

1 GULF OF MEXICO FISHERY MANAGEMENT COUNCIL

2
3 REEF FISH MANAGEMENT COMMITTEE

4
5 Astor Crowne Plaza New Orleans, Louisiana

6
7 AUGUST 16-17, 2016

8
9 **VOTING MEMBERS**

- 10 John Greene.....Alabama
- 11 Kevin Anson.....Alabama
- 12 Leann Bosarge.....Mississippi
- 13 Doug Boyd.....Texas
- 14 Roy Crabtree.....NMFS, SERO, St. Petersburg, Florida
- 15 Pamela Dana.....Florida
- 16 Dale Diaz.....Mississippi
- 17 Myron Fischer (designee for Patrick Banks).....Louisiana
- 18 Tom Frazer.....Florida
- 19 Martha Guyas (designee for Nick Wiley).....Florida
- 20 Kelly Lucas (designee for Jamie Miller).....Mississippi
- 21 Campo Matens.....Louisiana
- 22 Robin Riechers.....Texas
- 23 John Sanchez.....Florida
- 24 Greg Stunz.....Texas
- 25 Ed Swindell.....Louisiana
- 26 David Walker.....Alabama

27
28 **NON-VOTING MEMBERS**

- 29 LCDR Leo Danaher.....USCG
- 30 Dave Donaldson.....GSMFC

31
32 **STAFF**

- 33 Steven Atran.....Senior Fishery Biologist
- 34 Assane Diagne.....Economist
- 35 Matt Freeman.....Economist
- 36 John Froeschke.....Fishery Biologist - Statistician
- 37 Douglas Gregory.....Executive Director
- 38 Beth Hager.....Administrative Officer
- 39 Karen Hoak.....Administrative & Financial Assistant
- 40 Morgan Kilgour.....Fishery Biologist
- 41 Ava Lasseter.....Anthropologist
- 42 Mara Levy.....NOAA General Counsel
- 43 Emily Muehlstein.....Fisheries Outreach Specialist
- 44 Ryan Rindone.....Fishery Biologist/SEDAR Liaison
- 45 Claire Roberts.....EFH Specialist
- 46 Bernadine Roy.....Office Manager
- 47 Camilla Shireman.....Administrative Assistant
- 48 Carrie Simmons.....Deputy Director

1
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4 Greg Ball.....Galveston, TX
5 Patrick Banks.....LA
6 Randy Boggs.....Orange Beach, AL
7 Eric Brazer.....Reef Fish Shareholders' Alliance
8 Derek Breaux.....New Orleans, LA
9 Chester Brewer.....SAFMC
10 Donna Brooks.....FL
11 Glen Brooks.....FL
12 Shane Cantrell.....Galveston, TX
13 Mike Colby.....Clearwater, FL
14 Michael Drexler.....Ocean Conservancy
15 Traci Floyd.....MS
16 Sue Gerhart.....NMFS
17 Chad Hanson.....Pew Charitable Trusts
18 Bill Kelly.....FKCFA
19 Mike Larkin.....NMFS
20 Jesse Leslie.....NOAA
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30 Jessica Stephen.....NMFS
31 Andy Strelcheck.....NMFS
32 Mark Tryon.....Gulf Breeze, FL
33 Bob Zales.....Panama City, FL
34 Jim Zurbrick.....Steinhatchee, FL

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1 The Reef Fish Management Committee of the Gulf of Mexico Fishery
2 Management Council convened at the Astor Crowne Plaza, New
3 Orleans, Louisiana, Tuesday morning, August 16, 2016, and was
4 called to order by Chairman Johnny Greene.

5
6 **ADOPTION OF AGENDA**
7 **APPROVAL OF MINUTES**
8 **ACTION GUIDE AND NEXT STEPS**
9

10 **CHAIRMAN JOHNNY GREENE:** The first item on our agenda is the
11 Adoption of the Agenda. Are there any additions? Dr. Simmons.

12
13 **DR. CARRIE SIMMONS:** Mr. Chairman, if the committee is in
14 agreement, could we please move the Reef Fish Landings Summaries
15 from the full council agenda, and it's Tab A, Number 8, to the
16 Reef Fish Committee and potentially put that before Item Number
17 IV, Draft Amendment 46, the triggerfish document? We also have
18 a supplemental landings information that will be Tab A, Number
19 8(a) that we'll be adding to the website and emailing out, if
20 you're in agreement to making those changes.

21
22 **CHAIRMAN GREENE:** Thank you. Anyone have any disagreement with
23 that? Seeing none, Mr. Diaz.

24
25 **MR. DALE DIAZ:** Thank you, Mr. Greene. Under Other Business, I
26 would like to add a discussion about the red snapper ACT for the
27 charter for-hire sector.

28
29 **CHAIRMAN GREENE:** Okay. Thank you. Any further additions or
30 modifications to the agenda? Is there any opposition to the
31 agenda as it has been rewritten? Seeing none, the agenda will
32 be modified as we move on. The next item will be Approval of
33 the Minutes. Is there any additions or edits to the minutes?
34 Seeing none, is there any opposition to the approval of the
35 minutes as written? Seeing none, we will move on.

36
37 Action Item Number III is the Next Steps, Tab B, Number 3. I
38 find that document very useful, and I appreciate staff's time in
39 facilitating that. Seeing that, we will move on to Item Number
40 IV, Draft Amendment 36, Commercial IFQ Program Modifications.
41 We have a couple of presentations and a few other things going
42 on. With that, I will turn it over to staff to move forward
43 with that. I guess what would be Dr. Lasseter.

44
45 **DRAFT AMENDMENT 36A - COMMERCIAL IFQ PROGRAM MODIFICATIONS**
46

47 **DR. AVA LASSETER:** Thank you, Mr. Chairman. We're going to
48 start and Dr. Jessica Stephen from the National Marine Fisheries

1 Service is going to give us a presentation, an overview, on the
2 IFQ program, the process and the terms. I will turn it over to
3 her.

4
5 **PRESENTATION ON SHAREHOLDER PROCESS AND TERMS**
6

7 **DR. JESSICA STEPHEN:** What I've also done is everyone should
8 have a handout. That's what we call a fact sheet. We do these
9 for different participants in the program. We have one for the
10 participants that is oriented towards them, we have one for law
11 enforcement that is oriented towards their kinds of questions,
12 and this is more of a general public one, which is oriented to
13 probably the types of questions you're going to have, and you
14 will see a lot of duplication of this in the slides, and so this
15 is something you can refer to throughout, to kind of remember
16 some of the terms.

17
18 What I'm going to do is go through a couple of slides and then
19 stop and ask if anyone has any questions before we move on to
20 the next kind of topic within the presentation.

21
22 At the last council meeting, there was a lot of discussion about
23 what exactly share and allocation meant, and so I wanted to
24 devote a little bit of time to talking about that. With a
25 share, that is the percentage of the commercial quota, and it's
26 typically expressed in decimals. Within the red snapper and
27 grouper-tilefish program, those decimals go out four to six
28 percentages. If you took everybody's share percentage and
29 summed them up, you get 100 percent per share category.

30
31 Shares are multiplied by the quota in order to give you
32 allocation, and so shares result in allocation at the start of
33 every year. When we think of allocation, that's the annual
34 pounds that are given to the shareholder accounts based on the
35 shares that they have, and so we give out the entire allocation
36 on January 1. Then there typically is a lot of transfer of
37 allocation.

38
39 Allocation is what is used to harvest the species, and it can be
40 transferred in part or in total, depending on how the
41 participants want to transfer it. It does expire at the end of
42 every year.

43
44 One of the other things people talk about, and this is where I
45 think a lot of confusion with shares come in is that fishermen
46 refer to shares as I've got shares in X amount of pounds. That
47 is confusing, because we just said shares are in a percentage.

48

1 A percentage, of course, is not something that any of us can
2 kind of grasp completely, and so what they're actually talking
3 about is something we call equivalent pounds, and that's used to
4 express what that share percentage is, in a poundage term, at
5 that specific point in time. As the quota changes, what those
6 shares are worth, in the sense of poundage, can change.

7
8 What I've done is given you an example. This is actually gag,
9 and these are two different years of where we had gag
10 allocation. In both situations, they have a share percentage of
11 0.0015 percent, but, when the quota was equal to 1.41 million
12 pounds, that gave them 2,115 pounds. That was the equivalent
13 pounds, or the amount of allocation they received. In another
14 year, the quota dropped to 0.430 million pounds. Their
15 percentage stayed the same. It's still 0.0015, but, this time,
16 that only equated to 645 pounds. I would like to stop here and
17 see if anyone has any questions on shares and allocations and
18 how the poundage is calculated.

19
20 **CHAIRMAN GREENE:** Thank you. Any questions or discussion?
21 Seeing none, thank you.

22
23 **DR. STEPHEN:** The next thing I want to go through is the
24 structure of the system. We have different types of accounts in
25 this system, and the first one is a shareholder account. The
26 shareholder account is always composed of a unique set of
27 entities belonging to that account. You will never have the
28 same mix of entities within one account.

29
30 shareholder accounts may hold shares and allocation. It doesn't
31 mean they always do, and so that account type could have zero
32 shares, but it's still a shareholder account role. Shareholder
33 accounts can transfer shares and they can transfer allocation.
34 They are also associated with the vessel accounts. Everyone who
35 participates in the program must be a U.S. citizen or a
36 permanent resident alien.

37
38 The next level, that has a subset level underneath it called
39 vessel accounts. Vessel accounts must belong to a shareholder
40 account. The way it works is that the names on the permit for
41 that vessel must match the shareholder account names as well,
42 and that's how we're able to link up whether they are legally
43 allowed to make landings using that vessel account. The other
44 important thing to remember about vessel accounts is you have to
45 have sufficient allocation in that vessel account prior to doing
46 the landing transaction.

47
48 The third type of account we have is what is called the dealer

1 account. The big thing to know is the dealer accounts cannot
2 hold shares or allocation. If a dealer wants to hold shares or
3 allocation, they have to obtain a shareholder account through
4 the system.

5
6 Dealer accounts must always be associated with a federal dealer
7 permit, and their main function is to complete the landing
8 transactions and to collect the cost recovery fees from the
9 fishermen and then pay that fee to NMFS quarterly.

10
11 As I mentioned before, each shareholder account is a unique set
12 of entities, and so there can be a single or multiple
13 individuals on that account, and that's represented kind of by
14 the blue figure seen in this figure.

15
16 They can be a single business or multiple businesses,
17 represented by the group of yellow figures here, and, finally,
18 they can also be a combination of an individual and a business.
19 You will start to see how we get into kind of confusion when
20 we're talking about the accounts, because of the variety of ways
21 people can belong to an account.

22
23 Shareholder accounts have different attributes to them. They
24 may or may not have shares, as I mentioned earlier, or they may
25 or may not have a permit. What you see on the left-hand side
26 are accounts that have shares, represented by the share symbol,
27 and they may or may not have a permit with it, and so the upper
28 left-hand corner is an account that has shares and has a permit.
29 The bottom one has shares, but no permit.

30
31 One of the important things to realize is that the accounts with
32 permits are the only accounts that can harvest fish. What you
33 see on the right-hand are what we call sometimes the allocation-
34 only accounts. These are still shareholder accounts, but we're
35 distinguishing those in the fact that they only hold allocation
36 and did not have shares with them. Again, they can have a
37 permit or not.

38
39 The other important thing to recognize is that allocation moves
40 through the system. In 2013, we started collecting the reasons
41 for these allocation transfers, and those are depicted in the
42 series of graphics below there. They can transfer for sale, for
43 money, or they can transfer them to a related account. They can
44 give it as a gift. They can barter. I will give you some red
45 snapper shares and you give me some red grouper shares or
46 allocation. They can barter shares for allocation or shares for
47 shares or allocation for allocation.

48

1 Finally, there is a package deal account. Typically, when
2 someone is getting out of it or moving things around, they might
3 sell their shares and their allocation together, or they will
4 sell their vessel, their permit, and their shares, or any
5 combination of those different attributes. I am going to stop
6 there and ask if there are any questions on this portion of it.
7 Okay.

8
9 The next thing I'm going to get into is we're thinking about the
10 way that people are related to each other. I am going to start
11 in the upper left-hand corner. This is a shareholder account
12 with shares, but without a permit, and it's owned by J. Smith.
13 J. Smith is the sole entity in that account.

14
15 Going over with the first blue arrow, he transfers his
16 allocation to a company called ABC Incorporated. That is the
17 actual name on the permit and it's the name of the shareholder
18 account. That is owned 50 percent by J. Smith and 50 percent by
19 A. Jones. Because J. Smith is involved in the account starting
20 the transfer as well as the account receiving it, we call that a
21 related account.

22
23 ABC Incorporated then transfers some allocation to A. Jones XYZ
24 LLC, in the bottom corner, and that's an example of a person and
25 a business jointly owning the account. Because A. Jones is in
26 ABC Incorporated and is the single person participating in that
27 account, that again is a related account.

28
29 If we look at J. Smith transferring to A. Jones and XYZ, and
30 that's your orange arrow going down, there is no direct
31 relationship, and so we would not call that a related account.
32 Keep in mind that J. Smith is related indirectly to Account A.
33 Jones and XYZ through A. Jones's connection to him in Account
34 ABC Incorporated.

35
36 Finally, J. Smith might transfer allocation to A. Smith. This
37 is considered an unrelated account transfer, because there are
38 no entities the same between those accounts, but, when he
39 transferred the allocation, he put down the reason that it was a
40 related account. Most likely, you can assume there is some
41 family relationship between that and they consider that related.
42 Now we have where they are self-claiming a relationship that we
43 could not designate by the entities.

44
45 What this graphic shows is in 2014 the number of related
46 accounts. Every blue square you see is a shareholder account.
47 If they're linked with a gray line, we had some entity the same
48 between the two. If they are linked in a red line, there was

1 not an entity the same, but they claimed that they were related
2 through the allocation reasons. I would like to stop here and
3 ask if there are any questions about related accounts. Just to
4 give you a little bit of statistics on related accounts, in
5 2014, 61 percent of all the accounts were related to each other.

6
7 The other important term used a lot of times when referring to
8 the IFQ accounts is the word "lease". Fishermen use this to
9 mean that they are transferring allocation to each other. What
10 NMFS does is we track the allocations. We don't track
11 individual pounds. To walk you through an example, we're going
12 to start at the top.

13
14 We have three accounts, the blue, the green, and the purple
15 account. The blue account has 100 pounds, and he transfers 100
16 pounds to the green account. That's pretty straightforward at
17 that point. Now the green account went from fifty to 150
18 pounds, and he decides to transfer 100 pounds to the purple
19 account.

20
21 Whose hundred pounds did he transfer? Was it fifty of his and
22 fifty of the blue? Was it one pound of his and forty-nine of
23 the blue? The thing is we don't know. The system doesn't track
24 it that way. Once the allocation is in the pool, it is just a
25 pool of allocation. You don't know where it originated from as
26 individual pounds.

27
28 Taking this onward, the purple account now transfers fifty
29 pounds of that back to the blue account. Whose fifty pounds did
30 he transfer? He started the year with no pounds, and he
31 received them from the green account. This is kind of the
32 confusion of you can't track individual pounds of allocation to
33 figure out who had allocation and where it ended up.

34
35 At the end of the day here, we have fifty pounds in everybody's
36 account, and so what happened? We started with 150 pounds of
37 allocation and we ended with 150 pounds of allocation, because
38 there were no landings at this point. The total amount of
39 allocation transferred was 250 pounds.

40
41 This explains why typically in the annual reports you will see
42 that, in some share categories, we have allocation transfers
43 that are greater than the quota itself. Multiply this by many
44 different times of people transferring allocation back and forth
45 and you can see there is difficulty in tracking who the original
46 owner of allocation would be if you were trying to do some type
47 of use-it-or-lose-it type of clause. Are there any questions on
48 this point?

1
2 **MR. KEVIN ANSON:** Going back to your statement about you would
3 be hard pressed to find out who is transferring or leasing, I
4 mean they have to -- You have to know that those pounds have
5 been deducted from their account, so that when you go to look at
6 the landings information that you will have some idea as to
7 whether or not they have pounds that they should be landing, and
8 so shouldn't you be able to tell who is at least divesting,
9 because they're also then reporting whether they have a
10 relationship or a non-relationship transfer, correct?

11
12 **DR. STEPHEN:** Right, and so we can tell who is moving allocation
13 to who and we can tell who is landing it. What we can't tell is
14 who originally had the pounds that were landed as in the
15 individual pounds. Going back to the example where the green
16 account transfers 100 pounds to the purple account, let's say
17 the purple account landed those 100 pounds. Who do we attribute
18 as the owner of that original 100 pounds? That's where we can't
19 make the track going back. We can't say it was fifty of green's
20 and fifty of blue's. It could have been anyone's, throughout
21 whatever process of however many times the pounds went into
22 green's account before that final transfer.

23
24 **MR. ANSON:** But you can establish whether or not they are in
25 fact using it or losing it, because there will be pounds
26 reported to somebody. You will be able to tell whether or not
27 that person who originally was given the pounds, based on their
28 share, reported it or not. If they have pounds and they didn't
29 report, but yet they reported that they transferred pounds, they
30 didn't necessarily then use them. I guess that's what I'm
31 getting at.

32
33 **DR. STEPHEN:** Yes, and this is the difficulty in the word "use".
34 If use is strictly meant as landing, we can tell everyone who
35 landed, and we can tell somewhere that it came from different
36 accounts, but, if they didn't land everything, then whose pounds
37 did they not land? If use is in the terms of just transferring,
38 we've got that tracked easily. You transferred pounds there and
39 you used it, in that sense. That's where the definition of use
40 gets murky and people have kind of different interpretations of
41 it.

42
43 **CHAIRMAN GREENE:** Thank you. Any further questions? Mr. Diaz.

44
45 **MR. DIAZ:** What is the advantage of having a related account?

46
47 **DR. STEPHEN:** There are probably a couple of different reasons.
48 Some people are involved in multiple businesses and they have

1 different business partners, and so they have set up a permit
2 with their different business partners. Other people
3 incorporate every single one of their vessels. If one vessel
4 sinks or is sued or has some problem, it doesn't affect the rest
5 of the vessels they own.

6
7 Then we've also had the point where some people are purposely
8 wanting to divest their shares. Not divest, but separate their
9 assets from each other. If the shares are held in a separate
10 account that has no permit, when something occurs on the boat,
11 if there was some legal problem, they can't go after that
12 account where the shares are.

13
14 We have had a lot more of that as the program has grown, which
15 is why you see more related accounts as we go through time.
16 Part of it is they've kind of gotten smart about how to keep
17 things separate from each other. It, unfortunately, makes it a
18 little bit more difficult for us to manage and track.

19
20 **CHAIRMAN GREENE:** Any further discussion? Okay, Dr. Stephen.

21
22 **DR. STEPHEN:** Okay. Going on, we talk about the red snapper
23 program and the grouper-tilefish program, and one thing to keep
24 in mind is we have one account for both of these programs
25 managed in the same system, and so there is a large degree of
26 overlap. All said and done, we have 756 accounts with shares in
27 one of the share categories in either program.

28
29 More of them are in the grouper-tilefish. We have 645 accounts
30 with grouper-tilefish shares, versus 386 with red snapper. The
31 key point to note is that there are about 275 of those that have
32 shares in both programs. The little schematic below just shows
33 you the overlap by the amount of accounts that have both of
34 those combinations.

35
36 If you look at that diagonal going down with the Number 6, there
37 are only six accounts that solely have just deepwater grouper
38 and shares in no other account. If you move down a row, you see
39 that red grouper and deepwater grouper, there are 308 accounts
40 that have shares in both of those categories.

41
42 You can see the biggest overlap occurs with gag and shallow-
43 water grouper, which logically makes sense. They probably had a
44 history, where the shares came from that. If you look at the
45 bottom row, you can see how much overlap there is with red
46 snapper and the other grouper-tilefish program.

47
48 I don't want to spend a lot of time on this graph. I just

1 grabbed from our accounts some different people's kind of
2 percentages of what they have in the different categories, and I
3 just wanted to highlight some of the kind of concerns when
4 thinking about who has a high shareholder account.

5
6 In the top row, you see that there's a person who might be high
7 in deepwater grouper, shallow-water grouper, tilefish, and red
8 snapper, but you also have places where they could be high just
9 in one category and not high in others.

10
11 For example, we have the one, above five lines down, where they
12 have low red snapper and high grouper-tilefish. They have a
13 very low percentage of red snapper, but they are high in other
14 categories, and we were thinking about -- If you want to think
15 about redistribution at any point in time, when we're talking
16 about those accounts that were inactivated, you need to think
17 about how these interact and relate to each other. Were there
18 any questions on that? Those are just more there for
19 illustration points.

20
21 The last thing I kind of want to go over is fishing in the IFQ
22 system, just go through what the fishermen do for an entire
23 trip. What they have to do is declare a fishing trip prior to
24 leaving. They can either declare that through their VMS unit or
25 through VMS's call service.

26
27 I have an example here of what the VMS screen looks like. Not
28 all the screens look the same. This just happens to be one
29 screen that we had all on one screen, so I could show it to you.
30 They select that it's a trip declaration, that it's a hail-out
31 for them. They select the type, which would be a Gulf reef fish
32 trip. They then select their activity, which would be reef
33 fish. Finally, they would select their permit type, which would
34 be commercial.

35
36 Then, after they're out and they're fishing, they have been
37 three to twenty-four hours in which they have to give advance
38 notice of landing. They have three different ways they can do
39 that. They can, again, use their VMS. They can use the IFQ
40 website. Now, that typically means they're calling someone back
41 on land to do it for them, or they can use the SERO call service
42 center, which is 24/7, and it only accepts hail-in
43 notifications.

44
45 They must only land at approved landing locations, and they can
46 land at any point in time. There is not a time restriction for
47 when they're tying up to the dock. There is a time restriction
48 on when fish can be offloaded from the vessel, and so they only

1 can be offloaded between 6:00 A.M. and 6:00 P.M.

2
3 Keep in mind too that some fishermen deal with multiple dealers,
4 and so they might actually have one fishing trip that gets
5 spread out among more than one dealer. If they do do that, they
6 have to put in another notification if they move the vessel.
7 They have to wait the three to twenty-four hours and, of course,
8 still only offload between 6:00 A.M. and 6:00 P.M.

9
10 The final step of the process is that the dealer completes the
11 IFQ landing transaction within ninety-six hours of the
12 notification or on the day of offload, whichever is sooner. At
13 that point in time, allocation is now deducted from the vessel
14 account and the trip is considered complete.

15
16 **CHAIRMAN GREENE:** Leann.

17
18 **MS. LEANN BOSARGE:** Just to make sure, the definition of "land",
19 where you say land only at approved locations, you mean to
20 actually touch the dock and tie-up to the dock? You don't mean
21 actually take fish off the boat?

22
23 **DR. STEPHEN:** Correct.

24
25 **MS. BOSARGE:** They have to hail-in, but they cannot actually tie
26 up the boat and go to the dock until whatever timeframe they
27 told you they would be there?

28
29 **DR. STEPHEN:** Correct, and they cannot land prior to their
30 timeframe. If they said, I'm coming in at 10:00 A.M., you can't
31 come in at 9:50. You've got to kind of idle out there until
32 10:00 A.M. They are given an hour window from 10:00 A.M. until
33 11:00 A.M. in which to land, because we don't expect anyone to
34 be exact on what they're doing.

35
36 Within that timeframe, they're allowed one additional
37 modification to their pre-landing notification, as long as they
38 are not changing their landing location or their dealer. That
39 modification then doesn't require an additional three hours. If
40 they change the amount of fish they had onboard or they change
41 the time, you know the weather is bad and I thought I was going
42 to make it at ten and now it's going to be noon, they can do
43 that without waiting an additional three hours.

44
45 **CHAIRMAN GREENE:** Mr. Swindell.

46
47 **MR. ED SWINDELL:** Is there any prohibition on landing aboard
48 another ship? Say someone wants to put together a processing

1 ship and start collecting from these vessels before they ever
2 touch land?
3
4 **DR. STEPHEN:** There is no at-sea transfers allowed, and a vessel
5 couldn't be considered an approved landing location, and so that
6 would be prohibited in the system.
7
8 **MR. SWINDELL:** Thank you.
9
10 **DR. STEPHEN:** I think that's all I have for you guys.
11
12 **CHAIRMAN GREENE:** Thank you. Any further discussion or
13 questions? Mr. Boyd.
14
15 **MR. BOYD:** Thank you. I have a couple of questions. One, you
16 said that, in the accounting process, that it's possible and
17 normal to have more share transfers than there is quota. In the
18 accounting process, is it possible to have more of the quota
19 caught than there is quota, because of the accounting process?
20
21 **DR. STEPHEN:** No, you cannot land more quota than is caught,
22 with the exception that we do have a 10 percent overage rule for
23 accounts that have shares. Typically, it's their last trip of
24 the year. It's a one-time per share category. They can land 10
25 percent more than the allocation in that vessel account. That
26 is then taken from them at the start of the year, before they
27 receive all of their allocation.
28
29 **MR. BOYD:** Okay. Kind of a follow-up question. Who is the
30 record keeper for all of this accounting?
31
32 **DR. STEPHEN:** All of this goes through our online system, and it
33 resides at SERO, and so the catch share staff manages what it is
34 occurring with it.
35
36 **MR. BOYD:** One other question. How often is the actual catch
37 versus the quota balanced in the processing and during a
38 particular period?
39
40 **DR. STEPHEN:** I'm not quite sure if -- When they make the
41 landing, it's immediately deducted off the allocation for their
42 account, which deducts it from the quota from the program.
43
44 **MR. BOYD:** Is there an overall balancing of catch versus quota
45 on a monthly basis or a weekly basis or an annual basis?
46
47 **DR. STEPHEN:** It's daily. It's at the time of the transaction.
48 It's real-time, so to speak.

1
2 **CHAIRMAN GREENE:** Thank you. Any further questions or
3 discussion? Seeing none, I guess we will move on to the next
4 item, which will be a presentation I guess from Dr. Lasseter.

5
6 **PRESENTATION ON OVERVIEW OF QUOTA BANKS**

7
8 **DR. LASSETER:** Thank you, Mr. Chairman. While that presentation
9 is coming up, I will just make a couple of comments. Our next
10 presentation is going to address quota banks, which is something
11 you have as an alternative in Amendment 36A as a mechanism for
12 distributing the shares from these inactivated accounts, the
13 shares and allocation from these inactivated accounts.

14
15 One of the examples I'm going to give here, I believe one of the
16 organizers may be here in the audience, but he sent along a box
17 of publications that his group has put together, and I have
18 distributed those to council members. You each have a little
19 booklet there, and then there is some in the back as well.

20
21 I am going to try to keep this simple and focused on what is a
22 quota bank and talk about goals and then give you some examples.
23 When I am giving examples, I am actually going to interrupt my
24 presentation and turn it over to Eric Brazer from the
25 Shareholders' Alliance and allow them to talk a few minutes to
26 you about their program here in the Gulf of Mexico.

27
28 Then we'll come back and kind of pull it together and talk about
29 how this can be applied to the council process. As we're going
30 to through and talking about this, some things you could be
31 thinking about are how this information could be applied in the
32 Gulf to the IFQ programs. How would this work? That question
33 is going to be something for NMFS, of course, to tackle, in
34 terms of setting up this type of a system, but also what is it
35 that the council wants to use this quota bank for, if you decide
36 to go forward with one.

37
38 Your question is should a quota bank be used for distributing
39 shares in these inactivated accounts, or, alternately, we do
40 have 36B coming along, and you have some items for consideration
41 in there. Could a quota bank be applicable for some of those?
42 That would be at a later meeting.

43
44 What is a quota bank? I have provided some quotes here from
45 some of the literature that I have found. There is a catch
46 share design manual, and I've provided the website link to that
47 in the very last slide. In their glossary, they defined a quota
48 bank as a collection of harvesting privileges in which certain

1 rules and stipulations govern the use of the privileges and the
2 distribution of benefits.

3
4 These quota banks are always in the form of a catch share type
5 of program, where these harvesting privileges, in terms of the
6 Gulf programs, would be the shares, or possibly allocation.
7 Those are the harvesting privileges.

8
9 They are gathered together in this pool, essentially, and there
10 would be rules as to who may access that quota and under what
11 conditions they would be able to use those benefits. Then just
12 some text from that manual that I thought was interesting as
13 well spoke to a way of enhancing community benefits, including
14 access to new entrants, and this was a theme among some of the
15 examples that we found around the country.

16
17 There is also an example outside of the U.S. that these programs
18 have largely been -- In the states at least, they have largely
19 been founded to address a particular problem that was identified
20 by industry within the program and the industry has taken steps
21 to organize and address to enhance community benefits.

22
23 Then, finally, the last one, and this comes from the publication
24 that you have on your tables, is it's a tool to address the
25 challenges created by catch shares, and this spoke specifically
26 to their particular area. It was the industry coming together
27 and identifying problems within the industry. They came up with
28 this tool and are solving what they identified as a local
29 problem.

30
31 Moving on to our program goals, as I just noted, it was the
32 industry really driving the creation of these quota banks to
33 address some issue, and so, of course, our goals and objectives
34 would be important if the council is interested in going forward
35 with these.

36
37 What would be the purpose of the quota bank and what does the
38 council want to achieve through a quota bank? Be keeping that
39 in mind. Again, our main consideration is who would be eligible
40 to obtain the quota and what requirements should be put in place
41 for the use of that quota? Here, I am kind of keeping it
42 general, if I'm referring to shares or allocation. Currently,
43 your alternative is speaking to distributing the allocation
44 specifically, but it could, of course, be used as a mechanism
45 for shares as well.

46
47 Here is our first example. This comes from the west coast, the
48 Morro Bay Community Quota Fund, and a little bit of the

1 background is that this was actually prompted by the Nature
2 Conservancy had come into the area and had bought up some trawl
3 permits with associated quota on them.

4
5 Actually, they had exceeded what would be the local share caps
6 for those programs and they needed to divest some of their
7 shares. A mechanism that they found was to put the quota into
8 the communities and promote local stewardship over those
9 resources. The sense was, and I've got a quote here that was
10 good, but it was to anchor the quota in the community.

11
12 Now, eventually, the Nature Conservancy has fully divested all
13 of their shares to the the quota bank. Part of their funds
14 coming in is using to continue to pay off -- It was a loan. It
15 was not a gift, and so they are still using what they bring in
16 for lease fees to pay back the Nature Conservancy.

17
18 Also, there are about four of these funds along the coast,
19 spaced a few hours apart, and so they really are, each one,
20 trying to focus on maintaining access for local fishermen,
21 quota, and also to land that quota back in the community.

22
23 I have provided the goals here from that program, and the key
24 part is really having an environmentally-sustainable fishery
25 built upon local stewardship of these groundfish resources, and
26 lots of the language in the program goals, you can see, pertains
27 to the social goals. Provide for the next generation of
28 smaller-boat fishermen.

29
30 Finally, to move to answer their questions of who may obtain
31 quota and under what conditions, the program has quota for over
32 thirty different species that are under catch share programs out
33 there of varying amounts. Some of the quota that they have, the
34 fish are not even available locally, and so quota for those
35 species, they would lease it fishermen that requested anywhere,
36 and they would offer it at market-based prices.

37
38 Quota that they have for species that there is demand to catch
39 locally and that the local fishermen want them, the fund manager
40 will provide a better lease rate to local fishermen and the best
41 lease rate to those local fishermen who are landing locally, and
42 so you can see how their goals, what they're trying to achieve,
43 matches their requirements of who may obtain the quota and what
44 are the requirements for them, if they do obtain that quota.

45
46 **CHAIRMAN GREENE:** Ms. Bosarge.

47
48 **MS. BOSARGE:** You said that Nature Conservancy, and I'm not sure

1 what fishery this is, bought up a lot of these permits in the
2 beginning and then they kind of had too many and they were over
3 the share cap, and so they created this quota bank to divest of
4 some of them, but just, generally speaking, why were they
5 purchasing all of those in the beginning?
6

7 **DR. LASSETER:** I kind of glossed over a lot of the history, and
8 I have also provided the links to all of these at the end, if
9 you would like to explore them further. I don't think it was
10 the TNC that actually created the fund. They helped this group
11 create the fund, but there was a long history of these
12 groundfish resources being overfished. There were a lot of
13 issues of overcapitalization in that area for a very long time,
14 and there had already been one government buy-out of these trawl
15 permits.
16

17 When TNC actually came in, that was after that first stage, but
18 they had bought out some more trawl permits of people that were
19 just trying to get out of the fishery. They had this quota and
20 then what were they going to do with it?
21

22 They decided that, hey, we could use this quota to help promote
23 local, sustainable use of these resources, and so I think they
24 were very key in helping guide the development of these. I
25 don't know to what extent. I just had a brief interview with
26 this organizer for a couple of hours. Did that answer your
27 question?
28

29 **MS. BOSARGE:** Yes.
30

31 **DR. LASSETER:** Okay. Great. I have also provided a little
32 graphic here that I found on one of the programs that just kind
33 of showed the structure of how the Morro Bay one is run, where
34 you do have a board. I will point out that TNC is no longer
35 even a part of the board anymore. They are completely removed
36 from this process completely, and so you have the actual board
37 and this quota fund.
38

39 They have a leasing manager who is in charge of communicating
40 with various fishermen that want access to the quota, and he
41 defines the terms and whatnot. They also have this risk pool,
42 which they use for fishermen, local fishermen, who would need
43 some of the fish that -- Let me just take a step back. It is a
44 full-retention fishery, requiring 100 percent observer coverage,
45 and so there is no you can just throw fish back. If you're out
46 fishing and you have fish, you have come across fish, you can't
47 just throw it back. Here, this risk pool provides a mechanism
48 for these guys to be able to bring those fish in.

1
2 I like this also, just because it kind of shows how some of
3 these are actual financial transactions and others are just the
4 movement of the quota through the system.

5
6 Another example, and this is actually -- I am not sure if we
7 have this manager in the audience yet, but the Cape Cod
8 Fisheries Trust is another example, and I have provided the
9 goals here. Again, it's similar to the Morro Bay, in that they
10 were concerned about the local communities, and so their goals
11 are to strengthen the Cape Cod fishing businesses, protect New
12 England's fishing resources, keep fishing as a way of life on
13 Cape Cod, and develop a sustainable community-based model.

14
15 What's interesting about this program is that there were
16 actually three separate programs. One of them only has one
17 boat. When I say three separate programs, it covers three
18 different catch share programs that are under both the New
19 England and Mid-Atlantic Fishery Management Councils
20 jurisdiction.

21
22 It's kind of like a professionalization program for fishermen,
23 where you have classes. You have your freshmen, your
24 sophomores, your juniors, and your seniors. Then there is
25 different program requirements and different benefits and access
26 to quota that you get as you go through this program.

27
28 You move through it in stages, and so there is a whole
29 application process. Some people carry all the way through and
30 some people will leave the program, but, basically, as you move
31 through the program, you must attend council meetings even. You
32 must attend classes and you must be engaged in learning how to
33 not only fish, but also how to be a professional fisherman, and
34 paying your taxes and making sure you are completing all of your
35 bookwork.

36
37 In the program, when you're a beginner, you would be able to
38 secure a larger amount of quota in those early years of the
39 program. Then, as you move through the stages, you are expected
40 to have invested yourself in the quota. Then you are
41 essentially weaned off the program as you get to the later
42 stages.

43
44 Then I'm just going to touch on a couple of other programs
45 before we turn it over to Eric. This is an example of a program
46 outside of the U.S. They are called fish pools in Denmark, and
47 they're essentially voluntary cooperatives that facilitate these
48 transfers of the harvesting privileges.

1
2 What I thought was interesting about this one is that all the
3 different fish pools, which are essentially separate quota
4 banks, are all located and housed and accessed through the same
5 common website, and the government does monitor and provide
6 publicly what would be equivalent to share and allocation
7 transfers.

8
9 Everything is online, and so it's not so much individuals
10 privately coming one to another. All of these transfers go
11 through this online system and are recorded, and one of these
12 fish pools happens to operate to provide access to these new
13 entrants, and I just wanted to point out that there is a fee for
14 entering this. Again, these pools were formed to address some
15 of these issues that the industry felt needed to be addressed
16 after catch shares came into place.

17
18 Then, finally, just one last one, Local Fish Fund in Alaska, and
19 it was, again, designed to improve the local retention of these
20 economic benefits. Again, we have that trying to maintain local
21 community access to quota as a fundamental goal, but, of course,
22 the goals are then tied to who has access to quota and what are
23 the conditions they are required to follow for accessing that
24 quota.

25
26 I am going to turn it over to Eric Brazer for a moment. I
27 believe he's here in the back, and I'm going to let him speak
28 for a few minutes about the quota bank here in the Gulf of
29 Mexico.

30
31 **CHAIRMAN GREENE:** Thank you. Eric.

32
33 **PRESENTATION ON SHAREHOLDERS' ALLIANCE QUOTA BANK PROGRAM**

34
35 **MR. ERIC BRAZER:** Thank you, Ava, and thank you, committee, for
36 giving me the chance to speak for a few minutes. I'm Eric
37 Brazer. I'm the Deputy Director of the Gulf of Mexico Reef Fish
38 Shareholders' Alliance, and I'm going to give you a brief
39 overview of the Gulf of Mexico reef fish quota bank that we
40 established in 2015. I'm going to keep it fairly high-level,
41 and so, if you have specific questions, get with me afterwards
42 or find me during the break, and I will be happy to talk more
43 about it.

44
45 We started the program, like I said, in 2015. We saw great
46 success elsewhere. Ava did a great job of highlighting some of
47 the other examples throughout the country. In the interest of
48 full disclosure, before I came to the Gulf of Mexico, I spent

1 eight years working on Cape Cod with the Cape Cod Fisheries
2 Trust, and so I was able to take some of the knowledge I gained
3 up there and bring it down to the Gulf to start our quota bank.

4
5 One of the things that I wanted to bring across is that we're
6 thinking about the quota bank as it's a model. It's a process
7 by which a community of fishermen come together to leverage
8 their problem-solving skills with the allocation they have
9 access to. We are using quota to solve problems. That's really
10 what we're doing in the Gulf of Mexico.

11
12 Two primary concerns exist in the Gulf that we have decided to
13 engage in, number one being the red snapper discards in the
14 grouper fishery in the eastern Gulf, and the second issue we're
15 trying to address is the issue of fishery transition to the next
16 generation of red snapper fishermen.

17
18 We built our quota bank around these very specific purposes, and
19 so everything we do, the operations we have in place and our
20 evaluation system, it all folds back into these stated
21 priorities.

22
23 Here are our goals and objectives. You can see it's more than
24 just a biological program. We do want to reduce red snapper
25 discards and discard mortality in the Gulf of Mexico, but we
26 also have a system of economic goals that we're trying to
27 achieve by improving the profitability of grouper fishing
28 businesses and providing some business stability for the next
29 generation of commercial fishermen.

30
31 We're also trying to achieve some social goals as well. We're
32 trying to support this next generation of fishermen, help them
33 establish themselves and get foothold in the fishery, increase
34 the accountability of the commercial fishery, and also build
35 capacity for more fishermen to participate in this process here.
36 It's very important to us, if you're part of the quota bank
37 program, that you start to pay attention and get involved in the
38 regulatory process, at the state level and at the federal level.

39
40 In terms of our operations, our board of directors of the
41 Shareholders' Alliance runs the quota bank. I manage the day-
42 to-day operations of it. It is a program of the Shareholders'
43 Alliance, and the Shareholders' Alliance is a 501(c) nonprofit,
44 and we have an established IFQ account that Jessica helped us
45 set up, thank you very much, and so it's run through that system
46 online that Jessica talked about earlier.

47
48 For the allocation, we have a board policy. The Shareholders'

1 Alliance board actually contributes annual allocation. They
2 donate annual allocation every year to help fund the quota bank,
3 and we also have some agreements where we're leasing in
4 allocation as well and turning it around and leasing it back out
5 to the members. We also have some agreements where we're
6 leasing in allocation as well and turning it around and leasing
7 it back out to the members.

8
9 We have set the bar for participation pretty high, and we've
10 done that on purpose, because we believe that if you're a member
11 of this quota bank that you should be committed to the goals and
12 the purpose of the program.

13
14 We have eligibility criteria. We have a system of best business
15 practices. We have an operations plan that you have to sign.
16 We have an application process that you have to fill out. We
17 ask you to join the Shareholders' Alliance and support the
18 advocacy work that we do and get more involved in this
19 management process.

20
21 Once you have put together your paperwork, the board receives it
22 and the board reviews it and the board vets it. Again, we want
23 people participating in this program that are committed to the
24 cause, and we do that through the board process. If you meet
25 the eligibility criteria, then we approve you and you're part of
26 the program.

27
28 This is just a brief summary of some of the performance measures
29 we've had. Like I said, we started in 2015. We got a bit of a
30 late start, but we were able to lease out 50,000 pounds last
31 year. We have met that goal already this year, and we're on
32 track to do 75,000 pounds of red snapper allocation. That has
33 an ex-vessel value of somewhere north of \$250,000 to the
34 participants.

35
36 We have more than tripled our membership in the program between
37 last year and this year, from six to twenty, and we have almost
38 quadrupled the number of fishing communities in the Gulf that
39 are working with the program, from four to fifteen in just over
40 a year.

41
42 The quota bank, it's a program of the Shareholders' Alliance,
43 but we're also trying to run it like a business. Looking
44 forward, we're trying to promote financial growth and fiscal
45 stability. We are looking for ways to increase our impact, and
46 whether that's reducing more discards or addressing the next
47 generation issues and trying to address other issues with the
48 catch share programs in the Gulf that may come up in the near

1 future.

2
3 There is a role for this in the discussions this week with
4 Amendment 36A. We believe that quota banks can offer a viable
5 alternative for some of this unused and available allocation
6 that you will be talking about very soon. The council is
7 considering a NMFS-run quota bank. We are not quite sure what
8 that looks like or how that would operate or how you would build
9 a system to ensure it's doing what you want it to do, and we
10 look forward to this discussion that you guys will have on those
11 issues.

12
13 We would like the council to consider an additional alternative
14 to allow an industry-run quota bank to handle some of this
15 allocation as well, and that doesn't have to be ours. It could
16 be anyone who wants to set up a quota bank to start to solve
17 problems with some of this available allocation.

18
19 In summary, we have built a system that's more than just an
20 allocation transaction. It's more than just John leasing
21 allocation to Joe. We are trying to use this allocation and the
22 fishermen involved to leverage triple bottom-line impacts,
23 biological, economic, and social impacts. It really is a
24 grassroots program. This came from the ground up. The
25 fishermen developed it, and we implemented it, and it has a very
26 specific purpose, goals, and objectives.

27
28 Just as important, it has a system in place for us to ensure
29 that those objectives are being met. With that, I will turn it
30 back over to Ava, unless you have questions, or I can talk to
31 you guys during the break, but thank you very much for your
32 time.

33
34 **CHAIRMAN GREENE:** Thank you. Dr. Lucas.

35
36 **DR. KELLY LUCAS:** Eric, I was just looking at you all's website.
37 It's .org. Are you a 501(c)(3) or (c)(6) or what are you all
38 classified as?

39
40 **MR. BRAZER:** Right now, we're a 501(c)(6) organization.

41
42 **CHAIRMAN GREENE:** Andy Strelcheck.

43
44 **MR. ANDY STRELCHECK:** Thanks, Eric, for the presentation.
45 First, I wanted to commend you and the Shareholders' Alliance
46 for proactively working on these challenges and issues that
47 we're facing. I have a couple of questions.

48

1 You had outlined in your presentation obviously one of the goals
2 is to reduce discards and discard mortality. At one point, I
3 know I talked to you about collecting observer data or observer
4 coverage. What is the sense, in terms of how that's helping to
5 address the discard mortality problem for red snapper?
6

7 **MR. BRAZER:** It's something we're working on now. We're
8 addressing the discards directly and indirectly. Directly,
9 we're providing that allocation to the fishermen that need it,
10 that would otherwise be discarding those red snapper on the
11 grouper trips, and so there is a direct conservation benefit
12 there.
13

14 Through our application process and our operations plan and our
15 best business practices, we're trying to encourage fishermen to
16 fish more selectively and to avoid -- If they don't have the
17 allocation, to avoid red snapper, when they can. We may only be
18 dealing with 50,000 pounds now, but our hope is that the program
19 we have built is actually reducing those discards by more than
20 that 50,000 pounds. We are, right now, trying to figure out how
21 we quantify that.
22

23 **MR. STRELCHECK:** Then my second question is you had alluded, at
24 the end, about a NMFS-run quota bank versus an industry-run
25 quota bank. I guess, right now, there is no regulatory
26 framework for what you're actually doing, and so you already
27 have, essentially, the ability to run an industry-run quota
28 bank. Do you see advantages to codifying regulations that would
29 better clarify quota banks run by industry, if we went down that
30 path of considering industry-run quota banks?
31

32 **MR. BRAZER:** I think it depends on what the purpose and goals of
33 these programs will be. I mean, I think we would be hesitant to
34 put in place a program or a set of definitions of what a quota
35 bank looks like, how it operates, especially without the input
36 of the industry. I think, at this point, if there is a way to
37 do it through the model that we have on the ground that exists
38 already, we would like to see that option explored a little bit
39 more, but I think we want to kind of stop short of defining in
40 the regulations what an industry-based quota bank looks like.
41 Thank you.
42

43 **CHAIRMAN GREENE:** Thank you. Any further discussion? Mr. Diaz.
44

45 **MR. DIAZ:** Thank you, Eric. I also want to commend you and the
46 Shareholders' Alliance. I think it's a good step forward to try
47 to help with some of the problems. I am just trying to clarify
48 it in my mind. You said that some of the allocation is donated.

1 Are the participants that use it, do they lease it, and what is
2 the advantage of leasing from this quota bank as opposed to
3 trying to get on the open market and leasing it, if they are
4 indeed leasing it?

5
6 **MR. BRAZER:** We've done a lot of work to reach out into the
7 communities in the eastern Gulf of Mexico, to try and find those
8 fishermen and those businesses that need the allocation but
9 can't access it, for whatever reason. They may not be able to
10 find it in the open market or they may not have built the
11 relationships to access that allocation.

12
13 We go out and we try and find those fishermen. The benefit of
14 working with us is that we can provide you the allocation that
15 you need over the course of the year. If you need 1,000 pounds
16 over the course of the year or if you need 3,000 pounds over the
17 course of the year, we will commit to getting you that
18 allocation.

19
20 We will also commit to working with you and educating you a
21 little bit on the management process as well. By being involved
22 with us, not only do you get a financial benefit and the
23 allocation benefit, but you also get to peek behind the curtain
24 and see a little bit more about what happens at meetings like
25 this. The fishermen that we work with are finding a lot of
26 value in that as well. Maybe they were unaware or maybe they
27 were disenfranchised, but they're starting to come back into the
28 fray and get a little bit more involved in this process, and
29 there has been a lot of value with that.

30
31 **CHAIRMAN GREENE:** Thank you. Any further discussion? Seeing
32 none, thank you, Eric. We will move on to our next item, which
33 will be Dr. Lasseter and Review of Draft Amendment, Tab B,
34 Number 7, unless there is anything I'm skipping over.

35
36 **REVIEW OF DRAFT AMENDMENT**

37
38 **DR. LASSETER:** I only had one more slide on that presentation,
39 and it was really just to kind of bring all of it back together
40 and, when we get into the amendment and we get into the action
41 about alternatives, to keep in mind what is the purpose of what
42 you will be wanting to do and what do you want to achieve
43 through the quota bank, and, finally, the considerations would
44 be who would be eligible to obtain that quota and under what
45 requirements, under what parameters, as well.

46
47 Here is the slide with all of the references that were included
48 in the presentation as well as these other quota banks, if you

1 would like to read more about them. Before we get into the
2 amendment, I just wanted to provide the opportunity to ask any
3 questions about quota banks specifically. I think you asked
4 Eric most of the questions, but was there anything else on the
5 examples that I gave? Hearing none, I will go ahead and move
6 into the document. Let's go to page 2.

7
8 We have updated, again, the Chapter 1 and Chapter 2 in your
9 document. Page 2, we have a little text box there. Jessica
10 provided a presentation, and also you have your laminated card
11 of some of this information, and I also just wanted to point
12 out, again, the document also some of this for you highlighted,
13 in terms of what is a share and what is allocation and how that
14 works. Also, in Appendix A, we still have the glossary of the
15 terms used in the program.

16
17 If we scroll down to the next page, we have another text box
18 here. We have added this one, added an example, which was also
19 used in Jessica's example. We've used a broad quota of just
20 one-million pounds, to show how this proportion of shares times
21 your quota, the total quota for that species, results in the
22 pounds of allocation for that year represented by those shares.

23
24 Then, in that, is an example of the quota changing and how that
25 would work and, should that shareholder sell some of the shares,
26 how the allocation would then be recalculated in the following
27 year. That is there for you as well.

28
29 Let's move down to Action 1, which begins on page 14. Action 1
30 addresses the commercial-permitted reef fish vessel hail-in
31 requirement. Currently, your no-action alternative is that the
32 owner or operator of a vessel that is landing IFQ species for
33 red snapper, grouper, tilefish, must contact NMFS, must hail-in,
34 and provide a notification at least three hours and no more than
35 twenty-four hours in advance of landing.

36
37 Now, coming out of the five-year review for red snapper, one of
38 the recommendations was that this requirement be expanded to
39 include not just those vessels landing IFQ, but all reef-fish-
40 permitted vessels, because it was possible -- Some fishermen had
41 heard stories of people landing IFQ species and just not
42 hailing-in, not declaring it.

43
44 We have provided two alternatives here. The difference between
45 the two of these pertains to which species onboard the permitted
46 vessel must hail-in for. All the other requirements would
47 remain the same. One thing that we're talking about here is
48 expanding the requirement of trips that must hail-in, but,

1 because these are not only IFQ species, under either one of
2 these alternatives, these vessels would still need to land at
3 approved landing locations.

4
5 Because they're possibly not landing at places that they are
6 used to landing IFQ species, we could expect, we should assume,
7 that the number of approved landing locations would need to
8 increase. To what extent, I don't believe it's simple to
9 quantify that, but that is a concern that law enforcement has
10 expressed.

11
12 I am going to briefly compare the two alternatives. The
13 difference between them is Alternative 2 would require any one
14 of these reef-fish-permitted vessels if it's landing any
15 commercial reef fish species, and so basically the non-IFQ
16 species. That reef fish vessel would also need to hail-in, even
17 if it's just landing gray triggerfish or amberjack or whatever
18 else it might be landing. If it's under reef fish, it would be
19 required to hail-in.

20
21 Alternative 3 would apply that requirement to hail-in to that
22 reef-fish-permitted vessel any time it leaves to go commercially
23 harvest any species. That could be a federally-managed species,
24 if it's on a lobster trap, or it could be a state-managed
25 species, if it's blue crab fishing, and so that is very much
26 wide open.

27
28 On the Alternative 2, if we scroll down to page 17, there is a
29 table, Table 2.1.2, where we have provided the additional number
30 of trips taken that harvest -- This is the additional number of
31 trips taken in recent years that have harvested reef fish and
32 IFQ species. Basically, you can see the difference. This would
33 be the potential number of additional hail-ins that NMFS would
34 receive from which the Office of Law Enforcement would decide
35 who they go and check. It could be an additional thousand trips
36 or so.

37
38 If we scroll back up, for Alternative 3, we do not yet have the
39 data quantified of how many additional trips we would be talking
40 about. I did want to clarify something about this Alternative
41 3. When the IPT got together and crafted these alternatives, we
42 interpreted the five-year review as talking about all reef fish
43 species that these vessels might be landing.

44
45 Then the IPT also came up with the alternative of or if they're
46 landing any commercially-caught species, and we wanted to make
47 sure that this is really what your intention was, or did you
48 perhaps want to redefine Alternative 3 to be just finfish

1 species and perhaps avoid some of these other commercially-
2 caught species, and so that's one question I had for you. Then,
3 depending on how we modify Alternative 3, we will have the data
4 quantified for estimating the additional number of trips that
5 would be expected to be hailing-in under that alternative.

6
7 **CHAIRMAN GREENE:** Ms. Levy.

8
9 **MS. MARA LEVY:** Just a question to clarify. Did you say before
10 that under Alternative 2 or 3, if you have no IFQ species, you
11 still need to land at an approved landing location? If that's
12 what you said, I think we need to make that more clear in the
13 alternatives, because, the way it reads now, it's not super
14 clear. It just says you need to provide location of landing.
15 If we're going to say you need to go to an approved landing
16 location no matter what, I think we need to make that more
17 clear.

18
19 **DR. LASSETER:** We could definitely do that, and that was a
20 recommendation from law enforcement, that the only way that
21 could work would be if we required the approved landing
22 locations, and so we will add that to the alternatives.

23
24 Elaborating on that as well, NOAA OLE has had an opportunity to
25 look at this just initially, but without the data quantifying
26 the additional number of trips that would potentially result
27 under Alternative 3, and so they have requested the opportunity
28 to look at this again. Also, we are planning on taking this
29 action to your Law Enforcement Committee at the Gulf States
30 meeting in October, to provide them another opportunity to look
31 at these alternatives with the estimation of additional trips as
32 well.

33
34 **CHAIRMAN GREENE:** Okay. Thank you. Ms. Bosarge.

35
36 **MS. BOSARGE:** Just to clarify, they always have to hail-out.
37 Well, let me back up. If they are a reef-fish-permitted vessel,
38 a commercial reef-fish-permitted vessel, before they leave the
39 dock, presumably in the morning, they have to hail-out and let
40 the government know, essentially, that they're going out
41 fishing.

42
43 Now, when they hail out, they can say I'm going for an IFQ reef
44 fish species or whatever. They can say I'm going for pleasure
45 today with my family on this boat, or I guess there's a few
46 other options.

47
48 If they're not going to land an IFQ species, then they don't

1 have to hail back in, and so this is options for, if you're not
2 landing IFQ species, do we still want you to hail-in and how far
3 do we want to take it? Do we want it to be only for if you said
4 you were going to catch some other kind of reef fish or is it if
5 you're going commercial fishing period that you're going to have
6 to -- If you're going out king mackerel fishing, you're still
7 going to need to call the government three hours before you get
8 in, so that somebody can meet you at the dock? That's what this
9 is, right? Okay.

10

11 **DR. LASSETER:** Correct, and the way you just described that last
12 part is currently the way that Alternative 3 is worded, and I
13 did want to ask the committee, is that your intention? Did you
14 really want to require these vessels to hail-in if they have
15 absolutely anything commercial or did you want to narrow it more
16 to finfish? I did want some clarification on that.

17

18 **CHAIRMAN GREENE:** Okay, committee. What would you like to do
19 here? Mr. Fischer.

20

21 **MR. MYRON FISCHER:** Thank you, Mr. Chair. It's on that subject
22 of Alternative 3. I think we have to specify specifically what
23 we're looking at. Although Alternative 3 states commercial reef
24 fish permitted, and I'm following up with Leann. If a trawl
25 boat has a commercial reef fish, would he have to hail-in every
26 time he comes in with shrimp landings? How does this fall in
27 with the mackerel fishermen?

28

29 I don't know if we're ready to put this one in the back of the
30 discount stack quite yet, but I could see a lot of problems if
31 we start tweaking the wording to what it would include and maybe
32 including vessels that are not under the scope of this document
33 and what the fallout could be. I just wanted to put it up for
34 conversation and tell us to be cautious as we look at the
35 wording of Alternative 3, because you do have some reef-fish-
36 permitted vessels that prosecute other fisheries.

37

38 **CHAIRMAN GREENE:** Thank you. Andy.

39

40 **MR. STRELCHECK:** I think Alternative 2 is preferred, from a NMFS
41 perspective, at this point. You leave obviously some loopholes
42 or holes in the system by requiring commercially-caught species,
43 all species, in Alternative 3, because vessels that don't have a
44 reef fish permit wouldn't have to report then their catch at
45 that point. The VMS is intended for reef-fish-permitted
46 vessels, and so I think it makes a lot of sense for Alternative
47 2 at this stage.

48

1 The other thing I wanted to ask Ava is the distinction in
2 Alternative 2 for IFQ versus non-IFQ landing requirements. It
3 looks like you're distinguishing that IFQ would still have to
4 report dealer and estimated weights, but non-IFQ landings would
5 not include that information, and so I'm curious about the IPT
6 discussion related to that and some of the challenges,
7 potentially, with having two different landing forms.
8

9 **DR. LASSETER:** The IPT envisioned all of the requirements to
10 essentially be the same, as far as what would be required for
11 reporting. That was my understanding, meaning that you would
12 have to have the approved landing sites and whatnot. As for
13 what would need to be changed on your VMS form, how specific we
14 would need to be, we have not gone into that much detail.
15

16 **CHAIRMAN GREENE:** Mr. Riechers.
17

18 **MR. ROBIN RIECHERS:** Getting at Alternative 3 here a little bit,
19 Ava, as the IPT worked through this, is it there because we were
20 silent on other commercial species in the past, or is there
21 trying to flesh out a suite of alternatives and give a range or
22 is there some issue that we're trying to address? At least in
23 my thinking, when we think about other commercially-caught
24 species, if the trip wasn't intended for that purpose of
25 commercial reef fish, and they went out for other species,
26 thinking of lobster, shrimp, crabs, the other species that we
27 can think of here, I am just not certain why we would be wanting
28 to track that in that same way.
29

30 **DR. LASSETER:** Thank you, Mr. Riechers. That's spot-on with
31 both of those. The IPT, one, was trying to provide a range of
32 alternatives, but, also, I don't believe we were fully clear
33 with what was the intention of the recommendation that came out
34 of the five-year review. Were they speaking to just all reef
35 fish landings or were they wanting that to be more broad, but we
36 did provide a broader range of alternatives, recognizing that
37 this Alternative 3 is wide open.
38

39 Now, the preliminary comments that we did get from the Office of
40 Law Enforcement, and this speaks to something that Ms. Bosarge
41 said also, is they do not visit every single vessel that has
42 hailed-in. You don't know if you're going to be checked or not,
43 and so there has been talk that, by opening it wide up and make
44 everybody do it, they could decide on where they wanted to focus
45 their enforcement efforts. If a problem is identified, it maybe
46 gives them more enforcement capabilities.
47

48 **CHAIRMAN GREENE:** One second, Mr. Riechers. Ms. Levy is waving

1 her hand. Maybe she can shed some light on that, but if you
2 want to follow up, continue.

3
4 **MR. RIECHERS:** I would just say I'm going to let it go to law
5 enforcement, but my inclination is to not have this in here in
6 this form, or certainly not have it as the preferred, but I will
7 let it go to law enforcement.

8
9 The whole notion that you just talked about also, from a law
10 enforcement perspective, unfortunately gives them a lot more
11 notifications that they're trying to decide which ones are
12 important or not, and that may actually be worse for them, as
13 opposed to better, but I will let them comment on that at their
14 next meeting.

15
16 **CHAIRMAN GREENE:** Thank you, Mr. Riechers. Ms. Levy.

17
18 **MS. LEVY:** Thank you. I have two comments. The first is
19 related to the difference between what would be required for IFQ
20 species landings and no IFQ species landings and what they would
21 need to report. I recall, at least in discussions with the IPT,
22 that we did intend for them to be different.

23
24 We intended it to be less burdensome if you weren't going to be
25 catching and coming in with IFQ species, and so we wanted to
26 know, one, that you said that you didn't have any IFQ species,
27 where you would be landing, what day and what time, and your
28 vessel number, but we didn't want to then create a situation
29 where you had to report an estimated pounds of every species you
30 caught that wasn't an IFQ species, and so I think there was some
31 intention there to make it a little bit different.

32
33 Then, with respect to Alternative 3, you certainly don't have to
34 pick it as a preferred, but it seems reasonable to consider,
35 based on what the purpose and need of this particular action is,
36 to have everybody who has a permit to commercially land reef
37 fish to have to tell you when they're coming in.

38
39 You may decide that it's not something that you want to pursue
40 or it's too burdensome or there are reasons why we don't want to
41 do it, but the whole point is that these vessels are allowed to
42 land these species, including the IFQ species, and it seems like
43 it's at least reasonable to consider whether you would want to
44 know when these vessels are actually going to come in with their
45 catch.

46
47 **CHAIRMAN GREENE:** Thank you. Any further discussion? Mr.
48 Walker.

1
2 **MR. DAVID WALKER:** The Shareholders', I guess the letter we gave
3 is to support the expansion of the hail-in requirements to
4 improve the loopholes. I know they're in the five-year ad hoc
5 panel review. There was some discussion. There was concerns of
6 if you didn't have any IFQ species, that it was just vermilion
7 and amberjack, that you could just come in during the middle of
8 the night and unload your fish. There was some concern about
9 that, trying to close some of those loopholes. I am fine with
10 Alternative 2 or 3, but I'm leaning towards 2 right now.

11
12 **CHAIRMAN GREENE:** Thank you, Mr. Walker. Mr. Sanchez.

13
14 **MR. JOHN SANCHEZ:** I'm undecided, but I would like to hear from
15 law enforcement. With limited law enforcement resources, I
16 would hate to throw an undue burden that's really not going to
17 accomplish a whole heck of a lot on them, and I would like to
18 hear what they have to say in respect to that.

19
20 **CHAIRMAN GREENE:** Thank you, Mr. Sanchez. Ms. Bosarge.

21
22 **MS. BOSARGE:** Ava, if you want some feedback on your question
23 about the finfish versus others, for that Alternative 3, I can't
24 think -- Maybe it's different in Louisiana, because they do have
25 some boats that are a little bit smaller, but I can't think of a
26 shrimp boat, offhand, that would have a commercial reef fish
27 permit.

28
29 I mean those boats are built for two different things. A shrimp
30 boat is slow and built to tow a load. Typically, when you go
31 out for reef fish, you need something that will move and get out
32 where you're going in a decently short period of time and then
33 catch your fish and get back in.

34
35 Maybe, I guess, in Louisiana, you might could find one or two,
36 but I would think it would be few and far between. If you
37 wanted to do finfish, I don't really see where you would be
38 having a big risk that there's a bunch of shrimp boats out there
39 with reef fish permits that you're going to miss.

40
41 **CHAIRMAN GREENE:** Thank you. It seems like there's some intent
42 for any form of finfish that is commercially regulated, but it
43 doesn't seem like there is much for shrimp or crabs or anything
44 purely recreational or purely commercial that is not under an
45 IFQ or reef fish type of species. Any further discussion? Mr.
46 Strelcheck.

47
48 **MR. STRELCHECK:** Just to add on to John's comment, we are

1 certainly cognizant of the increased burden on enforcement.
2 That was one of the reasons why we wanted to provide some data
3 to look at the number of IFQ trips versus the number of
4 commercial reef fish trips, and you're looking at about a 10 to
5 15 percent increase. It's about a thousand trips per year, on
6 average, and so about three trips per day.

7
8 They're getting automatic email notifications, and so they're
9 able to cull through this. Yes, it's an increased burden, but
10 we don't look at it as substantial, and it could really assist
11 them for trips that are reporting reef fish, but non-IFQ
12 species.

13
14 **CHAIRMAN GREENE:** Ms. Levy.

15
16 **MS. LEVY:** Just a comment. If you decide to change Alternative
17 3 from commercial reef-fish-permitted vessels landing any
18 commercially-caught species from the Gulf to any -- I don't know
19 what it would say, maybe commercially-caught finfish species,
20 but I think we need to be specific about what we mean by
21 finfish. I mean it may have some definition, but we're going to
22 need to put whatever definition we think that means, so that
23 people are clear about what the distinction is.

24
25 **CHAIRMAN GREENE:** Thank you. Based on my comment earlier, I was
26 thinking of commercially-caught reef fish and not specifically
27 finfish. That seems like a very broad spectrum that could go,
28 but that was just a comment. Does anyone else wish to weigh in
29 at this point? Ms. Levy.

30
31 **MS. LEVY:** That's essentially Alternative 2, right? Alternative
32 2 is a commercial reef fish permit landing any commercially-
33 caught reef fish from the Gulf. I guess we need to ask whether
34 that commercially-caught reef fish is only Gulf-managed reef
35 fish or it means any reef fish that we define as reef fish. I
36 suspect we were talking about managed species, but I think we
37 need to clarify that as well.

38
39 **CHAIRMAN GREENE:** I agree. Mr. Anson.

40
41 **MR. ANSON:** I was just having a sidebar conversation with Ava,
42 and she understands that there is the distinction, but she is
43 going to try to provide some data for next time and for law
44 enforcement, quite frankly, that kind of breaks out those
45 various distinctions there of finfish and then other and kind of
46 numerically identify how many trips that could be, potentially,
47 and such.

48

1 She is comfortable with leaving it as is right now, so that she
2 can go forward and kind of get the whole broad picture. Then,
3 maybe later on, we can come back and further refine that, as far
4 as whether it is a finfish and a definition of a finfish and
5 maybe that kind of stuff.

6
7 **CHAIRMAN GREENE:** Thank you. Any further discussion? Dr.
8 Lasseter, back to you.

9
10 **DR. LASSETER:** Perfect. Thank you, Mr. Chairman. We will move
11 to Action 2. Action 2 now has two sub-actions, and this action
12 addresses the inactivated IFQ shareholder accounts. As we have
13 discussed, there are some IFQ accounts that were created at the
14 time of the share distribution and the person to whom the shares
15 were distributed has never accessed, logged-in, or in any other
16 way participated in the program through that account.

17
18 Over time, the number and quantity of shares held in these
19 accounts has drastically decreased, as other commercial
20 fishermen have located, tracked these guys down, and arranged to
21 acquire their quota, but we do still have about 43,000 or 44,000
22 pounds across all of the IFQ species held in these accounts.

23
24 There are two sub-actions here. The first one addresses which
25 of these shares should be returned to NMFS. Then the Action 2.2
26 will address what to do with those once they are returned to
27 NMFS.

28
29 First, Action 2.1, of course, our Alternative 1 is our no-action
30 alternative. IFQ shares held in these accounts may remain in
31 those accounts and continue to be unused. Alternative 2
32 addresses shares in the red snapper IFQ program, those accounts
33 that have never been activated in that current system. It
34 provides two options, to return those shares to NMFS on the
35 effective date of the final rule implementing this amendment or
36 one year following, give them one more year following the
37 effective date of the final rule implementing this amendment.

38
39 Alternative 3 is essentially the same as Alternative 2, but,
40 instead of the red snapper IFQ program, it would address the
41 grouper-tilefish IFQ program only, the shares in the grouper-
42 tilefish IFQ program held in those inactivated accounts. Then,
43 finally, Alternative 4 addresses both. It would apply to both
44 the red snapper and the grouper-tilefish IFQ programs. Of
45 course, you have the same options, Option a and b, provided
46 under that, to have it take effect immediately upon
47 implementation of this amendment or provide one additional year
48 for the participants to do something with that quota, and I will

1 turn it over for questions.

2

3 **CHAIRMAN GREENE:** Mr. Riechers.

4

5 **MR. RIECHERS:** It's not a question, Ava, and I certainly can
6 make it in the form of a motion, but I don't see any reason in
7 the world why we need Alternative 4 when you can get to the same
8 place with Alternative 2 and 3. We're always looking for ease
9 of analysis and less verbiage when we can find it. That seems,
10 to me, that's one that can go away. If you want it in the form
11 of a motion, I will do it.

12

13 **DR. LASSETER:** I think it's always better to have a motion, and
14 so that would be great, Mr. Riechers.

15

16 **MR. RIECHERS:** I would move that we remove Alternative 4 in
17 Action 2.1 to considered but rejected or wherever it goes at
18 this point, but it's redundant.

19

20 **CHAIRMAN GREENE:** Thank you. We have a motion on the floor. Is
21 there a second for this motion? It's seconded by Mr. Matens. I
22 will give Ava just a second here to make sure that everybody is
23 on the same page. Mr. Walker.

24

25 **MR. WALKER:** I opposed this. Industry, I think the letter that
26 they had written, at least the Shareholders' Alliance, and I
27 would like to hear some more testimony, but it was that they
28 supported Alternative 4. They were in support of Alternative 4.

29

30 **CHAIRMAN GREENE:** Mr. Riechers.

31

32 **MR. RIECHERS:** David, you can get to the same place by having
33 two preferred alternatives, Alternative 2 and 3, and then, if
34 you want to have the same preferred sub-option, you're in the
35 same place. That's all I'm saying, is that it's just redundant
36 of the other two alternatives there, and you can get to the same
37 place just by having multiple preferreds, which we allow. In
38 fact, it even footnotes and says that.

39

40 **CHAIRMAN GREENE:** Mr. Swindell.

41

42 **MR. SWINDELL:** Robin, wouldn't it be the same thing if you
43 deleted Alternative 2 and 3 and just had 4?

44

45 **MR. RIECHERS:** It would be, but then you don't have the option
46 of if, for some reason, you wanted to choose one or the other,
47 both species, or IFQ programs or you wanted a different
48 implementation date, which the sub-options give you. I wouldn't

1 think there's a reason why we would want to do that, but I am
2 not going to be foregone in that conclusion and delete those two
3 at this point.

4
5 **MR. SWINDELL:** It would seem, to me, that when you have
6 Alternatives 1, 2, 3, or 4, that you're going to choose one of
7 them and not both of them. I don't know why you would, unless -
8 - You can. Thank you.

9
10 **MR. RIECHERS:** In past documents, we have often, if the suite of
11 alternatives is designed where there is really multiple options
12 in there, we have often used some level of multiple preferreds.
13 Again, I am not going to fall on my sword over this one way or
14 the other. If you guys want to leave it in there, vote no.

15
16 **CHAIRMAN GREENE:** Thank you. Is there further discussion? We
17 have a motion on the floor. **All those in favor of the motion**
18 **before you, please raise your hand; all those opposed, like**
19 **sign. The motion carries.** Mr. Matens.

20
21 **MR. CAMP MATENS:** Thank you, Mr. Chair. I wanted to ask Ava a
22 question. Ava, there is forty-three-some-odd-thousand pounds of
23 fish that are here. How many individual accounts are those or
24 does that represent?

25
26 **DR. LASSETER:** Could we go back to the document and look at the
27 top of page 20? We have a table, Table 2.2.1. We have broken
28 it down for you into the number of accounts. I think we can
29 assume, and I'm going to look over at Jessica, assume that these
30 are probably not related to other accounts, we assume, or else
31 they probably would have accessed them to move them, and so I'm
32 going to assume that these would be individuals also associated
33 with each one of these accounts.

34
35 I will point out that, on NMFS's website, on the Southeast
36 Regional website, if you go into the list of current permit
37 holders, you can actually see that NMFS has noted with an X all
38 of the initial accounts that have not been activated, and so you
39 can see who those are, and that's also how some of the fishermen
40 have been able to access these people.

41
42 Basically, the whole grouper-tilefish program, about fifty-five
43 accounts have been broken up by the different species or species
44 groups within that, and then there are still forty-nine
45 inactivated accounts in the red snapper program, and most of
46 these accounts have very, very little quota, but there is one
47 red snapper account that's got a -- It's gone? Okay. It's
48 gone. I looked a while ago, and I think it had like 12,000

1 pounds or something, but it's gone. In that case, do you have a
2 sense of how this number has changed since April 20?

3
4 **DR. STEPHEN:** I haven't really looked at it, but I don't recall
5 many -- In order for these guys to access their account, they
6 have to send us paperwork that validates their citizenship, in
7 order to take their account out of suspended and activate it. I
8 don't really recall having many, maybe one or two, and so that
9 number probably has not changed.

10
11 **DR. LASSETER:** Except that if it was the person with the largest
12 amount. That was over 10,000 pounds, I believe.

13
14 **DR. STEPHEN:** I can go back and double-check on that for you.

15
16 **DR. LASSETER:** If that is true, then that would be about 19,000
17 pounds for the red snapper, possibly, and so it might bring this
18 down 10,000 pounds.

19
20 **CHAIRMAN GREENE:** Thank you. Chairman Anson.

21
22 **MR. ANSON:** Thank you. Ava, this might be a question for you or
23 it might be a question for Andy. What is the communication you
24 expect to have with the account holders as this document goes
25 forward and looks like it's going to go through for approval?
26 We have the two options. One is they won't basically have any
27 time once it goes into final implementation and it's done. Then
28 another option is the one-year notice. Is there going to be a
29 mailing that's done at some point, either as the document is
30 progressing, to give them notice, one last chance, if you will,
31 or will a letter go out once it is implemented, if we choose the
32 one-year option, and the letter will state that you have one
33 year to kind of activate this account?

34
35 **MR. STRELCHECK:** Good question, Kevin. I don't think we've made
36 any sort of final determination on how that will be done, but we
37 have, in the past, sent letters to account holders that haven't
38 opened their accounts, and we found that actually to be fairly
39 unsuccessful, because of mailing addresses changing and people
40 not being able to be found.

41
42 We did, a year or two ago, post all of the accounts with
43 inactive shares on our website, and industry has looked at that
44 and certainly taken it upon themselves to find a lot of people
45 that we've been unable to find, but we will certainly have to go
46 out and convey that these changes are coming and try to reach
47 out to those that have accounts that are inactive.

48

1 **MR. ANSON:** Based on your history of trying to communicate with
2 the folks with the addresses you had on file and working with
3 industry and that little bit of push, do you feel like you have
4 kind of beat the bushes enough to notify those folks? If we
5 chose Sub-Option a for these, that that would be fine? Mara,
6 you can certainly chime in. I mean there isn't anybody that's
7 going to necessarily call foul if we chose Sub-Option a and
8 didn't select Sub-Option b?

9
10 **MS. LEVY:** The Federal Register notice, the proposed rule, is
11 legal notice that this is happening, and so I don't think
12 there's any basis to challenge doing this upon implementation of
13 the final rule, and I'm sure NMFS will do whatever outreach they
14 can, but I think, given that these accounts have just been
15 sitting there, that, unless someone can find these people, I
16 don't know if it will help very much.

17
18 **MR. ANSON:** Thank you.

19
20 **CHAIRMAN GREENE:** Thank you. Any further discussion? Okay, Dr.
21 Lasseter.

22
23 **DR. LASSETER:** Thank you, Mr. Chairman. We will move on to
24 Action 2.2. It begins on page 21. This action addresses how
25 those shares from those inactivated accounts would be
26 redistributed. Of course, your Alternative 1 is always your no
27 action, do not redistribute those shares. They would, of
28 course, then just remain with NMFS. Alternative 2 would
29 redistribute the shares from each share category equally among
30 all the shareholders of that same share category.

31
32 Again, the share categories are each of the rows, for example,
33 in the last table that we saw, and so deepwater grouper is one,
34 shallow-water grouper is another, red grouper, gag grouper, and
35 then all the tilefish are considered one share category.

36
37 Alternative 2 would redistribute the shares, again, from each
38 share category, but according to the proportion of shares held
39 by shareholders of that share category at the time the shares
40 are returned to NMFS. This is similar to how, when the quota is
41 distributed out to the shareholders at the beginning of the
42 year, how much allocation they get from those shares in
43 proportion to their existing shareholdings.

44
45 Alternative 4 would redistribute the red snapper shares amongst
46 the existing grouper-tilefish shareholders, again in proportion
47 to their shareholdings, and the inverse, to redistribute those
48 shares from those inactivated grouper-tilefish accounts amongst

1 those red snapper shareholders, and, again, in proportion to
2 their existing shareholdings.

3
4 Alternative 5, this is one of our new alternatives since the
5 last council meeting, when you added it. It would redistribute
6 the shares from each of the share categories to the allocation-
7 only account holders. Again, these are the accounts that have
8 to be created by people that want to be able to to acquire
9 allocation to go out and fish, but that they do not actually
10 hold shares in that account.

11
12 Now, keep in mind that that account could be related to another
13 shareholder account that does have shares, but the idea here was
14 to distribute -- Your idea from the last meeting, as we
15 understood it, was to redistribute those shares to those
16 accounts that do not hold shares. Is there any question on that
17 one? That's a new alternative that you added.

18
19 **CHAIRMAN GREENE:** Ms. Bosarge.

20
21 **MS. BOSARGE:** You might have just said it while I was trying to
22 ask Kevin if I missed the answer, but, anyway, that one, where
23 it's redistributed to someone with an allocation-only account, I
24 am assuming that person would be allocation-only with a permit,
25 so that you know that they actually have a boat and are fishing.

26
27 **DR. STEPHEN:** Actually, you could have an allocation-only person
28 who does not have a permit, because there are some people that
29 are just using that account to transfer allocation between other
30 accounts. If you want the permit stipulation, I would suggest
31 adding it. There is a handful of accounts that have allocation
32 without permits and without shares.

33
34 **MS. BOSARGE:** One follow-up. What would you suggest, since you
35 see how these accounts work? If our goal is to make sure that
36 that goes to someone that is a fisherman that wants to come up
37 in this industry and grow his business, but he currently doesn't
38 own shares, but he is leasing or whatever from someone else and
39 actually actively fishing, if that's the group that we're
40 targeting, do we need to put something in there that says
41 allocation-only with a permit?

42
43 **DR. STEPHEN:** If you're talking actually fishing, you could say
44 allocation-only and landed, because you have to have the permit
45 to land. Now, keep in mind the graph I showed before, that 61
46 percent of the accounts are related to each other, and so you
47 can have allocation-only accounts that are related to someone
48 who has shares that they purposely were separating their assets.

1 It's up to the council if they want to distinguish between that.
2 As soon as you start to try and make distinctions between
3 related accounts, you complicate this greatly.

4

5 **CHAIRMAN GREENE:** Ms. Levy.

6

7 **MS. LEVY:** Could you specify, to get at what Leann was talking
8 about, that you are only going to redistribute these shares into
9 allocation-only accounts that have landings or permits that are
10 not related to any account that has shares? Looking solely at
11 those accounts that have allocation only and either have a
12 permit or landings associated with it, whatever you want, but no
13 relationship to another account with shares.

14

15 **DR. STEPHEN:** Yes, because we can figure out the relatedness.
16 It's a little time consuming to make sure you're tracking
17 everything correctly. We can do that, but I would suggest we
18 have a specific point in time that you establish, that we're
19 looking at that point in time, because relationships change.

20

21 **CHAIRMAN GREENE:** Thank you. Any further discussion? Okay, Dr.
22 Lasseter.

23

24 **DR. LASSETER:** Thank you, Mr. Chairman. Our final alternative
25 in this action is Alternative 6. This is the only alternative
26 that would not redistribute the shares, but only the allocation
27 of those shares from the inactivated accounts. Here is our
28 quota bank option.

29

30 Alternative 6 states do not redistribute shares, but distribute
31 the annual allocation associated with the shares to
32 participants, as yet undefined, through a NMFS quota bank each
33 year. Here, it just says participants. If you were to go this
34 route, you would want to define which specifically, which we
35 have some options here, and under what parameters, under what
36 requirements.

37

38 Option 6a would distribute that allocation equally among
39 whatever participants are defined. Option 6b would distribute
40 the red snapper allocation, and we're only speaking of red
41 snapper here, the red snapper allocation equally among
42 participants who are fishing and landing red snapper in the
43 eastern Gulf. Again, this whole alternative was added at the
44 last council meeting, and we will need some additional
45 clarification for who these participants would be and what would
46 be defined as the eastern Gulf, what would be the boundaries of
47 defining within the eastern Gulf. That's another key point of
48 this as well.

1
2 You did hear a bit about quota banks before we started, before
3 we got into the document, and so this also gets at do you want
4 to pursue this route with this allocation, and I would just
5 point out, again, think about how much quota we're talking about
6 in these accounts. Is this a route we want to go?

7
8 Now, the quota bank could be used for something additional, and
9 I want to point that out as well. We haven't gotten into 36B
10 yet, but there might be something there that you might find a
11 function for this tool, but you would kind of want to be
12 considering that in designing the quota bank as well. You would
13 want your goals and your purpose of it to encompass that more
14 broadly, if that is the direction you were going to go. I am
15 going to stop there and see if there's any questions.

16
17 **CHAIRMAN GREENE:** Thank you. Mr. Matens.

18
19 **MR. MATENS:** I'm sorry. Maybe it's in here and I just can't
20 find it, but if these snapper go to the people in the eastern
21 Gulf, which I am not against or for, how many pounds of snapper
22 is it?

23
24 **DR. LASSETER:** That's a good question. We are talking now
25 about, as of April 20, 2016, given the current quota, we were
26 talking about less than 29,000 pounds. Who those participants
27 would be, that would also have to be defined and the geographic
28 domain, and so I'm not sure how many people are landing. Would
29 you provide it to anybody that's landing or would you want to
30 narrow it? But we're not talking about a lot of pounds, a lot
31 of red snapper. It's 28,000 or 29,000 pounds.

32
33 **MR. MATENS:** To that point, is there anyone, yourself or anyone
34 else, do you think that would solve the issue of the bycatch
35 issue of snapper in eastern Gulf?

36
37 **DR. LASSETER:** I would not like to speak to bycatch, as not a
38 biologist, but, given that the quota bank program that we heard
39 from the Shareholders' Alliance is trying to bump up their
40 program to I believe he said 75,000 pounds this year, and they
41 are only allowing that allocation to be used for incidentally-
42 caught red snapper on grouper trips. You are not allowed to
43 target those fish.

44
45 If they're talking about 75,000 pounds and they still could have
46 a greater demand -- Jessica pointed out that possibly that
47 largest account within that 29,000 pounds might be gone, and we
48 might be talking about 18,000 pounds of fish. I am not a

1 biologist, but I would suspect this is not going to satisfy your
2 bycatch problem.

3
4 **DR. STEPHEN:** That account is still there. It's still the
5 28,000. I just checked. The account is still there.

6
7 **CHAIRMAN GREENE:** Thank you. Mr. Diaz.

8
9 **MR. DIAZ:** I guess this question is for Jessica. We talk in the
10 document about at what point is this cost prohibitive to try to
11 set this up, and I really don't have a feel for how much it
12 would cost. Can you speak to that at all?

13
14 **DR. STEPHEN:** I would just say that Alternative 6 with the quota
15 bank would involve an awful lot of work to set something up for
16 a very small amount of pounds. As Ava mentioned, quota banks
17 are considered in 36B, where there might be different avenues in
18 order to obtain allocation to put into it. In that sense, I
19 would think it would be fairly cost-prohibitive to spend the
20 time to set it up and figure out what our goals and objectives
21 of the quota bank were for 28,000 pounds of red snapper, which
22 is the highest per-share category we have right now.

23
24 **CHAIRMAN GREENE:** Thank you. Ms. Bosarge.

25
26 **MS. BOSARGE:** Mara, the suggestion you threw out about that
27 Alternative 5 a second ago, with that discussion, I think that
28 was our intent, was, if we were to redistribute those shares to
29 people that didn't have shares before and we wanted them to go
30 to fishermen that were out there actively fishing but were not
31 shareholders in that fishery at the moment, hopefully your
32 younger generation that's coming up in it, and so -- We had a
33 discussion, but, I guess, in order to make that change, if
34 that's the direction that we wanted to go with that Alternative
35 5, we would need a motion.

36
37 Before I make the motion, I want to make sure that I get the
38 wording right. You said, and I am looking at both of you
39 ladies, to make sure I get this right. It would be more like
40 redistribute the shares from each share category to the
41 allocation-only account holders with a commercial reef fish
42 permit and landings and no related accounts with shares for that
43 category. Is that right?

44
45 **DR. STEPHEN:** That sounds right. The only thing you might want
46 to consider is what timeframe are we looking at for landings?
47 Is it the current year or a couple of years?

48

1 **MS. BOSARGE:** I would let the IPT flesh that part out if I could
2 just get this motion for the main gist of it right. **I would**
3 **like to make a motion, please, that we amend Alternative 5 in**
4 **Action 2.2 to read: Redistribute the shares from each share**
5 **category to the allocation-only account holders with a**
6 **commercial reef fish permit and landings, but not related to**
7 **other accounts with shares in that category.** If I get a second,
8 I will try and make sure I have it right.

9
10 **CHAIRMAN GREENE:** I am going to Ms. Bosarge a minute here to
11 read her motion and make sure it's correct, along with everyone
12 else. I think we realize the intent here, but let's make sure
13 we capture it.

14
15 **MS. BOSARGE:** It's pretty complicated, but I think that's my
16 motion.

17
18 **CHAIRMAN GREENE:** We have a motion on the floor. Is there a
19 second for this motion? It's seconded by Mr. Diaz. Is there
20 further discussion? Ms. Bosarge.

21
22 **MS. BOSARGE:** As I stated earlier, I am not going to muddy up
23 that motion anymore, but I'm sure there would be some options on
24 what timeframe would look like to determine that, some point in
25 the past, and so I will leave that up to staff to give us some
26 kind of decent range for that.

27
28 **CHAIRMAN GREENE:** Thank you. Is there further discussion by the
29 committee? **Is there any opposition to the motion on the floor**
30 **before you? Seeing no opposition, the motion carries.** Mr.
31 Strelcheck.

32
33 **MR. STRELCHECK:** I would like to make a motion. **I would like to**
34 **move that Alternative 6 be moved to considered but rejected. If**
35 **I get a second, I can describe why.**

36
37 **CHAIRMAN GREENE:** We have a motion going up on the board to move
38 Alternative 6 to considered but rejected.

39
40 **MR. DIAZ:** Second for discussion.

41
42 **MR. STRELCHECK:** We've already discussed that quota banks are
43 being considered in 36B. I think there're more viable avenues
44 for their consideration in that amendment, given the amount of
45 quota is so small for what we're considering to be redistributed
46 here. It's 28,000 pounds for red snapper, and I believe almost
47 half of that for grouper-tilefish.

1 My expectation is those numbers will continue to go down as
2 these conversations occur, and it just doesn't seem like a
3 viable option to set up a quota bank for such a small amount of
4 quota that would have to be redistributed, and so my
5 recommendation is to move it considered but rejected, but
6 maintain it in 36B for further discussion.

7
8 **CHAIRMAN GREENE:** Thank you, Mr. Strelcheck. Any further
9 discussion on the motion on the floor? **Seeing no further**
10 **discussion, is there any opposition to the motion on the board**
11 **before you? Seeing no opposition, the motion carries.** Dr.
12 Lasseter.

13
14 **DR. LASSETER:** Thank you, Mr. Chairman. Our final action is
15 Action 3, and it begins on page 24. Action 3 addresses
16 retaining annual allocation before a quota reduction, and so
17 this action mirrors the framework action that recently withheld
18 quota before the anticipated reallocation of red snapper, and so
19 that was done in a framework action. In order to make this kind
20 of a potentially future anticipated quota modification, to not
21 have to engage in a framework action each time this happens,
22 this would give the Regional Administrator the authority to do
23 so.

24
25 Alternative 1 would continue to distribute 100 percent of both
26 programs' annual allocation to IFQ shareholders on January 1 of
27 each year. Alternative 2 provides the Regional Administrator
28 the authority to withhold the amount of annual allocation from
29 either program, red snapper or grouper tilefish, before
30 distribution at the beginning of a year in which a commercial
31 quota reduction is expected to occur.

32
33 It provides a couple of options. Withheld red snapper and
34 grouper tilefish annual allocation will be distributed to
35 shareholders if the effective date of the final rule
36 implementing the quota reduction has not occurred by, Option a,
37 June 1, or, Option b, August 1. I will turn this over for any
38 discussion or questions.

39
40 **CHAIRMAN GREENE:** Thank you. Is there any discussion? Seeing
41 no discussion, Dr. Lasseter.

42
43 **DR. LASSETER:** Thank you, Mr. Chairman. Okay. That's the last
44 action of this amendment, and I wanted to briefly ask the
45 committee about your expected timeline for the document. The
46 IPT is going to continue -- We're going to modify the document
47 to reflect the motions that pass in full council, of course.

1 We have previously held scoping meetings. We would need to hold
2 public hearings at some point. Is there any sentiment amongst
3 the committee members about the timeline for how they see this
4 document going?

5
6 **CHAIRMAN GREENE:** Dr. Simmons.

7
8 **DR. CARRIE SIMMONS:** Thank you, Mr. Chairman. I'm glad Ava
9 brought this up, because I was going to bring it up if you
10 didn't, but I guess my question would be to the Regional Office
11 staff and to Ava, in thinking about the IPT.

12
13 Based on the additional data requests that were just discussed,
14 do we think we can bring a public hearing draft to the October
15 council meeting or do we need some more flexibility, and it
16 would be very draft, since we don't have all of the options
17 finalized under some of the alternatives, to January?

18
19 I guess I'm not really sure how in-depth we need to go, and,
20 also, we're having the Law Enforcement AP look at that, but,
21 before we work towards that public hearing draft, it seems like
22 some of our alternatives and options are still changing and
23 moving around in this document, and so I'm glad we're talking
24 about this. Thank you.

25
26 **CHAIRMAN GREENE:** Thank you. Is there discussion? Mr. Boyd.

27
28 **MR. DOUG BOYD:** A different topic, and so I will wait.

29
30 **CHAIRMAN GREENE:** Thank you. Is there discussion about this
31 topic? Does anyone want to weigh in? Then I will weigh in. I
32 guess we're going to have the Law Enforcement AP look at some of
33 this stuff, the landing notification and it seems like we've
34 added some stuff, and so, as much as I want to get this thing
35 off the table and move on to other things, I think it may be --
36 It just seems like I really want to hear what they have to say
37 about the landing deal, because there is some confusion there.

38
39 I have read it three or four times, and I still want to kind of
40 clarify it in my own mind, and so I would assume that we would
41 bring it back in October with the updated analysis and let the
42 law enforcement people have their opportunity at it and then
43 we'll move forward at that particular point. Is there anyone on
44 the committee that disagrees or would have a different point of
45 view? Please speak up now. Mr. Fischer.

46
47 **MR. FISCHER:** My understanding is in October we will be taking
48 full preferred alternatives and moving forward for public

1 hearings.

2
3 **CHAIRMAN GREENE:** That's correct, and what I did not say but
4 meant to say.

5
6 **MR. FISCHER:** You may have said it, and I'm trying to shuffle
7 through my junk file right here and get to the microphone, and I
8 might not have heard it.

9
10 **CHAIRMAN GREENE:** I'm with you. Dr. Lasseter.

11
12 **DR. LASSETER:** What I just understood was we were not working
13 towards a public hearing draft and we were just going to revise
14 the document based on your direction and get these extra
15 analyses, and so you do want us to work towards a public hearing
16 draft in October?

17
18 **CHAIRMAN GREENE:** Mr. Fischer wants to continue with it, but I
19 really want to hear what the law enforcement has to weigh in on,
20 and I think that's going to hamper the decision that's
21 ultimately made. Don't leave it up to me. You all are on the
22 committee, and does anybody want to speak up and say anything
23 now? If it's up to me, I would just bring it back in October
24 and hear what the law enforcement has and then go for scoping in
25 the first part of the year. Ms. Gerhart.

26
27 **MS. SUE GERHART:** Just in terms of getting the analysis that you
28 need to make your decision for preferreds, if we don't have
29 solidified actions and alternatives, then it's difficult to do
30 that analysis. We would prefer that you had all of that
31 information before you made those decisions. For that, we
32 wouldn't have all of that for October, but it's up to you when
33 you want to make those decisions.

34
35 **CHAIRMAN GREENE:** Thank you. Okay. Let's just do as we laid
36 out a minute ago. Let's let the staff and IPT have time to come
37 back with the analysis in October and let's hear what the Law
38 Enforcement Committee has to say about it. Then we will move
39 forward after that particular point. I don't see anybody
40 opposing it, and so I guess that's the intention of how we will
41 progress from here. Okay, Dr. Lasseter, do you have anything
42 else?

43
44 **DR. LASSETER:** I am good. Thank you, Mr. Chairman.

45
46 **CHAIRMAN GREENE:** Okay. We are up for a break, almost on time.

47
48 **MR. MATENS:** I just want to go back to Action 2.2 for a second.

1 Dr. Lasseter, has staff or the IPT had any discussions about an
2 alternative that would allow NMFS to auction and redistribute
3 any shares, as another alternative?
4

5 **DR. LASSETER:** The IPT has not discussed it. I believe at the
6 last meeting that we talked about the committee modifying and
7 providing additional alternatives. If that's an alternative you
8 would like to add -- I am trying to get the attention of
9 somebody over at NMFS staff. Adding an alternative for
10 auctions, if that's the committee will, should they make that as
11 a motion?
12

13 **MR. STRELCHECK:** They can make a motion if they would like. I
14 guess I would go back to it's such a small quantity of fish, and
15 so you're going to potentially have to set up a very complicated
16 system in order to auction off the fish with that process, and
17 so that would be my main concern, is the quantity of fish that
18 we would be distributing and the cumbersome process that would
19 have to be developed to do so.
20

21 **CHAIRMAN GREENE:** Thank you. Any further discussion before we
22 leave? Mr. Strelcheck.
23

24 **MR. STRELCHECK:** I wanted to go back to Action 2.2, Alternative
25 4. This was something I believe that was added at the last
26 council meeting. I just wanted to note that there is concerns
27 here about the distribution of grouper-tilefish shareholdings to
28 red snapper shareholders and vice versa, primarily because there
29 is often fishermen that fish for red snapper but not grouper-
30 tilefish or certain species of grouper-tilefish and vice versa.
31

32 You potentially, if you select this as an alternative, you, with
33 this alternative, would be distributing shareholdings to people
34 that wouldn't necessarily be using those shares to begin with,
35 and I think about the deepwater grouper and tilefish fishery, in
36 particular, it's a very unique fishery and very limited number
37 of vessels that participate in it, and so, going down this path,
38 I think that's a huge downside to selecting this as a preferred
39 alternative or even having it as an alternative.
40

41 **CHAIRMAN GREENE:** Thank you. Is there further discussion? Mr.
42 Boyd.
43

44 **MR. BOYD:** I am going to offer a motion, and my motion is going
45 to be Alternative 6, but I may need some help in wordsmithing
46 this. To add Alternative 6 in 2.2 to distribute allocation in
47 non-activated IFQ accounts through an auction by National Marine
48 Fisheries to the highest bidder, in a silent bid, no-reserve

1 **format.** If I get a second, I will talk about it.
2
3 **CHAIRMAN GREENE:** Let's make sure we get this correct on the
4 board. Ms. Levy.
5
6 **MS. LEVY:** When we first started talking about looking at
7 Amendment 36 in general and what we could and could not do with
8 respect to modifying the red snapper IFQ program, based on the
9 referendum provisions that are expressed for red snapper, that
10 you have to have a referendum before you start working on a new
11 plan and what would constitute a new plan, the one thing that I
12 said would trigger that requirement is establishing an auction,
13 because the provisions that talk about auctions talk about in
14 establishing the LAPP program that you can consider auctions.
15
16 The council decided, way back when we started talking about
17 this, not to consider auctions, so as to not trigger the
18 requirement to have a referendum before you start working on it.
19 I don't think we can add this now without going back to that
20 referendum discussion, and then it's going to trigger a whole
21 host of things, because we've already started working on it
22 without having the referendum.
23
24 If you want to consider some kind of auction with respect to at
25 least the red snapper IFQ program, we're going to have to have a
26 referendum about that before you can start working on it.
27 Grouper-tilefish is not the same situation, because it has a
28 different referendum provision.
29
30 **CHAIRMAN GREENE:** Thank you. We have a motion on the board. It
31 was seconded by Mr. Matens. Any further discussion?
32
33 **MR. BOYD:** My reasoning on this is that we don't have all of the
34 alternatives that are available to us here, and that's my sole
35 reason. I think that any time that we have allocation that's
36 available and people are currently buying that allocation up,
37 why can't the American public receive the funds for that? An
38 auction seems like the right thing to do, and it is a viable
39 alternative. Now, saying that, Mara, did we have a vote not to
40 do a referendum earlier or go through that process?
41
42 **MS. LEVY:** You had a discussion about what to include in
43 Amendment 36, what you were going to make 36 about, what was
44 going to be in there, and the one thing that was highlighted
45 that you could not include without first having a referendum was
46 an auction requirement for red snapper.
47
48 Before you started actually working on Amendment 36, you decided

1 you weren't going to include that, because you couldn't without
2 first having the referendum, because remember red snapper has
3 the before you begin working on it referendum and then the
4 before you submit it referendum. It has the requirement for two
5 of them, not like the regular limited access privilege program
6 referendum requirements.

7
8 **CHAIRMAN GREENE:** Thank you. We have a motion on the floor, and
9 it's been seconded. How do you all wish to proceed? Mr. Matens
10 seconded the motion. Ms. Bosarge.

11
12 **MS. BOSARGE:** Doug, I guess, if that was the avenue you wanted
13 to proceed, you could always make a motion that started a new
14 document, a separate document, to go down that path. I mean I
15 am trying to throw something out there, because, based on what
16 Mara said, I feel like I have to vote against this motion, and I
17 don't want you to feel like, if that's something you really want
18 to consider, that it's just not possible. I think you would
19 just have to do it in a new document that we haven't started
20 yet.

21
22 **MR. BOYD:** This document is modifying the IFQ program. This
23 seems like the appropriate place to do that. Mara, if this
24 motion passed, why wouldn't it be a part of the analysis of the
25 document? It isn't approved and it isn't a part of the finished
26 amendment yet.

27
28 **MS. LEVY:** Right, but, under the red snapper referendum
29 provisions, in order to prepare a plan that creates a limited
30 access privilege program, you have to have a referendum. In
31 order for the council to start preparing a plan that creates a
32 limited access privilege program, you have to have a referendum.

33
34 The reason that I had said that having an auction is equivalent
35 to creating a new limited access privilege program plan is
36 because, under the limited access privilege provisions that talk
37 about auctions, it says, in establishing a limited access
38 privilege program, the council shall consider and may provide
39 for an auction system. It's very clear that the auction comes
40 in when you're establishing the plan.

41
42 If you're going to now put an auction into this, in my mind,
43 there is a very strong argument that you are establishing a new
44 plan. If that's true, then we have to have a referendum before
45 you start preparing that.

46
47 If you want to have a motion to hold a referendum to allow you
48 to start preparing a plan to establish a new system that

1 includes an auction, that seems feasible, to me. Passing this,
2 to me, says that we have to stop and hold a referendum to allow
3 the council to continue to prepare a new plan that includes an
4 auction system.

5

6 **CHAIRMAN GREENE:** Thank you. Mr. Riechers.

7

8 **MR. RIECHERS:** Mara, and certainly I don't question your legal
9 interpretation, but I guess what I would suggest is that isn't
10 this just a way to handle the undistributed allocation shares
11 and not an entire IFQ referendum or plan?

12

13 That just provides a different alternative, as opposed to the
14 alternatives that are there or to the alternatives, which we
15 considered and put in rejected of a quota bank kind of system.
16 While there may be reasons not to do this, I don't think at it
17 as a full IFQ program discussion. It's a way to handle some
18 undistributed shares.

19

20 **MS. LEVY:** I think the issue for me is that the language about
21 auctions talks about establishing a limited access privilege
22 program and providing an auction system, if appropriate, to
23 collect royalties for the initial or any subsequent distribution
24 of allocations in the program.

25

26 It's specifically saying when you create this program that you
27 can consider an auction, or you have to consider an auction
28 system, and you can implement it for the initial distribution
29 and any subsequent distributions. This is a subsequent
30 distribution, and so, if you read that language, you are, in
31 essence, creating a new plan that is going to consider an
32 auction for subsequent distribution, and it's very hard to then
33 say that this doesn't fall under the referendum provision that
34 requires that you have a referendum to allow yourself to prepare
35 such a plan.

36

37 I know it's awkward, because 407(c) is awkward, because it has
38 been in there for so long and it's an awkward provision to apply
39 today, but it's still there. I understand what you're saying,
40 and I understand that it doesn't fit neatly into a box, but,
41 when you look at the two provisions together, it's sort of the
42 only reasonable interpretation that I can come up with.

43

44 **CHAIRMAN GREENE:** Thank you. Is there further discussion? Mr.
45 Boyd.

46

47 **MR. BOYD:** Based on Mara's interpretation, I will withdraw my
48 motion, but I don't know that I agree with it, even though she

1 read it out of the book. Thank you.

2
3 **CHAIRMAN GREENE:** The motion has been withdrawn. With that, is
4 there any further discussion before we leave Amendment 36 and go
5 to break? Seeing none, we're going to take a fifteen-minute
6 break and pick back up at 10:50.

7
8 (Whereupon, a brief recess was taken.)

9
10 **CHAIRMAN GREENE:** We're going to move on, but I just want to
11 circle back to our discussion about the timeline and what we're
12 going to do with with Amendment 36. I have talked to Sue
13 Gerhart about how we're going to handle this, or her idea of how
14 we should handle this, and they're going to bring back some
15 additional analysis to us in October.

16
17 After that, we want to see what the Law Enforcement Committee
18 comes out with their ideas, and then we're going to try to move
19 forward toward a public hearing draft in February, and so just
20 to make sure that everybody is clear on the intent. I certainly
21 don't want to mislead anybody, and, if anybody has any issues
22 with that, please speak up now. Otherwise, we're going to
23 continue on our agenda.

24
25 We're going to turn now to our next action item, which is Review
26 of Headboat Collaborative Project. That will be Tab B, Number
27 8, and Dr. Stephen.

28
29 **REVIEW OF HEADBOAT COLLABORATIVE PROJECT**
30 **OVERVIEW**

31
32 **DR. STEPHEN:** At the last council meeting, you guys had asked
33 for an update of where we were after the two-year headboat pilot
34 program. I'm going to give the first half of the presentation,
35 and then Josh Abbott will give the second half of the
36 presentation.

37
38 Just an overview, to remind you guys about this program, it was
39 a two-year allocation-based program just for red snapper and gag
40 with 100 percent catch accountability. We have between
41 seventeen to nineteen vessels across the Gulf participating, and
42 they were monitored through VMS hail-out and hail-ins, approved
43 landing locations, and trip-level reporting requirements.

44
45 A review of how the quota distribution went, NMFS distributed
46 the quota to the Headboat Collaborative manager. This was a
47 collaborative program, and so it was a little different than the
48 commercial-style IFQ program. The manager then determined how

1 to distribute that to the vessels and distributed the allocation
2 to the vessels.

3
4 When the vessels were going on a fishing trip, they needed to do
5 a VMS declaration. At the declaration level, we sent an email
6 to law enforcement and dockside samplers, to let them know a
7 trip was going out. One hour before landing, the vessels had to
8 do a pre-landing notification. Again, an email went out to law
9 enforcement and dockside samplers that said exactly what time
10 they were landing, where they were landing, and the exact count
11 they had of red snapper and gag onboard.

12
13 The vessel would land at an approved landing location, and a
14 subset of that were dockside samplers there to validate the
15 catch against what was put in during the hail-in. They would
16 submit their e-log on the day that the trip was completed, and
17 then those landings were sent from the Southeast Headboat Survey
18 Program to SERO and the allocation was deducted from their
19 account.

20
21 There was a tag system involved in this program. This tag
22 system though was developed by the participants and the manager
23 and not by NMFS. They did use a waterproof tag. They color-
24 coded it for species, and the crew was responsible for filling
25 out information on that, such as the vessel's name, the
26 customer, and the date. Tags were kind of attached to the fish
27 in a different way. Some of them attached them to the fish and
28 some to the stringer. On others, they put it in the fillet bag.

29
30 Let's go over what they landed. This was a program where we
31 converted pounds over to number of fish, and so I will display
32 information both in pounds and in the conversion to fish. For
33 gag, in the green, in the first year, they landed 50 percent of
34 the fish, and about 51 percent of it as in pounds, and there was
35 a little bit less in 2015. They had about 30 percent fish and
36 37 percent in pounds.

37
38 For red snapper, in the red, we see that they had 98.9 percent
39 of their fish landed the first year and 95.8 percent by weight.
40 In the second year, it was 84.9 percent of the fish and 89.8
41 percent by weight.

42
43 Comparing the trips over the two different years, in both years
44 we had over 3,000 trips. Of those, only between 51 to 60
45 percent of the trips actually landed red snapper or gag, and you
46 can see that there were more trips landing red snapper, 41 to 38
47 percent, versus gag, which was 22 to 16 percent.

48

1 One thing I would like to point out is that they had a variety
2 of different types of trip lengths that they were running. They
3 had half-day trips, three-quarter-day trips, full-day trips, and
4 multi-day trips. The majority of the trips were either half-day
5 or three-quarter-day trips. In half-day trips or in the three-
6 quarter, we could have two trips per day. We had full-day
7 trips, and very few of the vessels did multi-day trips.

8
9 We wanted to look at kind of the seasonal pattern of trips of
10 the Headboat Collaborative Program versus the entire survey, and
11 so the orange-colored line that you see running through there is
12 all survey trips, trips for vessels all from the headboat
13 survey, and you can see that, in the blue line, it's any trip
14 taken by a vessel in the collaborative. The green line is the
15 trips that actually landed species for that. What I want to
16 point out is that the seasonal pattern was the same for the
17 headboat vessel trips versus the entire SRHS trips.

18
19 When we look at the percentage of fish that were landed, in red
20 snapper, there is a very similar pattern between 2014 and 2015,
21 where you see June and July having the bulk amount of poundage
22 of fish landed. In gag, there was a little bit different
23 distribution in it. Typically, when you see a high value that
24 you see in December of 2015, this is something we see in the
25 commercial IFQ programs where they're trying to use up some
26 allocation at the end of the year, and it's also a time where
27 gags might be harvested more.

28
29 Talking about converting fish to pounds, we did a pre-season
30 conversion, and that was an annual conversion prior to the start
31 of the program, where we looked across all months by region, and
32 we did it by region because there can be differences in weight
33 by the regions.

34
35 We also compared that to an in-season conversion. In-seasons
36 were done monthly instead of annually, and, there again, per
37 region. We updated those in-season weights every fifteen to
38 thirty days, and those were based on the dockside sampling. You
39 can see that there were differences between pre-season and in-
40 season conversions, depending on the years. In one year, we
41 ended up at negative 3.3 percent. That meant we estimated a
42 greater weight for the pre-season than the in-season. In
43 another year, we ended at 5.5, in which the in-season was
44 greater than the pre-season. Monthly, you had a lot more
45 variation, and that had a lot to do with sample sizes.

46
47 Speaking of different weights by region, this is just a quick
48 table that shows you the different weights that they were for

1 each of the different regions that we looked at and the range of
2 weight differences. This highlights the need to make sure that
3 we're looking at regional differences in weights in any program
4 going forward where we're looking at fish and weight
5 conversions.

6
7 There were allocation transfers allowed between the vessels, and
8 so we had four different transfer reasons that were allowed to
9 be selected. There was a no-comment, and that had the greatest
10 number of reasons selected. Then we had a barter/trade, and
11 that would be someone giving red snapper allocation for gag
12 allocation or vice versa. There was also sale to another
13 vessel, in which case someone was selling the allocation they
14 had to another vessel or a gift between vessels.

15
16 Most of the transactions occurred within the same region, and so
17 we didn't see a lot of cross-region transfers. Looking at it by
18 species, we saw that there were more transfers of red snapper
19 allocation than gag. We had about eleven to ten accounts doing
20 the transfers, and they did between nineteen to twenty-eight
21 total transfers within the years, and this equated to about 5 to
22 6 percent of the quota moving between different vessels.

23
24 When you look at gag, there were only a handful of accounts that
25 were doing transfers, and they only did a very small number of
26 them, and it was less than 1 percent, up to 2 percent, of the
27 quota for the gag transfers, and so this was a very different
28 picture than what we have seen commercially, where the
29 allocation transfers could exceed the quota.

30
31 What I wanted to do was look at trip validation across the two
32 different years. The solid color in these graphs represents the
33 total number of trips taken, and the hatched marks that you see
34 are the number of trips that were validated for those.

35
36 Overall, we had 23 to 26 percent trip validations per year,
37 which is a really good subsample of that. That equated to
38 between 707 to 904 trips per year. By month, we ranged between
39 11 percent to 47 percent per month, or thirty-five to 109 trips.
40 One thing to keep in mind is that in the summer months you have
41 many more trips, and so it looks like you're validating less for
42 the amount of trips taken, but you are roughly the same among
43 the different months in the amount of trips you're validating
44 overall.

45
46 With the validation, we looked for what discrepancies there were
47 between the hail-in that gave you the number of fish and the
48 number of fish that the dockside samplers saw. Then we also

1 compared that to the number of fish entered in the landing
2 transaction. There were only thirty trips out of the 3,000,
3 actually out of the 6,000 for both years, that had
4 discrepancies.

5
6 All of these had to do with red snapper. We had a higher number
7 of discrepancies in 2014. That was actually due mostly to a
8 learning curve of getting used to the software and getting used
9 to counting it. Typically, the fish were only off by one or
10 two, and sometimes they were overcounts and sometimes they were
11 undercounts.

12
13 All of the discrepancies were corrected in the IFQ system, and
14 so that actually was deducted from the allocation appropriately
15 after we resolved what the discrepancy was. Discrepancies
16 occurred for a variety of different reasons. Initially, there
17 was an unfamiliarity with the software, or, if a new captain was
18 put onboard that wasn't familiar with the software, they were
19 the ones entering the information.

20
21 There was occasionally a mixing of the same-day trips. They
22 accidentally put the landing transaction in for the first trip
23 versus the second trip, and those were fairly easy to figure
24 out. We had some transposing of numbers. Instead of twelve, it
25 was twenty-one, for example. Some of them, they identified the
26 species wrong or selected the wrong species. When they were
27 looking at the application, they thought they had red snapper,
28 and they accidentally selected, for example, something like red
29 porgy. Then there was just pure miscounting, where they thought
30 they counted correctly and they didn't.

31
32 When we looked into reporting compliance, VMS was integral to
33 the compliance tracking of this program. VMS allowed us to
34 validate when a vessel actually left the port, and so we could
35 see that they were out. If they had forgotten to make a hail-
36 out, we could track through VMS that they were out, and
37 sometimes troubleshoot if there was a problem with the unit
38 versus a problem with someone new not understanding the
39 requirement to hail-out.

40
41 Altogether, we only had 8 percent of the trips missing a hail-
42 out, and the majority of those were due to technical errors with
43 the software that we corrected. This, again, was a burning-in
44 program of making sure the forms worked correctly.

45
46 When we came to hail-ins, we had about 7 percent of the trips
47 missing a hail-in. Again, the majority of those were technical
48 errors. We had about 4 percent of the time where the e-logs

1 were submitted late. They were supposed to be submitted on the
2 day of the trip. A lot of times, the late submissions were
3 either due to a technical glitch, again, a new captain who was
4 unaware of the more stringent reporting requirements versus the
5 SRHS program, or pure forgetfulness, and we did a phone call to
6 remind them, and we immediately got that thereafter, for the
7 most part. You can see the actual counts in the table below, if
8 you're interested.

9
10 What I'm going to go into now are some of the lessons we learned
11 from this program. In respect to harvest, we realized that they
12 were making trips year-round and actually harvesting both
13 species year-round. We had near real-time landings
14 accountability, and we had very high reporting compliance with
15 that.

16
17 The allocation transfers allowed for a lot of flexibility. If
18 someone was coming up short on one of the species, they could
19 contact someone and get the allocation and be legal before
20 landing. It allowed us to move the fish to where they were
21 needed for harvest.

22
23 When it came to the software that we used and the hardware, we
24 had some lessons learned there. One was the learning curve for
25 new software is there, and it's going to take maybe a couple of
26 months to get someone really comfortable and used to the new
27 system.

28
29 If you have a change-out of captains or mates, whoever is
30 assigned to do it, we need to make sure we have a good training
31 program, so they understand clearly what is needed in the hail-
32 out and hail-in requirements and the timing of reports. We also
33 learned that the vessel owners relied more on the managers to
34 make sure their balances were correct rather than checking it
35 themselves.

36
37 I think, with any of the programs we have kind of coming up in
38 the pipeline, considering that they are going to have to be
39 accountable for their own thing, they will probably check their
40 account on their own and not depend on the manager, who did
41 that. It was helpful for us having the manager though, because
42 we had one point of contact, and that made it much smoother when
43 we were having any discrepancy checks or looking at anything.

44
45 The other lesson learned is that we should only use one system
46 for the landings. The landings were being reported through the
47 Southeast Headboat Survey e-log program and then getting moved
48 to the Regional Office. This created a slight lag in data

1 transmission between the two offices. It also increased our
2 need to monitor and audit all the information, to make sure if a
3 change occurred in one system that we captured it in the other
4 system as well.

5
6 Lessons learned according to VMS, we found out that a good
7 working relationship with the vendor quickly helped us identify
8 and solve any of the issues that were occurring. There were
9 sometimes problems with the VMS that led to the missing hail-
10 outs and hail-ins, and this is true even in commercial. There
11 is occasional hiccups within the system.

12
13 The one thing we noticed with this is that these were tablet-
14 style VMS units, and we had one accidental switch between the
15 tablets between two vessels owned by the same owner. The
16 tablets got switched, and so the information coming to us looked
17 like it was for the wrong vessel. This was actually caught by
18 the vessel owners immediately. They called us and let us know.
19 We let law enforcement know, and we were able to work out how to
20 correct that data as it came in.

21
22 One thing too is the entire program was run with VMS as your
23 hail-in/hail-out alternatives. There were no back-ups, like
24 there are in IFQ, of the website and the call service center.
25 This could create a bottleneck, if there is delayed or missing
26 hail-out and hail-ins. As I mentioned, commercial has a variety
27 of ways to supply that data.

28
29 When it came to enforcement of the program, the approved landing
30 locations were really valued by the enforcement agents. They
31 could ensure that a site existed and that it was accessible. By
32 having an approved landing location, they had a code that marked
33 where it was that simplified the hail-in process for them.

34
35 The law enforcement did think that the tags identifying the
36 participants was helpful, but not necessary for enforcement.
37 What was good about this is that they were a small subset of a
38 group working different from all the other headboats and charter
39 boats around them, and so it allowed them to identify that
40 subset well for fishing out of what would have been the regular
41 season.

42
43 The emails of the hail-outs and hail-ins was one of the most
44 helpful aspects to both the enforcement agents and dockside
45 samplers. It allowed them to plan their day. They had
46 requested that additional information be added to the hail-out,
47 such as what location they expected to return to and the
48 expected return time. That would allow them to pre-plan their

1 day earlier than wait until they got the hail-in notification
2 with that information.

3
4 With respect to validations, the hail-outs and hail-ins were,
5 again, helpful in predicting the work schedule. The catch
6 validation, we felt it was needed, but aiming for 20 percent is
7 probably adequate. Like I said, we had really high validation
8 for that, but it was a small subsample.

9
10 Keep in mind that current staffing might not be able to validate
11 20 percent of all our charter headboats out there, nineteen
12 vessels versus 1,200 vessels for the charter headboat programs.
13 One other thing to consider is the seasonal increase in trips.
14 Sampling was kept fairly steady throughout the timeframe, but
15 you had more trips in the summer months, and so it might be
16 somewhere where you want to increase your sampling or hire on
17 some extra people or extra hours for those months where you know
18 that there are more trips being taken.

19
20 One thing that all the agents said is that the project improved
21 the relationships between the captains of the vessels and the
22 dockside samplers. They got to have a good working
23 relationship. They were talking with them more, and there was
24 more understanding of what the dockside sampling was doing
25 because they had those conversations.

26
27 With respect to weights, in-season weights, we did notice that
28 they can be different than pre-season weights and that there
29 were regional differences. The other big factor playing into
30 this is the number of samples collected to create those in-
31 season weights. There were times when we didn't probably have
32 enough samples in a certain region to get a better estimate of
33 the weights. We always looked at the entire SRH sampling
34 weights to make sure, if we were low in numbers for just the
35 headboat vessels, and so that's one thing to keep in mind.

36
37 The other thing with weights versus fish for allocation is fish
38 are easier to count, and so it's the preferred method by the
39 participants as well as law enforcement with the ease of
40 validation and timeliness of it.

41
42 In-season weights though do need to be converted to pounds, and
43 one mechanism to account for this would be kind of the idea
44 that, if you were going to go forward with a program that has
45 allocation in pounds given out to accounts, that you only
46 convert that pounds to a fish when it gets pushed to the vessel,
47 because a vessel is very specific to a region. Then you kind of
48 account for any allocation transfers or in pounds between

1 vessels when your conversion is to number of fish based on your
2 own conversion rate. At this point, I will take any questions
3 about this portion of it, and then we'll pass it off to Josh.

4
5 **CHAIRMAN GREENE:** Thank you. Dr. Lucas.

6
7 **DR. LUCAS:** Jessica, you may have said this, but, on Slide
8 Number 15, where you show the errors, it increases from 2014 to
9 2015, and you may have clarified why you all saw the increase.
10 I mean, I would expect that to go down over time and not up.

11
12 **DR. STEPHEN:** One of the things is that we had some technical
13 glitches in January and February of 2015 that created a lot of
14 missing hail-ins and hail-outs. It took us a long time, working
15 with the vendor and VMS, to figure out what exactly was going
16 wrong.

17
18 In those cases, the participants were doing the right thing.
19 They were using it, and they were hailing in and out. We just
20 had a higher percentage of technical problems. Once we resolved
21 that for the second half of the year, that percentage went down.

22
23 **CHAIRMAN GREENE:** Thank you. Dr. Ponwith.

24
25 **DR. BONNIE PONWITH:** That was my exact question, and let me ask
26 then, and so that helps explain the hail-in and hail-out issues,
27 but how about the late e-logs? It's still a low number, but
28 it's a significant jump between the two years.

29
30 **DR. STEPHEN:** We did have two additional vessels, and so we had
31 to build in their learning curve initially for that, and I think
32 we had more of a transition in who was running the vessels.
33 Again, it's a learning curve for the different captains and
34 mates who might have been submitting it. It was more strict
35 than what they were used to otherwise submitting.

36
37 We also probably eyeballed it a little bit more in 2015 and
38 caught the late ones in a closer timeframe than we initially
39 looked at, and so there might be a little bit of bias in that as
40 well from how much we were paying attention to it.

41
42 **CHAIRMAN GREENE:** Thank you. To that point, what do you
43 consider a late e-log?

44
45 **DR. STEPHEN:** The e-logs were supposed to be submitted on the
46 day of the trip. We typically gave at least until the next
47 morning, depending on our lag of when the information came to
48 us. After that, we had staff members start calling and asking

1 for it. There was only a handful of times where we had to make
2 multiple phone calls in order to get an e-log in.

3
4 Some of that too might have been some of the lags in -- When
5 they submitted the e-log, they typically had an iPhone or phone
6 application to it. Sometimes there was a glitch between that
7 communicating forward to the server that hosts it, and so then
8 it looked delayed when it was not, and we couldn't always back-
9 correct for which one of those were done -- There's not a
10 timestamp in that system that shows us exactly when it was
11 submitted.

12
13 **CHAIRMAN GREENE:** Thank you. Chairman Anson.

14
15 **MR. ANSON:** Thank you, Mr. Chair. Dr. Stephen, in one of your
16 slides, you mentioned a suggestion of a 20 percent validation
17 rate, and that number seems a little high to me, based on prior
18 conversations and meetings I've been in relative to recreational
19 fisheries validations, if you will, or targets. I am just
20 wondering, why was that number 20 percent? Then did that number
21 relate the same to the other headboat vessels that were not
22 participating in the Headboat Collaborative? Was that 20
23 percent -- You gave a range there of what the actual sampling
24 rate was, and is that comparable to the non-collaborative boats?

25
26 **DR. STEPHEN:** My 20 percent is probably a lofty goal.
27 Typically, a good 20 percent gets you an idea of what is
28 occurring in it with good subsampling. In comparison to the
29 other ones, I didn't actually look at the comparison of the
30 other ones. We can dig into that with Ken Brennan's group and
31 see what the comparison was. We were probably enhancing
32 validation a little bit more for this program and more effort
33 was put into this.

34
35 **CHAIRMAN GREENE:** Thank you. Mr. Strelcheck.

36
37 **MR. STRELCHECK:** I wanted to draw a linkage between our
38 discussion yesterday on electronic reporting and obviously where
39 you're moving with catch shares. Jessica acknowledged the
40 utility of VMS in terms of confirming the trips occurred and
41 whether logbooks were submitted or hail-ins or hail-outs were or
42 were not reported. I wanted Jessica just to kind of touch upon
43 that a little bit more, about the validation process, whether
44 you're talking VMS or some GPS-enabled device, and how is that
45 assisting us, in terms of ensuring that these landings are
46 reported?

47
48 **DR. STEPHEN:** I can expand on that a little bit. When we're

1 looking at validating whether a trip ever occurred or not,
2 having something affixed to the vessel that is independent of
3 the operator, that sends some kind of notification when it
4 crosses a boundary, is almost invaluable in realizing when a
5 trip is being made.

6

7 For example, if there is a VMS that failed to hail-out, then law
8 enforcement doesn't know and port agents don't know, possibly
9 until that hail-in. Depending on your timeframe of a hail-in,
10 it might not be adequate time.

11

12 On the other hand, if you have something that is not affixed to
13 it and not a VMS and someone just forgets to put it in as a
14 hail-out, you have that same problem, where you don't know the
15 trip is going out. That ability to know for sure that a trip is
16 being made was invaluable, and what we did is we would look in
17 VMS and track to make sure we had hail-outs matching each one of
18 the vessels.

19

20 This was helpful too, because you would figure out if there was
21 a problem with some of the communications systems somewhere.
22 You would figure out if there was a user error on someone's part
23 of, oh, I thought I did it correctly, and then we would walk
24 them through and they had one more button they had to hit do it.

25

26 I think that that ability to know exactly how many trips are
27 going on is one of the things you need to truly do the
28 validation of trip level. Then you have the validation of what
29 was caught, and that's where the hail-in information of knowing
30 how many fish were onboard and having someone there to verify it
31 was really helpful in this program.

32

33 In the commercial program, you have the fishermen, the
34 commercial fishermen, and you have a dealer. That's where your
35 kind of validation ends up sitting, because they're validating
36 each other. You have the estimate from the commercial guy and
37 then you have the actual landings, and so there is a two-step
38 verification there. In this recreational fishery, there is not
39 a dealer, and so you don't have a two-step verification. Having
40 a port agent there, they, in essence, act like that dealer in
41 the two-step verification process.

42

43 **CHAIRMAN GREENE:** Thank you. Is there further discussion? Mr.
44 Swindell.

45

46 **MR. SWINDELL:** I really believe that the system is working
47 better than I thought it was going to work. I am real pleased
48 with all of this. Have you gotten any recommendations from the

1 users, the captains or whoever, on the vessels about
2 improvements? I see you've got recommendations from law
3 enforcement and others, but how about the users, the captains?
4

5 **DR. STEPHEN:** We worked with them a lot throughout, and so a lot
6 of suggestions we tried to embed right there. I keep thinking
7 back to the agents' ideas of sampling. I guess if Randy is
8 here, he might want to comment to some of the nature of any
9 suggestions they had. I do see him back there.

10
11 **MR. STRELCHECK:** I guess, just to add, this was a grassroots,
12 bottom-up approach that the industry took in coming to us with
13 an exempted fishing permit. From the implementation of it, I
14 feel like we had a very collaborative process. As Jessica
15 pointed out, we worked very closely with Randy and his wife,
16 Susan, has the Headboat Collaborative managers, and we discussed
17 ongoing issues and troubleshooting.

18
19 If there were problems with the VMS, what's being done and how
20 can we fix things? The sampling, I talked about yesterday, in
21 terms of making sure it's efficient at the end of the trip, so
22 it's meeting the agency's needs as well as the fishermen's
23 needs, and so there was a lot of things that can revolve through
24 time that were suggestions that came out of just working
25 collaboratively with the industry on the project.

26
27 **CHAIRMAN GREENE:** Thank you. Randy, I will give you just a
28 minute to answer his question, please.

29
30 **MR. RANDY BOGGS:** The question that I heard posed was the
31 changes we would like to see made to the VMS. The only thing
32 that we saw that was a major issue is, if you made a mistake and
33 you did go forward and you hit "enter" into the system, there
34 was not a way for you to recover that and go back.

35
36 Then we would have to go through our validators to do that, and
37 so there was no -- Like, if you realized that you punched in --
38 My fingers are big, and it's a small touchscreen. If you
39 clicked on twenty-one instead of twenty-three, you couldn't
40 immediately go back from the boat and correct that mistake on
41 the boat. You had to wait until you got home to do it, and it
42 was not a problem with that.

43
44 The only problem that we saw, through CLS America, across all
45 the boats, seems to be that when you have downtime with the boat
46 that the VMS continues to ping, and that does seem to be a draw
47 on the batteries on the boat.

48

1 Other than that, there is always the phone-in option, if your
2 VMS was down, which we did use that sometimes. Then, if it's on
3 the weekends, of course, nobody is there, but they get the
4 information and it doesn't get processed until Monday, and so
5 that was the only other issues that we really saw out of the
6 VMS. It seemed to work really, really well. It was fairly
7 simple.

8
9 I guess one of the harder parts for it was the fact that you
10 couldn't go back and correct it from the vessel. Then the small
11 screen size, when you're in the Gulf, even -- My boats are
12 sixty-five foot, and, even with them rocking and rolling,
13 sometimes you will push the wrong button, and it's nice to be
14 able to go back and correct.

15
16 **CHAIRMAN GREENE:** Thank you. Any further discussion? Mr.
17 Swindell.

18
19 **MR. SWINDELL:** I thank you for that, because one of the things
20 that I was looking for is you've got to -- For the system to
21 work the best we can make it, it's to have everybody involved
22 really having what they need to make it work, and it sounds like
23 it's working well from their side, but like something bigger --
24 I was mentioning to some guy yesterday that the boats that have
25 a center console, they need something that is big numbers. I
26 got back to older people and they make big calculators, so that
27 you can really push it well.

28
29 I just was wondering if there's anything that they -- You want
30 the user to feel comfortable and be willing to do it quickly and
31 easily, and that's where you're going to get your better
32 information. I have one other question along all of that, and
33 that is the VMS. Who is paying attention to the information
34 that the VMS sends out, and how difficult is this? Is this a
35 big problem that's being created?

36
37 **DR. STEPHEN:** With respect to how this program ran with VMS, we
38 have a whole VMS unit that tracks all the data coming in. The
39 catch share staff had access to what the system called vTrack,
40 and we could go in there and look, and we could run queries. We
41 actually set up some predetermined ones, and we just got those
42 seventeen to nineteen vessels and didn't have to wade through
43 everything else.

44
45 With this, we looked at it a lot for validation as our main
46 point. I know we used a lot of the VMS too as a method of
47 sending emails out to notify people. VMS staff probably has
48 their own purposes and needs, when they're looking into it for

1 things that are more enforcement-related than the catch share
2 program related.

3
4 Just to go back to your other point, there is probably
5 technology out there that we can look into. When you're looking
6 at any kind of application, you're used to a finger swipe to
7 make something bigger and, again, I mentioned yesterday that I
8 was out in San Diego. They actually have their application
9 where you can enlarge it, so you didn't fat-finger it as you
10 were going through, or you could see it better. It takes a
11 little bit more technology and work to make sure you have that
12 built into a system to work, but those are things we could
13 consider.

14
15 When we built the forms for this, we worked hand-in-hand with
16 CLS America as well as the participants, and we came up with
17 some things that like you could save a template of your default
18 information, so you didn't have to always enter certain
19 information over and over again. Again, those are tools we can
20 go forward with if we decide to go with a VMS or some
21 application, and that would kind of apply to both.

22
23 **MR. SWINDELL:** Just one follow-up. I appreciate what you're
24 doing, and I think it's great. It seems, to me, to be working
25 real well, and so just don't give up on improvements on both
26 sides of the fence, so to speak. Thank you.

27
28 **CHAIRMAN GREENE:** Thank you. Mr. Fischer.

29
30 **MR. FISCHER:** Thank you, Mr. Chair. I was looking at the slides
31 when you were speaking, and you mentioned the seventeen to
32 nineteen boats. On the suggested alternatives, where it says a
33 VMS bottleneck, I guess I would like to hear something about it.
34 If we had seventeen boats and we had a bottleneck, I am worried
35 about what the future might hold.

36
37 **DR. STEPHEN:** The bottleneck wasn't necessarily with the amount
38 of boats. It was with the vendor or communication to the VMS
39 system. If something happened where the VMS system wasn't
40 communicating either with the catch share system or from the
41 vendor to the VMS system, you kind of got a bottleneck, where
42 none of those notifications were making it through to the right
43 spot.

44
45 Like I said, in January of 2015, we had a problem where that was
46 happening. A field was changed, and no one realized quite what
47 the implications of that was, going through all the different
48 systems, and we worked really diligently to get to it. Working

1 with the vendors, we were able to notify participants that were
2 having problems that we were working on it. They would
3 sometimes give us a phone call, so we had a heads-up and could
4 try an alternative mechanism, and that's also where -- With the
5 commercial program, we have these alternatives.

6
7 If your VMS unit is acting up when you're out fishing, you can
8 get within range of cell phone and call our twenty-four-hour,
9 seven-day-a-week service that takes care of the notification and
10 puts it in the system. Then you are legal.

11
12 Typically, with those, when they talk to us and tell us there is
13 a problem, we refer them down to our VMS units, because they can
14 troubleshoot what's going on and tell them to make sure that
15 you're declaring in and out through the call service center if
16 something is wrong. If your VMS is not pinging, you have to
17 deal with VMS unit enforcement about what the regulations are
18 for going out.

19
20 **CHAIRMAN GREENE:** Thank you. Any further discussion? Okay. We
21 have one more presentation. Are you complete with this?

22
23 **DR. STEPHEN:** Yes, and so Josh Abbott should be up next with
24 more of the economic view of the program.

25
26 **CHAIRMAN GREENE:** Okay. Thank you. Come on up and let's go
27 into it and see where we end up. This should have been emailed
28 about 9:40 this morning. It should be in your inbox, if you're
29 searching for it.

30 31 **SUMMARY RESULTS**

32
33 **DR. JOSH ABBOTT:** Hello. My name is Josh Abbott. Just a quick
34 personal introduction here. I am an Associate Professor at
35 Arizona State University. I am a fisheries economist. I have
36 worked in a number of different regions, the Gulf of Mexico,
37 Alaska, the Pacific Northwest, and some other areas. A lot of
38 this has involved partnerships with NMFS at different regions
39 and science centers.

40
41 I was brought in specifically to sort of be the researcher of
42 record for the EFP, looking at the socioeconomic impacts of this
43 policy experiment. In terms of data, the data that we drew upon
44 here, the stuff in black is our existing data sources that we
45 received from NMFS. Primarily, we had detailed data from
46 vessels that were inside the Gulf Headboat Collaborative and
47 then we had more aggregated and censored data from those that
48 were outside, in order to protect confidentiality.

1
2 The stuff in red, the data sources in red, these were things
3 that were actually gathered as primary data under the program,
4 including some economic surveys that were done on an annual
5 basis, looking at trip pricing, input costs, as well as some
6 more qualitative information about how their decision-making had
7 been changing or not as a result of the program.

8
9 We also, in addition to this part that was looking at headboat
10 performance, also looked at surveying passengers, and so we
11 handed out two-page surveys, intercept surveys, to people that
12 were passengers that were taking trips on Gulf Headboat
13 Collaborative trips. Then we followed up with them through an
14 online economic valuation survey.

15
16 There is a lot of facts that I'm going to sort of hit the high
17 points of and a lot of analysis here. In a nutshell, here is
18 what happened, in three bullet points.

19
20 Under the EFP, we saw that angler access to trips, so the number
21 of anglers that were on trips that landed either red snapper or
22 gag grouper, dramatically increased, especially in the spring
23 and late summer, and that's consistent with what you just saw
24 from Jessica.

25
26 We saw that vessels reduced red snapper landings per customer,
27 effectively sort of a voluntary bag limit reduction, on their
28 red snapper trips. By doing this, they maintained overall
29 landings and dramatically reduced their discards of the EFP
30 species.

31
32 We also saw that economic returns, compared to 2013 and even
33 2011 and 2012, grew. This was driven by increased profits from
34 additional customer demand. We saw shifts of customers to
35 higher-profit trips, particularly day trips, and also some
36 modest increases in trip prices that vessels implemented for
37 their EFP trips. A subsample of the vessels did that.

38
39 I am going to blaze through this, because Jessica has basically
40 covered this territory, but I wanted to just point out, really
41 quickly, that the number of total trips increased for both the
42 GHC group and the non-GHC, sort of the comparison group, and so
43 this was actually a time of growing trips for both groups. In
44 some ways, the number of trips actually grew more for those that
45 were outside of the program than inside, and there's a lot of
46 reasons why that may be the case, including a lot of management
47 changes that occurred in 2014 and 2015 that make it very
48 difficult to compare between these two groups.

1
2 As you can see here, the number of red snapper trips for the GHC
3 went up dramatically, as you may expect, as a result of the EFP,
4 and then they stabilized pretty much to pretty much the same
5 level in 2015.

6
7 At the same time, we saw landings -- Landings did go up for the
8 Gulf Headboat Collaborative, but they went up less than
9 proportionally than the number of trips, in this case. Just a
10 really quick summary here, and we saw a five-and-a-half percent
11 increase in total trips for the Gulf Headboat Collaborative from
12 2013 to 2015, versus a 13 percent increase for the non-GHC.

13
14 We saw a 114 percent increase in red snapper or gag trips, all
15 EFP landing trips, and that was met by about an 80 percent
16 increase in landings, and so you see a much bigger increase in
17 the number of trips than the landings that supported those
18 trips.

19
20 In 2015, you basically saw that red snapper trips stayed
21 constant in the Headboat Collaborative, despite a fall in
22 allocation, and so they actually had a lower allocation of red
23 snapper in 2015 relative to 2014, and yet their trips stayed
24 constant.

25
26 Going to changes in operations, these are the ways that vessels
27 shifted their behavior. First, we will look at changes in
28 landings and trips by season. Basically, this graph shows
29 exactly what Jessica has already showed you, that really the
30 seasonal pattern of trips by EFP vessels didn't change. This
31 didn't shift when they pursued trips as a group during the
32 season, and so they are very comparable before and after the
33 EFP.

34
35 However, when you start looking at EFP species trips, trips that
36 retained these species, you see that really a very significant
37 share of red snapper trips occurred before the beginning of the
38 June 1 season in both 2014 and 2015. Then there is also a
39 smaller, but still significant, late summer and fall season that
40 occurred as a result of this program.

41
42 They still fished their hardest and had the most trips for red
43 snapper during the main summer season, but they are still a very
44 significant -- A plurality, actually, of their trips, as well as
45 their landings, occurred outside of the main season. It's the
46 same thing here for landings.

47
48 Gag, basically it was sort of linear. The number of trips sort

1 of accumulated in a linear fashion throughout the year, and so
2 you definitely see a very significant -- Roughly half the
3 fishery was occurring before the traditional gag opening.

4
5 What this basically shows us is that the number of anglers that
6 were on trips that retained EFP species doubled as a result of
7 this program, and so there is twice as many people that were on
8 trips that retained these species as in previous years, roughly.
9 Basically, by mid-season, the number of passengers that had been
10 on an EFP-retaining trip was at the levels that had occurred at
11 the end of the season in 2013 and before.

12
13 The seasonal pattern of total trips didn't change much.
14 However, the pattern of trips that retained EFP species changed
15 in such a way that trips are spread much more evenly across the
16 year, and there were substantial increases in the number of
17 customers of EFP-retaining trips.

18
19 You have a 161 percent increase in trips with red snapper
20 retention, but you have only an 82 percent, or 31 percent, in
21 2015, increase in total red snapper landings, and so, somehow or
22 another, you have to make that work.

23
24 What you see here is that, as you might expect, the number of
25 fish per angler on these trips went down, and so roughly about a
26 half a fish less, per angler, on average, for red snapper trips.
27 It's similar for gag, although much smaller catch rates for
28 gags. This is a much more muted finding for gag.

29
30 However, it's really important to emphasize that the number of
31 landings, in total, remained constant in 2014 and actually
32 increased a bit in 2015, and so the overall bag that was brought
33 home of sort of all reef fish stayed constant, or actually
34 increased a bit in 2015. The reductions in red snapper per
35 individual angler were compensated through landings of other
36 species.

37
38 A really important trend that seems to have occurred here
39 economically is that a lot of red snapper trips, and, to a
40 lesser extent, gag trips, became full-day trips, and so there
41 were overall increases in full-day trips, and so these are trips
42 of eight hours plus.

43
44 Most of that occurred through shifting red snapper onto existing
45 full-day trips that previously had not been able to land red
46 snapper or gag. However, there were some -- Some of this
47 occurred because of the actual taking of new full-day trips, and
48 so this was definitely something that was noted among sort of

1 the majority of vessels, although not all of them.

2
3 An interesting thing is that many vessel owners actually, in
4 their surveys, reported that they were having half-day -- For
5 half-day trips, they were having sort of a voluntary bag limit
6 of one fish per angler. Then, for a full-day trip, they were
7 having two fish.

8
9 Obviously, legally, there is no differentiation between a half-
10 day and a full-day in terms of you have a two-fish bag limit.
11 This was sort of the way that they managed the scarcity under
12 the program, and so you can definitely see that there was sort
13 of a bigger wedge between retention in full-day trips and half-
14 day trips in the program, and so, effectively, more red snapper
15 landings per angler were shifted from these partial-day trips to
16 longer trips, which are sort of a higher-value trip for the
17 fleet.

18
19 Just really quickly, I want to emphasize, in talking about
20 discards in this setting, there is sort of a couple of different
21 ways to think about discards. The traditional way that we
22 mostly talk about it is discards per unit of catch. As an
23 economist, you might want to think, well, how many discards do
24 you get per unit of service provided, which would be the number
25 of angler days that the industry is providing, and so I have
26 sort of looked at it both ways.

27
28 An important little bit of simple math here is that you can
29 reduce your discards per angler in a couple of different ways.
30 You can either reduce your discard rate, so increase your
31 retention, or you can just catch fewer fish per angler, and so
32 you can reduce your CPUE.

33
34 What I basically want to show you is that discard rates of red
35 snapper declined dramatically in the GHC, by 36 percent in 2014,
36 and the catch rates of red snapper also declined, and this means
37 that, overall, through both of those mechanisms, you are
38 actually reducing the amount of discards per unit of service
39 provided per angler day in the fishery, and so, overall, you're
40 looking at discards per angler day going down by 60 percent,
41 relative to 2013 and 2014, and 56 percent in 2015.

42
43 The results are very similar for gag, but, for time, I'm going
44 to suppress those results. They're in the slides if you want to
45 see them.

46
47 Just as an interesting comparison, this is the same comparison
48 for discards, but looking at vessels that were outside of the

1 GHC. This is all the other vessels inside the headboat survey.
2 What we actually see for red snapper, and this pattern is there
3 for gag as well, is that discard rates basically stayed constant
4 relative to 2013. While the EFP seems to have driven some
5 reductions in discard rates for the GHC vessels, things were
6 basically constant outside of that group.

7
8 Now we're on to economic returns. There is a lot of challenges
9 here, challenges of data measurement. Particularly, separating
10 charter and headboat trips is problematic, given the way that
11 logbook data is collected, and there is challenges of the
12 resolution of gathering costs. There is also some challenges of
13 comparing to what alternative. There is a lot of things that
14 changed in this industry during the time of this experiment, and
15 so, in some ways, you have multiple experiments going on at the
16 same time.

17
18 We had a nine-day season in 2014 and a forty-five-day season in
19 sector separation in 2015, and so this is a difficult comparison
20 to make, but, those provisos aside, estimated net revenues
21 actually increased, and so this is holding prices constant. If
22 you hold the prices constant, this is allowing us to sort of
23 separate out just year-to-year price increases that are sort of
24 normal in the industry. You bump your prices up by five or ten
25 bucks.

26
27 Holding prices constant at 2014 levels, we find that it's about
28 a seven-and-a-half percent increase in revenues and roughly the
29 same increases in net revenues or revenues net of fuel costs in
30 the industry. For the 2014 cohort of GHC vessels, you're
31 looking at about \$9 million in revenues in 2014.

32
33 If you add onto that the premium that was charged by five
34 vessels in 2014 and three in 2015, you get about a 1 percent
35 increase in overall revenues, and so that little bit of premium
36 that was charged by some vessels bumped up revenues by about 1
37 percent, and so most of the changes in revenues we see here are
38 not because of price changes, but they're because of other
39 factors that I will go into shortly.

40
41 An interesting thing is that the share of seasonal revenues
42 actually shifted forward. Vessels are earning more of their
43 revenues earlier in the year, and that makes some sense, given
44 that they are shifting red snapper and gag to earlier in the
45 season.

46
47 There are some different drivers for increases here. One is
48 that you can have more customers, and so this is what I'm

1 calling a quantity response, that basically more customers are
2 getting on boats, perhaps because of this program.

3
4 Another way that the EFP could feasibly increase revenues is
5 that you could shift -- You have the flexibility, under the
6 program, to shift customers to your more profitable trips. By
7 moving your quota, your tags, onto the trips that are more
8 profitable, you can actually increase profits in that way,
9 holding customers constant, or you can charge more. As I said,
10 that's about 1 percent effect, is the price premium.

11
12 What this basically shows is that revenue per trip went up
13 pretty substantially, about 10 percent in 2013, and most of
14 that, if you look at the panel to the top right, was driven by
15 increases in anglers per trip. They had more customers per trip
16 in 2014. In 2015, you actually see the number of customers per
17 trip fell off a bit. The gain in revenues in that year, in
18 2015, was mostly driven by having more trips, as opposed to
19 putting more people on the boats. You see very similar trends
20 for net revenues or revenues here minus fuel costs.

21
22 Another sort of important way in which revenues, net revenues,
23 were increased was through a change in the product mix, and so
24 what this figure shows, the left figure, is it basically shows
25 how much the average price per customer went up, not because you
26 raised the price, but because you moved people around across
27 different trips, and so sort of the share of where people ended
28 up, in terms of your half-day trips, your full-day trips, et
29 cetera. We see that basically there's about a 2 percent
30 increase in revenue per customer, just because of sort of moving
31 customers onto more premium trips.

32
33 A quick look at the price premium aspect. As I said, five
34 vessels in 2014 and three in 2015 charged a small premium for
35 trips with EFP tags. This was about five to twenty-bucks. It
36 was roughly a 13 percent average markup on these trips. These
37 are specifically for getting on an out-of-season red snapper or
38 gag trip.

39
40 All I did here was looked a little bit at what was the effect of
41 that on customer demand? Do we see that when you put this
42 premium in place, did customers vote with their feet and not get
43 on these trips? Then also to look at what was the overall effect
44 in revenue, and, basically what we found from this regression,
45 was there was no effect of charging a premium. You raise the
46 price by ten-dollars and there was no effect on the number of
47 passengers on your trips compared to other boats that were not
48 charging the premium.

1
2 Also, if you raise the price by one-dollar, we, on average, saw
3 that you increased trip revenues by thirty-nine dollars. Well,
4 the average number of people on these boats is roughly thirty-
5 nine people. Basically, you charge a buck more and you get
6 thirty-nine more people paying a buck more. You don't see a
7 reduction in demand, at least for the changes that we observe in
8 our data.

9
10 We see about an 8.9 percent, or a 7.1 percent increase in total
11 revenues, depending upon the year, and most of this is from
12 quantity, more passengers per trip or more trips. There are
13 smaller increases from sort of more moving customers onto
14 higher-value trips, and a little bit of an effect from charging
15 a price premium.

16
17 There is a lot of caveats to this. You might think maybe we
18 should be comparing to what went on in the sector, the non-GHC
19 sector, as opposed to just looking from 2013 to 2014 or 2015 for
20 the people inside the EFP. There is a lot of challenges with
21 doing that, in the sense that there were a lot of management
22 changes that were going on that obviously these two groups were
23 not subject to in the same way, and it makes these comparisons
24 extremely challenging.

25
26 I want to quickly touch upon some qualitative data from the
27 survey. In addition to some of the more quantitative questions
28 that were asked in the survey, we also asked some more open-
29 ended questions and sort of Likert scale and multiple-choice
30 questions as well.

31
32 We asked this question: On the whole, do you think that
33 participating enhanced the profitability of your headboat
34 business in 2015, relative to 2013 and other recent years? What
35 we found was that, in 2014, when we asked this question, and
36 obviously the wording would have said 2014 and not 2015 in that
37 year, but we found that 79 percent said yes. 14 percent said
38 that they thought the revenue was about the same, being in the
39 program versus being outside, and 1 said no.

40
41 In 2015, no one said that they would have better off outside of
42 the program, and 1 said that they would have been about the
43 same. Overwhelmingly, the people thought that they were better
44 off operating under this program than in the alternative.

45
46 Actually, we asked a similar question that asked, particularly
47 in 2015, do you think you would have been better off fishing in
48 the forty-five-day season as opposed to being in this program?

1 The answers we extremely similar. There was actually no one
2 that thought that they would be better off in 2015 fishing under
3 the forty-five-day season than in this program.

4
5 We asked them to rank the importance of different factors for
6 their profits from fishing in the Gulf Headboat Collaborative,
7 and what you can see here in orange are the -- The orange
8 indicates factors that people said were very important, and so
9 we have more customers per trip, charging a higher price for
10 access, shifting customers to longer trips, running more trips,
11 or lower cost per trip.

12
13 In 2014, really they said it was all about getting more
14 customers per trip as a result of this program, being able to
15 offer a more attractive trip and therefore attract more
16 customers. The second most was running more trips, and so
17 basically this quantity effect that I talked about, and then
18 lower cost came in as a pretty strong factor as well. Charging
19 a higher price was sort of the least important factor.

20
21 If you look at 2015, it really looks like running more trips
22 became more important than getting more customers per trip, but,
23 overall, these results are pretty similar. It's more about
24 getting more customers overall and lowering costs, and these
25 seem to be the factors that the captains themselves said were
26 most important and sprung directly from the program.

27
28 Probably more eloquent than anything I can say, in terms of
29 data, are some of the things that were said in the comment boxes
30 themselves, and so we said, can you comment on how, if at all,
31 participating in the GHC changed your way of doing business?

32
33 I won't bore you by reading through all of these, but there were
34 a couple here that I think -- These are sort of -- Yes, I am
35 pulling selectively from seventeen different responses, but this
36 sort of covers the spectrum of the responses and sort of two
37 that really hit home here was, one, we ran a lot more early-
38 spring trips. Snowbirds don't fish if they can't keep. That's
39 really getting to this idea of attracting a different segment of
40 customers through the program.

41
42 Another said the ability to offer red snapper trips year-round
43 was the most important source of increased profit. Those who
44 would not typically fish because they cannot catch red snapper
45 were now willing to spend the money to go out fishing.

46
47 We also asked a question about their decision-making with
48 respect to weather. Did participating in the program make them

1 less likely, perhaps, to go out on a rough day at sea, and seven
2 out of fourteen said that basically safety first and they would
3 never have -- Basically, this program didn't change their
4 decision-making at all.

5
6 We did have one person say that, when you give a ten or fifteen-
7 day season, you pretty much have to make a trip each day. With
8 the collaborative program, you can reschedule a trip if the
9 weather is less than desirable. The customer can choose another
10 date. There are very few customers that enjoy fishing in rough
11 seas, and so it's not about necessarily not making -- It's not
12 so much saying that you were making unsafe trips before the
13 program, but that you were making maybe uncomfortable trips, and
14 this lets you not make those uncomfortable trips.

15
16 I am just going to very quickly say that we did do an angler
17 survey. I am not going to present the results of that here
18 today. That work is still ongoing, but we did a quick, two-page
19 angler survey that was administered by the trip. We have 10,718
20 total surveys returned. That's a lot of pieces of paper.

21
22 There are summary statistics here. None of them I think are
23 particularly surprising. There is a lot of people that are
24 quite experienced in fishing actually fishing on headboats, and
25 I will just quickly show you the survey sample. As you might
26 expect, you have a heavy number of people from the Gulf, but
27 there is actually -- If you kind of go up the Mississippi Valley
28 and into the Midwest, you actually have an awful lot of
29 participation from all around the nation, and we have people all
30 the way out into the West. We have substantial numbers of
31 people even in the West that are in this fishery. That's just a
32 little more detail.

33
34 We have completed a follow-up internet survey, as we speak.
35 This is actually designed to ask fishermen really -- To take
36 them through choice scenarios where they are looking at a season
37 that is more like the one they historically have had in this
38 fishery and then looking at a season where they have more
39 flexibility, but changing things like the price to make it where
40 it's not clear that that alternative season is just uniformly
41 dominates or just is so much better, so that we're able to look
42 at the tradeoffs that fishermen are willing to make between
43 seasonal flexibility and money, basically, and get a value of
44 the program. I have samples of that here.

45
46 We are currently refining this model, but we're already showing
47 preliminary estimates that fishermen are willing to spend a
48 substantial share of income to fish under a more flexible

1 season. The exact numbers are forthcoming.

2
3 This is probably my last slide. Implications for a permanent
4 program, all together, our results suggest really significant
5 potential economic benefits to for-hire vessels and their
6 customers from a permanent program, and so I think that,
7 generally speaking, the results here are encouraging, looking
8 forward to a potential permanent program.

9
10 At the same time, I want to say that a two-year pilot can
11 actually tell us only so much about what's going to occur
12 economically under a permanent program. For one thing, there
13 are a lot more costly or risky innovations that you probably are
14 not going to make in a two-year, temporary program. You
15 probably don't want to alienate your customers, for example, by
16 really radically changing the nature of the kinds of trips you
17 alter or pricing or things like that, and so some of those sort
18 of innovations may be postponed.

19
20 You can probably expect some innovations in trip structures and
21 pricing that may better target that different fishermen have
22 different objectives and want to catch different things at
23 different times of the year, and you may see that evolve more in
24 an allocation-based system.

25
26 Finally, the sort of finding that there is no sensitivity to a
27 premium price is probably a limited finding. If you did this
28 for the entire sector, then you have competition and this is not
29 so much a special thing that's only available on a subsample of
30 boats, and so you may actually see that that finding is a little
31 bit more of a figment of this pilot itself.

32
33 I want to very quickly acknowledge Susan Boggs and Randy Boggs
34 and all the GHC owners and crew for really putting in a lot of
35 time for all of this data collection and as well as partners at
36 NMFS for getting the data to me and answering a thousand
37 questions. Thank you.

38
39 **CHAIRMAN GREENE:** Thank you. We are up against our lunch-hour
40 break, or actually a little bit into it. Will you be here after
41 lunch, Dr. Abbott?

42
43 **DR. ABBOTT:** Yes.

44
45 **CHAIRMAN GREENE:** Chairman Anson, do you want to go on into
46 questions now or do you want to wait until after lunch and pick
47 back up where we are or how do you choose to proceed?

48

1 **MR. ANSON:** I think maybe let's break for lunch. That will give
2 folks maybe a chance to think about some of those questions. We
3 are just fifteen minutes behind, and so maybe we will stick with
4 the hour-and-a-half lunch break and maybe make up some time
5 later on and try to finish up by 5:00 or 5:30, but let's do
6 that. So an hour-and-a-half for lunch.

7
8 **CHAIRMAN GREENE:** Thank you.

9
10 (Whereupon, the meeting recessed for lunch on August 16, 2016.)

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12 - - -

13
14 August 16, 2016

15
16 TUESDAY AFTERNOON SESSION

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18 - - -

19
20 The Reef Fish Management Committee of the Gulf of Mexico Fishery
21 Management Council reconvened at the Astor Crowne Plaza, New
22 Orleans, Louisiana, Tuesday afternoon, August 16, 2016, and was
23 called to order by Chairman Johnny Greene.

24
25 **CHAIRMAN GREENE:** We did not allow committee members the
26 opportunity to ask questions before lunch, and so I want to pick
27 up right there. I know that Dr. Stunz had a couple of
28 questions, and if anybody else has any, we will entertain those
29 as well. We're going to try to make this brief. We are behind
30 schedule, and so we'll try to get back on. With that, Dr.
31 Stunz, if you're ready.

32
33 **DR. GREG STUNZ:** Thanks, Mr. Chairman. I will try and make it
34 brief, but I think there were some good points brought out by
35 both of these actual presentations, and so I had a couple of
36 questions. Dr. Abbott, thanks for your presentation. That was
37 very informative.

38
39 What I am taking from this, and maybe I am misinterpreting this,
40 but it looks like it's good for the industry and also when you
41 look at, from a managerial standpoint, that all of that is good,
42 in terms of accounting for the catch and that kind of thing, but
43 I don't know, and I don't see the screen up, but I have on my
44 notes here that it was Slide 22.

45
46 If you guys remember, it was something like 100 percent
47 increase, 150 or 160 percent increase, in the trips, but then
48 there was only something like 30 percent or something increase

1 in the actual catch, and so I am trying to figure out,
2 especially with the condition that you hear of red snapper out
3 there, why isn't that relationship a little bit stronger, and so
4 I began to wonder, are the captains switching to something else
5 after the red snapper or are the anglers potentially getting
6 less quality trips or something or why wouldn't you have --
7 That's the slide there. Why wouldn't you see a corresponding
8 increase in the total red snapper landings?

9
10 Then also, related to that, is you see that decrease from 2014
11 to 2015, and is that indicative of the anglers saying, well, the
12 first year was okay, but I wasn't allowed maybe, let's say, to
13 catch red snapper, if that was what was going on, and then you
14 get that reduction or something? I don't know, and I'm trying
15 to interpret what that means.

16
17 **DR. ABBOTT:** OF course, in this program, the EFP vessels are
18 constrained by their allocations. They can only land so much.
19 As I recall, I think they caught ninety-eight-point-something
20 percent of their red snapper in 2014.

21
22 Basically, this is, economically speaking, the question is what
23 is the best use of that scarce snapper quota? What the industry
24 did was -- There is sort of only so many ways you can stay
25 within your allocation and also provide value to your customers.
26 Effectively, what they chose to do is to give more customers a
27 smaller number of fish, and so you have a larger number of
28 customers catching, rather than two, catching an average less
29 than that, particularly on the half-day trips. Some vessels
30 were running one-fish bag limits on those half-days.

31
32 Basically, if you're only fishing half the time, you're getting
33 half the fish, whereas, in the recent years, most fishermen, in
34 the peak season coming out of port on a half-day trip, would
35 still catch the bag limit. This is basically a way of sort of -
36 - Yes, there is some reallocation going on across different
37 anglers, but, in the end, more anglers are going home with
38 snapper, and so that's sort of how I would interpret that.

39
40 **DR. STUNZ:** Just to follow up, Mr. Chair, if I could, I didn't
41 know if that was an explanation of why you saw that drop from
42 2014, or at least a possible explanation. I guess you don't
43 know, because, as you say, there is a lot of variability and
44 other moving targets going on within this, but you did bring up
45 a point early on about the difficulty to compare this to the
46 non-participants in this program.

47
48 I am wondering -- In some instances, it looks like you did and

1 were able to, but, in some instances, you weren't able to
2 compare what's going on, in terms of what are the catches and
3 other things looking like in someone that wasn't in this
4 collaborative program, and I wonder if you could shed some light
5 on that.

6
7 I mean the obvious comparison here is what does this look like
8 going on to someone who was not in this program, and I see that
9 some in your presentation, but not in some of the key areas
10 where I think you would sort of see that.

11
12 **DR. ABBOTT:** There are some real challenges, in terms of
13 comparison here. If this had been just sort of a traditional --
14 If 2014 and 2015 had been sort of relatively status quo seasons,
15 they had been thirty or forty-five days in both years, there
16 would have been a relatively clean comparison across the two
17 groups.

18
19 What you had instead was you had an unprecedented nine-day
20 season in 2014, and then you had sector separation, which
21 created a forty-five-day season for the non-GHC boats in 2015.
22 This means that sort of the comparison group here -- You would
23 want to say, well, what would have happened for the GHC boats if
24 they had not been in the program, and that's a really weird sort
25 of baseline comparison, in some respects, because the way that
26 things were allocated under sector separation had something to
27 do with the fact that the EFP was actually around, and so you
28 had a division of quota across those groups.

29
30 In terms of how informing how the future of the program might
31 unfold, these two years, 2014 and 2015, are kind of very
32 idiosyncratic, and you wouldn't expect to see a nine-day season
33 followed by a forty-five-day season as a regular occurrence
34 going forward. It's for that reason that we really didn't do
35 these comparisons across the groups as much, because it's, in
36 some sense, inviting a false comparison that doesn't really tell
37 us a lot about the future.

38
39 **DR. STUNZ:** Right, but I guess, without that comparison, we're
40 still kind of missing what were the others doing. I guess maybe
41 what might shed some light on this is this year coming up, and
42 maybe the next one, to see what these guys are doing when
43 they're not in this program or how they're adjusting their
44 thing, but, of course, obviously that hasn't happened yet.

45
46 **DR. ABBOTT:** Yes, that would be a useful extension, to see what
47 they're doing now.

48

1 **CHAIRMAN GREENE:** Mr. Riechers.

2
3 **MR. RIECHERS:** Kind of following on that vein a little bit,
4 because you actually talk to the total revenues and revenue
5 increases, but, even in the non-participating vessels, we saw,
6 in I think it was the other presentation, the increase in number
7 of trips and landings. While highlighted here, in reality, we
8 don't know the difference between those two groups or whether
9 they're the same. Is that fair to say?

10
11 **DR. ABBOTT:** Yes, and if you sort of naively looked at trend
12 line for what was going on for the non-GHC boats, you would say,
13 well, they had more trips. Now, we don't know how they
14 converted those into profits, because I don't have the data to
15 do that, and no one, as far as I know, has the economic data to
16 do that for the non-GHC.

17
18 However, if you actually look at the trend lines before 2013
19 between the GHC and the non-GHC boats, what you actually see is
20 they don't parallel each other. The vessels that are inside the
21 EFP are not exactly like those that are outside. Kind of taking
22 the same trend that's there for the non-GHC and forecasting that
23 forward as what would have happened for the EFP boats is, I
24 think, probably not a very good strategy.

25
26 **MR. RIECHERS:** Certainly, recognizing those differences, and I
27 understand maybe the reason why it didn't happen, but, kind of
28 following up on Greg's point, but, in a perfect world, and let's
29 put it that way. In a perfect world, if you could climb back
30 into that data and look at boats that had similar avidity and
31 similar catch patterns and you have enough data to do that, and
32 even if we could do that for 2014 and 2015 respectively and not
33 lumping them, because they're such different years, while we
34 wouldn't have all the economics, we would have a lot of the
35 characteristics that lead you to those other economic
36 parameters. Is there an explanation of why we can't do that?

37
38 **DR. ABBOTT:** From my perspective, confidentiality. The data are
39 not available to analyze for the non-GHC vessels, because of
40 confidentiality.

41
42 **MR. RIECHERS:** I guess I will ask maybe National Marine
43 Fisheries Service. If we're lumping by bigger characteristics -
44 - It would just make all this more meaningful is all I'm asking.
45 Is there a way where we could create a big enough grouping to
46 where there is not the confidentiality question? I mean, I
47 would think there is. There normally is in our databases that
48 we pool for catch statistics, et cetera, where we could make

1 that lump. Like I said, I think it would just help in thinking
2 about increases in trips and increases across those angler types
3 or partyboat types, in this case. I mean I just pose the
4 question.

5
6 **DR. STEPHEN:** We did give them some pooled data that wasn't
7 confidential. We pooled the data as much as we could, so there
8 was no confidentiality, and gave it to them. That's what he had
9 to work with. You can expand more of the analysis.

10
11 **DR. ABBOTT:** There are comparisons in some of the slides of what
12 -- For example, in the discards, I have a comparison here, and
13 so this graph, for example, is showing you what occurred in the
14 world of discards for the group that was not outside, and that's
15 using the anonymized, not confidential data.

16
17 What we are able to do is make some comparisons by state and
18 week, and that was sort of the minimal scale which we could
19 disaggregate and still have some useful information that wasn't
20 censored.

21
22 Having said that, even if you -- I think this is sort of an
23 important point for evaluating the policy in this case. Even if
24 you could really match up, as best you could, the vessels that
25 were as similar as you can find in the ports, you would still be
26 comparing them over an unprecedented two-year period, where,
27 yes, you could say, okay, maybe revenues went up by this much
28 for this group versus that, but you would be comparing it to a
29 two-year period that was sort of an unprecedented number of
30 policy changes that came down the pike.

31
32 If you were going to try to use that, ultimately, to predict how
33 things would be different in the future, I would argue that
34 probably, in an imperfect world, where you have that comparison
35 versus one that says, well, let's use the same boats back a
36 couple of years before, in a regime that's probably a little bit
37 more like a stable management regime that we would have going
38 forward, if we didn't look at Amendment 42, I would argue that
39 that sort of comparison, just through time, 2013 to 2014 or
40 2015, for the GHC is more valid.

41
42 **MR. RIECHERS:** I am not going to argue whether you think it's
43 more valid or not. You obviously do. I am just suggesting
44 that, by looking at total revenues and revenues and suggesting
45 because they went up, if we really can't compare it to the other
46 boats not in there, I don't know that that's a conclusion that
47 says it was a success, if you will.

48

1 **DR. ABBOTT:** What I would really point to more than the revenue
2 numbers is -- I went into the different ways in which things
3 changed, and so you can look at the ways that things changed
4 that led to higher revenues. There is a demonstrable shift to
5 higher-value trips. There is a demonstrable price premium and
6 there's a demonstrable increase in full-day trips, which have a
7 higher profit margin, and so you can definitely see -- It's not
8 just a total number at the end. You can actually see changes in
9 the way they're running their business, which led to higher
10 profits, and that I would stand by.

11

12 **MR. RIECHERS:** A follow-up?

13

14 **CHAIRMAN GREENE:** Yes, sir.

15

16 **MR. RIECHERS:** Certainly, because of the lengthening of the
17 season, some of those shifts, as you suggest, are there and they
18 won't be in the other group. It doesn't really tell us much
19 about net profits, but it does say that they shifted some
20 business patterns.

21

22 Let me go back to the angler question for a second, because I
23 think Greg hit on it. We have effort going up and catch going
24 down, shifting to more expensive and longer trips, and so what
25 does that tell us about the actual basically price or the
26 valuation to the consumer on the back of the boat?

27

28 Obviously, for the business, and getting away from the
29 qualitative impacts and then what we can't say about the
30 economics here, or what we can say, but what does it tell us
31 about the valuation of the trip to that consumer that's on the
32 back of the boat?

33

34 **DR. ABBOTT:** The short answer is I will be able to answer the
35 much better in a couple of months' time, when the recreational
36 demand survey results are finalized. Preliminary results from
37 that are certainly reflecting that there is a substantial
38 willingness to pay, a willingness to pay over and above the
39 price that fishermen are being charged for being able to have
40 the seasonable flexibility.

41

42 We see in the data, and I think I can safely say this, that
43 there is a willingness to pay a higher price on a trip in order
44 to have that trip when you want it and retain red snapper and
45 gag as opposed to not.

46

47 In terms of what can be said from the data at hand, I guess what
48 I would say is that this was incurring in an environment where

1 most of these vessels were surrounded by other operations that
2 were not in the program, and they had the option -- Customers
3 had the alternative to go on an EFP vessel or one that did not
4 have the tags for red snapper and gag.

5
6 They chose to go. It wasn't like customers were made to take a
7 full-day trip. They chose to take that higher-profit-margin
8 trip, with the knowledge that they had a two-fish bag limit on
9 it, and so I guess, from that perspective, I would say that I
10 find it hard to believe that there would be a -- There is
11 certainly no loss of angler welfare that is coming about by
12 people choosing to go on a trip and pay a bit more, but also get
13 a higher-value product.

14
15 **MR. RIECHERS:** If you follow that, but I mean catch per unit
16 effort is a key component of quality and value, and catch per
17 unit effort has definitely been dramatically reduced. I am not
18 suggesting that their willingness to pay isn't higher, and even
19 willingness to pay on boats outside of the entity would be
20 willing. I suspect willingness to pay for these trips, given
21 the scarcity and the number of days, is actually high amongst
22 all of those participants now. What actually -- I mean the
23 consumer basically lost as catch per unit effort went down, in
24 some respects.

25
26 **DR. ABBOTT:** There is a couple of different ways to look at
27 this. There is looking at what one individual angler gained or
28 lost versus the total group, and what is definitely clear here
29 is that far more people went home with a snapper or a gag in
30 their bag.

31
32 Now, those were spread out over a greater number of people, and
33 so, yes, some people may not have caught as many fish as they
34 liked. There are people out there currently at a two-bag limit
35 during the regular season that would like to catch three.

36
37 I guess what I would say is that those same people also had the
38 opportunity to go fish in the June season and get the second
39 fish, and so those that really had that desire could do that,
40 and the truth is that on all of these vessels that, unless you
41 were on a half-day trip, the overwhelming majority had a two-
42 fish bag limit, which is the legal limit.

43
44 There is a general -- I am sort of speaking outside of the data
45 here, but there is a general principle in economics called the
46 principle of diminishing marginal returns. The more you get of
47 something, the less you're willing to pay for it. If you are
48 shifting someone's second fish to become someone else's first

1 fish, the person that's getting the first fish is probably
2 willing to pay more for it than the person that is giving up
3 their second. Now, that again, I'm saying that's a general
4 principle. It's not coming straight out of the data.
5

6 **CHAIRMAN GREENE:** Thank you. Mr. Diaz.
7

8 **MR. DIAZ:** Mr. Riechers covered what I was going to ask. Thank
9 you, sir.
10

11 **CHAIRMAN GREENE:** Dr. Stunz.
12

13 **DR. STUNZ:** I wanted to follow up with you just a little bit. I
14 would love to have seen that angler survey, which you said you
15 are working on, but I guess we will see that pretty soon, the
16 results of the angler survey that you have, because what I'm
17 wondering is -- It's related to you talked about a premium that
18 they paid, and I was wondering if you could explain that a
19 little better. What exactly does that mean? Was it a premium
20 for red snapper, for example, or some type of surcharge or what
21 was that? I've got a follow-up question to that once I hear
22 what you say.
23

24 **DR. ABBOTT:** In 2014, five vessels, and, in 2015, three vessels
25 charged a small premium, and the average was 13 percent over the
26 regular price, for the opportunity to catch red snapper or gag
27 on a particular trip. This was paid upfront. You caught it or
28 you didn't. It wasn't, oh, you caught that snapper and now you
29 want to keep it and now pay 13 percent more. It was an upfront
30 trip fee.
31

32 **DR. STUNZ:** One thing, just to step back, is we were talking
33 about -- Robin was bringing up this issue about the comparisons
34 and things, and I guess they're proprietary, the data, the
35 confidentiality, but I guess you could just -- It seems like
36 everyone in this program wants to know whether it works or not
37 and is viable. Could you just not ask the other individuals --
38 In another pilot we did, along similar lines, but we had for-
39 hire captains coming to us wanting to give us their data outside
40 of the confidentiality thing. It seems like there's not that
41 many and you could just ask them if they would be willing to
42 provide their information.
43

44 Now, I know there is some issues with self-reported data, but I
45 don't know. That's just a comment, that it would be useful to
46 help with that comparative purposes, if they would be willing to
47 provide that data outside of the federal.
48

1 Anyway, back to the -- Were the captains actively avoiding red
2 snapper then? If you could only catch one and you're extending
3 the length of the trip, you've got to do something else, and, of
4 course, red snapper are going to be obviously very available.
5 Did they avoid -- What this gives the appearance, to me, is it's
6 potentially sort of like you've got an insurance, in a way, that
7 covered the snapper that you catch, but you're going to be
8 fishing less-desirable species or something like that.

9
10 **DR. ABBOTT:** There is sort of two different reservoirs you can
11 put snapper in once you've caught them. You can land them or
12 you can discard them, and we certainly aren't trying to
13 encourage discards. Yes, within the -- There was a comparison
14 here.

15
16 This is looking at red snapper discards, and there are sort of
17 two different ways that you can reduce your discards. You can
18 cut back on your CPUE a bit or you can increase your retention
19 rate. What you can see is that retention rates went up, but,
20 yes, in order to stay within, to manage their quota to their
21 highest value and to stay within the bag limits that they had
22 per trip, there is definitely, in the data, a reduction in CPUE.

23
24 I think Randy can speak more to what was going on operationally
25 about that, but, certainly anecdotally, I have heard from
26 captains saying that, yes, they were trying to fish clean and
27 they didn't want to have discards and so they would try to avoid
28 these species and go get other things that customers wanted.

29
30 Part of what's going on in the recreational demand survey, and I
31 can't show it to you today, but we actually looked at people's
32 preferences for red snapper versus other species, and it's
33 certainly not the case that other species don't have value in
34 the portfolio of what they catch. As I showed, the overall
35 landings stayed constant, even as red snapper landings per
36 customer declined a bit.

37
38 **CHAIRMAN GREENE:** Thank you. Ms. Bosarge.

39
40 **MS. BOSARGE:** Thank you. I thought it was an excellent
41 presentation, and I guess one of my take-aways from it was that
42 CPUE is an important factor to some anglers, especially in the
43 commercial sector. CPUE is pretty important. I mean they're
44 out there to make a living off of it, and so you want to be as
45 efficient as possible while you're out there.

46
47 This analysis, to me, showed that the flexibility of the timing
48 and the access has a very high premium or a high value for this

1 group of recreational anglers, that they have that flexibility.
2 It's not so much that they have to have the sheer pounds of
3 protein in the ice chest of red snapper when they hit the dock
4 as much as it is they have that flexibility to go out there and
5 at least pursue that fishery, one fish, one-and-a-half fish, per
6 angler, whatever that average is, for a longer period of time.

7
8 I think that's a take-away, because there may be some difference
9 there between the anglers on these boats versus the goal of the
10 anglers on the private boats, and I think that that will help us
11 going forward, as we try and manage these two groups and come up
12 with some strategies, to make sure that whatever is the most
13 important to them in their idea of access is what we focus on.

14
15 **DR. ABBOTT:** Yes, and there is a tendency, in a presentation
16 like this, to focus on the average tendency of what went on, and
17 so this sort of half-day, one-fish bag limit is what some
18 vessels did, but one thing that definitely came out from the
19 surveys, in talking to the individual vessel owners, is that
20 they serve different clienteles, and there are definitely parts
21 of the Gulf where a lot of the clientele is sort of trying to
22 fill up their freezer, and they want to have sort of the biggest
23 bag limit possible.

24
25 Others want a more balanced portfolio. What a program like this
26 does is it sort of allows different operations to take their
27 allocation and use that in the way that allows them to do what
28 works for their customers, and you could actually envision a
29 world where you have a lot of variation there, and some people
30 are doing tight bag limits and others are not, and customers are
31 able to vote with their feet for the kind of fishing experience
32 that they want.

33
34 **CHAIRMAN GREENE:** Thank you. We're going to go ahead and move
35 on, unless anybody has anything burning they want to jump in at
36 this point. With that, we're going to move on ahead. Thank
37 you, Dr. Abbott. We're going to pick up with the triggerfish.
38 That will be the next thing.

39
40 Now, staff had asked that if you have a motion that you're going
41 to submit at some point to please submit it to them ahead of
42 time, in the effort of time, because we are behind schedule.
43 We're going to turn to triggerfish.

44
45 If you will remember this morning, we started and we had a
46 discussion about some landing updates. With that, I will turn
47 to whomever is ready to jump in there.

48

1 **NMFS-SERO LANDINGS SUMMARIES**

2
3 **MS. GERHART:** Thank you, Mr. Chair. We have commercial landings
4 and recreational landings updates for you, as requested. There
5 was an updated one sent out this morning. We originally, for
6 the briefing book, did not have Wave 2 recreational landings.
7 We have those now. Also, I updated the commercial, and so I am
8 going to go through this briefly. Then, afterwards, Mike Larkin
9 will come up, and he will talk a little bit about triggerfish
10 and amberjack.

11
12 First off, for commercial, there are only two species that we
13 quota monitor. The rest of them are all under IFQ or are in
14 stock ACLs. The commercial ACLs here are for gray triggerfish
15 and amberjack. You can see that about half of gray triggerfish
16 was caught, up until the last report we got, which was from last
17 week. Amberjack right now, with the current reports we have, is
18 at 94 percent. That did close down already, and so that is shut
19 down, but we do get some late reporting with that.

20
21 Looking at the recreational landings, I said Wave 2 may be
22 available at the council meeting, and it is. We have also
23 included some preliminary incomplete Wave 3 landings there.
24 Those landings are only from the headboat survey and LA Creel,
25 but I just wanted to put those in there to show you a little bit
26 of what they are. There are no MRIP landings for those May/June
27 landings that are there.

28
29 You can see that, with the exception of triggerfish and
30 amberjack, that they're well below their quotas at this point.
31 However, triggerfish and amberjack, even with the preliminary
32 May landings, have exceeded their ACL and greatly exceeded their
33 ACTs. Again, Dr. Larkin will speak to that when I finish with
34 this here.

35
36 Then the next page is stock ACLs. These are ones where we do
37 not have separate allocation for commercial and recreational,
38 and so there is a single ACL that the landings are compared
39 against, and you can see that most of those are well below their
40 ACLs and, with the exception of maybe deepwater grouper is a
41 little over half, but that's the highest one that's there. Now
42 Dr. Larkin will talk, and if we can go to the Tab A-8(a),
43 please.

44
45 **DR. MIKE LARKIN:** I am going to provide the details of why did
46 we close or why did we not reopen gray triggerfish and greater
47 amberjack after their June/July closure. For this one, gray
48 triggerfish, in early July, we had Wave 1. I guess, first of

1 all, we had to wait until the final 2015 landings were
2 available.

3
4 Once they were available, then we can determine what the overage
5 was for 2015 and then subtract that from the ACT and ACL of
6 2016. In 2015, the recreational landings had an overage of
7 almost 40,000 pounds. Then, in 2016, the ACT was set at 117,000
8 pounds. We actually predicted -- At that point, when we had
9 final 2015 landings, we only had Wave 1 of 2016 available.

10
11 You can see the little table here. Preliminary 2016 landings
12 were at 71,000 pounds for January and February. Then we made
13 predictions for March/April all the way through
14 November/December. At that point, we only had Wave 1, and so we
15 had to make predictions for the rest of the waves for 2016.

16
17 Under that prediction, it looked like May 18 the ACT would have
18 been exceeded. If you look at the bottom row there, you can see
19 the cumulative landings and how they add up from wave to wave to
20 wave, and you can see in May that it says the ACT was met there.
21 Since then though, since we made that prediction and that
22 closure -- Since then, because, just recently, we got Wave 2
23 landings from the Science Center, as well as some other headboat
24 and LA Creel landings, and it is confirmed that they did go
25 above the ACT before the June closure. That's why we didn't
26 open it up after the June/July closure, why we didn't open it up
27 on August 1.

28
29 Then, if we go to the next slide, this one is the same boat. We
30 were waiting until we got 2015 final landings to determine what
31 the overage was. In 2015, the greater amberjack recreational
32 landings had an overage of almost 58,000 pounds. Then we were
33 able to set the ACT and ACL, but we close when the ACT is met.
34 In 2016, the ACT was just a little bit over a million pounds,
35 and we predicted that it would exceed that on April 14.

36
37 On this one, we actually had Wave 1, and then we had very
38 preliminary estimates for Wave 2. We knew they were going to be
39 really high, and so that one, we actually got a little bit ahead
40 of the game and we closed it, and so therefore we did not reopen
41 on August 1, because we got these in July. That's when we knew
42 that Wave 2 was going to be really high. In fact, you can see
43 it's about a million pounds, and so we knew that the ACT was
44 going to be exceeded. Knowing that, that's why we did not
45 reopen it. We found this out in July, and that's why we did not
46 reopen it in August.

47
48 If you go to the next slide, I provide more details of those

1 high landings in Wave 2, which really are the reason why the ACT
2 was met, those really high landings, and, really, 80 percent of
3 it came from MRIP.

4
5 Wave 2, there was also headboat and LA Creel. There was no
6 Texas -- We currently don't have Texas for 2016, but we expect
7 those to be very low, the Texas Parks and Wildlife creel survey.
8 Anyway, the details of those Wave 2 landings for those, they're
9 actually MRIP converted to MRFSS.

10
11 Some details of that, we had sixty-four dockside intercepts in
12 Wave 2, which is the March/April wave, fifty-four in Florida,
13 nine in Alabama, and one in Mississippi. These are actually
14 intercepts that are used to make those predictions of the
15 landings overall for the Gulf of Mexico. About 75 percent of
16 the Wave 2 landings came from Florida. Most of those came from
17 the Panhandle, Panama City and Destin, and just some questions
18 we had, which I'm trying to address in the bottom half of this
19 slide here, was, in January, there was an increase in the size
20 limit from thirty to thirty-four inches, which the real purpose
21 of it was to reduce harvest, and which is certainly not the
22 case, since we had real high landings in Wave 2.

23
24 I just did some preliminary look at the size distribution of the
25 gray triggerfish that were harvested in 2016 relative to 2014
26 and 2015. The 2016 is the black bars in that figure there. The
27 X-axis is the fork length and the Y-axis is the percent of fish
28 caught in those different sizes.

29
30 You have the new size limit, the change, there. That red line
31 is actually the new size limit. It looks like they are
32 following the new size limits. It's not like the fishermen are
33 still continuing to harvest fish in that thirty-one, thirty-two,
34 and thirty-three inches fork length. There still is some
35 undersized harvest, but I guess you could say the ratio of those
36 fish in that thirty to thirty-four-inch window has dropped a lot
37 in 2016.

38
39 You can see that little comment there. Most fishermen follow
40 the new size limit. You can see the thirty to thirty-four
41 inches fork length. It decreased from about 46 percent of the
42 fish harvested were in that window from 2014 and 2015, but then
43 that dropped down to 19 percent with the new size limit.

44
45 Really, what we're seeing those is larger fish. You see, if you
46 go all the way to the right, that greater than forty inches fork
47 length, that big, tall black bar there. What we're seeing now
48 is much -- This is still very preliminary. We have only really

1 looked at Wave 1 and Wave 2 of 2016, but we're seeing a lot
2 larger fish, which is contributing to the high landings in 2016
3 for Wave 2. I kind of rambled through that there with a whole
4 bunch of details, but I would be happy to take any questions on
5 that.

6
7 **CHAIRMAN GREENE:** Thank you. Any questions? Mr. Anson.

8
9 **MR. ANSON:** How many fish, Dr. Larkin, does this represent that
10 were sampled for those fifty-four, nine, and one interviews?

11
12 **DR. LARKIN:** Sampled, it was ninety-nine. In Wave 2, there was
13 actually a sample of 99 greater amberjack, but just keep in mind
14 you have your fish that are sampled, fish which is used for fish
15 per person, and that's multiplied by the sample weight, whether
16 there was a lot of effort that day or low, and so that's kind of
17 expanded up to determine what the total pounds would be or total
18 numbers of fish for the different regions, if that helps, but it
19 was ninety-nine total fish were actually you could say observed
20 by dockside samplers.

21
22 **MR. ANSON:** Then one other question related to gray triggerfish.
23 You predicted the ACT was exceeded and so -- After the fact, you
24 did a prediction, and this was in July, when you got the
25 estimates. You did the analysis and then you predicted that the
26 ACT was actually exceeded in May? Is that what you said?

27
28 **DR. LARKIN:** Yes, and, actually, when we did this one, we only
29 had Wave 1 landings so far, and so I had to predict the rest of
30 the waves.

31
32 **MR. ANSON:** At the time, you didn't know, back at the end of --
33 Well, you got the Wave 1 estimates in July, and is that how it
34 went?

35
36 **DR. LARKIN:** Correct.

37
38 **MR. ANSON:** Have you gotten the estimates for Wave 3 yet?

39
40 **DR. LARKIN:** No, we haven't got those yet.

41
42 **MR. ANSON:** Thank you.

43
44 **CHAIRMAN GREENE:** Anybody else? I guess, based on this, it
45 would be safe to say that there won't be a triggerfish season
46 for next year?

47
48 **DR. LARKIN:** I wouldn't say that. Looking at, just ballpark

1 now, how much have we gone over from the data we have so far, I
2 think actually Sue already has it available here.

3
4 **DR. ROY CRABTREE:** I don't want to speculate about next year
5 until we see more landings on through, and so we will get Wave 3
6 fairly soon, and then we'll have a much better understanding of
7 what was caught through June and we will go from there.

8
9 **CHAIRMAN GREENE:** Thank you. Ms. Guyas.

10
11 **MS. GUYAS:** The Tab A, Number 8 that Sue went through, it looks
12 like the old version is still on the website, and I don't think
13 the new one got distributed, and if that could be distributed to
14 everybody, that would be great. The one that's on the website
15 now still has just the January/February. It doesn't have Wave
16 2.

17
18 **CHAIRMAN GREENE:** Thank you. Any further questions? Seeing
19 none, I guess we will continue on our agenda here. I guess Dr.
20 Larkin is up again or someone from staff on the decision tools.

21
22 **DR. LARKIN:** Yes, that's me again. Are we doing the commercial
23 first, the commercial decision tool for gray triggerfish?

24
25 **DR. SIMMONS:** Actually, could we start with the recreational
26 decision tool, since they have seen that before and you made
27 some changes, based on the SSC and council requests?

28
29 **DRAFT AMENDMENT 46 - MODIFY GRAY TRIGGERFISH REBUILDING PLAN**
30 **DRAFT RECREATIONAL DECISION TOOL**

31
32 **DR. LARKIN:** Sure. I just wanted to respond to -- Mr. Anson
33 requested, at the last council meeting, that we incorporate
34 fishing effort, changes in fishing effort, and so this is still
35 something relatively new that we're working on with our decision
36 tools. I incorporated that, following Mr. Anson's request, and
37 broke it up by headboat, charter, and private. You can see
38 there the different dropdown menus there.

39
40 The way this works now is fishing effort is a very tricky thing
41 to get a handle on. It depends on what species and what season
42 and so forth. The way this is built, mathematically, it's
43 really up to the user to decide how much the fishing effort will
44 shift during a closure.

45
46 To give you a quick example here, let's say if you close twenty
47 days in January, those twenty days -- Let's start real simple.
48 Let's say, all across the board, headboat, charter, and private,

1 you give it 100 percent effort shifting and you close twenty
2 days in January. Those twenty days will be reallocated to the
3 other months, and the way the tool is set up, each month has its
4 own daily catch rate.

5
6 If you take away those twenty days, let's say you would probably
7 get two more days in February. The landings in February will
8 increase by two more days for the catch rate in February. March
9 will get two more days by the catch rate in March. If you do no
10 effort shifting, then it won't change at all, and especially if
11 you don't have any closures.

12
13 I was trying to explain to you the math behind it. You can
14 decide whether you want to do headboat, charter, or private. Do
15 you want 100 percent effort shifting, or, for example, let's say
16 that charter you only wanted to -- You close twenty days in
17 January and for charter you only do 10 percent.

18
19 Instead of twenty days, two days will be allocated and equally
20 distributed to the rest of the open days. It is really tricky,
21 and it's a new concept we're working on with the South Atlantic
22 Council as well as this council. The model is also set up so
23 that each month has its own daily catch rate, and that's also
24 set up between headboat, charter, and private. If you do effort
25 shifting for private, then the landings that go into that month
26 for charter and headboat will not be impacted at all.

27
28 The rest of the model is still the same, but it gives the user
29 an option whether they think, for example, for headboat, will
30 there be no effort shifting, meaning the headboat fishermen are
31 going to keep going out no matter what and their days fished are
32 going to continue as they were in the past.

33
34 Maybe charter, for example, if you close in May, will they
35 effort shift 100 percent of their effort to the other months or
36 will they just effort shift 10 percent of their effort, where
37 they would have gone in May, those thirty-one days that were
38 closed, and only 10 percent to the other months, and so, really,
39 the burden is really on the council to determine how they think
40 the fishermen will respond to effort shifting from the different
41 closures. I would be happy to answer any questions. I know
42 it's a little tricky to work through.

43
44 **CHAIRMAN GREENE:** Mr. Riechers.

45
46 **MR. RIECHERS:** Just out of curiosity, when you all have been
47 working on this and thinking about the effort shifting and
48 trying to build it into your model, we certainly probably have

1 some past examples of closed seasons and effort shifting that
2 has occurred. Have you all tried to look at that, to put bounds
3 on some of that, and create some of that notion of what might be
4 a reasonable effort shifting estimate?
5

6 **DR. LARKIN:** No, and, to be honest, that's a good point, but I
7 haven't looked at that. I guess it even depends on when it was
8 closed and what species and so forth, but certainly, now that
9 you point it out, with gray triggerfish, there certainly have
10 been significant numbers of closures there to give you I guess a
11 range, to see if it's similar, and so it's something I can
12 certainly pursue, but, for now, the burden is really on the user
13 to define how the effort will be shifted.
14

15 **CHAIRMAN GREENE:** Mr. Anson.
16

17 **MR. ANSON:** Thank you, Mr. Chair. That was a good question,
18 Robin, and I had a similar question. Unfortunately, I think
19 it's a dog chasing its tail, a little bit. Fishermen are
20 responding to management, and they are being more creative as we
21 are taking away -- Believe it or not, we're taking away more
22 options and they're being more creative, I think, but I just
23 wanted to thank Dr. Larkin for the time and effort that he put
24 into this model, and I certainly encourage him, as Robin
25 suggested, to look at some of those trends that may be
26 developing within triggerfish for this particular example, as
27 well as other fish, to see if there might be some sort of metric
28 that's similar or standard that we could use in future
29 instances. Thank you.
30

31 **CHAIRMAN GREENE:** Thank you. Any further discussion? Seeing
32 none, I guess we've taken care of the recreational. Then there
33 was a change in the commercial, and so if you want to lead us
34 through that. Dr. Simmons.
35

36 **DRAFT COMMERCIAL DECISION TOOL**

37

38 **DR. SIMMONS:** Thank you, Mr. Chairman. Just a couple of pieces
39 of information while Mike is getting that up. This is the first
40 time the council has seen the commercial decision tool for gray
41 triggerfish, and this has not gone to the SSC. We plan to take
42 both this decision tool back and the revised recreational
43 decision tool back to the SSC. I guess in their September
44 meeting they will look at this, and I think Dr. Larkin has also
45 produced a write-up that explains in a lot more detail what they
46 have done behind the scenes for these decision tools, and so
47 thank you.
48

1 **DR. LARKIN:** For the commercial, based on our predicted landings
2 for the 2017 fishing season, it's very similar to the
3 recreational one. You can drop down and determine here whether
4 you want to close a certain number of days, for example, in May
5 or if you want to determine the entire month here. Then this
6 one is a little more simple. There's not as many options going
7 into it. Then you can click here if you want to decrease the
8 current gray triggerfish -- It's a trip limit, but it's based on
9 numbers of fish.

10
11 The status quo, you can see twelve or you can drop down to five
12 or ten or you can increase to thirteen or fourteen. I actually
13 took the step and put in an increase up to twenty, just because
14 it had very little impact when you increased the gray
15 triggerfish to thirteen or fourteen.

16
17 It's always tough when you're increasing something, because you
18 really don't have a lot of data to really see how that would
19 impact, and so what we typically do in this case is we increase
20 -- When we increase, for example, a trip limit, we look at the
21 number of trips that harvested twelve and those trips that
22 maximized a trip limit and assumed that those same exact trips
23 would increase up to thirteen, fourteen, or twenty. It's a big
24 assumption there. You're assuming that they stopped because
25 they meet their trip limit.

26
27 Therefore, if we increase it, those trips will also meet the new
28 trip limit, but the ones below the trip limit, for the ones, for
29 example, that had one through eleven gray triggerfish, those
30 were not modified. The ones above the trip limit -- In this
31 case, if I was looking at fourteen, any of the ones that
32 harvested above fourteen were left alone, assuming that there is
33 still the same level of non-compliance.

34
35 When I looked at an increase to thirteen or fourteen, it made
36 such a small difference that I just wanted to make it more
37 fruitful to go through all the steps of building this thing, to
38 make it increase all the way up to twenty.

39
40 Basically, the landings are set up by month, but you can either
41 close certain months or close certain days and months and then
42 you can -- Here is kind of the layout of what the landings per
43 month look like in this row here, and then this sums up all of
44 them here. Then you can scroll down and see how they relate to
45 the different ACLs and ACTs.

46
47 A yellow is highlighted, meaning there was an overage. For
48 example, this one, you can see 46,000 is above, in this case,

1 the ACL of 45,000 and the ACT of 41,000. You can see how they
2 relate to all different options for the ACLs and ACTs, and then
3 you can scroll down here and see how the landings track over
4 time. Then the different lines represent the different -- In
5 this case, these are the ACTs, because the fishery is set up to
6 close when the ACT is met.

7
8 Over here is actually a prediction for the closure dates. For
9 example, this one predicts that all three ACTs will be hit on
10 December 9 and the number of days in the season will be 311. As
11 you change this, you can see how -- For example, if I open this
12 back up and then you scroll back down here, the landings are
13 higher, not dramatically higher, but, anyway, landings are
14 higher and so you can see, when they cross those lines, they
15 exceed the ACL or, in this case, the different ACTs.

16
17 If it was not exceeded, you will see "N/A" in the little columns
18 here. You can see these, most of them, did not hit the ACT.
19 The ones that did, it provided a date and the number of days in
20 the season. That's it for the commercial decision tool, and I
21 would be happy to answer any questions on it.

22
23 **CHAIRMAN GREENE:** Thank you. Any questions? Mr. Walker.

24
25 **MR. WALKER:** Dr. Larkin, how many pounds per trip? Did you have
26 an average on how many pounds per trip on commercial? It's
27 twelve fish, but how many pounds?

28
29 **DR. LARKIN:** Pounds per trip -- I just really focused on the
30 pounds per month and then broke it up by the number of days in
31 the month, and so you're asking the number of pounds per trip
32 and what is the range? Is that what you're asking, the range of
33 pounds per trip for the commercial trips?

34
35 **MR. WALKER:** Yes, just the average amount of pounds per trip. I
36 am interested in adding an alternative when we get to Action 7
37 of going to a seventy-five-pound trip limit. One of the
38 concerns is we've been hearing some stories of high-grading with
39 the twelve fish. There may be some high-grading going on, and I
40 think it might work better with a seventy-five-pound trip.
41 That's basically just a heaping basket full of triggerfish.

42
43 **DR. LARKIN:** I do have that in the amendment, where we --
44 Correct me if I'm wrong, Carrie, but I think we actually
45 provided that in the amendment, where I provided a length
46 frequency distribution of the pounds per trip, but I think I did
47 it in numbers of fish and not pounds. I don't have that
48 available now, but I believe in the amendment that we have that

1 summarized, if that would help give you some guidance as to the
2 pounds per trip, and so we do have that in the amendment.

3
4 **MR. WALKER:** I am just concerned, because I think we're at like
5 50 percent of the landings right now, as of last week.

6
7 **CHAIRMAN GREENE:** Thank you. Any further comments? Seeing
8 none, I guess we will move on to the next agenda item and Dr.
9 Simmons.

10
11 **REVIEW OF DRAFT AMENDMENT**

12
13 **DR. SIMMONS:** Thank you, Mr. Chairman. Now we're ready to get
14 into the rebuilding plan. We will go through Tab B, Number 11.
15 I don't have a presentation, and so I would like just to walk
16 through the document, starting on page 7 with the purpose and
17 need.

18
19 What would be helpful for us is if we could remove any
20 alternatives that you would not like us to consider looking at
21 any further or add any alternatives that you would like us to
22 look at moving forward, so we can really start developing this
23 into a public hearing draft. We do have to have the rebuilding
24 plan implemented by November of 2017, and so staff does need to
25 get going on this.

26
27 We will start with the purpose and need, and I was just
28 wondering if the committee had any comments. The purpose is to
29 establish a rebuilding time period, catch levels, and management
30 measures for the Gulf of Mexico gray triggerfish stock. The
31 need is to make adequate progress to rebuild an overfished stock
32 consistent with the requirement for rebuilding plans and to
33 achieve, on a continuing basis, the optimum yield from
34 federally-managed species or from a federally-managed stock. I
35 will stop and see if the committee wants to make any changes or
36 recommendations here.

37
38 **CHAIRMAN GREENE:** I don't see anybody, and so continue on,
39 please.

40
41 **DR. SIMMONS:** Okay, and so let's go to Action 1. It's on page
42 8. We are establishing a rebuilding time period for the gray
43 triggerfish stock. Alternative 1 is the no-action alternative.
44 That's the plan we're currently in, the current five-year
45 rebuilding period. It began in 2012 and it ends in 2017.

46
47 Alternative 2 would establish a rebuilding time period equal to
48 the minimum number of years, T_{min} , to rebuild the stock, based

1 on a constant fishing mortality rate of zero, starting in 2017.
2 That was using the SSC's recruitment scenario to recover in six
3 years or by the end of 2022.

4
5 Alternative 3 would establish a rebuilding time period of eight
6 years or by the end of 2024. Alternative 4 is nine years or by
7 the end of 2025, and Alternative 5 is ten years, or by the end
8 of 2026. Again, this rebuilding plan is slated to start in
9 2017, and so I will stop there and see if there's any questions
10 or suggestions.

11
12 **CHAIRMAN GREENE:** Ms. Bosarge.

13
14 **MS. BOSARGE:** Carrie, I'm going to back up a little bit, because
15 I was going through this document, and I know it's only a draft
16 options paper right now, and I've only been on the council for
17 three years, and so I have not been in the middle of this since
18 the 2006 stock assessment, where they said, okay, it's
19 overfished and undergoing overfishing and let's get something in
20 place to do something about this.

21
22 I think, for me, coming into it at this point, it would be very
23 helpful if in the document -- Can we have some graphs and some
24 charts that take us further back in time than 2001? In fact,
25 what I did was pulled up the document that initiated the first
26 rebuilding plan online, on our website, to try and look at it,
27 to try and understand where were we at then and then what did we
28 do and where we're at now, but if some of that could be in this
29 document, I think that would be helpful, to kind of know where
30 we started before the rebuilding plan, what were we doing then,
31 and then what did we do to try and rebuild it and then what do
32 we need to do differently now.

33
34 Those landings and those charts in that document went back to
35 1979. It was 1979 to 2005, and all of our graphs and charts in
36 this document mainly start at 2001 and go forward, which
37 obviously that's very relevant material, but I need a big-
38 picture view of it to help me a little bit.

39
40 Then I think the other thing that would be helpful is, as you
41 give us those graphs and those charts, if we could have almost
42 like a spreadsheet looking thing in there, illustration, where
43 it tells us, in a very brief snapshot, what management measures
44 were taken, because we have a verbal paragraph form of that, and
45 it kind of tells us that landings tapered off very rapidly in
46 this year and this year, but what we don't know is that like in
47 2008, that document, that management plan, when I read back over
48 that one, the management actions that were taken in that

1 document were intended to decrease landings by 60 percent, both
2 recreationally and commercially.

3
4 Those are the kinds of things, if I could see what these
5 different actions, management-wise, up next to the landings and
6 what was happening here and there, I think I could get a better
7 grip on what's feasible and maybe what's the best course going
8 forward. That's just a general suggestion.

9
10 **CHAIRMAN GREENE:** Thank you. Any further comments? Seeing
11 none, Dr. Simmons.

12
13 **DR. SIMMONS:** We can certainly do that, and not just the history
14 of management, but we could beef up the history in the
15 introduction about the way we've managed the stock prior to the
16 first stock assessment, certainly.

17
18 **MS. BOSARGE:** Yes, in an illustration or spreadsheet version.

19
20 **DR. SIMMONS:** Okay. We will work towards that. I guess there
21 was nothing on Action 1, no changes there, and so we will go to
22 Action 2.

23
24 **CHAIRMAN GREENE:** One second. Dale Diaz.

25
26 **MR. DIAZ:** Just for my benefit, what's the timing on this
27 document? This is an options paper, and so we're getting ready
28 to do a scoping document, and how are we going to progress here?
29 I know 2017 is very close.

30
31 **DR. SIMMONS:** Right now, this is an options paper. We have to
32 have, I think, the rebuilding plan implemented I believe by
33 November of 2017, and so we have to move fairly rapidly, I
34 think, to continue to develop this and take final action, I
35 would assume, in April, or June at the very, very latest, and I
36 think June would be pushing it, but I could let the Regional
37 Office staff weigh in or Steven weigh in on the timing of it,
38 but my understanding is that it has to be implemented by
39 November of 2017.

40
41 **CHAIRMAN GREENE:** Mr. Atran.

42
43 **MR. ATRAN:** I was just talking with Mike Larkin about Leann's
44 request to go back further in time on some of the landings, and
45 I believe that the MRIP conversions only go back to around 2004,
46 or thereabouts. MRFSS began in -- The data that we have goes
47 back to 1981, but I don't think the conversions go back that
48 far, and so that limits how far back in time we can go, at least

1 on the recreational sector.

2
3 **CHAIRMAN GREENE:** Ms. Bosarge.

4
5 **MS. BOSARGE:** Yes, and you can footnote it and put that in
6 there, but I even without that conversion -- I'm looking at
7 landings that are six-million pounds, seven-million pounds, and
8 we're talking about quotas that are less than 500,000 pounds.
9 Even if you don't have a conversion that gets these things
10 exactly right, back in the 1980s and such, it still gives me a
11 better picture of the history of this fishery and maybe where we
12 are now. How bad are things or how good are things, but I need
13 a more than just 2001 snapshot of this.

14
15 **CHAIRMAN GREENE:** Thank you. Anyone else? Okay, Dr. Simmons.

16
17 **DR. SIMMONS:** I think this is going to be an environmental
18 assessment. We're still working on that, and so we would take
19 this to public hearings after the council approves a public
20 hearing draft, but we are not planning to take this out to
21 scoping.

22
23 Action 2 is to establish annual catch limits and catch targets
24 for gray triggerfish. Alternative 1 is the no-action
25 alternative, retain the gray triggerfish sector ACLs and ACTs as
26 developed in Amendment 37 and that have been in effect since
27 2012, and you can see those in the table there. The ABC is
28 305,300 pounds with the commercial ACL and the recreational ACL
29 and commercial ACT and recreational ACT.

30
31 Alternative 2 would set the ACLs and ACTs for gray triggerfish
32 at zero pounds until a new stock assessment has been completed,
33 and Alternative 3 would use the SSC's recommended rebuilding
34 period, the increasing yield stream rebuilding period, of eight
35 years from the most recent assessment, and that's SEDAR 43 in
36 2015, and it corresponds with the annual ABCs recommended for
37 2017 through 2019. You can see those there in the table below.

38
39 For the sector buffers or the buffers by sector between the ACL
40 and ACT, we used the council's ACL/ACT control rule, and we
41 based it on the landings from 2012 through 2015, and that
42 resulted in a buffer of 8 percent for the commercial sector and
43 20 percent for the recreational sector between the ACL and ACT.

44
45 For Alternative 4, it also uses the SSC's recommendation of the
46 mean. This is the mean instead of the increasing yield streams
47 for 2017 through 2019, and then it has the various options
48 underneath for an eight-year, a nine-year, and a ten-year

1 rebuilding plan, and it has the corresponding years. Then, if
2 you go down a little bit further in numbers, you see the mean
3 ABCs and the commercial and recreational ACLs and ACTs. I will
4 stop there for a moment for discussion.

5
6 **CHAIRMAN GREENE:** Ms. Bosarge.

7
8 **MS. BOSARGE:** I just have to correct something that I said, but
9 it goes to the point of having this information in the document
10 at hand. It wasn't six and seven-million pounds. I am trying
11 to find the right page in a ten-year-old document here to tell
12 you what the landings were, and I did this in the middle of the
13 night last night, but they are up into the millions, and
14 eventually I will find the right page, but, on the record, no,
15 they're not six or seven-million, but if we can get that
16 information in this, I would appreciate it, but I just needed to
17 correct that statement, and so thank you.

18
19 **CHAIRMAN GREENE:** Thank you, Ms. Bosarge. Any further
20 discussion? Dr. Crabtree.

21
22 **DR. CRABTREE:** Carrie, is there any real need for us to have
23 Alternative 3 in here that has these slightly increasing yields?
24 I think we had other alternatives that we took out, and it looks
25 like Alternative 3 would only apply if we chose the eight-year,
26 and we already have an Alternative 4, which would give us the
27 mean if we chose the eight-year rebuilding plan, and it isn't
28 much different than these increasing ones, and so would it be
29 appropriate for us to take Alternative 3 to considered but
30 rejected to simplify this and move it?

31
32 **DR. SIMMONS:** Yes, I think that would help quite a bit.

33
34 **DR. CRABTREE:** I would move, Mr. Chairman, that we remove
35 **Alternative 3 to the considered but rejected.**

36
37 **CHAIRMAN GREENE:** Thank you. We're going to get a motion up on
38 the board here. We have a motion on the board. Is there a
39 second for this motion?

40
41 **MR. RIECHERS:** Second.

42
43 **CHAIRMAN GREENE:** Second by Mr. Riechers. Any further
44 discussion? **Seeing none, is there any opposition to this**
45 **motion? Seeing none, the motion carries.**

46
47 **DR. SIMMONS:** If there is nothing else on Action 2, we will move
48 to the management measures. Action 3 starts the recreational

1 management measures. It's on page 12. Currently, we have a
2 fixed closed season. It's for both the recreational and the
3 commercial sector. It's June 1 through July 31. The council
4 established this in Amendment 37 in 2013. The reason primarily
5 was that it overlaps with peak spawning for gray triggerfish.

6
7 Alternative 2 would modify the gray triggerfish closed season
8 for the recreational sector to be from June 1 through August 31.
9 Alternative 3 would modify the closed season to be from January
10 1 to July 31, so you had a later season, later in the year.
11 Alternative 4 would modify the gray triggerfish closed season
12 for the recreational sector to be from January through February
13 and then open on March 1 and then close again June 1 to July 31.

14
15 Alternative 5 would modify the season to be from January 1
16 through January 31 and open up on February 1 and then close
17 again on June 1, and keep that June 1 through July 31 closed
18 season, and so I will stop there.

19
20 **CHAIRMAN GREENE:** Thank you. Any further discussion on Action
21 3? Seeing none, I guess we will continue on.

22
23 **DR. SIMMONS:** I will go ahead and note, for each of those closed
24 seasons, and you also have your decision tools now, is on Table
25 2.3.1, it's got the closures by month, the estimated projected
26 landings or total projected landings for that year, and then
27 it's got alternatives. If we could down to page 14, you can see
28 that there that corresponds to the alternatives.

29
30 We will go to page 15. The other management measure we have is
31 looking at reducing the bag limit for gray triggerfish. It's
32 Action 4. Alternative 1 is the no-action alternative, do not
33 modify the recreational bag limit of two gray triggerfish per
34 angler per day within the twenty reef fish aggregate bag limit.
35 Alternative 2 would reduce it to one gray triggerfish per angler
36 per day within the twenty reef fish aggregate bag limit.

37
38 Just to remind you, the aggregate bag limit includes, besides
39 gray triggerfish, vermilion snapper, almaco jack, lane snapper,
40 golden tilefish, goldface tilefish, and blueline tilefish.

41
42 You can see an analysis of the recreational data showed only a
43 small percentage of the trips reached the twenty reef fish
44 aggregate bag limit, and that is on page 16 of the document.
45 Approximately 10 percent of the trips harvest two gray
46 triggerfish within the twenty reef fish aggregate.

47
48 In discussions with the IPT, we talked a little bit about at

1 some point that the council may want to consider looking at this
2 overall reef fish aggregate and decide if they may want to take
3 triggerfish out or look at some of these other species. I don't
4 know if they want to handle it in this document, but it may be
5 something you want to consider in the future, if not here,
6 regarding these recreational bag limits, and so I will stop here
7 for a moment.

8
9 **CHAIRMAN GREENE:** Thank you. Is there discussion? I don't see
10 any, Carrie. Continue on, please.

11
12 **DR. SIMMONS:** All right. We will go to Action 5. It's to
13 modify the recreational minimum size limit for gray triggerfish.
14 We are currently at a fourteen-inch minimum size limit, fork
15 length, for gray triggerfish. Alternative 2 would increase the
16 recreational size limit to fifteen inches and Alternative 3
17 would increase it to sixteen inches fork length.

18
19 The decision tool, I think, allows a lot broader scope of
20 minimum size limit that you could look at, but this is currently
21 what we have in the document. We did look at this during the
22 development of Reef Fish Amendment 37, and the council
23 determined that there should not be an increase in the minimum
24 size limit, because we hadn't changed too long ago from total
25 length to fork length.

26
27 The staffs got together and developed some education and
28 outreach materials regarding the current size limits, and you
29 can see, on page 19, that these efforts have been successful, to
30 some extent. There's been an 8 percent reduction in undersized
31 fish, if you look at Figure 2.5.1 in the document, and so that
32 was some good news. I think that's all I have on that action
33 right now, and so I will stop there.

34
35 **CHAIRMAN GREENE:** Thank you. Any discussion? Seeing none,
36 continue on, please, Dr. Simmons.

37
38 **DR. SIMMONS:** The next two actions deal with the commercial
39 management measures. Action 6 would modify the commercial fixed
40 closed season for gray triggerfish. This action, we have
41 Alternative 1, the no-action alternative, to maintain the
42 current closed season of June 1 through July 31. Alternative 2
43 would modify the fixed closed season to be from May 1 to July
44 31, and Alternative 3 would modify it to be from June 1 through
45 August 31.

46
47 I did want to point out that I think, as Mr. Walker alluded to
48 earlier, that, since the implementation of the twelve-fish trip

1 limit, the landings have been low. In 2014, forty-two-thousand-
2 five-hundred-and-something pounds were landed, and so that's 31
3 percent of the ACT. In 2015, about 47,000 or 48,000 pounds were
4 landed, and so it was about 22 percent below the ACT, the
5 current ACT that is, of 60,900 pounds.

6
7 The IPT really wasn't sure if the council wanted to keep this
8 action in the document and felt that it was necessary, because
9 currently the commercial sector is not landing their quota, and
10 so I will stop there.

11
12 **CHAIRMAN GREENE:** Thank you. Any discussion? Mr. Walker.

13
14 **MR. WALKER:** I am more concerned in Action 7, when we get to
15 that, maybe going to pounds instead of number of fish.

16
17 **CHAIRMAN GREENE:** Okay. Thank you. Ms. Bosarge.

18
19 **MS. BOSARGE:** It's probably going to be contrary to what I feel
20 like you're going to say, but I have been thinking about this.
21 I mean obviously we have something that's not rebuilding the way
22 we wanted it to rebuild, and so common sense would tell you --
23 Let me reserve my comment until we get to the bag limit, because
24 I'm already ahead in the document, and so hang on.

25
26 **CHAIRMAN GREENE:** Dr. Crabtree.

27
28 **DR. CRABTREE:** Unless someone feels differently, it seems to me
29 that this is an action we could remove from the document,
30 because I'm not hearing a lot of interest in changing it. **I**
31 **would move that we move Action 6 to the considered but rejected**
32 **appendix.**

33
34 **CHAIRMAN GREENE:** Mr. Fischer.

35
36 **MR. FISCHER:** As far as the biology of the fish, is the spawning
37 restricted to June and July or does the spawning extend beyond
38 those months?

39
40 **CHAIRMAN GREENE:** Hold on just a second. We're getting the
41 motion on the board. I thought you were going to be seconding
42 that motion.

43
44 **MR. FISCHER:** No, I might not be.

45
46 **CHAIRMAN GREENE:** If you would, please hang on just a second.
47 Mr. Sanchez, you're seconding it? All right. We have a motion
48 on the floor to move Action 6 to considered but rejected. It

1 was seconded by Mr. Sanchez. Is there any further discussion?
2 Is there any opposition to the motion on the floor? Mr.
3 Fischer, go ahead.

4
5 **MR. FISCHER:** It's just a question on the biology of the fish.
6 Are they spawning outside of those months? I just wanted to
7 know how tight of a curve it is. Are they peaking at the end of
8 June?

9
10 **CHAIRMAN GREENE:** Dr. Simmons.

11
12 **DR. SIMMONS:** Thank you, Mr. Chairman. They have been fecund
13 from May to August, but we have only observed actual spawning in
14 the northern Gulf of Mexico during the months of June and July,
15 and so that is what published information is available.

16
17 **CHAIRMAN GREENE:** Thank you. Any further discussion on the
18 motion on the floor? **Seeing none, is there any opposition to**
19 **the motion before you? Seeing none, the motion carries.** Dr.
20 Simmons.

21
22 **DR. SIMMONS:** Okay. The last action is Action 7, page 23, to
23 modify the commercial trip limit. We can get that information,
24 I think, for pounds by full council, but we could add that to
25 the document as well if you maintain this action in here.

26
27 Alternative 1, the no-action alternative, would maintain the
28 commercial trip limit of twelve gray triggerfish per vessel per
29 day. Alternative 2 would increase the trip limit to fourteen
30 fish per vessel per day. Alternative 3 would decrease the trip
31 limit to ten fish per vessel per day.

32
33 We had put in here an IPT-proposed alternative just for
34 consideration. It's in the commercial decision tool, and that
35 is to increase the trip limit to twenty fish per vessel per day,
36 and that was based on the information that I went over earlier,
37 that they're not currently catching their quota. In the last
38 couple of years, they've been about 22 to 31 percent below the
39 quota.

40
41 Although increasing the trip limit when the rebuilding plan has
42 not been achieved is an alternative that we agree should be
43 considered carefully, we did want to bring this up. It was
44 brought up also at a Reef Fish AP meeting last year that the
45 twelve-fish trip limit was constraining harvest enough that they
46 weren't able to achieve the ACT currently.

47
48 **CHAIRMAN GREENE:** Thank you. Is there discussion? Mr. Walker.

1
2 **MR. WALKER:** So do we need a motion now or you can add it to the
3 document without bringing it to full council? **I have emailed a**
4 **motion in earlier, if we could get it up, to save time here.**
5
6 **CHAIRMAN GREENE:** We have a motion on the board in Action 7 to
7 add an alternative to establish a seventy-five-pound trip limit
8 per vessel for gray triggerfish. Is there a second for this
9 motion? It's seconded by Mr. Sanchez. Is there discussion?
10 Mr. Walker.
11
12 **MR. WALKER:** We've already had some discussion. The commercial
13 industry has not been landing or receiving the optimum yield,
14 and there's been concerns of high-grading going on. I have
15 heard people landing twelve fish and having a hundred pounds of
16 triggerfish. That's like an 8.3-pound fish, and so I mean
17 that's not your average-size triggerfish. I think the seventy-
18 five-pound trip limit would work better and help us achieve the
19 optimum yield better.
20
21 **CHAIRMAN GREENE:** Thank you. Any further discussion? Ms.
22 Guyas.
23
24 **MS. GUYAS:** Just a question, so we can be talking apples and
25 oranges here. How many triggerfish is seventy-five pounds?
26
27 **CHAIRMAN GREENE:** Mr. Walker.
28
29 **MR. WALKER:** Dr. Larkin.
30
31 **DR. LARKIN:** Sorry. I don't mean to interrupt, but, based on
32 our TIP sampling with the dockside intercepts in commercial,
33 that's eighteen gray triggerfish.
34
35 **CHAIRMAN GREENE:** Mr. Diaz.
36
37 **MR. DIAZ:** I guess this question is for one of the commercial
38 fishermen on the group. I mean do fishermen typically weigh
39 fish onboard the vessel now to keep track of stuff like that,
40 and is this something that would be workable if we went down
41 this road? It certainly wouldn't be as easy as counting the
42 fish for fishermen. It would be an additional burden on their
43 end.
44
45 **MR. WALKER:** Yes, we currently weigh our fish right now for
46 snapper to keep from not exceeding what we want to catch per
47 trip. That would be about a heaping basketful of triggerfish.
48 Like I say, it would stop some of the concerns of high-grading

1 going on, and it would help rebuild quicker.

2

3 **CHAIRMAN GREENE:** Mr. Diaz.

4

5 **MR. DIAZ:** To respond to that, in a lot of fisheries, high-
6 grading is a very big deal, but the literature in this document
7 says that we only lose about a percent-and-a-half, and is that
8 right, Dr. Simmons, of fish with fishing mortality? Fishing
9 mortality is very low, is what the document says, and so, while
10 I don't encourage high-grading and I think it's a terrible
11 practice, it's probably not as big of a deal in this fishery as
12 in a lot of other fisheries, and so is it worth the trouble of
13 going through to convert over to pounds to try to take care of
14 the very small fishing mortality that might occur? I don't know
15 the answer to that, but I'm just trying to think through this.

16

17 **MR. WALKER:** An example is the fish -- I think triggerfish
18 probably survive better than any fish that you release in the
19 Gulf, but if he's been iced down for two days, he's not going to
20 do very well if you release him then.

21

22 **MR. DIAZ:** That's a very good point, Mr. Walker. You just
23 convinced me.

24

25 **CHAIRMAN GREENE:** Never a more truer word spoken. Any further
26 discussion? Ms. Levy.

27

28 **MS. LEVY:** If you're going to make a decision to change from
29 number of fish to pounds -- It was in number of fish for some
30 particular reason, I assume for ease of the fishermen or
31 enforcement or whoever. I don't have any problem with you doing
32 that, but I think you need to make that decision and the
33 alternatives need to be consistent.

34

35 We're either going to do a pound trip limit or a number of fish
36 trip limit, because I think it would be difficult to analyze
37 twelve fish versus seventy-five pounds. It seems like the
38 decision needs to be made upfront, and then your alternatives
39 would reflect that decision.

40

41 **CHAIRMAN GREENE:** Sorry that I skipped over you, Mr. Anson.

42

43 **MR. ANSON:** A couple of questions, I guess, and it kind of ties
44 into what Mara was saying, and so it might be a moot point, but
45 it says vessel per day, and is that assumed to be a trip or is
46 that -- If a trip is six days long, is that then twelve times
47 six? I can't remember how it is in the regulations right now.
48 That's my first question. Do you have any information about

1 that, Carrie or anybody else?

2

3 **CHAIRMAN GREENE:** Dr. Larkin.

4

5 **DR. LARKIN:** The data that I analyzed that goes into the
6 decision tool was just based on per trip, and so I didn't look
7 at per day, but just what did they come back to the dock with.
8 That was per trip.

9

10 **MR. ANSON:** The recent information was the twelve fish for last
11 year and such? It had twelve fish per trip?

12

13 **DR. LARKIN:** There was a percentage that met that trip limit,
14 but I didn't break it up by days. I guess I could have, but I
15 just looked at per trip.

16

17 **MR. ANSON:** I guess the concern, and, Dr. Larkin, you might be
18 best to answer this as well, is that, historically, commercial
19 landings have been low, relatively low, compared to the
20 recreational sector, and I'm just wondering, if we go to
21 seventy-five and it's eighteen fish, or we go to a twenty-fish
22 trip limit versus where we are at twelve, is that going to
23 influence those that may not have been aggressive in meeting
24 their twelve-fish limit and alter the percentage of trips where
25 there was no catch versus trips that now have catch?

26

27 At least, here as of late, the indication is that they are quite
28 abundant and it will be easy for them to reach now an eighteen
29 or a twenty-fish limit, and how that would impact going forward.
30 I guess that's just my only concern. Do you have any insight
31 into that, Dr. Larkin?

32

33 **DR. LARKIN:** I don't have any insight in terms of what you're
34 saying. You said zero catch, that they didn't have any before,
35 but now it's I'm going to go catch some, because I can get up to
36 any eighteen of them, and I don't have any insight into that,
37 but the analysis for the decision tool, it just looked at those
38 trips that did meet the trip limit, that did catch twelve.

39

40 I didn't look at eighteen, but I looked at twenty, which is
41 pretty close, but, anyway, I looked at twelve. Those trips, now
42 they can come home to the dock with twenty, and so it is close,
43 but I didn't look at in terms of new participants. I didn't
44 analyze that, but the analysis does incorporate those people
45 that met it before and will they meet the new trip limit. It
46 does include that.

47

48 **CHAIRMAN GREENE:** Ms. Levy.

1
2 **MS. LEVY:** Currently, in the regulations, the trip limits are
3 per day, and so it doesn't say per trip. It's a trip limit, but
4 it's a daily trip limit.
5
6 **CHAIRMAN GREENE:** That's a good point. Mr. Walker has pointed
7 to the fact that he is talking about a seventy-five-pound trip
8 limit. Dr. Crabtree.
9
10 **DR. CRABTREE:** David, is there any real reason why you want it
11 to be in pounds instead of -- I mean I see the IPT suggested
12 putting in an option for a twenty-fish trip limit. Is there a
13 reason not to stay with numbers of fish?
14
15 **MR. WALKER:** I was worried about the high-grading. If you take
16 eighteen 8.3-pound fish, I think it's 149 pounds per trip then.
17 I am just worried about the possibility of this high-grading,
18 and pounds I think would work better. Maybe we could make it
19 some kind of combination.
20
21 **CHAIRMAN GREENE:** By combination, you mean by a bag limit not to
22 exceed -- A specific number of fish not to exceed a specific
23 amount of weight, Mr. Walker?
24
25 **MR. WALKER:** Well, I guess let's just leave it like I have it,
26 the motion I have. I think that works best. I spoke with
27 industry, and they are concerned about us not catching the fish
28 and they're concerned about high-grading, and so maybe we should
29 just leave it at this and vote it up or down.
30
31 **CHAIRMAN GREENE:** Okay. We have a motion on the board. I have
32 two people to speak, Mr. Riechers and then Ms. Bosarge.
33
34 **MR. RIECHERS:** David, you mentioned high-grading a couple of
35 times. Whether it's in weight or numbers, if a person is -- At
36 some point, there is a high-grading that's going to go on until
37 they hit the weight, and so you may still get the high-grading
38 even as they try to get to that weight. I agree with Roy, or at
39 least what Roy was getting at. I don't know why we wouldn't go
40 twenty or eighteen, if that's your math here, just so that it
41 makes it simple, but you want to keep the motion like it is, and
42 so I certainly respect that.
43
44 **CHAIRMAN GREENE:** Ms. Bosarge.
45
46 **MS. BOSARGE:** I think I see his point, especially on a multiday
47 trip, where you're talking about high-grading. I think, in my
48 mind, I thought the easiest way -- If this motion passes, the

1 easiest way for me to, once I see it in the document, to be able
2 to analyze it -- Because, in the past, we've done this by fish,
3 but, if this passed and it ended up being our preferred and the
4 regulation goes in and it's in pounds rather than fish, for me
5 to really analyze it, I think it would be simple enough for each
6 alternative that's listed in fish -- Dr. Larkin has the average
7 weight, I'm assuming, and he can just put the number of pounds
8 out beside it.

9
10 Then, for this alternative, in that same action item, out next
11 to the seventy-five-pound limit, just put the approximate number
12 of fish in parentheses next to it, so we have both metrics for
13 each alternative. Then I would be able to, at a glance, analyze
14 it and see which way to go.

15
16 **CHAIRMAN GREENE:** To that point, Mr. Fischer?

17
18 **MR. FISCHER:** Leann, you don't know the length of the trip,
19 because the head count is per day, and this would be for the
20 total trip.

21
22 **CHAIRMAN GREENE:** Dr. Simmons.

23
24 **DR. SIMMONS:** Thank you, Mr. Chairman. Just very quickly, the
25 reason that we had this in here in numbers is that, in Amendment
26 37, we had started out with trip limits in pounds of fish and
27 then the Law Enforcement AP reviewed it at that time, and they
28 said it would be very difficult for them to enforce and keep up
29 with such a low poundage of fish, and so they asked that the
30 council consider putting it in numbers of fish. That's why we
31 changed the alternatives to numbers of fish in Amendment 37.

32
33 Then we've carried that over to this document for your
34 consideration, and we could try to do both, but I would assume
35 you would also want the trip limits in gutted weight as well,
36 and so we would have to put that into consideration, too. Also,
37 the decision tool is set up in numbers of fish. Is that
38 correct, Mike, the way you've set it up, versus pounds?

39
40 **DR. LARKIN:** Yes, I looked at numbers of fish for the percent
41 increase and the percent decrease, but then the results are in
42 pounds, and so I did incorporate the analysis of the trip limit
43 in numbers of fish and applied it to the total pounds, because
44 our ACT and ACL is in pounds.

45
46 **CHAIRMAN GREENE:** Thank you. We have a motion on the floor, and
47 I have three people. Dr. Stunz.

48

1 **DR. STUNZ:** I was going to say exactly what Carrie just said.
2 I'm not speaking against your motion, David. I am for whatever
3 works, but the enforcement panel had mentioned that the numbers
4 of fish was the best way for them to enforce this.

5

6 **CHAIRMAN GREENE:** Mr. Anson.

7

8 **MR. ANSON:** I don't want to belabor the point, but, Mara, going
9 back to your definition of the regulation related to harvest
10 currently, I mean that would be -- It says per day. There isn't
11 really a mechanism for those vessels who aren't participating in
12 IFQ to kind of hail-in, or hail-out, I should say, to mark when
13 their trip begins, and so it is essentially working as a trip
14 limit right now, even though it states per day.

15

16 **DR. CRABTREE:** It's a daily trip limit, like almost all of our
17 trip limits, and I think it has to be that way to be effective,
18 but that's the way it's set up in the regulations, is a daily
19 trip limit. The possession limit is usually what we talk about
20 with the recreational fishery, but, if you are on a vessel and
21 come into the dock and you're commercially permitted and you had
22 seventy-five pounds on, you have caught your daily trip limit.
23 In theory, if you ran back out and did another trip and came in
24 and you had triggerfish, you would be in violation.

25

26 **MR. ANSON:** So what about the vessel that goes out for three
27 days? Are they allowed to have thirty-six fish or only twelve?

28

29 **DR. CRABTREE:** They only get the one daily trip limit.

30

31 **MR. ANSON:** For this motion, but I'm talking about for what's
32 currently on the books.

33

34 **DR. CRABTREE:** That motion doesn't specify it, but our trip
35 limits, as far as I know, have always been considered daily
36 trips limits and the limit for the trip if it exceeds a day, and
37 not that you can run out and do multiple trips in one day, and
38 you don't get extra credit and extra trip limit for staying out
39 multiple days. Is that what you're getting at?

40

41 **MR. ANSON:** That is what I'm getting at. Thank you.

42

43 **CHAIRMAN GREENE:** I am going to go to Mr. Walker next. I think
44 he wants to modify his motion, and then I will pick up Dr.
45 Crabtree and move down the list.

46

47 **MR. WALKER:** Dr. Crabtree, what if it read per vessel per day in
48 the motion?

1
2 **DR. CRABTREE:** I guess you can do that, but then we have to know
3 how many days the vessel has been out to know what the trip
4 limit is. Unless they're fishing IFQ species, they would have
5 to have hailed-in and all of that. You could do that, but, if I
6 could, I am looking at Figure 2.7.1. Almost no one is bringing
7 in this many triggerfish. Most trips are less than ten
8 triggerfish, which, if you figure four or five pounds, is fifty
9 pounds or so, which tells me that you're not going to bring in
10 substantially more pounds by raising the trip limit.

11
12 There is no high-grading going on right now, because most of
13 them aren't even catching the trip limit. Honestly, I don't see
14 that any of this is going to really address the issue you're
15 after, based on the analysis that we have, because people aren't
16 bringing in the current trip limit.

17
18 **CHAIRMAN GREENE:** Okay. We have two more people on the list and
19 then we're going to vote it up or down. Dr. Dana. Mr.
20 Swindell.

21
22 **MR. SWINDELL:** Thank you, Mr. Chairman. I just want to make
23 certain we're still dealing with the status quo on the closed
24 season of June to July. Is that correct?

25
26 **CHAIRMAN GREENE:** Currently, we have a motion on the board.
27 That's what we're working on right now.

28
29 **MR. SWINDELL:** What I'm asking is whether or not we're looking
30 at a trip limit that's also based with a closed season. The
31 status quo right now, in the chart I'm looking at, says June and
32 July is the status quo, and so is that the standard thing that -
33 - We're not changing that, are we?

34
35 **CHAIRMAN GREENE:** Mr. Walker.

36
37 **MR. WALKER:** I would just like to remove my motion for now, and
38 I would like to hear some public testimony and some more
39 communication. I don't want to stall this anymore than we have
40 already.

41
42 **CHAIRMAN GREENE:** Thank you. To Mr. Swindell's point, I think
43 we, in Action 6, we removed a portion of what you're talking
44 about. Am I incorrect? We removed Action 6. We removed this
45 part to considered but rejected. Okay, Dr. Simmons.

46
47 **DR. SIMMONS:** Thank you. So that means we are not changing the
48 fixed closed season for the commercial sector right now. The

1 council is not looking at changing that right now, and that's
2 what you were asking, right? There is a closure still for the
3 commercial sector, but we are not looking at modifying that.
4 The committee just requested that we take that out.

5

6 **CHAIRMAN GREENE:** Thank you. Any further discussion?

7

8 **DR. SIMMONS:** I guess we will wait until full council and see if
9 the council wants to add the IPT-proposed alternative or remove
10 any of the other alternatives under Action 7. That's my
11 understanding, correct?

12

13 **CHAIRMAN GREENE:** Ms. Bosarge.

14

15 **MS. BOSARGE:** Staff, I didn't email you this, and I'm sorry, but
16 I will make that motion, the IPT-proposed alternative, which you
17 will have to put it back on the screen for me to make it.
18 Increase the commercial trip limit for gray triggerfish to
19 twenty fish per vessel per day.

20

21 I'm not sure that's where I would land eventually in this
22 document, but, for analysis purposes, I would kind of like to
23 have a little bit of a range there to look at to see what's
24 happening as we move up and down these trip limits.

25

26 **CHAIRMAN GREENE:** We have a motion going up on the board now to
27 increase the commercial trip limit to twenty fish per person.
28 Is there a second for this motion? It's seconded by Dr. Lucas.
29 Any further discussion? Mr. Boyd.

30

31 **MR. BOYD:** Just a question. Do the numbers show that, if we
32 went to twenty fish per day per vessel and they caught that
33 every trip every day, that we still be under or at the ACT?
34 Have we done that analysis?

35

36 **CHAIRMAN GREENE:** Mr. Anson.

37

38 **MR. ANSON:** That might be included in the next version, but I
39 don't know if, Dr. Larkin, if the model, if the decision tool --

40

41 **MR. BOYD:** That's fine. I just think we ought to have assurance
42 that we're not creating something that's going to throw us over.

43

44 **CHAIRMAN GREENE:** Dr. Larkin.

45

46 **DR. LARKIN:** I looked at that just right now. Assuming we keep
47 the June and July closure and you increase the trip limit up to
48 twenty gray triggerfish, it looks like it estimated close to

1 47,000 pounds, but can you educate me on which ACT target you're
2 shooting for? If you want to go with the current ACT, there was
3 not an overage of 60,900, but it looks like if you drop the ACT
4 down to 43,000 that it will be an overage, but, in summary, it
5 looks like it would be about 46,699 pounds. That's what the
6 pounds would be, and so it would not exceed the current ACT.
7 The landings would be below the current ACT.

8
9 **CHAIRMAN GREENE:** Mr. Riechers.

10
11 **MR. RIECHERS:** Another way to look at it is the table that Dr.
12 Crabtree was referencing a while ago, Figure 2.7.1. You have
13 2,400 trips, and I'm looking here and extrapolating a little
14 bit, but it looks like about 3 percent are catching twenty or
15 greater fish, and so not very many of your trips right now are
16 catching greater than twenty fish.

17
18 Obviously a change in behavior changes all of that, but if we're
19 just -- If we're looking at it from a static relationship, which
20 is what the model would do as well, unless you're expecting some
21 shifting of behavior, you're not going to have much of an
22 increase of where you're at now.

23
24 **CHAIRMAN GREENE:** Thank you. Any further discussion? We have a
25 motion on the floor. Is there any further discussion? **Is there**
26 **any opposition to the motion on the floor before you? Seeing**
27 **none, the motion carries.** Dr. Simmons.

28
29 **DR. SIMMONS:** Thank you, Mr. Chairman. The only other thing
30 that I think would be really helpful for staff is, if you are
31 going to look at the effort shifting percentages that Dr. Larkin
32 has put into the decision tool, if you decide to go with those,
33 that could change the management measures that are needed to
34 meet the various alternatives for the annual catch targets.

35
36 If the council is going to move forward with that, we would need
37 some guidance and need to know what those shifting percentages
38 may be, so we know whether or not the management measures the
39 council is looking at would meet the necessary reductions. At
40 some point, perhaps during full council, we could get some
41 direction on that, if you want to move forward with something
42 like that. Thank you.

43
44 **CHAIRMAN GREENE:** So you're asking the council to provide you
45 some type of effort shift numbers?

46
47 **DR. SIMMONS:** If you want to do that, yes, because it could
48 change your management measures that you need, based on the

1 current catch targets that you select. You may want to wait
2 until the SSC looks at it, but it does add some complication,
3 because you could select all these management measures for the
4 recreational component and then look at a percentage of effort
5 shifting, and those may not meet your new ACTs, necessarily.
6 It's just something we need to keep in the back of our mind, and
7 it does make the document a little bit more complicated, I
8 think, and so if we could just be thinking about that and try to
9 provide some guidance to the staff as we move forward. Thank
10 you.

11
12 **CHAIRMAN GREENE:** Okay. I, for one, don't really know how to
13 even begin to do that, but there's a lot of people at the table
14 a lot smarter than I am, and maybe they can help us with that.
15 Dr. Simmons, is there anything else with triggerfish? Okay. We
16 are going to take about a fifteen-minute break. We are still
17 way behind, and getting further behind, and so fifteen minutes
18 and we're going to get started. Thank you.

19
20 (Whereupon, a brief recess was taken.)

21
22 **CHAIRMAN GREENE:** We're going to pick up where we left off,
23 which is going to be Item Number VII, Draft Amendment 42, Reef
24 Fish Recreational Management for the Headboat Survey, and, Dr.
25 Diagne, if you're ready.

26
27 **DRAFT AMENDMENT 42 - REEF FISH RECREATIONAL MANAGEMENT FOR**
28 **HEADBOAT SURVEY VESSELS**

29
30 **DR. DIAGNE:** Yes, Mr. Chair. Thank you. Good afternoon. We
31 are going to discuss Amendment 42 with you. Essentially, during
32 this short presentation, these are the things that we would like
33 to highlight. We will talk about vessel definitions and go over
34 the purpose and need, discuss the management actions and
35 alternatives, and, finally, discuss a potential timeline for
36 this amendment.

37
38 First, onto vessel definitions. As you all know, we have a
39 single federal for-hire reef fish permit, essentially, in the
40 Gulf, and so we need some ways to separate those vessels that
41 are going to be in this amendment as opposed to the vessels that
42 are to be included in Amendment 41, which Dr. Lasseter will
43 discuss later today.

44
45 In this Amendment 42, a vessel is considered to be a landing
46 history vessel, and we did change the term here, to put more
47 emphasis on the fact that these vessels do have individual
48 landings history recorded at the Southeast Survey.

1
2 These vessels, for this amendment, need to have a valid or
3 renewable federal for-hire permit. They need to have landings
4 recorded by the Southeast Survey by the control date, which you
5 selected in a previous meeting, which was December 31, 2015. At
6 last count, these vessels still participating in the survey
7 number sixty-seven. Essentially, we have now sixty-seven
8 vessels that do meet this criteria and are still participating
9 in the survey to date. The remainder of the permitted vessels,
10 federally-permitted vessels, for-hire, would be presumably in
11 Amendment 41.

12
13 Now the purpose and need. It is the purpose and need that we
14 discussed in previous meetings. Essentially, this action, the
15 purpose is to reduce management uncertainty, improve economic
16 conditions for Gulf reef fish operators, and, highlighted in
17 blue there, this program is designed for vessels with a valid or
18 renewable Gulf for-hire permit with landings histories recorded
19 by the Southeast Survey by the control date selected, again, of
20 December 31, 2015.

21
22 Now onto the actions and alternatives. The amendment includes,
23 right now, fifteen actions, and so we will try to go fast on
24 some of these. Where applicable, we have indicated also the
25 preferred alternative, as selected by the Headboat AP.

26
27 The first decision point would be to select the type of
28 management program that we would want to establish here. We
29 have a no-action alternative, and, essentially, that would be
30 continuing management based on bag limits, size limits, and
31 season closures. Then we have Alternative 2, which would
32 establish an individual fishing quota program. The final
33 alternative would establish a PFQ, or permit fishing program.

34
35 As you recall, the difference between those two would be the
36 fact that for PFQs that the shares would be attached to the
37 permits, and so one would not be able to sell one without the
38 other.

39
40 Action 2, which includes the only preferred that the council has
41 selected to date, looks at the species to be included in this
42 management program. We have a no-action alternative.
43 Alternative 2 would mirror what was done in the EFP, the
44 headboat EFP that is, having red snapper and gag. The preferred
45 alternative would be to look at the five major reef fish species
46 of red snapper, gray triggerfish, greater amberjack, gag, and
47 red grouper.

48

1 We have an action that was added, following discussions by the
2 council, with the intent to provide an opportunity to opt out of
3 this program, essentially to make this voluntary. The AP-
4 preferred is also the no-action alternative, and, here, the no-
5 action alternative would simply make this program mandatory,
6 meaning all the headboat vessels that meet the criteria that we
7 discussed initially would be in this program and that will be
8 the end of that. Now we have an Alternative 2, which would
9 allow vessels to choose whether to participate in this program
10 or not.

11
12 In discussions at the IPT level, and perhaps to clarify the
13 language and to make sure that we are talking about vessels that
14 met our requirements, when it comes to landings histories and so
15 forth, we went ahead and rewrote these alternatives. That is
16 only the presentation. It is not yet included in the amendment,
17 but perhaps, after this discussion, it would be.

18
19 We have a no-action alternative, which would make it mandatory.
20 The important part there is highlighted in blue. All the
21 vessels meeting the criteria would have to participate. They
22 must participate in the program that we establish.

23
24 Alternative 2, as we are proposing to rewrite it, essentially
25 would say that all vessels that meet the control date and have
26 federal for-hire permits, valid permits, and are still
27 participating in the survey, the Southeast Survey that is, would
28 have the opportunity to opt out at the onset of this program.

29
30 The third alternative would give that alternative to opt out
31 regardless of the participation in the survey or not, and so all
32 vessels that would have met our criteria would have an
33 opportunity, essentially, to opt out at the onset of the
34 program. These are the three alternatives that we have, and
35 this is the way in which we are offering to rewrite this action.

36
37 Alternative 4 is an endorsement or a permit, and this action
38 really stemmed from the need to further differentiate those
39 vessels that would be included in 42 versus the vessels that
40 would participate in the program to be developed in Amendment
41 41. We have a no-action alternative and we have two
42 alternatives, the first one being to establish an endorsement to
43 the for-hire permit to be given to those vessels that have the
44 landing history recorded at the Southeast Survey.

45
46 Alternative 2 would be to establish an endorsement, but the
47 third alternative would be to simply split the permit that we
48 have and split it into two parts, essentially, a charter permit

1 and then a permit that would be applicable to these landing
2 history vessels to participate in this program, and so these are
3 the two alternatives that we have.

4
5 Now onto the allocation of a portion of the annual catch limit
6 for a given species. We have five of them to the program to be
7 developed here. We have several alternatives here, and one of
8 the alternatives would simply use the most recent five years,
9 meaning 2011 to 2015, and take that percentage and allocate it
10 to this new program.

11
12 The allocation could be also based on the longest time series,
13 meaning 2004 to 2015, and Alternative 4 essentially would be a
14 middle of the road between these two, 50 percent of Alternative
15 2 and 50 percent of Alternative 3, and the options provided
16 there would either use all the years available to us or exclude
17 2010 from the computations.

18
19 We have some additional alternatives here. Alternative 5 is
20 added here for your consideration because, for red snapper only,
21 in Amendment 40, these were the years that were selected there.
22 If one were to look for consistency between the two, not that we
23 necessarily have to, but then an alternative is provided for
24 that purpose.

25
26 Alternative 6 addresses a different problem. Because we have
27 options allowing certain vessels to opt out, we need them to
28 find a way to rebalance, if you would, the quotas, and so
29 Alternative 6 addresses that. The corresponding allocations for
30 those vessels that would opt out would be, essentially,
31 transferred, and I put that in quotes, to the remainder of the
32 allocation for the for-hire vessels, because, if not, let's say
33 a lot of the vessels opt out and we take them out of the
34 program, obviously there will be then an imbalance in the
35 quotas. I will stop here. I see Mr. Riechers raising his hand,
36 Mr. Chair.

37
38 **CHAIRMAN GREENE:** Mr. Riechers.

39
40 **MR. RIECHERS:** Assane, if you did take those out, and you had
41 mentioned this, if it was voluntary before -- Let's assume you
42 take those out. You figure out their quota, and you're going to
43 put that into the overall just private recreational season quota
44 landings and then they function in that way?

45
46 **DR. DIAGNE:** I guess I will answer yes and no. The yes part is
47 absolutely yes for all of the species, and the no part is except
48 for red snapper. As you recall, for red snapper, we have a

1 three-way split, and so then we will put that in the remaining
2 for-hire for red snapper, but, for the rest of it, it will go
3 into the general recreational quota, which would include the
4 charter and the private anglers.

5
6 **MR. RIECHERS:** Then so for the for-hire pot, if you will, for
7 lack of a better term here, depending on the number of vessels
8 still in it, et cetera, their calculation of days would occur
9 and start on X day and end on X day.

10
11 **DR. DIAGNE:** Yes, in the traditional fashion that they would be
12 managed.

13
14 **CHAIRMAN GREENE:** Thank you. Is there further discussion? Dr.
15 Diagne.

16
17 **DR. DIAGNE:** Thank you. Essentially, this table here gives us
18 an approximation, because we don't have the remainder of the
19 alternatives that we just discussed, meaning an alternative
20 corresponding to the sector separation for red snapper, but, for
21 the remainder of the alternatives, 2, 3, and 4, these are the
22 percentages of the quotas that would be set aside to implement
23 these programs, and so red snapper is in the neighborhood of
24 let's say 13 percent, and that's the highest. For the other
25 species, the percentages are fairly modest, and, looking at the
26 middle alternatives, 4, let's say, to 5 percent or 6.

27
28 There was a discussion relative to the units of measure for the
29 quota distribution and reporting. The no-action alternative
30 would simply be to give out everything in pounds and do the
31 reporting and the control in pounds. That is what we typically
32 do.

33
34 Alternative 2 proposes to distribute and report in numbers of
35 fish. Alternative 3 does a little bit of both, distribute in
36 pounds, but the reporting in number of fish, and I believe that
37 during the EFP that that is the approach that was taken, and Dr.
38 Stephen maybe touched a little bit on that, in terms of the
39 computation of the average weights.

40
41 Action 7 looks at the initial apportionment, but it is split
42 into two actions. First, we look at the time period, and then
43 we look at the methods selected for apportioning the shares. In
44 terms of the time period, we have a no-action, which wouldn't
45 specify any time period. Alternative 2, for each of the five
46 species included in this program, the apportionment would be
47 based on average landings during the most recent five years,
48 2011 to 2015.

1
2 Alternative 3 would use 2011 to 2015, but giving each
3 participant the option to drop their lowest landing year. Let's
4 say in a given year they had a problem, and so they would have
5 the opportunity to do that.

6
7 Alternative 4, for each one of the species, the apportionment of
8 the species would be based on the year during which each
9 participant recorded their highest landing. It would give them
10 the total flexibility to define the time period and have them
11 pick their year of highest landings. Those are the, for the
12 time periods, the alternatives considered.

13
14 **CHAIRMAN GREENE:** Mr. Anson.

15
16 **MR. ANSON:** Assane, the vessels, you mentioned I think sixty-
17 seven vessels meet the criteria currently that we're potentially
18 looking at in this document. Going back to this, do all of
19 those vessels have landings going back to 2011?

20
21 **DR. DIAGNE:** That's a great point. The sixty-seven vessels that
22 we have meet the criteria and are still participating in the
23 survey. All the vessels do not necessarily have a full suite,
24 for this time series, of landings. It may be that a particular
25 vessel has two years of landings or three or let's say five
26 here. In that respect, one approach may be to take Alternative
27 4, in which case all of those that would have met the criteria
28 would have at least one year of landings that they could apply
29 to this. Does that answer your question?

30
31 **MR. ANSON:** Thank you. Yes.

32
33 **DR. DIAGNE:** About the distribution of initial shares, the no-
34 action alternative, Alternative 1, meaning then you wouldn't
35 proceed, the remainder of the alternatives -- Alternative 2
36 would distribute a portion or a percentage equally and the
37 remainder proportionally based on catch histories or landing
38 histories. Alternative 3 would allow you to auction off a
39 portion of the total.

40
41 Essentially, let's look at the little figure at the bottom with
42 the two tables. Whatever it is that we select in Alternative 2
43 would then be translated into Alternative 3, assuming that we
44 wanted to auction a portion of this. For argument's sake, let's
45 say that we chose Alternative 2, Option 2b. Then 25 percent
46 would be given equally and 75 percent would be given
47 proportionally. That is on that side.

1 Then a second decision could be made and said, well, but we
2 would like to only give out 50 percent, but the other 50 percent
3 would be auctioned off. Then, if we backtracked, 50 percent
4 would be auctioned off and the remaining 50 percent would be
5 allocated according to the formula that we chose, meaning 25
6 percent equally and 75 percent proportionally.

7
8 Obviously this makes for a lot of options and possible
9 combinations, but the auctions are considered here as well as
10 equal distribution and also a proportional distribution, based
11 on the catch or landings history of the individual vessels.

12
13 **CHAIRMAN GREENE:** Hold on just a second, Dr. Diagne. Mr. Boyd.

14
15 **MR. BOYD:** Assane, is this chart that you're showing us here in
16 the document? I can't find it.

17
18 **DR. DIAGNE:** It is not in the document. What is in the document
19 are the alternatives. This is done specifically to support our
20 discussion here today, because it picks one example for us to
21 discuss, but if something like this could be helpful, we will
22 look at ways of adding a similar chart in the document.

23
24 **CHAIRMAN GREENE:** Thank you. Is there further discussion? Mr.
25 Anson.

26
27 **MR. ANSON:** Mara, going back to a conversation earlier today
28 regarding LAPP programs specific to red snapper and Magnuson, is
29 this going to require a referendum to have this as an auction,
30 or does that only apply to commercial? I am trying to draw it
31 from memory, and I'm drawing a blank.

32
33 **MS. LEVY:** This is going to require a referendum, because it's
34 setting up an IFQ system under the regular LAPP provisions. The
35 407 provisions that require the two referendums, that only
36 applies to commercial.

37
38 **MR. ANSON:** I guess, thinking of this program and the
39 difficulties related to referendums and trying to implement
40 future management regimes, do you have to have -- You can't have
41 it as an option for management when you take it out to
42 referendum. It has to be this is what the council intends to
43 do. You can't have we're going to have one options or one
44 method of distribution as this non-auction and then we might
45 have also a secondary means of distribution that we could choose
46 that would entail auction, and it has to be specific as to this
47 is the method that we're going to use and that's what is going
48 in the referendum?

1
2 **MS. LEVY:** I think you have to -- I think the people voting in
3 the referendum have to know what your preferred alternatives
4 are, because what the Act says is that the councils can't submit
5 and the Secretary can't approve an IFQ system unless such a
6 system as ultimately developed has been approved by -- I mean
7 you need to pick the preferreds and go out to a referendum. If
8 somehow you come back and you change it, I think that would
9 trigger another referendum, because they're voting on what is
10 ultimately developed.

11
12 **DR. CRABTREE:** To that point?

13
14 **CHAIRMAN GREENE:** Dr. Crabtree, to that point.

15
16 **DR. CRABTREE:** When we did the grouper-tilefish plan, which was
17 subject to the new referendum language in the Act, we got to the
18 DEIS phase and we had all the preferreds selected, and that's
19 what we sent out for the referendum at the same time, I think,
20 that we published the DEIS, and I agree with Mara that if you
21 came back in and changed it that you would have to send it back
22 it out again, or, if it failed, I think you could change it then
23 and do another one.

24
25 **MR. ANSON:** Right, and so I guess, as far as the referendum with
26 the preferreds, we would have one preferred, as I stated
27 earlier, as just an allocation, based on historical share, but
28 then another preferred could be an allocation that would maybe
29 use some combination of that with an auction. We would send
30 that to referendum and they would vote on it, and, as you said,
31 they could either vote it up or down. If they vote it down,
32 then we would have to go back to the drawing board.

33
34 **MS. LEVY:** I think you would need to select the way you were
35 going to distribute the initial shares, and so I mean if the
36 preferred alternative is to do part by auction and part by
37 proportion and part by equally, that could be your preferred and
38 then they would vote that up or down. I don't think you could
39 go out with we would either select Preferred Alternative 1 or
40 Preferred Alternative 2, meaning there has to be a clear
41 decision about what would happen.

42
43 **MR. ANSON:** Thank you.

44
45 **CHAIRMAN GREENE:** Thank you. Any further discussion? Dr.
46 Diagne.

47
48 **DR. DIAGNE:** Thank you. Onto the transferability provisions

1 that are considered in the amendment so far, there is a no-
2 action alternative, which essentially would not allow any
3 transfer of shares. Alternative 2 would require a valid permit,
4 federal reef fish permit, plus either the endorsement or the
5 permit, if you establish one in Action 4, a previous action that
6 we discussed. Essentially, this would mean that transferability
7 would only be allowed within the participants in this program.

8
9 Alternative 3 would allow the shares to be transferred to any
10 U.S. citizens or permanent residents. A side note here for PFQ,
11 permit fishing quota, is this wouldn't be an issue to deal with,
12 because, of course, the shares would be tied to the permit and
13 one wouldn't be able to sell one without the other.

14
15 In terms of requirements to maintain the shares, we have a no-
16 action alternative. Shares could be held by any U.S. citizens
17 or permanent resident aliens. We have Alternative 2, which
18 would require that, to hold shares, a reef fish for-hire permit,
19 as well as the endorsement or the new permit, if we created one,
20 would be required. Essentially, meaning that one would have to
21 continue to be an active participant in this fishery to maintain
22 the shares, and this is a departure when we compared it, for
23 example, to the commercial program. Over there, we did not have
24 any requirements to maintain shares.

25
26 Alternative 3 would require either the reef fish permit that we
27 currently have, with or without the endorsement, really, or the
28 new permit that we are going to create to maintain shares.
29 Essentially, this would say that, to maintain shares, it could
30 either be the participants in this program, Amendment 42, or any
31 other for-hire entity, essentially.

32
33 What type of provisions are we considering when it comes to the
34 transferability of annual allocation? No action would not allow
35 any transferability. Alternative 2 would require a valid reef
36 fish permit with the endorsement or the permit, if you decided
37 to create one in Action 4, that is. The other note here is that
38 the transfers would be allowed, provided that the individuals
39 are U.S. citizens or permanent resident aliens. That should be
40 Alternative 3. The transfers would be allowable and available
41 to any U.S. citizens or permanent resident aliens.

42
43 The alternative here, is, Alternative 1, no action for the share
44 caps. It would not put any constraints on the amount of shares
45 an entity could hold. Alternative 2 would set a cap for each
46 species category, and typically the alternative proposed here
47 would not allow anybody to hold more than the maximum that was
48 given out during initial apportionment.

1
2 Alternative 3 would set a cap across all share categories for
3 all five species, if you would, and nobody would be able to hold
4 more than the maximum percentage issued to a single entity
5 during initial apportionment, and that would be in the
6 aggregate.

7
8 Obviously, here, Alternative 2 and 3 could be selected as
9 preferred together and be implemented jointly, and so one would
10 have a species-specific cap as well as an overall or an
11 aggregate cap on the whole thing.

12
13 These were the percentages, just to give you an idea,
14 essentially, in terms of an individual person, what would be the
15 percentages attached to each permit, and they vary depending on
16 the species. My understanding is, in final count, these numbers
17 would go up, because we haven't really looked at related
18 accounts and that sort of thing.

19
20 Caps, in terms of allocation, there is a no-action alternative.
21 Again, here, we have two alternatives, one that would set a cap
22 for each one of the species and another one that would set a cap
23 across all species categories, meaning an aggregate cap, if you
24 would, and there is something that at the IPT level we are
25 discussing. It is possible that next time you see this document
26 that we expand on the allocation cap, to consider adding to this
27 a use cap, in some form or fashion. We are not sure yet how
28 that would be shaped, but that is a consideration.

29
30 What to do in the event of quota increases? We will discuss
31 quota decreases afterwards. We have a no-action alternative,
32 meaning that we would do the distribution as they are commonly
33 done, by giving out the increased proportion of it to all
34 participants holding shares for that particular species at that
35 moment.

36
37 For Alternative 2, we would distribute the increases equally to
38 all participants holding shares for that particular species.
39 Alternative 3 will distribute the increased allocation equally,
40 but only to participants who do not have shares for that
41 species, but hold the endorsement or the permit that we did
42 potentially create in Action 4. Essentially, we would give out
43 this increase equally to participants in the fishery, but who
44 don't hold shares for that particular species, with the quota
45 increase.

46
47 Finally, Alternative 4 would distribute the increase equally to
48 all participants who are still in this program, meaning that

1 have either the endorsement or the new permit, whichever is
2 established in Action 4. Here, the consideration relative to
3 owning shares or not owning shares for that species is not
4 accounted for.

5

6 **CHAIRMAN GREENE:** Thank you. Mr. Fischer.

7

8 **MR. FISCHER:** Thank you, Mr. Chairman. Assane, there was no
9 thought of a proportional allocation based on the initial
10 division of whatever percentage of how the initial shares were
11 divided and keep the same proportion?

12

13 **DR. DIAGNE:** Yes, Mr. Fischer. That would be essentially the
14 no-action alternative, Alternative 1. That is the way in which
15 we traditionally distribute, at least looking at other programs.

16

17 **CHAIRMAN GREENE:** Thank you. Any further discussion? Mr. Diaz.

18

19 **MR. DIAZ:** I am just thinking about the alternative where we
20 have in there that we would give it to people that did not have
21 any of that allocation. In a lot of instances, we would be
22 giving people that are in a part of the Gulf that don't have it,
23 and they would get a distribution of shares for a type of fish
24 that might not even exist in that part of the Gulf. Red grouper
25 is what I'm thinking about. I don't think the western Gulf has
26 much red grouper, and so probably people in the western Gulf
27 wouldn't have it. Then, when you give it to them, they would
28 have it and it would be inefficient, it would seem like, to try
29 to do that.

30

31 **DR. DIAGNE:** Yes, that's a very good point. With that
32 alternative, there is that potential of giving out shares to
33 people that don't fish, actually, for that particular species,
34 because they don't see it in their portion of the Gulf.

35

36 **CHAIRMAN GREENE:** Mr. Boyd.

37

38 **MR. BOYD:** I had a question for Mara. Is this 13.1 equivalent
39 to what my motion was this morning, only in this document, where
40 we would have to have an alternative in here to have an auction
41 for increased quotas, or would it be covered if we selected an
42 auction earlier in the actions?

43

44 **MS. LEVY:** That's not clear to me, because I think the earlier
45 auction went to initial distribution. If you want to consider
46 some sort of subsequent distribution via auction, then we should
47 probably think about how to add that, or maybe add it to this.
48 If you're thinking about only doing it when the quota increases,

1 which is what this is about, you could add an alternative to
2 distribute that increase via auction.

3
4 **MR. BOYD:** Well, that basically was my question this morning,
5 and the initial distribution of shares in the commercial sector
6 for IFQ then warranted us to have a referendum when this was
7 going to happen.

8
9 **MS. LEVY:** We are going to do a referendum here, but, for this
10 program, those two referendum requirements, the one that you
11 have to have before you even start preparing the plan, that only
12 applies to commercial. That does not apply to this amendment
13 that you're working on, but you're going to have to have a
14 referendum before you actually submit the plan to the Secretary
15 of Commerce.

16
17 If you want to set it up now, because you're establishing the
18 program and you want to say that in the future we're going to do
19 distribution of quota increases via auction, then I would put
20 that in there as something to consider.

21
22 **MR. BOYD:** Thank you.

23
24 **CHAIRMAN GREENE:** Is there further discussion? Dr. Diagne.

25
26 **DR. DIAGNE:** Thank you. Now, retaining allocation before a
27 quota reduction, if you recall, I think it was sometime this
28 year or last year that we did withhold a portion of the quota in
29 anticipation for the implementation of Amendment 28, I believe
30 it was, and so we have an action here to help us address those
31 types of situations.

32
33 The no-action alternative would distribute 100 percent of the
34 quota at the beginning of the year all the time, January 1. In
35 Alternative 2, if the quota for a given species is anticipated
36 to decrease after January 1, this alternative would grant the
37 Regional Administrator the authority to retain the anticipated
38 amount of the decrease, so that, by the time it becomes
39 effective, we can follow through.

40
41 Obviously once the quotas are distributed, you can't take it
42 back, and this would prevent from having to come in and
43 essentially draft a framework action to go through it, and that
44 would be Alternative 2.

45
46 On to Action 14, which looks at cost recovery fees. We have a
47 no-action alternative, which would not be practicable, and cost
48 recovery fees would not be collected. We have two alternatives.

1 Alternative 2 would base cost recovery fees on a standard price,
2 to be determined either using the commercial ex-vessel price or
3 by looking at the average price of annual allocation.

4
5 Alternative 3 would base cost recovery on the fees collected by
6 the operators, either on a per-pound basis or a per-fish basis,
7 depending on the distribution and reporting methods selected
8 initially. Here, the cost recovery fees would be based on a
9 price per pound or per fish and multiply that by the number of
10 pounds or the number of fish covered in this program. Of
11 course, cost recovery fees can only be up to 3 percent of the
12 value of the fish harvested. I am not sure I am using the right
13 words, but something like that. I will stop here, Mr. Chair. I
14 see a hand being raised.

15
16 **CHAIRMAN GREENE:** Ms. Levy.

17
18 **MS. LEVY:** Thank you. Just to clarify that that last statement,
19 the cost recovery fees will be up to 3 percent, it's applying to
20 both alternatives.

21
22 **DR. DIAGNE:** Absolutely, yes. In general, cost recovery fees
23 have to be up to that.

24
25 **CHAIRMAN GREENE:** Mr. Fischer.

26
27 **MR. FISCHER:** Yes, Mr. Chairman, and maybe I am the only one
28 that would like to see this discussion, but I would like to see
29 a smaller discussion on if you could just have the cost recovery
30 fee based on the value of the trip, because that is what those
31 fish were worth, is the value of the charter, and it would just
32 be simpler than trying to calculate what species were caught and
33 what was the current market value. You can have the discussion
34 or not.

35
36 **DR. DIAGNE:** Perhaps Alternative 3 tries to do that, but maybe
37 we can simplify it, if you tell us a little more. Here, what we
38 are trying to do is look at the value of the trip in terms of
39 the total fees paid by the passengers, but then we use that to
40 determine a price per unit, either per fish or per pound. To do
41 that, you would look at the total harvest during that trip, take
42 the total value divided by the total harvest, and get a unit
43 price.

44
45 Then you turn around and apply that unit price only to the
46 species covered in your program, because those are the only
47 species for which you can recover costs. That is what this
48 alternative tries to do, Alternative 3. It is based essentially

1 then on the total fees collected for that trip, but then we
2 prorate it to get a price per unit and then turn around and
3 apply it to the species in the program.

4
5 **MR. FISCHER:** I understand the method, but I still think just a
6 simple system based on the fee. Now, it doesn't have to be a 3
7 percent recovery fee either, but just based on the charge for
8 the charter, because that is the value of that trip. It's just
9 another alternative, a simple way of doing it.

10
11 **DR. DIAGNE:** What you are suggesting is let's say we had thirty-
12 nine or forty passengers and the total fees paid were let's say
13 \$4,000, just to be simple. Then just take a percentage of that
14 \$4,000? If you were to do that, I am not sure that we could do
15 it, because you have to recover costs based on the value of the
16 fish harvested and that are in this program versus the total
17 fees that would apply to everything harvested, including species
18 that are outside of this management program. If that is
19 feasible, then certainly that would be very simple, and so I
20 will just look to that side.

21
22 **CHAIRMAN GREENE:** To that point, Dr. Crabtree?

23
24 **DR. CRABTREE:** The cost recovery language does say of the value
25 of fish harvested under the program, and so I know in the Tampa
26 Bay area that we have headboats that go out who would be in the
27 program, but, when you look at most of what they catch, it's
28 white grunts, which we don't manage, and so I think I tend to
29 agree with Assane that somehow you would have to adjust for
30 that.

31
32 **MR. FISCHER:** I see the understanding. I was just trying to
33 come up with a simpler base to do it.

34
35 **CHAIRMAN GREENE:** Thank you. Mr. Riechers.

36
37 **MR. RIECHERS:** The only comment I have, based on Assane's
38 explanation, and we may want to give it some thought, as to
39 whether we can look at some literature and maybe help us with
40 this, but you're assuming every species has equal value in the
41 way you're going to basically apply that now, and, again, I
42 think we know that's probably not true. I don't know that there
43 is an elegant way to do it or to create some different valuation
44 there, but certainly I think we all know that there is some
45 different valuation.

46
47 **DR. DIAGNE:** Yes, absolutely, and I mean keeping in mind that
48 this is just an approximation. If we were to look at the value,

1 some species would definitely have more value than others, but,
2 at the end of the day, we are essentially trying to determine a
3 per-unit price, which, in turn, would help us recover fees, cost
4 recovery, here.

5
6 The major driver would be, at some point, our estimates of the
7 actual cost of running the program. If we have a good handle on
8 that, it wouldn't really matter a whole lot what metric you use
9 to divide it, and so, essentially, it may be the case that you
10 are taking 2 percent of a certain value, as opposed to 1.5
11 percent of another value. As long as the metric that you use is
12 not artificially low, meaning that 3 percent would not help you
13 get there, the rest of it should be workable, if you have a good
14 handle on estimated actual cost.

15
16 **MR. RIECHERS:** Assane, maybe I'm way off here, but it's 3
17 percent of the value of the harvested fish, and so knowing the
18 total cost doesn't really help us, but it just helps us know
19 whether we're at a deficit or a positive situation, in terms of
20 cost recovery. The value of the fish though, if we could create
21 real values of those fish, as opposed to just proportionally
22 dividing up the trip costs, no matter what fish it's applied to,
23 we would get closer to at least the intent of the cost recovery.

24
25 **DR. DIAGNE:** Yes, and, at the end of the day, we are trying to
26 recover the actual costs of the program. Even if let's say you
27 value the harvested fish at let's say a million dollars and the
28 actual costs of running the program are \$10,000, you should
29 recover \$10,000. That's the point that I was trying to make.
30 Getting \$10,000 by taking 2 percent of a value, or 1.5 percent
31 of a different value, would still get you to \$10,000.

32
33 **MR. RIECHERS:** No, you're right. As long as we're below the
34 cost, we're fine. It's the other way around, if we're not,
35 where we may be subsidizing the program. I don't know where
36 we're going to be, because we don't know what the cost of the
37 program is or what it looks like, but I think that would be the
38 concern and not that we're -- Obtaining real value, based on
39 species, would maybe get us closer, but, again, until we know
40 cost of the program, you're correct, in some way.

41
42 **DR. DIAGNE:** Yes, and there is always that risk. Hopefully we
43 will get a handle on that. I think we have one more action.

44
45 **CHAIRMAN GREENE:** Hold on just a minute, please. Ms. Levy.

46
47 **MS. LEVY:** I think you kind of worked it out between your
48 discussion, but I just want to be careful to not mix up the

1 actual costs that we're allowed to recover versus the ex-vessel
2 value of the fish and the 3 percent cap on that that we're then
3 allowed to take, meaning the agency needs to determine the
4 actual costs and then the decision here needs to be made of how
5 do you calculate the ex-vessel value of the fish harvested under
6 the program, and then there's a cap that gets set on that, to
7 allow you to recover whatever those costs might be. I just
8 don't want to conflate them when we're talking about it.

9
10 It also seems like at least Alternative 2, maybe not very
11 artfully, gets more at the actual value of the fish, because
12 it's either looking at the commercial value or it's looking at
13 the actual annual allocation value in the program, and so it
14 might not be very refined, but it does get at that point, maybe
15 more than the third alternative does.

16
17 **CHAIRMAN GREENE:** Thank you. Is there further discussion? Dr.
18 Diagne.

19
20 **DR. DIAGNE:** Thank you. We have one more action in this
21 amendment. That is an action that considers the potential for
22 new entries. Alternative 1, no action, is no additional
23 endorsements or permits, whichever we would establish, will be
24 issued. Essentially, to get one, one would have to buy an
25 existing one from one of the original participants.

26
27 Alternative 2 is, at the beginning of each year, vessels with a
28 valid for-hire permit could ask for, essentially request, an
29 endorsement or this new permit that we may create in Action 4.
30 Alternative 3 would give them that opportunity at any time
31 during the year, but, obviously, they would only be effective at
32 the beginning of the year, to prevent a particular operator from
33 fishing in both programs during the year, let's say start in the
34 regular season, and, when that season is done, turn around and
35 say, well, I would like to get an endorsement and also continue
36 under this program, and so that would not be allowed.

37
38 Alternative 2, also we need to mention that the applicant would
39 have to apply for the endorsement or permit ahead of time, and
40 not necessarily exactly at the beginning of the year, to allow
41 National Marine Fisheries Service to process the application and
42 grant them the endorsement or permit to be effective for the
43 first of the year, if that is what is selected.

44
45 Perhaps one point we need to emphasize here is the fact that if
46 one applies for and gets this endorsement or permit, whichever
47 it is that we create in Action 4, that means that then you have
48 to fish under whatever program we design in this amendment.

1 That also means that you don't have any shares to fish with.
2 You would have then to turn around and buy shares or allocation,
3 as the case may be, to be a participant, an active participant,
4 in this fishery.

5
6 One would have to make that determination, to see whether it be
7 worth their while to apply for this endorsement and get it and
8 forego their opportunity to fish under the, quote, unquote,
9 traditional program, but then have to acquire shares or
10 allocation to be able to fish under the program to be designed
11 here. These are the alternatives that we have for your
12 consideration. Mr. Chair, these are the fifteen actions in the
13 amendment. I do have one question to ask before we proceed to
14 the last part of the presentation, if I may.

15
16 **CHAIRMAN GREENE:** Yes, sir.

17
18 **DR. DIAGNE:** In the first slide, when we defined the vessels, we
19 said we have sixty-seven vessels that meet the criteria that we
20 laid out and are still participating in the survey, with an
21 emphasis on still participating in the survey.

22
23 We have, I believe, eight vessels, and I will be looking on that
24 side of the table, that have met the criteria but are no longer
25 participating in the survey, as of, I guess, 2016. The question
26 is, as a committee, as a council, what is your preference?
27 Should we stick with the sixty-seven vessels that have met the
28 criteria and are still in the survey or should this be, quote,
29 unquote, expanded a bit to add those eight vessels that have met
30 the criteria, but, as of 2016, are no longer participating in
31 the survey? That is, I guess, a decision-point, something to
32 consider.

33
34 **CHAIRMAN GREENE:** Thank you. Mr. Anson.

35
36 **MR. ANSON:** My question would be how long have they been out of
37 the fishery? That would be my first question.

38
39 **DR. DIAGNE:** They are no longer participating in the survey this
40 year, in 2016, because the criteria that we laid out, one of
41 them was to have a landings history recorded by the Southeast
42 Survey by the control date which we set, which was December 31,
43 2015. They have that, but they are no longer participating in
44 the survey, meaning, for this year, 2016, they are not in the
45 survey.

46
47 **MR. ANSON:** I am a little confused. I thought that once you
48 were a headboat that you were always a headboat for the Gulf

1 thing. I know there were some issues with Mississippi, but I
2 guess that's part of that data collection little twist with the
3 headboats that we have always dealt with. They had a landings
4 history up through 2015 or they may have had a landings history
5 through like 2012 and then -- So it was part of the five-year
6 period, but then the last three years, post-2012, they have no
7 landings history?
8

9 **DR. DIAGNE:** Yes, and they met the requirements that we set.
10 For the time period before 2015, for the time period that we
11 set, they have at least one year of landings, yes. Some of them
12 may have two or three, and I will look at Ms. Gerhart and she
13 can shed some light on this.
14

15 **MS. GERHART:** Among those eight vessels, it varies. There are
16 some of them that have just been recently been removed from the
17 survey, and so they have been up until this time. There are
18 others that haven't been in since say 2011 or 2012, and it's
19 been the past four years, maybe, that they haven't been in the
20 survey. Presumably they have not been acting as headboats
21 during that time, and that's why they aren't in the survey.
22

23 **CHAIRMAN GREENE:** Mr. Riechers.
24

25 **MR. RIECHERS:** It seems, to me, that if you're going to go down
26 a road that what we have to do is create alternatives that would
27 allow them to be in or out, and the current alternatives, as I
28 read them, don't really allow that, and so we've got to
29 structure alternatives, Assane, if you're trying to be inclusive
30 of those that aren't included, based on this definition, then
31 we've got to create an alternative that represents that, in some
32 way. We can't say, well, because they're in now, we're going to
33 put them over there.
34

35 **CHAIRMAN GREENE:** Mr. Diaz.
36

37 **MR. DIAZ:** How does the control date figure into all of this? I
38 think we set a control date. That might be a question for Mara
39 to answer, but if we've got a control date and we don't have a
40 mechanism for them to get in, I'm not sure that they would
41 understand that, if they wanted in.
42

43 **CHAIRMAN GREENE:** Ms. Gerhart.
44

45 **MS. GERHART:** The control date was set as if you did not have
46 landings by December 31, 2015 or participated, you may not be
47 eligible for this program. All it really said was you had to
48 have those landings and participation before that date, and

1 these people do have landings and participation before that
2 date. They do not have it afterwards.

3

4 **CHAIRMAN GREENE:** Dr. Crabtree.

5

6 **DR. CRABTREE:** I don't think the answer to this one is all that
7 clear-cut, but it seems to me that the most straightforward way
8 to do this would be vessels that are in it I guess now, meaning
9 as of the end of last year, rather than trying to pull in
10 vessels that ran it two or three years ago. That seems the
11 least complicated way to go anyway, just on the face of it.

12

13 **CHAIRMAN GREENE:** My understanding of a headboat versus other
14 boats is that they were chosen by the SRD, and so were they
15 excluded from that? Is that why they're no longer reporting?
16 We have used that definition in other situations, and, if you're
17 a headboat and you're chosen, you are supposed to report. Am I
18 incorrect? Dr. Ponwith.

19

20 **DR. PONWITH:** I can't speak to the specifics of these vessels,
21 but I know there are circumstances that would cause a boat to be
22 removed from the list. An example might be where they have a
23 period of time where they function more like a charter vessel,
24 where, instead of acquiring their money on a by-head basis, they
25 actually charter that vessel out.

26

27 There were some cases where vessels were doing that for a
28 majority of their trips over a long period of time. Because of
29 that, they were not included in the headboat survey, and so I
30 don't know if that's why we have the circumstances with these
31 eight vessels, but that is an example of how vessels are
32 determined to be in or out.

33

34 **CHAIRMAN GREENE:** Thank you. Dr. Stunz.

35

36 **DR. STUNZ:** I was just wondering, Assane, was there any
37 indication to these vessels of do these vessels want in this
38 program or out or do we know at all?

39

40 **DR. DIAGNE:** At this point, we didn't ask anybody, really,
41 whether they want in or out, and so I don't know.

42

43 **CHAIRMAN GREENE:** Ms. Gerhart.

44

45 **MS. GERHART:** This would probably tie in a bit with how you
46 decide to distribute initial allocation or initial shares. If
47 you choose to take an average over five years and someone only
48 has one year of landings, they are probably not going to want to

1 be in the program, because that's not much. If you let them
2 take just their highest one year, then that might be a good year
3 for them and they would want to, and so it's probably dependent
4 on what you pick for other actions.

5
6 **CHAIRMAN GREENE:** I don't know if you can answer this, with
7 confidentiality, but were any of these boats in the Headboat
8 Cooperative? If you don't want to answer it, don't answer it,
9 but it's just a curious question.

10
11 **MS. GERHART:** No, they were not.

12
13 **CHAIRMAN GREENE:** Dr. Crabtree.

14
15 **DR. CRABTREE:** What I'm hearing is that we need to make some
16 decisions about the allocation period, and then I guess about
17 whether we're going to allow vessels to opt in or out and then
18 revisit this, or is this something that you need guidance on
19 right now, Assane?

20
21 **DR. DIAGNE:** The guidance now would be very helpful, essentially
22 to, once and for all, know the universe of people that are going
23 to be in this. Something you said earlier perhaps may be an
24 indication. The cleanest way of doing this would be to say that
25 the vessels in this program need to have met the criteria that
26 we laid out and show continued participation in the survey.

27
28 If we did that, then that will be essentially the sixty-seven
29 vessels that we have been discussing all along, and so that
30 would be clear cut. Then, as a council, you could take time to
31 figure out what type of allocation you want and maybe even have
32 an opportunity to reconsider whether this voluntary thing,
33 opting in and opting out, is really necessary, but it could be
34 one of the approaches for us to go back into the text and
35 clearly specify that to participate in Amendment 42, in this
36 program, one needs to do these things, and these things would be
37 to be a headboat, having landings by the control date of
38 December 31, 2015, and show continued participation in the
39 survey. Like that, we would be sure that all of the
40 participants are headboats and continue to function as such.

41
42 **CHAIRMAN GREENE:** Dr. Crabtree.

43
44 **DR. CRABTREE:** Then I think that would be my preference. Now,
45 when you say continuous participation though, the sixty-seven
46 vessels, those are the vessels that were in the program as of
47 last year, is that correct, or in it as of this year?

1 **DR. DIAGNE:** I would ask Ms. Gerhart or Dr. Stephen.
2
3 **DR. CRABTREE:** The sixty-seven vessels mean the vessels that are
4 in the program as of now, and is that correct?
5
6 **MS. GERHART:** They had landings during 2015 and were selected in
7 2016.
8
9 **DR. CRABTREE:** My preference and suggestion would be that the
10 sixty-seven vessels we've been talking about, vessels that were
11 in the program last year, 2015, and then were selected again
12 this year, that's the universe we're talking about. If we need
13 to decide something today, I'm not sure else we can go than that
14 right now.
15
16 **CHAIRMAN GREENE:** These vessels did not submit a report at all
17 this year? I mean they have not reported at all in 2016? Am I
18 correct or did they do part of the year and then do something
19 different?
20
21 **DR. STEPHEN:** We haven't looked at the landings yet for this
22 year. We have the list that was selected by the survey, that
23 they sent to us of who is in it. Two of the vessels that were
24 in it in 2015 and aren't in it in 2016, I believe they were sold
25 to different people and the vessel is the same, but how they
26 operate no longer met the criteria, and that's kind of the
27 complication here when we look at vessel and not necessarily the
28 person operating it. Did that help explain it?
29
30 **CHAIRMAN GREENE:** I understand. Thank you. Any further
31 discussion? Mr. Anson.
32
33 **MR. ANSON:** Relative to Action 15, Assane, looking at
34 Alternative 2, do you need to add another disclaimer or
35 something at the bottom or another alternative that talks about
36 those vessels that opt in or such, but are coming -- They get
37 the LHV status and they're coming from the traditional for-hire
38 charter boat side, those landings will be taken off or some --
39 How is that going to be tracked back to their landings staying
40 in the charter sector and yet they will be coming into the
41 headboat sector and they will be accessing some sort of portion
42 of the overall landings within that sector?
43
44 **DR. DIAGNE:** Because, when they come in to join this program,
45 they are not entitled to any shares or allocation, there is
46 nothing to be subtracted from let's say the recreational pool of
47 charter and private anglers. It is not that they decide to say,
48 okay, I am moving with my fish. They move empty-handed.

1
2 **CHAIRMAN GREENE:** Mr. Diaz.
3
4 **MR. DIAZ:** I am moving to a different topic. If Myron is still
5 on this topic, it might be a good idea to catch him.
6
7 **CHAIRMAN GREENE:** Mr. Fischer.
8
9 **MR. FISCHER:** I just want to understand what Assane just said.
10 If they move, the program is not even established, and the
11 remaining boats are now dividing more fish, if the fish don't
12 follow with him. Suddenly the charter six-pack or multi-
13 passenger or non-headboat fleet just inherited eight big boats
14 or six big boats, but they didn't get any additional fish to
15 match it.
16
17 **DR. DIAGNE:** No, the move in that direction, we talked about
18 that earlier. That's with the voluntary participation. If a
19 vessel, under this program, decides to opt out --
20
21 **MR. FISCHER:** I mean the first day right now. The numbers we're
22 using are the established numbers they harvested in 2015, but we
23 just lost eight boats to another sector. The fish should follow
24 them.
25
26 **DR. DIAGNE:** Those eight boats that would opt out -- The opting
27 out will happen before the first of the year, I believe on
28 October 1. That's the date that we set there. By October 1,
29 before implementation, vessels who would want to opt out would
30 make their intentions known. For those vessels, whatever method
31 of apportionment was selected here, their shares would be
32 computed and then they would move with their fish, but this is
33 different. The new entries, when you come to enter this
34 program, you are not bringing anything with you.
35
36 **CHAIRMAN GREENE:** Dr. Crabtree.
37
38 **DR. CRABTREE:** I'm wondering if we need a motion to reflect our
39 intent here or is it clear to you what our intent is? If you do
40 need a motion, I'm going to need someone to write a motion,
41 because I'm not sure I can.
42
43 **DR. DIAGNE:** I think between us, meaning Dr. Stephen and Ms.
44 Gerhart and myself, we follow the discussion. Your intent is to
45 have the sixty-seven vessels that met the criteria and are
46 currently participating in the survey, and so I don't think that
47 a motion will be needed. That's clear enough. Thank you.
48

1 **CHAIRMAN GREENE:** What would prevent someone from having an
2 allocation assigned to them and catching that allocation and
3 transferring the permit off and fishing in state waters?
4

5 **DR. DIAGNE:** Could you repeat that?
6

7 **CHAIRMAN GREENE:** If someone is awarded an allocation of fish
8 and they catch those fish and transfer the permits off the boat
9 and go fish state waters, how is that addressed, or is this a
10 you're in and you don't transfer the permits on or off the boat.
11 You're in and you're in, and that's it, and is that correct?
12

13 **DR. DIAGNE:** No, and we didn't really place any restrictions,
14 because our permits, as they are right now, the federal for-hire
15 permits, are fully transferable right now, and so we didn't
16 really put additional restrictions on that permit.
17

18 **CHAIRMAN GREENE:** Dr. Stephen.
19

20 **DR. STEPHEN:** This is where it comes between the difference of
21 splitting the permits into a brand-new permit or versus doing an
22 endorsement. When you would do a split permit, it would, in
23 essence, kind of convert the current reef fish for-hire permit
24 to a new permit for this program. In that case, if someone
25 wanted to move permits, they would have to sell the one permit
26 and then obtain the other. We wouldn't allow them to be jointly
27 on a vessel at the same time.
28

29 With the endorsement, we were going more for you would kind of
30 choose at the beginning of a calendar year which of the two
31 programs you're going in and you can't play in both within the
32 same year, but you can switch between years. Now, keep in mind
33 that if we do anything like a PFQ that you have forfeited your
34 shares that are with it, or depending on some of the other
35 actions in there.
36

37 **CHAIRMAN GREENE:** Okay. I just wanted to make sure I was clear
38 on that. Sorry to belabor the point. Mr. Anson.
39

40 **MR. ANSON:** I might be doing the same thing, belaboring a point,
41 but we're talking about associating shares to permits, correct,
42 and not to individuals?
43

44 **DR. DIAGNE:** Under the PFQ. Under the permit fishing quotas,
45 the shares are tied to your permit, meaning you cannot decide to
46 sell your shares and retain the permit. It's all or nothing,
47 but under let's say a traditional individual fishing quota
48 program, you can choose to sell a portion or the totality of

1 your shares and still maintain possession of your permit, and
2 that's the distinction between the two allocation-based programs
3 that are considered in the amendment.

4
5 **MR. ANSON:** I guess, with the PFQ, and it might be addressed in
6 the document and I don't recall it, or the 41, but if the vessel
7 were to sink or burn, how would that individual still be able to
8 participate in the fishery if it's actually assigned to that
9 individual vessel?

10
11 **DR. DIAGNE:** No, it's tied to the permit. Then you are free to
12 take your permit and the shares and put it on a different
13 vessel. The only thing that you cannot do is dissociate the
14 shares from the permit, but, if you wanted to let's say trade up
15 and get a different vessel, et cetera, you take your permit and
16 the shares and they will assign them to that new vessel or
17 replace your vessel, as the case may be.

18
19 **MR. ANSON:** Thank you.

20
21 **CHAIRMAN GREENE:** Thank you. All right. Anything else? Mr.
22 Diaz.

23
24 **MR. DIAZ:** Can we back up to 13.1 for just a minute? If I
25 understand this right, from the discussion that we had, I am
26 thinking this Alternative 3 should be taken out, because we
27 would be giving shares to people, potentially, in some of these
28 fisheries that they can't -- It would be giving them to people
29 that reside in an area and fish in an area where those fish
30 don't exist. **I would move that, for Action 13.1, that we remove
31 Alternative 3 to considered but rejected.**

32
33 **CHAIRMAN GREENE:** We have a motion going up on the board. We're
34 basically going to remove Alternative 3. He has read the
35 motion. Is there a second for the motion as it goes up on the
36 board? It's seconded by Dr. Lucas. Any further discussion?
37 Dr. Crabtree.

38
39 **DR. CRABTREE:** If I follow the logic, Dale, that you're using
40 here, then it seems to me that the status quo in this action is
41 the only logical way to do it, because then it goes
42 proportionally out to the initial allocation, and I think, if
43 you guys feel pretty confident that that's the best way to do
44 it, then I think you could take this whole action out at that
45 point.

46
47 If you distribute it equally, you're going to have the same
48 issue there that you're talking about now, and I think I'm

1 probably the one who got this put in here, some of it, but I
2 think you've made some pretty good cases for why it may be that
3 Alternative 1, status quo, is the only really practical way to
4 do this.

5

6 **CHAIRMAN GREENE:** Is that a substitute motion?

7

8 **DR. CRABTREE:** Yes, I will offer a substitute motion to remove
9 Action 13.1 to considered but rejected.

10

11 **CHAIRMAN GREENE:** We have a motion and it's been seconded. Any
12 further discussion? **Any opposition? Seeing no opposition, the**
13 **motion carries.** Dr. Diagne.

14

15 **DR. DIAGNE:** The last thing we wanted to discuss is perhaps get
16 a sense of the timeline that you are envisioning for this
17 action. These are, essentially, questions really. When do you
18 think that you would like to see this amendment implemented? In
19 looking at that, we need to keep in mind that this action would
20 require a referendum and final action, as was discussed earlier,
21 I believe by Dr. Crabtree, would have to be picked accordingly.
22 If we could perhaps have a discussion on the first point. What
23 date of implementation would you like to see for this action?

24

25 **CHAIRMAN GREENE:** Thank you. Is there committee discussion?
26 Dr. Crabtree.

27

28 **DR. CRABTREE:** Well, looking at this, I think the earliest the
29 program could actually get going would be January 1 of 2018, but
30 that's a pretty ambitious schedule. I think one of the critical
31 issues that affects the timeline is Action 3, which is the opt-
32 out and opt-in, because that affects when decisions have to be
33 made about who is in and when things can be allocated. That
34 affects the timeline.

35

36 If have the opt-out and opt-in, then this thing has to be done
37 earlier, so that we can notify people and figure out who is in
38 and who is out and then do the allocations. Aside from that,
39 and Sue can go over this in more detail if you want, but they
40 have worked out a schedule, and all of this has us coming back
41 in in October and essentially approving the criteria for
42 conducting the referendum, because we're going to have to decide
43 who votes and those kinds of things, and Sue can go over this in
44 more detail if you like, but the opt-in and opt-out nature of
45 the program, if we're really going to do that, affects how all
46 of this comes together.

47

48 **CHAIRMAN GREENE:** Thank you. Sue.

1
2 **MS. GERHART:** The main reason it affects that is we can't ask
3 people to opt in or opt out until the entire rule is effective.
4 In other words, we have to conduct the referendum, finalize the
5 amendment, and do the proposed and final rules on that before we
6 can even go to where we're asking people if they want to opt
7 out. Then we need to know that in order to calculate the
8 shares, and so that backs us up somewhat.

9
10 If you don't allow that opt-out, we can go a little later on our
11 timeline, but the referendum, the council has to decide which
12 participants have substantially fished for the species that are
13 proposed to be included, and those are the people who will vote.

14
15 In the past, we have provided some options for the council of
16 how they might decide that, and it can be very straightforward,
17 in that everyone who participated and had some sort of landings
18 recorded by the survey program is eligible, if they had landings
19 of at least one fish of one of the species, or you could put in
20 minimum landings, a certain number of poundage of fish that were
21 landed and reported, and that could be your criteria.

22
23 In order to get this all done for a 2018 start, if we have the
24 opt-out, the council would have to approve those referendum
25 criteria at the October meeting. If the opt out isn't there, we
26 could delay that until the February meeting, and so that does
27 sort of change the timeline.

28
29 If we have the opt-out, we have to have final action by the
30 April meeting, which is quite close. We can delay until June if
31 we're not doing the opt-out. In any case, the thing driving it
32 is that, what we have found in previous programs, is that
33 October 1 is really the date when we have to be able to
34 calculate what each participant is going to get and what those
35 quotas are going to be to get that in place for the next year.

36
37 **CHAIRMAN GREENE:** Thank you. Mr. Fischer.

38
39 **MR. FISCHER:** Thank you, Mr. Chairman. Where do the boats go
40 that opt out? In what pool are they?

41
42 **CHAIRMAN GREENE:** Ms. Gerhart.

43
44 **MS. GERHART:** For Amendment 42, what we've stated is that if
45 they opt out of the headboat program that we're designing in 42
46 that they would go into the common pool, which could also
47 include what's being developed for 41. Then, of course, in 41,
48 there could be another opt-out/opt-in as well, and so it would

1 kind of be a tiered thing.
2

3 **MR. FISCHER:** Suppose the charter boats don't want a headboat
4 in. Can they opt him out? Do they have any say? You're
5 getting a large boat now put into a pool made up mostly of six-
6 pack boats, and, depending on what alternatives are taken, it
7 could create problems in that industry.
8

9 **DR. DIAGNE:** Mr. Fischer, when someone opts out, and wherever it
10 is that they move into, they bring landings corresponding to
11 their catch history.
12

13 **MR. FISCHER:** I understand that, but there is no catch history
14 in the charter boat sector. Suddenly he is in this sector with
15 1,250 other boats and he is a hundred-passenger headboat and
16 he's got a lot of fish to harvest. Like I said, suppose they
17 don't want him to opt-in?
18

19 **DR. DIAGNE:** No, he's not going to retain the fish that he or
20 she brought, he or she. Those fish would be just in the pool.
21 I am trying to compare that scenario to status quo, where we are
22 right now. Right now, essentially we have a single federal for-
23 hire permit and it is for everybody, for the charter as well as
24 the headboats. I guess I am missing part of the question.
25

26 **CHAIRMAN GREENE:** Dr. Crabtree.
27

28 **DR. CRABTREE:** It's an interesting back-and-forth, but I think
29 it makes a case for let's not do this opt-out thing and let's
30 put the program in place and all the vessels are in it. That's
31 my preference, and so I will go ahead and make a motion. That
32 is also, I would point out, the AP's preference as well. **I**
33 **would go ahead and make a motion to move Action 3 to considered**
34 **but rejected.**
35

36 **CHAIRMAN GREENE:** We had a motion to remove Action 3. It's been
37 seconded by Mr. Fischer.
38

39 **DR. CRABTREE:** If I could, then that would mean that, assuming
40 this is approved in the referendum and the council decides to
41 move forward with this program, that's the program these vessels
42 fish in. I think most of them are going to fish in it anyway,
43 because I think that's going to be preferable. It avoids a lot
44 of the issues that Myron is bringing up with vessels shifting
45 back and forth, and it certainly makes the whole program more
46 stable, more predictable, and I think more workable.
47

48 **CHAIRMAN GREENE:** Mr. Diaz.

1
2 **MR. DIAZ:** Dr. Crabtree, what you're saying might be right for
3 the vast majority of people, but I do remember talking to a
4 gentleman that chose not to participate in the Headboat
5 Collaborative because he didn't get enough fish. If we take an
6 opportunity for him to opt out, then we're putting him in that
7 program and he's got to live with whatever his catch history is.
8 At that time, it wasn't enough for him to participate in the
9 collaborative, when I talked to him, and so I think there just
10 might be some people that might get caught here in a situation
11 they don't want to be in.

12
13 **CHAIRMAN GREENE:** Dr. Crabtree.

14
15 **DR. CRABTREE:** I appreciate that, but I think the collaborative
16 only used one year to determine the proportional allocation of
17 fish. We've got a series of broader choices to make with that,
18 and I don't think any vessel could know right now what they're
19 going to get, because we haven't even decided ourselves what the
20 basis for the allocation would be.

21
22 If, after all of that is said and done, the vessel has very low
23 catch histories in any of these species, then he is really not
24 fishing for these fish to begin with, it seems to me, and so I
25 understand what you're saying, Dale, but, at some point, we need
26 to think about the practicality of the program and making it
27 work.

28
29 **CHAIRMAN GREENE:** Thank you. Is there further discussion? Mr.
30 Anson.

31
32 **MR. ANSON:** I kind of tend to agree with Dale. I mean that's
33 part of the practicality of the program. If you're taking a
34 vessel that really can't function in that program, then it's not
35 being practical to that individual, and so I don't know if I
36 would support this motion.

37
38 **CHAIRMAN GREENE:** Dr. Crabtree.

39
40 **DR. CRABTREE:** But we have alternatives in here for the initial
41 allocation that distribute, I think up to 75 percent of it,
42 equally among all the vessels and so you have all the tools in
43 the initial allocation to deal with this problem and make sure
44 no one gets left behind and no one gets an unfairly low amount
45 of allocation, and so I really think that's dealt with in the
46 initial allocation, or can be dealt with.

47
48 **CHAIRMAN GREENE:** Thank you. Mr. Riechers.

1
2 **MR. RIECHERS:** Roy, is your motion then, or maybe what you're
3 really suggesting is should this be merged in discussion with
4 the initial allocation, so that we're not trying to create two
5 separate actions here, but you draw some of the points that
6 other people are making, as well as -- I said it over here
7 somewhat quietly, but those six or seven vessels that we talked
8 about, we probably need to know what some of those circumstances
9 are a little bit better before we just say they're not in,
10 because we don't know what they are yet. It hasn't been fleshed
11 out here.

12
13 **CHAIRMAN GREENE:** Dr. Crabtree.

14
15 **DR. CRABTREE:** Well, I am just saying that -- I am basing this
16 on I think the difficulties that having the opt-in and the opt-
17 out provision create, and all of the concerns I am hearing about
18 that really are concerns about how the initial allocation is
19 done and not so much with this.

20
21 Now, if folks aren't comfortable with this or feel like this is
22 too soon and you want to see more information, I would be willing
23 to withdraw this and we could come back to it, but you know
24 we've been working on this for quite a while, and the AP has
25 recommended that we not have this opt-in and all of that, and I
26 just don't see it as being a very workable way to go, but if the
27 sense of everyone here is you're not comfortable with this yet,
28 I am willing to pull back and revisit this issue at another
29 meeting.

30
31 It does make it analytically more difficult to deal with, and it
32 does affect the timeline that we're on, and you all know how
33 good we are at meeting all of these timelines. I don't know,
34 Mr. Chairman, but I guess, if folks aren't comfortable with it,
35 we can just vote the motion down, I suppose.

36
37 **CHAIRMAN GREENE:** Thank you. Dr. Stunz.

38
39 **DR. STUNZ:** Roy made my point right there in the end. It's not
40 that I disagree with this motion, but I think we're too early in
41 the process, and I'm not comfortable at this point. I think we
42 need to have this provision in there, at least for now.

43
44 **CHAIRMAN GREENE:** Is there further discussion before we vote?
45 All right. **All those in favor of the motion on the board to**
46 **move Action 3 to considered but rejected, please raise your**
47 **hand.**

48

1 **EXECUTIVE DIRECTOR DOUG GREGORY:** We've got four.
2
3 **CHAIRMAN GREENE:** All those opposed, like sign.
4
5 **EXECUTIVE DIRECTOR GREGORY:** Nine. It's four to nine. The
6 motion fails.
7
8 **CHAIRMAN GREENE:** The motion fails. Ms. Guyas.
9
10 **MS. GUYAS:** Just a question, to go back to the timeline. I
11 think at a previous meeting that we had talked, potentially,
12 about 41 and 42 moving in parallel. When you guys were figuring
13 out your timeline, were you assuming that both of those were
14 moving -- That's kind of what I figured. Okay. Thank you.
15
16 I think we should probably consider that. They're both pretty
17 big lifts, for one. Two, if we keep this opt-in and opt-out
18 stuff here, I would assume that headboats that are trying to
19 decide what they would want to do would want to consider what
20 their alternative management scheme would be, if we keep this in
21 here.
22
23 **CHAIRMAN GREENE:** Dr. Crabtree.
24
25 **DR. CRABTREE:** Remember, at this point, 41 is only red snapper,
26 although I know there is some interest in that. I don't even
27 think it's possible to come up with a timeline so much for 41 at
28 this point, because it's still so wide open as to where we want
29 to go.
30
31 Given that I guess my premature motion failed, that means we're
32 going to -- If your goal is to have this in place on January of
33 2018, then we're going to need to approve referendum criteria at
34 our next meeting, and I know Sue has put together some potential
35 alternatives for that.
36
37 I know it's getting late, and I don't know if you want to take
38 the time to look at those now or at full council or how you all
39 want to handle that, but she has some potential alternatives
40 that we could talk about, but that would be the timeline we
41 would be on, would be to come in at October and approve it.
42 Then we're going to have to make decisions pretty quickly if
43 we're going to try and get this done by 2018.
44
45 **CHAIRMAN GREENE:** Chairman Anson, how would you like to proceed?
46
47 **MR. ANSON:** I guess, Sue, if you can go through them quickly,
48 since we're on the topic.

1
2 **MS. GERHART:** I did sort of already go through them quickly,
3 but, based on Magnuson, the council has to determine
4 participants who have substantially fished for the species
5 proposed to be included in the individual fishing quota program.
6

7 A no action would be not to specify eligibility requirements.
8 Alternative 2 would be restrict participation in the referendum
9 to for-hire reef fish permit holders who have substantially
10 fished for red snapper, gray triggerfish, greater amberjack, red
11 grouper, or gag based on logbooks during the qualifying years,
12 and I'm sorry, but that should be headboat survey landings
13 during the qualifying years. Participants whose vessels had any
14 landings of at least one species are considered to have
15 substantially fished.
16

17 Alternative 3 reads the same, except at the end it says that
18 only participants whose vessels have landed a minimum number of
19 fish for at least one of the species are considered to have
20 substantially fished, and then there would be some number for
21 each of those species.
22

23 Someone would have to have reached that number or had those
24 landings during the qualifying period, which, at this point,
25 we're saying 2011 to 2015, which is the same as the initial
26 allocation period.
27

28 We still need to look at the data to find what those numbers
29 would be, but we could find those and have those for you, and so
30 that's the simplest way to do it. There could be, obviously,
31 other options, but that's what we're looking at right now.
32

33 **CHAIRMAN GREENE:** Thank you. Is there further discussion?
34 Seeing no further discussion, Dr. Diagne, do you have anything
35 else within the parameters of Amendment 42?
36

37 **DR. DIAGNE:** No, Mr. Chair. That would conclude the discussion
38 for me. Thank you.
39

40 **CHAIRMAN GREENE:** Okay. We have about twenty-seven minutes left
41 to jump into Amendment 41. However, the preliminary analysis on
42 the red snapper split season may be a reasonable thing that we
43 can accomplish within that timeframe. With that, I am going to
44 turn it over to our staff to pick up on Tab B, Number 13.
45

46 **DR. LASSETER:** Great. Thank you, Mr. Chairman. Mike Larkin is
47 coming up right now to present that.
48

1 **DRAFT AMENDMENT 41 - RED SNAPPER MANAGEMENT FOR FEDERALLY-**
2 **PERMITTED CHARTER VESSELS**
3 **PRELIMINARY ANALYSIS ON RED SNAPPER SPLIT SEASON**
4

5 **DR. LARKIN:** Now I'm going to talk about an analysis that Dr.
6 Nick Farmer did, but I'm covering for him at this meeting, and
7 so hopefully I've got a good grasp on everything that he did,
8 but here we go with the two options.

9
10 Option 1 is open the federal for-hire red snapper season from
11 April 20 until May 31 and then reopen September 1 until the ACT
12 is projected to be exceeded. Then there's Option 2, to open the
13 federal for-hire red snapper season June 1 through June 30 and
14 then reopen October 1 until the ACT is projected to be exceeded.

15
16 Some analytical challenges are no recent federal for-hire catch
17 rate data outside of June and July for the entire Gulf region.
18 There are a lot of questions to this analysis. Is there a
19 seasonal dynamic to red snapper catches? If so, is it due to
20 the red snapper stock movement or catchability or is it due to
21 differences in fishing effort? Would fishermen compensate for a
22 change in the season start date and exert more effort into the
23 open months? The conclusion there, and I'm just trying to point
24 here, is that there is a lot of uncertainty to this analysis.

25
26 We can go over some expectations. The June catch rates are
27 likely high because weather conditions are nice and school is
28 out and there is little conflict from other activities.
29 April/May catch rates may be high, although school is still in,
30 but because the weather may be similar to June and high catch
31 rates are anticipated at the start of the season.

32
33 Then September/October catch rates may be lower, as school is in
34 and anglers may have scheduling conflicts, for example football
35 or hunting or other activities, and the stocks will have been
36 fished for several weeks already.

37
38 Nick did this in seven different analytical approaches. The
39 first one is unscaled, and so using those Waves 3 and 4 current
40 projections that we have, that we used for the 2016 season, and
41 so the 2014 through 2015 daily catch rates, and those are for
42 Waves 3 and 4. It's essentially the summer months.

43
44 Anyway, the unscaled is applying those catch rates for all the
45 months. Take what we have for Waves 3 and 4 and then apply them
46 to Wave 2 as well as 4 and 5, to accomplish those two options
47 for this analysis.

1 Assuming it's the same throughout, that's the unscaled, and so
2 assuming it's the same catch rate per day throughout the whole
3 year. That's the unscaled. Another way, and I'm going to do
4 seven different approaches here, is if you scale it and you go
5 back to the mean catch rates from 2004 through 2007, back when
6 it was open from April 15 to October 31. Those are the observed
7 daily catch rates for each individual state. When I mean scale
8 it, meaning if you go back and -- If Wave 2 had about half of
9 what Wave 3 had, you would take our predicted landings for Wave
10 3 and cut in half and apply it to Wave 2, and so, to scale it
11 based on what we have historically, we have to go all the way
12 back to 2004 and 2007.

13
14 He did it for each individual state and then he did this if you
15 scale it and you assume all the landings, treat them all as one,
16 in the entire Gulf. Again, based on the mean catch rates from
17 2004 to 2007, but treating the entire Gulf as one giant stock
18 there.

19
20 Then four and six, the last column breaks it up by the two
21 different Beaufort scales. I will show you that in the last
22 column, but, anyway, this is another way to scale the monthly
23 catch rates based on the ratio of fishable days, and he
24 determined fishable days by what is called the Beaufort scale,
25 and so less than five. That means a wind speed of less than
26 seventeen knots or a Beaufort scale of six. That is a wind
27 speed less than twenty-two knots, and he did this relative to
28 June, but the way to think of this, if you're a red snapper
29 fisherman, is what is a better threshold of whether you're going
30 to go fishing or not? If it's less than seventeen knots, yes,
31 and then, greater than seventeen knots is no, then that would be
32 a Beaufort scale of five. Or is a better threshold a Beaufort
33 scale of six? Less than twenty-knots, yes, go fishing, or
34 greater than twenty-two knots is, no, go fishing, and that
35 Beaufort scale of six is also the small craft advisory.

36
37 He did this by wind speed, by looking at the meteorological data
38 for each state, the weather stations deployed throughout the
39 Gulf of Mexico. He also did this for wave height, and so it's
40 kind of like what you choose, what do you think is more
41 important whether you go fishing, and is it wind speed or is it
42 wave height?

43
44 In this case, he scaled the monthly catch rates based on the
45 mean 2007 to 2015 ratio of fishable days, and everything is
46 relative to June, and I will show you that in the next figure.
47 Anyway, with the Beaufort scale, when you go into wave height, a
48 Beaufort scale of less than five is a wave height less than two

1 meters and a Beaufort scale of six or less than six is wave
2 heights less than three meters.

3
4 Now I will show you some results here. Historic is essentially
5 taking the unscaled method, which is Waves 3 and 4, and then
6 scaling it based on historic catch rates for Wave 2 and also for
7 Wave 5. Then Wave 5, we assume Wave 5 is the same as 6. In
8 here, you can see the different colors represent the different
9 states. For example, you can see that the Wave 2 in Mississippi
10 is really high relative to Wave 3, and then he also has the
11 entire Gulf one there, which is the dashed line. You can see,
12 when you treat the whole Gulf as one unit stock, when you do
13 this analysis, that Wave 2 is very similar to Wave 3. Then,
14 after Wave 4, it drops down quite a bit when you go down to Wave
15 5.

16
17 Here is going into the fishable days, the Beaufort scale, and
18 this is for the one less than five, and everything is relative
19 to June. That's why you see June is 100 percent, but, in this
20 case, if I'm looking at the left column there, a wind speed less
21 than seventeen knots, you get the months listed on the X-axis,
22 in both figures, and the percentage of fishable days is on the
23 Y-axis. The left figure is the wind speed of less than
24 seventeen knots. The one on the right is wave heights less than
25 two meters.

26
27 If you look at the one on the left, the wind speed less than
28 seventeen knots, you can see in the purple, which is Texas, that
29 we did this analysis in August, and it looks like it's about 118
30 percent in August. What that's saying is that the percentage of
31 fishable days in August is a lot higher than relative to June.
32 For example, if you find the fishable days, based on these wind
33 speeds, in June is about twenty-five days, but then you look at
34 August and it was twenty-nine, you have a higher percentage of
35 fishable days.

36
37 Applying that ratio to those catch rates for Waves 3 and 4 and
38 then use that to apply that -- For each month, apply that to
39 their catch rates for the rest of the year, to determine how
40 many days would be open, what the landings would be. Also, you
41 can see they're much lower down in the colder winter months.
42 You can see January and December are a much lower number of
43 fishable days.

44
45 This kind of cut off at the top there, but this actually -- It
46 got cut off on both sides, unfortunately, but this is just
47 trying to show you what the catch rates were for each month
48 there.

1
2 This is actually the catch rates per day, just to show you the
3 unscaled is just a straight line across there, assuming that
4 everything is the same for every single month. Then the
5 historic are the bar lines. You can see they're actually very
6 similar to the unscaled. Then, when you break down to the wind
7 speed, the dotted one, you can see it breaks away a little more
8 from the unscaled, and the greatest difference there is when you
9 get down to the dashed line there, which corresponds to wind
10 speed, Beaufort five, and wave height, Beaufort five.

11
12 Meaning you can see you get, for the -- This is actually listed
13 as January through December, and I know you can't see it and it
14 got cut off at the bottom, but you can see the winter months.
15 For January through February, you get much lower catch rates.
16 Then it peaks in the summertime and then drops back down as you
17 get more into September, October, November, and December.

18
19 What this is showing here is those two options that I first
20 mentioned there. Split Season 1 is the top there, April 20
21 through May 31 and then closed and then open September 1 through
22 the end of the season. The seven different methods are listed
23 in different columns. Down on the lower half of the page there,
24 this is Split Season Option 2, which is June 1 through 30 and
25 then closed and October 1 until the ACT is met.

26
27 Then you can also see, on the rows, are the different months.
28 The top part there, you can see, under all the different
29 analyses, that all the days were open in April and May, but then
30 you get differences in September. You could have as little as
31 two days open and as much as seven days open, and so it's not
32 really a dramatic change between the different methods in this
33 one.

34
35 Then the bottom half there, you can see from June to October and
36 November and December, and so you can see that under -- If you
37 go to the historic, you do get a lot higher number of days.
38 Unfortunately, the bottom got cut off, but hopefully you have
39 those in the PDFs that got sent off, but, anyway, I will just go
40 through the bottom half, the unscaled.

41
42 It's forty-four days, but then the historic by state, you get
43 sixty-two days. Gulf historic, when you treat the Gulf all as
44 one, you get sixty-six days, but keep in mind those are going
45 back quite a bit. You're looking at ten years of what the
46 relationships were between seasonality throughout the year to
47 make the assumption to predict those days.

48

1 Then, as you go into Beaufort scale of six, the wind speed, you
2 get forty-five days. Wave height, you get forty-five days.
3 Then the last two columns there, a Beaufort scale of five, you
4 get a wind speed of forty-eight and then a wave height of forty-
5 five. Really, I would use everything relative to unscaled.
6 It's really what is more similar to what is used for the current
7 prediction, and so I would compare everything relative to that.

8
9 You can see from forty-four days and then how much of that
10 stretched out. The top half only goes about maybe -- You get an
11 extra five additional days, at the most. The bottom half, you
12 do get up to sixty-two days, but that's also assuming that the
13 seasonality is similar to what it was ten years ago.

14
15 Different methods give a different number of days, but nothing
16 real dramatic in terms of the increase in number of days. It
17 depends on what method you think is most accurate, and that's
18 it. I would be happy to take any questions.

19
20 **CHAIRMAN GREENE:** Thank you. Any questions? Mr. Diaz.

21
22 **MR. DIAZ:** I just want to make a few comments. I was the one
23 that I guess floated this idea and made the motion that we look
24 at this, and my purpose is to look at some traditional
25 management measures, so charter boat fishermen out there that
26 are trying to decide what options they think they might consider
27 would at least have some information in front of them to see.

28
29 What we heard at the last meeting was -- We went over basically
30 bag limits. The real only option is to go down to one fish, two
31 fish or one fish, and, if you go down to one fish, what I heard
32 last time is you gain about a 42 percent increase. Based on the
33 number of days we've got right now, you're looking at about 61
34 or 62 days, if that was an option that charter fishermen thought
35 might be good for their business, to help stretch out their
36 season longer.

37
38 We looked at size limits last time, and size limits, from what
39 Dr. Froeschke presented last time, didn't really do anything.
40 There wasn't really much options with that, and so we talked
41 about maybe floating this out there, where people could see, if
42 we were to consider some type of a split season, what that might
43 mean, and so I want to thank you, Dr. Larkin and Dr. Farmer, for
44 putting this together and making this information available.

45
46 What I get out of it is, if people thought that they might want
47 to do some of these things, at least they can figure out what it
48 might mean. Split seasons, from the presentation we got here

1 today, it's not something that's going to give a ton of days,
2 but you might be able to squeeze a few extra days, depending on
3 how all of this shakes out.

4
5 There is other reasons to do split seasons besides this. I
6 don't know that that's going to factor into the charter boats,
7 people that have charter businesses thinking, whenever they try
8 to decide if it's best for their business or not, but a split
9 season, I think, would reduce the likelihood of going over the
10 ACL.

11
12 Some areas, Mr. Riechers has said many times that Texas is a bad
13 area for June for wind, and so some areas may get some time to
14 fish in a time of the year whenever the weather conditions are
15 more fitting for doing some fishing in that area at that time,
16 and I guess the only other benefit that I was able to come up
17 with, thinking about split seasons, is any time you fish outside
18 of the hottest part of the year, you probably reduce your
19 discard mortality rates. It seems like fish hold up a little
20 better in cooler waters than they do in warmer waters, and the
21 only other thing that I thought of was some fishermen told me
22 that they would like to have something to sell at different
23 times of the year.

24
25 Folks can consider all those types of things whenever they're
26 trying to decide if this might be something that would be better
27 for their business, as opposed to trying to support or pursue
28 one of the other methods that we're looking at. Thank you, Mr.
29 Chairman.

30
31 **CHAIRMAN GREENE:** Thank you, Mr. Diaz. Mr. Riechers.

32
33 **MR. RIECHERS:** It may be embedded in the analysis, and I am just
34 trying to see if it is. As you all recall, we have had some
35 years where we had an open season and we closed and then we
36 opened in the fall, and I think most of those years were after
37 2007. When we think about your analysis for wind speed and wave
38 height and you're basically taking ratios, did we include those
39 differential catch rates combined into that or -- I don't think
40 it would have been in two and three, based on the 2004 to 2007
41 timeframes you have there. It may be embedded there, and I am
42 just trying to understand if it is or not.

43
44 **DR. LARKIN:** Correct me if I'm wrong, and Nick is a lot more
45 familiar with this than I am, because there was one year where
46 you extended much later into October, those days.

47
48 **MR. RIECHERS:** I think we may have had at least two years, but

1 there may be just one.

2
3 **DR. LARKIN:** I don't think those October days were incorporated
4 in this analysis, and so, no, I don't think it was. I think he
5 just based it on -- Like you mentioned, wind speed and wave
6 height, that's just based on -- For example, what do we
7 typically see in October, and so it didn't incorporate the
8 actual landings from those. I can follow up with him, but I
9 don't think it was.

10
11 **MR. RIECHERS:** Certainly the analysis is well down the line of
12 what Dale was trying to get at there, I believe, and I
13 appreciate that whole notion of trying to bring the weather
14 patterns in, but we may have some actual real catch data that
15 allows us to think about at least that fall season, in some
16 respects, as compared to the summer season in a little more real
17 time, as opposed to the 2004 to 2007. It may be worth at least
18 taking a quick look at.

19
20 **MS. BOSARGE:** Just a quick comment, in case we do see this
21 presentation or something similar again. I realize the Beaufort
22 scale is in knots and meters, but would you mind bringing it
23 back in knots and feet? I can deal with knots, and I can
24 convert the meters, but, when I'm trying to interpret a graph
25 and do everything else, it would be helpful if I didn't have to
26 first in my mind convert things to feet and then go look at the
27 graph and figure what I'm really looking at. That would be
28 helpful. Thanks.

29
30 **CHAIRMAN GREENE:** Dr. Stunz.

31
32 **DR. STUNZ:** Just a quick follow-up to Dale's comment on the
33 barotrauma, and I certainly would support something like this
34 down the line, because it is true that as the water temperatures
35 cool that you're going to have a reduction in discard mortality,
36 and some studies are already out, and I'm aware of several
37 others that are going to show that for red snapper across the
38 Gulf, but the only problem of what I'm looking at here is these
39 seasons don't quite capture it.

40
41 It needs to be a little bit cooler water, more from that
42 November to March realm, and so it's not quite captured in the
43 dates that we're looking at here, and I know why we're looking
44 at these dates, but there needs to be a little -- The water
45 temperature is still not cool enough to really see those
46 effects, in these figures at least.

47
48 **CHAIRMAN GREENE:** Thank you. Any further discussion? Okay.

1 That's going to bring us to a point where we're going to have to
2 probably deviate from our schedule. There is no way we're going
3 to get through 41 at this time. Looking at the schedule for
4 tomorrow, the conversation we're currently having kind of ties
5 into an Other Business topic that Mr. Diaz had brought up, and
6 so, with the blessing of the committee, if you would like to
7 move to that and then we will start up in the morning with 41
8 and see where we end up.

9
10 That's kind of what Kevin and I had discussed, but certainly
11 it's up to the committee. Does anybody have any problems with
12 that? Mr. Diaz, I guess I'm going to put you on the spot here
13 for Other Business on the red snapper ACL. If you're ready, Mr.
14 Diaz.

15 16 OTHER BUSINESS

17
18 **MR. DIAZ:** I really didn't have a chance to get my thoughts
19 together, but I will -- I wanted to just mention this, because
20 it's been on my mind. Last October, we passed a motion to look
21 at the ACT for the recreational red snapper sector and to
22 consider reducing it. We passed that motion in October, but we
23 didn't act on it, because we were waiting for some final numbers
24 to come in.

25
26 The preliminary data we had in October, at that time, if I
27 remember it correctly, both sectors were projected to be under
28 the ACT at that time. Well, we did wait on the numbers, and we
29 got the final numbers around March or so, and the private
30 recreational are over their ACT and under the ACL, but the
31 charter for-hire sector was under the ACT.

32
33 Now, at one time, we asked the SSC, and I guess I'm jumping all
34 over the place, if we wanted to consider something doing with
35 this, what would they need, and they said they wanted three
36 years of data. Anyway, I am not sure that I agree with that
37 particular statement, but we got one year that, under sector
38 separation, where the charter for-hire was fishing alone, that
39 they hit under their ACT.

40
41 Here we are, we're in the middle part of August, and we don't
42 have the information in front of us to see what has happened so
43 far this year. The charter for-hire season this year, from June
44 1 to June 30, is going to be in Wave 3. Pretty soon, we will
45 get some preliminary numbers on what happened with Wave 3, and
46 we could start looking at what the catch rates are, and we could
47 start trying to figure out if we think they're going to exceed
48 the ACT or not this year.

1
2 Now, we won't know that until we get Wave 4, which we probably
3 won't get Wave 4 information until November-ish. We're stuck in
4 a system where, if we want to try to impact something, if we
5 wanted to try to help these guys and do something with their ACT
6 for next year, you've got to start planning and moving a
7 document so early, and we're stuck here without the information
8 that we need to even consider it, and so it's really frustrating
9 and it's hard to deal with.

10
11 I did want to just bring this topic up and talk about it a
12 little bit. If it works out where the charter for-hire comes in
13 under the ACT again this year, I would be in favor of trying to
14 do something to look at adjusting that with something that's
15 reasonable, but we just have to wait and see what happens with
16 the data. It's too early to do anything with it today.

17
18 When I think about this, it's not the same, and I do know some
19 of the issues that surrounds this particular discussion, but
20 we're dealing with a fixed number of boats. We're dealing with
21 a fleet that's under a moratorium, and it's something that I
22 think we can control a little better. Anyway, I am just
23 thinking about this. I'm not planning on doing anything with it
24 today, but I want you all to start thinking about it.

25
26 If the numbers come back, whenever we start seeing the
27 preliminary numbers and some of the other numbers, if it looks
28 like the charter for-hire is under their ACT or very close to
29 it, then I'm going to be trying to move something. Even though
30 we won't have the full three years under that sector separation
31 alone -- We will have three years, but we won't have three years
32 under sector separation alone, and so I just wanted to float
33 that out and get folks to be thinking about it and start forming
34 your opinions.

35
36 After we get the data, probably at the next meeting, I will talk
37 about it again and we will see what maybe is the appropriate
38 thing to consider.

39
40 **CHAIRMAN GREENE:** Thank you, Mr. Diaz. Ms. Bosarge.

41
42 **MS. BOSARGE:** Dale, what you're saying is that when we start
43 seeing the numbers for this year's season -- We have one season
44 under our belt and we have final numbers. Once we start to see
45 some numbers for the second year, which would be this year's
46 season, if it looks like these numbers are going to be in line,
47 what you're saying is that you would almost want to start on a
48 document that wouldn't be finalized until we actually had three

1 years of data and we could see the trend, but we would have to
2 start it almost a year in advance to even be in a position to do
3 something once we have the three years of data. Is that what
4 you're saying, kind of?
5

6 **MR. DIAZ:** Not exactly. If the charter for-hire comes in again
7 this year under their ACT, I would be willing to look at some
8 type of adjustment for these folks before we get three years of
9 data, to go with the two years, and I know some people probably
10 won't agree with that, but we'll have to see what happens with
11 the data and where it's at. If something is reasonable, it's a
12 smaller group. They're operating under a moratorium, and I
13 think it's something we could look at their buffer and find if
14 there's something reasonable that is prudent to consider that
15 might help these guys out.
16

17 I am just trying to look for a way, if it works out, where we
18 can get these folks a few more days to fish. That's all I'm
19 trying to do. That protects the species and we don't get in a
20 situation where we're not being conservative with trying to
21 protect going over this ACL. I don't want us to go over the
22 ACL. I want us to be conservative and manage it prudently.
23 Thank you.
24

25 **CHAIRMAN GREENE:** Thank you. Dr. Crabtree.
26

27 **DR. CRABTREE:** Just to point out that we have on our agenda a
28 discussion of carryover, which, to me, is potentially a more
29 practical way to deal with this problem, and so we have options
30 here, not to mention the option of let's move forward with
31 Amendment 41 and 42, and we potentially could get rid of the
32 buffer entirely on that side. We have options to do this before
33 us, but we just need to get something completed.
34

35 **CHAIRMAN GREENE:** Mr. Diaz.
36

37 **MR. DIAZ:** I think Dr. Crabtree's suggestion about the carryover
38 one is a very good one, and I think we should pursue that, and
39 let's just see where the data goes. It's too early to really
40 know what we're going to have. I just wanted to let people know
41 that it was something that I'm concerned about, and we'll see
42 what happens whenever we get some of this preliminary data in
43 and go from there.
44

45 **CHAIRMAN GREENE:** Thank you. Chairman Anson, we are at 5:30.
46 Do you want to try to knock out anything else on the agenda? We
47 have a couple of half-hour items on here. Do you want to try to
48 work through some of this stuff on carryover or anything else?

1
2 **MR. ANSON:** My preference, Johnny, would be to go ahead and
3 recess for today and then try to pick up tomorrow and catch up
4 as best we can, because each topic requires some time, and I
5 think it's kind of late in the day.

6
7 **CHAIRMAN GREENE:** Thank you. I wish I could have led us a
8 little closer to our scheduled time. I will try to do better
9 tomorrow. Thank you.

10
11 **MR. ANSON:** You did a fine job. Thank you.

12
13 (Whereupon, the meeting recessed on August 16, 2016.)

14
15 - - -

16
17 August 17, 2016

18
19 WEDNESDAY MORNING SESSION

20
21 - - -

22
23 The Reef Fish Management Committee of the Gulf of Mexico Fishery
24 Management Council reconvened at the Astor Crowne Plaza, New
25 Orleans, Louisiana, Wednesday morning, August 17, 2016, and was
26 called to order by Chairman Johnny Greene.

27
28 **CHAIRMAN GREENE:** We basically have one hour to get through
29 about three-and-a-half hours' worth of committee stuff, and so
30 we're going to try to accomplish as much of what we have as
31 possible, and we're going to start off with the discussion of
32 Amendment 41 and move forward with that.

33
34 In all fairness, Amendment 41 is somewhat of a cumbersome
35 document that we've been struggling with, and so we're going to
36 try to -- I would like to try to whittle some of it down so that
37 we can get it to where perhaps a lot of us can get our hands
38 around it a little better. With that being said, I will go
39 ahead and turn it over to staff, and let's see what we can get
40 done in the next hour.

41
42 **REVIEW OF DRAFT AMENDMENT 41**

43
44 **DR. LASSETER:** Thank you, Mr. Chairman. This is Amendment 41,
45 red snapper management for federally-permitted charter vessels,
46 and let's take a look at the purpose and need first. That's
47 always a good place to start. It starts on page 10, the bottom
48 of page 10.

1
2 The purpose of this action is to develop a management approach
3 for federally-permitted Gulf reef fish charter vessels to
4 harvest red snapper that provides flexibility, reduces
5 management uncertainty, improves economic conditions, and
6 increases fishing opportunities for federal charter vessels and
7 their angler passengers.

8
9 We are really going to focus on the Section A today, which has
10 three actions, and it's really the actions that would apply to
11 all of the programs. We will move into Action 1. Let's go to
12 the bottom of page 16. There's a little figure there.

13
14 Currently, the document is set up with Section A, as I said,
15 containing those actions that would apply to all of these
16 programs. Then the subsequent sections, B, C, and D, would
17 apply to the fishing quota programs. Section C is the PFAs and
18 Section D is the harvest tags.

19
20 If you look at the very bottom of each one of those, where it
21 says B, C, and D, pretty much the actions that are included in
22 this document at this time are the same. The purpose was to
23 show a kind of comparison and approaches for these kind of
24 preliminary subsequent decisions that would need to be made
25 after you select the program.

26
27 Once we narrow down the program that you're interested in
28 exploring further, additional actions will need to be added, and
29 so it will end up looking more like Amendment 42. We can't
30 really elaborate on any one of these individual sections,
31 because it's starting to get quite cumbersome, until we really
32 do narrow down the number of these programs under consideration
33 in this document.

34
35 If we scroll down to the next page, there is a table here which
36 provides kind of a comparison of some of the fundamental
37 features of these different programs. IFQs and PFQs, these are
38 both quota share programs, and so they use shares. Again,
39 shares are these durable harvest privileges that would remain,
40 in the IFQ case, with the individual to whom they were
41 originally assigned, unless transferability is allowed and that
42 individual could transfer them.

43
44 The individual could also be a person or it could be a business
45 entity, of course, and, in contrast, the PFAs and harvest tags
46 do not use shares. Shares would not be assigned. Rather,
47 allocation would be calculated and distributed at whatever
48 interval that the council would select, and there is options in

1 the PFA section for that as well.
2
3 That's a key difference between the use of shares and not
4 shares. IFQ and PFQ programs are going to use these shares.
5 The PFAs and harvest tags do not use those shares, and I didn't
6 finish the -- IFQs would be distributed to the individual and
7 the permit fishing quota, the PFQ, your shares are distributed
8 to the permit and then they are attached to that permit. The
9 shares cannot be transferred away from the permit, by definition
10 of how we're setting up the program.
11
12 Moving to the next line, allocation. Allocation would be
13 distributed each year under the quota share programs, IFQs and
14 PFQs, based on the holdings of shares at that time. If we
15 remember back to Amendment 36A from yesterday morning, the
16 amount of shares, which is always a proportion, multiplied by
17 the quota produces the amount of allocation for that year
18 represented for those shares. In terms of the PFAs and the
19 harvest tags, they do use the allocation, and they would be
20 distributed, again, according to the permit.
21
22 Another key difference is we'll look at the voluntary
23 participation. How this is set up currently in your Action 2 is
24 under the quota share programs, because you use those shares,
25 those durable shares, you would only have one opportunity to opt
26 out, because shares are -- You wouldn't be able to obtain shares
27 then and participate in the program. Depending on how the
28 council allows for transferability, there could be other
29 mechanisms for allowing entry.
30
31 Whereas, with the PFAs and the harvest tags, there could be
32 alternatives in harvest tags. There are alternatives for the
33 PFAs providing opportunities to opt out every year, every three
34 years, every five years.
35
36 Then, finally, we did just contrast the use of harvest tags.
37 The way we're creating the harvest tag program here, of course,
38 there would be actions for the council to decide how those tags
39 would be used.
40
41 Currently, we are not envisioning that, under the other
42 programs, the IFQs, PFQs, and PFAs, that harvest tags would be
43 actions within the amendment. Rather, the program participants
44 could decide whether and how to use them. Now, of course, if
45 the council is interested in pursuing tags on top of any of
46 these other programs, you could, of course, express that and we
47 could develop actions for that. This is kind of a major
48 comparison of these features. Let me pause there for a moment

1 and see if there's any questions.

2
3 **CHAIRMAN GREENE:** Thank you. Any discussion? Seeing no
4 discussion, I am going to ask a question. In the contrast
5 between a PFA and a harvest tag, there doesn't appear to be a
6 lot of difference in them. Can you elaborate on what
7 differences there are, please?

8
9 **DR. LASSETER:** Yes, absolutely, and I discussed this a bit at
10 the last meeting. We do not see any difference, really, except
11 that the council would have its -- It would be the council's
12 discretion whether or not to use harvest tags in the PFAs.

13
14 Originally, the IPT had provided information on this harvest tag
15 program. Subsequently, the AP met and suggested something --
16 Their preference was very similar, and we pointed this out to
17 them, that it really was quite similar, but they were more
18 interested in this idea of PFA having this allocation associated
19 with the permit, but, functionally, they really are -- There is
20 not much difference. There was no difference, and so, with that
21 kind of redundancy, this would be an easy program, I could
22 suggest, that could be removed, the harvest tags.

23
24 **CHAIRMAN GREENE:** Thank you. Any further discussion? Seeing no
25 further discussion, we will move on.

26
27 **DR. LASSETER:** If we scroll down to page 18, you can see the
28 alternatives for Action 1. In Action 1, your Alternative 1, of
29 course, would not be to adopt an allocation-based management
30 approach, and you would continue to manage red snapper as is
31 currently managed.

32
33 Alternative 2 would establish one of these fishing quota
34 programs with two options, one being for the IFQ program and
35 Option 2b being for this PFQ program. Alternative 3 would
36 establish this PFA, this permit fishing allocation, program. We
37 have provided a couple of options here, and I believe you added
38 on the five-year option as well at the last council meeting.

39
40 In a sense, you could think of the PFA here as a program that
41 would be similar to one of these quota share programs, but the
42 shares would be completely recalculated and redistributed at the
43 interval selected by the option, and so that's another way to
44 kind of think about this PFA.

45
46 Then, finally, the harvest tag program, we could provide the
47 same options there, if this was to remain in the document. It
48 would functionally work the same. Recalculating and

1 redistributing the harvest privileges at an annual basis would
2 be extremely difficult to actually execute for NMFS, because of
3 the requirements for an appeals process and determining who is
4 going to participate and calculating the allocation.

5
6 Every year would not be functional, would not be practical,
7 which is also why we have some additional options there. Is
8 there any will of the committee to possibly narrow some of these
9 down?

10
11 **CHAIRMAN GREENE:** Mr. Sanchez.

12
13 **MR. SANCHEZ:** I would like to make a motion in Action 1 to move
14 **Alternative 4, the harvest tag program, and Alternative 3, the**
15 **PFA, to the considered but rejected section.**

16
17 **CHAIRMAN GREENE:** Thank you. We have a motion going up on the
18 board, essentially moving Alternatives 3 and 4 to considered but
19 rejected. Do we have a second for this motion? It's seconded
20 by Mr. Walker. Is there discussion? Mr. Sanchez.

21
22 **MR. SANCHEZ:** Last night, the charter for-hire had like a
23 workshop amongst themselves. It was a good cross-section of the
24 industry represented, and, by cross-section, I mean
25 geographically. There were probably about five members of the
26 AP, and there were several industry leaders, in terms of
27 presidents of associations and such. They kind of had agreed
28 they want to whittle this thing down to something more workable,
29 in the interest of being able to move forward, and that is some
30 of their suggestions, and I think you will be hearing some of
31 that in public testimony this afternoon.

32
33 **CHAIRMAN GREENE:** Thank you. Dr. Stunz.

34
35 **DR. STUNZ:** I appreciate the intent to whittle down the
36 amendment to more manageable, but I think it's very early, and I
37 don't support removing the -- The PFAs, I am fine with removing,
38 but, particularly Alternative 4, I think it's still early in the
39 game. I don't know exactly when the AP panel is supposed to
40 meet again. I would assume that that's going to be fairly soon,
41 but, in the sense of providing a wide range of alternatives -- I
42 mean, harvest tags are still a viable option, in my opinion.

43
44 There is a lot of promise there. In fact, we have a current
45 motion for that AP to consider some alternatives, measures,
46 under a harvest tag program, and so I think it's just too early
47 to delete that option. Moreover, we have been talking about
48 harvest tags for a variety of other matters and sectors of the

1 fishery, and so I think it's still important to keep that option
2 on the table right now.

3

4 **CHAIRMAN GREENE:** Thank you. Mr. Diaz.

5

6 **MR. DIAZ:** A question for Dr. Lasseter. Help me refresh my
7 memory. It seems like, at least some of the initial AP meetings
8 that we had, they were recommending that the shares be tied to
9 permits. That was one of the initial recommendations, and is
10 that correct?

11

12 **DR. LASSETER:** I believe the initial recommendation was a PFQ,
13 permit fishing quota. Then, at the very end of the last
14 meeting, they tweaked their intent and they said that they
15 wanted the PFQs, but they did not want the shares, and so that's
16 when we came back with this PFA idea, but my understanding from
17 John is now there is some kind of discussion about this. I will
18 go ahead and note that we did try to convene the AP before now,
19 but we could not get a quorum, because of fishing schedules. We
20 are attempting to convene them before the October meeting, to
21 provide further clarification on their recommendations.

22

23 **CHAIRMAN GREENE:** Thank you. Dr. Stunz.

24

25 **DR. STUNZ:** In light of them meeting fairly soon then, I would
26 recommend that we wait to hear what they have to say before
27 acting on this motion and removing that alternative.

28

29 **CHAIRMAN GREENE:** Thank you. Dr. Crabtree.

30

31 **DR. CRABTREE:** We have been looking at these issues for a while
32 now, and I think if we don't start making some decisions and
33 honing the scope of this in that we're not going to be able to
34 make a lot of progress in terms of putting the document
35 together.

36

37 The permit fishing allocation program is unworkable, in my
38 opinion, unless you only recalculate the allocation maybe at
39 five-year intervals or so. It's just to do it on an annual
40 basis, I think, is just impractical, and I am not sure we would
41 be able to do that.

42

43 While I think harvest tags are a viable option in the private
44 component of the recreational fishery and something that we
45 ought to look at there, I don't really think it's a needed way
46 to go for the for-hire guys. I think that some of these other
47 options, the IFQ option or the permit quota option, would work
48 much better for the for-hire fishery, because it's a relatively

1 small universe of vessels and those types of things.

2
3 I would like to see this start moving forward and make some
4 progress on it, and so I'm going to support the motion, because
5 I think that the alternatives in Alternative 2 are more workable
6 and will bring more benefits to the fishery than these options,
7 and so I'm going to support it.

8
9 **CHAIRMAN GREENE:** Thank you. Mr. Riechers.

10
11 **MR. RIECHERS:** Roy, I would ask the question -- If you're saying
12 that tags aren't workable, how are they any different than a
13 quota that's based on a fish with a poundage? It's the same
14 thing, and so, to remove an item just because we're trying to
15 narrow the scope so that it's easier to analyze, I would suggest
16 we -- If your concern is each year, then I would suggest that we
17 remove Option 3a and make it every two years or leave every
18 three years and every five years, but I would say we don't
19 remove the whole option, because that's the only option, other
20 than traditional management measures here and IFQs, because we
21 already have indicated an IFQ and a PFQ, for all intents and
22 purposes, are the same thing.

23
24 Again, I just don't see your argument in reducing the document
25 at this point. Analyze it and we end up choosing preferred
26 alternatives at some point, and, if the preferred alternative is
27 something different than that alternative, then that's what you
28 take to the public, but you let the public see that you actually
29 considered those things and give them an explanation of how it
30 would work or how it wouldn't work.

31
32 **CHAIRMAN GREENE:** To that point, Dr. Crabtree?

33
34 **DR. CRABTREE:** If this motion fails, Robin, I probably will
35 support coming in and eliminating Option 3a, but I don't think
36 the whole permit fishing allocation program concept -- I think
37 there are better ways to go to manage this fishery than that,
38 and I think that's going to come up with a whole host of
39 problems with it.

40
41 The harvest tags, I just don't think are needed. I think we can
42 manage this fishery and do it through an IFQ or a permit quota
43 program, and it will work that way without going through all of
44 the physical tags and all the issues that that's going to
45 entail. I just don't see what benefit that brings to it.

46
47 **CHAIRMAN GREENE:** Thank you. Mr. Sanchez.

48

1 **MR. SANCHEZ:** I agree with Roy. I would like to move forward in
2 an expeditious fashion and not just delay and stall. I think we
3 are going to hear, with a good cross-section of the AP today
4 that are here -- They're going to speak, and they're going to
5 identify themselves as such, and I think you will get that. If
6 we're going to meet at the next meeting, I understand this is
7 early on, but if there's some things that are overbearing to
8 pursue, I think we should consider that, in the interest of
9 moving forward with more manageable options.

10
11 **CHAIRMAN GREENE:** Mr. Fischer.

12
13 **MR. FISCHER:** I am trying to understand the Alternative 4. If
14 it's removed, does it remove the use of tags for any way in
15 monitoring the IFQ and PFQ programs, because our fishermen have
16 stated to us many times that they like a tag program.

17
18 **CHAIRMAN GREENE:** I believe I heard Dr. Lasseter address this a
19 minute ago. Would you like to speak to that, Dr. Lasseter?

20
21 **DR. LASSETER:** In the harvest tag section, it does discuss this
22 as well. Harvest tags can be used as an enforcement tool,
23 enforcement and compliance monitoring tool, or it could be a
24 complete stand-alone program. Should you remove a stand-alone
25 program of harvest tags from the document, it does not preclude
26 you from deciding that you want to use harvest tags, and we
27 could add it as actions to whichever program you develop.

28
29 In the case that we heard about the EFP with the Headboat
30 Cooperative, they actually organized the tags, is my
31 understanding, themselves, and so there is -- Just removing it
32 as a stand-alone program does not eliminate the use of harvest
33 tags completely. You could use them as an enforcement and
34 compliance tool.

35
36 **CHAIRMAN GREENE:** Thank you. Dr. Stunz.

37
38 **DR. STUNZ:** I just wanted to add to the comment about the
39 cumbersome process with physical tags. I don't see it that way
40 at all. I mean I think there is a lot of viable options of
41 electronic tags, which are real efficient and would really
42 benefit a fishery like this.

43
44 **CHAIRMAN GREENE:** Okay. Thank you. We have a motion on the
45 floor, and we're running out of time. We have a motion on the
46 floor before you. **All those in favor of the motion on the**
47 **board, please raise your hand.**

1 **EXECUTIVE DIRECTOR GREGORY:** Seven.
2
3 **CHAIRMAN GREENE:** All those opposed, like sign.
4
5 **EXECUTIVE DIRECTOR GREGORY:** Eight. The motion fails seven to
6 eight.
7
8 **CHAIRMAN GREENE:** The motion fails seven to eight. Mr. Diaz.
9
10 **MR. DIAZ:** Thank you, Mr. Chairman. I would like to make a
11 motion, in Action 1, to move Option 3a to considered but
12 rejected. That would be only Option 3a.
13
14 **CHAIRMAN GREENE:** Okay. We have a motion going on the board.
15 It's seconded by Mr. Sanchez. We've had a fair bit of
16 discussion about this already. I am not trying to cut off
17 anyone off from speaking, but I think we pretty much already
18 know where we're at on this. **Is there any opposition to the**
19 **motion on the floor before you? Seeing no opposition, the**
20 **motion carries.** Dr. Lasseter.
21
22 **DR. LASSETER:** Thank you, Mr. Chairman. Action 2 begins on page
23 22. This action addresses program participation. A little
24 history on this action. The idea behind this action was
25 initially suggested to make the program voluntary, to allow
26 people to participate, charter vessel operators to participate,
27 or to choose not to participate, to not require everybody to
28 participate.
29
30 Following that, the AP had met and had provided some motions,
31 some recommendations, as to qualifiers for the program. They
32 thought that if people wanted to participate that there were
33 certain things that they should do.
34
35 One other kind of component of what they were talking about is
36 they wanted people to actually take the action to participate,
37 and NMFS had concerns about that action. In our last meeting,
38 we tweaked the wording for this, in terms of requiring
39 participants to take the action to opt out. That's where we're
40 at now with this action. Alternative 2 would establish a
41 voluntary program. If people did not want to participate, they
42 would take the action to opt out. They must take the action to
43 opt out.
44
45 Now, what is the likelihood that that many people would -- If
46 they're not interested in participating anyway, they're not
47 likely to fish for red snapper, and would they also take the
48 initiative to take that action to opt out? I'm not sure about

1 the utility of this action.

2
3 In the AP's recommendations from their last meeting, they did
4 recommend some of these pre-qualifying types of items, and a
5 couple of them would be required anyway, needing to have a
6 charter permit and being required to pay the cost recovery fee.
7 Those would be requirements in the program.

8
9 I think this action might benefit from some further discussion
10 by the AP, which, again, we will be convening them soon to
11 refine this idea of program qualifiers. I think, at the next
12 meeting, we could bring you back some more information on this.
13 Is there any other discussion on this action?

14
15 **CHAIRMAN GREENE:** Mr. Fischer.

16
17 **MR. FISCHER:** Thank you, Mr. Chairman. Do we have a track
18 record of other programs that we had an opt-in or an opt-out
19 that we could compare it to?

20
21 **CHAIRMAN GREENE:** Dr. Crabtree.

22
23 **DR. CRABTREE:** Off the top of my head, I can't think of a
24 program that we've ever had an opt-in or an opt-out. When we've
25 done permit moratoriums and things, we haven't had it. I think,
26 for this program to work, it ought to be mandatory and we ought to,
27 at the end of the day, probably get rid of this action, but,
28 understanding people aren't decided on things like this, I would
29 say that having people opt in and out every year is probably
30 unworkable administratively. **I will make a motion to remove**
31 **Alternative 2b to the considered but rejected.**

32
33 **CHAIRMAN GREENE:** We have a motion going up on the board to
34 remove Option 2b, which would be the every year provision of
35 this alternative. Is there a second for this motion? It's
36 seconded by Mr. Walker. Any further discussion? Mr. Diaz.

37
38 **MR. DIAZ:** It's not directly to this motion, but, by de facto,
39 this might have been an opt-in/opt-out consideration. We have
40 got some quota that's never been utilized in the commercial IFQ
41 red snapper program and the grouper-tilefish program. Some
42 people decided not to exercise that right. It wasn't really an
43 opt-in/opt-out program, but some people did not exercise their
44 right to opt in.

45
46 **CHAIRMAN GREENE:** Dr. Crabtree.

47
48 **DR. CRABTREE:** Yes, and I think, if we go down the IFQ or PFQ

1 programs, we ought to address that in the document, and we
2 should have, in my opinion, in the initial red snapper program.
3 One, we should never have issued quantities of five to ten
4 pounds to anybody. You should have had to have some minimum
5 amount of fish to even get in, and then we should have put
6 something into the program that said if you don't activate the
7 account in the first year that it goes away after that, and we
8 could have easily -- If we had been able to see what was going
9 to happen when we set up the program, I think we could have
10 dealt with all of that when we did it.

11
12 Now we have the benefit of we have done programs like this
13 before and we have a lot more experience with them, and I think
14 we can address some of those kinds of issues, but I don't
15 believe that an opt-in/opt-out provision is necessary. My guess
16 is people aren't going to opt out. If you opt out, you can't
17 fish for any of these species, and so I just can't imagine who
18 would really opt out, and so it just seems like a needless
19 complication.

20
21 **CHAIRMAN GREENE:** Mr. Riechers.

22
23 **MR. RIECHERS:** Ava, not being in the discussions at the last AP
24 meeting, but, as I am recalling, their notion of opting out was
25 not you wouldn't fish. It was you would be in a different
26 season. While it may not be structured here and worded
27 correctly, and, as you said, they're going to talk about it some
28 more, but, I mean, I'm just trying to clarify that wasn't their
29 notion of if you opted out that weren't in, was it?

30
31 **DR. LASSETER:** Actually, it was. The AP recommended that if you
32 opted out that you would not be able to harvest red snapper, and
33 it was at your last meeting that the council did accept that
34 meaning into Alternative 2.

35
36 **CHAIRMAN GREENE:** Thank you. We have a motion on the floor to
37 remove, in Action 2, Alternative 2, Option 2b to considered but
38 rejected. Is there any further discussion? **Is there any**
39 **opposition to the motion on the board before you? Seeing no**
40 **opposition, the motion carries.** Dr. Lasseter.

41
42 **DR. LASSETER:** Thank you, Mr. Chairman. I think it was
43 something Dale said as far as a point that I wanted to add.
44 Some of these commercial operators received these small amounts
45 of quota, but they chose not to ever access those accounts. We
46 also provided some information in 36A about the number of
47 commercial permits that are not currently being used or there's
48 no landings being made on these permits.

1
2 It's about 39 percent, in the year 2015, of commercial permits,
3 and so we could assume that there is a good number of charter
4 permits as well that are not being used, and so this idea of
5 putting qualifiers on the program, the AP had discussed that
6 this was a way to identify who were the people that were
7 actually are already fishing or interested in participating, and
8 as a way of not then distributing quota to some of these permits
9 that are not being used.

10
11 **CHAIRMAN GREENE:** Dr. Crabtree.

12
13 **DR. CRABTREE:** I think the real problem was the small quantities
14 that were issued to some people. There wasn't enough there that
15 it had much value to it and people just ignored it, but if you
16 had some minimum threshold and if you have transferability,
17 there is value then to that, and I don't think many people are
18 going to let something that's worth \$500 or \$600 just sit. I
19 think they will sell it, and so the way with transferability, if
20 someone wants to opt out of this, they just sell their shares
21 and they're out.

22
23 **CHAIRMAN GREENE:** Thank you. Is there further discussion? Dr.
24 Lucas.

25
26 **DR. LUCAS:** I just have a question. Let's say there was a -- If
27 the option was for a PFQ and somebody opted out, that would mean
28 we would have a permit out there that never had any quota ever
29 assigned to it, and so what would be the point of the permit?

30
31 **DR. LASSETER:** That's why, as I noted, I am not sure that people
32 would take the action to say that, hey, I never want anything
33 that you might be giving me attached to my permit. I'm not sure
34 that I can really see that happening much. That's why I think
35 we should rethink this action, and I think the AP will be
36 interested in providing some additional recommendations to what
37 they've done previously.

38
39 **CHAIRMAN GREENE:** Mr. Riechers.

40
41 **MR. RIECHERS:** We had some discussion about this yesterday and
42 about the poundage that was there and not used and how to do
43 that. Roy, getting to your point, maybe what we can do is look
44 at the thresholds.

45
46 I think one of those was 12,000 pounds, and so a significant one
47 amount of quota is there, but could we get a look at, as we
48 thought about people accessing shares, was there some minimum

1 level that people didn't touch? We will have to go back,
2 historically, and look at what they did touch and what they
3 didn't touch to know whether that's a -- It could be that we had
4 just as many people come and grab five pounds or ten pounds or
5 fifty pounds as we did people who left them on the table, and so
6 I think that would help in that notion, and, as you suggest,
7 refining it in a way where, at the end of the day, we don't end
8 up with X number of pounds sitting on the table.

9
10 **CHAIRMAN GREENE:** To that point, Dr. Crabtree?

11
12 **DR. CRABTREE:** Yes, and I think allowing accounts to just sit
13 inactive for extended periods is a problem. We have had
14 instances where a permit owner or someone has passed away and
15 the permit just didn't go to anybody, for whatever reason. I
16 don't know if it gets hung up in probate or what happens, but
17 just no one does anything with it and then there is no one to
18 contact, because that person is essentially just lost. Those
19 kinds of things happen, but, if we look at account activity and
20 require some sort of affirmative activity on behalf of the
21 account holder periodically, I think we could easily address
22 that.

23
24 **CHAIRMAN GREENE:** Mr. Swindell.

25
26 **MR. SWINDELL:** In other words, even if you're not going to use
27 your permit, or let's say you don't have an opt-out, but yet
28 you're not going to use the permit, does it create any burden
29 then on the person that's not using it at all?

30
31 **CHAIRMAN GREENE:** Dr. Crabtree.

32
33 **DR. CRABTREE:** With the permits, we do have a requirement that
34 you have to renew your permit annually. If you let more than a
35 year go by after it expires, it's gone. With permits, we
36 require the permit holder to take some sort of action on an
37 annual basis to keep the permit. We could build something into
38 this with the share accounts, but I guess, the way the red
39 snapper was set up, we didn't require them to do anything and
40 those accounts just -- They could just sit there, even if the
41 owner of the account no longer exists.

42
43 **CHAIRMAN GREENE:** Thank you. Is there further discussion?
44 Seeing none, Dr. Lasseter.

45
46 **DR. LASSETER:** Thank you, Mr. Chairman. Action 3 is up next.
47 It begins on page 24. Action 3 would address how the quota
48 would be distributed amongst charter vessels, and we have a

1 whole suite of alternatives here.
2
3 Alternative 1, of course, is our no action, don't take action,
4 and so no method would be specified for distributing the quota.
5 Alternative 2 proposes to distribute the quota equally amongst
6 all charter permit holders. Alternative 3 distributes the quota
7 based on the passenger capacity of the charter vessels.
8 Alternative 4 is a modification of Alternative 3, which uses
9 tiers of passenger capacity to divide the quota.
10
11 Two options are provided for which passenger capacities of --
12 All the six-packs would receive equivalent to one unit. Those
13 greater than six would get two units. Option 4b, again that's
14 six-packs get one unit and then it divides greater than that
15 into two separate numbers. Seven to twenty-four would get two
16 units and more than twenty-four would receive three units. How
17 this would play out mathematically, there is an example provided
18 later in the action, in a big text box.
19
20 Alternative 5 introduces the idea of these regional landings,
21 and it would use the average landings of charter vessels in each
22 geographic region, with two options provided. Option 5a is the
23 average landings for 2003 to 2013, excluding the 2010 landings,
24 or Option 5b, which is the same formula that was used in the
25 Amendment 40 sector separation document, takes 50 percent of the
26 average landings from 1986 to 2013 and 50 percent of the more
27 recent time series, 2006 to 2013. In both of those, the
28 landings from 2010 are excluded.
29
30 Alternative 6 combines the Alternative 2, 3, and 5 in different
31 values to provide four options. It basically provides different
32 weighting for each of these ways to distribute, whether you're
33 going to do it equally amongst all charter permits, using the
34 passenger capacity, and using the regional history.
35
36 Alternative 7 would distribute the quota by auction.
37 Alternative 8 is similar to Alternative 6, but it mixes the
38 preferred alternatives through 2 and 5 with the auction, giving
39 weight to each of those differently, and three options are
40 provided there. Are there any questions on these alternatives?
41
42 **CHAIRMAN GREENE:** Dr. Crabtree.
43
44 **DR. CRABTREE:** Ava, were we clear at the last meeting as to what
45 passenger capacity means? It seems like we discussed it, and I
46 believe what we decided is the passenger capacity we were
47 referring to is what is on their for-hire permit. Is that
48 correct?

1
2 **DR. LASSETER:** Actually, we talked about that it depends on
3 which program you're going to pick in how you would want to use
4 passenger capacity, and so there is a slight difference. The
5 program you pick should guide which passenger capacity you would
6 use.

7
8 **DR. CRABTREE:** Okay. It seems to me that we ought to narrow
9 this range of alternatives down some, and it seems to me that
10 Alternatives 2, 3, 4, and 5 are really not very practical. It
11 seems to me that you somehow are going to have to use a
12 combination of passenger capacity and geography to deal with
13 some of these, and I don't think -- If we distribute them
14 equally among all of the vessels, then you're going to have
15 vessels that take twenty people out getting the same as six-
16 packs.

17
18 You're going to have a guy who might be in the Florida Keys and
19 doesn't even fish for red snapper getting the same as a guy in
20 Orange Beach, and so that doesn't seem practical, and it seems
21 the same problem if you just based it solely on passenger
22 capacity, because you're going to give the same amount to
23 someone who is right in the heart of red snapper country to
24 somebody who is out of it.

25
26 I would be interested in some discussion about it, but I am not
27 sure that we couldn't narrow this down and eliminate
28 Alternatives 2, 3, 4, and 5 from it and just focus in that we're
29 going to use some combination of these things in order to move
30 forward.

31
32 The other thing that I would point out here is to create an
33 efficient program that's really going to work well, ultimately,
34 transferability is really critical to this, because this fishery
35 is dynamic, and it's going to change over time, and we need to
36 be very thoughtful about putting limits on transferability. To
37 the extent that we do that, we're going to build inefficiencies
38 into the system that are going to be difficult to address, but I
39 would be curious with what folks think about that, but it seems
40 to me that focusing only on one of these things really isn't
41 practical. It's got to be some combination of the three.

42
43 **CHAIRMAN GREENE:** Thank you. Mr. Diaz.

44
45 **MR. DIAZ:** Roy kind of covered what I was thinking. Alternative
46 4 could be a preferred alternative along with other
47 alternatives, right, Dr. Lasseter?

48

1 **DR. LASSETER:** Currently, it is included in Alternative 8, if
2 you're doing it that way. You did not suggest that in the
3 Alternative 6. Actually, the Alternative 6 initially came from
4 the AP, but they had different weightings for each of those.
5 The council kind of cleaned that up a bit. We don't currently
6 have Alternative 4 included in Alternative 6, although it is
7 included in Alternative 8.

8
9 **CHAIRMAN GREENE:** Thank you. Any further discussion? Mr.
10 Riechers.

11
12 **MR. RIECHERS:** I maybe took Dale's question differently, Ava. I
13 thought he was suggesting could we -- I may have taken it wrong,
14 but could we have a combination of preferreds? I am not
15 understanding how we could, not 4 with anything, because 4 is
16 creating these units. I mean that's almost a hybrid approach
17 that Dr. Crabtree was really referencing, in some respects.
18 Help me out with how you thought that 4 is included in 8,
19 because I am just a little confused about that.

20
21 **DR. LASSETER:** Okay. We will take the Alternative 8 part first.
22 Alternative 8 provides weighting of auction in ranges. Then
23 whichever of the alternatives you would pick amongst 2 through
24 5, it's a complementary weighting.

25
26 If you picked Alternative 4, you would note that you wanted
27 Alternative 4 and Alternative 8, Option 8a, and then that would,
28 of course -- The only reason that Alternative 4 is not included
29 in Alternative 6 is that just was not noted at the time when the
30 council created those, and you picked those specific weightings
31 for each of those three.

32
33 To go back to Robin's clarification of Dale's question, you
34 could pick Alternative 2 and Alternative 4, I guess if you
35 wanted, but you would need to indicate what proportion of
36 weighting you would want each one to be, and so I think that's
37 what Alternative 6 was getting at, was you providing this range
38 of alternatives and being specific about those weightings.

39
40 **CHAIRMAN GREENE:** Is there further discussion? Dr. Crabtree.

41
42 **DR. CRABTREE:** I will try a motion, just to move us along some.
43 **I would move that we remove Alternatives 2 and 3 to considered**
44 **but rejected.**

45
46 **CHAIRMAN GREENE:** We have a motion to remove Alternatives 2 and
47 3, which would distribute it equally in Alternative 2.
48 Alternative 3 would be passenger capacity. While we're getting

1 that up on the board, is there a second for this motion?

2

3 **MR. DIAZ:** Second.

4

5 **CHAIRMAN GREENE:** It's seconded by Mr. Diaz. Is there further
6 discussion? Dr. Crabtree.

7

8 **DR. CRABTREE:** Just to clarify, I mean I guess you could choose
9 multiple preferreds, but it seems to me that's really what
10 Alternative 6 is getting at, is combining some of these things.
11 Then it gives various weighting options to mix them together,
12 and so, while I guess you could go the multiple preferred route,
13 it seems like that's already covered in some of the other
14 alternatives.

15

16 **CHAIRMAN GREENE:** Thank you. Is there further discussion? Mr.
17 Riechers.

18

19 **MR. RIECHERS:** Roy, I would agree with this notion, because I
20 think it's going to have to be some grouping, but then what I'm
21 afraid we're going to do is just end up giving and having to
22 really think about the percentages and offer up alternatives of
23 percentages of how you weight this then, maybe greater than what
24 we have here, so that people can understand how they're going to
25 play out in this.

26

27 The other two certainly offer a simpler approach to it, and
28 equally amongst charter permit holders is probably the simplest
29 approach, because everyone can understand that. Passenger
30 capacity is going to be different, and until we define whether
31 it's COI or some other passenger capacity, they're not going to
32 know how they fit in.

33

34 I would suggest, if you split the question here, I think I can
35 help you on one, and I'm going to vote to keep Number 2 in, but
36 I would vote to move 3 out at this point, and so can we split
37 the question?

38

39 **CHAIRMAN GREENE:** To that point, Dr. Crabtree?

40

41 **DR. CRABTREE:** We can split the question if that's what folks
42 want to do. The trouble I see with trying to choose multiple
43 preferreds is say you choose Alternative 2 and then some other
44 alternative as a preferred. It doesn't seem to work, to me,
45 because 2 says you're going to distribute the quota equally
46 among charter permit holders. The minute you combine that with
47 something else, you're not distributing it equally any more.

48

1 Then you have to get into the whole weighting kind of argument,
2 and so it seems to me that any combination approach is going to
3 have to be weighted in some fashion, and that's what Alternative
4 6 does. I don't have any objection to splitting the question if
5 folks want to do that.

6
7 **CHAIRMAN GREENE:** You're throwing me a curveball early in the
8 morning. I've never been in this situation before, and so I
9 suppose what you're asking is that you want to split this up and
10 just handle each one individually? Okay. In that fashion, I
11 would assume that we would take them in order. In Action 3,
12 send Alternative 2 to considered but rejected. I guess that's
13 where we're at. Any further discussion? Does everybody
14 understand what we're doing here? We are just dealing with
15 Alternative 2 in Action 3 at this point. Is there any further
16 discussion? Ms. Levy.

17
18 **MS. LEVY:** My understanding is, just to make sure that everyone
19 is on the same page, is even if you remove Alternative 2 that
20 you would just rework, for example, the wording of Alternative 6
21 to indicate that you would have an equal distribution as part of
22 those percentages, meaning, the way it's worded now, it assumes
23 an Alternative 2. You could remove Alternative 2, but still
24 keep that equal percentage in there. We would just have to
25 describe it as something other than an alternative.

26
27 **CHAIRMAN GREENE:** Okay. Is there further discussion? Mr.
28 Swindell.

29
30 **MR. SWINDELL:** It would seem to me that if you remove
31 Alternative 2 that Alternative 6 would not even have it on the
32 list.

33
34 **CHAIRMAN GREENE:** Ms. Levy.

35
36 **MS. LEVY:** That's what I was saying. We would just reword
37 Alternative 6 to not rely on an alternative, but to just say
38 equal distribution, and it would be the same percentages. It
39 just wouldn't be referring back to an alternative. It would be
40 an equal distribution that would be weighted however is there,
41 but it wouldn't be called Alternative 2 equal distribution.

42
43 **CHAIRMAN GREENE:** I am glad that I don't have to vote on this
44 one, because now I'm really confused. Is everybody clear with
45 what we're doing? Any further discussion? **All those in favor**
46 **of the motion on the board before you, please raise your hand;**
47 **all those opposed, like sign.**

48

1 **EXECUTIVE DIRECTOR GREGORY:** Six. The motion passes seven to
2 six.

3
4 **CHAIRMAN GREENE:** The motion carries seven to six. Now I guess
5 we will pick up in Action 3, Alternative 3. Alternative 3 is
6 distribute the quota based on passenger capacity of charter
7 vessels. Is there any further discussion of this? **Seeing no**
8 **further discussion, all those in favor in Action 3 to move**
9 **Alternative 3 to considered but rejected, please raise your**
10 **hand.**

11
12 **EXECUTIVE DIRECTOR GREGORY:** Nine.

13
14 **CHAIRMAN GREENE:** All those opposed, like sign.

15
16 **EXECUTIVE DIRECTOR GREGORY:** Three.

17
18 **CHAIRMAN GREENE:** The motion carries nine to three. Is there
19 further discussion before we go back to -- Before we get away,
20 since no one else has any further discussion, I want to bring up
21 one thing.

22
23 In Alternative 5, it says distribute quota based on average
24 landings of charter vessels in each geographic range. Each
25 geographic range, does that mean each individual state or can
26 that be a grouping of states?

27
28 **DR. LASSETER:** That's a very good question. We actually did
29 discuss this a couple of meetings ago. Currently, the document
30 has provided the same regions that the charter survey is based
31 on, the breakdown from the Panhandle to the west Florida. If
32 you are interested in redefining those regions, that is
33 definitely within your discretion, and then we could, of course,
34 update the tables to reflect those regions.

35
36 If we look at Chapter 1, page 4, currently, the regions, the way
37 the document is set up, is Florida is broken down into three
38 regions, the Panhandle, the peninsula, and the Keys. The map at
39 the bottom of the page, you can see, shows you the county
40 breakdown.

41
42 Alabama is its own region and Mississippi and Louisiana and
43 Texas. This is purely based on the -- The county breakdown for
44 Florida, that's provided because that is how the charter survey
45 is also broken down. Again, if you were interested in modifying
46 this region in any way, feel free to do so and then we will
47 modify the data for each of those regions accordingly.

48

1 **CHAIRMAN GREENE:** Thank you. We may have some public comment
2 about this a little later on in the day. I have had some
3 conversation around the table with my Alabama guys of if they
4 wanted to entertain bringing Mississippi in with Alabama,
5 because, looking back through their historical landings, it's so
6 small that it really wouldn't phase us to really any degree, but
7 that was the only thing that I had, was potentially doing that,
8 but obviously I don't want to put Mississippi on the spot to
9 agree or not to agree, but it was just something to try to help
10 promote moving this along, and so that's really all I had.

11
12 With that, we will move on back into the discussion, but I just
13 wanted to bring that to your attention for future consideration.
14 Dr. Lasseter, if you will continue on, please.

15
16 **DR. LASSETER:** Thank you, Mr. Chairman.

17
18 **CHAIRMAN GREENE:** Hang on. Dr. Lucas.

19
20 **DR. LUCAS:** At one of the meetings, one of the past meetings, we
21 had this discussion, and I thought it was already being
22 considered, both either lumping into Alabama or lumping into
23 Louisiana, because we do have a lot of people that fish in
24 Louisiana waters as well, and so I don't know if we have to have
25 a formal decision, but I thought that was already part of the
26 record and part of the discussion on the way they were going to
27 consider it, but I may be wrong.

28
29 **CHAIRMAN GREENE:** I am glad you said that, because I thought we
30 did too, but I couldn't remember for sure. Dr. Lasseter, to
31 that point. I will get you in one second, Ms. Guyas.

32
33 **DR. LASSETER:** I believe there was discussion, but you have not
34 made any decision or passed a motion indicating that you want to
35 redefine the regions.

36
37 **CHAIRMAN GREENE:** Thank you. Ms. Guyas.

38
39 **MS. GUYAS:** Looking at this table, how would we treat the non-
40 Gulf states? I am sure we've already covered that and I am just
41 forgetting, but there is a handful of permits that are based
42 other places.

43
44 **DR. LASSETER:** I am actually going to punt that over to NMFS and
45 see how do you handle dividing -- I guess I will say, first, I
46 think it would depend on -- Actually, I'm not sure. In terms of
47 the regional part of Action 3, distributing the quota, how would
48 NMFS handle the quota that could go to the -- Actually, they

1 wouldn't have any landings in those regions. I am not sure. I
2 am going to have to punt that question. The question is there
3 are some permits that are not held in Gulf states, and so if we
4 used the regional landings as part of the distribution of quota,
5 what happens with those vessels?
6

7 **CHAIRMAN GREENE:** To that point, Mr. Anson?
8

9 **MR. ANSON:** I've got an opinion on how to answer that question,
10 but I will wait to hear Roy.
11

12 **CHAIRMAN GREENE:** I've got a couple of people on the list. Dr.
13 Crabtree.
14

15 **DR. CRABTREE:** I think that's to be determined. If someone's
16 home port is outside of the Gulf, but they have a Gulf permit, I
17 am not sure. I think the first step is to see how many vessels
18 there are, and then we will have to make some sort of decision.
19

20 **CHAIRMAN GREENE:** If you own a vessel, on your documentation,
21 you have to have a home port listed somewhere, and it's mighty
22 hard to have a vessel home ported in Omaha, Nebraska.
23

24 **DR. CRABTREE:** Right. The question is though is what if their
25 home port is in Savannah, Georgia?
26

27 **CHAIRMAN GREENE:** Then that would be to be determined, as you
28 said. I am certainly not going to put the Coast Guard in the
29 seat on this one, but it's something we can look at. I think
30 the answer is going to be in that Coast Guard determination and
31 those COI type of things. Mr. Boyd.
32

33 **MR. BOYD:** Ava, are you going to go over Alternative 6 when you
34 finish this?
35

36 **DR. LASSETER:** Alternative 6 in Action 3?
37

38 **MR. BOYD:** Yes.
39

40 **DR. LASSETER:** I thought I -- Is there an additional question
41 that you have about it? I kind of reviewed all the
42 alternatives.
43

44 **MR. BOYD:** We have changed Alternative 6 considerably, because
45 we eliminated Alternatives 2 and 3, and they are integral to
46 Alternative 6, and so we've got to address that at some point.
47

48 **DR. LASSETER:** I'm sorry. I understand, yes. Mara spoke about

1 this briefly. Our understanding of those motions, given the
2 discussion that preceded them, was that you were removing those
3 alternatives because you're not considering doing those in
4 isolation. You are considering only using those weighted
5 amongst other factors, as shown in Alternative 6, and so what
6 we're going to do now is remove that Alternative 2 and 3. In
7 Alternative 6, we will just remove the words "Alternative 2" and
8 "Alternative 3".

9
10 Those rows will stay the same. It will say "equal" and
11 "passenger capacity", and so we will retain -- We will renumber
12 everything as well, so it won't be Alternative 6 anymore, but we
13 will retain those metrics, if you will, as ways to distribute
14 the quota. We will just remove the words "Alternative 2" and
15 "Alternative 3". Does that make sense?

16
17 **MR. BOYD:** Yes, that makes sense, but what that leaves you with
18 is that Alternative 6 is predicated on Alternative 5 then. Is
19 that correct?

20
21 **DR. LASSETER:** I am sorry, but I don't quite understand.

22
23 **MR. BOYD:** It says the quota distribution will be based on using
24 Alternative -- If you take out 2 and 3, it says Alternative 5,
25 using one of the following --

26
27 **DR. LASSETER:** Okay. Yes, we will also remove it from the
28 language of Alternative 6. The new wording of the alternative,
29 and it will end up being Alternative 4, will be to distribute
30 quota based on equal distribution, passenger capacity, and
31 regional history, using one of the following. Then it will
32 provide the same weightings. Basically, we're just going to
33 remove the words "Alternative 2" and "Alternative 3" and we're
34 going to leave the concept of equal distribution and passenger
35 capacity. Those will remain.

36
37 **MR. BOYD:** Thank you.

38
39 **CHAIRMAN GREENE:** Mr. Fischer.

40
41 **MR. FISCHER:** My comments have to do with Alternative 5, which
42 talks about average landings. When we showed the graphic on the
43 screen, and I believe it was Table 1.1.1, it stated the state
44 location of where the permits are from, and we don't have that
45 many permits. We're not as big of a player as Texas or Florida,
46 but, in Grand Isle, I know we have two Mississippi addresses.
47 The owners live in Mississippi, and I know in Venice that we
48 have Delaware and Michigan addresses, and that's where their

1 permits are.

2
3 I don't know what they say for home port, but what's on the
4 Alternative 5 states landings, and that would probably come from
5 an MRIP or LA Creel type of resource, but we just have to be
6 careful how we start dividing this. If we're dividing by
7 permits and home state of the permit, that may not be where the
8 boat is fishing.

9
10 **CHAIRMAN GREENE:** Thank you. We are out of our time. We are
11 going to run over a little bit here. I really wanted to get
12 through this document. I apologize. I have tried to speed this
13 up as much as possible, and I don't mean any malintent by not
14 recognizing you at this point, but I really wanted to get
15 through this document. There is one other thing in Reef Fish
16 that I believe is pretty pertinent that we get through. Mr.
17 Gregory.

18
19 **EXECUTIVE DIRECTOR GREGORY:** Sorry to interrupt, but we had a
20 presentation yesterday, and so I think we do have another thirty
21 minutes that we can go. Then we can consider the rest of the
22 Reef Fish agenda to hold off until full council, if we have
23 time, or until the next meeting. That's the council's
24 preference, but we do have thirty more minutes of time we can
25 use, assuming Mackerel doesn't go over their time.

26
27 **CHAIRMAN GREENE:** Okay. We've got a half-hour. The one thing
28 that we feel like we need to get through in Reef Fish is the SSC
29 Report. With that, we're going to try to streamline this thing
30 and move on through. We can pick it back up at full council. I
31 apologize, Mr. Chair, for not getting this done in a more
32 expeditious manner, and I will do better next time. Mr.
33 Sanchez.

34
35 **MR. SANCHEZ:** This is real quick. I just wanted to find out, is
36 there a scheduled meeting of the AP before our next meeting in
37 October in Mississippi?

38
39 **DR. LASSETER:** We don't have it scheduled yet. We are planning
40 to send out the potential dates to the AP members. We're
41 waiting to see what happens with this amendment at this meeting
42 and then we were planning to schedule the meeting. Hopefully we
43 can get a quorum and hold the meeting before the October
44 meeting.

45
46 **CHAIRMAN GREENE:** Mr. Sanchez.

47
48 **MR. SANCHEZ:** This seems like it will go on, being a chicken-

1 and-egg. I would implore us to have them meet before October,
2 so that we can get the benefit of their input on these issues
3 and move forward.

4

5 **CHAIRMAN GREENE:** Thank you. Dr. Simmons.

6

7 **DR. SIMMONS:** To that point, if we only get five people that can
8 attend those dates, do we go ahead and convene them? Is that
9 what I'm hearing? Is that correct, between now and the October
10 meeting? I just want to be clear.

11

12 **CHAIRMAN GREENE:** My desire as Chair is if you get a quorum, you
13 go with it. If the rest of them don't show, that's their fault
14 and the other ones can beat them up later. Ms. Guyas.

15

16 **MS. GUYAS:** I would say we need a quorum and not just if we can
17 get two people to go then let's have a meeting.

18

19 **CHAIRMAN GREENE:** No, my intent was that if you have a quorum,
20 then you go with it. I know everybody wants as much
21 participation as possible. When you get a large group,
22 sometimes this is the things that you run into. You will have
23 to forgive me, but I'm not really sure where we're at in the
24 document to move on, but I really want to try to get through
25 some of these other action items. Dr. Lasseter, can you help me
26 here?

27

28 **DR. LASSETER:** Actually, according to the action guide, I was
29 not intending to go past the Section A. I was really trying to
30 focus on Section A. I was really hoping we could have cut down
31 on some of these programs, was kind of the goal. If we're not
32 ready to do that yet, I'm happy to go through additional
33 actions. I could discuss transferability, because that does
34 have differential impacts, depending on the program you select,
35 or we could just come back and take this up again at the next
36 meeting.

37

38 **CHAIRMAN GREENE:** I would kind of like a little direction from
39 the committee here. Mr. Riechers.

40

41 **MR. RIECHERS:** One thing in Section A I want to go back to, if
42 we can, is the passenger capacity. I don't quite understand the
43 response that it depends on which one we choose. From a
44 passenger capacity standpoint, we can choose one or the other,
45 and it fits whichever options we choose, and so I'm trying to
46 figure out that comment. Then maybe we can help Section A, if
47 we can determine what capacity we should use.

48

1 Maybe it's not a question for us as much as it's a question for
2 enforcement. I mean which -- I will ask the Lieutenant
3 Commander. What do you all use as passenger capacity when you
4 all step aboard a vessel?

5
6 **LCDR DANAHER:** Sorry, Robin, but I'm just trying to understand
7 the question. What did you say it was, Robin?

8
9 **MR. RIECHERS:** We are using passenger capacity here, and it's a
10 notion of how many people they may be carrying on any given
11 trip, but the reality of it is that we've got to go to some sort
12 of definition of passenger capacity that we can all look at a
13 piece of paper and say this vessel has this capacity. When you
14 all board a vessel, what do you use as passenger capacity?

15
16 **LCDR DANAHER:** That's a good question, but there's always going
17 to be a placard, at least for recreational vessels. Commercial,
18 I'm a little rusty on that, but I could get back to you on it,
19 but that placard, essentially, on that vessel is a permanent
20 sticker, and that's going to tell you what the maximum weight is
21 and the maximum amount of passengers.

22
23 **CHAIRMAN GREENE:** Let me try to help you a little bit here with
24 that, Robin.

25
26 **MR. RIECHERS:** So it's basically a COI passenger capacity?

27
28 **CHAIRMAN GREENE:** That's correct. Being that we have a large
29 number of vessels in the charter for-hire that are six-
30 passenger, they are not regulated by the Coast Guard. They have
31 the placard affixed to the boat that you can have so many
32 horsepower and so much weight, et cetera, and we've all seen
33 that.

34
35 When you get into the certificate of inspection vessels carrying
36 seven passengers or more, we go through stability and we go
37 through all of the stuff like maintaining life jackets and life
38 floats, et cetera, et cetera, and there is a certificate of
39 inspection that has a specific number affixed with that.

40
41 Now, at one point, the permit requirements matched that. In
42 recent years, the Coast Guard came out and said the average
43 weight of passengers aboard a vessel has increased over time,
44 and so, ultimately, some of the passenger loads were reduced
45 from -- For example, some boats were reduced from forty-nine
46 down to forty-three passengers because the average weight of
47 passengers has increased and it became a stability issue.

48

1 I am not 100 percent positive that the current COIs match the
2 current permits for NOAA in their issuing of that, but it's a
3 small -- It's probably a single-digit-type percentage difference
4 within that, and so I don't know that I would be overly
5 concerned, but I do feel like, in this committee, within this
6 parameter, we need to decide if we're going to do COI or if
7 we're going to do NOAA permits. If there's a discrepancy, we
8 should look into that a little bit, but it's not a huge
9 discrepancy, mind you. I see Mara waving her hand frantically,
10 and so let me go to her and then I will pick up the rest.

11
12 **MS. LEVY:** I am not sure that -- I think some of them might have
13 quite big discrepancies. The permit passenger capacity is what
14 the vessel can carry when they're fishing. We have had issues
15 before where vessels have had perhaps much higher COIs from the
16 Coast Guard and they want to use their vessel for other things,
17 and, in the past, we have said, well, we can't give you a permit
18 with a lower passenger capacity than your COI was, and that was
19 creating a lot of problems.

20
21 The council came back and said we don't care what your COI says.
22 You're going to have a permit passenger capacity and that's how
23 many people you can take fishing. If you can take twenty-five
24 more people when you're going whale watching, so be it, as long
25 as you're not fishing.

26
27 The reason it makes a difference with the program is if you're
28 doing a program where you're going to do an initial distribution
29 of shares and that's determining forever, essentially, because
30 we're not going to recalculate the shares, what is associated
31 with that permit, if you use a -- If you don't use the permit
32 passenger capacity, but you use the COI that might be higher or
33 lower than the permit passenger capacity, you're not really
34 giving that permit what the fishing capacity is, because it's
35 the number on the permit that is telling you what the fishing
36 capacity is.

37
38 If you use something that is allocation-based, like every year
39 or whatever, and it's just allocation, then you might consider
40 using the COI or the lower of the two, because if they have a
41 lower permit capacity, but a really high COI, you don't
42 necessarily want to give them an allocation based on that high
43 permit passenger capacity when they really can't take that many
44 people fishing under the Coast Guard regulations.

45
46 That's why we were saying it could depend on what type of
47 program you're picking, a share versus an allocation-only
48 program, about what you might want to say the passenger capacity

1 level you're using is.

2
3 **CHAIRMAN GREENE:** Thank you, and you're correct, because there
4 is -- Under the COI, you have specific amounts of life-saving
5 that you have to have a certificate of inspection for out to --
6 Out to 100 miles, you have to 100 percent life saving. However,
7 if you're operating in protected waters, sometimes that number
8 can be inflated.

9
10 Dolphin cruises are a big thing in our area, and so there are
11 people who will run fishing trips that can carry twenty
12 passengers on their permit, but yet their COI may allow them to
13 carry 100 in protected waters, and so there is that in there,
14 and I may have misspoken to that, and I apologize, but you're
15 correct in that. That is the biggest difference that you're
16 looking at within a COI. I was speaking specifically to the
17 fishing portion of it and not looking at the holistic COI. Mr.
18 Riechers, and I saw two or three other hands down there, but I
19 didn't catch them.

20
21 **MR. RIECHERS:** It seems to me that, and I certainly -- It seems
22 to me that our notion of this alternative is the passenger
23 capacity that is fishing. While we could use a COI in a
24 different allocation method, that wasn't the intent of what the
25 passenger capacity here is set up and intended to do.

26
27 It just seems, to me, that we should -- I don't know whether we
28 need to make a definitive statement or you guys can talk about
29 it at the AP, but the whole notion here is passenger capacity
30 should be related to permit. Then everyone will know. If we
31 make that statement, then everyone knows how they will fare in
32 any of these different scenarios by looking at their permit and
33 understanding that's what my passenger capacity is. That means
34 I'm going to get this kind of weighting in this scenario or, in
35 this scenario, I'm going to get this kind of weighting, but we
36 need to be clear about that with this alternative.

37
38 **CHAIRMAN GREENE:** Dr. Crabtree.

39
40 **DR. CRABTREE:** I agree with the great State of Texas. I think
41 it should be the capacity that's on the permit. That's the
42 fishing capacity. It seems, to me, the most straightforward
43 thing is to use that and then everybody knows.

44
45 **CHAIRMAN GREENE:** Okay. Dr. Lasseter.

46
47 **DR. LASSETER:** I want to point out that it's less than 10
48 percent of the vessels even have a different permit and

1 passenger capacity, and so we are talking about a small number,
2 but what Mara was talking about is if you are allocating under a
3 PFA or a harvest tag program, and you base it on the permit,
4 there are a number of vessels that their COI is smaller than
5 that.

6
7 It's not possible for them to be taking as many anglers as their
8 permit allows, but you're going to be giving them more fish,
9 given that permit capacity, than what they could even carry. Is
10 that your intent? That's why it would depend which program.
11 There are pros and cons for which way you would do it, and I
12 think, once you kind of focus on the program, it might be more
13 useful to then apply it, but we are talking about a small number
14 of vessels.

15
16 **MR. RIECHERS:** To get through your scenario then, I would
17 suggest that we go ahead and illuminate where that would occur
18 in these options. Then you have an option of either -- We can
19 make sub-options of which one you use, if that's the case, but
20 it seems to me that passenger capacity is the one -- The permit
21 passenger capacity is what we're going to use, unless we go to
22 harvest tag type of situation, and then all bets are off.

23
24 I mean, we may do something totally different in that scenario,
25 and so, again, I think we've just got to be -- We've got to
26 clean this up here, to let people know how they're going to
27 fall, and that's all I am suggesting. We can do that without
28 reducing options or anything else. We can clarify that.

29
30 **CHAIRMAN GREENE:** Thank you. Any further discussion before we
31 leave this topic? Dr. Lasseter, I guess you were wanting to get
32 through one more or --

33
34 **DR. LASSETER:** Actually, the Action 3 is the last action in
35 Section A, and so that's all I was intending to get through
36 today.

37
38 **CHAIRMAN GREENE:** We have accomplished that?

39
40 **DR. LASSETER:** Yes, Mr. Chairman.

41
42 **CHAIRMAN GREENE:** Okay. Dr. Crabtree.

43
44 **DR. CRABTREE:** Is where we are on this now that in Action 1, if
45 we choose either an IFQ or a PFQ, it's going to be permit
46 passenger capacity? If we choose a PFA or a harvest tag
47 program, it's going to be permit passenger capacity or COI
48 capacity, whichever is less?

1
2 **DR. LASSETER:** That's the discussion that is currently included
3 in the document, yes.

4
5 **DR. CRABTREE:** All right. That, I think, reflects our intent.

6
7 **CHAIRMAN GREENE:** To be clear, you're saying permit or passenger
8 capacity, whichever is less, and that's correct?

9
10 **DR. CRABTREE:** Yes, for Alternative 3 or 4, which is the PFA and
11 the harvest tag, but, for Alternative 2, which is the IFQ and
12 the PFQ, it's the permit passenger capacity alone.

13
14 **CHAIRMAN GREENE:** Okay. Thank you. I just wanted to make sure
15 that I understood. We're kind of moving a little fast today,
16 and I'm trying to take notes and keep up. All right.

17
18 Before we leave Amendment 41, we have accomplished what staff
19 has really wanted to get done at this meeting. I applaud them
20 for even doing what they've done. I don't know how I could have
21 even come close to this, with as many open ends as we've had,
22 and I appreciate the conversation around the table. Does
23 anybody have anything for Amendment 41 before we leave and move
24 on to the SSC?

25
26 Seeing no more activity on Amendment 41, we are going to move
27 into Action Item Number XI, which would be the Standing and Reef
28 Fish SSC Report, which would be Tab B, Number 17, on the advice
29 of the Executive Director and the Chairman of the council, that
30 we get that done. I hope to be wrapped up at ten o'clock with
31 this, because I realize that we still have the Mackerel
32 Committee that needs to meet, as well as some other things. Mr.
33 Atran, are you ready?

34
35 **STANDING AND REEF FISH SSC REPORT**

36
37 **MR. ATRAN:** Yes, Mr. Chairman. This shouldn't take too long.
38 The Standing and Reef Fish SSC met via webinar on August 2. We
39 had moved several items that we had planned to cover at this
40 meeting to the September SSC meeting, because we were told that
41 some analysis that we needed would be unlikely to be ready in
42 time for this SSC meeting.

43
44 Subsequently, some of that analysis was made available in time
45 for the council meeting, and that was the red snapper split
46 season analysis and the gray triggerfish decision spreadsheet
47 for the commercial sector. The SSC will review those materials
48 in September and come back to you on that, but we did not want

1 to delay progression of those amendments, since the analysis was
2 ready at this time.

3
4 The SSC webinar covered three items, the SEDAR 51 terms of
5 reference and appointments for various workgroups, a brief
6 discussion on reevaluating alternative MSY proxies for red
7 snapper, and a discussion on the next gray triggerfish
8 assessment, whether it should be a benchmark or a standard, and
9 then update assessment also came into the discussion.

10
11 As far as SEDAR 51 goes, that will be a gray snapper benchmark
12 assessment. It will begin in October of this year with a stock
13 ID workshop. Then the assessment itself will consist of a data
14 workshop, an assessment workshop, and a review workshop that
15 will be conducted during 2017. It is scheduled for completion
16 and delivery to the council in December of 2017.

17
18 There was one concern raised by one of the SSC members that is
19 being done almost entirely via webinar. There is going to be
20 one in-person meeting, and that will be the review workshop. It
21 will be held in-person in Miami in November, but everything else
22 is scheduled to be done via conference call or webinar, and
23 there was some concern that these materials could be better
24 evaluated with in-person meetings.

25
26 We've gone over that in the past, both the SSC and the council.
27 In order to get the level of work done that the Science Center
28 is being asked to do on assessments, it's necessary to do a lot
29 of the work via webinar, and so, even though he expressed
30 concern, he didn't vote against approving the project schedule,
31 and the SSC approved that without opposition.

32
33 It's the same with the terms of reference. There were a few
34 changes that were made that were recommended by staff, and those
35 include justifying the use of an FMSY proxy, as opposed to the
36 actual estimate of FMSY, including some consideration of
37 episodic events, such as the Deepwater Horizon oil spill, and
38 then a change in one of the items used for projections, where we
39 were talking about F target. The term F target has not been
40 defined, and so they changed that to F when fishing at 75
41 percent of FMSY. With those changes, the terms of reference
42 were also approved.

43
44 The next step was to solicit volunteers to serve on the various
45 workgroups, and I won't go over the names. The list of folks
46 who volunteered is in the discussion. We did get one additional
47 person after the SSC meeting who indicated that she would be
48 interested in serving on the data workshop, and so we have

1 between two and four people from the SSC for each of these
2 workshops.

3
4 The next item was a discussion on alternative FMSY proxies for
5 red snapper. Specifically, the council has asked the SSC to
6 look at using Fmax, F 20 percent SPR, F 22 percent, and F 24
7 percent SPR.

8
9 This is really part of a broader discussion of MSY proxies in
10 general. The broader MSY proxy discussion had been moved to
11 September, and the SSC felt that they needed to discuss red
12 snapper within that context as well. They were provided with
13 some recent publications relating stock resiliency to life
14 history characteristics, but they felt that they only got a
15 small sample of some of the new information that was out there,
16 and much of this discussion was mainly setting the baseline for
17 what they want to discuss in September.

18
19 The plans in September are to have a much broader discussion
20 about MSY proxies within the context of talking about limits and
21 targets and these new materials, this new information that has
22 come up, and there will be a discussion of MSY proxies in
23 general, plus hopefully specific recommendations regarding the
24 red snapper MSY proxies. They felt they didn't have the
25 information to get into an in-depth discussion at the webinar,
26 and also they felt that this was a complicated enough issue that
27 they didn't want to discuss it via webinar and they preferred to
28 do it in person, and so they will come back to this in
29 September.

30
31 Then the final item was discussing what kind of an assessment
32 the next gray triggerfish assessment should be. The council had
33 recommended a benchmark. Actually, I believe the SSC had
34 originally recommended a benchmark. The council had proposed
35 doing it instead of the SEDAR 51 gray snapper assessment.
36 However, that turned out not to be logistically feasible.

37
38 The Science Center has been working toward a gray snapper
39 assessment for some time. They have been collecting otoliths
40 and other data that they need, and it just wasn't feasible to
41 try to switch from a gray snapper to a gray triggerfish
42 assessment on this short notice, and so that's why SEDAR 51 is
43 continuing as gray snapper.

44
45 As far as what the next assessment should be, there were a
46 number of issues that were raised the last time that the SSC
47 reviewed the gray triggerfish assessment. Some of those have
48 already been addressed, and some of the others are able to be

1 addressed within the context of an update assessment.

2
3 We have projections, ABC projections, that go through 2019. If
4 we were to get an update assessment in 2018, that would allow
5 time to get some additional projections out and, in the
6 meantime, plan on doing a standard assessment at some future
7 time, before those other projections run out.

8
9 Because the update assessment and projections can be done fairly
10 quickly and the earliest that we could slot that into the SEDAR
11 schedule looks like it would be 2018, the SSC recommended, by a
12 vote of twelve to three with one abstention, that the update
13 assessment of gray triggerfish be conducted at the earliest
14 opportunity. As I said, there was discussion that the follow-up
15 assessment should probably be a standard assessment, and there
16 was no specific recommendation about that. Unless you have any
17 questions, that concludes the review of the SSC webinar.

18
19 **CHAIRMAN GREENE:** Thank you. Is there further discussion by the
20 committee? Chairman Anson.

21
22 **MR. ANSON:** Steven, thank you. I recall we had a phone call
23 with Science Center staff shortly after the last meeting, and
24 the SSC Chair was on that call. It may have been during that
25 call, or it may have been during a sidebar conversation, but I
26 thought the SSC Chair, Dr. Barbieri, had thought that it might
27 be better to have a working group, if you will, or a side group,
28 a subset, of SSC members to discuss the MSY proxy in the broad
29 context. Was there discussion of that and the general consensus
30 was then to have this next full meeting, and that will be where
31 all of that discussion is held and there won't be any subsets or
32 workgroups established to look at that issue?

33
34 **MR. ATRAN:** I am not quite sure where we're going with that.
35 You're correct that the Chairman had suggested a working group
36 to look at this, but the way things are going right now, it
37 looks like we are going to be having a comprehensive discussion
38 with the SSC and possibly some invited members, and so that
39 possibly could replace the working group, or the other
40 possibility is that what comes out of the September meeting is a
41 suggestion that that information be forwarded onto a working
42 group to be formed. I don't know yet.

43
44 My preference is I would like to get started on an amendment to
45 start working on the MSY proxies, and so I would prefer to do
46 everything through the SSC, if possible. It takes a while to
47 form these ad hoc groups, but, at the moment, I am not really
48 sure what direction we're going to be going in.

1
2 **MR. ANSON:** Thank you. I have one more question. Relative to
3 the discussion on the gray triggerfish assessment, do you have a
4 sense as to how staff time that is available for conducting a
5 standard or a benchmark assessment, relative to their existing
6 schedule, and the communication of that there is little staff
7 time to devote to altering the schedule or changing the suite of
8 species that are identified, did that come up much in the
9 discussion when the vote came to make the recommendation as to
10 how to proceed forward, relative to the council's request on
11 update assessment and timing?

12
13 **MR. ATRAN:** Yes, and actually I skipped over one other item that
14 the SSC conducted, which was reviewing the SEDAR assessment
15 schedule. Because, after discussion, it was determined that, as
16 I said, trying to substitute gray triggerfish for gray snapper
17 in the SEDAR 51 assessment was not going to be feasible, the
18 SEDAR schedule was modified, and it's on the last page of the
19 SEDAR document, to indicate the proposed changes, and so gray
20 snapper, as a benchmark, is scheduled to begin in 2018. That's
21 on the schedule right now. Excuse me. It will start in 2017.
22 I'm sorry.

23
24 The update assessment for gray triggerfish was added to 2018.
25 Then the schedule goes through 2019, and so it looks like the
26 earliest that a standard assessment on gray triggerfish could be
27 put on the schedule would be 2020, which isn't currently on the
28 schedule that we have been handed.

29
30 **CHAIRMAN GREENE:** Mr. Riechers.

31
32 **MR. RIECHERS:** Well, this whole discussion kind of gets back to
33 a recurring issue that we continue to have. First of all, I'm
34 not certain why the SSC would be weighing in on the SEDAR
35 schedule, because, frankly, that's not their purview. Secondly,
36 what we have asked for is to -- We have asked for different
37 changes in that schedule, and we always get the, well, we have
38 to compete against the South Atlantic and the Caribbean and all
39 of those issues.

40
41 While that all may be true, I think this goes back to a
42 recurring problem that we've had in trying to both navigate and
43 be a little nimble in regards to the SEDAR schedule. We are
44 continuing to have discussions about it, but I will just note
45 here that it's a little bit frustrating that we kind of try to
46 ratify a decision that was made by -- It was supposedly made by
47 the SEDAR Committee, as opposed to the SSC reviewing that. I
48 don't quite understand why we asked the SSC, in this case, why

1 we would be making a change or what they thought of a change
2 that we might want to make as a council or the three councils
3 that really sit on that SEDAR Steering Committee.

4
5 **CHAIRMAN GREENE:** Dr. Ponwith.

6
7 **DR. PONWITH:** To that point, the decision, when you've got a
8 limited resource and we can't do an infinite number of stock
9 assessments in a year, that means there are decisions to be made
10 on priority. The things that play into that decision are
11 management implications of whether there is a short time or a
12 long time between the next stock assessment and then certainly
13 science implications of that.

14
15 I absolutely do view the science perspective on priorities as a
16 crucial input to that decision, and, in fact, the addition of a
17 SEDAR Committee to the Gulf Council's roster of committees was
18 originally contemplated to be able to get additional input from
19 both the science perspective, the SSC's views on this, and
20 interweave that with the management implications.

21
22 I absolutely view that as a crucial input, the final
23 representation of the Gulf Council's views, going into the SEDAR
24 Steering Committee. It, of course, rests with the SEDAR
25 Committee representatives, but it would be their objective to
26 really look at the Gulf Council's enterprise as a whole,
27 including that science perspective, their science advisory body,
28 the SSC, in those final decisions.

29
30 **CHAIRMAN GREENE:** Chairman Anson.

31
32 **MR. ANSON:** Thank you for that, Dr. Ponwith. My question, I
33 guess, underscores a comment that Robin just made, and it's an
34 offshoot of prior conversations that we've had. It goes into
35 the issue of resources and prioritizing resources, and I
36 understand we have finite resources, and I understand gray
37 snapper has never been assessed here, and so trying to juxtapose
38 that with our current situation with gray triggerfish and, quite
39 frankly, how the last assessment went down, so to speak,
40 relative to the decision that was made that it was best
41 available science and the timing of new members that may not
42 have understood what that meant and the implication, and trying
43 to fit that all into a rebuilding plan schedule.

44
45 I was just trying to get, again, was there discussions that were
46 had by members that attended that meeting relative to how much
47 impact does the decision and the schedule that was offered, from
48 their motions, impact the ability for the SEDAR process, the

1 science side of this, to be able to react to our needs as a
2 management body. That's all I was trying to get at, is to see
3 if that in fact was a major part of the decision-making process
4 that ended with the proposed schedule that we have now. That is
5 just something that we can use, going forward, with discussions
6 internally, as well as externally from this council, and try to
7 improve that situation. That's all I was doing. Thank you.

8
9 **CHAIRMAN GREENE:** We are out of time. I am going to make one
10 more comment, as Chair. I have kind of held back on this a
11 little bit. I was the SSC representative at this meeting. It
12 was the first time we had gone from a giant SSC down to where we
13 had incorporated members of the socioeconomic and science people
14 together.

15
16 There was some confusion about what was going on. I felt that
17 it was kind of ironic that we had economists making a vote on a
18 science-based decision. I felt like there should have been some
19 weighting on the vote toward that. This fishery has been
20 overfished and it does not appear to be responding, and we now
21 have Tmin type of regulations and stuff that we have to abide
22 by.

23
24 I feel that anytime any fishery is in the situation that
25 triggerfish is that it should have number one top priority above
26 everything else that's being done to help get this fishery back
27 on track, but that is just my comment. It is not a question.
28 It is not a stab. It's just my personal feelings. With that,
29 it is ten o'clock, and I am going to hand it back over to
30 Chairman Anson.

31
32 **MR. ANSON:** Thank you, Mr. Greene. As you stated earlier, we
33 will attempt to get to those other items in full council that we
34 didn't get to that were reflected on the Reef Fish agenda.
35 Those were Items Number IX and X.

36
37 (Whereupon, the meeting adjourned on August 17, 2016.)

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