whether all those fish
8 are --
9
10 **MR. BOSARGE:** I mean right now, with where it's at.
11
12 **DR. NANCE:** Right now, you've got 1,455 permits. How many of
13 those are actually fishing, you know there is always going to be
14 some that don't.
15
16 **MR. BOSARGE:** Around a thousand.
17
18 **DR. NANCE:** Let's say there's a thousand right now and so I
19 guess it's, from a matter of industry, do you want to be where
20 you're at now or do you want to have more or less? That's the
21 discussion, from an industry standpoint.
22
23 **MR. BOSARGE:** I can understand certain entities wanting more
24 permits and being the people that we sell to, the processors.
25 Sure, they're worried about whether or not there will be enough
26 vessels to produce enough shrimp, but they don't have to deal
27 with the environmental issues that we do, and this is serious,
28 but go ahead with your vote.
29
30 **CHAIRMAN PERRET:** I have hands up over there. Julius was first.
31 Go ahead, Julius.
32
33 **MR. COLLINS:** Corky or Ms. Chauvin, if we add 300 permits, who
34 gets those permits?
35
36 **MS. CHAUVIN:** That, to my understanding, is what we're going to
37 vote on later on in some of these actions, and I'm hoping it
38 would be in a pool. You would have to vote on who could
39 possibly be allowed to get them, and so there are restraints
40 that you can put on it. It just depends on the actions that you
41 take further along in this document.
42
43 **MR. COLLINS:** In other words, are you going to add 300 permits
44 to a pool which would be voted on and is that right?
45
46 **MS. CHAUVIN:** What was that? I'm sorry.
47
48 **CHAIRMAN PERRET:** It was the three-hundred-odd permits.

1
2 **MR. COLLINS:** Another 300 permits would be available in the pool
3 that we would vote on later on and is that right?
4
5 **MS. CHAUVIN:** Yes, today, on what the Shrimp AP would want.
6 That's what I'm looking at in the actions.
7
8 **MR. LASSEIGNE:** Right now, you have 1,455 permits and, for
9 ramifications here, if you voted it to 1,074, what happens to
10 that number of 1,455? It just diminishes it or it stops right
11 then and there?
12
13 **CHAIRMAN PERRET:** 1,455 is a total, but there are 300 or 400
14 inactive, and is that right, Morgan?
15
16 **MS. BOSARGE:** I will just try and say it in a different way
17 about what happens to permits. Most of the people around this
18 table have a moratorium permit right now, right? This action is
19 trying to decide what you all want the fleet to look like and
20 how many permits, as a threshold, like a maximum, do you want
21 there to be?
22
23 Your permits that you hold right now are renewable and they will
24 stay that way. 1,722, if we pick a number above the 1,455 that
25 are on the books right now at NMFS -- If you do that, then
26 essentially -- Like right now, that's three-hundred-and-
27 something above what's on the books. For rounded numbers, say
28 300, 300 more than what's on the books at NMFS right now.
29
30 Depending on what you all do in the next action, those could
31 possibly go into a pool and they would be available to whoever,
32 to you all, new entrants, whoever. If you pick a number that's
33 below, which is what you're asking about, below the 1,455 that
34 are on the books right now at NMFS, nothing happens to the
35 1,455.
36
37 They are still renewable and they still stay on the books. They
38 do not get taken away. What that's saying is that when the
39 number of permits on the books at NMFS gets down to 1,074,
40 because people chose not to renew or leave the industry or
41 whatever the case may be, at that point something is going to
42 happen, and that's based on what you all choose in the next
43 action.
44
45 That could be that once the permits on the books at NMFS gets
46 down to 1,074 or whatever, which is that OY number that Glenn
47 has been referring to, then a permit pool is formed and any
48 permits that people choose not to renew from then on go into the

1 pool, or it could be that it triggers the council to take a look
2 at it right then and then decide.

3
4 It could be more open-ended what happens, but the permits that
5 are on the books right now at NMFS, we're not doing anything
6 with those. Those are still up to the industry to determine
7 what they want to do with those 1,455. They could stay in the
8 industry or renew it every year. It's what happens if you don't
9 renew it that we're looking at.

10
11 **CHAIRMAN PERRET:** Thank you. Harris, are you finished?

12
13 **MR. LASSEIGNE:** This might be a little bit off the subject, but
14 on the Pacific Coast, they have a permit system, and how is that
15 working over there?

16
17 **CHAIRMAN PERRET:** That's not pertinent to the motion. Kim had
18 her hand up and then Glenn and then Julie.

19
20 **MS. CHAUVIN:** As a commercial fisherman and owning three boats,
21 I kind of got what you were saying, but I'm not here as as dock.
22 I am actually here as a boat owner. I have actually sat in
23 meetings with fishermen discussing this permit situation and
24 some of the alternatives that we do have, plus I have spoke with
25 Myron, who is our council person in Louisiana.

26
27 I didn't pick a number out of the sky. I want a fishery for my
28 grandkids, and I don't want to have to not have them -- To have
29 a choice to be in our fishery. What you see now may not be
30 something when you're long and gone, but you're sitting here
31 making that point of this is as a dock and so we want everything
32 out there and we don't know the environmental ramifications.

33
34 That's not true. I own three boats. I know exactly what I'm
35 doing at this point. I want a fishery for other people. We
36 have a lot of latent permits. We have a lot of inactive people.
37 I get what you're saying, but you're going to cut this fleet
38 down so far that it's going to be hard to make a fleet and to be
39 out there fishing. That's just my point. This is what I'm for.
40 It's what I put up there, and we have a difference of opinion
41 and that's okay to agree to disagree.

42
43 **CHAIRMAN PERRET:** Okay. Thank you. Mr. Delaney.

44
45 **MR. DELANEY:** The last time, my last intervention, I was talking
46 about ensuring that this motion was consistent with our
47 requirements under the Magnuson Act with regard to OY, but I
48 would like to address also that I think that the issues that

1 Steve Bosarge and John Williams are pointing out also, which is
2 the sea turtle effort cap that we're facing -- You know, based
3 on the best available science, the only really alternative that
4 ensures that we don't exceed that 2009 effort cap would be
5 Alternative 1 or 2, which are tied to that either OY or the
6 number of permits that would be equivalent to the 2009 cap.

7
8 We have kind of defined them as the same way, but you're right.
9 I mean if we bring almost 300 permits back into the fishery, we
10 don't know how much effort that's going to add. We've got
11 science and we've got history to look at, and in that year we
12 didn't exceed the sea turtle cap, in 2009, but you could.

13
14 I am just saying this to everybody, but there is more risk in
15 this option in exceeding the sea turtle cap than there is if you
16 were to go with Alternative 1 or 2, which is looking at active
17 permits. The thing you can't really know or predict is how many
18 valid permits will be active, how many of those 300 valid
19 permits will become active, and will that bump our effort up
20 above that 2009 threshold.

21
22 I am not trying to sway anybody either way, but I'm just saying
23 that you need to take that into consideration. We're going to
24 be a lot more certain about not exceeding the 2009 cap if you
25 use active vessels, active permits, as the way to measure. If
26 you go to valid permits, you just really don't know how much
27 effort that's going to add to the pile, how many of those are
28 going to be active. Is that clear?

29
30 I understand your apprehension about this opens up a greater
31 possibility of exceeding the turtle cap. It doesn't mean it's
32 going to happen, but it just makes it, theoretically, more
33 possible.

34
35 **CHAIRMAN PERRET:** Thank you, sir. Ms. Falgout.

36
37 **MS. FALGOUT:** I just have a question. If we go with the active
38 permits, the 1,074 for 2009, does that mean that even if we
39 create this permit pool and all this that the council will not
40 do anything until we lose the 400 permits and reach that number?
41 We have to lose 400 permits before we can have anything go into
42 the pool?

43
44 **MS. BOSARGE:** The permits that are on the books at NMFS and
45 valid and renewable right now, they won't go away.

46
47 **MS. FALGOUT:** I understand that, but you're still leaving people
48 where they've got to go find somebody that wants to sell them

1 their permit, rather than having a pool where somebody that
2 wants to get into the industry can just go to NMFS and be able
3 to do everything that they need to do and not have to be making
4 calls and finding people.

5

6 **CHAIRMAN PERRET:** Thank you. Okay, Mr. Henderson.

7

8 **MR. HENDERSON:** I would vote for the 1,722, but we did good in
9 2009. I mean so 1,722 wasn't too many permits, and, right now,
10 if you wanted to build a new boat -- I doubt anybody in here,
11 but I know my little fleet, he would be spending probably
12 somewhere around a million-and-a-half dollars and you would have
13 -- If you built 300 boats, you would have probably near \$400
14 million, and I don't think that would ever come, but I would
15 like to see that 1,722, because if I would like to buy another
16 boat right now, or build a boat, I would like to be able to get
17 a permit.

18

19 If we go with this 1,000 that they want to stick us with, you've
20 either got to buy somebody's permit, and they might change that,
21 too. They might not let anybody buy them permits. I think
22 1,000 permits is way out of the question. It's got to be 1,700
23 or something like that there.

24

25 I mean people that want to get in the fishery need to be able to
26 get in the fishery. Now, they get in the fishery and they might
27 not be able to stay there, but at least they have the choice.

28

29 **CHAIRMAN PERRET:** Thank you. I see Dr. Kilgour has got her hand
30 up.

31

32 **DR. KILGOUR:** I actually wanted to point out something that has
33 -- It was brought to NMFS's attention, I think at the August
34 council meeting, that it was difficult to find permits that were
35 valid or renewable.

36

37 The Permits Office has gone through and revamped their website
38 so that it's easy to see what permits are valid and what permits
39 are transferable or renewable that are currently on the books.
40 I just sent the website to Phyllis, but the Permits Office
41 responded to that need from the shrimping community, so that
42 people who are looking for a permit could go to the permits
43 website and find out which ones are -- If you go all the way to
44 the right side, you can see permits that are valid or renewable
45 and it also has the permit holder's contact information.

46

47 I am just throwing that out there because NMFS heard that this
48 is a need from the fishery and so they responded. That's all I

1 wanted to bring to your attention.

2

3 **CHAIRMAN PERRET:** Thank you, Morgan. Does anybody need to look
4 at this for a minute? Can we put the motion back up, please?

5

6 **MR. DELANEY:** Can I ask a question?

7

8 **CHAIRMAN PERRET:** I've got a hand here and I've got Mr. Bosarge
9 first and then you're next.

10

11 **MR. BOSARGE:** I guess maybe I'm looking at it from a different
12 perspective, in that I've got five boats. I've got three kids
13 and grandkids and right now, do I want any of them to be in this
14 fishery? No, but I do want to do the best I can to turn this
15 fishery into a money-making fishery, a sustainable fishery, both
16 economic and environmental.

17

18 I don't understand where anybody could say that -- Any new
19 entrant that wants to get into this fishery today, the permit is
20 going to cost him less money than what it will cost to put the
21 fuel on the boat for the first trip. I don't understand the
22 problem.

23

24 If you want to set a pool right now, the pool needs to be the
25 available vessels, because there is your pool. It's just like
26 Dennis said. Nobody is going to build a new vessel, mainly
27 because the cost of building it and the cost of maintaining
28 class and load line, and then even after January 1, now it's
29 going to have to have a Tier 4 engine in it, which is a
30 catalytic converter on the exhaust and diesel injection fluid in
31 it.

32

33 All this we're going through and arguing over numbers, none of
34 us have the ability to predict what the future is going to be.
35 The economics are driving the future, and if you look at the
36 economics of the shrimp industry right now, the line is on this
37 angle.

38

39 Anybody that wants to get in it can get in it. In my opinion,
40 if we really wanted to do something here, we would say leave it
41 alone. There is an opportunity for anybody that wants to get in
42 it.

43

44 If we want to do anything, let's set a soft bottom, to where
45 when we reach this number of, whatever number you want to put it
46 at, within reason, then let's look at it, because right now we
47 have a thousand vessels that are active vessels and we have
48 1,400 permits and there is basically thirty permits that are

1 available to anybody that wants to get in the fishery. How many
2 is 400 divided by thirty? Have we got twelve or thirteen years
3 from now, unless something changes? We may actually have to
4 look at this issue. Do you see my point?

5
6 In other words, we're all trying to predict the future here, and
7 really it's an exercise in vain, in my opinion, but that's just
8 my opinion. I really think the best thing we could do is leave
9 -- Set a soft bottom, where it is a triggering motion, where
10 when this happens now let's look at it, and let's see how many
11 years it is.

12
13 I can understand you wanting state-registered vessels to have
14 permits. I do too, but I will throw something else out there
15 for you. The Coast Guard. The Coast Guard is mandating more
16 and more changes to my industry every day. Right now, that
17 state-registered vessel that has a permit, if he steps off into
18 three miles, outside of three miles, he's got to have an EPIRB.

19
20 If he's over five-net-tons, he's got to be documented. He's got
21 to have a Coast Guard vessel inspection. In other words, it's
22 mandatory. If you step outside of three miles, you're a
23 commercial vessel and you have to be inspected.

24
25 In my opinion, this is one of the stipulations we need to put on
26 the permit. Anybody that holds a permit needs to submit their
27 Coast Guard inspection, because if you have that permit and
28 you're going to go outside of three miles, you've got to have
29 it. There's no ifs, ands, or buts about it. You've got to have
30 it. Now we're going to find out the ones that want to stay in
31 the fishery. Anyhow.

32
33 **CHAIRMAN PERRET:** Did I have a hand here? Mr. Delaney and then
34 Mr. Lasseigne.

35
36 **MR. DELANEY:** I just want to clarify again, and I apologize if
37 this number was indicated, but I think everybody needs to
38 remember what Action 4 says, and everybody seems to be talking
39 about the pool. That would be Action 4, Alternative 2, and it
40 says if the number of permits reaches the threshold set in
41 Action 3, then any not renewed would go into the pool.

42
43 If we use, and I'm kind of asking you just to confirm this,
44 Morgan, but you don't say valid or active here, because you
45 don't know what the threshold was going to be that was going to
46 be chosen under Action 3.

47
48 Let's say, under this scenario that's on the screen, that we're

1 talking about valid permits, and so the threshold would be
2 1,722, and so, therefore, immediately on implementation, close
3 to 300 permits would be potentially reactivated, made available,
4 in the pool.

5
6 Now, let's say, in alternative, that Action 1 or 2 were chosen,
7 and we're talking about active permits, the 1,074. Where are we
8 today in terms of active permits? It's not that we're going to
9 be reducing from 1,400. That's apples and oranges. The 1,400
10 number are valid permits and the 1,074 is active permits.

11
12 What we really need to look at is active versus active and valid
13 versus valid, and so the question I'm asking is how does that
14 1,074 active permit threshold compare to the active permit
15 number that we're at right now, because I assume if we chose the
16 active permit route, Morgan, then when we look at Action 4 that
17 the agency is going to stop looking at valid permits in this
18 case. No? You're going to start measuring the trigger on
19 active permits? That needs to be clarified.

20
21 **DR. KILGOUR:** That is not correct. The trigger would be based
22 on valid or renewable permits. It would not be based -- The
23 threshold, whatever you set that threshold at, 1,074, that would
24 trigger it, but the agency is not going to look at active
25 permits to decide when to open up that permit pool.

26
27 **MR. DELANEY:** But do you see what I'm saying?

28
29 **MS. GERHART:** Can I just clarify some terminology? When we're
30 talking about active, we're talking about whether they have
31 landings associated with them or not, whereas valid and
32 renewable has to do with just whether you've renewed the permit.

33
34 When we look at the permits at the Permit Office, we're only
35 concerned with that they're valid or not, and that's what the
36 threshold would be based on, is the number of valid or renewable
37 permits that we have in our office. If it's 1,074, when our
38 number of valid and renewable permits reach 1,074, that's when
39 the pool would be done.

40
41 **MR. DELANEY:** That goes back to my original question. Then the
42 language in Action 4, Alternative 4, if you could look at that,
43 it just says "permits", and I guess I was interpreting that as
44 meaning, well, if under Action 3 you used one of the options
45 that involved valid permits, then you would be using valid
46 permits in Alternative 2.

47
48 If one of the alternatives under Action 3 used active permits,

1 then you would be using active permits, but you're saying no.
2 What you mean in Alternative 2 under Action 4 is valid permits
3 and not just permits.
4
5 **MS. GERHART:** Valid and renewable permits. Probably we need to
6 work a little bit on the wording of these alternatives.
7
8 **MR. DELANEY:** Do you see what I'm saying though?
9
10 **MS. GERHART:** Throughout, when we say "permits", we're talking
11 about valid or renewable.
12
13 **CHAIRMAN PERRET:** I have hands here. Mr. Lasseigne and then Mr.
14 Williams.
15
16 **MR. LASSEIGNE:** If you look at Option a --
17
18 **CHAIRMAN PERRET:** Option what?
19
20 **MR. LASSEIGNE:** Option a on page 10.
21
22 **MR. DELANEY:** Alternative 7, you mean?
23
24 **MR. LASSEIGNE:** Yes, and you will see -- When they had the
25 moratorium, it was 1,933 permits. I guess we're within a seven
26 or eight-year cycle, and so if you take the 1,933 and you
27 subtract the 1,455 where we're at right now, you reduce the
28 fleet 478 vessels.
29
30 Now, if you go to this option of 1,722, you're going to add 247
31 more vessels that it took eight years to reduce. My question is
32 what's going to happen in the next eight years? Is this going
33 to be the same trend, where that 1,933 starts diminishing, or is
34 it going to slow down?
35
36 **CHAIRMAN PERRET:** Does anybody want to predict the future?
37 We've been losing, what, thirty or so a year, roughly, and so
38 you know I don't know. Is it going to continue at thirty a
39 year?
40
41 **MR. DELANEY:** Look on page 2. There's a chart that shows what
42 has happened so far.
43
44 **CHAIRMAN PERRET:** Let me ask a question. Who is our economist
45 in the room?
46
47 **DR. NANCE:** There is not one.
48

1 **CHAIRMAN PERRET:** You know, I've only been fooling with shrimp
2 for fifty years, and I have heard forever that the shrimp
3 fishery was overcapitalized. Now, can they tell me what is the
4 number of EEZ permits that we need to not be in an
5 overcapitalized state? Do we have any idea what that number
6 would be? No?

7
8 **DR. NANCE:** I think it's a matter of risk. That's the whole
9 thing we're talking about, is how much risk are you willing to
10 take?

11
12 **CHAIRMAN PERRET:** But the economists forever have said the
13 shrimp fishery was overcapitalized, and so what's the number of
14 vessels we need?

15
16 **DR. NANCE:** As we see, now we've got a very high catch per unit
17 of effort, right? Whereas before, when we were talking in the
18 1990s, we had, what, 6,000 vessels or whatever it was, and catch
19 per unit of effort was not as good as it is now.

20
21 **CHAIRMAN PERRET:** Well, no, we never had that many vessels, Jim,
22 but you're right that catch per effort has improved. There is
23 no question about that. Mr. Williams.

24
25 **MR. WILLIAMS:** I just wanted to point out one thing, and I
26 certainly understand what Julie was saying a while ago about a
27 certain percentage of permits are not active, and, throughout
28 the years, that's a pretty high percentage. It looks like
29 adding 300 more, or two-hundred-and-something more to that, that
30 percentage will go up, of course.

31
32 It also adds the possibility of increasing effort, and I keep
33 going back to this, because this seems to be like something that
34 is not being discussed, or even considered, where it should be.

35
36 The consequences of exceeding that sea turtle cap would be
37 losing our ESA exemption that's allowing us to work, like Glenn
38 pointed out a while ago, and I think Glenn could probably talk
39 more about it now, but the consequences of losing that is we
40 cannot work. When we add an opportunity to do that, I just
41 can't agree with that. Thank you.

42
43 **CHAIRMAN PERRET:** Okay. Julie.

44
45 **MS. FALGOUT:** I have a question though. On the turtle effort,
46 what's the maximum number of permits would it take to not exceed
47 that?

48

1 **MR. WILLIAMS:** According to that, it's the 2009 of 1,074.
2
3 **MS. FALGOUT:** Okay. That's active, but what would it take with
4 inactive ones, because you all are going to have somebody
5 inactive.
6
7 **CHAIRMAN PERRET:** I don't think anybody is going to be able to
8 answer that.
9
10 **MS. FALGOUT:** I know, and that's just it. You've got to leave a
11 buffer in there, you know?
12
13 **MR. WILLIAMS:** What I'm saying is, and I agree we should have
14 some sort of buffer, but when you have say 700 or 750 inactive
15 permits, the possibility, if we have one good year in the shrimp
16 industry, is someone else gets in it and increases the effort
17 and it could throw us out over that threshold.
18
19 **DR. NANCE:** Look, Corky. You had an economist show up.
20
21 **CHAIRMAN PERRET:** Assane, do you expert economists, fishery
22 economists, still consider the Gulf shrimp fishery as being
23 overcapitalized?
24
25 **DR. ASSANE DIAGNE:** I don't know about being an expert, but what
26 I can say is this. As you know, in the shrimp fishery, the
27 driving factors would be essentially three things. I guess the
28 price of shrimp, the price of fuel, and --
29
30 **CHAIRMAN PERRET:** Answer my question.
31
32 **DR. DIAGNE:** I am getting to that. Then I guess
33 overcapitalization means different things to different folks.
34 If you mean that are people exiting the fishery, they are, but
35 that is driven not by anything the council does. It is driven
36 by those three factors, as you know.
37
38 Even before we had the moratorium, and I think Morgan talks
39 about this in 17A, vessels were exiting the fishery in the years
40 when the, let's say, bioeconomic conditions were not right. In
41 a nutshell, some years some vessels are going to exit the
42 fishery, regardless of what it is that the council does, but, in
43 some other years, folks are going to come in, because
44 essentially the gap between price of shrimp and price of fuel is
45 wider, so that it works to the benefit of the industry.
46
47 **CHAIRMAN PERRET:** Thank you, sir. I had Mr. Delaney and are
48 there any other hands up?

1
2 **MR. DELANEY:** Sorry, guys. I really apologize here, but this is
3 really important. John, I thought I had responded to you and
4 Steve's concerns earlier that yes, of course there is a much
5 greater risk of adding more effort and exceeding the 2009 turtle
6 cap under this scenario than if you had the threshold of 1,074,
7 of course.

8
9 That's what I was trying to emphasize earlier, and, as I
10 emphasized several times previously, that trigger in the
11 Endangered Species Act is a real thing. I mean this is not a
12 small thing. We have a special authorization under the
13 Endangered Species Act to allow us -- It's essentially an
14 exemption to allow us to kill sea turtles.

15
16 We have to maintain a 12 percent capture rate and we have to
17 keep our effort below the 2009 level. If we fail to do that,
18 that will trigger what's called a re-initiation of consultations
19 under the Endangered Species Act, and you don't know what the
20 result is going to be, but it could result in either loss of the
21 ability of the fishery to continue to operate, in the most
22 extreme case, or the addition of further restrictions and
23 regulations on shrimp fishing to prevent us from causing
24 jeopardy to the future survival of the species.

25
26 Yes, the 1,074 certainly presents far less risk of hitting that
27 sea turtle cap, but, having said that, 2009 is 2009 and the best
28 scientific information we have right now is that in 2009 that
29 1,722 permits resulted in the amount of effort that's the 2009
30 turtle cap.

31
32 Sure, there is more risk, on one hand, and I tend to favor less
33 risky situations, and the 1,074 is less risky, but you know a
34 case can be made that -- I guess we have such a stark comparison
35 here. I almost wish somebody would come up with something in
36 between or something, because we're talking about either adding
37 two-hundred-and-some-odd permits to the fishery or cutting 400.
38 You know that's -- Or allowing 400 more to expire and do you
39 know what I'm saying? That's a pretty big range of options that
40 seem to be being discussed here, and I just throw that out.

41
42 **CHAIRMAN PERRET:** Thank you, sir. Kimberly.

43
44 **MS. CHAUVIN:** There are a number of options under Alternative 7.
45 I threw it out there. I mean we can go over and over the same
46 things throughout the conversation or you can offer another
47 option. I think we are in trouble if we do it at the 1,074.
48 You are leaving no buffer zone whatsoever for this industry. I

1 find that a problem.

2
3 Now, you can agree to disagree with me and choose something
4 else. I don't have a problem with that, but this is kind of
5 where I threw it out and if you wish to have a different option,
6 it's right there on the table, but when we sit here and we are
7 not going to leave a buffer zone, I think this industry is in
8 trouble.

9
10 **CHAIRMAN PERRET:** Thank you, Kimberly. I have Frank next and
11 then Steve.

12
13 **MR. HELIES:** The realities of the fishery are much different
14 than what we're dealing with right now, but so we had the ten-
15 year moratorium and we accomplished our original goal that was
16 stated ten years ago. We had too many boats and now our CPUE is
17 good and we're not interacting with too many sea turtles and
18 we're able to work.

19
20 This AP recommended to extend that moratorium for another ten
21 years, and so I'm not sure if adding, even if it's just into a
22 pool, those extra permits that we've already lost back into the
23 pool -- It kind of goes against that stated goal from 17A of
24 continuing the moratorium.

25
26 Now, if we say the ten-year moratorium was a success and we
27 suggest choosing Option e or f in Alternative 7 as the baseline
28 threshold, realistically we're probably going to go below that
29 and we're going to continue to lose permits next year, and we
30 are already in 2016, and so that would trigger the pool. We
31 would discuss that in the next action.

32
33 We would potentially have a pool start to build up next year
34 that new entrants can utilize. Now, I don't really have a dog
35 in this fight. I am just looking at where the fishery is right
36 now, where industry is, and I understand everybody else's
37 opinions.

38
39 **CHAIRMAN PERRET:** Thank you, sir. I have Mr. Bosarge and then
40 Mr. Lasseigne.

41
42 **MR. BOSARGE:** Frank echoed most of what I was going to say, but,
43 in reality, it doesn't really matter what we do here today.
44 Where are you going to put 300 more permits? You're going to
45 have some more four-foot to fourteen-foot boats.

46
47 You don't have any -- In my opinion, most any vessel that's
48 capable of fishing in the EEZ, which is where that permit is

1 needed, has a permit on it now. Where are you going to get 300
2 more vessels from? I am addressing that to you, Kim.

3

4 **CHAIRMAN PERRET:** Kim, do you want to respond?

5

6 **MS. CHAUVIN:** I mean the pool is there for a reason. It's
7 because you cannot predict what's in the future, and so it would
8 be an opportunity if there is something that is for this
9 industry to take up on. People will take risks, and that will
10 be up to them to take that risk. Will most people jump into it?
11 Maybe not. Maybe not, but, as we said, we cannot predict the
12 future one way or the other.

13

14 **MR. BOSARGE:** But you do understand that we have thresholds we
15 have to stay under? 1,074 is basically that threshold right
16 now, active vessels with active permits. In other words, it's a
17 double-edged sword what you're proposing, in that not only are
18 we going to go way beyond the 1,074, but if we do get -- What we
19 do here is not going to change the trajectory of where this
20 industry is headed.

21

22 We can pass your motion of 1,722, and I will bet you everything
23 I own that this time next year you will have less permits,
24 active permits, and it's going to continue that way until those
25 permits that are left in the fishery are actually making money.
26 That's when it will start to turn around and it will change.

27

28 Then, when that happens, if we have 500 extra permits and
29 somewhere they find 500 extra boats, now we just -- We did two
30 things. We went right back to where we were. We collapsed the
31 fishery again and nobody is making money and then we went over
32 the threshold of effort in our ten to thirty-fathoms and we went
33 over the threshold for turtle takes in the biological opinion.
34 Are you seeing where I'm coming from?

35

36 **MS. CHAUVIN:** I understand where you're coming from, and most
37 boats would be absolutely tied up if there was no profit in this
38 industry. I have three boats. There is profit in this
39 industry.

40

41 I want the opportunity there for this fishery if the need is
42 there. The problem is that we're stuck with a moratorium and
43 they bring it to us at the eleventh-hour again and we have to
44 sit here and come up with all this stuff. That poses a problem
45 from the Gulf Council side.

46

47 There are many options on that paper. This is the one that I
48 chose. I sat down with the fishermen and I sat down with Myron.

1 I feel comfortable with it. If you do not, then you vote
2 against it. I mean that's all I can tell you. We just have a
3 difference of opinion on this part.

4
5 **CHAIRMAN PERRET:** Okay. I've got Harris, Assane, and then
6 Glenn. Go ahead, Harris.

7
8 **MR. LASSEIGNE:** I don't know what the statistics are now, but as
9 far as production in dollars, the shrimp industry used to be the
10 most productive fishery in the United States.

11
12 **CHAIRMAN PERRET:** The most valuable fishery in the United States
13 of America.

14
15 **MR. LASSEIGNE:** Over crab or oysters or fish. Not poundage, but
16 dollars. The American people should have a choice to eat wild-
17 caught shrimp and so we have to produce it. My question is,
18 looking on the bottom line, is this going to be perpetual after
19 we do this, or is there going to be like five years or ten years
20 that we look at it again?

21
22 **CHAIRMAN PERRET:** The moratorium is renewed for ten more years.
23 Now this, I assume, would be probably they would take a look at
24 it every five or ten years, but I don't know. I am guessing.

25
26 **MR. LASSEIGNE:** Well, you never know what the government is
27 going to do, and if it's perpetual, where you may never look at
28 it again, and maybe we could put some stipulation to maybe look
29 at it in another five or ten years. I don't know if that's
30 possible.

31
32 **CHAIRMAN PERRET:** I had Assane and then Glenn and then Tom.
33 Assane.

34
35 **DR. DIAGNE:** Thank you, Mr. Perret. Just an overall comment
36 that some of the alternatives in this document, as I'm sure many
37 of you noticed, have a number of permits that is higher than the
38 number of permits that we have today.

39
40 In a sense, going forward, I guess NMFS would have to create new
41 permits somehow, and we are going to think about rationing those
42 and who is going to get them and under what circumstances and so
43 forth.

44
45 If the industry, left to its own device, through natural
46 attrition, I guess, the number of permits is going down, setting
47 a threshold that is higher than the number of permits that we
48 have today, and I think it's 1,400, or something thereabout, but

1 if the threshold were to be set at the number that we have
2 today, at least that issue of creating, and I put this in
3 quotes, new permits, let's say the three-hundred-and-some, to
4 fill the gap between the 1,400 and the 1,700 would not be on the
5 table to begin with, because, after all, we have a moratorium
6 permit.

7
8 Then now to turn around and say we want to create additional
9 permits, because today we have 1,400, but we want 1,700, that's
10 perhaps a contradiction in its own. I mean I understand the
11 point of leaving the opportunity and so forth, but maybe a
12 starting point can be, or could be, the number of permits that
13 we have today, because that would alleviate some of the problems
14 down the line. Thank you.

15
16 **CHAIRMAN PERRET:** Thank you. Mr. Delaney.

17
18 **MR. DELANEY:** I just also want to clarify for everybody that,
19 you know thinking through what we were discussing earlier, is if
20 1,074 becomes the threshold, they're looking not at 1,074 active
21 permits. That threshold will be triggered when the valid and
22 renewable permits hits 1,074, correct?

23
24 Okay. So at any given time, say we have 20 percent of the
25 permits in the fleet are not active. When we hit 1,074, we're
26 probably only going to have 800 active permits.

27
28 **MR. BOSARGE:** Anybody that's fishing in the EEZ -- Think about
29 it now, Glenn. Active permits. Anybody that's -- When that
30 number decreases, anybody that's fishing has got to have a
31 permit. The only way that permit will go away is if that boat
32 sinks or if that boat catches on fire or the owner possibly -- I
33 guess that's really the only two possibilities.

34
35 The decrease in the permits will be the number of inactive
36 permits that are on the four-foot boat or the fifteen-foot boat.
37 Those are the permits that are slowly going to decrease. In my
38 opinion, that's a lot of what's happening now, those thirty
39 permits that we -- In other words, there is a pool of boats out
40 there --

41
42 **MR. DELANEY:** Those are the inactive boats, you're saying?

43
44 **MR. BOSARGE:** No, there's a pool of vessels that are capable of
45 working in the EEZ. There is a pool of vessels and, really,
46 anybody that's -- That's really fifty-foot and up. Those
47 permits aren't going anywhere. Those guys are going to keep --
48 As long as that boat is there, that permit is going to be there.

1
2 The permits that will decrease are the permits that are -- I've
3 got one of them. I've got six permits. I've got one that was
4 given to me that I put it on my twenty-five-foot fiberglass
5 boat. That's the permit that's going away.
6
7 **MR. DELANEY:** So what you're saying then is when we hit 1,074
8 there will be no inactive permits?
9
10 **MR. BOSARGE:** When we hit 1,074, anything that goes off after
11 that will go into a pool, but between --
12
13 **MR. DELANEY:** I know that, presumably, but at 1,074, do you
14 envision there being -- Those would be all active or some would
15 be inactive?
16
17 **MR. BOSARGE:** I would say those would probably be all active
18 permits.
19
20 **MR. DELANEY:** Then my second question was what was the AP's
21 recommendation last year? Didn't we recommend the number of
22 permits at the end of 2014, which is Option 7e, which is 1,470?
23
24 **CHAIRMAN PERRET:** That was last year's AP recommendation.
25
26 **MR. DELANEY:** Thank you.
27
28 **AP MEMBER:** The whole driving force for this thing is economics.
29 It's not about a lot of the other issues involved in here.
30 Having been in this industry for a while, you see it go up and
31 you see it go down, just like a roller coaster.
32
33 If you've got the money to keep yourself afloat when it goes
34 down, you come out all right. If it wouldn't have been for the
35 oil spill, most of the Vietnamese would have been out of the
36 business in the Biloxi/Bayou La Batre, Louisiana area. They
37 would have been gone, because a lot of them went out of it
38 anyhow and sold their boats.
39
40 It's all about economics. If we can keep this thing along where
41 we're at right now, the boats are making money. They're
42 catching a lot of shrimp to make the money, but they're making
43 money. If we let this thing get away from us and build up this
44 fleet of boats, it's going to be bad news again, hard times.
45 Thank you.
46
47 **CHAIRMAN PERRET:** Thank you, sir. I don't see any hands. We've
48 had two hours on this one, and it's a very important issue, and

1 I certainly want ample discussion. Now, we have a motion on the
2 floor. You either vote it up or down or somebody can offer
3 something else or we can do whatever we do. Are you ready to --
4 Do I have a hand?
5
6 **MR. BOSARGE:** I would like to make an alternative motion that --
7
8 **CHAIRMAN PERRET:** We've got a motion coming. Are we ready? Go
9 ahead, please, Mr. Bosarge.
10
11 **MR. BOSARGE:** That our preferred option would be Alternative 2.
12
13 **CHAIRMAN PERRET:** Alternative 2. This is a substitute motion.
14
15 **MR. BOSARGE:** Correct.
16
17 **CHAIRMAN PERRET:** The substitute motion is Alternative 2. Do we
18 have a second for Alternative 2? Then I will read it. Do you
19 all want me to read it now and then you can -- Alternative 2 is
20 to set a threshold number of Gulf shrimp vessel permits based on
21 the expected number of active permitted vessels, those with
22 landings from offshore waters, needed to attain aggregate OY in
23 the offshore fishery. The number of permits depends on the
24 preferred alternative for Action 2. In Action 2, we passed
25 Gulf-wide aggregate OY is 85,368,059. Is that right, Morgan?
26
27 **DR. KILGOUR:** Yes.
28
29 **CHAIRMAN PERRET:** Okay. Now we've got a substitute motion in
30 Action 3 that the preferred alternative be Alternative 2. I
31 read Alternative 2. Do we have a second?
32
33 **MR. WILLIAMS:** I will second it.
34
35 **CHAIRMAN PERRET:** Mr. Williams seconds the motion. Do we have
36 discussion? Frank.
37
38 **MR. HELIES:** This is a question that goes back to the beginning
39 of our discussion, when Morgan said that Alternative 2 and
40 Alternative 3 are basically the same things. How often do we --
41 The working group came up with an MSY and an OY, and I guess the
42 council will vote and decide if that's what they want to use.
43 How often will they go back and reconsider those numbers? Is
44 that a moving number? Is that going to be our target for the
45 next five years, because that would make the Alternative 2 and
46 Alternative 3 different.
47
48 **CHAIRMAN PERRET:** Morgan, do you want to guesstimate?

1
2 **DR. KILGOUR:** It's not a moving number. It's based on the data
3 from 1990 to 2013, because that's what the working group
4 recommended, and that's not unprecedented. We did that for
5 Amendment 15, where we only used a set range of years to come up
6 with this number, and so that's what the working group
7 recommended to use, those range of years, to come up with the OY
8 number for 2009.
9
10 **MR. HELIES:** Okay, and do they plan on revisting those
11 calculations at all and just they're going to go with 2009 in
12 perpetuity, or until we decide otherwise?
13
14 **DR. KILGOUR:** They're going with that eighty-five-million-plus
15 pounds of tails until the council decides to change it, if the
16 council decides to make that the optimum yield. The council
17 would have to decide to change it.
18
19 **CHAIRMAN PERRET:** I suspect it could change if better scientific
20 information comes along that says the number ought to be eighty
21 or ninety or whatever it should be. Okay. Is there other
22 discussion on the substitute motion? Do we have anyone else
23 that wants to discuss the substitute motion? Okay. Go ahead,
24 Julie.
25
26 **MS. FALGOUT:** Can we do another substitute or do we have to do
27 this one first? I don't know how that works.
28
29 **CHAIRMAN PERRET:** As I remember, from a parliamentary
30 standpoint, we can have one more substitute. I see your mic is
31 still on. Did you want to say something else?
32
33 **MS. FALGOUT:** Well, I mean, maybe going with the Alternative 7
34 and Option d, where you have 1,501 permits, rather than the
35 1,722.
36
37 **CHAIRMAN PERRET:** Okay, but are you wanting to make a second
38 substitute? I think the second substitute is to go with
39 Alternative 7, Option d, and that is the number at the end of
40 2013, which is 1,501 permits. That is the second substitute
41 motion and do we have a second?
42
43 **MS. CHAUVIN:** Second.
44
45 **CHAIRMAN PERRET:** Second by Ms. Chauvin. Is there discussion on
46 the second substitute? We will either vote it up or down. Is
47 there any discussion? Anybody want to discuss this one? Okay.
48 Let me read it one last time. The motion is in Action 3 that

1 the preferred alternative be Alternative 7, Option d. Option d
2 is the number at the end of 2013, 1,501 permits. **All those in**
3 **favor of the motion raise your hand, four; opposed raise your**
4 **hand, six. The substitute motion fails.**

5
6 Let's get back to the first substitute motion, please. The
7 substitute motion is in Action 3 that the preferred alternative
8 be Alternative 2. Alternative 2 is to set a threshold number of
9 Gulf shrimp vessel permits based on the expected number of
10 active permitted vessels, those with landings from offshore
11 waters, needed to attain aggregate OY in the offshore fishery
12 and the number of permits depends on the preferred alternative
13 for Action 2. If you recall, this committee has passed Action 2
14 and that number is 85,368,059 pounds of tails. Any discussion?
15 Mr. Delaney and then Mr. Lasseigne.

16
17 **MR. DELANEY:** I guess, after being all around the planet here on
18 this, I come back to where I was last night, and I think we need
19 to be very risk-averse to exceeding the sea turtle effort cap.
20 I think we need to tie our management to optimum yield.

21
22 After thinking about it a long time before this meeting, that's
23 where I was, and after hearing all the different comments today,
24 I just think that we need to ensure that we don't exceed the sea
25 turtle cap, and this is probably the most effective way to do
26 that, and that it is also linked to managing the fishery based
27 on OY, which we really haven't done in the past, very clearly
28 anyway, and so, on balance, I would support this as the best
29 alternative.

30
31 **CHAIRMAN PERRET:** Thank you, Mr. Delaney. Mr. Lasseigne.

32
33 **MR. LASSEIGNE:** For clarification, I understand the poundage,
34 but what is the number of the vessels on this one?

35
36 **DR. KILGOUR:** 1,074.

37
38 **CHAIRMAN PERRET:** 1,074. Thank you. Mr. Henderson.

39
40 **MR. HENDERSON:** If you set it at that 1,074, that means nobody
41 else can come back into the fishery, and so if it gets really
42 good in the next couple of years -- I am dead-set against that.
43 I mean 1,500 would be good, but -- That's where we are now.
44 We've got that many permits and I don't care whether they're
45 inactive or not, but you know when you get down to 1,074 -- Now,
46 if I want a permit, it will cost me \$50,000 or \$100,000, and so
47 I'm not for that.

1 **CHAIRMAN PERRET:** Okay. Any other discussion on this motion?
2 Thank you, Mr. Henderson. Any other discussion? We're ready to
3 vote. The substitute motion is in Action 3 that that the
4 preferred alternative be the Alternative 2, and that's to set it
5 based on the number of active permits with landings needed to
6 attain the aggregate OY. **All those in favor signify by raising**
7 **your hand please, six; opposed please, four. The motion passes**
8 **six to four.** Thank you, all. I know that was a long
9 discussion, but it was needed.

10
11 **MS. CHAUVIN:** Can we get this on the minutes verbatim, this
12 whole argument, because I have had that request made to me.

13
14 **CHAIRMAN PERRET:** Phyllis, can -- Now, you want the verbatim
15 minutes to go to all the members?

16
17 **MS. CHAUVIN:** All the Gulf Council, too.

18
19 **CHAIRMAN PERRET:** Can you do that?

20
21 **MS. PHYLLIS MIRANDA:** For just this discussion or this action?

22
23 **MS. CHAUVIN:** Yes.

24
25 **MS. MIRANDA:** Or the entire discussion on 17B.

26
27 **MS. CHAUVIN:** This discussion.

28
29 **CHAIRMAN PERRET:** This discussion to the Gulf Council. Thank
30 you very much.

31
32 - - -