

1 GULF OF MEXICO FISHERY MANAGEMENT COUNCIL

2
3 REEF FISH MANAGEMENT COMMITTEE

4
5 Hyatt Centric French Quarter New Orleans, Louisiana

6
7 AUGUST 12-13, 2019

8
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TABLE OF CONTENTS

1
2
3 Table of Contents.....3
4
5 Table of Motions.....4
6
7 Adoption of Agenda and Approval of Minutes.....6
8
9 Action Guide and Next Steps.....6
10
11 Review of Reef Fish and Coastal Migratory Pelagics Landings.....6
12
13 Hot Sheet: African Pompano.....10
14
15 SSC Report.....16
16
17 Draft Amendment 36B: Modifications to Commercial IFQ Programs
18 and Presentations.....37
19 Quota Bank Presentation.....39
20 Document and Presentation.....61
21
22 Final Action: Framework Action to Modify the Recreational For-
23 Hire Red Snapper Annual Catch Target Buffer.....104
24 Review of Document.....104
25 Public Comment Summary.....105
26 Codified Text.....105
27
28 Final Action: Amendment 51: Establish Gray Snapper Status
29 Determination Criteria Reference Points and Modify Annual Catch
30 Limits.....106
31 Public Comment Summary.....107
32 Review of Document.....108
33 Codified Text.....110
34
35 Draft Framework Action to Modify Greater Amberjack Recreational
36 Management Measures.....110
37
38 Presentation: Decision Points for Implementing Full-Retention
39 Bottom Longline Reef Fish Fishery.....121
40
41 Amendment 52: Red Snapper Allocation.....140
42
43 Other Business.....145
44
45 Adjournment.....145
46

47 - - -
48

TABLE OF MOTIONS

1
2
3 [PAGE 26](#): Motion to reconvene the ABC Control Rule Working Group
4 to evaluate the existing rule and propose improvements. [The](#)
5 [motion carried on page 27](#).
6

7 [PAGE 84](#): Motion in Action 2 to modify Alternative 5 to read:
8 Alternative 5: Distribute to a non-profit, third-party-
9 administered quota bank the reclaimed shares with oversight from
10 NMFS, the council, and other involved parties. The quota bank
11 will retain the shares and distribute the allocation associated
12 with the shares each year. [The motion carried on page 87](#).
13

14 [PAGE 87](#): Motion to instruct staff to explore the feasibility to
15 establish a non-NOAA quota bank using regional fishery
16 associations as an example. [The motion carried on page 87](#).
17

18 [PAGE 88](#): Motion in Action 2 to modify Alternative 3 to read:
19 Alternative 3: Distribute in inverse proportion the reclaimed
20 shares held by NMFS among accounts with shareholdings of each
21 share category within one month of the effective date of the
22 final rule implementing this amendment. [The motion carried on](#)
23 [page 89](#).
24

25 [PAGE 89](#): Motion in Action 2 to remove Alternative 2.
26 Alternative 2 is equally distribute reclaimed shares held by
27 NMFS among all accounts with shares of each share category to
28 shareholders within one month of the effective date for the
29 final rule implementing this amendment. [The motion carried on](#)
30 [page 90](#).
31

32 [PAGE 96](#): Motion to begin a stand-alone document for Actions 1.1
33 and 1.2. Action 1.1 is Permit Requirements and Action 1.2 is
34 Share Divestment. [The motion carried on page 97](#).
35

36 [PAGE 103](#): Motion to request that the Science Center provide
37 estimates of discards in both weight and numbers of fish as well
38 as estimated release mortality for each gear type used to
39 harvest commercial IFQ species for incorporation into Amendment
40 36B. [The motion carried on page 104](#).
41

42 [PAGE 106](#): Motion to approve the Framework Action to Modify the
43 Recreational For-Hire Red Snapper Annual Catch Target Buffer and
44 that it be forwarded to the Secretary of Commerce for review and
45 implementation and deem the codified text as necessary and
46 appropriate, giving staff editorial license to make the
47 necessary changes in the document. The Council Chair is given
48 the authority to deem any changes to the codified text as

1 necessary and appropriate. [The motion carried on page 106.](#)

2
3 [PAGE 110](#): Motion to approve the Amendment 51: Establish Gray
4 Snapper Status Determination Criteria, Reference Points, and
5 Modify Annual Catch Limits and that it be forwarded to the
6 Secretary of Commerce for review and implementation and deem the
7 codified text as necessary and appropriate, giving staff
8 editorial license to make the necessary changes in the document.
9 The Council Chair is given the authority to deem any changes to
10 the codified text as necessary and appropriate. [The motion](#)
11 [carried on page 110.](#)

12
13 [PAGE 117](#): Motion in Action 3 to add an Alternative 5.
14 Alternative 5 is modify the recreational seasonal closure to be
15 Oct 1 through April 30 and May 21 through June 30 and open May 1
16 through May 20 and July 1 through September 30. [The motion](#)
17 [carried on page 120.](#)

18
19 [PAGE 141](#): Motion to rephrase Objective Number 2 of the Reef
20 Fish FMP Objectives. Rephrase Objective Number 2 (To achieve
21 robust fishery reporting and data collection systems across all
22 sectors for monitoring the reef fish fishery which minimizes
23 management uncertainty.) to "minimizes scientific, management,
24 and risk uncertainty". [The motion carried on page 141.](#)

25
26 [PAGE 144](#): Motion to delay consideration of Amendment 52: Red
27 Snapper Allocation until the January 2020 council meeting. [The](#)
28 [motion carried on page 145.](#)

29
30 - - -
31

1 The Reef Fish Management Committee of the Gulf of Mexico Fishery
2 Management Council convened at the Hyatt Centric French Quarter,
3 New Orleans, Louisiana, Monday afternoon, August 12, 2019, and
4 was called to order by Chairman Martha Guyas.

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

10 **CHAIRMAN MARTHA GUYAS:** It's time for everyone's favorite
11 committee. If you go to Tab B, that's all of our materials, and
12 the first thing is Adoption of the Agenda. Are there any
13 additions or modifications to the agenda for Reef Fish? Seeing
14 none, I'm looking for a motion to adopt the agenda as written.

15
16 **MR. PHIL DYSKOW:** So moved.

17
18 **CHAIRMAN GUYAS:** Motion by Phil. Second from anyone? It's
19 seconded by Lance. Any opposition to that motion? Seeing none,
20 the agenda is adopted as written. Okay. How about the minutes?
21 That's Tab B-2. Are there any changes to the minutes? Seeing
22 none, I'm looking for a motion to adopt the minutes. Motion by
23 Kevin and seconded by Ed. Any opposition to that motion? None,
24 and the motion carries. All right.

25
26 We have our Action Guide, but, really, the first thing on our
27 agenda is the Review of the Reef Fish and CMP Landings. I don't
28 think we really need to cover that in the action guide. I will
29 turn to the SERO end of the table for that.

30
31 **REVIEW OF REEF FISH AND COASTAL MIGRATORY PELAGICS LANDINGS**
32

33 **MS. SUSAN GERHART:** Thank you. We will start with reef fish and
34 the commercial landings. For gray triggerfish, we are still
35 open. Remember that they were closed during June and July and
36 just reopened on August 1, and that's the seasonal closure in
37 June and July. We are not sure at this point if there will be a
38 closure this year in this sector, and we have projections that
39 are around November and December, and so we'll just have to get
40 some more landings and see how that goes before we decide.

41
42 Amberjack, remember that was closed during March through May,
43 and then they reopened on June 1, but then closed on June 9, and
44 so that's where we are commercially with reef fish. The rest,
45 of course, are all in the IFQ program and aren't under quota
46 monitoring.

47
48 The recreational reef fish landings, amberjack, as you know, is

1 on a fishing year starting in August and going through July, and
2 so, again, for the 2019/2020 season, that's just begun, and so
3 what we're showing you here are the 2018/2019 season, and this
4 is preliminary. We are still missing the Waves 3 and 4, or 3
5 and half of 4, that are part of that fishing year, and so these
6 are incomplete at this time.

7
8 However, you can see that we did close after the fall season,
9 and we did not open on May 1, as was part of the more recent
10 change to this sector's seasons, and we have exceeded the ACT,
11 but not the ACL, at this point, and so we'll see, when we get
12 the rest of those landings, any landings from state waters that
13 add to this, at the next meeting.

14
15 For the other species, gray triggerfish is also closed, and it
16 closed on May 11. In this case, we have projected the landings.
17 Again, they were closed for a while, and so we did project those
18 landings, and we have exceeded the ACL on that, and so that
19 closure was necessary for gray triggerfish.

20
21 For gag and red grouper, the landings are quite low, and we
22 don't anticipate a closure for this year, and then the red
23 snapper for-hire season was June 1 through August 2, and we
24 don't have any of those landings yet, but we do have LA Creel
25 landings that you see there for this year. I will show you last
26 year's in just a minute.

27
28 Then this year's private angling red snapper landings are coming
29 from the states, under the EFPs, and we get updates from the
30 states at various timeframes, depending on their data collection
31 methods. Some of them are weekly, some bi-weekly, some monthly,
32 and the State of Florida, because they use MRIP, are still -- We
33 don't have landings from, because they are waiting on those MRIP
34 Wave 3 to come through, and so you can see the landings there,
35 and I think we just got an update from Mississippi today, and so
36 that's not included in here.

37
38 Those are all the preliminary, and so we don't have any others
39 on there. The stock landings, there is four species that we
40 chose to show in the stock landings, and those are species for
41 which we have no allocation between commercial and recreational,
42 and these are some that we're watching. These four species have
43 gone over their ACL in the past, and so we're watching them more
44 closely this year, to see if they go over.

45
46 We don't expect, at this point, that there will be closures for
47 any of these except for lane snapper. We have done projections
48 based on the two waves that we have from this year, as well as

1 three-year averages for the months that we don't have yet, and
2 we expect that lane snapper will have to be closing this fall
3 sometime, maybe as early as the end of September, but we're
4 still hoping to get some more recreational landings for this
5 year to base that on and come up with a more firm number before
6 we actually announce that closure. Again, we will re-do
7 projections on the other three species as well, to make sure
8 that they don't need to close.

9
10 I was also asked to give landings for coastal migratory pelagic
11 species, even though the committee is not meeting this time, but
12 they haven't seen this for a while, and so, first, for
13 commercial, I am showing you the king mackerel landings. The
14 2019/2020 fishing year has begun for all of the zones except for
15 the Northern Zone. All of the zones start July 1, and so we
16 don't really have much in the way of landings for any of those
17 other zones for this fishing year yet, and, again, of course, we
18 haven't started the fishing year yet for the Northern Zone.

19
20 If you look in the second table, we see the 2018/2019 landings,
21 and those are preliminary final, if I can use that term, for all
22 of the zones except the Northern Zone, which, again, is still
23 open through the end of September, and, as you can see, they're
24 at about 79 percent, and our anticipation is that they won't be
25 closing this year.

26
27 The total ACL for all of the hook-and-line zones is still below
28 the ACL, and we anticipate that to stay pretty close to the ACL.
29 As you can see, the gillnet sector did exceed their ACL, and
30 recall that this group does have a payback, and so that payback
31 will be on their next fishing year, which starts the day after
32 the Martin Luther King holiday.

33
34 The recreational king mackerel landings are rather low, but they
35 have always been fairly low. Right now, compared to last year,
36 we're down about 50,000 pounds less, cumulative, for the year
37 than at this same time last year. Keep in mind, however, that
38 summer is the big landings time, and so we don't have any of
39 those -- We don't have the May/June landings yet, which will be
40 the last -- I'm sorry, and we're missing some months there, but
41 the May/June landings will be coming in with Wave 3.

42
43 Spanish mackerel and cobia are stock ACLs. Again, there is no
44 allocation between commercial and recreational. The date
45 landing available through column there is for the commercial
46 landings, and so, of course, for the recreational, the same as
47 all the others, we have Waves 1 and 2, which only go through
48 April, and so these are very, very preliminary numbers for this

1 year, and these are on the calendar year, and so this is from
2 January, and so we have the first four months for recreational
3 landings and then up through the end of July for commercial
4 landings, but, as usual, we have very low landings, and this is,
5 again, fairly consistent with what we've seen in previous years.
6 Looking at those numbers again, remember that summer is the
7 highest landings, and so we don't have those numbers in there
8 yet, and those percentages will go up in time. I believe that's
9 the end of my report, and I will take questions if you have
10 them.

11
12 **CHAIRMAN GUYAS:** Thank you, Sue. Dale.

13
14 **MR. DALE DIAZ:** Thank you, Ms. Gerhart. A couple of questions.
15 One is for the recreational landings on mackerel for the last
16 fishing year, and I believe we left about three-and-a-half
17 million pounds that was uncaught by the recreational sector for
18 2017/2018, and I know it's just projections for this year, but,
19 comparing this year to last year, is the trend similar this year
20 to what we've seen for last year?

21
22 **MS. GERHART:** Yes, and depending on which wave we look at. It
23 was higher in some waves last year and lower in some waves last
24 year, but, as I said, at this same point last year, we had about
25 50,000 pounds more of landings.

26
27 **MR. DIAZ:** I am just doing the math on this. Last year, we left
28 roughly three-and-a-half million pounds, and correct me if I'm
29 wrong on that, but I think it's somewhere in that neighborhood,
30 and I am just going off of memory with that, but it looks like,
31 right now, through the April/May wave, we've got 4.27 million
32 pounds left, and then we've still got May and June, which we
33 expect that to be the highest, and so, anyway, in 2017, I think
34 we put in effect a rule change that changed the bag limit for
35 recreational fishermen, where they could keep two, but we
36 changed it to where they could keep three.

37
38 I know some people on the council wanted to wait and let that
39 get in place and see what that was going to do to this fishery,
40 but I did want to point out that we had one full year under the
41 new bag limit, last year, of landings, roughly three-and-a-half
42 million pounds over, and we're in our second year of that bag
43 limit being raised, and the trend looks similar. We've still
44 got one more wave to go, and we'll see what happens with that,
45 but I did want to point that out, and that's all I have for now.
46 Thank you, Ms. Gerhart.

47
48 **CHAIRMAN GUYAS:** Any other questions or discussion on landings?

1 All right. Thank you, Sue. Our next item on our agenda is the
2 Hot Sheet for African Pompano. Dr. Mendez-Ferrer, are you going
3 to go through that?

4
5 **HOT SHEET: AFRICAN POMPANO**
6

7 **DR. NATASHA MENDEZ-FERRER:** At our last council meeting, in June
8 of 2019, we heard public testimony expressing the desire to add
9 African pompano to federal management, and the council asked to
10 learn more about this species and that that information be
11 presented during the next meeting agenda.
12

13 Today, I will be presenting you with a hot sheet outlining a
14 little bit of biological information and harvest information
15 available for this species, and the council should provide staff
16 with direction on whether it wants to further consider this
17 issue.
18

19 African pompano are members of the jack family, and, as you can
20 see in this photo, they are kind of like a metallic blue color,
21 and you can see that their body is slightly compressed, and, in
22 some adults, you can find that their dorsal and anal fins can
23 have like five to seven extended rays, and these rays are
24 usually much longer in young individuals, which the literature
25 suggests that it can help them kind of mimic jellyfish while
26 they are drifting in the water.
27

28 There isn't currently a whole lot of information regarding the
29 reproduction of this species, and so what I found is that
30 maximum weight that's been reported is about fifty pounds, with
31 a maximum length of forty-two inches, and African pompano can be
32 found throughout tropical and sub-tropical waters around the
33 world, and, like I mentioned, although there is very little data
34 on reproduction, it is suggested that they spawn during the
35 spring and summer months, just like other members of the jack
36 family.
37

38 Juveniles are mostly pelagic, while adults can be found
39 associated with reefs, wrecks, and ledges down to depths of 200
40 feet. These fish mostly feed on squid, small crabs, and other
41 fishes.
42

43 I took a look at some of the landings data for the Gulf. On the
44 graph on the top, those are commercial landings, landings that
45 have been harvested, fish that made it to the dock, and the
46 graph on the bottom are recreational landings.
47

48 First, I want you to take a look at the Y-axis, which has the

1 landings, and, as you can see, there is a large variation.
2 Recreational landings are basically an order of magnitude higher
3 than those of commercial, and so most of the fish that are being
4 reported -- Most of them reported in the Gulf come from the
5 recreational sector, and these are data from 2000 to 2018. At
6 the time that I requested the data, we didn't have data for 2017
7 and 2018 in the commercial sector. Like I said, most of the
8 landings occur from the recreational sector, and they are mostly
9 reported from west Florida and Alabama.

10
11 I also took a look at were these fish being landed in state or
12 federal waters, and they were more frequently landed in federal
13 waters. You might be wondering about that peak in 2007, and
14 that seems to be an outlier, and it might be an issue with MRIP,
15 where we collected the data from, but, when I look at the years
16 from 2000 to 2018, each of those years there were landings of
17 African pompano in federal waters compared to, in the
18 recreational sector, where it was only reported for seven of
19 those years. Again, these are MRIP, and these are intercepts,
20 and that doesn't mean that that is everything that's happening
21 out there.

22
23 Currently, the State of Florida is the only one who has fishing
24 regulations on harvesting of African pompano, and there is a
25 minimum size limit of twenty-four inches fork length with a bag
26 limit of two per harvester or two per vessel, whichever one is
27 less, and I will be happy to answer any questions from the
28 committee.

29
30 **CHAIRMAN GUYAS:** All right. Any questions? Dr. Frazer.

31
32 **DR. TOM FRAZER:** Since the State of Florida has regulations,
33 what kind of information drove those regulations? Do you have
34 any idea?

35
36 **CHAIRMAN GUYAS:** There have been regulations in Florida since I
37 think 1996. The most recent iteration of regulations were put
38 in place after 2011, after an extensive stakeholder process, and
39 so we regulate African pompano with pompano and permit, because
40 those three fish can be commonly confused, depending on what
41 size they are and whether African pompano have the streamers
42 still or not.

43
44 There are a lot of divergent viewpoints in stakeholders in that
45 group of people that fish for those three things, and so we had
46 a series of workgroups that we worked with commercial folks, and
47 we worked with spear fishermen, and we worked with catch and
48 release recreational guys and spearfishing and hook-and-line,

1 and everybody kind of had something different that they brought
2 to the table, and we settled on the regulations that we have
3 now, which is, for federal waters, just recreational
4 regulations.

5
6 We were considering commercial regulations for federal waters as
7 well, extending those, but we had some testimony from some
8 commercial spear fishermen, I believe out of northeast Florida,
9 that came to our commission when we were making this decision,
10 and they convinced the commission to just leave commercial
11 harvest alone for federal waters.

12
13 That's kind of how we got to where we are, and this is a very
14 data-poor species with a very large distribution that is
15 obviously well beyond Florida, since it's worldwide, and so it
16 was one of those times where we had to work with everybody to
17 kind of figure out what everybody could live with.

18
19 **DR. FRAZER:** I appreciate that, and I guess I'm just trying to
20 figure out -- I'm looking at the Gulf stock characteristics, and
21 there is the mortality rate that's unknown, and sexual maturity
22 is unknown, and so is there like any age and growth data or
23 anything that was used?

24
25 **CHAIRMAN GUYAS:** I don't recall having that information at our
26 disposal. Phil.

27
28 **MR. DYSKOW:** This is more a question than anything. This is one
29 of those species that I target personally, not African pompano,
30 but pompano in general, and I very, very infrequently run into
31 an African pompano, and I'm primarily fishing inshore, and so it
32 sounds like, from what you said, that these were more likely to
33 be found where permit are found.

34
35 **CHAIRMAN GUYAS:** Not necessarily.

36
37 **MR. DYSKOW:** Where then are they found?

38
39 **CHAIRMAN GUYAS:** These are mostly offshore, and I will be honest
40 that I have never seen one before in my life, but --

41
42 **MR. DYSKOW:** My question is permit are normally found offshore
43 on whatever, oil rigs and other types of structure, and are
44 these found in the same area? Where are they found?

45
46 **CHAIRMAN GUYAS:** I believe they do like structure, and not
47 necessarily schooling with permit though, and so the reason why,
48 I think, we ended up not having commercial regulations in

1 federal waters is, when those commercial spear fishermen -- When
2 they would see one African pompano, usually there were multiple
3 African pompano, and so that's how we kind of got to where we
4 were. Roy.

5
6 **DR. ROY CRABTREE:** Martha, can you clarify to me, because I
7 think you said that you left commercial unregulated in the EEZ
8 and you only extended -- Because I think part of where this
9 discussion started was, at the last meeting, we had testimony
10 from commercial fishermen who basically indicated that two fish
11 per vessel was being applied to them, and that was part of their
12 complaint.

13
14 If someone, Martha, comes in commercial with 100 African pompano
15 onboard and lands them in Florida commercially and says that I
16 caught them in the EEZ, then they would not be in a violation of
17 any kind of regulations in Florida?

18
19 **CHAIRMAN GUYAS:** That would be correct. Greg.

20
21 **DR. GREG STUNZ:** I just wanted to comment on the hot sheets. I
22 think these are great, and I can't remember now, and we've done
23 several, for cobia, and I think amberjack, but is there a place
24 -- Because this helps as we're making decisions on length at
25 maturity and all that kind of thing, and are they on the
26 website? I tried to look real quick, and I couldn't find them.
27 In other words, the reason I'm making my comment is I think it
28 would be very useful to have these easily accessible, and I'm
29 sure they are and I just couldn't find them, but, as we're
30 debating things around the table.

31
32 **CHAIRMAN GUYAS:** I am going to get Emily, and then I see Leann.

33
34 **MS. EMILY MUEHLSTEIN:** That's a great question. Currently, they
35 are not anywhere where you would be able to find them. We are
36 planning to completely reorganize our regulations, now that
37 we're not printing our booklets, and it's going to be by
38 species, and these hot sheets will be put up for each species,
39 kind of more like how FWC or the South Atlantic Council has
40 their regulations, and so, currently, no, and I can expedite
41 that, if that would be useful for you.

42
43 **DR. STUNZ:** If we're considering especially a new species, like
44 African pompano, or something we don't deal with on a routine
45 basis, just having these even in the briefing book is good, or
46 easily accessible, so we can look up those life history traits.

47
48 **CHAIRMAN GUYAS:** Leann.

1
2 **MS. LEANN BOSARGE:** I was trying to get to it in the minutes
3 from our last meeting, but I thought that the gentleman that
4 said something was actually dually permitted, Dr. Crabtree, and
5 do you remember? He had commercial and for-hire permits, and so
6 I was trying to remember if his issue was when he was commercial
7 fishing or if it hinged on the vessel limit, the two per vessel,
8 when I was for-hire fishing, and I would have to go back and
9 look at the minutes.

10
11 **CHAIRMAN GUYAS:** Roy.

12
13 **DR. CRABTREE:** I have got the minutes, and I'm looking at that
14 testimony right now, and he talks about that they're having to
15 throw back a lot of fish dead, because there's not a federal
16 fishery management plan for African pompano, and the State of
17 Florida designates that, if there's not a federal plan, the
18 State of Florida regulations supersede and become the federal
19 plan, and the State of Florida has designated African pompano as
20 two fish per vessel.

21
22 He was certainly, I believe, under the impression that he was
23 limited to two per vessel even in the EEZ, and I would ask,
24 Emily, if we're going to do something with the hot sheets, I
25 think we need to go into the regulations there and make it clear
26 that the two fish per vessel limit doesn't apply to commercial
27 vessels fishing in the EEZ, because that's not clear here, and I
28 think there is some misunderstanding about that, but that is in
29 the Full Council minutes, and you can search on it, because my
30 impression was the reason they wanted us to put it into the FMP
31 was they thought they would get a higher trip limit than two per
32 vessel, but apparently there's just confusion about that.

33
34 **CHAIRMAN GUYAS:** To go back to what Leann said, at least I have
35 heard, or at least I have heard, and I think we heard some of
36 this in public testimony last time too, some comments about
37 recreational as well, and so I have heard some, I guess, angst
38 about how Florida has a limit, but other states do not, and they
39 weren't necessarily opposed to having the recreational limit,
40 but they just felt like that should be more widespread across
41 the Gulf.

42
43 I have also heard interest in actually reducing the limit that
44 we have in Florida to one fish, at least for part of the Gulf,
45 if not the whole Florida Gulf, and so I don't know that that was
46 from public testimony, but I have heard some interest in that.
47 John and then Mara.

1 **MR. JOHN SANCHEZ:** I have a question. When you say reducing it
2 to one fish per person, are you saying per person or per vessel?
3

4 **CHAIRMAN GUYAS:** I would have to double-check, but the point was
5 a reduction. That's kind of what I'm getting at. Mara.
6

7 **MS. MARA LEVY:** Thank you. Maybe we need to talk more about the
8 Florida regulations, but I just want to make sure that we're
9 getting it right if we're going to put it in a council sheet,
10 and so, when I look at them, it says, for the commercial bag
11 limits for African pompano, persons harvesting for commercial
12 purposes shall not harvest or possess, while in or on state
13 waters, more than two African pompano, and so I can see someone
14 thinking -- It doesn't say in the EEZ, but, once you're in
15 Florida waters, you can't possess more than two, and so I can
16 see where that idea is coming from.
17

18 **CHAIRMAN GUYAS:** Yes, and the way that gets enforced is, if you
19 are fishing in Florida state waters, and you are commercially
20 fishing and you have more than two African pompano, you have a
21 problem, but, if you're just transiting through from federal
22 waters, you're good to go.
23

24 **MR. KEVIN ANSON:** Just to follow-up on Dr. Crabtree's comment, I
25 don't necessarily have an issue with making it clear, as far as
26 the regulation currently, as it's written in the hot sheet, but
27 I just think that -- Maybe Emily will cover this when she talks
28 about the website revamp, and I thought she was going to do that
29 later on during this meeting, but she's not, and I just get
30 concerned that we have multiple places where one piece of
31 information will be held, and so you have to go back and kind of
32 re-read and correct those things through time, as they change,
33 and, for this particular species, it may not be an issue, but,
34 for other species, if we have the regulations included as part
35 of the hot sheet, that just becomes problematic, unless there's
36 a link or something that gets changed to the actual location
37 where the regulations are, and it would just make it easier,
38 administratively, to handle that.
39

40 **CHAIRMAN GUYAS:** Leann.
41

42 **MS. BOSARGE:** Sorry, Martha, but your last comment confused me,
43 and so do you have commercial -- What are the commercial
44 regulations in state waters?
45

46 **CHAIRMAN GUYAS:** Commercially, in state waters, that twenty-
47 four-inch fork length minimum size limit, it is two per
48 harvester, and two fish per vessel, max, whichever is lesser of

1 those two, and it's hook-and-line gear, and so, essentially,
2 it's the same as recreational, but just for state waters, and
3 so, if you're fishing out in federal waters, and you get into
4 pompano, African pompano, however you get into them, whatever
5 gear, you can bring them back and land them in Florida, but you
6 may not, on the way back in, stop and fish in state waters,
7 because then the officer is not going to know where you caught
8 those fish. Go ahead.

9
10 **MS. BOSARGE:** So you all just need a transit provision in your
11 regulations to fix this, or --

12
13 **CHAIRMAN GUYAS:** No. I mean, that's how that works. If you're
14 out in federal waters, you can bring those fish in.

15
16 **MS. BOSARGE:** You enter state waters, and you're not in
17 violation, so long as your boat doesn't stop?

18
19 **CHAIRMAN GUYAS:** That's correct. Tom.

20
21 **DR. FRAZER:** I just have more biology questions. I am looking
22 at -- Do we know how long they live? I mean, pompano, typically
23 they don't live that long, right, five or six years, or maybe
24 seven, but why I'm asking that question, actually, is I'm
25 looking at the recreational landings data, and I'm looking at
26 the periodicity in the data, and I'm trying to figure out
27 whether or not it's possibly a consequence of the life history
28 of the animal, or is it just an artifact of the data collection
29 protocol?

30
31 **CHAIRMAN GUYAS:** I suspect that the intercepts are probably
32 pretty low for this one, and so, if there were error bars on
33 this graph, they would be quite large. Anything else on African
34 pompano? Okey dokey. Then I guess we will move on to our next
35 agenda item, which is our SSC Report and Dr. Barbieri.

36
37 **SSC REPORT**

38
39 **DR. LUIZ BARBIERI:** Thank you, Madam Chair. The presentation,
40 the brief presentation, earlier this morning during the
41 Sustainable Fisheries Committee was really to talk about those
42 topics that are covered under the agenda of that committee, and
43 this report this afternoon is really to cover the additional
44 items the SSC went over and discussed at our last meeting that
45 were not already discussed earlier today.

46
47 Quite a few of them, by the way, in some situations, given the
48 importance of the topic, I might have to get into a little bit

1 more detail and discuss with you and get some feedback, because
2 some of these items are really important, as far as how we tie
3 the science and the assessment process into the management
4 framework.

5
6 We had a couple of presentations by Dr. Richard Methot from the
7 Office of Sustainable Fisheries up in NMFS Headquarters, who
8 attended our meeting in-person and gave a couple of important
9 presentations, really, discussing some issues that are really,
10 really relevant to both the functioning of the SSC as well as
11 how the science that is produced in our region translates into
12 management measures.

13
14 The first one was he presented a final best scientific
15 information available framework, and so this is really something
16 that the agency put together, the Fisheries Service put
17 together, as a way to go into more detail on how to implement
18 the best scientific information available set of guidelines and
19 policies.

20
21 What he presented, there is a NMFS directive on this that
22 outlines the parameters of this topic, and what he presented
23 actually complements NS 2, and you may recall the National
24 Standard Guideline 2 that deals with peer review and the whole
25 process of scientific advice from your SSC and what constitutes
26 and represents best scientific information available and governs
27 all of that, and so the act talks about basically the
28 legislative framework for that, and the National Standard
29 Guidelines talk about the policy, and, in this case, this
30 framework just developed by the agency actually tells you how to
31 implement, the how, why, who, that process actually takes place,
32 regionally and nationally, the context of national
33 implementation, how all of this gets done on a daily basis.

34
35 This new framework improves coordination and communication, and
36 it provides both the steps that the agency has developed to
37 clarify how the process takes place to consider stock status
38 determination and catch advice provided by your SSC and how that
39 gets turned into policy through all of those steps, and it
40 starts with the stock assessment, and the stock assessment
41 undergoes peer review, and that peer result and the assessment
42 goes to your SSC, and then it goes back to the process and the
43 Science Center, where the assessment is revised and adjusted
44 according to the review results, and then it comes to you, and
45 it eventually makes it to the agency for final determination.

46
47 That is the process that is outlined in place on this, and this
48 new policy actually outlines how to integrate this BSIA

1 framework at the regional level as well, and so there's a three-
2 year timeline that is presented by the agency that is giving
3 each one of the regions to proceed with this process and develop
4 our own regional framework for implementation of best scientific
5 information available. I will pause there, Madam Chair, since
6 each of these topics of sort of self-contained, and see if there
7 are any questions from the committee.

8

9 **CHAIRMAN GUYAS:** Kevin.

10

11 **MR. ANSON:** Dr. Barbieri, you talked about improved coordination
12 and communication. That is amongst the Science Center and the
13 SSC, or is that within the SSC? I guess I am more specific to -
14 - An example that comes to mind is when we had the gray
15 triggerfish assessment.

16

17 Raise your hand if you think it's best available science, and
18 everybody raises their hand, and then, low and behold, there was
19 some confusion as to what best available science meant in the
20 context of the assessment, and so the council members go through
21 a training when they first become a member, and is there going
22 to be some sort of additional training, or training, for new SSC
23 members that will kind of review the concept and some of the
24 ideas that are brought forward in the document? Thank you.

25

26 **DR. BARBIERI:** Excellent points, because this is exactly the
27 purpose of this document being put together and this framework
28 being implemented, is this communication and coordination is to
29 happen amongst all the different parties involved, and so the
30 agency -- Even within the agency, there is the different bodies,
31 the Regional Office, the Science Center, and there is
32 Headquarters, and how that communicates with the council itself,
33 the SSC, our regional stock assessment process, SEDAR, which is
34 also involved in the process of peer review, with that process,
35 of the assessment, and so this is really to coordinate these
36 activities amongst all the different parties involved.

37

38 This tries to actually clarify, and it's just like we had with
39 gray triggerfish, and so the final determination for stock
40 status or for catch advice or for best scientific information
41 available, it really rests with the agency and the Secretary of
42 Commerce, but, for it to be open and transparent and accessible
43 to all of us who are involved in this process, NMFS has outlined
44 this framework that allows us opportunity for input throughout
45 that process. Does that make sense?

46

47 **CHAIRMAN GUYAS:** Anybody else? All right. Dr. Barbieri.

48

1 **DR. BARBIERI:** Okay. Another presentation by Dr. Methot that
2 was related to this other one had to do with the technical
3 guidance document, and this is another agency policy directive
4 that was developed for the National Standard Guideline 1.
5 Again, this is to go into more detail on how to look at some of
6 these issues, the more technical issues, that are associated
7 with the recommendations and the policy guidelines outlined in
8 the National Standard Guidelines.

9
10 On the title there for NS 1 technical guidance and discussion of
11 this issue, I put down an example of estimation of fishing
12 mortality and biomass proxies, for example, and so those are
13 issues that have to do with stock status determination and
14 translate into processes that lead to management advice, and so
15 how do we go over some of these choices, and how do we tie some
16 sort of scientific underpinnings and guidance through those
17 processes?

18
19 Think about what we discussed this morning for that amendment on
20 stock status determination, and so whether we have proxies for
21 MSY, how do we define MFMT and MSST, and whether we have stock
22 complexes with indicator species or not, and all of those issues
23 can become overwhelming, and so, unless you have a framework in
24 place that develops some technical guidance and provides some
25 direction, it becomes very difficult to implement.

26
27 In support of this decision-making, NMFS put together this
28 technical guidance workgroup that is sub-divided in three sub-
29 groups, and one is looking into reference points, which is
30 exactly what we discussed this morning, and so MSY, OY, and the
31 proxies for those metrics.

32
33 Sub-Group 2 is carryover and phase-in, and, as you know, these
34 are issues that we have been considering and discussing here in
35 the Gulf as well, and they are issues that you have thought
36 about addressing, and this would bring some technical guidance
37 on that part, and it's good to see that Ryan Rindone actually,
38 as council staff, is a member of this sub-group, so he can be
39 there to participate and provide a context for the Gulf and then
40 bring us back additional information on that.

41
42 Sub-Group 3 is focused on the data-limited stocks, and John
43 Froeschke is our representative on that group that is looking
44 into those stocks for which we have to have catch advice and
45 management measures in place that are compliant with NS 1 and
46 abiding by the Magnuson-Stevens Act, but for which we don't have
47 enough information to have a quantitative model-based
48 assessment, and so, in those cases, there is different ways to

1 handle that, the data-poor stocks, and this sub-group is going
2 to be trying to bring together state of the knowledge and
3 identify some underpinnings for how we proceed on that.

4
5 These groups are working parallel, but working at different
6 speeds. At the moment, they have composition by different
7 members of the agency and council representatives from different
8 areas, and so results from them are not going to be all coming
9 out at the same time. They are going to come out individually,
10 and the phase-in working group is the one that is going to have
11 a report out first, which is expected to be by the end of this
12 year. I will pause there again, Madam Chair.

13
14 **CHAIRMAN GUYAS:** All right. Any other questions for Luiz before
15 his next slide? All right. You're up.

16
17 **DR. BARBIERI:** Okay. This was -- A general discussion that we
18 had was pretty much a full day of presentations, three
19 presentations, and quite a bit of discussion on setting MSY
20 proxies and how those fit into stock status determination
21 criteria.

22
23 The first one was coping with information gaps and stock
24 productivity for rebuilding and achieving MSY for grouper and
25 snapper fisheries, and that was based on a paper by Dr. Will
26 Harford, working with Dr. Skyler Sagarese and Dr. Mandy
27 Karnauskas from our Science Center.

28
29 They produced a paper that looked into a simulation study to
30 evaluate how to basically make choices on MSY proxies when you
31 really don't have a lot of information about the productivity of
32 the stock and you cannot determine that steepness of the stock-
33 recruitment relationship, and so the productivity of the stock
34 is not very well known, and so that study provided some results
35 there for gonochoristic species that are not sex changers as
36 well as for the groupers that are hermaphroditic.

37
38 Then we had a presentation from our Science Center that was
39 looking into establishing stock status determination criteria
40 for fisheries with high discards and uncertain recruitment, and
41 that really went into a lot of detail about that whole process
42 of using global MSY and some other forms of how you actually
43 look at the selectivities and the different composition of
44 fisheries and how to account for discards versus not into this
45 process, as we far as getting to an MSY estimate and getting to
46 a proxy.

47
48 Then, finally, we had a discussion, and I bet Ms. Bosarge would

1 probably be interested in this one, and this was really a very
2 in-depth discussion about steepness and reference points and how
3 they tie into a stock assessment, and I bring in Ms. Bosarge
4 because she had some questions about steepness earlier that I
5 was trying to get to.

6
7 This is basically more like an academic-level presentation that
8 went into a lot of detail on that topic, but the bottom line is
9 that, when you don't have that steepness of the stock-
10 recruitment relationship well known, you really don't have a lot
11 of information about the productivity of the stock, and so, when
12 you fix steepness, which is something that we are often forced
13 to do, because it's not estimable within the stock assessment
14 process through the model itself, and we fix that steepness, we
15 are basically creating a situation, to some extent, that is a
16 self-fulfilling prophecy for the outcome of results of an
17 assessment.

18
19 It's equivalent, actually, and he demonstrated this through his
20 presentation, to making a proxy MSY choice when you don't have a
21 steepness well determined, and so the two are somewhat
22 equivalent, and going through that exercise really highlighted
23 how unusual it is for us to know that productivity, and that
24 gave us perspective on the fact that there are times when we are
25 forced to make decisions, but we don't actually know that much
26 about what the productivity of the stock is and how that could
27 translate into final assessment results, and so it gives us a
28 perspective of being a little more cautious in how we are
29 interpreting those results, because we know that there is
30 uncertainty that we're not able to account for.

31
32 The take-home message here from these three presentations, and I
33 want to thank the staff, really, for getting that one day
34 organized with all the presentations, and we had all the papers
35 and all the presentations ahead of time, and then we had the
36 people there for the discussions, and it was really informative
37 for the SSC to go through that process, and so the take-home
38 message from those presentations is that, when you are looking
39 for a proxy for MSY, and think about a discussion that we had
40 this morning for the stocks that you manage, and finding a best-
41 case scenario of what would be the best proxy is likely very
42 difficult or not possible, really, because every situation for a
43 particular stock is unique, and, depending on the
44 characteristics of the fishery or the life history of the
45 species or the amount of data that you have, you're going to
46 have to really make different decisions in making those choices.

47
48 The analysis conducted by the Science Center using the SPR and

1 MSY global approach really helped us identify basically some
2 lower and upper bounds for what we consider would be more
3 realistic SPR proxy values for red snapper, and those would be
4 between 23 and 38 percent, and so the current proxy MSY that we
5 have in place for red snapper of 26 percent is really somewhere
6 in the middle of that bound, and that gave us some assurance
7 that we are more or less in the ballpark by making that choice.
8

9 Then, as I already mentioned, in terms of the steepness, that,
10 whenever we fix too many of those parameters that are not
11 estimable within the assessment model, we are creating
12 difficulties for the assessment interpretation, because we are
13 preventing the assessment from having outcomes that are -- I
14 wouldn't say logical, but easier to understand, given the amount
15 of uncertainty that we have to account for.
16

17 Again, Madam Chair, I know that this is like geeky-fest here,
18 but I'm going to -- These were really, really interesting
19 presentations, and a very good discussion, and the committee
20 benefited greatly from that, and so I wanted to go into as much
21 detail as possible and give you the opportunity to ask
22 questions.
23

24 **CHAIRMAN GUYAS:** Are there any questions? Kevin and then Tom.
25

26 **MR. ANSON:** Luiz, I heard you say then that the SSC recommended
27 that the red snapper MSY proxy be SPR 23 percent, right? I was
28 kidding.
29

30 **DR. BARBIERI:** I think you misheard that, yes, Mr. Anson, and,
31 if I said that, it was a mistake.
32

33 **CHAIRMAN GUYAS:** Tom.
34

35 **DR. FRAZER:** I am just trying to think about the steepness issue
36 a little bit, and so, if you fix the steepness, and the end
37 result of that, I guess, like when you apply it to a control
38 rule or something, that the variance doesn't change radically,
39 and so, when you try to make a decision about if it's okay to
40 capture more or less fish, it gives you, perhaps, a false sense
41 of confidence when you get to the edge, right?
42

43 **DR. BARBIERI:** That's exactly what I meant by cautious, and so
44 it's not cautious in the sense of being more conservative in
45 your management, but being cautious on how you interpret the
46 results of the assessment, because it becomes something that,
47 like I said, you cannot really account for all the inherent
48 variability that should be in there.

1
2 **DR. FRAZER:** Knowing that, I guess, you can adjust then the
3 steepness, right, and can you adjust that value so that it would
4 be more conservative than the one you might just routinely
5 employ?
6

7 **DR. BARBIERI:** You can. You can, and there are different
8 choices that are made during the assessment process to get to
9 that point, and so, in some situations, some assessments, you
10 actually apply like a Bayesian approach, statistical approach,
11 where you have a prior with the most likely and the least likely
12 values all part of a distribution, and you can inform your
13 inputs there, but your more likely values are going to have a
14 higher probability of being picked by the model, and so there is
15 that, or you can actually choose different values of steepness
16 that you actually input in. In some cases, we choose relatively
17 high values, at times, and we're going to have this discussion
18 eventually, when we get to that point, when we have to make
19 choices for some of our MSY proxy, SPR proxies.
20

21 **DR. FRAZER:** Thanks.
22

23 **MS. BOSARGE:** Luiz, I hear you talk about a steepness of one
24 sometimes, that we set the steepness at one, and is that right?
25 What does that mean, because I still don't really completely
26 understand how you get to this steepness, and that's the joke
27 that Luiz was making with me earlier, because I read this SSC
28 report, and, John, you did a great job on it, but I am not a
29 PhD, and so it was talking all about steepness, but it never
30 really defined what the heck is steepness, so I could understand
31 the discussion, and so what does that mean?
32

33 **DR. BARBIERI:** Can I just take my first stab at this, and then I
34 will let Dr. Cass-Calay, because I thought about this since your
35 question. When you talk steepness, it's the slope, and so you
36 have a function that is a linear function that you are trying to
37 relate recruitment, the fish that are born and recruited into
38 the population, and how you relate that to the spawning biomass
39 of the stock, and so you think, okay, if I have this many
40 chickens, they are going to be producing this many eggs, and so
41 you have this many fish, and all these fish are spawning, and
42 all that spawning is going to translate into recruits that are
43 going to be born, and so you're trying to find the relationship
44 to having more fish in that spawning stock biomass, and does
45 that mean higher recruitment?
46

47 You have that relationship, and that's what the stock-
48 recruitment relationship that we talk about all the time

1 actually means, trying to find the relationship between the two,
2 and what happens is that that functional form of that curve has
3 parameters, and steepness is one of the parameters, and it
4 represents the slope that you have near the origin of that
5 curve, and so you think about this here on this axis, and you
6 have recruitment, and here you have spawning stock biomass.

7
8 If that steepness is high, what you're basically saying is that,
9 over a whole range of spawning stock biomass, from small to
10 large, you don't have a lot of variability in recruitment, and
11 so the two are basically kind of independent, and so it doesn't
12 matter how much you have in terms of spawning stock biomass, and
13 you could have independent values of recruitment.

14
15 When the steepness is lower values, the functional relationship
16 between the two is -- It's more, really -- You are more likely
17 to have more recruits if you have higher levels of spawning
18 stock. Does that represent this correctly, Dr. Cass-Calay?

19
20 **CHAIRMAN GUYAS:** Go ahead, Shannon.

21
22 **DR. CASS-CALAY:** Thank you. Yes, Luiz is correct. I just did
23 want to point out though that the Science Center has used
24 steepness of one not because we believe there is no relationship
25 between spawning stock biomass and recruitment. It's because we
26 don't know the shape of that relationship, and we can't reliably
27 estimate the parameters.

28
29 What we've done, in effect, is set steepness to one in the stock
30 assessment model, which forces SS then to use essentially
31 average recruitment over some timeframe, which we have
32 specified, and so it's saying that, basically, in the next short
33 term, three to five years, where we make our forecast, we expect
34 the recruitment will be about average, and so we do not believe
35 the steepness is actually one, and one reason, just to point
36 out, is, as you fish the stock down to zero, in the steepness
37 one scenario, recruitment would continue at average rates
38 forever, even as you fish the stock to zero, and that is not
39 what we believe.

40
41 Yes, his explanation is correct, but I just wanted to make sure
42 that you understand that, in fact, steepness is not one. It is
43 something less than one, and it's just not known exactly the
44 shape or what exactly the parameter estimates are.

45
46 The new version of SS actually allows us to specify recruitment
47 very flexibly, and it does not require us to fit steepness at
48 one to do so, and so there may be new options that we can

1 utilize in SS 3.3.

2
3 **DR. BARBIERI:** Madam Chair, if I may, but, you know, I think
4 this is an important decision and discussion, mainly because
5 this matters, because, when you set SPR proxies that you are
6 trying to basically put on the side a certain amount of spawning
7 stock biomass, so you can have some assurance into the future of
8 having recruits to maintain your fishery sustainably, it matters
9 to know how much. All those values that are showing up in the
10 SPR proxies are indicative of our impressions of the
11 productivity of the stock and how independent those two are.

12

13 **CHAIRMAN GUYAS:** Kevin.

14

15 **MR. ANSON:** Dr. Calay, do you envision, with the new version of
16 SS, that the Science Center will be able to produce some
17 sensitivities related to steepness and some options there?

18

19 **DR. CASS-CALAY:** Yes, we can, and we always have been able to
20 fix steepness at different values and to estimate different
21 scenarios, but it's just that SS 3.3 now allows even more
22 flexibility to control our understanding of what recruitment is
23 likely to be in the future.

24

25 I think that Luiz already mentioned this, but, essentially,
26 there are two different approaches that we can use. One is to
27 fix steepness at different levels and to use multi-model
28 inference, and another is to actually use a prior on steepness
29 and integrate the uncertainty that way, in addition to our
30 default option, which is to set steepness at one, and all of
31 these are -- We can evaluate the performance of all of these
32 types of analyses.

33

34 **DR. BARBIERI:** Okay, and so there we go for steepness, and that
35 actually ties very well into the next topic that we're going to
36 be discussing, which is alternative ABC control rules. Dr.
37 Calay came over and gave us an overview of some ideas the
38 Science Center has been considering and discussions they have
39 been having in terms of how, in our region, we have with the
40 three councils different ABC control rules and how to structure
41 these ABC control rules and some of the pluses and minuses,
42 advantages and disadvantages, of some of the criteria that we
43 have now identified in our control rule.

44

45 The SSC has been somewhat dissatisfied with the structure of the
46 ABC control rule that we have in place right now. It's been
47 more like a placeholder until we were able to modify and then
48 come back with something that was more meaningful, but, right

1 now, the way that we have for assessed stocks, our ABC control
2 rule using the P* approach, it basically conflates the risk and
3 the uncertainty components into the developing of that buffer
4 between OFL and ABC, and so we kind of would like to have those
5 issues more separate and consider development of the different
6 approaches on how we structure an ABC control rule, and that has
7 to do with the amount of uncertainty that we can actually
8 estimate within a stock assessment, how much that uncertainty
9 can translate into that probability density function that the
10 Center builds around your estimate of the overfishing limit, or
11 MSY, that we use to then develop that buffer.

12
13 We had quite a bit of discussion on different approaches that
14 could be used and different ideas from different committee
15 members, and we couldn't really get to any specific
16 recommendation, and so one idea was to reconvene the ABC control
17 rule working group, which I would guess about ten years ago it
18 was put together to develop the ABC control rule framework that
19 you have in place now. Since we want to have the current ABC
20 control rule looked over and revised, we would like to reinstate
21 that ABC control rule working group and discuss some options. I
22 will pause there, Madam Chair.

23
24 **CHAIRMAN GUYAS:** Okay. If we want to follow through with this
25 recommendation from the SSC, we will need a motion to reconvene
26 the ABC control rule working group. I am just putting that out
27 there for the committee's consideration.

28
29 **DR. BARBIERI:** Madam Chair, one other issue, just to clarify,
30 because I didn't make that explicit here in the presentation, is
31 the last time we had, I believe it was one or two, council
32 members that volunteered to participate in the ABC control rule,
33 to kind of help us through that process, and so that would be
34 very helpful as well, if we had people who are interested in
35 this topic and could help us sort this out.

36
37 **CHAIRMAN GUYAS:** So we also need some volunteers if we want to
38 get that group together. I'm just putting that out there for
39 you all to think about. Leann.

40
41 **MS. BOSARGE:** I remember we talked about this a little bit, and
42 I forget which stock assessment it was that you presented to us,
43 but I remember you making a comment that the ABC control rule
44 didn't seem to really be capturing what was there, the
45 uncertainties that were there, very well, and so I am in favor
46 of that.

47
48 **I read about it in the SSC report, and it sounds like you all**

1 looked at it pretty closely, and, if you could get together, you
2 could probably make some headway on it, and so I'm willing to
3 make that motion right there, the one that says reconvene the
4 ABC control rule working group to evaluate the existing rule and
5 proposed improvements, if I can get a second this time.
6

7 **CHAIRMAN GUYAS:** Looking for a second. It's seconded by Kevin.
8 Let's get that up on the board. We've got the motion on the
9 board to reconvene the ABC control rule working group to
10 evaluate the existing rule and proposed improvements. Is there
11 any other discussion on this? **Seeing none, is there any**
12 **opposition to this motion? Seeing no opposition, the motion**
13 **carries.** Dr. Simmons.
14

15 **EXECUTIVE DIRECTOR CARRIE SIMMONS:** Thank you, Madam Chair. I
16 would just say that we'll work with the Chair to figure out who
17 is going to be on this group and how many council members we
18 need to get involved. Last time, we did this I think by
19 webinar, but, this time, we may consider an in-person meeting,
20 and so we'll need to work that out with the chair of the council
21 and the SSC. Thank you.
22

23 **DR. BARBIERI:** Yes. Excellent idea. Thank you, Madam Chair.
24 If we go back to the presentation, another presentation that the
25 SSC received was by Dr. Richard Cody with the MRIP office, NMFS
26 Office of Science and Technology MRIP Program, and he gave us a
27 review of MRIP and state survey data collection and calibration
28 efforts that are taking place.
29

30 You may remember that all the different state surveys for red
31 snapper and, in some states, for other reef fisheries as well,
32 have been in the process of being evaluated and compared with
33 the MRIP survey, even the surveys being certified, the ones that
34 we have in the Gulf now that have been certified, the so-called
35 supplemental surveys.
36

37 Actually, they still are not able to be fully calibrated and
38 comparable with the FES-calibrated MRIP data, and so all of that
39 needs to be resolved, because, at some point also, we need to
40 get the different surveys amongst the different states to sort
41 of talk to each other, in terms of calibration, and then have
42 some way to relate them to the MRIP survey results, so we can
43 have a Gulf-wide, space-wide, idea of the total recreational
44 catch, for red snapper in particular, but some other reef fish
45 as well, that can be used for assessments, and then, relating to
46 MRIP, there is the whole issue of being able to go back in time
47 and evaluate how that time series of recreational fisheries data
48 relates in the past to what is being caught right now.

1
2 That process is taking place right now, and there is a GRFS, the
3 Florida Gulf Reef Fish Survey, that is actually meeting
4 officially in September with MRIP staff and some other folks to
5 have a more in-depth discussion about how the GRFS survey
6 relates to MRIP and how that can be all calibrated and
7 understood, and the idea is to start with Florida, but,
8 actually, NMFS should be reaching out to some of the other Gulf
9 states as well and trying to coordinate similar workshops going
10 on with them as well.

11
12 This wasn't really part of the SSC meeting itself, in terms of
13 Dr. Cody's presentation, but it was relevant to our discussion
14 here that NMFS just released a white paper that makes some
15 recommendations, from the agency perspective, on how to handle
16 the recreational fisheries data being collected in the Gulf for
17 use in stock assessments.

18
19 Really, this white paper is aimed at providing some guidance to
20 our Science Center, so the analysts can know what data can be
21 used for assessments, but also to the SSCs, in terms of how to
22 interpret and review those assessments and make the stock status
23 determination and catch level recommendations.

24
25 This white paper is still kind of fresh off the press, and it's
26 going to be discussed in more detail on Monday, August 26, and
27 there is a webinar of the SEDAR Steering Committee that is
28 focused exclusively on this topic and discussing this white
29 paper, and so we're going to know more about that after that
30 meeting and that discussion, and I will pause there, Madam
31 Chair.

32
33 **CHAIRMAN GUYAS:** Shannon.

34
35 **DR. CASS-CALAY:** I just wanted to note that Ryan Rindone made me
36 aware that it's also on the agenda of the September SSC meeting,
37 and so we will be discussing it then as well.

38
39 **DR. BARBIERI:** Moving on then to the next topic, discussion of
40 SEDAR 62 gray triggerfish assessment progress, some problems
41 were identified looking at the age data for gray triggerfish as
42 the data process for this assessment started, and some bias in
43 ages between dorsal spines and otoliths were identified.

44
45 This kind of caused a little bit of a setback on the progress of
46 this stock assessment, and so this for your information, and the
47 analytical team from the Science Center has switched the model
48 from an age-based to a length-based approach, and they do not

1 expect a long delay, despite the setback and despite this change
2 in model -- On the assessment completion, but there might be a
3 month or two in delay that might be caused by this problem, and
4 so this is just an informational update for you to know that
5 this has happened. Are there questions from anybody?

6
7 If not, Madam Chair, moving on to, again, another informational
8 piece, and we reviewed the scopes of work for the gray snapper
9 and hogfish operational assessments, and the scopes of work --
10 This is part of a new procedure identified by the SEDAR Steering
11 Committee and the SEDAR program to give the Science Center sort
12 of like a heads-up of the general game plan for how stock
13 assessments are going to be structured.

14
15 You put together this scope of work that identifies the basic
16 framework that is going to be used, the types of data and the
17 whole process that you want to follow for that assessment, so
18 all the data inputs can start being prepared and the samples
19 processed ahead of time, if need be, and then the Science Center
20 can have a heads-up, in terms of scheduling that work. Usually,
21 and, Mr. Rindone, correct me if I'm wrong, but I think these
22 scopes of work have been put together for assessments that are
23 going to actually be started in either 2021 or 2022.

24
25 **MR. RYAN RINDONE:** Yes, that's correct. The SEDAR Steering
26 Committee directed the cooperators, which are all the people
27 that use SEDAR in some way, to try to get these submitted to the
28 Science Center at least two years in advance, and that just
29 helps them with data compilation and everything, so that they
30 can schedule their workloads.

31
32 I will note that the gray snapper statement of work was not
33 finalized at this SSC meeting. It will be brought up at the
34 next one, and council staff will work with the Science Center to
35 iron out some of the wrinkles with that, prior to bringing it to
36 the SSC.

37
38 **DR. BARBIERI:** Correct, and one of the discussion issues that
39 came up during the SSC meeting, as we looked through this scope
40 of work for gray snapper, was the level of detail, complexity,
41 in terms of new data sources being used or new approaches, new
42 biological information, things that would depart from what would
43 be sort of like a standard update type of assessment into
44 something that's a bit more complex.

45
46 This raised some questions, because there is always this
47 tradeoff between having assessments that are more inclusive of
48 data and new biological information and can be more complex in

1 nature versus the speed, the throughput, that we would like to
2 have in terms of completing a certain number of stock
3 assessments per year and helping our Science Center schedule
4 their work in a way to maximize that efficiency in assessment
5 throughput, and so this is something not to discuss today, but
6 for you to keep in the back of your mind, and I don't know if
7 Dr. Calay has any input on this well from the Science Center
8 perspective.

9
10 **DR. CASS-CALAY:** Sure. Thank you very much. I think, when we
11 were envisioning the operational assessment process, it was
12 really an attempt to streamline SEDAR to make the process more
13 efficient, and we had prefaced it as something that would
14 eventually lead to improved throughput, but the only way we get
15 that improved throughput is to make the stock assessment process
16 itself more efficient, and so it is just a tradeoff between how
17 much new information you want introduced and how much throughput
18 you desire, but, the closer these assessments are to benchmark
19 assessments, with new data and new structures, the closer we are
20 to status quo and not the improvement in throughput that we
21 desire.

22
23 I think what the Science Center needs to do is kind of look at
24 the statement of work and give a bid, essentially, for how many
25 weeks that would take to conduct that statement of work, and
26 then we can use that as the basis for how to create calendars.

27
28 **DR. BARBIERI:** If there are no other questions or comments, I
29 will proceed. The next topic was another presentation that was
30 brought before the SSC, and this was on explosive removal of
31 structures, this being oil rigs in the Gulf, mainly off of
32 Louisiana, and the fisheries impact of what these removals are
33 potentially causing.

34
35 This was a presentation given by Dr. Benny Gallaway from LGL
36 Ecological Research Associates, and Dr. Gallaway is actually an
37 SSC member as well, and so he mentioned that he wanted to bring
38 this information before the council, but he felt that it was
39 most appropriate to first come before the SSC, since this has a
40 lot of technical details, and it's sort of heavy on the science
41 side of things, and then communicate to you that way.

42
43 This presentation was on ongoing research on the effects of this
44 explosive blasting to remove offshore oil rigs, mostly off of
45 Louisiana, and evaluating then, through that, what the impacts
46 were to the populations and the fisheries as a whole, because,
47 of course, those structures function as attractors, and they
48 retain some community of fish associated with them.

1
2 This study is ongoing, and it's very complex, very large-scale,
3 and LGL is working and organized this work to pull folks from
4 the Science Center, a whole suite of cooperators, different
5 cooperators, and he is using multiple techniques to assess fish
6 abundance and come up with estimates of biomass for different
7 species, and it's something that eventually is going to be
8 completed, I think, by the end of the year, and it's going to be
9 brought again before the SSC for evaluation in more detail, but
10 preliminary results show that as much as 5 percent of the total
11 red snapper abundance estimated for the Gulf is associated with
12 those oil rigs that are being present there, and that about 45
13 percent, and these are preliminary results, of course, of the
14 total greater amberjack abundance as well.

15
16 Of course, this 45 percent of greater amberjack abundance being
17 on those rigs raised some eyebrows, and Dr. Gallaway and the LGL
18 team itself were aware of the fact that that is a very large
19 proportion of the greater amberjack population to be estimated
20 to be there, and so either they have to adjust their
21 methodologies for what they estimate in terms of abundance and
22 biomass or it indicates that we have a problem with the current
23 estimate of stock biomass for greater amberjack, what came out
24 of the last assessment.

25
26 We knew already that our greater amberjack assessment was highly
27 uncertain, and it had a lot of data limitations and a lot of
28 uncertainties, and so this is no big surprise, but I think that
29 this independent work actually helps us develop some
30 appreciation for the degree of misestimation there of that stock
31 abundance or biomass for greater amberjack.

32
33 Then another take-home message that came out of this study was
34 that the fishing mortality rates, and they used mark-recapture
35 techniques around these rigs over the duration of the study so
36 far, and they estimated some very high fishing mortality rates
37 coming out of these rigs, and this is in agreement with some
38 other studies that you may remember from the Science Center.

39
40 Dr. Karnauskas and colleagues from the Science Center also did
41 that evaluation of all the artificial structures throughout the
42 Gulf, and it was looking at the biomass, the abundance and
43 biomass, of red snapper on those structures as compared to the
44 size of the stock, and they also found out that, one, a very
45 small proportion of the red snapper seem to be in those --
46 Relative to the size of the population as a whole, on those
47 rigs, but that those rigs are important to the fishery, because
48 they really provide a place for people to go and fish, and the

1 fishing mortality rates around those rigs are really, really
2 high, which seems to indicate that those fish are being utilized
3 by the fishery.

4
5 Dr. Gallaway wanted to point out that removal of these rigs will
6 have an impact, not necessarily on the red snapper population,
7 but it will impact the fishery, by not providing that fishing
8 opportunity that exists now for those people who choose to fish
9 there.

10
11 **DR. CASS-CALAY:** We are very excited by this study, and this is
12 extremely useful information, which we will use in our next
13 assessment for both red snapper and greater amberjack. I did
14 want to point out that this study focused on oil rigs
15 predominantly off of Louisiana, and the bulk of the greater
16 amberjack stock in our assessment is the West Florida Shelf, and
17 so there could be a mismatch of spatial area here also, rather
18 than stock size itself, but these are all topics that we will
19 look into for the next greater amberjack assessment.

20
21 **DR. BARBIERI:** Yes.

22
23 **CHAIRMAN GUYAS:** Greg and then Leann.

24
25 **DR. STUNZ:** Luiz, my understanding -- So that's for active
26 platforms that he's looking at, and so I don't know the exact
27 number, but there's like 800 left, and so this is from -- In
28 other words, obviously, the 45 percent is an eyebrow raiser, but
29 the 5 percent is an eyebrow raiser for me as well for red
30 snapper, because, if you have got 5 percent on the 800
31 structures that are left, there is plenty more than that that
32 are cut off and are artificial reefs, and I think you make the
33 assumptions that the numbers are probably similar among those,
34 and then however many artificial reefs you've got.

35
36 I guess my point is that's a lot of fish just -- Not even
37 counting natural banks and their natural structure kind of
38 thing, and so, even though when I first read that, I thought 5
39 percent, but then, when you really put it in perspective that
40 that's only for his estimate of 800 or so, that's a high
41 percentage of biomass there.

42
43 **DR. BARBIERI:** To that point, Madam Chair, and Benny, Greg, did
44 point this out, that, in this case, these structures may be
45 somewhat different than other artificial reefs that we have, the
46 vast majority that we have, out there, given the way that they
47 are structured, the depths that they are at, and the whole sort
48 of formation of how they are structured. It may not be

1 representative of a lot of the other areas and artificial
2 structures, but this is something that they are looking at right
3 now and trying to get to the bottom of, yes.

4

5 **CHAIRMAN GUYAS:** Leann.

6

7 **MS. BOSARGE:** I just wanted to say thanks for making room on
8 your agenda for that presentation. I had actually requested I
9 think just a copy of that research paper from Dr. Gallaway to be
10 sent over to the Science Center, because I thought it might have
11 some information on the peak spawn for amberjack, really, was
12 what I thought might be in there that could be helpful for the
13 assessment, but it sounds like there was even more information
14 that may be helpful, and so thanks for making time for that.

15

16 **DR. BARBIERI:** It was really informative, and I know somebody
17 very close to me who works on amberjack reproduction, and he has
18 a study that spans like from the Florida Keys into areas of the
19 West Florida Shelf, and the size composition alone of the
20 greater amberjack that is seen around these rigs is very
21 different than what we see in areas of Florida, even in areas
22 that actually collect fish for spawning aggregations, in the
23 Pinnacles and areas that large amberjack come and aggregate to
24 spawn, and so this might be a different component, as Greg
25 pointed out.

26

27 If there are no other questions or comments, I will move on.
28 The last couple of items that we discussed, there is the almaco
29 jack life history and landings summary, and you actually saw the
30 hot sheet presentation on the African pompano that was somewhat
31 similar to the document that we looked at for the almaco jack,
32 but this was really a document that was looking at the biology,
33 the landings, the structure of the fishery for almaco jack, and
34 the SSC was being asked to consider the possibility of weighing-
35 in and providing some input on development of management
36 recommendations for almaco jack that would align with
37 recommendations that were implemented by the South Atlantic
38 Council and Florida FWC for the commercial sector of almaco jack
39 in the South Atlantic area.

40

41 If I understand correctly, you, having heard about those issues
42 in the South Atlantic, demonstrated an interest in having
43 similar regulations developed for almaco jack in the Gulf, and,
44 knowing of the paucity of more detailed information, requested
45 this summary of life history and landings and all this other
46 information on almaco jack be compiled for the SSC to evaluate
47 whether there was enough data to provide some well-informed
48 advice on potential regulations.

1
2 Unfortunately, we actually decided that we couldn't at this
3 time, and almaco jack is a very data-poor species, and it was
4 looked at as a potential data-poor assessment stock during SEDAR
5 49 a few years back, and the Southeast Fisheries Science Center
6 team, the analytical team that looked at that, looked into this
7 in a lot of detail, and they really compiled a good process for
8 looking at the available data and sorting through all of this,
9 and almaco jack did not make the cut for that, given all the
10 paucity of information.

11
12 This is a species that is very important to the aquaculture
13 sector, and there are some projects, I guess, that are ongoing
14 now raising this species for aquaculture, but it's very
15 difficult to relate, for example, size and age at sexual
16 maturity or some other life history parameters from those
17 aquaculture-reared fish to wild stocks, because wild stocks are
18 under very different conditions, and so the SSC appreciated all
19 the information that was put before us and thinks that's a good
20 starting point, but not enough at this point for us to provide
21 management recommendations on almaco jack. I will pause there
22 again, Madam Chair. Let me, just for a second -- Natasha, did I
23 miss anything here?

24
25 **DR. MENDEZ-FERRER:** No. Thank you. You summarized the
26 document. Thanks.

27
28 **DR. BARBIERI:** I just wanted to make sure, because she put
29 together that base document and came and gave a presentation,
30 and it was very good, to the SSC, and I wanted to make sure that
31 I wasn't leaving important parts out.

32
33 Last, but definitely not least, under Other Business, we
34 discussed the issue, an issue that has been identified and has
35 major implications for the way that we look into stock status
36 determination, and actually management advice coming out of
37 stock assessments for some of the reef fish species that we deal
38 with in the Gulf, and it's a pattern that we have that the SSC
39 and other folks have observed that some of the projections that
40 come out of these assessments seem to have a fairly high spike.

41
42 After the terminal year of data in the assessment, when you have
43 the stock status determination and you make projections for what
44 the landings should be for OFL and ABC, there are several
45 species where you see this, including, it looks like, what we're
46 going to be fairly soon for red grouper, is that we see this
47 spike in the projections, in the landings for the projections.

48

1 The SSC expressed some concern over this, and we requested that
2 the Science Center analyze these assessment outputs and look
3 into this issue in more detail, to try and identify what are the
4 causes of this, and is this a problem, and, if it is a problem,
5 can it be solved, but at least come back to us with some
6 additional information on this.

7
8 Dr. Calay actually was at our last meeting, and she pointed out
9 that the Center has been thinking about this as well, and so
10 it's just something that we basically need to work together in
11 evaluating in our way forward.

12
13 At this past meeting, this was basically just a quick
14 informational discussion, and we requested the Center to look
15 into this in more detail, and they are going to come back at our
16 September meeting, I hope, with some additional results on this.

17
18 **CHAIRMAN GUYAS:** Shannon.

19
20 **DR. CASS-CALAY:** Thank you. We did have a three-day meeting, or
21 a two-day meeting, with Rick Methot following the SSC meeting,
22 and we did look in detail at the red grouper assessment
23 projections, and we found no problems, no errors, to speak of,
24 but there are some things that we can discuss, which will
25 explain, I think, why what you see occurs.

26
27 We haven't yet had a chance to look at any other assessments
28 that may have shown similar behavior, and so we can discuss this
29 further at the September SSC meeting, but, at least with red
30 grouper, no errors were revealed during our two-day analysis of
31 this topic with Rick.

32
33 **DR. BARBIERI:** Madam Chair, if there are no additional questions
34 or comments, I think this completes my report.

35
36 **CHAIRMAN GUYAS:** All right. Thank you, Dr. Barbieri. It is
37 4:46. Just kidding. Leann.

38
39 **MS. BOSARGE:** If we're done with that, I was going to circle
40 back to African pompano, but I talked to Martha offline a little
41 bit, and I think the most productive use of our time would be to
42 maybe let Martha have some time to get with her people in
43 Florida and look at their regulation, and then we'll circle back
44 to it maybe during our committee report, but, just so that
45 you'll be clear what my question is when you talk to your
46 people, the regulation for the commercial bag limit says that
47 persons harvesting for commercial purposes shall not harvest or
48 possess, while in or on state waters, more than two African

1 pompano.

2

3 I think that possession prohibition is what is causing an issue
4 for these commercial guys, because it doesn't say that it
5 doesn't matter where you caught them, but you cannot possess
6 more than two in state waters, regardless of where you caught
7 them, and I think that's the issue for the commercial guys, that
8 they're fishing in federal waters, where they don't have the bag
9 limit, but, if they come into state waters, then they're in
10 violation, because they're in possession of more than two, and
11 that's why I was asking if a transit provision of some sort
12 could be put in there for people that fishing in federal waters,
13 so they're not in violation when they enter state waters, but I
14 didn't want to get into the debate now. I thought it would be
15 best to just let you go back and talk to your people, and we
16 could circle back at Full Council.

17

18 **CHAIRMAN GUYAS:** Let me say this. I mean, this is -- I guess
19 African pompano, permit, and pompano has been on our workplan.
20 The way that the recreational bag limit is written in rule is a
21 little bit different. That one says within or without state
22 waters, and that means federal waters or state waters, and so it
23 looks like the in or on is -- I can see how people might think
24 that, but that's not actually -- That is about harvest. If
25 you're harvesting in or on, then you have to abide by those
26 limits, not if you're necessarily coming from somewhere else and
27 coming in to land.

28

29 I can see where there could be some confusion, but that's -- The
30 recreational bag limit is structured just slightly different,
31 and the within or without language is the key for when we extend
32 or rules into federal waters, and that's not there for the
33 commercial limit.

34

35 **MS. BOSARGE:** Right, and so I guess what I am trying to do is
36 find a fix for this without us having to start managing African
37 pompano federally because they need to transit through state
38 waters, and so, if you could talk to your people and see if you
39 all can work out a clarification into that language, and we can
40 solve this problem that way, that would be great, and maybe just
41 get back to us on Thursday with some ideas.

42

43 **CHAIRMAN GUYAS:** Well, I probably can't tell you on Thursday
44 whether or not the commission is going to do that. That's not
45 really my call, but I can tell you that African pompano, in
46 general, is on our workplan, or permit, pompano, and African
47 pompano. That rule is our list of things to work on, and so
48 noted. All the discussion we've had today is certainly noted

1 for that.

2
3 **DR. FRAZER:** I think that we have completed the agenda for
4 today. If the council members would check your email, that
5 would be good, with regard to a social this evening, and then we
6 will reconvene tomorrow at 8:30 in the morning with the Reef
7 Fish Committee. See you tomorrow at 8:30.

8
9 (Whereupon, the meeting recessed on August 12, 2019.)

10

11

- - -

12

13

August 13, 2019

14

15

TUESDAY MORNING SESSION

16

17

- - -

18

19 The Reef Fish Management Committee of the Gulf of Mexico Fishery
20 Management Council reconvened at the Hyatt Centric French
21 Quarter, New Orleans, Louisiana, Tuesday morning, August 13,
22 2019, and was called to order by Chairman Martha Guyas.

23

24 **CHAIRMAN GUYAS:** I am going to turn it over to Ava to get us
25 started on our first item of this morning, which is 36B and all
26 related things.

27

28

**DRAFT AMENDMENT 36B: MODIFICATIONS TO COMMERCIAL IFQ PROGRAMS
AND PRESENTATIONS**

29

30

31 **DR. AVA LASSETER:** Wonderful. Thank you. We have a few things
32 on the action guide and in the agenda for this action, but if we
33 could put up the presentation for just a moment and take just a
34 couple of moments to put us all in the context of what we're
35 going to be talking about today.

36

37 This is actually the second slide in your presentation, and it's
38 at Tab B, Number 7(b), and this is an overview of the actions
39 that are in the amendment and the materials in the amendment,
40 and so first is the purpose and need, and this is where your
41 program goals are, and we're going to come back and spend some
42 time on this.

43

44 Then the remaining bullets here are the actions in the
45 amendment, a little short description of how they connect or
46 what the sub-actions are, and so, within Action 1, you have a
47 sub-action that would require some or all shareholders to have a
48 commercial reef fish permit, and then the next sub-action would

1 establish a process for share divestment for any shareholder who
2 is unable to meet those new requirements, and so that's in the
3 Action 1, and we covered that at the last meeting, at least the
4 Action 1.1.

5
6 The next action addresses the distribution of shares that were
7 reclaimed through Amendment 36A, and it would also include any
8 divested shares as a result of that previous action, the Action
9 1.1 and 1.2, and the action addresses what to do with those
10 shares, how to distribute them, and there is two approaches
11 there. You would either go ahead and distribute those shares
12 back out or use those shares to be the beginning of your quota
13 bank.

14
15 What you see in the next action is developing a quota bank, and,
16 here, you have several sub-actions, which I am going to briefly
17 just pop us down to, and so these are the actions in the quota
18 bank, and there is four of them, and so these are the things to
19 be thinking about in terms of the decisions that will need to be
20 made in developing a quota bank.

21
22 The first one is the threshold of allocation to add to a quota
23 bank, and be thinking about how much quota to put in there, and
24 remember that this amendment is addressing both the red snapper
25 IFQ program and the grouper-tilefish IFQ program, and so what
26 are we talking about for the quota bank? Is this going to be
27 red snapper quota only in there, or are you wanting to address
28 the grouper-tilefish share categories as well?

29
30 Other decision points for a quota bank is who would be the
31 eligible recipients of the allocation in this, and now you have
32 proposed some groups of people that we're going to need to
33 define, small participants, new entrants, and providing quota to
34 alleviate the issue of dead discards in the eastern Gulf and who
35 would qualify for each of these and how do we define those
36 groups.

37
38 Then the next sub-action is going to pertain to the amount of
39 allocation for those eligible recipients, and so, once you have
40 decided who would be the small participants, the new entrants,
41 how much allocation should be provided to each of those groups
42 and for each individual within each of those groups.

43
44 Then, finally, the distribution of allocation, and how would you
45 distribute that quota from the quota banks to those defined
46 recipients, by lottery, and then you've also come up with -- You
47 have a motion from some time ago where you talked about looking
48 at an adaptive redistribution based on fishing participation,

1 and so these are some of the broader questions and decision
2 points that are in the document, and we'll also come back to
3 these later in the presentation, but these are things to be
4 thinking about, because we're going to start with a presentation
5 on quota banks, and so that was our Action 3, developing a quota
6 bank. The final action in the amendment, and we also covered
7 this at the last meeting, would be the accuracy of estimated
8 weights and the landing notifications.

9
10 Before we go to the quota bank presentation, I just want to
11 remind everybody also of some definitions of what we're talking
12 about, and so, whenever we talk about a share in the IFQ program
13 -- With share, we're talking about a percentage of the
14 commercial quota, and those share are durable, and they stay
15 with the user, with the shareholder, until they have transferred
16 them, until they belong to a new shareholder.

17
18 When we use the term "allocation", then we're talking about
19 pounds, and so share is a percentage, and allocation is pounds.
20 These pounds are the amount of quota that is represented by your
21 percentage, your share, of the entire quota for that year, and
22 so keep those in mind, and we're going to turn things over now
23 to Mr. Paul Parker, who is going to provide us a presentation on
24 quota banks.

25
26 At the last meeting, Mr. Eric Brazer of the Shareholders
27 Alliance came and talked to you about a locally-developed, a
28 regional Gulf of Mexico shareholder quota bank, and Mr. Parker
29 has experience working with quota banks in the national stage,
30 and both Mr. Brazer and Mr. Parker have also come and spoken to
31 our advisory panel as well, and so, with that, I'm going to turn
32 it over to Mr. Parker. Thank you.

33 34 **QUOTA BANK PRESENTATION**

35
36 **MR. PAUL PARKER:** Good morning. Thank you very much, Mr.
37 Chairman and Dr. Ava Lasseter, for inviting me to speak this
38 morning and share some of my experiences having to do with
39 permit banks, and I thought it would be helpful to start at the
40 beginning of my experience working in the commercial fishing
41 industry, just share a little bit with how I got involved in
42 permit banking, and then lead that up to the current work that
43 I'm doing with an organization called Catch Together that is
44 helping to support and develop permit banks and community
45 projects around the country. Then I will go back into a more
46 detailed explanation of the work I did on Cape Cod, and
47 hopefully we can make some parallels to the work that you have
48 in front of you to do with permit banks, and so thank you.

1
2 I started working on Cape Cod in 1997 as a commercial fisherman
3 and working with a group of commercial fishermen to build an
4 organization, and, at that time, things were very different.
5 The ecosystem was different, and we didn't have as many seals,
6 and we had a lot less great white sharks, and the temperatures
7 were different.

8
9 The markets, in many ways, were more volatile, and the auction
10 system was not as well evolved in New England. These days, more
11 fishermen are selling their product directly to the consumers,
12 and, since I started my work on Cape Cod as a commercial
13 fisherman, catch shares have come into place in groundfish as
14 well as in scallop and clam.

15
16 I guess I say all of that as a way to empathize with the change
17 that is going on down here, which is that these fisheries are
18 always changing. When I started work in 1997, everybody that I
19 met in the fisheries on Cape Cod told me that I should have been
20 there twenty or thirty years ago, and, unfortunately, I never
21 found that time machine to get back there, and I was left with
22 really an alternative of trying to work with the local community
23 to build a better future based on what their goals and their
24 vision was for themselves.

25
26 I worked, as I said, as a commercial fisherman in the
27 groundfish, scallop, dogfish, tuna, and lobster industries on
28 and off from 1997 to 2011, and, during that time, I worked with
29 the local fleet to build a commercial fishermen's organization,
30 and I did that work from 1997 to 2007.

31
32 Then, in 2007, we started the Cape Cod Fisheries Trust, which
33 was, in large part, a local response to the transition to catch
34 shares, and so the non-profit that I was working for actually
35 raised money and took on a bunch of debt and purchased catch
36 shares that they then managed with their local fleet, and they
37 still own those catch shares today, a decade later.

38
39 The entire experience that I've had working in commercial
40 fishing has sort of taught me the importance of grassroots
41 solutions and being flexible and adaptive, because conditions
42 are always changing, and it really doesn't matter what happened
43 yesterday. What matters is how you adapt to it and adjust into
44 the future.

45
46 Another core principle that has guided the work that I've done
47 has been building stronger businesses, because, ultimately, at
48 this stage of commercial fishing, at least in the communities

1 that I have worked with, commercial fishing has really become
2 more of a business, and it's really important to hold that up as
3 a standard for how to improve commercial fishing.

4
5 All of this has led to my current work with a group called Catch
6 Together, and we have four staff, and we're working with
7 communities on the east and west coast and in the Gulf of Mexico
8 to try to build permit banks as a response to catch share
9 changes.

10
11 Catch Together was something that, for me -- I had worked on
12 Cape Cod for a long time, and the Cape Cod Fisheries Trust had
13 been in place for a decade, and it was doing great things in the
14 community, and we'll talk more about the specifics in a moment,
15 but I got to the point where I realized that this is something
16 that we could do in other places around the country. The
17 problems that we are adapting to and the problems that we're
18 helping communities to deal with are felt throughout the nation,
19 and so we heard similar stories from the Gulf of Mexico, from
20 Alaska, from the Pacific coast, even internationally, but our
21 business actually focused domestically solely.

22
23 We started a planning process to build Catch Together in 2016,
24 and we launched it in 2018, and what we do is we provide the
25 human resources and expertise and guidance and support to
26 fishing communities that are facing problems in catch share
27 fisheries and want to buy quota and manage it for the long term
28 to meet their goals and objectives, and so we're both a support
29 system and a source of capital.

30
31 I guess a lot of people might ask, well, why do you care, what's
32 the point of what you're doing, and some of the things that we
33 really care about are right here. We think commercial fishing
34 is really important, and we think it's important locally, and it
35 helps to create a sense of place in our coastal communities.
36 It's a really important source of employment, and it's important
37 to families. Fresh seafood from commercial fishing gets all
38 around the country, and that's important as well, and so,
39 basically, that's what Catch Together does. We help permit
40 banks get off the ground around the country.

41
42 The last thing I will talk about, sort of on that big -- At that
43 high level, is just sort of the common challenges that we hear
44 our community partners talking about when we talk about doing a
45 project or a permit bank in a local community, and these are
46 things that seem to resonate from the documents that Ava shared
47 with me and that I have learned coming to this council over the
48 years, but certainly catch share systems make it difficult for

1 young fishermen to get involved in the fishery.

2
3 Having said that, I don't think it was ever easy for young
4 fishermen to get into the fishery. There has always been
5 challenges. When I started fishing in the mid-1990s, they were
6 different challenges. In my community, it was less about access
7 to capital and more about access to fishing bottom, and older
8 fishermen didn't let younger fishermen put their gear where the
9 fish were, and so there's always been different challenges for
10 young fishermen, but the access to capital challenge and the
11 high lease prices and high quota prices are a new kind of
12 challenge that not a lot of fishermen signed up for when they
13 got involved in commercial fishing.

14
15 We see bycatch of choke stocks pretty regularly around the
16 country, and sometimes those are mis-allocated. Maybe the
17 quotas for one thing are being set too high or too low, and
18 sometimes fish expand in their range, like some of the problems
19 that you're dealing with now, and so that can be a problem that
20 needs to be addressed.

21
22 Availability of quota can be a challenge. I know enough about
23 red snapper quota to know that it's hard to find it, no matter
24 what you're willing to pay, and that same thing is true for Gulf
25 of Maine cod. There is a price on it, but a lot of it is about
26 your network and whether or not you can access it at any price.

27
28 There is limited financing, and that varies region by region.
29 Some regions have standardized financing programs that allow
30 commercial fishermen to go in with a down payment, like you
31 would for a house, and get a product that would allow you to buy
32 the shares. Other regions don't have that. Some regions are in
33 the middle, and so, in New England, you can go into most
34 commercial banks and get a commercial loan to buy quota with 50
35 percent down, depending on the quota. In Alaska, you can get a
36 similar product that is state-backed with 20 percent down. Here
37 in the Gulf, I'm not aware of many banks that are making loans
38 on quota.

39
40 Maintaining diversification in catch share systems is also
41 really difficult, and you see that here and in other places, and
42 I will do one more slide on Catch Together and then break for a
43 couple of questions, if there is any big-picture stuff.

44
45 Some of the permit banks that we've worked with lately are on
46 Martha's Vineyard, where the community built a strategic plan
47 four years ago and saw that they needed to purchase access, in
48 order to stay in the fisheries, and they have strong support

1 from the municipality, in terms of availability of dockage and
2 places to bring their boats, but there are huge pressures in
3 terms of the high cost of living and difficulty finding crew and
4 captains in what is increasingly a resort town. The permit bank
5 that we worked with was able to purchase scallop, conch,
6 licenses, and lobster tags, and it is now allocating them in the
7 community to meet their goals.

8
9 We did a project in New England with groundfish, and our
10 community partner there is actually now involved in making some
11 small-scale loans to fishermen, in order to help them buy
12 permits and qualifying opportunities, and they are also actually
13 buying and selling some permits to help fishermen solve the
14 liquidity problem with finding the permits.

15
16 We have worked on a Gulf of Mexico red snapper project with Eric
17 Brazer, and he talked to you about that at the last meeting, and
18 we have recently done a transaction in Sitka, Alaska, where
19 we've made a loan to a community that then re-lends that money
20 to young fishermen trying to buy shares in the black cod and
21 halibut fisheries.

22
23 My point in this slide is I think that, oftentimes, there are
24 councils or communities that haven't heard a lot about permit
25 banks that might not be aware of the fact that this is a
26 solution that's being adopted in a number of different places
27 around the country, and there is a lot of support for
28 communities that want to be self-determinant and solve their own
29 problems, and so I will stop there for a minute, and I know that
30 a lot of that was very general information, and perhaps a review
31 for some of the council members, and then my next part of the
32 talk will just be to drill down on goals, vision, allocation
33 strategies, and eligibility criteria in a specific case that
34 might help you think about how a permit bank would be
35 structured.

36
37 **CHAIRMAN GUYAS:** All right. Thank you, Mr. Parker. Are there
38 any questions so far? Chester.

39
40 **MR. CHESTER BREWER:** It seems as though the different banks that
41 you're talking about are like small communities and individuals
42 that are putting together these banks and then utilizing them,
43 and are you aware of any government-type banks that would say be
44 on a council-wide basis or a state-wide basis? When I say that,
45 I'm talking about actually operated by a governmental entity.

46
47 **MR. PARKER:** Sort of two parts to the question, I think. The
48 first is, in terms of the list of examples in front of you, they

1 range in scope and scale from probably surveying ten fishermen
2 to maybe 150 fishermen, and so there is some range there, in
3 terms of scale, and I see opportunities to work at a larger
4 scale than that on the private side.

5
6 Having said that, the second part of the question is there are
7 state-run permit banks in New England, and, arguably, there is
8 some sort of quasi-governmental ones in Alaska. The state ones
9 in New England, basically there were federally-appropriated
10 funds that went to states, and I'm sort of winging it on this,
11 because I haven't paid a ton of attention to them in the last
12 couple of years.

13
14 I know that, eventually, Maine and New Hampshire both bought
15 quota, and I know that both states managed it for a while, and
16 Maine used an auction at one point, and the fishermen colluded
17 against the auction, in a sense, and pricing was not what I
18 would consider fair market. I'm not sure that that was a huge
19 headache for the state. I mean, they weren't hoping for a
20 revenue, but I think they were hoping for some more price
21 discovery than what they got.

22
23 New Hampshire then, I think, has divested the management of that
24 quota to the private sector, and it basically has some sort of a
25 co-management agreement with a local entity, but New Hampshire
26 is pretty small, in terms of coastline and fishermen served.

27
28 I think the challenges I see with state or federal-scale permit
29 banking is the ability to be self-determinant and then create
30 common problem statements and goals and objectives, and I think
31 you at this table know more than anybody about how hard it is to
32 come to agreement about what the problem is and then what the
33 right solution is, but I think that's a very big challenge in
34 this space.

35
36 **MR. BREWER:** Thank you for the information.

37
38 **CHAIRMAN GUYAS:** Greg.

39
40 **DR. STUNZ:** Thanks for the presentation, and I just have a few
41 general questions, and, obviously, for quota banks here, I
42 envision maybe a little more of a private-public partnership,
43 but your business is a for-profit bank?

44
45 **MR. PARKER:** We're non-profit. We're a non-profit entity that
46 lends to non-profit charitable organizations.

47
48 **DR. STUNZ:** So then you have a governing board then that guides

1 your program?
2
3 **MR. PARKER:** We do.
4
5 **DR. STUNZ:** Who are the constituents that would make up a board
6 like that?
7
8 **MR. PARKER:** Our board is called Multiplier, and our board of
9 directors is a pretty hands-off intermediary that basically
10 provides us with our operating support.
11
12 **DR. STUNZ:** Okay, but it's not, I guess, fishermen or --
13
14 **MR. PARKER:** They are not involved, and so all of those types of
15 decisions that we'll talk about in a moment, in terms of
16 allocation or acquisition or business model, those are all made
17 at the local level. We're a lender to the local partner.
18
19 **DR. STUNZ:** Okay, and so then maybe you will answer this then in
20 a minute, when we figure out how it works, but, as far as
21 recovery costs, funds recovered from those activities that pay
22 for management of the program, I guess at the federal level, do
23 you all pay those, or is that --
24
25 **MR. PARKER:** Catch Together is more like a non-profit bank, and
26 we make low-interest loans to community organizations that want
27 to buy these assets and manage them. We have management
28 agreements with them about what they will do with the quotas,
29 and they pay us back, and they have other requirements as well,
30 because we care about their pre-identified goals and objectives
31 and whether or not -- If we're going to give somebody a 2
32 percent loan, instead of a bank right now would give you a 5
33 percent loan, and we're giving a 2 percent loan because, yes, we
34 want to get paid back, but we also care about the other goals
35 and objectives that you have identified and told us you were
36 going to hit with your loan.
37
38 **DR. STUNZ:** Okay. Thank you.
39
40 **CHAIRMAN GUYAS:** Any other questions? I don't see any, and so I
41 think we're ready to move on. Please continue.
42
43 **MR. PARKER:** Great. Thank you very much. The next phase of the
44 talk is really digging deeper into the Cape Cod Fisheries Trust
45 example, and so this is the entity that I worked with from 2007
46 to 2017, for about a decade, and they continue to operate today.
47
48 I think this is a good way to think about the types of

1 challenges there are in setting up and structuring a permit
2 bank, whether it is in a private or public or a quasi-
3 private/public partnership.

4
5 In the Cape Cod Fisheries Trust example, this is basically a
6 non-profit business, and so it's a commercial fishermen's
7 organization with a fishermen board of directors that raised
8 debt and some grant money to purchase quotas from retiring
9 fishermen. They then rent those quotas, or lease the
10 allocation, to commercial fishermen in order to meet their goals
11 and objectives.

12
13 One of the primary goals that they established early in the
14 program was helping fishermen run better businesses, helping the
15 fishermen in their community be competitive in the new catch
16 share system that a lot of them weren't prepared for, and,
17 lastly, bringing fishermen together as a team to work on common
18 problems.

19
20 I will also say that one of the primary elements of this program
21 that allowed the fishermen's non-profit to be really successful
22 in training and supporting better business practices for new
23 commercial fishing businesses and older commercial fishing
24 businesses in the fishery was to partner with a non-profit
25 lender on Cape Cod called the Community Development Partnership.

26
27 That is basically a CDFI that has a lot of capacity in business
28 planning and training and understands how to help businesses
29 perform better, and so that organization was really important to
30 creating supportive programming alongside this commercial
31 fishing organization, so that, through the leasing of quota,
32 fishermen learned how to run a better business that enabled them
33 to buy their own quotas for the future.

34
35 The first part of the process for the board of directors was to
36 set their goals and their vision, and so the vision of the
37 program is that the Cape Cod fishing industry is vibrant and
38 sustainable and a model for other fishing communities, and so
39 that's the stated vision, and the goals fall out from that
40 vision, which is fishing businesses are strengthened, fishing
41 resources are protected, the way of life is maintained, and a
42 sustainable, community-based model is developed within the
43 community. I think those are pretty straightforward.

44
45 Then we drop down to some of the outcomes, and some of these
46 came directly from fishermen, and there was about a three-month
47 process of meeting with fishermen, and there was somebody in
48 charge of the strategic plan and in charge of meeting with the

1 fishermen and collecting their feedback and having a series of
2 meetings, but, basically, the expected outcomes are a strong
3 Cape Cod fishing economy, bankable fishing businesses, which was
4 a real threat to the community. A lot of the fishermen, when
5 the catch share system came into place, did not have bankable
6 businesses, and so they were very opposed to catch shares,
7 because they had no means of acquiring them, and they had no
8 access to capital.

9
10 Our fleet wanted to see profitability for the captains as well
11 as fair compensation for the crew, and that conversation about
12 fair compensation really came out of concerns that our fleet had
13 seen when they had traveled to places like Alaska or Iceland or
14 other places where crew, over time, had gotten less and less
15 pay, so that the boats could pay for lease and things like that.

16
17 Our fleet thought it was really important to maintain the
18 diversity of different fisheries, and so a lot of the boats are
19 set up so that they can gillnet for a lot of different species
20 or go scalloping or go lobstering, and they wanted to maintain
21 that.

22
23 Then, in terms of the guiding principles, these are really the
24 things that we always come back to, as the community would go
25 back to, when they are thinking about, all right, how are we
26 going to allocate this quota in a way that drives change to our
27 outcomes, like what do we really care about at our core, and so
28 that the fleet really wanted to see was supporting new
29 generations of fishermen, improved businesses, and they placed a
30 high premium on hard work and bringing the fleet together as a
31 team.

32
33 I think, oddly enough, the hard work guiding principle, which
34 seemed so obvious, if you're sitting around thinking about what
35 do we care about in commercial fishing and most commercial
36 fishermen and what do they value, but this actually didn't even
37 get added to the list until like the third year of operations,
38 when we were sitting around debating how we set up our
39 allocation system so that people that work harder, like are
40 willing to go harder and fish harder, how do they get rewarded
41 more in this system, and so we added it to the list.

42
43 In terms of eligibility, each one of these eligibility criteria
44 evolved over time, some of which took longer than others, but,
45 when you think about them as a complete package, all of these
46 eligibility criteria were designed to drive changes in the
47 fleet, which is to say that some of these things weren't in
48 place when the system was created in 2007, and so the first one,

1 in terms of paying taxes, if you care about building a fishing
2 fleet that can participate in a catch share system and be
3 bankable, the first thing a bank asks when you want to get a
4 loan is if you can provide them with a copy of your tax return.

5
6 When we started this program in 2007, about a third of the
7 vessels in our fleet were not compliant, and, on the second
8 case, fully insured, about two-thirds of our boats were what
9 they called at the time self-insured, and so, when you combine
10 those two things, and you look at how that affects your
11 community that is trying to now compete in a race for capital,
12 you can see that we were not well positioned to succeed in the
13 new system, and so creating these as eligibility criteria took
14 three years to phase them in, and there was resistance, and
15 there was concern, but, over time, the fleet became fully
16 compliant with these two criteria, and, eventually, we went to
17 measuring things like access to revolving lines of credit or the
18 ability to finance quota as indicators of whether or not our
19 fleet was becoming bankable.

20
21 On Cape Cod, in the example, there was a lot of concern about
22 being Cape Cod residents and compliance with regulations in the
23 leases, and we had additional requirements around participating
24 in the New England Fishery Management Council system as well as
25 showing up for monthly local meetings to discuss common
26 problems.

27
28 I added this slide, which is sort of thinking about what worked
29 in a local setting, and I think you can see that there's pros
30 and cons to this, as you look to apply it to a federal or a
31 state program, but a good roadmap for allocating quota amongst
32 participants is thinking about your vision for the future.

33
34 I think, in my experience, a lot of communities that I have
35 worked with over the last decade start with a vision of
36 restoring the past, and, a lot of times, those visions are
37 pretty difficult, and I know, in the areas that I have worked in
38 thus far, the economy is so drastically different today that
39 thinking about creating a fishery for 1965 is a little bit of a
40 non-starter, and so there is different capital requirements, and
41 it's a different lifestyle, and so it's really important to set
42 a vision that's forward-looking.

43
44 Follow your core beliefs and guiding principles. Again,
45 depending on your scale, it may be difficult to identify exactly
46 what you agree on, even at the highest level. Including the
47 fishermen, having a series of opportunities to have
48 conversations, perhaps professionally facilitated, where people

1 that oftentimes have joined an industry so they don't have to
2 deal with other people can come together, at least temporarily,
3 to have a conversation about common goals and objectives.

4
5 I think one of the problems that we definitely face in building
6 permit banks at a local level, as opposed to a government level,
7 is the potential for conflict of interest. There's been some
8 interesting conversations about that in permit banks around the
9 country, and there have been some studies of one of the permit
10 banks in New England, New Gloucester, about the potential for
11 conflict of interest and then a series of recommendations for
12 governance and structure that help people make sure that they
13 set up checks and balances around conflict of interest.

14
15 I think it's important to look for really good partners, and
16 different permit banks that I've worked with have different
17 outcomes that they are looking for, but, for instance, if what
18 you're trying to do is drive better business practices and
19 evolution of businesses to be more competitive, then you might
20 want to have somebody in that economic development space as a
21 partner.

22
23 I think it's really important to stay flexible and adaptive and
24 also to measure your progress over time, and these are two
25 things that successful permit banks are always doing.

26
27 I am just going to go quickly through the impacts that, ten
28 years later, the Cape Cod Fisheries Trust is enjoying, but it
29 really does aim for an industry on Cape Cod across a couple of
30 different fisheries and creates the core quota access that young
31 fishermen especially can count on in that community.

32
33 Some years, forty or fifty vessels participate, impacting eighty
34 to 120 fishing families, catching up to 1.2 million pounds of
35 seafood that helps to anchor \$6 million worth of seafood
36 landings annually, and those are sort of the hard facts. I
37 think some of the softer facts are how it builds teams around
38 common problems, better businesses, and also it creates a
39 roadmap to the younger fishermen about what it takes to be
40 successful in commercial fishing today on Cape Cod.

41
42 These are some of the themes I was hoping you would take home
43 from today's conversation, but adaptability is really important
44 in permit banking. Some of the things that we built in 2007 on
45 Cape Cod are needing to be changed today, and all catch share
46 systems are relatively new, and so the problems of today may
47 shift over time, and so figuring out how to address them in the
48 future is really important.

1
2 Building better fishing businesses is one of the core lessons
3 that we've learned, and I think a tremendous amount of the
4 resistance to catch share systems is a feeling of hopelessness,
5 that fishermen got into this industry for reasons different than
6 what catch shares create today, and so trying to figure out that
7 system, whether it's access to capital or getting the support
8 your business needs to improve really is an important component.

9
10 Having grassroots solutions and some sort of a process that
11 fishermen can participate in, in order to guide and shape permit
12 banks, is vitally important. To the point of government-run
13 permit banks, the ones that I've seen have struggled with
14 flexibility, efficiency, and scale, and one of the things we
15 sort of almost touched on in the questions was sort of what does
16 it cost to run these permit banks, and where is that money going
17 to come from, and those are some issues I have seen dealt with
18 well at a smaller scale in the private sector.

19
20 In terms of capital access, I think that's a key piece of it,
21 whether it's at the individual level or whether it's at the
22 community scale, and involving local finance organizations and
23 banks can be very important.

24
25 I know, on Cape Cod, and also in our work in Alaska, as local
26 institutions gain more information about the systems themselves,
27 they can often share that with local banks, and I would ascribe
28 a lot of the lenders on Cape Cod that are making loans for
29 scallop and groundfish -- A lot of that institutional knowledge
30 was transferred from their board members and others that
31 participated in the Cape Cod Fisheries Trust early on. That's
32 what I have today about this more specific example, and thank
33 you very much for the opportunity, and I would be happy to take
34 any questions.

35
36 **CHAIRMAN GUYAS:** All right. Are there questions for Mr. Parker?
37 Kevin.

38
39 **MR. ANSON:** Thank you, Mr. Parker, for coming and presenting to
40 the council. You had mentioned, as a response to a question
41 earlier, about Maine and the state's quota bank program, and you
42 said that there was some collusion amongst, potentially some
43 collusion amongst, the fishermen there to kind of drive the
44 price down, and they didn't realize full market share, or market
45 value, and so I'm curious for the Cape Cod example that you
46 provided, what's the -- What is the price paid for that program,
47 if you will, from the fishermen relative to what they receive at
48 the dock per pound?

1
2 **MR. PARKER:** The lease price as a fraction of the dock price, I
3 can tell you that the Cape Cod Fisheries Trust -- They have
4 changed a little bit since I left, but they aim for a lease
5 price to the fishermen that's roughly 50 to 60 percent of what
6 the market lease price is, and so it may be -- It fluctuates
7 stock-by-stock, to the second point of your question.

8
9 I would say this with regards to setting lease price, and this
10 is an external sort of consultant to that organization now, the
11 setting lease prices at below market does create some sort of
12 moral hazard and risk, in terms of it increases the demand for
13 the quota from fishermen that, if they had to pay market, they
14 may not participate, and so I think, if you're going to create a
15 difference between market rate and the permit bank rate, you
16 really need to be using that differential to drive change, which
17 could be challenging, because then you're basically saying that
18 you expect certain outcomes for that reduced rate.

19
20 In the Cape Cod example, I think that, over time, they're going
21 to adopt a different way of supporting young fishermen than with
22 a subsidized rate, if I had to predict.

23
24 **MR. ANSON:** Then I've taken a look at your website, and I'm just
25 trying to find some additional information on some reports or
26 summary information from the various organizations that you help
27 support, and is there anything that's available that you have
28 that reviews the programs and looks at what the expectations are
29 relative to what the outcomes are?

30
31 **MR. PARKER:** We do have quarterly reporting from all of our
32 communities, and most of the transactions for Catch Together
33 were done last year, and so they're early phase, but, if I can
34 get an email from you after the presentation, I would be happy
35 to try to share something through Ava.

36
37 **CHAIRMAN GUYAS:** Dr. Shipp.

38
39 **DR. BOB SHIPP:** Your presentation seems to really be oriented to
40 the benefit of the fishermen. What constraints are there as far
41 as ownership of the shares is concerned? Do you have to be an
42 active fisherman, or can it be treated as an investment by
43 someone who is not in the fishery at all?

44
45 **MR. PARKER:** I might need to ask for a follow-up clarification.
46 The permit banks that I described, in the example that I
47 described, basically each one of them owns shares, and it
48 basically leases those as allocation to fishermen on an annual

1 basis, mostly with the goal of supporting ownership amongst the
2 people that they are leasing to.

3
4 I think that's the general business model, although, for
5 example, on Cape Cod, in the groundfish program, most of that
6 presentation was from the scallop program. In the groundfish
7 program, there's an increasing pressure in an amendment right
8 now to adopt much higher levels of coverage, observer coverage,
9 and perhaps full retention, and transition to that could be a
10 new cost for fishermen, and some fishermen may not be adequately
11 prepared for that transition.

12
13 There has been discussions amongst some of the permit banks in
14 New England about offering allocation to fishermen in order to
15 comply with those new observer coverage levels, and I may have
16 missed your question a little bit.

17
18 **DR. SHIPP:** I was just -- I think you clarified it. You said
19 basically that the banks own the shares, and my concern, or
20 question, is are they the only ones that can own the shares, or
21 can people trade in shares with the intention of making a profit
22 if the value of the shares goes up?

23
24 **MR. PARKER:** In the examples that I'm talking about, the non-
25 profit organization basically controlled and run by commercial
26 fishermen, with some community membership onboard, own the
27 shares.

28
29 **CHAIRMAN GUYAS:** Leann, did I see your hand a minute ago?

30
31 **MS. BOSARGE:** I was just wondering -- I would assume you
32 probably get more demand than maybe what you can build, and so
33 there's more applicants coming in trying to lease shares of
34 whatever it is than what you can probably fill, and so what kind
35 of process do you have for evaluating those different
36 applicants, and how deep are you getting into their finances and
37 creditworthiness and things like that, the ability to pay and
38 things of that nature?

39
40 **MR. PARKER:** I will answer from two different perspectives, and
41 the first is the Cape Cod example that I dug in on, which it's a
42 full financial review by the community economic development
43 partner. They do the due diligence on the applications, and
44 it's rigorous enough that we've had fishermen say they won't do
45 it, and that's an acceptable outcome for the program, that, if
46 they don't want to be involved in the process, that they can opt
47 not to apply for allocation.

48

1 In the big picture, the program itself, with the economic
2 development partner, have determined that there is a lot of work
3 to be done by a small business to be competitive in a catch
4 share system, and most of the businesses, when they are
5 starting, have homework to do, whether it's outsourcing
6 bookkeeping or however they need to adapt in order to create a
7 competitive business.

8
9 The community development partnership is there to support that,
10 and the only way to do that is with a business plan that is
11 drafted annually with quarterly check-ins and a full tax review,
12 full balance sheet and cash flows, and so that's the process in
13 that particular system.

14
15 We are working with a group in Alaska where we have made a low-
16 interest loan to them, and they are re-lending that capital to
17 young fishermen that are buying quota share with the money. In
18 that instance, again, it's very much an economic development
19 program, and there are conservation covenants that govern the
20 work, in terms of avoidance of different bycatch species and
21 things, but one of the primary drivers is they are worried they
22 don't have new, young fishermen in their community, and so that
23 loan is basically subject to a full financial review, like a
24 bank would do.

25
26 **CHAIRMAN GUYAS:** Tom.

27
28 **DR. FRAZER:** Thank you, Mr. Parker. I just wanted to follow-up
29 on Leann's question, and then I've got a couple of others, but,
30 in the first case, where you actually make allocation available,
31 or you lease it on an annual basis, is there any provision that
32 somebody can continually lease that for a period of time?

33
34 **MR. PARKER:** When the program started, they were one-year
35 leases. Eventually, they adopted multiyear runways, but it's a
36 one-year lease renewable for up to seven years, and so the idea
37 there was thinking about what does it take for a small business
38 to buy quota, like how long does it take and what do they need
39 to show to the bank, and so it's common practice for a
40 fisherman, a young fishermen, and he's a crew, or he's bought a
41 new boat or whatever, and he shows up to the program and applies
42 for the program, and it's a competitive process, to Leann's
43 prior point, to get in. He or she is admitted to the program,
44 and, in year-one, they are given a runway, and they can see what
45 their allocation profile is going to look like over time. That
46 is a commitment that they can then take to a local bank and use
47 as leverage to build their business at a more rapid pace.

48

1 **DR. FRAZER:** Thank you for that, and so another question is you
2 pointed out that most catch share programs are relatively young,
3 and that there are changes that need to be made, or
4 modifications, and I'm curious. When you talked about that,
5 what are some of the changes or modifications that needed to be
6 made in the programs that you are working with, and who drove
7 those changes, the need for those changes?
8

9 **MR. PARKER:** I have more expertise in the New England policy
10 arena, and I think there's been more changes made to like the
11 Alaskan IFQ system for halibut and sablefish, which I don't
12 really understand all of them, and I know that they're even
13 looking at some new entrant work now in halibut and sablefish.
14

15 When I said that earlier, I meant that I am pretty much an
16 advocate for the private sector stepping up and solving these
17 problems. I skipped the part of this talk where I spent half a
18 decade fighting for regulatory change in the council system, and
19 it was fun work, in some ways, coming to the council with
20 fishermen and trying to make changes, but, as you all know at
21 this table, that's a very iterative process.
22

23 Somebody wants it one way, and somebody else wants it the other
24 way, and there's a little bit of a battle, and there's a vote,
25 and maybe it moves a little bit, and I found it much more
26 promising, in terms of working on catch share challenges, to
27 take it local and build a vision for what we were trying to
28 create, in terms of change over time, and then drive to those
29 outcomes.
30

31 In looking back at the different chapters in the work that we've
32 done, I think it's often disenfranchising for fishermen to say
33 the system is broken and just somebody help me and fix it, and
34 that -- To me, I don't see a lot of that in the council process.
35 I see a lot more if like a group of fishermen come together and
36 they have a vision for where they want to create change and they
37 drive to that outcome and they can do it in the private sector,
38 and I think it's more of a fruitful effort.
39

40 **DR. FRAZER:** I appreciate that, and I guess I'm just trying to
41 figure out, even internally within the private sector, what are
42 the changes that people identify that need to be made, and do
43 you have any examples of those?
44

45 **MR. PARKER:** Well, I mean, I think access to capital is one
46 where I'm not fully understanding, but I've dug in a little bit
47 here in the Gulf, and I don't understand what the difference
48 between your system is and say the scallop IFQ system that makes

1 it more difficult to go into a bank and use your quota share as
2 a source of collateral to finance your business, but that's
3 commonplace in many of the regions that I have done work.

4
5 I don't know if there's a gap of understanding of the lenders
6 here, or if there's something that the council could do to
7 further invigorate that process, and so that's one.

8
9 In New England, they did put on consolidation caps and trading
10 limitations, and I think those generally helped avoid really big
11 transitions in the industry in short periods of time. They've
12 been pretty status quo, in terms of the number of harvesters.

13
14 **DR. FRAZER:** Thank you very much.

15
16 **CHAIRMAN GUYAS:** Leann.

17
18 **MS. BOSARGE:** I am just trying to think about what you said
19 about the differences here in the Gulf versus somewhere else and
20 that access to capital, from a banking perspective, and it's a
21 little off the top of a quota bank, but you said, in New
22 England, you can go in -- You have to have 50 percent down, and
23 the bank will loan you the other 50.

24
25 What's the bank taking as collateral for the other 50? Surely
26 it's not unsecured, and is it the permit itself, because the
27 value of your permits up there are a lot higher than ours, and I
28 guess I could see where maybe the bank could somehow secure it
29 with a permit, and I think that's a lot harder to take away and
30 a lot easier to keep a grip on than quota in a system like this,
31 where we can come in and change the rules on the quota and the
32 quota can disappear.

33
34 The permits are a lot more stable, but I think the difference in
35 our permits and permits in Alaska or New England is that one of
36 our permits might -- You might pay \$15,000 or \$25,000 for it,
37 versus \$400,000 or \$500,000 in other parts of the country for
38 those permits, and can you speak to that, what's the collateral
39 for the other 50 percent?

40
41 **MR. PARKER:** I have seen fishermen come in with cash equity as a
42 down payment or use their pre-existing permits and quotas as
43 collateral, and I think one of the things that we saw
44 commonplace at the front end of our work was people using home
45 equity as a source of collateral.

46
47 To me, that's not a sign of systemic bankability, and that says
48 that the bank is confident in your house and not that they're

1 confident in the quota system. Most of the fishermen that I
2 work with in Cape Cod have shifted away from that, and they're
3 using quota as a source of collateral. I have asked the
4 question to banks here and in New England of what are the pre-
5 conditions that make for such a different outcome, and there
6 isn't a clear answer.

7

8 **CHAIRMAN GUYAS:** Mr. Swindell.

9

10 **MR. SWINDELL:** Thank you for your presentation. I am still
11 somewhat confused at how all of this works. Is there any quota
12 that is never used? Is all the quota used every year? I mean,
13 what are you doing about quota for the fishery that's been
14 established by the councils?

15

16 **MR. PARKER:** I will take the first part of the question first,
17 and, in the most recent transaction that we worked on with a
18 group of fishermen in Alaska that purchased black cod quota
19 share, and they're in their first harvesting season presently,
20 their organization set up rules about the pace at which it
21 should be harvested by their members, and so there is guidance
22 in the leases from the non-profit fishermen's organization to
23 the fishermen that says here is your deadline for harvesting the
24 quota, and you need to -- In that system, in that program, they
25 pay for the lease after they catch the quota, as a percent share
26 of the ex-vessel.

27

28 The fishermen catch the quota by a deadline, and, if they fail
29 to meet their deadline, that quota is released to other
30 fishermen, and so there's internal checks and balances created
31 at the local level to make sure the quota gets caught.

32

33 Ultimately, it's that fishermen's organization that has an
34 obligation to pay back debt, and, in order to pay back the debt,
35 the quota has got to get caught, and so it's a pretty business-
36 minded setup. The second part, I wasn't sure I totally
37 followed, but maybe the first part of my answer helped with the
38 second part.

39

40 **MR. SWINDELL:** I guess, if you have a quota bank, do you always
41 have quota in the bank ready to loan for new entrants or people
42 that need more quota, or are you fully utilizing the quota that
43 is available for fishing and not just being set aside?

44

45 **MR. PARKER:** In each of the examples that I gave, the permit
46 bank is acquiring quota on the open market, and then they
47 basically own those shares and allocate them annually. There is
48 none being set aside, per se, and it's all being harvested, and

1 I think there's an embedded question about sort of how do they
2 decide what they want to buy, and, in the instances that I have
3 participated in, those are community-based decisions, where
4 people look at the market and decide how much quota they need to
5 meet their mission, and then they go out and finance that quota.
6 I can tell that I sort of missed the mark on that one. Sorry
7 about that. I will try harder.

8

9 **CHAIRMAN GUYAS:** Kevin.

10

11 **MR. ANSON:** To follow-up on a question that I asked regarding
12 the lease price that the organizations charge, you said it's
13 about 50 to 60 percent of what the going rate is on the market
14 for a lease price. Then I hear you say that they go out on the
15 open market and buy the quota, which I assume is at the going
16 market rate, and so they're in the hole, so to speak, 40 to 50
17 percent, and they are charging 2 percent annually, as far as
18 their overhead, if you will, to pay on the loan, and is there
19 additional -- I mean, I understand it's non-profit, and I
20 understand there is some social goals in there, and sometimes
21 money can't buy that, necessarily, and you have to eat that, and
22 is that what's going on?

23

24 I mean, there has to be some sort of influx of money, I guess,
25 at the frontend to cover for the additional costs of acquiring
26 that quota that is going at fair market value on the open market
27 and then only charging for half of that annually.

28

29 **MR. PARKER:** I will take an intro-level stab at that, but each
30 business is separate and has a different business model, and so
31 the example that we were discussing when I answered your
32 question was Cape Cod, and they do charge a discounted lease
33 rate. Having said that, they bought some of their quotas ten
34 years ago, and they have paid off the vast majority of their
35 debt, and so they're in a different situation than most of the
36 other programs that I listed there.

37

38 For example, if you were to buy red snapper for \$40 and lease it
39 at \$4, there is 10 percent return. If you were to finance
40 somebody for 2 percent, there is a spread in there, and,
41 depending on how you're going to take out the debt, whether you
42 have to pay it all, amortize it all, like you would a typical
43 home, or whether you have a balloon payment at the end, you may
44 be able to structure it differently, and so some of our loans,
45 like the one in Alaska, has a balloon payment takeout.

46

47 We could sit down and talk about debt structure for a while if
48 you want, but, to your point of are there other sources of

1 capital in any of these deals, and that might have been one of
2 the underlying -- The answer is yes. On Martha's Vineyard, they
3 have done fundraising and raised some grant capital that they
4 have put into the mix that allows them to charge a different
5 rate.

6
7 **CHAIRMAN GUYAS:** Chester.

8
9 **MR. BREWER:** I understand that the organization that you're
10 involved with now actually loans money to banks, these different
11 quota banks.

12
13 **MR. PARKER:** Yes.

14
15 **MR. BREWER:** So, while you may not have any longer any -- I
16 guess you would say involvement with the day-to-day working of
17 those particular banks, it would seem to me, and the point of my
18 question is it would seem to me that you take a look at the
19 financial viability of those banks, so that you're not just
20 spreading money out on the water out there with no hope of ever
21 being repaid.

22
23 Do you all have some sort of a price-to-earnings ratio that
24 you're looking for these banks to produce, so that you've got a
25 level of confidence that the bank is going to be able to repay
26 the loan that you're making?

27
28 **MR. PARKER:** We do, yes. We have an investment committee, and
29 we have a fairly rigorous series of due diligence meetings,
30 including site visits, and my partner has a finance background,
31 and so she's really heavily involved in sort of quantitative
32 risk assessment, and I'm human -- Well, we're both human people,
33 but I spend more time thinking about human risk, and what I've
34 seen in permit banks is -- Sure, there is sort of default risk
35 and sort of some of the financials of it, but, at the end of the
36 day, it comes back to some of these questions about does
37 somebody catch this quota or not, like actually running an
38 organization or a company, a business, that can, in real time,
39 adapt to the fact that the scallops are in a different spot this
40 year, and the whole fleet had to move a hundred miles, and the
41 guys we thought were going to catch it couldn't get there, and
42 the boats weren't -- Whatever it is, you've got to figure it out
43 in real time and be adaptive and flexible and hold twenty
44 meetings in fifteen days, if you need to, to figure out the
45 problem.

46
47 I think those risks, in terms of risk assessment of getting paid
48 back, on the human side, are hard to predict from either fund,

1 but that's why I end up spend a lot of time in different
2 communities around the country.

3
4 On the other side of the equation, sort of how do you assess the
5 financial risk and performance of the underlying asset, I do
6 some of that, and our endeavor does a lot of that, but, if you
7 wanted to talk further about it, I could dig into it and get you
8 some of the specs on that as well.

9
10 **MR. BREWER:** Well, I know that, for a particular fishery here in
11 the Gulf, there is a price-to-earnings ratio of approximately
12 twelve. Do you have any examples of pricing of leases to obtain
13 the particular price-to-earnings ratio in say the New England
14 area?

15
16 **MR. PARKER:** Is the broader question do we have a perspective on
17 whether something is expensive or not relative to its lease
18 rate, judging it by a multiplier of lease? Then yes. This
19 isn't -- What you're experiencing for everybody here, yes, they
20 think it's horrible, but it's not globally horrible. There is
21 more expensive quota out there.

22
23 I think the more mature systems that have corporate access to
24 long-term debt, and so they're looking at something like crab,
25 you're going to see higher multipliers than that, and we're
26 actually looking at a project in British Columbia right now,
27 and, for a variety of reasons, you have some multipliers
28 approaching twenty-times lease, and you have other fisheries
29 where -- New England groundfish, to me, the volatile pricing,
30 you don't know what you're going to get paid for cod on a
31 Wednesday, based on what you got paid on Monday, and you don't
32 know what the quota is going to be next year, and to look out at
33 ten or twelve-times earnings, to me, it's expensive for a
34 volatile stock. We can have further discussions about
35 multipliers and structures if anybody wants to grab me
36 afterwards.

37
38 **MR. BREWER:** Thank you.

39
40 **CHAIRMAN GUYAS:** Ava.

41
42 **DR. LASSETER:** Thank you, Paul. I have a question, and it might
43 take me a little while to get to the actual question part, but
44 could we go to the -- Do you mind if I go back to your list of
45 U.S. permit banks that you work with?

46
47 We do have Mr. Eric Brazer in the audience, in case I misspeak,
48 as far as the Gulf of Mexico red snapper permit, and please

1 correct me, and so, in the Gulf of Mexico program, the
2 Shareholders Alliance quota bank is run through one of the
3 online IFQ system accounts, a shareholder account, essentially.
4 Are all of these other programs essentially doing the same
5 thing, run through -- Of course, you can transfer quota to the
6 people that would need them, and is that generally accurate?

7
8 **MR. PARKER:** New England scallop just got an online system last
9 month, and it's sort of in place. I think it would be in place
10 if they weren't accepting paper. I mean, I think everybody is
11 sort of slowly coming online.

12
13 In terms of conch and lobster tags, those are actually like
14 limited-access licenses, and so that work is very different in
15 the way that they allocate those opportunities and sort of pay
16 for those deals, but it's not electronic, and it's not real
17 time.

18
19 In the North Pacific, there's two parts to that program. One is
20 actually a re-lending program, and so that's actually a transfer
21 of shares and not allocation, and then the other part of that
22 program is what I just described with transfer of allocation,
23 and they have -- I think they transfer it upon landing and cover
24 it at the point of landing, but I'm not sure.

25
26 **DR. LASSETER:** I guess what I'm wondering is, when I see the
27 North Pacific examples, that's the area that tried the owner
28 onboard, the share owner onboard, and I think we have all
29 probably heard, through the news, that it's had various success.
30 I was just wondering if -- This council is considering requiring
31 shareholders to have a reef fish permit, and that would -- Of
32 course, the Shareholders Alliance quota bank is one of these IFQ
33 accounts, and I believe it's either a non-profit or an LLC, and
34 I was just wondering if, in the North Pacific Council, and I
35 think they have their quota broken up into blocks, and so
36 perhaps it didn't affect them the same way, but what would have
37 happened with the quota bank account, if you will, there? Would
38 they have been required somehow to abide by -- I don't see how
39 it would have worked, how a quota bank account could be used to
40 require owner onboard, of course.

41
42 I guess what I'm trying to get to is there some way to allow --
43 Is there an example where some of these privately-run quota
44 banks that are providing quota to other fishermen and are they
45 still subject to these other requirements, such as to have a
46 reef fish permit? I'm not sure if that's anything that you can
47 speak to.

48

1 **MR. PARKER:** I think there is a question about, for this council
2 to wrestle with, today and in the months to come, about whether
3 or not it deems itself appropriately scaled and resourced to try
4 to manage a permit bank aimed at certain problems that they see
5 in the fishery or if this council sees enabling conditions for
6 other people to do that work, and so I have seen instances,
7 around the country and in New England, where councils have said,
8 yes, this is important work and here's how we can facilitate it.

9
10 They have something called community quota entities in Alaska
11 that were council-approved communities that pre-qualified to
12 actually own those same shares you just described, and so that's
13 an example of the council saying we see a problem here and why
14 don't we approve something that can give these people the
15 opportunity to build out to their own goals and objectives, and
16 I think they do regular reports back to the council on progress.

17
18 Alternatively, it might be incumbent on people that want to do
19 work in your region to approach the council and say we're trying
20 to do this, and, if you go in that direction, we might need your
21 support to enable what we want to do.

22
23 **CHAIRMAN GUYAS:** Are there any other questions for Mr. Parker?
24 It doesn't look like. Thank you so much for being here and
25 sharing this information with us.

26
27 **MR. PARKER:** Thank you for the opportunity, and I'll be around
28 today and tomorrow, if people want to follow-up.

29
30 **CHAIRMAN GUYAS:** Great. Ava, I will turn it back over to you.

31
32 **DOCUMENT AND PRESENTATION**

33
34 **DR. LASSETER:** Wonderful. Thank you. If we could come back to
35 the presentation, and we'll come one more time and look at our
36 amendment overview. As we talked about just before Mr. Parker's
37 presentation, your purpose and need is where your program goals
38 in this amendment are housed, your new program goals, and,
39 again, we did spend time on the Action 1 and Action 4 at the
40 last meeting, and so, after we discuss the purpose and need and
41 the program goals, we're going to go into the meat of the
42 amendment, the Action 2, which does have alternatives laid out,
43 and Action 3, with those four sub-actions. Only one of them
44 right now, the first one, has preliminary alternatives, and the
45 rest of it is what we're looking for some additional guidance
46 on.

47
48 We just briefly discussed the shares is a percentage of the

1 quota and allocation refers to the pounds to be used during that
2 year represented by the amount of shares, and here we get into
3 the purpose and need and your program goals, and so, to begin
4 with, these are the three motions that you have made under this
5 amendment that have contributed to the development of the
6 purpose and need statement, which is where the goals are.

7
8 In October of 2017, you passed a motion to identify quota set-
9 asides to address and assist small participants and new entrants
10 and to reduce discards, and then, in April of 2018, you passed a
11 motion, and this is very similar to what the advisory panel had
12 recommended, and so this language is very similar to their
13 motion, and that was to create a set-aside from the non-
14 activated accounts to run a NOAA quota bank for addressing
15 commercial discards, and the council shall create an industry
16 steering committee, which we discuss is equivalent to your
17 advisory panel, to provide advice in the administration of the
18 program.

19
20 Following this April 2018 motion, staff went into the document
21 and restructured it. Prior to this, it was a very loose scoping
22 document/options paper, and we took these motions and created
23 that quota bank action with the sub-actions, and so quota set-
24 asides, we're understanding that as distributing allocation.
25 Again, just the pounds each year, and so the whole quota bank
26 action reflects the quota set-asides part of this.

27
28 Then the rest of who you want to provide the quota for is now in
29 the purpose and need as your goals. Then, in January of 2019,
30 you passed a motion to increase access to shares to actively-
31 fishing eligible commercial fishermen, and so staff -- We're
32 requesting some guidance on how to ensure that we have addressed
33 both of these concepts, both the quota set-aside and the access
34 to shares, in the document.

35
36 Currently, the purpose statement in this amendment states the
37 purpose of this action is to assist small participants and new
38 entrants to the IFQ programs, to reduce discards, and to
39 increase access to shares to actively-fishing eligible
40 commercial fishermen.

41
42 You can see the language is very similar to the motions from
43 before. The first part of that, until we get to the increased
44 access to shares, all of that we understand is supporting that
45 quota bank, and so, in the quota bank actions, there are
46 sections to identify what you mean by small participants and new
47 entrants and who would qualify to reduce these discards.

48

1 Now we're wanting a little more clarification as to how to
2 incorporate this idea of increasing access to shares into the
3 document, and then, also, we will need to identify and define
4 who are actively-fishing eligible commercial fishermen.
5

6 I'm wondering if I could turn it over there for some discussion,
7 and it might be easier to even come back to the motions, because
8 we kind of have some of that part underlined, in terms of are we
9 -- Are you intending staff to move forward with a quota bank
10 that would be distributing allocation, and the shares would be
11 held by the holder of the account, which we understand to be
12 NMFS here at the NOAA quota bank, or should this be addressing
13 shares, which would be more of a one-time distribution? Let me
14 pause there and see if there's any discussion on these motions
15 and the purpose statement.
16

17 **CHAIRMAN GUYAS:** Anybody? Phil.
18

19 **MR. DYSKOW:** Thank you, Martha. I think what you've done here
20 is very good, and you've made it very clear, and I am happy to
21 see this, where we actually have a meaty document that tells us
22 what we want to do, and you're asking for feedback on that, and
23 so thank you.
24

25 My only comment was, through my time on the council, both in
26 public testimony and in real-time observation, in all sectors of
27 reef fish activity, whether it's recreational, charter/for-hire,
28 or commercial, the dirty secret is the significant number of
29 discards, and so I would weight the challenge we have to reduce
30 discard mortality as job-one, which certainly is the highest
31 challenge we have in all categories, and I know, on the
32 recreational side, we're working strongly to put some stronger
33 focus on venting tools and descending devices, but, in the
34 commercial fishery, that's not viable, and so this idea of a
35 quota bank that, for example, grouper fishermen would have
36 access to reduce their snapper discards is very important, and,
37 not that these other areas aren't, but let's really understand
38 that the magnitude of that problem is significant and how at
39 risk we are with the public if they became aware of the
40 magnitude of this issue in all sectors, and I'm not just picking
41 on the commercial side.
42

43 It's just as true on the recreational side, around the charter
44 and for-hire side. I would make sure that we understand that
45 that is a very big part of this, and it might potentially be the
46 biggest single issue in the need for a set-aside.
47

48 **CHAIRMAN GUYAS:** Greg.

1
2 **DR. STUNZ:** I agree with Phil, and I guess, to follow that up,
3 one of the first questions we need to know when we start looking
4 at what are those needs is what does that discard rate look
5 like, and so, obviously, for a variety of reasons, we have asked
6 that many times around this table, but, in this case, we're
7 going to need to put some real specifics to that, because, when
8 we start talking about what that allocation would look like and
9 how much we're going to need, we're going to have to know what
10 that discard rate looks like in those particular fisheries.

11
12 I guess I'm -- I don't know if you need a motion or something,
13 but I don't know who develops that number. I mean, obviously, I
14 don't have the data or the ability to do it, or I don't think
15 any of us around the table does, and so I guess that would fall
16 to you, Ava, or NMFS staff or something, and I'm not sure.

17
18 **CHAIRMAN GUYAS:** Roy.

19
20 **DR. CRABTREE:** Well, I do think we're at a point though where
21 we've spent a lot of time and energy on quota banks, but yet
22 there is no fish to put in the quota bank, and it's going to
23 take a substantial amount of fish to, I think, do what we want.

24
25 It's not clear to me though -- I mean, there's X amount of quota
26 to be had, and it's all leased out to people, and what we're
27 doing is just moving who is going to lease the quota, but we're
28 not creating any new quota, and it's not clear to me how it
29 reduces discards at all. It's going to move discards around and
30 shift around who has the quota, but it's not like we're creating
31 new quota out of thin air.

32
33 I think, to get into that, we've got to start talking full
34 retention and other things like that, but I think, unless we're
35 prepared to set aside, minimally, a million, or probably we need
36 more than a million pounds of quota, and that's going to come
37 out of the pockets of the existing shareholders, and so it will
38 be a very controversial, difficult thing to do, but, if we're
39 not prepared to do that, I am not sure where we're getting
40 anywhere with this.

41
42 **CHAIRMAN GUYAS:** Bob.

43
44 **DR. SHIPP:** I think Roy is right. It's going to take a lot, and
45 we're going to have to bite the bullet on this. I think one way
46 to go, and I think it's later on in this presentation, is a set-
47 aside, and a set-aside would be the pounds that would go into
48 the quota bank, and the set-aside would come from the current

1 quota, and I don't even know if that's legal, and I will ask
2 Mara, but does the council have the right to set aside a certain
3 portion of the total commercial quota and put it in a quota
4 bank? Is that something that we can do?

5
6 **MS. LEVY:** I think you probably have the flexibility to do a lot
7 of different things, meaning the shares are a permit, right, and
8 so you have the ability to modify the requirements for that
9 permit or to potentially withhold some of that and change
10 things. We would need to see exactly what you plan on doing and
11 how you plan on doing it before I would give you some sort of
12 definitive answer, but I think you probably have the flexibility
13 to do something like that.

14
15 **CHAIRMAN GUYAS:** Greg.

16
17 **DR. STUNZ:** In addition to that set-aside or holdback or
18 whatever you want to call it, Bob, which I agree with, there is
19 a recovering fishery, and so there's more fish to be caught,
20 theoretically, and, of course, we'll have stock assessments
21 coming up, and so, again, I guess, we're back to what does that
22 magnitude of the discards look like, so we have a number, so we
23 can have at least something to begin to work with, but, as that
24 fishery recovers, there is another option, and that's to just
25 use some of those fish that are available to begin developing
26 that quota bank, but, again, until we know what that looks like,
27 it's hard to pin down the exact magnitude.

28
29 **CHAIRMAN GUYAS:** Dale.

30
31 **MR. DIAZ:** I am probably thinking the same way Greg is right
32 here, and so, when I think about this, I think about that it's a
33 matter of stewardship, and so, if we could reduce dead discards
34 across all sectors, how can we quantify that to where we could
35 understand what the reduction in discards would actually mean
36 when it's fed into future stock assessments.

37
38 **DR. CASS-CALAY:** I certainly did not intend to interrupt you,
39 and my apologies, but I just wanted to bring up that, at the
40 discard mortality workshop that will be held this fall, the
41 Science Center is providing current estimates from the
42 recreational discards, and we are also providing some current
43 estimates of commercial discards, and we are sending Nathan
44 Vaughn, who has developed a tool which directly integrates
45 assumptions about discard mortality and the age of discards into
46 the stock assessment and can tell you what the actual change
47 would be in your OFL and ABC.

48

1 I mean, it's very -- Obviously, those sorts of analyses are very
2 dependent on the magnitude of the release mortality, and, in the
3 recreational sector, in most of our assessed stocks, the release
4 mortality is thought to be pretty low in the recreational
5 sector. In the commercial sector, it can be substantially
6 higher, and so we will provide these tools and this information
7 at the release workshop in the fall.

8
9 **CHAIRMAN GUYAS:** Dale and then Carrie.

10
11 **MR. DIAZ:** When those tools are developed, and it's a point
12 where a short presentation could be done for this council, I
13 think that might be a good idea to have that presentation here,
14 and so thank you.

15
16 **EXECUTIVE DIRECTOR SIMMONS:** Thank you, Madam Chair. Just to
17 the point of the release mortality workshop, that is going to
18 focus on the recreational sector, the private and the for-hire,
19 and, now, we just received some information on discards from the
20 Science Center for commercial, and our plan is to work that up
21 for our best practices website, which will include estimates of
22 discards, baseline information by fleet, and I think by gear, as
23 best we can, to show where we currently are.

24
25 That's a big task right now, and we haven't had a chance to
26 really sit down with the Science Center and look at that data
27 they provided, and so the goal is to eventually have that
28 available on the website, but we're a way away from that, and I
29 will ask if Dr. Froeschke wants to add anything to that, but
30 just a reminder that that focus is not on commercial during that
31 workshop.

32
33 **CHAIRMAN GUYAS:** Dr. Froeschke is indicating that he is good and
34 has nothing to add. Ed.

35
36 **MR. SWINDELL:** I have to weigh-in on this one, because what you
37 have to remember is that we set aside -- We have set quotas and
38 allocations for each fishery that we have, and they all have
39 discards, and that's the nature of fishing. You're going to
40 have a discard, and the discards are not always going to
41 survive, but I don't think that we need to stop working with
42 what we've already established and the amount of fish that each
43 sector is allowed to harvest, recognizing that the discards are
44 going to be there.

45
46 I would love to have it to where we were getting more out of the
47 resource, instead of just throwing it away as dead discards, but
48 you have the real world of fishing, recreationally or

1 commercially or what have you, and you're going to have dead
2 discards. You are never going to stop it. We can use more
3 descending devices than we've ever thought about before, but
4 it's not going to stop all the discards that are going to be
5 there, and we just need to move on. The resource is -- The red
6 snapper resource is rebuilding, and the discards are still
7 there, but still it's rebuilding, and so what more can we ask
8 for? Thank you.

9
10 **CHAIRMAN GUYAS:** Leann.

11
12 **MS. BOSARGE:** A couple of things. The quota bank idea, at this
13 point, I don't have a real warm, fuzzy feeling about it being
14 run by the council, but I've gone back and forth. I was real
15 excited about it at first, and I haven't ruled it out, but I
16 think it would have to be quasi-governmental. It would have to
17 be private and governmental together somehow, and I say that
18 because this council, what we do, we work in years and decades
19 on stuff, right?

20
21 I mean, we make a change, and we implement that change, and we
22 wait a couple of years, and we do a stock assessment, and we see
23 if that change had the impact that we want, and we make another
24 change if it didn't. We work on rebuilding plans that are in
25 the decade spectrum.

26
27 A quota bank, to me, is something that you've got to be -- When
28 you're presented with a problem, it's a problem that has to be
29 fixed then. A quota bank works on weeks, on days, weeks, and
30 monthly, and maybe a year-type schedule, and that's how you have
31 to be able to react and change, in those type of parameters, and
32 I just don't know that this council has the ability to do that,
33 and I'm not saying that's a bad thing about the council. We're
34 open, and we're transparent, and that's why we're a slow
35 process. We have tons of stakeholder engagement, and that's
36 great, and I just don't know if that's the environment that is
37 conducive to running a quota bank, but, having said that, Ava
38 asked a question, and I still want to answer the question.

39
40 You said, if we were to set down a path where we develop a quota
41 bank, do you foresee this being leasing or owning. In other
42 words, is this quota bank going to lease out allocation, or is
43 this quota bank set up to try and create new shareholders, to
44 actually sell the quota as an ownership, and I would say it's
45 more leasing, in my opinion, at least at the beginning.

46
47 It is leased at a discounted rate, and then that fisherman has a
48 higher profit margin when he sells his fish, and he takes money

1 and hopefully saves it and buys into the program, buys shares, a
2 little at a time. That would be how I would see it functioning
3 in the beginning. The discards, that would be another goal, but
4 I'm just trying to answer Ava's question about leasing versus
5 shares.

6
7 **CHAIRMAN GUYAS:** I've got a couple of hands. I see Phil and
8 then Dr. Crabtree.

9
10 **MR. DYSKOW:** I agree with what Leann said, and I'm respectful of
11 what Ed said. The IFQ program isn't broken. It's working, and
12 it's a good program, and we don't want to disrupt that, but,
13 like any good program, over time, we need to make modifications
14 to address unintended consequences, and the discard issue --
15 Yes, there will always be discards, and I totally agree with
16 you, but the magnitude of the issue in the ground fishery is
17 perhaps much larger than we think, because of the fact that we
18 have people targeting red grouper, for example, that might be
19 discarding a significant number of red snapper to retain one
20 grouper, and that makes no sense.

21
22 To the public at large, it would make much less sense, if they
23 became aware of the magnitude of what we were doing, and so I
24 would propose that this quota bank is a very useful tool, so
25 that there is access to red snapper share, for example, to these
26 other ground fishermen, so that they don't have to kill this
27 large magnitude, potentially large magnitude, of fish just to
28 retain one fish of a grouper species, for example, and so I
29 think we're all kind of saying the same thing. It's unfortunate
30 that we can't have discussion here today about the potential
31 magnitude of this, and a lot of our thoughts are intuitive, but
32 it sounds like, shortly, we will have access to some information
33 to see the true magnitude of this issue.

34
35 **CHAIRMAN GUYAS:** Roy and then Greg.

36
37 **DR. CRABTREE:** I still come back to that all of the shares out
38 there now are being allocated and leased and used, and so all of
39 these fish are being caught. We're not creating any new fish,
40 and so it seems implicit that what we're saying is that the
41 government can do a better job of allocating these fish out than
42 the private sector have, and I'm just not sure that assuming the
43 government can better allocate resources is a good assumption,
44 but it's just not inherently clear to me how this reduces
45 discards.

46
47 I think we're going to create economic winners, and some people
48 are going to economically benefit, and other people are going to

1 economically lose. If we lease at rates that are below the
2 market, some people will come out ahead on that, and someone
3 will come out behind on it, but it does seem, to me, that it's
4 kind of a zero-sum game, but there is quota available to be
5 leased now, but it's just pricey, and so we can undercut that,
6 maybe, but I think that's more of an economic thing.

7
8 I am just not sure that a quota bank -- That it's realistic to -
9 - It's just not clear to me how it reduces discards, and it just
10 shifts things around and creates different sets of winners and
11 losers, but I really question the idea that the government can
12 do a better job of allocating things, economically, than the
13 private sector does, and it seems to me, and I think this is
14 consistent with the presentation we heard, quota banks, where
15 they have been successful, have been privately run and operated
16 and not government-run operations.

17
18 **CHAIRMAN GUYAS:** Let me go to Phil with that point, and then I
19 will go to you, Greg.

20
21 **MR. DYSKOW:** Thank you, Martha. I don't disagree, and we've had
22 discussions from various members around the table that maybe
23 this does need to be third-party quota bank, for example,
24 administered by someone other than NMFS, because I agree with
25 Roy that that's not their job, but the function of a quota bank
26 to address these issues is important, and maybe it should be
27 thirty-party managed at some level, via a board, if you will, of
28 people that represent all of these sectors in some way, so that
29 it can be fairly administered, and nothing I'm mentioning is
30 going to be easy, of course, but maybe it shouldn't be NMFS-
31 managed. Maybe it should be thirty-party managed.

32
33 **CHAIRMAN GUYAS:** Greg, and then I think we're going to take a
34 break.

35
36 **DR. STUNZ:** To that point, and that's the not the point that I
37 originally raised my hand, but I agree with Leann and everything
38 that was just said. In terms of a quota bank, I think it should
39 be lease only in the beginning, for the reasons you pointed out,
40 Leann, but I'm envisioning, Roy, a system where it's governed or
41 has oversight by the council and the National Marine Fisheries
42 Service, but more of a public and private quasi-type
43 partnership, where you have board members and key decision-
44 makers that are made up from the fishery, and I don't know what
45 that would look like now, because, obviously, we're just
46 throwing this on the table right now, but it would have this
47 public transparency and participation of those in the fishery
48 and that kind of thing.

1
2 I do think that's doable, but the point that I wanted to make,
3 while we're talking about fish that may or may not exist without
4 some painful cuts or something like that, is I think there are
5 ways to get at the bycatch. Obviously, first, get at the
6 grouper and everything we've heard in public testimony, and,
7 Roy, if we have to talk about full retention, I'm fine, and I
8 think that might be a way to do that, because those fish are
9 being removed from the water and then thrown back wasted.

10
11 Now, obviously, I don't know how that would affect the ACL, and
12 I would make an assumption that it would go up if you were
13 retaining the fish, and so you've got all of those discussions,
14 but, anyway, back to the point that I want to make.

15
16 While we're looking for these extra fish, one of the motions
17 that we have up here is related to new entrants, and we kind of
18 meshed it with reducing discards in this all-in-one kind of
19 motion here, but, Ava, I realize your plate is getting full,
20 but, in addition to the bycatch estimates we need, in terms of
21 discards, we also need to look at what would we need for new
22 entrants or what does that look like, and I have no -- I mean,
23 we keep hearing that we want to involve new entrants or whatever
24 into the fishery, but I have no idea of the magnitude of that
25 either, and that's also a need for fish, and so, obviously, in
26 my mind, discards are the big deal we need to solve, but then
27 this new entrants is another issue, and so I don't know if you
28 have access to information, or the Regional Office or the
29 Science Center or whoever, to begin to look at what would be the
30 need for these new entrants wanting to get into the fishery and
31 how much is that going to take.

32
33 **CHAIRMAN GUYAS:** Roy, to that point? Never mind. Ava.

34
35 **DR. LASSETER:** To that point specifically, Dr. Stunz, when we
36 get to that in the presentation, I have some questions. Like,
37 when you talk about new entrants, who do you mean? If you could
38 narrow that down a little bit and give us some characteristics,
39 we can go look in the data and pull that out, but are you
40 talking small participants, if we're just looking in terms of
41 the accounts? There's a lot of different ways to look at
42 things, and, if you could give us just a little direction, we'll
43 bring you back some numbers that could be supportive of that,
44 and so we'll get to that in a bit.

45
46 **CHAIRMAN GUYAS:** Leann.

47
48 **MS. BOSARGE:** Ava, I think you need to nix the word "new

1 entrants". I don't think that's really what we've been talking
2 about, and it's not your fault, Ava. We use that word, but I
3 don't think that word actually describes what people around this
4 table have been referring to.

5
6 I think what we've been referring to are people that are
7 fishermen now that lease a lot of fish, or maybe have a discard
8 problem and need to lease fish, whatever the case may be, but
9 they're fishing now in the reef fish fishery. They're just
10 small owners or not owners at all, and so I think this idea that
11 we're going to go pick somebody up off the street and make him a
12 commercial fisherman -- I don't think that's really what we're
13 searching for.

14
15 It's more to take the people that are in, that are trying to
16 move up in it and become owners, and become the new leaders in
17 the fishery, as one generation of leaders begins to phase out,
18 and I think that's what you're focused on. As one generation of
19 leaders begins to phase out, I think that's what you're focused
20 on, and so, obviously, that still has a host of questions
21 attached to it, but it gets you away from this idea that it's
22 somebody that is not engaged in fishing at all.

23
24 **CHAIRMAN GUYAS:** Tom.

25
26 **DR. FRAZER:** I think we're going to honor the Chairwoman's
27 request for a break, and we'll take a fifteen-minute break.
28 Thank you.

29
30 (Whereupon, a brief recess was taken.)

31
32 **CHAIRMAN GUYAS:** Let's pick up where we left off. Ava had posed
33 a number of questions to us about these motions and how we want
34 to move forward, and so I will pause and look around the table,
35 if anybody wants to raise anything now. Otherwise, we can move
36 into the actions. Susan.

37
38 **MS. SUSAN BOGGS:** I appreciate all the conversation this
39 morning, and I agree with a lot of it. I'm not opposed to quota
40 banks, but my biggest question is how will this be funded? We
41 can't even fund data collection, and so I'm curious of how do
42 you fund the quota bank?

43
44 **CHAIRMAN GUYAS:** Phil.

45
46 **MR. DYSKOW:** Thank you, Martha. We have to understand that this
47 quota bank has a value, and the shares are distributed through
48 the quota bank at a monetary value, and so, very quickly, this

1 quota bank will become revenue positive. It's not a cost
2 center. It's potentially a profit center. We haven't even
3 figured out who is going to run it yet, but a third-party
4 management of a quota bank is not necessarily a cost center.

5
6 **CHAIRMAN GUYAS:** Roy.

7
8 **DR. CRABTREE:** Just bear in mind though that the only way I see
9 that a government-run quota bank generates any revenue is
10 through auctions or royalties, and that is allowed for under the
11 statute, but it also says that revenues generated through such a
12 royalty program are deposited in the limited access system
13 administrative fund established by Section 305(h)(5)(B), and
14 this is the key part, and available subject to annual
15 appropriations.

16
17 The reality is that we could do that, and it could raise some
18 revenue, but, unless Congress appropriates money in the budget
19 every year for us to have, we would not see the revenue. It's
20 not like cost recovery money, which is treated differently, and
21 I don't think any of this generates any additional cost
22 recovery, because all the quota is already being caught, and all
23 the cost recovery is already being collected.

24
25 **CHAIRMAN GUYAS:** Greg, and then I will go to Phil.

26
27 **DR. STUNZ:** I don't know if there's a way around that, Roy, or
28 having to deal with how the money flows back, but I was just --
29 By the way, maybe I should step back, and I am not experienced
30 at all in IFQs, but I'm just trying to fix some of the problems
31 that we have, and I want to echo something that Phil and others
32 said.

33
34 I mean, the programs work for what it did, especially for the
35 fish, but we haven't -- Now we're obviously dealing with some of
36 these more human dimensions sides that is complicating things
37 between discards and leasing and all the other problems that we
38 keep hearing about, and so I want to caveat my comments with
39 that, and I'm more than open to suggestions or whatever, but I'm
40 just trying to suggest and get the ball rolling with this
41 amendment, so we can move it down the road and fix some of these
42 problems that we're having.

43
44 To Susan's point, I think that program would generate a lot of
45 money. My back-of-the-envelope calculation is like it's \$200
46 million in just share price alone that's in that fishery, and so
47 there is some money there. We just have to have these hard
48 discussions of where does that come from, where do those extra

1 shares come from, to lease or auction or whatever we do to
2 generate those funds.

3
4 One way to do that, obviously, is the overages that I talked
5 about, but we could do back in time, and you could have these
6 set-asides, or holdbacks, and I know those are very difficult
7 discussions to have around the table, but, at some point, we
8 have got to throw that out there as a way to move forward with
9 this program and fix all these issues that we're talking about.

10
11 **CHAIRMAN GUYAS:** Phil.

12
13 **MR. DYSKOW:** To Roy's point, again, I'm not a lawyer, but that's
14 why the idea of a third-party-managed quota bank makes sense,
15 take it out of NMFS and have it managed by a third party, so
16 that we don't get into that situation of having the money flow
17 into the general fund.

18
19 **CHAIRMAN GUYAS:** Roy.

20
21 **DR. CRABTREE:** I agree with that, Phil. I think the best way
22 for quota banks to work is if they are run by private
23 organizations. The question is what kinds of things can we do
24 as a council to facilitate that and remove as many hurdles and
25 barriers from groups that might want to come up with a private
26 quota bank and do that, and that is kind of a different
27 situation, and then the question becomes is a set-aside -- How
28 would you exactly do that, and then that's the eligibility
29 issue, because, if you're going to set aside some portion of the
30 quota that then is only available to non-profit quota banks, or
31 we haven't really gone down that path, or explored that, and I'm
32 not quite sure how that would work.

33
34 **CHAIRMAN GUYAS:** Kevin.

35
36 **MR. ANSON:** Then to further add to what Dr. Crabtree said, what
37 would we want to impose upon that privately-owned or managed
38 quota bank to make sure that it's achieving the goals that we
39 set it up for to begin with?

40
41 I mean, this is -- People made comments that we've had this
42 issue on the table for years, and we've had it on the table for
43 years because it's a difficult issue to undertake. Listening to
44 some of the discussion this morning and the presentation by Mr.
45 Parker, I am kind of taking a step back and trying to look in my
46 mind, from a minimalist perspective, as to what it is that
47 brought us here and what are some of the things, the issues,
48 that really are being discussed and that we would like to

1 address and everything, and I have said it in prior meetings,
2 and it's what I've come back to today, is that I think a lot of
3 these issues that we're trying to address with new entrants and
4 small participants and trying to get the quota to where it's
5 needed, a lot of that just really rests in the long-term
6 ownership of these fish.

7
8 The government creates winners and losers, and it does it every
9 tax year, and it does it for other things besides fish, and I
10 think we just have to really -- In order for us to really have
11 something that I think will be sustainable for the fishery and
12 that will check all the boxes, as far as being good stewards,
13 because we have to be good stewards not only for the fish, but
14 for the industry itself, the people, and I just think that
15 having a system whereby those fish go back, once they're not
16 being used by that particular fisherman, specifically by that
17 fisherman, that they go back into the share pot, if you will,
18 that NOAA runs, and then they distribute those based on what
19 your history is of leasing.

20
21 You get those shares, and you fish those, and you own them for
22 the entire period of time that you continue to fish, and, when
23 you get out of the fishery, those shares go back to leased
24 individuals, and so it can be some sort of quasi-ownership,
25 where you own them for a certain period of time, until you're no
26 longer a fisherman, and then, after that point in time, those
27 shares go away, and they go get redistributed back to those that
28 have a history of leasing those fish, and that's kind of what I
29 am thinking, at least, and I think that's a little bit easier,
30 programmatically, and then it just addresses some of these
31 issues.

32
33 Otherwise, we're talking about lease prices that, after the
34 fishermen pay all their expenses for the trip, they don't really
35 recover any money for the pounds of fish that they have caught,
36 and so that's not a very good business model, and I think it's
37 just -- I think, in my mind, that's how we should address this,
38 and, yes, it's going to require a lot of decisions, and they're
39 going to be impactful, and there will be some pain involved,
40 but, in order to get this to where we have something that ten to
41 twenty years, thirty years, down the road, there are folks that
42 are interested, that want to go and participate in commercial
43 fishing, they have something that they can look forward to.
44 Otherwise, they will have high lease prices to pay, and they
45 will be paying for folks that are just sitting at home waiting
46 for the check to come.

47
48 **CHAIRMAN GUYAS:** Chester.

1
2 **MR. BREWER:** Believe it or not, we've had, I guess, more
3 privately than publicly, a lot of discussion about these topics
4 at the South Atlantic Council, and one of the wiser people on
5 the council, a fellow by the name of -- He still comes, but he's
6 not officially on the council anymore, is a fellow by the name
7 of Ben Hartig.

8
9 Ben is a local commercial fisherman, and he fishes out of Palm
10 Beach County, Martin County, and he said that he was a, at one
11 point, huge proponent of catch shares, but that what he had seen
12 actually happen in the Gulf had changed his mind. He said, in
13 developing the system, or putting the system in place, you've
14 got to take the greed out of it.

15
16 That struck me, and he said that probably three years or four
17 years ago, and I still remember it, and all of these issues that
18 we have right now about, number one, where is the money going to
19 come from to run a pool, well, there is millions and millions
20 and millions of dollars being generated every year in the Gulf
21 of Mexico for the folks that hold shares and are leasing them.

22
23 They did not pay -- Put aside the fact that, yes, they were in
24 the fishery for a long time, and they had an opportunity cost,
25 from the standpoint of buying boats and equipment and all of
26 that, but, for the actual shares themselves, they paid nothing,
27 and the council, this council, gave them shares.

28
29 The council has the ability to direct those shares, and once a
30 pool, if that's the way the council wants to go, is put in
31 place, there will be plenty of money, and I mean a gracious
32 plenty of money, from leasing whatever shares that pool might
33 have.

34
35 Also, the question that Dr. Crabtree has raised, and he says,
36 well, this is all well and good to have these discussions, but
37 how in the world -- Where are you going to get the quota,
38 because you're going to need a lot to solve some of the problems
39 that are being discussed here.

40
41 The State of Florida is being very adversely affected right now,
42 because our grouper guys are throwing overboard a whole bunch of
43 red snapper dead, and that's considered to be a problem, and
44 they don't have ready access to shares. That is not a problem
45 that was necessarily foreseen, because it -- I have been around
46 this a long time, and I didn't realize -- I had no idea how
47 successful the recovery would be for red snapper in the Gulf of
48 Mexico. It's been a phenomenal story, and so you've had a big

1 increase in the ACL for both recreational and commercial, and
2 there are numerous ways to get quota into these pools.

3
4 You could say, okay, from this point forward, the increases in
5 the ACL go to the pools, or some percentage of the increases in
6 the ACLs go to the pools, or one of the things that a lot of
7 people have, and, Kevin, you touched on this, but one of the
8 things that people complain about with the present system is
9 these shares belong to that shareholder in perpetuity.

10
11 They can lease them or use them, and they can leave them to
12 their children, who may never have put a hook in the water in
13 their lives, and you could have a program where you said, okay,
14 when you get out of the fishery, sir, or madam, those shares go
15 back into this pool.

16
17 I don't think that anybody intended to set up a system whereby
18 people who were not active in the fishery were the folks that
19 were going to hold and control these shares in perpetuity, and
20 the system was set up to rationalize the fishery, and the system
21 was set up to combat a lot of problems, which it has been very,
22 very successful in doing, very successful, but there have been
23 unforeseen consequences that are what you're talking about now,
24 and they can be solved, and it's not going to be easy, and there
25 are going to be some people that are mad, but there are ways to
26 do it, and I think, rather than throwing up your hands and
27 saying, well, there's nothing we can do and it's going to be too
28 hard -- I don't think that's the right road to go down.

29
30 **CHAIRMAN GUYAS:** J.D.

31
32 **MR. DUGAS:** So what's the possibilities of tearing down and
33 rebuilding the IFQ program, just starting over?

34
35 **CHAIRMAN GUYAS:** Who wants to tackle that question? Tom.

36
37 **DR. FRAZER:** That's a bold question, J.D. I mean, again, I
38 think it's within the purview of the council to do exactly that.
39 I think what we're trying to figure out right now is what we do
40 need to do, and, if that's the way that somebody wants to go,
41 then we can certainly have that discussion, but, again, we've
42 got some things that we've been working on for quite a while,
43 and I think we have some identified problems. Chief among those
44 are the discards, as Phil pointed out, and so I think we should
45 continue to work through this process as we're doing it today,
46 but that is certainly not off the table.

47
48 **CHAIRMAN GUYAS:** Greg.

1
2 **DR. STUNZ:** Well, to J.D.'s point, and Tom, what I am thinking
3 is that we -- Maybe we step back, and not step away, from this
4 amendment, because -- Ava, this is nothing -- I know you worked
5 really hard putting this together, but we're having all of these
6 discussions around the table, and I think we need to get our
7 goals very clear and very straight first, whether it's reduce
8 bycatch or fix the use-it-or-lose-it thing that Kevin is
9 bringing up or the quota banks or whatever, and really clearly
10 define what it is we want out of this program and where we want
11 to go, and then we backfill it with the amendment.

12
13 It seems to me now that we sort of have these things, and we're
14 trying to force it into some of these alternatives that may or
15 may not work, and I don't know that -- Because of the difficult
16 nature of the discussion we're having this morning, we're
17 struggling to fit it into this document, and I think, Ava,
18 that's why you're seeing that we haven't even made it through a
19 couple of your slides, because we don't have our thoughts
20 together.

21
22 They are starting to come together right now, and so there's a
23 lot of things on the table, and so I think that would be my
24 suggestion for this group, is we continue this discussion and
25 really solidify our purpose and need and goals, or whatever you
26 want to call it, and then we can cut and paste back in to what
27 Ava has got, because, right now, I'm not feeling like we've
28 really thought where do we want to be and what's the means to
29 get there.

30
31 That's my point to J.D.'s thing, and I do have one more question
32 to follow-up with what Kevin was referring to, and I don't know
33 what you're calling that, Kevin, but like use-it-or-lose-it.
34 One thing that I don't know that's in the document, Ava, or
35 would be very useful is do we know -- Do you have in there how
36 the lease prices have changed through time? This just occurred
37 to me.

38
39 Maybe the lease price, but also the share price through time,
40 versus maybe like what the actual dockside value of those fish
41 are, and that would be some very useful information to have, and
42 it may be in there and I just don't recall.

43
44 **DR. LASSETER:** No, it is not in the document, and we could pull
45 together some information for you that is provided through the
46 IFQ online program. Now, I do hear that that is not always
47 entirely representative of what those lease fees actually are,
48 and, because those are transactions that happen outside of the

1 program, and you transfer your allocation in the program, but
2 the two individuals who made that transfer outside of the
3 program agree on the price, and the price is requested, but it's
4 my understanding that there's a lot of pennies put in there as
5 well, and so we want to look at something -- We could definitely
6 look at that information, but I don't think that's going to be
7 painting the whole picture, but we could bring you something
8 back.

9
10 **CHAIRMAN GUYAS:** Phil.

11
12 **MR. DYSKOW:** I am respectful of J.D.'s observation, but, if I
13 can paraphrase what we're trying to do here, Ava has put a lot
14 of work into a document that gives us the opportunity to
15 finetune the IFQ program to address some of these unintended
16 consequences that have risen to the top in the last few years,
17 whether it's discards or new entrants, which Leann has helped us
18 define, and I would suggest that we continue through the
19 document and go through all of these points, and, at the end of
20 that discussion, if everybody says, well, let's just throw this
21 out and start over, then we make that decision, but, for right
22 now, we have a useful document that addresses the challenges
23 within the IFQ program without ripping the heart out of it,
24 because let's face it.

25
26 This thing has been successful, and a lot of people have
27 invested time, effort, and capital into it, and we don't
28 necessarily need to disrupt that, but what we do need to do is
29 fix some problems, and that's what this document does, and I
30 would propose that we continue to go through this and flesh all
31 that out and then see if we're at a point where we just want to
32 start over or whether we feel we have something meaningful that
33 we can go forward with.

34
35 **CHAIRMAN GUYAS:** Roy.

36
37 **DR. CRABTREE:** Well, several things. I think some of the
38 leasing prices and all of that are in the annual reports that we
39 do of the program. With respect to fishing shares and
40 cyclically redistributing them, you may recall when we looked at
41 the charter boat program that we were considering, and we had an
42 adaptive management scheme in there that cyclically
43 redistributed shares based on who fished them and who didn't,
44 and you could probably come up with something like that for this
45 fishery, if there's where you wanted to go.

46
47 Some of these things we talk about as unintended consequences,
48 and I was here when the whole program was designed, and we knew

1 we were allowing leasing, and we knew that the shares were going
2 to people and weren't sunsetting and weren't going to be taken
3 away from them, and it wasn't like these were accidents. We had
4 long discussions about all of this, and we designed the program
5 that way.

6
7 The other thing is I'm getting the impression that the discard
8 issue, especially with the grouper fishery -- Sometimes we make
9 it sound like that was caused by the IFQ program, and it wasn't.
10 I sat here before the IFQ program talking about the problem with
11 the grouper fishery and red snapper and discards, and it was
12 caused by the recovery of the stock and the fact that they're
13 catching more red snapper down there.

14
15 Remember that, before the IFQ program, we had mini-seasons, and
16 we had I think a 250-pound trip limit, and the fishery was only
17 open the first ten days of the month until it closed, and the
18 season got down to thirty-something days, and these longline
19 guys were going out on two-week trips, and, if they didn't
20 happen to be coming in during the ten days, they didn't bring
21 any red snapper in. They threw them all over the side.

22
23 These aren't problems that were created by the IFQ program. I
24 think they have been made better by the IFQ program, and so
25 don't start talking about throwing the baby out with the
26 bathwater, but I think that there are adaptive management
27 schemes that might be possible to look at here. I am not
28 advocating for them, but I think Jessica has thought through
29 some ways to look at that, and it was done in the development of
30 the charter boat system.

31
32 **CHAIRMAN GUYAS:** Ava.

33
34 **DR. LASSETER:** Specifically to Dr. Crabtree's point, you have
35 made a motion, and I don't have the date off the top of my head,
36 but it is in the document, that you wanted this adaptive
37 management redistribution method added to the document, and it's
38 under the Action 3.4, which talks about how to distribute
39 allocation to the eligible recipients in the quota bank, and the
40 idea is you would receive quota, and you have to be maintaining
41 some kind of active participation going onward in order to
42 continue to receive quota, and so you have considered that idea
43 and added it to the document, and we will get there.

44
45 **CHAIRMAN GUYAS:** Greg.

46
47 **DR. STUNZ:** Roy, I don't disagree that the IFQ program didn't
48 cause the bycatch issue, but I don't think any of the original

1 folks that put that through were anticipating a recovery and a
2 range expansion like this of snapper, and so the problem is now
3 the program isn't adaptable enough to allow those folks to lease
4 the shares where they can lease it in a feasible manner to
5 retain those fish, and so that's the issue.

6
7 The challenge for us is going to be, well, how do we get them
8 that fish, and maybe I will throw it out there, and it's kind of
9 looming over the group, but no one wants to say it, but we've
10 got to figure a way to get more fish back into the program that
11 can get out to where it's needed, whether it's recapitalization
12 or, for example, the easy thing is, as I mentioned earlier,
13 about you have the recovering fishery, and so those don't come
14 off of anyone's skin, so to speak, but then we could go back in
15 a certain amount of time and recapitalize or set aside those
16 fish or somehow recover some fish that we can get to deal with
17 this bycatch and other issues that we're talking about, and I
18 realize that that's a very painful discussion to have, and it's
19 very controversial, and people are going to be very upset, but,
20 at some point, we've got to move in that direction, or we're
21 going to not get anywhere with this document, and just sort of
22 have those discussions and get everything on the table.

23
24 **CHAIRMAN GUYAS:** All right. Dr. Shipp.

25
26 **DR. SHIPP:** Just in ten seconds, I want to reiterate what Phil
27 said. Ava has produced a really good document, and almost
28 everything we've talked about, including set-asides, is in that
29 document, and so I support moving ahead with it. It's all
30 covered.

31
32 **CHAIRMAN GUYAS:** All right. On that note, I am going to suggest
33 that we move into the actions.

34
35 **DR. FRAZER:** Just real quick, before we get into that, I just
36 wanted to recognize Mississippi State Senator Mike Seymour for
37 being here. Thanks for joining us, Senator.

38
39 **DR. LASSETER:** Okay, and so then we will -- Since we've been in
40 discussion for a little while, I just wanted to come back for
41 just a moment on the overview and just help you all know where
42 we're going into the document.

43
44 We're going to come first to Action 2, very briefly, because
45 this is the action that has an alternative that would establish
46 the quota bank, and then we'll go into the several sub-actions
47 of Action 3. If you have a document that you're following
48 along, let me provide you a page number of where we're at. It's

1 page 13.

2
3 On page 13 of the document, this action addresses the
4 distribution of the reclaimed shares, and so, currently,
5 National Marine Fisheries Service is holding a quantity of
6 shares that were reclaimed from accounts that were closed
7 through implementation of Amendment 36A.

8
9 Also, previous to this action, you currently have the action
10 that would require some or all shareholders to have a commercial
11 reef fish permit, and there is a process for those who are
12 unable to meet that requirement, and they would need to divest
13 their shares, and so, potentially, through this action, you may
14 have slightly more shares than those reclaimed shares for 36A.

15
16 In this action, you have two approaches, either to distribute
17 those shares out, and, again, those shares are the durable
18 percentage of the quota, and you would think of that more as a
19 one-time distribution out. You would send those shares back out
20 to whoever, and they would then have possession of those shares,
21 and they would receive the allocation, pounds of the quota,
22 associated with those shares each year, and so those are
23 Alternatives 2 through 4.

24
25 Alternative 5 would not distribute those shares. It would use
26 those shares to seed the quota bank that you would then develop
27 in the next action, and so the three alternatives first that
28 address with shares here, each one of them would distribute the
29 reclaimed shares among all accounts with shares of each share
30 category to shareholders under Alternative 2 equally among all
31 shareholders with shares in each category or proportionally,
32 meaning that, depending on how much shares each one of those
33 accounts already has -- If you have more, you would get a bit
34 more. If you have less, you would get less.

35
36 Then the Alternative 4 you added at the last meeting, and this
37 would distribute those shares equally, but only among accounts
38 with shares that represent no more than 500 pounds of
39 allocation, and we did add a column to that table for you to see
40 what kind -- The number of accounts that you would be talking
41 about with each one of those categories. Then, just to give you
42 some context, currently, there are 688 total accounts that have
43 shares in any category.

44
45 For each person's account, they may have shares in one category,
46 red snapper only, and they may have shares in multiple
47 categories, and, again, we have to keep in mind that people have
48 created new accounts to separate assets for different reasons,

1 your vessel, your share ownership, and so some people would have
2 related accounts, may have multiple accounts.

3
4 Also, you would want to think about, if you distribute the
5 shares, that people who may be a small participant, may have a
6 small amount of shares in one of these categories, and so may
7 qualify under the accounts with shares of less than 500 pounds,
8 they may be a larger shareholder in one of the other categories,
9 and so that's something to keep in mind.

10
11 Finally, the Alternative 5 here would not distribute the shares,
12 but it would use those to establish the NMFS-administered quota
13 bank with the reclaimed shares, and NMFS would retain the shares
14 and distribute the allocation associated with the shares each
15 year, and so this is how we understood the two motions that
16 talked about the quota set-aside, because they did speak
17 specifically to a NOAA quota bank, and, for the first time, I
18 heard from Mr. Dyskow this idea of a quasi-federally, or
19 privately-run, quota bank as well, and so we don't currently
20 have that in the document, but that's something that could
21 potentially be added. I am going to pause there for just a
22 moment and see if there's any questions.

23
24 **CHAIRMAN GUYAS:** I've got a bunch of hands. I will go to Phil,
25 and then I see Leann.

26
27 **MR. DYSKOW:** I suspect that Leann and I might be saying the same
28 thing, but I think Alternative 5 should perhaps be modified,
29 given the conversation we have had today, as to whether NMFS is
30 the appropriate entity to oversee the quota bank, and I will
31 take a stab at this, and you can tell me where I'm wrong.
32 **Establish a third-party quota bank with oversight from NMFS/the**
33 **council, and/or other appropriate participants, just as a**
34 **working place to start.**

35
36 Then NMFS perhaps won't be the retaining entity of the shares.
37 Perhaps it would be the quota bank. I am just vomiting on the
38 table, and so you will have to clean it up for me, but that's
39 kind of the direction that we want to go, I believe, based on
40 our previous conversations.

41
42 **DR. LASSETER:** May I just ask one point of clarification? Did I
43 hear you say modify Alternative 5 or add an alternative?

44
45 **MR. DYSKOW:** Modify this alternative, because I believe we have
46 had the discussion, and Roy has given us ample guidance on this,
47 that perhaps a NMFS-administered bank isn't the appropriate step
48 to take.

1
2 **CHAIRMAN GUYAS:** Okay, and so it looks like staff is working to
3 put this on the board. Phil, you might have to help them out a
4 little bit. With oversight from NMFS/the council, and is that
5 right, Ava?
6
7 **MR. DYSKOW: NMFS, the council, and other involved parties.** I
8 think we do want industry participation on this from many
9 levels, small shareholders, IFQ holders, and we want this to be
10 managed in the best interest of the industry, the fishery, not
11 necessarily one segment of it, and so we want -- My vision here
12 would be that the quota bank is administered by a consortium
13 that has a fair and balanced representation with members of the
14 fishery as well as the appropriate oversight bodies.
15
16 **CHAIRMAN GUYAS:** All right, and so let's just make sure we've
17 got this captured on the board, and so, in Action 2, to modify
18 Alternative 5 to read: Alternative 5 is establish a third-party-
19 administered quota bank with the reclaimed shares with oversight
20 from NMFS, the council, and other involved parties. The third-
21 party will retain the shares and distribute the allocation
22 associated with the shares each year. Does that capture --
23
24 **MR. DYSKOW: I think, rather than third-party, it should be the**
25 **quota bank.**
26
27 **CHAIRMAN GUYAS:** The quota bank will retain the shares. Okay.
28 All right. Otherwise, that captures your thought? Okay. Is
29 there a second to this motion? It's seconded by Dr. Shipp.
30 Leann, I saw your hand.
31
32 **MS. BOSARGE:** I feel -- I was just going to offer some words.
33 Would you be willing to say, instead of "establish", "distribute
34 to a" -- When you say third-party-administered, that's
35 essentially a private quota bank, right? Is that what you mean?
36 It's not a governmental quota bank.
37
38 **MR. DYSKOW:** That's correct.
39
40 **MS. BOSARGE:** Because I don't know that -- These shares are out
41 there now, and these are fish that are not going to be caught
42 this year, right, and it takes a while to establish a new -- I
43 would hate to say that it has to be established. It may be
44 that, if we're wanting something quasi-governmental, that is a
45 private-governmental partnership, there is a quota bank out
46 there, and we can put our stipulations on it the way we want it
47 to be used.
48

1 In other words, hey, we have to see a board membership of this,
2 and we want this quota to be used for this, and we want to see a
3 quarterly report on how you're accomplishing that goal. In
4 other words, if you want it to be distributed to grouper
5 longliners in the eastern Gulf, you can make that stipulation
6 when you transfer that quota, but I hate to use the word
7 "establish", because that's going to take a long time, and this
8 quota is sitting there, and I don't want it to sit there for --
9 Replace "establish" with "distribute", and third-party or
10 private quota bank, either way.

11
12 **CHAIRMAN GUYAS:** I've got a bunch of hands here. I am going to
13 recognize Dr. Crabtree next, and then I've got you, Greg, and,
14 Susan, do you want in the queue, because I had you on here.
15 Okay.

16
17 **DR. CRABTREE:** If you look in the statute, in the limited-access
18 privilege program section, there is what they call regional
19 fishery associations, and I believe that is the closest thing in
20 the statute to what you're talking about here. They allow the
21 council to set up criteria for those kinds of things, and they
22 make it where they can be eligible for an initial allocation and
23 other sorts of things, and so I would suggest that you take a
24 look at that language in the statute, because that's where I
25 think you seem to be going with this.

26
27 If your goal though is really to deal with the grouper longline
28 issue, it seems to me there is a much simpler solution to that,
29 and simply distribute these shares that we have to people with
30 grouper longline endorsements, and it's not that many pounds,
31 and so I don't think you solve the problem, but there are easier
32 ways to get quota into the hands of the grouper longline
33 fishers. Just make that a criteria to get this.

34
35 While I am talking, and so I will come back to some of the
36 alternatives when we dispense with this motion, but I think
37 that's the relevant section in the statute, is the regional
38 fishery association language.

39
40 **CHAIRMAN GUYAS:** Greg.

41
42 **DR. STUNZ:** Phil, if you're agreeable, I would just have one
43 more word to put in there somewhere, and that would be "non-
44 profit".

45
46 **MR. DYSKOW:** Fine.

47
48 **CHAIRMAN GUYAS:** So it would be distribute to a non-profit

1 third-party-administered quota bank. Okay. Susan.

2
3 **MS. BOGGS:** I think Dr. Crabtree answered my question. I just
4 was wondering if this was under the purview of the council to be
5 able to do this.

6
7 **CHAIRMAN GUYAS:** Roy, I can see your mic is on. Are you going
8 to respond to that, or are you good? Mara.

9
10 **MS. LEVY:** I think we would have to look more closely at it, and
11 it really depends what exactly this means and how exactly it's
12 going to operate, and I think what Roy said -- I mean, I was
13 looking at the limited-access privilege program provisions in
14 the Act, and I was thinking that a potential way to do this is
15 through a regional fishery association, because it has specific
16 criteria that need to be met in order to allow these
17 associations to hold quota, et cetera.

18
19 I haven't looked into the council just giving something to a
20 third-party and then telling that third-party how to operate,
21 and I don't think that's been done, and so I would definitely
22 have to go back and look at the Magnuson Act and see what types
23 of limitations there might be on doing this.

24
25 **CHAIRMAN GUYAS:** Dale.

26
27 **MR. DIAZ:** To Mara's point, and I don't know if it's been done
28 either, Mara, but, when Mr. Parker was talking, he talked about
29 these community quota entities that they're doing up in Alaska,
30 and I've got to believe that they met the criteria that Dr.
31 Crabtree is talking about, but that might be something that
32 could be looked into, to see how they set up those community
33 quota entities as a model.

34
35 **CHAIRMAN GUYAS:** Ed.

36
37 **MR. SWINDELL:** I am looking this and wondering -- Roy, just
38 what's the cost of NMFS managing the quota bank now? I mean,
39 what are you doing when you're managing these shares, and where
40 are we going to get the money for a non-profit third-party to
41 manage this? How is this going to be allocated? I don't see
42 any great advantage -- If NMFS can handle the job effectively,
43 and, Roy, you will have to answer that, because, if NMFS can
44 handle the job, why are we going and putting another group into
45 place? Thank you.

46
47 **CHAIRMAN GUYAS:** Tom.

48

1 **DR. FRAZER:** I am just -- I am listening to what's being said
2 right now, and I just think that it's not exactly clear how this
3 would work, and so I think what the staff probably needs is some
4 direction and some latitude to explore the feasibility, perhaps,
5 of how this might work, particularly instituting or working
6 through an RFA, and so we might need a motion from one of the
7 council members to make that happen.

8
9 **CHAIRMAN GUYAS:** We probably need to, I guess, dispense with
10 this first, but, yes. Phil.

11
12 **MR. DYSKOW:** I was just to remind the council that we're not
13 proposing a motion to put anything into action. This is to add
14 another alternative, which we would consider at subsequent
15 meetings, and certainly there are a lot of unanswered questions,
16 like there are with any of these alternatives, and so I don't
17 know how deep in the weeds we need to get at this point, because
18 it's just another alternative, and, at some point, it could be
19 considered and rejected, or it could --

20
21 Any number of actions could be taken on this, and so we simply
22 want an alternative that deals with the establishment of a quota
23 bank, and we don't need to put it in the perfect place at this
24 point, because we have subsequent opportunities to do that, and,
25 in fairness, we do need to give the staff some time to consider
26 this and digest it and see if it even makes sense, but, at this
27 point, it's simply a motion to add an alternative, and that's
28 all we're talking about.

29
30 **CHAIRMAN GUYAS:** Mara.

31
32 **MS. LEVY:** I just wanted to respond to Dale. We can certainly
33 look into it, but I will note that there is a specific provision
34 of the act that establishes the Western Alaska Community
35 Development Quota Program, and so the act specifically
36 established that, and it has its own provision, but we could
37 certainly look at other regions and see if they have done
38 something similar or are considering it.

39
40 **CHAIRMAN GUYAS:** Okay, Susan.

41
42 **MS. BOGGS:** I think I would not support this, because I think it
43 needs to be Alternative 6, and I don't think we need to take
44 away the option for NMFS to administer the quota bank. I'm not
45 saying that's the thing to do, but I think we are needing -- I
46 think we need to have that flexibility, based on all the
47 conversations around the table, and you keep saying to add,
48 Phil, but you're not adding. You're modifying, and so I'm just

1 a little unclear.

2
3 **MR. DYSKOW:** I think NMFS has already told us that they don't
4 want to administer the quota bank, and so this is an alternative
5 going forward. If NMFS wanted to administer the quota bank, I
6 don't think we would change anything, and so it's -- The
7 Alternative 5 is the establishment of a quota bank, and NMFS
8 said, no, we don't want to administer it, if I understood
9 correctly, and so this is another way of establishing a quota
10 bank that would provide an alternative other than the first
11 four.

12
13 **CHAIRMAN GUYAS:** All right. Any other discussion on this
14 potential change to this alternative? Okay. If not, then I
15 guess let's vote. **All in favor of the motion, please raise your**
16 **hand; all opposed, please raise your hand. The motion carries**
17 **ten to three.**

18
19 Now, I think, if we want to get more information about the
20 regional fisheries associations, and is that what they're
21 called, then I think we would need a motion to guide Ava on
22 that. If anybody is interested in that, now would be the time.
23 Tom.

24
25 **DR. FRAZER:** I think it's important to move us forward in that
26 direction, and so I'll make a motion, essentially, to instruct
27 staff to explore the feasibility of the council to establish a
28 quasi-federal, or non-NOAA, quota bank, using the RFAs as an
29 example.

30
31 **CHAIRMAN GUYAS:** All right. Let's get that on the board. While
32 that's getting on the board, is there a second to this motion?
33 It's seconded by Greg. I think we've got it now. The motion is
34 to instruct staff to explore the feasibility to establish a non-
35 NOAA quota bank, using RFAs as an example. Is there any
36 discussion on this motion? **Is there any opposition to this**
37 **motion? One opposed. Otherwise, the motion carries.**

38
39 **DR. LASSETER:** We will turn back to the document, to the
40 presentation on the document. Just one moment. I believe there
41 is --

42
43 **CHAIRMAN GUYAS:** Roy.

44
45 **DR. CRABTREE:** Just before we leave this, there is some problems
46 with some of the alternatives here, particularly Alternatives 2
47 and 3 that equally distribute the shares among accounts. That
48 would effectively reward someone who just went in and created a

1 bunch of extra accounts, because an individual can have multiple
2 accounts, and so there's like a loophole there that I think
3 would be a problem.

4
5 The proportionality doesn't have that problem, but, of course,
6 that would give the most fish to the guys who already have the
7 most fish, and you might want to think about though having it be
8 inversely proportional, which would effectively reward the most
9 fish to the ones who have the least and the least fish to the
10 ones that have the most, but still avoid the multiple accounts
11 problem.

12
13 Then the other thing I would bring up again is, if your goal
14 really is to get at the grouper longline fishery, you could
15 award all these additional shares only to vessels that have
16 longline endorsements, but I will remind you that we're talking
17 about 5,000 pounds of red snapper, I think, Ava, and so --

18
19 **DR. LASSETER:** 5,467 pounds under the 2019 --

20
21 **DR. CRABTREE:** Not many fish.

22
23 **CHAIRMAN GUYAS:** All right. Does anyone care to act on those
24 suggestions with a motion? Kevin.

25
26 **MR. ANSON:** Yes, I will bite. **I will make a motion to change in**
27 **Action 2, Alternative 3, to change that from proportionally to**
28 **inverse proportionally, or inverse proportion.**

29
30 **CHAIRMAN GUYAS:** Okay, and so I think we've got it on the board.
31 It says, in Action 2, to modify Alternative 2 to read -- I think
32 it should be Alternative 3 to read inverse proportionally. Is
33 there a second to this motion? It's seconded by Dr. Shipp. Is
34 there discussion on this? I will just say that it seems like
35 you still sort of have the problem of people opening new
36 accounts. Kevin.

37
38 **MR. ANSON:** Was a vote taken on that? Did you take a vote on
39 that?

40
41 **CHAIRMAN GUYAS:** No, and we're in discussion.

42
43 **MR. ANSON:** The way I'm reading it, it says that Alternative 3
44 is distinct or separate from Alternative 1, or is it tied
45 directly into Alternative 1? I thought usually it's 1, 1a, and
46 1b, if it's a sub-option.

47
48 **DR. LASSETER:** Alternative 1 is always no action, and so all

1 three of these are really looking at all of the accounts, and
2 many people have multiple accounts, and so you may have some of
3 your shares in various accounts, and so I'm not clear either,
4 and Dr. Crabtree raised the issue with the "equally", in terms
5 of some people could have multiple accounts, and it's not clear
6 to me that this is -- This new way of phrasing it would avoid
7 that either, because, of course, inversely proportional -- You
8 could also have a small amount of shares in this one, but a
9 large amount of shares in another share category, but perhaps
10 Dr. Crabtree could comment on that.

11
12 **DR. CRABTREE:** Well, in this case, if you created extra
13 accounts, it wouldn't change anything, because what you're going
14 to get is either proportional or inversely proportional to your
15 shareholdings, and you don't change your shareholdings, and so,
16 presumably, you would have to be a shareholder, number one, or
17 you don't get anything, right? Then the other thing you could
18 add to this, which I don't think is in 3, is only people who
19 have a reef fish permit associated with some account.

20
21 **CHAIRMAN GUYAS:** Leann.

22
23 **MS. BOSARGE:** Well, and it's probably not the time, but I will
24 just throw it out there, that, yes, that permit discussion, I'm
25 hoping we'll have time to circle back and actually go through
26 those two action items. I'm about ready to pick a preferred on
27 one of those.

28
29 **CHAIRMAN GUYAS:** Kevin.

30
31 **MR. ANSON:** I will make a motion then to remove Alternative 2 in
32 Action 2.

33
34 **CHAIRMAN GUYAS:** Hang on. We still have a motion on the board
35 that we need to dispense with, and so hold that thought. Is
36 there any other discussion on the motion on the board? This is
37 to change Alternative 3 to inverse proportionally? All right.
38 **Is there any opposition to this motion? Seeing none, the motion**
39 **carries.** Kevin.

40
41 **MR. ANSON:** I will make a motion to remove Alternative 2 from
42 Action 2.

43
44 **CHAIRMAN GUYAS:** All right. Is there a second to that motion?
45 It's seconded by Dr. Shipp. While we're getting it on the
46 board, is there any discussion on this? Kevin.

47
48 **MR. ANSON:** Just that I am trying to visualize this in my mind,

1 and the issue of quota banks and the authority or the direction
2 the council gives to NMFS about how to distribute these, you
3 know, are separate. You don't need a quota bank to distribute
4 shares, and so NMFS can just distribute them, as we were just
5 talking about, and so I just wanted to make sure that's clear,
6 and it probably is to everyone. It's clear in my mind a little
7 bit more now, and so that's all.

8
9 **CHAIRMAN GUYAS:** Dale.

10
11 **MR. DIAZ:** We normally word that to move to Considered but
12 Rejected. Is that the way you want to word it, Kevin?

13
14 **MR. ANSON:** Yes, that would be fine. Thank you.

15
16 **CHAIRMAN GUYAS:** I am looking at staff to see if that's the way
17 they want to do this or if we're early enough that we can just
18 cut it.

19
20 **DR. LASSETER:** If you said to remove, then we would decide the
21 appropriate place. I'm not sure that we have a Considered but
22 Rejected. We also haven't decided if this is going to be an EA
23 or an EIS, and so it's a little unusual that we have a couple of
24 actions that do have a lot of alternatives, because those are,
25 in part, leftovers from 36A, when you split it, but we'll find
26 the appropriate place to put it.

27
28 **CHAIRMAN GUYAS:** All right. There is our motion, again, to
29 remove Alternative 2. Is there any other discussion on this?
30 **Is there any opposition to this motion? Seeing none, the motion**
31 **carries.** Is there anything else on Action 2, for the time
32 being? Okay.

33
34 **DR. LASSETER:** Wonderful. Then we'll move into Action 3, and we
35 reviewed the initial slide on Action 3, which has the different
36 sub-actions with the questions, but we'll start there. I will
37 just call up all the questions, since we've already kind of gone
38 through them.

39
40 Action 3 currently has four sub-actions, and we may need to add
41 additional ones or modify them as we kind of move through the
42 material. Only the first one, Action 3.1, actually has
43 alternatives. The subsequent sub-actions are going to need to
44 be developed once we get a sense of the direction you're going
45 with the Action 3.1, the amount of quota there, and that would
46 then shape and outline the remaining actions and alternatives.

47
48 Just as a refresh, again, the first decision is the threshold of

1 allocation to add to the quota bank, how much quota are you
2 putting in there, and from which of the share categories, from
3 which of the programs and, specifically, which of the share
4 categories.

5
6 Then who is eligible to access the quota bank? Who are small
7 participants, who are new entrants, and who would qualify for
8 reducing discards? Then there is how much allocation to provide
9 to each one of those groups of recipients as well as each
10 individual recipient within each group and then, finally, the
11 method of distribution of allocation, lottery, or there is that
12 idea of using that adaptive management redistribution method.

13
14 We will start with Action 3.1, which is thresholds of allocation
15 to add to the quota bank, and you have two action alternatives
16 here, and they propose different thresholds, and so, each year
17 on January 1, add to the quota bank the amount of allocation,
18 and so the pounds of quota, the allocation, greater than --
19 Alternative 2 would be the commercial quota at the time of the
20 respective program's final approval by the council, or
21 Alternative 3 would be to use the largest commercial quota
22 between 2007 and 2018 of the respective share category for the
23 selected share category, and then you are provided with options
24 to decide whether this would apply to -- Meaning you're going to
25 create the quota bank for red snapper only or all the grouper-
26 tilefish categories, or, if there was a reason, we could go in
27 and provide additional options to flesh out those individual
28 categories.

29
30 Right now, these are alternatives to propose how much quota
31 would go into that quota bank. Essentially, these are proposing
32 a set-aside, and so your quota bank is your structure, and you
33 are setting aside quota into these banks, per your motion, and
34 so here is an example of what that means as a set-aside example.

35
36 Again, we're talking allocation would be distributed out of here
37 only, and so this example is not part of those alternatives.
38 This is based on something that Dr. Shipp mentioned at I think
39 it was at the end of the April meeting.

40
41 If we look at the 2019 red snapper quota, it's 6.9 million
42 pounds. On the left bar there, you see that, currently, 100
43 percent of the quota is distributed to shareholders as pounds of
44 allocation at the beginning of each year. What that means is
45 that, if you have 1 percent of shares, your 1 percent of shares
46 represents 1 percent of that year's quota. Under the 2019
47 quota, that would be roughly 69,000 pounds.

48

1 This idea of a quota set-aside means that little double-dotted
2 line there -- That's the threshold that is proposed in the
3 previous sub-action, and this example, which, again, we robbed
4 from Dr. Shipp, who had proposed 80 percent of the quota. Below
5 the 80 percent, and so 80 percent of the quota, would be
6 distributed to shareholders as annual allocation, as is
7 currently done. Then the 20 percent of quota would go into this
8 quota bank.

9
10 The change for existing shareholders means that your 1 percent
11 of shares before the set-aside meant more pounds of quota than
12 it does under the set-aside, and you can see the 1 percent
13 changes under the full 2019 quota to 80 percent of the 2019
14 quota represents now 55,500 pounds. Then the quota above, with
15 the 2019 quota, again, that represents 1.387 million pounds of
16 gutted weight that could be available for distributing through
17 the quota, and so that's what we interpreted a set-aside as.
18 Let me pause there and see if there's any questions on this.

19
20 **CHAIRMAN GUYAS:** Kevin.

21
22 **MR. ANSON:** Ava, just, again, trying to picture this, and, if
23 you go back to the previous action, Action 2, if we chose
24 Alternative 3, does Action 3 -- Does everything discussed in
25 Action 3 apply to that, because you're using quota bank, when
26 you describe the action in Action 3, but we don't refer to quota
27 bank in Alternatives 2, 3, or 4.

28
29 We only refer to it in Action 5, and so would we have to choose
30 2 or 3 or 4 and Alternative 5, or can we just use 2, 3, or 4,
31 because I think the agency can redistribute them without a quota
32 bank being established. It's just something that they do when
33 they distribute shares, and so it's semantics, potentially, and
34 so I just want to -- Again, I'm trying to figure out the
35 mechanics of this, and one starts and one begins and ends and
36 all that. Thank you.

37
38 **DR. LASSETER:** Great. Thank you, and, yes, this is where I want
39 to come back to the way the document is structured. Action 2,
40 the action that we just went over, you have alternatives that
41 would either distribute the shares, and that would be a one-time
42 distribution, or you would not distribute those shares, and you
43 would use those shares to seed the quota bank, and so, in Action
44 2, you select those first alternatives of 2, 3, or 4 -- Well,
45 actually, I think you removed one now, and so the first couple,
46 and you're distributing shares.

47
48 If you don't distribute the shares, you are essentially creating

1 the quota bank, and so Action 2 connects to Action 3, and Action
2 3 is only applicable, as the document is structured now, if in
3 Action 2 you select that last alternative, and so now let's go -
4 - That was the overview of all of the actions and how they fit
5 together. Then here is your -- Excluding the two motions that
6 you just passed.

7
8 You can see the underlined parts here, and so we lumped
9 Alternatives 2, 3, and 4 together, because those are all talking
10 about shares. That's talking about a one-time -- You make this
11 decision, and those shares are gone now, going back out to
12 whoever the recipients are.

13
14 If you select Alternative 5, you are not going to distribute
15 those shares. You are going to hang on to those for either this
16 new RFA, NOAA quota bank, and that's going to seed the beginning
17 of the quota bank, and so then, when we go to Action 3, it's
18 actually in the document, at the very top, and it says this
19 action is only applicable if you select Alternative 5 in the
20 last action.

21
22 You are essentially making the decision here to create a quota
23 bank or just go ahead and distribute those shares. In the
24 future, again, you could, of course, start the quota bank
25 independently, absolutely, and this is a function of when staff
26 came back from a meeting with your motions directing us with the
27 quota set-asides, and this is how we understood it. You also
28 had a motion about having those reclaimed shares going toward
29 the quota bank, and so that was reflected there as well. If you
30 do select distributing the shares, right now, this would not be
31 applicable, or we could restructure the document, if you did not
32 want to use those to seed the quota bank.

33
34 **CHAIRMAN GUYAS:** Any other questions or discussion on this one?
35 Okay. Let's roll.

36
37 **DR. LASSETER:** Okay. We will move on to the Action 3.2, and
38 this action addresses the eligible recipients of the allocation
39 from the quota bank, and so this, again, is assuming that you
40 did select an alternative to establish the quota bank, and here,
41 at the top again, we have copied the purpose statement back from
42 one of those earlier slides.

43
44 The purpose of this action is to assist -- We've got small
45 participants, new entrants, and we have reduce discards, and
46 then here's that other motion that still has the shares part of
47 it, and so I'm not quite sure what to do with this, but you have
48 this concept of an actively-fishing eligible commercial

1 fisherman.
2
3 Currently, there is no definition. The council does not have a
4 definition of "small participant", of "new entrant", of
5 "actively fishing", nor is it clear who would be eligible for
6 quota to reduce the discards in the eastern Gulf. Now, you're
7 going to hear a presentation in a little while that's talking
8 about the full retention fishery idea, and that's specific for
9 the -- The presentation was specific to the longline fleet, and
10 is that the population that you are wanting to address, provide
11 quota for, for dead discards, or would it include some of the
12 bandit fishermen as well?
13
14 These are some of the questions that we're trying to get some
15 feedback on how to further develop this action and define who
16 are these eligible recipients.
17
18 So defining the terms, who are they? We have gone through each
19 of these, and, in the document, there is bulleted lists of
20 potential ways to think about these groups, and these are some
21 of the questions that you could ask and try to answer, and so
22 are small participants the same as new entrants? Are the
23 characteristics of both groups the same?
24
25 The council had developed a definition of small participant and
26 new entrant that's in your document for the purpose of a finance
27 program, of a fishery finance program, and they're not exactly
28 the same. It provides a small participant, in terms of the size
29 of the vessel, and so that's another way of looking at it,
30 perhaps, is the type or the class of vessel that they have.
31
32 Would a small participant own a permit? Does a small
33 participant have shares? Do they have a history of landing IFQ
34 allocation? Then another way to look at it is, if you qualify
35 as a small participant in one program, but not the other -- Are
36 you wanting people who are only small in one and you want to
37 exclude them if they're a larger participant in say the grouper-
38 tilefish program, but they're a small participant in red
39 snapper?
40
41 There's a lot of different ways you could define who you mean by
42 small participants, and Dr. Stunz asked earlier for some kind of
43 feedback on how much quota and how many people would we even be
44 talking about, and, if you could provide us some of these
45 answers, kind of narrow down the scope of how you would define
46 these groups, we could go and pull some information about those.
47 Let me pause there and see if anybody has comments on how some
48 general descriptions, general characteristics, of what you think

1 a small participant or a new entrant would be.

2
3 **CHAIRMAN GUYAS:** We had a little bit of discussion about this
4 earlier this morning, but maybe we can solidify our thoughts
5 here. Susan.

6
7 **MS. BOGGS:** I am kind of like Leann. I think we need to back up
8 to Action 1, because that could determine what we decide in
9 this, because my thought process is, if you're to go down the
10 road of a quota bank, then you want someone that is actively
11 fishing, which, in my opinion, would be someone that owns a
12 commercial reef fish permit, but somehow I feel like we need to
13 determine the permit requirements in Action 2 before I can
14 really decide that that's what I would consider someone eligible
15 for the program.

16
17 **CHAIRMAN GUYAS:** Action 1.1, I think, is what we're talking
18 about, and it could be a little bit different, because this
19 action pertains to who is eligible to receive in the quota bank,
20 whereas Action 1.1 is who is part of the IFQ program, more or
21 less, and so, yes, I guess you could, in Action 1.1, kind of cut
22 it off right there and answer that question, but I guess it
23 depends on where we want to go here. Mara.

24
25 **MS. LEVY:** I think you pretty much covered it, but I was just
26 going to say that you could potentially limit the quota bank to
27 someone who has a permit, but not limit the program to someone
28 who has a permit. Of course, if you limit the program to
29 someone who has a permit, then there would be other things, but
30 you could have them different.

31
32
33 **CHAIRMAN GUYAS:** Leann.

34
35 **MS. BOSARGE:** All right. Well, I guess it's as good of a time
36 as any. Ava, I am going to change gears, and we'll have to get
37 back to your question about what is a small entrant. Since this
38 is on the board, and so, to me, this document -- A lot of what
39 we work on is a biological issue, right, and we're trying to
40 rebuild stocks.

41
42 This, to me, is a social document, and that's what it is, but I
43 think one thing that I do hear some consensus around the table,
44 even with the quota banks, and we're trying to -- Even
45 redistributing the shares, if we don't do a quota bank, and
46 we're going to -- Not redistribute, but we're going to
47 distribute the shares that we're holding, that we reclaimed, and
48 Roy made a great point that you probably want to distribute

1 those to people with a permit.

2
3 If you're trying to help the fishermen that are on the water,
4 that are leasing, which I think is really, Kevin, a lot of what
5 a lot of your comments have been geared towards, then you're
6 going to want to distribute those to people with a permit. If
7 you don't have a permit, you're probably not on the water
8 fishing.

9
10 To me, I guess my frustration with this whole document, as we've
11 gone through it, is these first two action items, to me, should
12 be in a stand-alone document. This document is taking us
13 forever, and I don't think that's a bad thing. I think we're
14 really hashing through it and making sure we get where we want
15 to be, but I think that's probably going to take us a lot longer
16 still.

17
18 This, to me, is the first step to anything that we've talked
19 about doing. You are going to have to have a permit if you want
20 to own shares. If you're going to have the right to -- If you
21 own the right to catch the fish, then we want you to also at
22 least have a permit that gives you the ability to catch the
23 fish, right, to link those two things back up.

24
25 **Some people may not agree with me, but I think, in the long**
26 **term, philosophically, that should be the case for that fishery,**
27 **and so I would like to make a motion that we take Actions 1.1**
28 **and 1.2 and put those in a stand-alone document, in a separate**
29 **document, for council consideration.** That's the end of my
30 motion, but with the intention that staff bring those two items
31 to us as soon as possible in that document.

32
33 I think we can come to an agreement. We might have some
34 fleshing-out to do, as far as what the date is on when you're
35 going to be required, if you were a shareholder at this time and
36 you want it retroactive, or if you want it in the future or
37 whatever, and we can hash that out, and then what to do with the
38 shares that we reclaim if somebody doesn't go get a permit, but
39 I think we can move forward with that, and that is the first
40 step to everything else we want to do, and I hate to see us drag
41 our feet on that when we could take a baby step forward and get
42 that implemented and then try and hash out the rest of this, and
43 so that's my motion, if I can get a second.

44
45 **UNIDENTIFIED:** I will second it.

46
47 **CHAIRMAN GUYAS:** We've got a second. Once we flip back to the
48 board -- The motion is to begin a stand-alone document for

1 Actions 1.1 and 1.2. Is there any other discussion on this
2 motion? Chester.

3
4 **MR. BREWER:** Roy reminded me of the history of why we got to the
5 point, or this council got to the point, of saying that non-
6 permit holders could hold shares, and, being a recreational
7 person, I will do a mea culpa and say it was because of the
8 recreational community's requests.

9
10 The idea was, and I participated in this, that the recreational
11 sector, after five years, would be allowed to come in and buy
12 commercial quota shares, and thereby have a de facto
13 redistribution of quota. It was a mistake. It was a mistake,
14 and so I have to agree with Leann.

15
16 I mean, if you're going to be fishing commercially, or if you're
17 going to hold shares, commercial shares, you need to fish them,
18 and you need to be on the water, and you need to be producing
19 those fish, rather than sitting on a couch somewhere and having
20 an almost guaranteed return of between 12 and 15 percent on your
21 money that you invested, and I just wanted to say that, Leann, I
22 agree, and I thought I would do a mea culpa.

23
24 **CHAIRMAN GUYAS:** Other discussion on this? I assume, Leann,
25 you're thinking that, at this same time this breaks out, that
26 we're still moving and discussing quota banks and all that.
27 Okay. Got it. Are you all ready to vote? It looks like it.
28 Okay. **Is there any opposition to this motion? Seeing none, the**
29 **motion carries.** Tom.

30
31 **DR. FRAZER:** I don't think that we have to do this now, but, if
32 you're going to create a separate document, that it's going to
33 require its own purpose and need, and, very explicit in the
34 follow-up, I guess, on Phil's point, and some of what Roy said
35 as well, the more focused that that purpose and need could be,
36 it will help in crafting the document moving forward, and so we
37 could probably do that at Full Council.

38
39 All right, and so we're having a bit of a discussion, Leann, at
40 this point over here of what do you want to do with the rest of
41 this document at this point.

42
43 **CHAIRMAN GUYAS:** We're talking today.

44
45 **MS. BOSARGE:** I mean, how much time do we -- I say continue on.
46 I think we're having, actually, good, substantive discussion,
47 and, unless there is a pressing agenda item, I think we should
48 still carry on.

1
2 **DR. FRAZER:** Okay. We'll move forward.

3
4 **DR. LASSETER:** Okay, and so we actually did talk about the 1.1
5 last meeting, and then I think, at the end of that, we jumped to
6 Action 4, and then we ran out of time, and so I have a little
7 bit more in Action 3, but I haven't actually gone over the 1.2
8 either, and so maybe I should get through the last of 3 and then
9 come back to this 1.2, so that you have it.

10
11 **DR. FRAZER:** Good. Perfect.

12
13 **DR. LASSETER:** Okay, and so let's skip back down to quota bank.
14 We have some questions for you to be thinking about, in terms of
15 how to define these different groups. The next sub-action would
16 be how much allocation to provide for these eligible recipients,
17 and, again, a lot of this is going to depend on how you define
18 each one of those, one of the key questions being are small
19 participants and new entrants -- Are those characteristics
20 overlapping?

21
22 The actively fishing, I was kind of hearing now, from Chester
23 talking, that perhaps that's going to tie in somehow with the
24 commercial permit requirement over there, and so this is another
25 one of these sub-actions that, if we come back to the quota
26 bank, we're going to need some more feedback on.

27
28 Then, finally, the last sub-action for the quota bank
29 development would be the method of distribution of the
30 allocation to those defined eligible recipients, and the options
31 you are currently considering in the document would be equally
32 or weighted by some measure of participation, and so this would
33 be the idea that those who can demonstrate more fishing activity
34 would receive more allocation.

35
36 Then another one that Dr. Crabtree mentioned recently, and this
37 was originally explored in Amendment 41, which was the
38 consideration of the catch share program for the charter fleet,
39 was this adaptive management redistribution method, where, in
40 cycles, depending on how much you participated and how much you
41 used quota, you would then receive more quota into the future.
42 Those with less participation would be receiving less allocation
43 going forward, and so future distributions are related to the
44 amount that you're participating and the amount of landings that
45 you're making. All of that would need to be developed, but the
46 concept of an iterative process of delivering access is what
47 that's talking about.

48

1 Then, finally, lottery being another approach there as well, and
2 so those are the sub-actions in the quota bank, and let's come
3 back, since we just have ten minutes left, to the Action 1 and
4 2, because we may come back to this in Full Council, to discuss
5 purpose and need.

6
7 Real quick, let me go through the 1.1, the permit requirement.
8 Of course, Alternative 1 is always our no action, and the
9 remaining alternatives would hold that, in order to obtain,
10 meaning getting more shares, or to keep the shares that you
11 already have in your account, shareholders would need to have a
12 commercial reef fish permit.

13
14 The alternatives would be -- Alternative 2 would require all
15 shareholders to have a commercial reef fish permit. Alternative
16 3 would require only shareholders who enter the IFQ programs
17 after January 1, 2015 would need the permit, and that date is
18 the five-year date after the grouper-tilefish program went open
19 for public participation, or you could grandfather everybody in
20 until this amendment is implemented, and that would be
21 Alternative 4, and so it would only require shareholders who
22 enter the program following implementation of this amendment
23 would need to have a permit, and so it would really be going
24 forward.

25
26 There is a slide that's also in the document that gives you a
27 sense of the number of accounts with and without a permit and
28 then the proportion of shares, and, again, by share category,
29 keeping in mind that some people that are participants in red
30 snapper, that may have red snapper shares, do not participate in
31 the grouper-tilefish program, and vice versa, although there's a
32 very high overlap between these programs.

33
34 Then the other action that would be going into this separate
35 document, per the committee motion, would be 1.2, share
36 divestment, and, of course, Alternative 1 is always no action,
37 and Alternative 2 states that a shareholder with shares that
38 does not have an account associated with a commercial reef fish
39 permits, as required in the previous action, must divest of
40 shares, or the shares would be reclaimed by NMFS, and then
41 options are provided for the timeline that the entity would have
42 for procuring that permit, or to be deemed out of compliance,
43 either within one year or within three years following the
44 effective date of the final rule implementing this amendment.

45
46 This alternative goes towards people that would not be able to
47 meet the requirement, or choose not to meet it, in that previous
48 action, and then we have one more alternative in this action,

1 which would be going forward, and so following implementation of
2 this amendment.

3
4 Later on, if a shareholder no longer has a permit, if they sell
5 their permit, or they do not renew their permit, but, basically,
6 they are no longer found to be in compliance with that
7 requirement of having a permit, then they would need to divest
8 their shares, as needed to meet the requirements, or the shares
9 would be reclaimed by NMFS, and, again, the same options are
10 provided there for a timeline, allowing them one year or three
11 years following no longer having that permit. I will pause
12 there for discussion.

13
14 **CHAIRMAN GUYAS:** All right. Are there any questions now? As
15 Ava mentioned, I think the plan would be to bring back a purpose
16 and need for this new document at Full Council, potentially.

17
18 **DR. LASSETER:** We will pull something from the purpose and need,
19 but we really need the committee, or the council then, at that
20 point, to tell us what is it that they're trying to intend --
21 What are they trying to achieve with that option.

22
23 **CHAIRMAN GUYAS:** Okay. Phil.

24
25 **MR. DYSKOW:** Thank you, Martha. The intent of taking out these
26 action items, 1.1 and 1.2, is that we can take them to a vote
27 more timely, which is a good idea, and what's your sense of when
28 that would be? Would it be at Full Council, at the next council
29 meeting, or what -- I think Leann came up with a good idea, but
30 it's not a good idea if we don't follow through on it and
31 actually take some action, because it does hinge -- A lot of
32 other things are going to hinge on that decision, and so the
33 timeliness of this is critical.

34
35 **DR. LASSETER:** I will take a stab at it. I'm going to have to
36 ask Mara for a little bit of guidance. Although we've been
37 working on this document for a long time, staff and the broader
38 IPT, we weren't sure of the scope, ultimate scope, of what was
39 going to be included in here. The quota bank, is it or is it
40 not?

41
42 We have not determined the significance level of the actions
43 within this. Doing only the permit requirement -- I am looking
44 at Mara, because I'm wondering if that's considered changes to
45 the permit, and that's even within the framework procedure, and
46 so it could be an EA, technically, or are we -- I am going to
47 turn it over there for just a moment.

48

1 **MS. LEVY:** I don't want to confuse what type of document it is
2 with the NEPA requirements. I mean, we'll have to go back and
3 look at it, but, ultimately, there is no analysis in here, and
4 it's not a complete even public hearing draft, and so there's no
5 way that it's happening now, and it's not likely happening at
6 the next meeting, potentially. I mean, it's really a matter of
7 staff time. You could get a document ready for January or early
8 next year, but it's not going to happen immediately.

9
10 **CHAIRMAN GUYAS:** Roy.

11
12 **DR. CRABTREE:** Well, so a couple of things to this action. Am
13 I, Ava, right that Alternative 2 is just a one-time deal, and
14 then, as time went on, people could get rid of their reef fish
15 permits, and we would be right back where we started?

16
17 **DR. LASSETER:** That's Alternative 3.

18
19 **DR. CRABTREE:** I guess my question is why is it structured as
20 two alternatives? Clearly, if we go through with this, we don't
21 want it to go back to the way it was. It seems, to me, to be
22 inherent in what we're doing. We're talking an ongoing thing,
23 but so it is that we would choose two alternatives, and is that
24 right?

25
26 **DR. LASSETER:** Currently, the way the document is structured,
27 and the way it has been approved through the process, is --

28
29 **DR. CRABTREE:** Okay. I guess that's fine. Then the other
30 problem I see, caused by separating it, is we have this business
31 that -- Divest of shares, and they will be reclaimed by NMFS.
32 Understand though, of course, if this is a separate document,
33 there is no way for NMFS to do anything with the shares once
34 they are reclaimed, and so they're just going to sit in limbo,
35 because all of the things we've talked about to actually
36 redistribute the shares are -- We just took them out of it, and
37 so I doubt that many people are going to divest and let us
38 reclaim their shares, but that is a tricky thing with it.

39
40 **DR. FRAZER:** I appreciate those comments, Roy, as well, but I
41 think this is not going to be a very short process, and I think
42 you'll be able to develop these additional components alongside
43 of that, or in parallel, to some degree.

44
45 **DR. CRABTREE:** Just remember it's the redistributing reclaimed
46 shares that led to the whole other amendment and all that
47 discussion, because we haven't been able to come to any
48 resolution to how to redistribute the small amount of shares we

1 already have, and so that's not a simple thing for us,
2 apparently.

3

4 **CHAIRMAN GUYAS:** Mara.

5

6 **MS. LEVY:** Thank you. It's not exactly on this topic, but I
7 wanted to circle back to what Dale was talking about, in terms
8 of the Alaska program, because Mike Travis at the Regional
9 Office was kind enough to point me to an Alaska program that
10 deals with community development entities, and what they have
11 done there is allow certain communities to then form non-profits
12 that then can hold the quota share and distribute them.

13

14 There are a lot of requirements about those community's
15 eligibility and how they distribute it and caps and all of those
16 things, and the reason I'm bringing that up is because, since
17 you have shifted in the one action from a NMFS quota bank to
18 this sort of private quota bank, this might be an example, but
19 there are just different decision points than what's in the rest
20 of the document, right, and like this private quota bank isn't
21 necessarily going to be like distributing things equally or
22 proportionally.

23

24 I mean, you're going to be more establishing what types of
25 things this non-profit needs to have, and there is going to have
26 to be a cap on what they can hold, and there might be a cap on
27 how much they can distribute to a person, and so it might be
28 that staff needs to go back and, looking at what you did with
29 that one action about moving from a NMFS quota back to a private
30 quota bank, sort of see what falls from that in terms of the
31 other questions and the other actions, because they might not
32 fit exactly like they did before.

33

34 **CHAIRMAN GUYAS:** Okay. Well, it is 11:59, and so I'm going to
35 turn it back over to the Chairman.

36

37 **DR. FRAZER:** Okay, and so, Mark, did you have an announcement
38 that you wanted to make?

39

40 **LT. ZANOWICZ:** Yes, and I know we have a lunch scheduled for
41 some of the council members and staff, and our District 8 Chief
42 of Staff, Captain Shannon Gilreath, will be in attendance, and
43 we also have the Commanding Officer of our Gulf Regional
44 Fisheries Training Center, Lt. Sasha Rivière, in attendance as
45 well.

46

47 **DR. FRAZER:** Thanks to both of them for being here. I think
48 we'll go ahead and break, and we'll come back at 1:30, and we'll

1 pick it up with additional Reef Fish Committee business.

2
3 (Whereupon, the meeting recessed for lunch on August 13, 2019.)

4
5 - - -

6
7 August 13, 2019

8
9 TUESDAY AFTERNOON SESSION

10
11 - - -

12
13 The Reef Fish Management Committee of the Gulf of Mexico Fishery
14 Management Council reconvened at the Hyatt Centric French
15 Quarter, New Orleans, Louisiana, Tuesday afternoon, August 13,
16 2019, and was called to order by Chairman Martha Guyas.

17
18 **CHAIRMAN GUYAS:** Before we get into the for-hire ACT buffer, I
19 neglected to recognize Greg before we took a break, and so,
20 Greg.

21
22 **DR. STUNZ:** Thanks, Martha. I wanted just to circle back to
23 this discard and bycatch reduction that we were talking about
24 earlier today, and I wanted to make a motion, but I didn't have
25 my thoughts together, but I do have that motion now. I just
26 thought it would be a good idea to get this in the form of a
27 formal motion requesting the discards for the fisheries, just so
28 everybody is really clear what we're talking about. By the way,
29 I am not tied to this motion exactly, if somebody wants to
30 modify it a little bit or something. If I get a second, I can
31 add just a brief discussion point onto that.

32
33 **The motion is I move to request the Science Center provide**
34 **estimates of discards in both weight and numbers of fish as well**
35 **as estimated release mortality for each gear type used to**
36 **harvest commercial IFQ species for incorporation into Amendment**
37 **36B.** That is my motion.

38
39 **CHAIRMAN GUYAS:** All right. Is there a second to that motion?
40 It's seconded by Phil. Do we need to have any discussion on
41 this?

42
43 **DR. STUNZ:** Real brief, Martha. I just wanted to add one thing
44 that I discovered during the breaks that might shed some light,
45 because we've been talking, obviously, about the discard rate
46 with the longline fishery, and I didn't realize this, but at
47 least a subset of that group is doing official reporting to the
48 Science Center, in terms of what their discard rates are like.

1 I haven't seen any of that data, and I don't know what phase
2 they're in of that data collection, but there are, I guess,
3 official estimates or reportings of some type that are coming
4 back regarding those fleets.

5
6 **CHAIRMAN GUYAS:** Okay. Any other discussion on this? Dale.

7
8 **MR. DIAZ:** I know I said this earlier, but, ideally, I would
9 like us to close the loop on not just this, but even on the
10 recreational side too, about what potentially could be gained by
11 lowering these discard levels, as far as future ACLs, and so
12 that's really, in my mind, what makes this information valuable,
13 and so I support the motion, but I would like to close that loop
14 at some point in time. Thank you.

15
16 **CHAIRMAN GUYAS:** All right. **Is there any opposition to this**
17 **motion? Seeing none, the motion carries.** With that, let's move
18 on to the framework for the ACT buffer, and Ryan is going to
19 walk us through that one for us.

20
21 **FINAL ACTION: FRAMEWORK ACTION TO MODIFY THE RECREATIONAL FOR-**
22 **HIRE RED SNAPPER ANNUAL CATCH TARGET BUFFER**
23 **REVIEW OF DOCUMENT**
24

25 **MR. RINDONE:** I sure am. We can go to your action guide, which
26 is Tab B-3, and this is Agenda Item Number VII, Final Action for
27 Modifying the Recreational For-Hire Red Snapper Annual Catch
28 Target Buffer, and so we're going to go through the proposed
29 alternatives, including the preferred alternative that you guys
30 currently have, and this looks at permanently reducing the
31 buffer between the annual catch target and annual catch limit
32 for the federal for-hire component for red snapper.

33
34 You guys currently prefer reducing this buffer to 9 percent,
35 which is what it is for this year, but there's a sunset on that
36 change to 9 percent, and so, without this framework action, that
37 buffer would increase back to 20 percent in the 2020 fishing
38 year, and so, if you guys will take a look and see what you
39 think, and, if everything looks great, then recommend it be
40 implemented and send it off to the Secretary of Commerce.
41 Seeing no hands, we'll go to the document, and it is Tab B,
42 Number 8(a).

43
44 We can go ahead and skip on down, since you guys have already
45 seen this stuff, and we can skip on down to Chapter 2. We only
46 have one action in this framework action, and that's to modify
47 the red snapper recreational for-hire component's ACT.

1 No action, like I said, would keep it at 9 percent for 2019,
2 but, for 2020 and subsequent years, it would revert back to --
3 The ACT would be 20 percent below the for-hire component's ACL.
4 The council's current preferred alternative is Alternative 2,
5 which would apply the ACL/ACT control rule that was used in the
6 previous framework action for -- Using landings from 2014 to
7 2017, and it would result in an ACT set 9 percent below the
8 federal for-hire component ACL.

9
10 Then Alternative 3 would use landings from 2015 to 2018 in the
11 ACL/ACT control rule, and it would result in an ACT set 5
12 percent below the for-hire component's ACL, and, just as a recap
13 for the landings anyway, since the recreational sector was
14 separated in Amendment 40, the for-hire component has remained
15 under its ACL, and, I think last year, it went over its ACT by
16 just a hair. We have public comment from Emily to review.

17 18 **PUBLIC COMMENT**

19
20 **MS. MUEHLSTEIN:** We sure do. Since this is a framework action,
21 we did not take it to traditional public hearings. Instead, we
22 did create an online public hearing video, and we posted the
23 materials a couple of weeks in advance of this meeting.

24
25 We did have about 300 people view the video. However, we only
26 ended up receiving two comments on this amendment, and I will
27 just go ahead and summarize those two comments. We heard that
28 the buffer between the for-hire ACL and ACT should be set as low
29 as possible to allow operators the opportunity to fully utilize
30 the fishery. We also heard support for Action 1, Alternative 2,
31 which would result in a 9 percent buffer, and this will allow
32 for more fishing days while maintaining the fishery, and that's
33 it.

34
35 **CHAIRMAN GUYAS:** Any questions for Emily? All right. Codified
36 text.

37 38 **CODIFIED TEXT**

39
40 **MR. RINDONE:** The codified text is also available for you guys
41 to review. It is Tab B-8(c), and the comments that are on the
42 right-hand side show basically what changes are being made, and
43 so if anyone has any questions about those. The main thing here
44 in the codified text is just the part where the reduction to 9
45 percent sunsets, and then, in 2020, it reverts back to 20
46 percent, and that part is removed.

47
48 **CHAIRMAN GUYAS:** Mara.

1
2 **MS. LEVY:** Just to clarify, this codified text assumes that it
3 is built on Amendment 50's codified text, and so it assumes that
4 Amendment 50 is approved and implemented before this, because
5 you already approved that and submitted it. If, for some
6 reason, that didn't happen, then this would read differently.

7
8 **CHAIRMAN GUYAS:** Dale.

9
10 **MR. DIAZ:** Thank you, Martha. **If the staff would help me with**
11 **our standard language, but I would like to make a motion that we**
12 **approve the document and send it to Full Council to deem the**
13 **codified text as necessary and appropriate.** There we go.

14
15 **CHAIRMAN GUYAS:** All right. While we're getting that on the
16 board, is there a second to this motion? It's seconded by John
17 Sanchez. Is there any discussion on this motion? **Is there any**
18 **opposition to this motion? Seeing none, the motion carries.**
19 Susan.

20
21 **MS. BOGGS:** Just a point of clarification. What if Amendment 50
22 were not to go through? Does that put the sunset provision back
23 in place on sector separation?

24
25 **MS. LEVY:** Yes, because that was in Amendment 50, and so just to
26 clarify that that's why it's not in this codified text, even
27 though it hasn't been implemented yet.

28
29 **CHAIRMAN GUYAS:** All right. Anything else on this amendment?
30 If not, we will, I guess, take this final at Full Council.
31 Awesome. Good talk, Ryan, as usual. Ava, even better talk,
32 yes. Next, we have the gray snapper amendment, which is also up
33 for final action, and Dr. Froeschke is coming up to walk us
34 through where we are with that.

35
36 **FINAL ACTION: AMENDMENT 51: ESTABLISH GRAY SNAPPER STATUS**
37 **DETERMINATION CRITERIA, REFERENCE POINTS, AND MODIFY ANNUAL**
38 **CATCH LIMITS**

39
40 **DR. FROESCHKE:** Good afternoon. This is Tab B, Number 9(a), is
41 the document, and so this document, as you know, we've worked on
42 for a while, and I just want to give you a brief update since
43 the last time you saw it, which you selected all your preferred
44 alternatives. There are five actions in here relating to status
45 determination criteria, which I'm sure you're all sick of, after
46 yesterday, and one action on modifying the annual catch limits.

47
48 One other item in here is, if you recall, in October and January

1 of this year, you all reviewed and modified the Reef Fish
2 Management Objectives, and, at one point, those were in the
3 carryover amendment, which has been postponed, and so, in order
4 to get those implemented and included as part of the official
5 objectives, we have moved those into this document, and so those
6 are now -- I believe that is Section 1.2, Objectives of the Reef
7 Fish Management Plan, and so that has really just been removed
8 from that document and put in here verbatim, and so it shouldn't
9 affect anything with this document, other than I just wanted to
10 make that clear.

11
12 If there are no questions with that, we can just do a review of
13 the actions and the preferred alternatives, and we can review
14 the codified text and take any questions. Do you want to do the
15 public comments now, Emily?

16 17 **PUBLIC COMMENT SUMMARY**

18
19 **MS. MUEHLSTEIN:** I would. Thank you. Okay. Reef Fish
20 Amendment 51 is a full plan amendment, and so we did host a
21 webinar public hearing for this meeting, as well as gather
22 comments online, as usual.

23
24 We had two people comment at our webinar public hearing, and
25 there were eleven members of the public that were on the
26 hearing, and we heard from those two members first that there
27 was support for all of the preferred alternatives, because they
28 are the most lenient, and they allow us to avoid management
29 changes in the gray snapper fishery. The new stock assessment
30 caused some huge uncertainty, and the angler was satisfied that
31 the stock status criteria was changed to avoid closures in what
32 is a healthy fishery.

33
34 We also heard that anglers would like the council to reach out
35 to the states and ask them to make gray snapper minimum size
36 limit changes, so that they're consistent with the federal
37 minimum size limit. He said that this was because this species
38 relies on state-water habitats, and he would like to make sure
39 that those fish are large enough to be reproductive before they
40 are harvested in state waters.

41
42 We also heard from another attendee that the MSY proxy should
43 actually be set at F 30 percent SPR, and that is Action 1,
44 Alternative 3. The rationale provided was that most of the
45 literature on MSY proxies suggests that it be set between 20 and
46 40 percent and that the council typically sets it at the
47 midpoint, which is 30 percent, and in the absence of any reason
48 to make it different.

1
2 Red snapper is our one sort of special case here, and it's
3 managed with a 26 percent SPR, and it's the exception, because
4 there is some scientific evidence that does support a lower SPR.
5 However, that evidence may not exist for the gray snapper stock.
6 In fact, the gray snapper stock might be less resilient than the
7 red snapper stock, because its range is much smaller than that
8 of red snapper.

9
10 Now we'll move on to the written public comment that we heard,
11 and we did have 200 people view the video on gray snapper, and
12 we received seven comments on that. We heard that the council
13 should adopt the criteria that avoids a rebuilding plan, because
14 it is a healthy fishery. We heard support for all of the
15 current preferred alternatives, because the gray snapper
16 population is not overfished, and the uncertainty in the
17 assessment should not lead to changes in our ability to
18 prosecute the fishery.

19
20 We heard support for Action 1, Preferred Alternative 2, which
21 would be to set the maximum sustainable yield proxy at F 26
22 percent SPR, and we heard support for Action 3, Preferred
23 Alternative 4, which is to set the minimum stock size threshold
24 at 50 percent of BMSY, and then we also heard, in our written
25 public comment, that the Gulf states should consider raising
26 their minimum size limit, and that's it.

27
28 **CHAIRMAN GUYAS:** Any questions for Emily? All right.

29
30 **REVIEW OF DOCUMENT**

31
32 **DR. FROESCHKE:** If you can just bring up Action 1, Section 2.1,
33 on the document, and we can just review the preferred
34 alternatives. Action 1 is establishing an MSY proxy for Gulf of
35 Mexico gray snapper, and you have looked at several alternatives
36 of 26 percent, 30 percent, and 40 percent, and, at this point,
37 you have selected F 26 percent SPR as the preferred alternative,
38 based on the analysis from the Science Center and your
39 deliberations.

40
41 Then you have also selected Preferred Alternative 5, which would
42 allow the council to modify the SPR proxy later, in a more
43 streamlined fashion, if you got new information, based on a new
44 stock assessment. Any questions on this one?

45
46 **CHAIRMAN GUYAS:** It doesn't look like it, and so let's move on.

47
48 **DR. FROESCHKE:** Okay. Action 2 is the maximum fishing mortality

1 threshold, and there are three alternatives here. The preferred
2 alternative is set the MFMT at equal to F 26 percent SPR, which
3 corresponds to the MSY proxy in Action 1. If there are no
4 questions, we can go to Action 3.

5
6 Action 3 would establish the minimum stock size threshold for
7 gray snapper, and so this is the value at which if the stock
8 biomass falls below this, the stock will be considered
9 overfished. We have three action alternatives here, and one
10 minus M is formula-based, where M is 0.15, and it's based on the
11 natural mortality, and so that would be 0.85 times BMSY.
12 Alternative 3 is 0.75 times BMSY, and Preferred Alternative 4 is
13 0.5 times BMSY, which would allow the stock to fall to the
14 lowest allowable level before we would declare the stock
15 overfished and begin a rebuilding plan.

16
17 Then, if you want to look at a table of the rebuilding
18 timelines, under Table 2.3.2, there is a table that has the MSST
19 alternatives, in the far-left column, and then, based on the
20 preferred alternative for the MSY proxy of F 26 percent SPR, you
21 can look and see how long it would take to rebuild the stock at
22 F equals zero, and so no fishing, based on the different MSST,
23 and so, at 0.85, it would be two to three. At 0.75, it would be
24 three, and 0.5 would be four years, and so, the lower you go,
25 the longer the rebuilding period.

26
27 **CHAIRMAN GUYAS:** Any questions or discussion on the table or on
28 Action 3?

29
30 **DR. FROESCHKE:** Action 4 is establish optimum yield, and you
31 have currently selected Preferred Alternative 2, Preferred
32 Option 2c, which would establish OY at 90 percent of FMSY, and
33 you considered three options of 50 percent, 75 percent, and 90
34 percent. You selected 90 percent based on the characteristics
35 of the fishery and the biology of the stock.

36
37 The last action is Action 5, which would modify the annual catch
38 limits. This Action 5 is based on the results of a stock
39 assessment that was completed in 2016, and the current ACL is
40 2.42 million pounds, and the preferred alternatives that are
41 considered -- There are sort of two types. One is based on
42 different MSY proxies, and the second one is whether or not to
43 use a buffer between the ABC and the ACL.

44
45 We discussed, in a previous meeting, that there is very little
46 buffer between the OFL and the ABC, and so, currently, you have
47 selected Preferred Alternative 2, Option 2a, and that would
48 establish an 11 percent buffer between the ACL and the ABC, and

1 it's based on the yield at the 26 percent MSY proxy. Excuse me.
2 It's 2b. It's Preferred Option 2b. This one has the buffer,
3 and so, for 2019, the ACL would be 2.24 million pounds. For
4 2020, it would be 2.24 million pounds, and, in 2021 and beyond,
5 it would be 2.23 million pounds, and so the pluses there is it
6 would stay at the 2.23 million pounds until you modified it,
7 based on a new assessment or for some other reason.

8

9 **CHAIRMAN GUYAS:** Are there questions on Action 5?

10

11 **DR. FROESCHKE:** Okay. We do have the codified text, if NMFS
12 staff would like to review those for you, and, if you're pleased
13 with the document, you could make a recommendation to approve
14 for final action.

15

16 **CHAIRMAN GUYAS:** Mara, are you going to walk us through the
17 codified text?

18

19

CODIFIED TEXT

20

21 **MS. GERHART:** I can probably handle this one, I think. It's a
22 very small amount of codified text. It's just a change to the
23 ACL in the regulations. Remember that OFL and ABC don't get
24 codified. They are just in the amendment, and so we just had a
25 change to the ACL, the stock ACL, and, for the fishing years,
26 they are going to be 2.24 million pounds for 2019 and 2020, and
27 then it will be 2.3 million pounds for 2021 and subsequent
28 fishing years.

29

30 **CHAIRMAN GUYAS:** All right. If there isn't any discussion on
31 the codified text, this is, at least potentially, our last stop,
32 at this meeting, and so, if the committee wants to make a motion
33 similar to what we just did for the ACT buffer amendment, now
34 would be the appropriate time for that. Dale.

35

36 **MR. DIAZ:** If the staff would help me with that same standard
37 language, I would make that motion.

38

39 **CHAIRMAN GUYAS:** It's seconded by John Sanchez. All right. Is
40 there any discussion on this motion? **Is there any opposition to**
41 **this motion? Seeing none, motion carries.** Thanks, John. Now
42 we are up to greater amberjack, and Dr. Hollensead is going to
43 lead us through this next document.

44

DRAFT FRAMEWORK ACTION TO MODIFY GREATER AMBERJACK RECREATIONAL 45 MANAGEMENT MEASURES

46

47 **DR. LISA HOLLENSEAD:** Thank you, Madam Chair. I am going to

48

1 give like a little brief background as to why we're here. At
2 its June meeting, the council requested examination of
3 recreational measures for Gulf greater amberjack. Specifically,
4 the motion tasked staff with looking at modifying and changing
5 reduction of the recreational bag limit, fishing year, and
6 season, and so this is a draft framework being brought to you
7 today for your consideration and discussion and input to that.

8
9 As you may recall, recently, in 2017, the fishing year was
10 changed for a start date of August 1 to July 31, and, in the
11 fishing season of 2018/2019, the ACT was actually harvested in
12 that fall portion, meaning that there was no harvest for May of
13 2019, and so, for just generally, sort of giving an overview of
14 the purpose and need, just looking at considering these measures
15 here for recreational amberjack, with the goal of maximizing
16 fishing opportunities while constraining the harvest to the
17 management target and rebuilding the stock, and so that's sort
18 of an overview of the background and the purpose and need, if
19 anybody has any questions on that, or, if not, I can move into
20 those action items.

21
22 This was the overview of the purpose and need here, and so the
23 idea is that you would maximize that fishing opportunity, and so
24 not only across the eastern and western Gulf, but also the
25 spring and fall seasons, is sort of the goal for this
26 management, this draft framework.

27
28 **CHAIRMAN GUYAS:** Any questions or comments so far? It doesn't
29 look like it.

30
31 **DR. HOLLENSHAD:** Great. Then we can move into the first action,
32 and so this is to reduce the bag limit, and so we've got some
33 options here. The no action alternative would remain one fish
34 per angler per day, and the second alternative would further
35 reduce for one fish per two or fewer anglers, and the next
36 option would be one fish per three or fewer anglers, and then
37 the fourth would be one fish per six or fewer anglers, and so,
38 to get an idea of what that would sort of look like, if you
39 wouldn't mind scrolling down to Table 2.1.1.

40
41 This table is just -- There's no data or anything for this
42 table, but this table is just to illustrate if you had a number
43 -- What number in your fishing party would be, and you can then
44 move along that row and then see, based on what alternative, how
45 many fish you could keep, and so this is just sort of a
46 visualization of that action.

47
48 For example, if there were six anglers in your party, right now

1 you could keep six fish, because there's six anglers aboard.
2 One fish for two or fewer, that party would be able to keep
3 three fish. Then one for every three would be two, and then one
4 fish for every six would be one, for example.

5
6 If you scroll down to the next table, this table gives you an
7 idea of the percent reductions that that reduction in bag limit
8 would give you for Alternatives 1 through 4 relative to
9 Alternative 1. One of the first things that you might notice is
10 that it's not a great deal of reduction, and it's pretty
11 limited, even up to one fish for six or fewer anglers. It's
12 only a 16.2 percent reduction.

13
14 It's my understanding that this fractional bag limit, or this
15 reduction in bag limit, has been viewed before, and, for similar
16 circumstances as what's being presented here, it wasn't a very
17 substantial reduction, and so, therefore, it was considered,
18 but, ultimately, that consideration wasn't used. If there's any
19 questions about that.

20
21 **CHAIRMAN GUYAS:** Susan.

22
23 **MS. BOGGS:** I know you said there hasn't been time for any
24 analysis, but is there any idea, if we were to go with the
25 fractional bag limit, Alternative 2, with a 9.5 percent
26 reduction, how many more days would it look like the
27 recreational sector would get?

28
29 **DR. HOLLENSEAD:** For this document, it's kind of hard to discuss
30 in pieces, because they all sort of come together, and so we did
31 try to put all the possible combinations of actions and
32 alternatives in these final analyses, towards the bottom, so you
33 could see how that reduction might get you, in terms of when you
34 start the fishing season, or when you have a closure season, and
35 so we did include that for each one of these alternatives in the
36 next actions as well, so that you can kind of get an idea of how
37 much more time that might give you.

38
39 To preface a lot of this, since there has been so many changes
40 to greater amberjack, it really limits the amount of historical
41 data that we can use, and so, in some cases, like with the size
42 limit change, you can only go back to maybe two years of data.
43 When we get back to looking at the different seasons of landings
44 for certain months, for the fall period, that's only one year of
45 data, which equates to an N of one, really, when you think of
46 the sample size of one, because it's one season, and so the data
47 to use this analysis was limited, or at least constrained, by
48 the recent management changes.

1
2 **CHAIRMAN GUYAS:** All right. Are there any other questions on
3 Action 1? If not, it might be good to go to the next one, and
4 then we can see the bigger picture, it sounds like.

5
6 **DR. HOLLENSEAD:** Sure. Action 2 is looking at modifying the
7 recreational fishing year. Currently, that fishing year is
8 August 1 to July 31, and the second alternative would be to go
9 back to the calendar year, and so January 1 to December 31, and
10 so this is still a fishing year, and so this is still talking
11 about a time, and this is twelve months time, and this is just
12 where do you put your start line and your finish line, is what
13 this is, but it would still be a twelve-month year.

14
15 Another thing that I want to bring up is that, even if, for
16 example, Alternative 2, starting January 1, that's not when you
17 necessarily have to open the season either. That would just be
18 when the clock starts running, but then you might have a season
19 opening later in that calendar year, for example, and so just to
20 point that out.

21
22 Like I said, this, specifically, also will -- As I just
23 mentioned, that's why it's hard to talk about Action 2 without
24 talking about Action 3, because this is when we might start the
25 clock, but when do you want to start harvest, and, again, the
26 reason why this gets a little tricky too is, if you scroll down
27 to that graph, Figure 2.2.1, you've got variable harvest
28 depending on month.

29
30 That percent annual recreational landings, what does that month
31 contribute, for example, to the annual landings, and you see
32 it's variable across months, as you might imagine, and so when
33 do you want to start or open that season, and that's going to
34 affect your fishing duration.

35
36 **CHAIRMAN GUYAS:** Sue.

37
38 **MS. GERHART:** I just wanted to remind you that, until the past
39 year or two years, however long it's been, we didn't have a fall
40 season for a very long time, and so, although this covers 2011
41 through 2018, the latter months, the data is not very -- There's
42 not a lot of data for those months, because, when we were on the
43 calendar year and it was open all year without the seasons, we
44 were always closing down before the end of the year.

45
46 **DR. HOLLENSEAD:** To Sue's point, where the data comes from, or
47 what the timeframe of the data comes from, is included in the
48 appendix, and so you can get an idea of, just from what month,

1 how many years of data does that include, if you're interested
2 in looking at where do we have the most data and where we don't
3 for each month, and that's also in the appendix for you all's
4 review.

5
6 Not seeing any questions, we will move to Action 3. This gets
7 into where we would have our seasonal closures, and so the take-
8 home message of this is Alternative 1 would keep it the same.
9 Alternative 2 would say, okay, let's include the month of August
10 in that summer closure period, and then Alternatives 3 and 4
11 have the same sort of framework as Actions 1 and 2, but they
12 also include a sort of partial closure during the month of May,
13 and so the first twenty days of May would be open to fishing.

14
15 If you get a little cross-eyed looking at this text and trying
16 to figure it out, if you scroll down just a little bit, here's a
17 visualization of what that would look like using both
18 alternatives from the previous Action 2, and so, for example,
19 there is the actions with the various alternatives for Action 3.

20
21 The white cell indicates that would be open for harvest, and a
22 black cell indicates it would be closed, and then, for May, in
23 Alternatives 3 and 4, that sort of shaded area would indicate
24 sort of a partial closure, and so the end of May would be
25 closed, but it would be open for the first days for fishing, for
26 your consideration. The months are oriented based on the
27 alternatives in Action 2, and so either starting in August or
28 starting in January.

29
30 **CHAIRMAN GUYAS:** All right. Any questions about this table?

31
32 **DR. HOLLENSHAD:** This is not including any of the reduction in
33 bag limits just yet. This is just a visualization of what the
34 seasons would look like. If you scroll down to Table 2.3.3,
35 this is the first in a series of tables where we put it all
36 together.

37
38 This is first table is one fish per angler per day, and then the
39 next few tables will be one fish for two or three, and then,
40 along those sort of title rows there, you've got the Action 2
41 for Alternative 1, for example, starting in August, and then you
42 have the various open periods from the alternatives for Action
43 3. Then that last column would give you those number of days
44 open.

45
46 Just as a broad, sort of general summary of these analyses, what
47 you would be looking at is, for one fish per day -- I am going
48 to do the shorthand. One fish per person, or two fish per

1 person, or three fish per person, Alternatives 2 and 4, which
2 includes that August closure in the summer, is what we predict
3 would get you the full season, and so some harvest in the spring
4 and in the fall, or the fall and the spring, depending on how
5 you wanted to do it, and it's not until you go to that six fish
6 per person that Alternatives 2 through 4 we would predict would
7 allow the season to be open for that both fall and spring
8 period, but the take-home message is, according to the way we've
9 done this here, when you include August in that summer closure,
10 whether or not you also put in that partial opening for May
11 would give you that harvest for spring and fall, for any of the
12 fractional bag limit potential alternatives.

13

14 **CHAIRMAN GUYAS:** There's a lot to take in here with all these
15 tables, but does anybody have any questions so far? I suspect
16 we'll hear a lot about this in public testimony, and hopefully
17 people in the back can see this. Are there copies in the back?

18

19 **DR. HOLLENSEAD:** Yes, there should be copies in the back.

20

21 **CHAIRMAN GUYAS:** And it's online, of course.

22

23 **DR. HOLLENSEAD:** Yes.

24

25 **CHAIRMAN GUYAS:** Dale.

26

27 **MR. DIAZ:** I just have a comment. When I read through the
28 document, I believe what -- Well, I would like to satisfy the
29 users' concerns, and I think folks in the eastern Gulf would
30 rather see something in the spring, and folks in the western
31 Gulf would like to see something in the fall, and I would like
32 to make sure that happens, where they've both got some access.

33

34 In the back of my mind, I worry that, whichever one we open
35 first, we're going to create a derby, and I don't know that
36 there's going to be fish left for whichever one is the second
37 one to go, and so, anyway, I'm not going to make any motions,
38 but I'm just worried that the derby situation is going to occur
39 and we're going to be back to kind of where we are right now,
40 where somebody is not satisfied, and I just don't know if
41 there's a way out of it.

42

43 **CHAIRMAN GUYAS:** I feel like, I guess the situation we're in,
44 nobody is going to be completely satisfied, no matter what we do
45 here, I think, but it is one of those where, if we're going to
46 do something, probably everybody is going to have to give a
47 little bit of something, and that's my guess, but we'll, I'm
48 sure, hear lots of testimony, and we'll figure out what we're

1 going to do. Susan.

2
3 **MS. BOGGS:** For discussion purposes, and this was before I was
4 on the council, but, when gray triggerfish came up, it was a big
5 deal for gray triggerfish to be available in March, April, and
6 May, so the fishermen would have something to catch, and so the
7 council accommodated that, and then they wanted amberjack in
8 August, September, and October, with the hope of a May season,
9 and the council accommodated that.

10
11 When I read in here, it's hard to -- Harvest rates are difficult
12 to predict when management changes so frequently, and so should
13 we not give this some time and see how it plays out over two or
14 three years, at least?

15
16 **CHAIRMAN GUYAS:** Chris.

17
18 **MR. CHRIS SCHIEBLE:** I agree with what Susan is saying. I think
19 this is a very short period of time, and I can't see going back
20 to a system that didn't work with the January 1 fishing year,
21 and at least we've been through sixteen months since we made a
22 change here, and let's let this work a little bit, to make sure
23 we just didn't see changes in landings that were over a short
24 period of time that may have affected this.

25
26 I am looking at the landings data from SERO that they presented
27 at the last meeting, and it had graphs in there that broke down
28 the landings by state, especially through the September/October
29 period, and Florida and Alabama outfished the entire rest of the
30 Gulf like fourfold, between September and October, and we heard
31 testimony at the last meeting from the public, saying they need
32 fish in the spring, and we need fish in the western Gulf towards
33 the fall.

34
35 I would like to propose that we consider maybe a little
36 different alternative with the fishing season and see what you
37 guys think. We probably need to move some of those fish from
38 the September/October period to get them to the spring period
39 somehow, and maybe an Alternative 5 in Action 3 for the fishing
40 season that we have an open period that would start on July 1
41 through September 30, and so we're moving it up a month.

42
43 If you look at Figure 2.2.1, it shows pretty close to the same
44 landings during that time period, and then have that May 1
45 through 20 season also open for the eastern Gulf, so they have
46 that opportunity, and then have the no harvest permitted from
47 October 1 through April 30, and May 21 to July 31 is the other
48 closure period in there. I can repeat all that again to type

1 it, if you want.

2
3 **CHAIRMAN GUYAS:** Yes. If that's a motion, it would be probably
4 helpful to repeat that very slowly.

5
6 **MR. SCHIEBLE:** It's closest to 3, and so you're just shifting
7 August 1 to October 31 to July 1 to September 30, the same time
8 period but just shift it up a month, and include the May 1 to
9 May 20, and then no harvest permitted October 1 through April 30
10 is the difference, and May 21 through July 31. It seems like we
11 have to get some of these fish from September and October in the
12 eastern Gulf to the spring season, but it still gives the
13 western Gulf an opportunity to harvest amberjack, especially
14 during a portion of when the snapper season is still open. I
15 should have just emailed this, but I was scribbling.

16
17 Open period July 1 through September 30 and May 1 through May
18 20. It's just moving it up thirty days. Then the no harvest
19 period would be October 1 through April 30 and May 21 to July
20 31.

21
22 **CHAIRMAN GUYAS:** It would be May 21 to June 30 it would be
23 closed, because it opens July 1.

24
25 **MR. SCHIEBLE:** Yes.

26
27 **CHAIRMAN GUYAS:** Okay. I think we've got it on the board now,
28 and so the motion would be to modify the recreational season
29 closure to be October 1 through May 30 and May 21 through June
30 30, and so then it's open May 1 through 20 and July 1 through
31 September 30. Is there a second to this motion? It's seconded
32 by J.D. All right. Is there discussion? Susan.

33
34 **MS. BOGGS:** I thought, in the past, amberjack was closed in June
35 and July because of the spawn.

36
37 **CHAIRMAN GUYAS:** Carrie.

38
39 **EXECUTIVE DIRECTOR SIMMONS:** Thank you, Madam Chair. That's
40 gray triggerfish that I think we had the spawning closure for in
41 June and July, during peak spawning, and, for greater amberjack,
42 I believe it's March, April, and into May, but I will let Dr.
43 Hollensead --

44
45 **DR. HOLLENSEAD:** Yes, that's correct.

46
47 **CHAIRMAN GUYAS:** I think we had it closed June and July in the
48 past, because those were peak landings months. Kevin is nodding

1 yes, I think. Roy.

2
3 **DR. CRABTREE:** Just looking at this, I mean, we're shifting the
4 fall fishery a month earlier, and I think the catch rates are
5 actually higher, and so it seems to me that this would reduce
6 the odds of having a fishery in May and not increase them.

7
8 **CHAIRMAN GUYAS:** I think that would be my concern as well. I
9 know, also, there are people in the audience that really want to
10 fish in October, because of the Destin Rodeo and things like
11 that, and this wouldn't accommodate that group of people. Are
12 there other questions or feedback on this motion? Is there any
13 opposition to this motion? I see four hands. Let's start over,
14 because I think not everybody is paying attention.

15
16 **DR. FRAZER:** Before we go to a vote, I just would like to give
17 Chris an additional opportunity to kind of explain your
18 rationale for this one more fully.

19
20 **MR. SCHIEBLE:** I don't know if this is available or not, but if
21 staff could pull up the landings data that they reported, SERO
22 reported, at the last meeting, and I don't know if you have that
23 available. It had the graph that showed the landings between
24 August and the September and October grouped together Gulf-wide,
25 and September and October, like I said, is fourfold the amount
26 of landings from the rest of the Gulf, and so Mississippi,
27 Louisiana, and Texas don't even have one-quarter of the total
28 that was landed by Florida and Alabama in September and October.

29
30 All I'm asking is that we can shift some of those landings from
31 that time period to the May that they did not get this year, and
32 so maybe this takes a little bit of self-regulation, and I don't
33 know how that can be done, but there is obviously a peak period
34 here where most of these fish are being harvested.

35
36 **CHAIRMAN GUYAS:** Can you scroll up a little bit, so we can see
37 what the color of the bars mean? That's better. Chris.

38
39 **MR. SCHIEBLE:** I guess maybe we could ask for another favor,
40 while we're at it. When we get the landings at the next
41 meeting, coming up here in October, would it be possible for
42 SERO to present to us amberjack by state for this whole duration
43 that we've been under this new management, and so I guess it
44 would be eighteen months by then, to look at not just August,
45 September, and October, but where we were from last year to this
46 year?

47
48 **CHAIRMAN GUYAS:** I guess I would look to SERO to see if that's

1 possible.

2

3 **MS. GERHART:** We can probably do that, but be aware that we're
4 closed in July, and so we won't have July landings to show for
5 your new alternative here. We would have to use previous years
6 when we were open.

7

8 **MR. SCHIEBLE:** By then we should have Texas though, right, the
9 final wave from you all? Are we missing that?

10

11 **MR. LANCE ROBINSON:** Through what month are you looking at?

12

13 **MR. SCHIEBLE:** It will be this August coming up here, what we
14 have going on right now, and so we reopened on August 1, but
15 will we have the possibility of having landings by the October
16 meeting, or will we have to wait until the January?

17

18 **MR. ROBINSON:** It would be January.

19

20 **CHAIRMAN GUYAS:** Roy.

21

22 **DR. CRABTREE:** I am just looking at Figure 2.2.1, and that gives
23 you the percentage of the annual landings by month over a seven-
24 year period. When I look at that, the percentage is higher in
25 July than it is in October, a little bit higher anyway, and so
26 it still seems, to me, that, by shifting it more into the
27 summertime, you're going to push up the landings, and, also,
28 that pushes it where it's open at the same time as red snapper,
29 and I thought some of our -- What I have heard from charter
30 boats was trying to stagger things out, so they have something
31 to fish for over a longer period of time, and so that's really
32 why I'm not too inclined to support this idea.

33

34 **CHAIRMAN GUYAS:** I will go to Chris and then Kevin.

35

36 **MR. SCHIEBLE:** I guess I'm looking at the 2011 to 2018 on the
37 bottom of that. In 2017, we don't have any landings at all in
38 Louisiana, and so I know there's no data for July for us there,
39 and so I think Sue said a lot of that graph, as you get to that
40 N for the summer into the fall, is very few landings data
41 presented in that, even though it may be higher.

42

43 **DR. CRABTREE:** If I could, it's all highly variable, and there
44 are gaps in all of it, and so, in any particular year, that
45 could be dramatically different from the trend.

46

47 **CHAIRMAN GUYAS:** Kevin.

48

1 **MR. ANSON:** Just to elaborate on what Roy had said, for that
2 time period of 2011 to 2018, and so that would include,
3 essentially, a good part of -- Probably 2012 through -- Well,
4 maybe 2013 to 2016, and there was no fishing in July, when
5 snapper season -- Snapper season was not open in July, and so
6 half the year, essentially, there was no data from that time
7 series. I mean, there is a way to self-regulate, and we just
8 went through it in red snapper, and so --

9
10 **DR. HOLLENSEAD:** Just to maybe help folks visualize, in Table
11 A.3.1, and so that's in the appendix of the document, it's the
12 source of the number of years of data for each of those months,
13 so you can see -- Like, for example, for like July and August,
14 2018 landings in August, July landings are assumed to be the
15 same as August, because that's all there is, for example.

16
17 **CHAIRMAN GUYAS:** Leann.

18
19 **MS. BOSARGE:** I think that -- I'm not sure this is where we'll
20 end up landing when we come to final action on this document,
21 but I am not opposed to putting anything into the document at
22 this point just to look at, especially when we're trying to look
23 at these numbers on the fly and make a decision, and I think it
24 would probably be better to just have it in the document and
25 have it analyzed, and then we can look at all of these things
26 and have our numbers all in front of us and really make a more
27 educated decision on it, and so I will support your motion and
28 put it in the document for analysis.

29
30 **CHAIRMAN GUYAS:** All right. Unless there is more questions or
31 desire to look at tables, let's get the motion back on the
32 board. Is there any other discussion on the motion? Okay. **All**
33 **in favor of the motion, please raise your hand; all opposed.**
34 **The motion carries eight to five.** Those are our actions, and so
35 unless there is other questions or comments on this document --

36
37 **DR. HOLLENSEAD:** We have a Reef Fish AP meeting, where we can
38 also bring up this document, and they can provide input in
39 September.

40
41 **CHAIRMAN GUYAS:** Sounds great. Okay. Leann.

42
43 **MS. BOSARGE:** Just remind me again, and I think I asked this at
44 the last meeting, and my memory is so great, but when are we
45 going to get that amberjack assessment back? I don't think
46 we've even started it yet, but what is it on the schedule?

47
48 **MR. RINDONE:** We are going to start that assessment in 2021, and

1 we should have the results from it in 2022. As far as the exact
2 timing, we haven't ironed that out perfectly yet.

3
4 **CHAIRMAN GUYAS:** All right. Anything else on amberjack for the
5 time being?

6
7 **DR. FRAZER:** We're going to take a ten-minute break and get our
8 scheduled sorted out here. We're a little bit ahead.

9
10 (Whereupon, a brief recess was taken.)

11
12 **CHAIRMAN GUYAS:** We are ready. Our next item is the
13 presentation about implementing a full-retention bottom longline
14 reef fish fishery, and I think, Lauren, you're going to start
15 that presentation and then hand it off to Jessica Stephen, and
16 is that right?

17
18 **PRESENTATION: DECISION POINTS FOR IMPLEMENTING FULL-RETENTION**
19 **BOTTOM LONGLINE REEF FISH FISHERY: VIABILITY, MONITORING, AND**
20 **COSTS**

21
22 **MS. LAUREN WATERS:** That's right. Good afternoon, everyone. At
23 the council's June meeting, there was discussion about the
24 merits of a full-retention commercial bottom longline fishery,
25 and the council requested that NMFS provide a presentation at
26 this meeting specifically addressing the requirements and
27 decision points to establish such a fishery, the viability and
28 costs of the video cameras and monitoring equipment that would
29 be necessary, and if cost recovery could be used towards
30 supporting that electronic monitoring.

31
32 I am going to be tag-teaming this with Jessica, and so I will
33 start with a little bit of history, mostly working on the
34 decision points and requirements, and then I will hand it off to
35 Jessica for a lot of the cost information as well as the
36 monitoring equipment information.

37
38 As a reminder of the history here, the bottom longline
39 endorsement for the eastern Gulf was established in 2010 under
40 Amendment 31, and it is only needed for the vessels that are
41 fishing in an area of the eastern Gulf, and there are sixty-two
42 permits available. You must have a commercial reef fish permit
43 in order to get the endorsement, and a majority of those
44 fishermen with the endorsement are hailing out of Florida.

45
46 That amendment also established the seasonal June through August
47 closure, and, as I mentioned, that area in the eastern Gulf that
48 you see there in pink is where the endorsement is necessary, and

1 so there are fishermen with bottom longline gear that don't have
2 the endorsement, but it's just that they are in different areas
3 of the Gulf. They are not fishing in this one, and so they
4 don't have to have the endorsement.

5
6 Our discussion today is due in part to the low red grouper
7 populations, and the fleet had expressed concerns over their
8 lower landings, and, simultaneous, increased red snapper
9 landings, red snapper catch, that they were having to discard,
10 and so the question was is there a path forward to allow the
11 eastern longline fleet, the red grouper fishermen, more red
12 snapper allocation to land, rather than discarding those red
13 snapper, and so the idea being a full-retention red snapper
14 fishery for these fishermen.

15
16 This would essentially be assigning a quota of red snapper
17 that's based on or equal to what is normally attributed to that
18 fleet's discard of red snapper, and so creating a mortality-
19 neutral-type situation. In order for it to truly be full
20 retention and ensure that it's full retention, this would
21 require monitoring, and so, that way, you can ensure that all of
22 the red snapper are indeed being kept.

23
24 In order to ensure that it remains mortality neutral, that is
25 that they're catching the amount equal to what's normally their
26 discard, they would have to stop fishing once all of their red
27 snapper allocation was used.

28
29 As I said, the allocation for the red snapper would come from
30 the Science Center's estimates of that fleet's dead discards,
31 and the benefits from this proposal may include reducing
32 bycatch, a more efficient fishery, and producing more seafood.

33
34 As a sort of back-of-the-napkin example, to just kind of look at
35 what are we talking about as far as numbers here, on the screen,
36 you will see that we have landings as well as estimated discards
37 for 2016, 2017, and 2018, and, if, for instance, we just look at
38 the estimated discards from 2018, and if the council were to say
39 distribute that evenly amongst those sixty-two permits, that
40 would be appropriately 1,200 pounds per vessel, or about 275 red
41 snapper per vessel, and this data is just from the Areas 1
42 through 8 in the eastern Gulf, since that's where our discussion
43 is focused.

44
45 Moving on to some decision points, first and foremost, the
46 council should look to consider what their purpose and need is.
47 We looked back at the meeting minutes from June, and we have
48 just drafted, as a conversation starter, a purpose and need

1 statement. The purpose is to establish a full-retention fishery
2 for red snapper by commercial fishermen with a bottom longline
3 endorsement. The need is to achieve optimum yield by reducing
4 bycatch and increasing efficiency in utilization of the
5 resource. Again, that's just kind of a starting point, based on
6 what we saw in the meeting minutes from last time.

7
8 Another decision point that we would like to put before the
9 council is, is this a temporary solution during this time where
10 we have these low red grouper populations and low landings, or
11 is this a permanent need for the longline fishery?

12
13 Some of the expected requirements would be that this is going to
14 be a new share category, and so, whether it's shares or
15 allocation, this would come from a separate red snapper discard
16 quota. As I mentioned, also, they would have to stop fishing
17 once they were out of red snapper allocation, in order to
18 maintain mortality neutrality, and restrictions -- If the
19 council should consider any restrictions on let's say the
20 transfer or what have you of this allocation, remember that it
21 can't be gear-based, because we don't record the gear type in
22 the IFQ program, and so, also, along with that, is realize that
23 this allocation wouldn't necessarily -- It could be landed by
24 other gear types. Because we don't track the gear, technically,
25 this allocation could be landed on something other than bottom
26 longline. As we said, it would be required that it's monitored,
27 in order to ensure full retention of red snapper.

28
29 More decision points for the council to consider would be the
30 distribution of these shares. Would it be assigned to the
31 permit or to the -- The vessel or the permit holder? Would this
32 allocation be divided proportionally or equally amongst those
33 permit holders?

34
35 If it's proportional, what would it be based on? Would it be
36 based on current red grouper shares that someone holds, or would
37 it be based on their actual red grouper landings or based on
38 their actual red snapper landings, and, kind of along the lines
39 with this, is would this be a mandatory program or a voluntary
40 program? Is this all or nothing?

41
42 Because, if you take a moment to think about it, depending on
43 how the shares are distributed, there could be a situation where
44 you have a fisherman who has a very small allocation, and the
45 time, the effort, the cost to implement all of the monitoring
46 equipment, would it really balance out in the end for that
47 fisherman, and Jessica will be talking more about that in a
48 minute.

1
2 Again, the council could also consider if you want any transfer
3 restrictions on this allocation, and should there be, and what
4 amount should be, potentially put forward as a minimum amount of
5 red snapper allocation that a fisherman has to have before
6 commencing a trip, and there are other fisheries in the nation
7 that do this, but, again, if you think about it being mortality
8 neutral, meaning they shouldn't be fishing any more red snapper
9 than what have been attributed to their normal discards, you
10 wouldn't want a fisherman to set a line and then not have enough
11 red snapper in their account to actually cover what they could
12 potentially pull in on that set, and so what is that, or should
13 you or do you want to ask for a minimum amount before they leave
14 the dock?

15
16 As I said, I was just putting forward to the council some of the
17 decision points and such, as you asked. At this point, if
18 there's some discussions or questions before moving on to the
19 cost and monitoring equipment.

20
21 **CHAIRMAN GUYAS:** Are there questions for Lauren? Leann.

22
23 **MS. BOSARGE:** I was wondering, on Slide 6, where you have the
24 estimates in that chart, and snapper has been rebuilding
25 steadily, and I noticed though, in 2017, the estimate of
26 discards goes down, and those are dropping, and I guess that
27 could have been something in that season, and maybe there was a
28 bad hurricane and they didn't fish a lot, and why does that go
29 down if snapper has been rebuilding?

30
31 **MS. WATERS:** For that one, did we have --

32
33 **MS. GERHART:** I think it's less that it goes down in 2017 than
34 it went up in 2018, and I think what happened in 2018 is
35 remember that we dropped the red grouper quota very low, because
36 of concerns, and we had the emergency rule that we put in place
37 and dropped it down to that level, from 2017, and so, just as
38 speculation, there may have been more discards in that year,
39 because the red grouper quota was lower, and we got more
40 discards of red snapper in the attempt to try to catch those,
41 but that's just a speculation.

42
43 **CHAIRMAN GUYAS:** Roy.

44
45 **DR. CRABTREE:** Bear in mind too that these are estimates that
46 have some pretty big confidence bounds on them, and so they're
47 going to bounce around quite a bit, but I don't know what the
48 confidence intervals are, but those -- They are fairly

1 substantial, I would guess.

2

3 **CHAIRMAN GUYAS:** Jessica.

4

5 **DR. JESSICA STEPHEN:** Just one other point to clarify is that
6 discards are based on how much allocation they have available,
7 and so, if someone was better at obtaining allocation throughout
8 their year, then their amount of discards would go down, and
9 their landings would go up, and that could be another factor
10 playing into this, is how much they were able to get from
11 someone else.

12

13 **CHAIRMAN GUYAS:** I see a number of hands here. I'm going to Ed,
14 and then I see Kevin.

15

16 **MR. SWINDELL:** I was looking here at the 2017 landings,
17 estimated discards and landings, and landings were higher, and
18 discards were lower, and then, in 2018, the landings were higher
19 again and the discards were higher again, and was this -- It
20 kind of doesn't make sense to me. If you're going to land that
21 many fish and you say that the resource was lower, was cut down,
22 did they not catch all of the quota of grouper?

23

24 **CHAIRMAN GUYAS:** Shannon, is it to that point?

25

26 **DR. CASS-CALAY:** Yes, and I can only speak to the variability of
27 the estimates. I mean, these come, essentially, from -- These
28 are from Kevin McCarthy from the Science Center, and these are
29 observer program discards, and so we have observer program
30 estimates of discard rates on trips that were observed, and then
31 they're multiplied by the effort, and so these are estimates
32 with high variability.

33

34 Furthermore, discard estimates are also -- They are partly a
35 reflection of how much recruitment there is, and so, when
36 there's a year class that comes in, it's very likely that those
37 animals below the size limit will be discarded, and so there's a
38 variety of factors going on that contribute to the variability
39 that you're seeing here. There is not a one-to-one correlation
40 between the landings and the discards year-to-year. There is
41 enormous variability.

42

43 **CHAIRMAN GUYAS:** Kevin.

44

45 **MR. ANSON:** I am curious. What is the target species for these
46 trips with that gear outside of red grouper? Is it red grouper
47 and then red snapper, as far as the abundance, and do you have
48 an idea as to -- Relative to red grouper, the other species that

1 would normally be caught with longline gear, and is it one-tenth
2 of the red grouper or that type of thing?

3
4 **MS. WATERS:** It would definitely be partially what they had
5 allocation for, and so, for some of the other IFQ species, and
6 then --

7
8 **DR. CRABTREE:** They catch some gag, and red grouper is the
9 mainstay of the longline fishery, and they get some amberjack
10 and some assorted other species, but I think they -- If they are
11 fishing south, they would bring in some true black grouper,
12 carbos, and other things, and so it just depends.

13
14 **MR. ANSON:** Just to follow-up though, is that -- Are you talking
15 5 percent of the target, of red grouper species, or 10 percent,
16 or do you have any idea?

17
18 **DR. CRABTREE:** We could get all of that. I'm going to guess
19 that red grouper is far more than 10 -- I would guess half of
20 what they catch is red grouper, but those guys, a lot of them,
21 are here, and I'm sure they could tell you better than I could.

22
23 **CHAIRMAN GUYAS:** Leann, did you have another question?

24
25 **MS. BOSARGE:** I just think we -- I don't know. I want to dig a
26 little deeper into these numbers and think outside the box of
27 ways to maybe improve those estimates, if this is going to work,
28 because I am still a lot confused about the numbers, just based
29 on what I'm hearing on the water, and then I really need to
30 think through the whole idea of, well, it depends on how much
31 allocation they get each year as to what they land, as to what
32 their discards really were.

33
34 I want to know how much bycatch do they have, and, right now,
35 I'm not concerned with how much they land or don't, but what is
36 the bycatch? What are we dealing with? Then, once we can wrap
37 our hands around that, maybe we can move forward as to how is
38 that being handled in the assessment and make sure that all of
39 our numbers line up.

40
41 **CHAIRMAN GUYAS:** Greg.

42
43 **DR. STUNZ:** Along the same lines as Leann, and getting into
44 these numbers a little more, and maybe this last motion will
45 help just a little bit, but, if you recall, at the last meeting,
46 we had a captain come up and give public testimony that he had
47 leased a substantial amount of quota, but he still threw back
48 something like 17,000 pounds, and I don't remember the exact

1 number, but, while I like this idea, and we're headed in the
2 right direction, 1,200 pounds for him isn't going to do much
3 when there is -- He still is going to throw back 16,000 pounds
4 or so, and so we still have a ways to go here, I think.

5

6 **CHAIRMAN GUYAS:** Roy.

7

8 **DR. CRABTREE:** Well, you've just got to recognize that discards
9 are the weakest numbers we have, and so we have low levels of
10 observer coverage and other things, and so, while I would like
11 to be able to give you very precise numbers, that is simply not
12 in the cards and not possible, and so I look at this, and I
13 don't know that there is any trend there whatsoever.

14

15 It's just numbers are bouncing around, and I don't even suspect
16 that -- 59 is probably not any different than 77. They're all
17 probably within the margin of error, and so at best you get here
18 is in the ballpark, and I don't know how to make that any more
19 accurate, and so it could be that some people discarded a lot
20 more fish than this, but these are the estimates that we have.

21

22 **CHAIRMAN GUYAS:** Tom.

23

24 **DR. FRAZER:** I guess, to that point, these data -- These are the
25 ones that Kevin McCarthy provided as part of the observers, and
26 so how many vessels does that relate to, trips or vessels?

27

28 **DR. CASS-CALAY:** I will have to get back to you on that. I
29 don't have those numbers offhand, but I can make a request to
30 the Science Center to provide that information.

31

32 **DR. FRAZER:** Sure, and the second part of that would be, of
33 those trips or vessels that the observers were on, did they have
34 leased allocation available to them or not?

35

36 **CHAIRMAN GUYAS:** Leann and then Dale.

37

38 **MS. BOSARGE:** I would say, just generally speaking, Tom,
39 observer coverage is usually, at best, 2 percent, and I would
40 say, in most of our fleets, 1 percent observer coverage. I
41 mean, that doesn't give you the number you're looking for, but
42 it gives you an idea of the coverage.

43

44 **MR. DIAZ:** To Kevin's question earlier, I talked to a gentleman
45 this morning, and he's in the audience, and maybe we'll get some
46 public testimony from him, but he gave me some numbers, and he's
47 been tracking what he catches, and his grouper catch was about
48 40 percent, and so roughly 60 percent red snapper is the numbers

1 that he had told me this morning, and so thank you.

2
3 **CHAIRMAN GUYAS:** Roy.

4
5 **DR. CRABTREE:** But I'm guessing that is very recent and that, if
6 you looked over a number of years, it was much more red grouper.
7 They have just come down.

8
9 **EXECUTIVE DIRECTOR SIMMONS:** I just was going to point out that
10 we did modify the number of hooks that were allowed, that
11 removed the hook limitation on what could be carried onboard the
12 bottom longline reef fish fishery, and so I don't know if --
13 That was effective on February 6, 2018, and so I don't know if
14 that means that the trips were longer or there were more sets,
15 because folks didn't have to come in to get more hooks, but
16 there was a regulatory change then.

17
18 Then I had one question. Do we have any information on if
19 there's a difference with the sets that are outside of thirty-
20 five fathoms, versus outside of twenty fathoms, regarding
21 discards for red snapper?

22
23 **MS. WATERS:** Not right at this time.

24
25 **CHAIRMAN GUYAS:** Are there any other questions for Lauren?

26
27 **MS. WATERS:** With that, I will turn it over to Jessica.

28
29 **CHAIRMAN GUYAS:** Thanks, Lauren.

30
31 **DR. STEPHEN:** The second half of the presentation is more about
32 what electronic monitoring is and the costs associated with it.
33 Electronic monitoring, for those of you not really familiar with
34 the term, is a term that is referring to the use of cameras or
35 other types of sensors that are used to monitor fish activities.
36 Typically, it refers to cameras, and, in this presentation,
37 that's the terminology that I will be using it for. In a
38 broader sense, it also includes things like VMS units or other
39 sensors that might turn cameras on.

40
41 When we're talking about electronic monitoring, we want to look
42 at what are the different elements that are involved in a type
43 of electronic monitoring program. Typically, to have what's
44 called a vessel monitoring plan, and so that's a plan the vessel
45 puts together that shows you where the cameras are located, and
46 it lays out what the responsibilities are for those on the
47 vessel or what the responsibilities are for showing the catch to
48 the cameras and how they will train crew members to make sure

1 that all of these regulations are kind of followed in their
2 vessel plan.

3
4 It also includes the collection of the EM data itself, and so
5 the EM data is not just the video, but you also have the video
6 and then the analysis that comes from the video. It also
7 includes the transmission rate of all that video to sources to
8 be reviewed.

9
10 Typically, an EM plan is put together with either electronic or
11 paper reporting of a logbook, so that you're able to use what
12 was caught on the trip to match up to what you are viewing in
13 the video, and then the last step is the video review, and so
14 you're going to -- You need to spend some time reviewing it, and
15 that review rate may differ depending on what your purpose is
16 for the electronic monitoring program.

17
18 Just to give you a kind of quick outlook of how things look in
19 the U.S. with EM, there are other regions that have kind of gone
20 full force into EM, for a variety of different reasons. Some
21 use them to audit their logbook records, and some use it in
22 order to monitor discards or compliance rates, and others look
23 at it for just collection of discard or bycatch information.

24
25 There has recently been quite a bit of national guidance on
26 electronic monitoring that has come through, and there is the
27 NOAA Fisheries policy directive on electronic technologies as a
28 whole, and that was issued originally in 2013 and updated most
29 recently in 2019, and there is also a cost allocation policy
30 directive, and that will play strongly into EM at this point,
31 and that was released in May of 2019.

32
33 Currently under review is a white paper that is looking at the
34 minimum retention period and data storage requirements for all
35 the video collected under EM, and there will be an update to the
36 regional electronic technology implementation plan coming out in
37 February of 2020.

38
39 I am going to spend a little bit of time on the EM cost
40 allocation policy directive. What this states is that any of
41 the new monitoring systems that are going to be put in place
42 must either be funded through federal appropriations or they can
43 be through non-appropriated funds, and what means is through
44 industry funding.

45
46 NMFS cannot guarantee the availability of federally-appropriated
47 funds for EM programs, and they will not approve programs if
48 there is insufficient funds. The guidance also goes a little

1 bit more into detail of who is responsible for what kind of
2 costs and how those costs are broken out into different
3 categories.

4
5 The first kind of cost category that I'm going to look at is the
6 administrative costs. This is the cost of setting up the
7 program, what are going to be the standards for the program, who
8 is going to do the monitoring and the administrative report, and
9 that's strictly a NMFS responsibility and cost.

10
11 The sampling cost is where it gets a little bit more confusing,
12 depending on how the program has been developed. The policy
13 directive states that, when the programs are initiated by the
14 councils and are designed to provide greater flexibility or an
15 exemption from requirements, then the industry is responsible
16 for the sampling costs.

17
18 When NMFS determines that EM is necessary to meet legal
19 obligations, for example something meeting Endangered Species
20 Act requirements, and if there is sufficient funds, then NMFS is
21 responsible.

22
23 To give you an idea of what these administrative and sampling
24 costs break out into, I have put some examples together.
25 Typical administrative costs, we have the program
26 administration, not just the setup of it, but continually
27 running it afterwards, and certification for any of the EM
28 service providers, to make sure they're meeting the standards
29 needed, EM program monitoring as a whole, to make sure the
30 program is running smoothly, and then analysis of the data from
31 the video and the storage of that analysis.

32
33 The sampling costs typically include equipment and installation
34 and maintenance, and, in that case, we're mostly talking
35 cameras, but you're also talking all the wires to connect the
36 cameras together, a hard drive to store the data, and
37 potentially, if you're using satellite transmission for video
38 data, something to handle that as well. It includes training on
39 the equipment, development of the vessel monitoring plans, and
40 data transmission and service fees, as well as video processing
41 and video storage.

42
43 When the costs are shared between NMFS and the industry, the
44 councils will need to determine and kind of categorize what
45 those costs are and how they fall into the different sampling
46 and administrative areas and document whose responsibility it is
47 to pay for each one of those.

48

1 Kind of the last points I want to bring up is, when you have an
2 EM program in a limited-access program, NMFS has stated that
3 cost recovery fees could be used to recoup some of the costs
4 from the industry, in order to pay for both the administration
5 and the sampling costs.

6
7 Now we'll take a look at what some of the types of costs are,
8 and, typically, what I did is I divided the costs up into what
9 are the start-up costs that are going to occur initially, and
10 then the reoccurring are annual costs that the program will
11 need.

12
13 When I was looking through this, I looked at the various
14 different types of EM programs already out there, as well as a
15 white paper that the Nature Conservancy has put together about
16 the New England groundfish survey, and, in those, what they did
17 is they divide up the cost categories into program development
18 costs, vessel and equipment installation, and then program
19 administration and operation costs.

20
21 Program development cost estimates typically include such things
22 as when you're looking for infrastructure, any needs for policy
23 or regulatory costs to implement a program, and then different
24 needs, such as creating the vessel monitoring plan,
25 communication or training to the fishermen, and then EM review
26 or certification. Among the different programs that we looked
27 at, startup costs were anywhere between \$130,000 to \$250,000,
28 and then annual cost was significantly lower, around \$60,000.

29
30 Looking at the vessel equipment and installation costs, what I
31 did for this analysis is I just assumed that there were three
32 cameras per vessel and kind of priced them out close to what the
33 2018 prices were for camera installations. Startup costs very
34 vessel can be between \$3,000 and \$10,000, and the reason there's
35 a bigger range between these is that the camera costs could be
36 variable by how many cameras you are placing on them, how many
37 cables you need to the cameras for their different locations,
38 what your camera resolution is, and so how much detail do you
39 want to get out when viewing that, and so there's a number of
40 variety of costs that could change this from the low end to the
41 high end.

42
43 Looking at an annual cost, there is just typically maintenance
44 and upkeep of the cameras from that point onward, and so there
45 was an estimate of around \$1,600 per vessel, and this is mostly
46 support and repair of equipment. Again, this could be variable
47 by the number of trips.

1 The more often you're out in saltwater conditions, probably the
2 more likely it is that you might have to replace equipment, and
3 so there are different things that go into the estimate, and
4 that could be low or high on a different year, depending on what
5 equipment is working and at what level. Just to kind of give
6 you an idea, the estimated camera life right now for most of the
7 EM cameras in use is around five years.

8
9 The last section I want to go over is the program administration
10 and operation estimates, and so these are broken down into some
11 sub-categories, and you have the EM submission and review, and
12 that's the submitting of the video data, the transfer to it, and
13 then someone going through the video and reviewing what's
14 happening, and estimated costs for that are \$300,000 to \$750,000
15 per year, and that's both startup and the annual.

16
17 This is, again, variable by the number of trips taken by an
18 industry and by the percentage of review that's taken over the
19 cameras, and so, if you're looking at a program where you want
20 to review every single trip and every set taken, you're going to
21 be towards the higher end. If you're looking at a sub-sample,
22 and the number of trips is lower, you're looking closer to the
23 lower end.

24
25 There is also the EM transmission and storage, and that's
26 running anywhere between 50,000 to 500,000, and, again, you have
27 a variety of factors that can affect this, not only in the
28 number of trips, as I have mentioned before, but what's your
29 video size, what's your video retention timeframe. When you
30 think about data storage, a video is a large file, and
31 especially if you have it at a resolution that you might need to
32 identify fish, and that ends up costing money, as you think
33 about retaining that video for a number of years.

34
35 Finally, we have the program and system management, and that
36 runs between \$175,000 and \$800,000 per year, and these things
37 include such things as maintaining a database, where the data
38 could be stored, the data analysis going forward to it, any kind
39 of data processing, and then data auditing of the data, when the
40 auditing is typically matching up those videos to your logbook
41 records and doing further analysis along that way.

42
43 Kind of to summarize what all of these costs are, I have put
44 them into a little table and identify kind of who may be paying
45 for what, and, again, we have the equipment costs, and I used
46 the calculations for the sixty-two vessels, using that \$3,000 to
47 \$10,000 range, and the startup costs are between \$186,000 to
48 \$620,000 for fleet, with recurring costs probably around

1 \$99,000, and, again, that's paid by the industry.

2
3 You also have the program development between \$130,000 to
4 \$250,000, with a recurring cost of \$60,000, which is paid by
5 NOAA Fisheries, and then, in this instance, I put down both the
6 industry and NOAA Fisheries, because here is where we would have
7 to dig into what kind of program we develop and who would pay
8 the costs for the program administration and operation, and this
9 is between \$525,000 to over \$2 million on startup costs, and
10 then reoccurring costs can be a very similar range. There is
11 not much savings from your startup to your reoccurring costs.
12 Overall, the program could have a cost of \$841,000 to \$2.9
13 million startup and around \$684,000 to \$2.2 million reoccurring.

14
15 I just kind of want to come back to -- Open for questions and
16 leave you, again, with some of the ideas that we have put
17 forward, and I think we've talked about the purpose and need,
18 whether it's voluntary or mandatory or permanent or temporary
19 type program, and the distribution of the allocation, any
20 restrictions you might want to place on how they can either
21 transfer the allocation or when they go fishing, such as a
22 minimum pounds required before they go out, and then, of course,
23 the monitoring requirements.

24
25 **CHAIRMAN GUYAS:** Thank you, Jessica. Are there any questions
26 about either Jessica's part of the presentation or the
27 presentation as a whole? Roy.

28
29 **DR. CRABTREE:** This was really just exploratory in nature, and
30 the things that strike me about it is, one, the cost is higher
31 than I would have guessed going in, and, two, the numbers of
32 discards and the actual reduction you get in the poundage to it
33 is not as much as I had anticipated going in.

34
35 That, to me, makes it -- If you look at this on a cost-benefit
36 kind of thing -- Now, there are things we didn't look at, like
37 if you made this voluntary, and if it was some of the high-
38 liners, then that might change the structure of it, and, of
39 course, if only a portion of the fleet was involved in it, a lot
40 of the costs would go down, but that's the challenges, really,
41 that I see with it, in terms of actually following through with
42 it, and I haven't really heard much more out of the fishermen,
43 and so, whether they're really interested in pursuing this any
44 farther, I don't know.

45
46 **CHAIRMAN GUYAS:** Leann.

47
48 **MS. BOSARGE:** It's not looking too optimistic, based on those

1 discard numbers that we see there, which we only have a small
2 percentage of coverage with observers, and I understand that,
3 and we can only spread it around so much, and I still try and
4 think of solutions, and so it seems like it might be a good
5 candidate for some sort of research project.

6
7 There is a lot of S-K funds out there and restoration funds that
8 are geared at bycatch and bycatch reduction, and so maybe if the
9 longline fleet can get some grant funds to put some cameras on
10 those boats for a season or so and get some better bycatch
11 numbers that we're dealing with, discard numbers, and we really
12 know what those figures look like and have realistic numbers to
13 work with and then look at something that gives you that. Then
14 that may be doable, but you would have to put out the effort to
15 get the realistic numbers first.

16
17 **DR. CRABTREE:** Yes, and there are benefits to this. It would
18 certainly give us much better estimates of discards, and it
19 would give us improved estimates of turtle takes, which has
20 occasionally been an issue, and a host of other types of things,
21 and you may recall that we did have some interest in an EFP by
22 some of the longline industry, I think a couple of years ago,
23 although we never followed through on it with them.

24
25 **CHAIRMAN GUYAS:** Jessica, did you want to chime in?

26
27 **DR. STEPHEN:** I just want to point out that Mote Marine Lab has
28 been doing some EM work, through NFWF funding, and so they might
29 have some data that would be worthwhile at being looked at, and
30 I think Carole is here, if you want to ask her any questions
31 about the program.

32
33 **CHAIRMAN GUYAS:** Shannon.

34
35 **DR. CASS-CALAY:** Thank you. Earlier, you asked about the number
36 of trips observed, and, in 2016, it was eighty-six. In 2017, it
37 was eighteen, and, in 2018, it was eight trips, and so these
38 estimates have large confidence intervals. There are large
39 variability in these estimates.

40
41 **CHAIRMAN GUYAS:** Tom.

42
43 **DR. FRAZER:** I mean, if it's okay, can we get Carole from Mote
44 to -- Would you be willing to come share with us a little bit
45 about what your program entails?

46
47 **MS. CAROLE NEIDIG:** Thank you for the opportunity. Yes, at Mote
48 Marine Laboratory, we're working on three projects, currently,

1 and we've had funding through NFWF, BREP, and also CRP funding,
2 and several NFWF funds, and we've been working in electronic
3 monitoring for three years. Currently, we have sixteen vessels
4 involved here in the eastern Gulf and, in the northwestern area,
5 out of Galveston, we just brought those six vessels onboard
6 there in March.

7
8 We currently have an array of both longlines and vertical line
9 vessels, and we are collecting intensive data. We have had over
10 160 trips that we have data on over the past three years, and,
11 also, that covers, right now -- We will have probably over 800
12 sea days this year that we have coverage for, and so we're
13 doing, both from looking at catch and discards, and we have data
14 on all of that.

15
16 Of course, red grouper, and you were asking about that earlier,
17 is the primary catch, as the fishermen will tell you too, and we
18 have information on catch and discards of red snapper and all
19 the other species that are targeted, plus all the discards, and
20 that also includes marine mammal catches, and also shark
21 interactions, gear depredation, and we have quantified all of
22 those, and so possibly, at the next council meeting in
23 Galveston, if you would want to, we could give a presentation,
24 or along the lines, and so we are also, with that data, doing
25 hotspot mapping.

26
27 We're also in the development of an underwater camera for
28 longline application for looking at cutoffs of large species of
29 sharks, and that is something the fishers had come forward and
30 asked us for help on, because of the depredation of their gear,
31 and so we're trying to do a good job of documenting that for
32 them.

33
34 We're at the stage where we want to get this information that we
35 have out to the working groups for being able to provide that
36 back to both the industry and management for their use, and so
37 we have quite a bit of a large database of information.

38
39 **DR. FRAZER:** A couple of quick questions. You have three
40 funding agencies that you've been working with, and you have
41 over 800 sea days, and do you have any idea what the combined
42 costs of those granting programs was?

43
44 **MS. NEIDIG:** Yes, and, combined, we're talking about \$800,000,
45 and, when you're speaking of the equipment that Jessica was
46 bringing up, we had spoke on the phone for some of this
47 information, and she's in the right ballpark, definitely, with
48 what we see here too with our equipment. It runs about \$10,000

1 per vessel.

2
3 We have been working with a non-proprietary software company,
4 which Mr. Strelcheck had pointed out to us several years ago
5 that we needed to make that move, which we did, from Archipelago
6 Marine Research to Saltwater Inc., which the bluefin tuna
7 fishery, in compliance, is using Saltwater Inc. on the east
8 coast.

9
10 With them, we have worked very closely with them for several
11 years in actually developing the software used particularly for
12 this reef fish fishery in the Gulf, both on the aspect of
13 application on the vessels and also for review software, with
14 the appropriate templates and so forth, to get as much
15 information with identifying species, and we have a listing of
16 over 216 species, and so we are as exact as possible. We go
17 through several courses of QC also with our data.

18
19 **DR. FRAZER:** Just real quick, wrapped in here are a couple of
20 things. These data, though, they're limited that were presented
21 to us today, and your data suggests that the discards are about
22 30 percent of the landed weight, and, oftentimes, when we're
23 talking to fishermen, the estimates of those discards are much
24 higher than that, and Mr. Diaz just said 60 percent, for
25 example.

26
27 I am just curious. Although your information is not available
28 yet, but, just generally speaking, is the magnitude of the
29 discards that you see closer to 60 percent or --

30
31 **MS. NEIDIG:** No, and it's actually lower. For 2018, our red
32 snapper retained were about 78 percent that we saw, and I will
33 narrow that down. Though we were using a lot of vessels, I am
34 talking right now about -- I will narrow that down to five
35 bottom longline vessels for the eastern, because I was trying to
36 concentrate on that, because that's your purpose here, is to
37 look in this area. It was 78 percent, and so 21.25 percent
38 discards with the red snapper for 2018, and I don't have an
39 updated number for you right now for 2019.

40
41 **DR. FRAZER:** Sure. Along those same lines, of those five
42 vessels that you were monitoring, do you have any idea how many
43 pounds of leased snapper that they had?

44
45 **MS. NEIDIG:** That I don't have at hand, and we have looked at
46 that, but I apologize that I don't have it with me right now.

47
48 **DR. FRAZER:** No problem. I'm asking a lot of questions on the

1 fly, and so --

2
3 **MS. NEIDIG:** No, that's okay, and I was antsy when you were all
4 speaking. I wanted to put my hand up, but we do have quite a
5 bit of -- We have a very large database that we want to get out
6 there and share, and we are still moving forward with this
7 information.

8
9 Our fishers are volunteer fishers, and so, of all the vessels
10 that are participating in the program, which has been up to
11 twenty, they have all volunteered their time to participate, and
12 some of them have been with us for multiple years, and some
13 approached us and said that we want to show that we're being
14 sustainable, and how can we get involved, and others have asked
15 for help in this situation with the shark depredation, and so we
16 have brought some of those onboard, to be able to have a broader
17 base of vessels.

18
19 **DR. FRAZER:** Thank you.

20
21 **MS. NEIDIG:** You're welcome. Thank you.

22
23 **CHAIRMAN GUYAS:** Leann.

24
25 **MS. BOSARGE:** I think you sort of answered my question already,
26 and it may be something that you have to look back at, and so
27 you gave us the number of what would be discarded, and I was
28 just wondering just the actual mix in the catch, and so that
29 gets at both leased, aka landed, snapper versus discarded
30 snapper, and what was that mix like? I don't know if you know
31 that off the top of your head.

32
33 **MS. NEIDIG:** I have those numbers, but not on the top of my
34 head, because another aspect -- In the sense when we're looking
35 at the discards, we're also looking at vented, live damaged, and
36 so we're also looking at all different aspects and not just kept
37 and discarded, but actually condition, just to add that in, but
38 I am sorry that I don't have that right with me, but I can get
39 that for you by later today.

40
41 **MS. BOSARGE:** I think, Martha, I would be interested in at least
42 taking a look at this data. She has some decent coverage,
43 coverage that is comparable or better to the data that we're
44 using, and it is over at least a three-year period.

45
46 **MS. NEIDIG:** Yes.

47
48 **MS. BOSARGE:** I'm not sure if it's appropriate for that

1 information to come here or to go to the Science Center, or even
2 the SSC, but I would at least like that information to go
3 wherever staff thinks it's best, so that we can eventually look
4 at that and see if that provides a solution.

5
6 **MS. NEIDIG:** We would like to get it out, and just to mention
7 that, of all of our trips that I mentioned, we've only had four
8 observers onboard those vessels for all those trips, but
9 Elizabeth Scott-Denton has shared with us the observer
10 information, with a non-disclosure agreement, but we have used
11 that in comparison with our data.

12
13 We also are working with linkages with all of this data too and
14 all the dealer report numbers, reference numbers, and the
15 observer reference numbers and the biological sampling reference
16 numbers. They are all lined up with our data, so that, when we
17 provide you with data, we can show you everything that went
18 along with that particular trip. Thank you for the opportunity.

19
20 **DR. FRAZER:** Thank you.

21
22 **CHAIRMAN GUYAS:** All right. I think there's some interest in
23 getting a presentation, but do you have thoughts about whether
24 the SSC needs to see this as well or the timing of all this?

25
26 **EXECUTIVE DIRECTOR SIMMONS:** We could try to squeeze it into the
27 September, maybe, SSC meeting. We could take some other stuff
28 off, but we can't extend it?

29
30 **MR. RINDONE:** Not unless you want to make it three full days.

31
32 **EXECUTIVE DIRECTOR SIMMONS:** Then to the council in October. If
33 not, then maybe we could do it before the January meeting, or
34 just bring it to the council and not the SSC, or we could do it
35 the other way around, depending on what you prefer.

36
37 **CHAIRMAN GUYAS:** I think Roy had his hand up.

38
39 **DR. CRABTREE:** So you're talking about having Carole's stuff go
40 through the SSC and then looking at that?

41
42 **CHAIRMAN GUYAS:** I think that was Leann's suggestion, right?
43 Yes.

44
45 **MS. BOSARGE:** We have a hard-working SSC. They don't mind
46 working late.

47
48 **CHAIRMAN GUYAS:** I think the interest is there. I think we'll

1 just have to leave it to you guys to figure out the timing and
2 how to make it work. Kevin.

3
4 **MR. ANSON:** I wonder if Dr. Calay also has the information on
5 the number of reported trips that occurred during 2016, 2017,
6 and 2018. You had given the number of observed trips, but I'm
7 just curious to know what the number of total trips were.

8
9 **DR. CASS-CALAY:** One of the analysts is listening in on the
10 conversation, and I'm sure she will report it as soon as she
11 can, and so, when she does, I will get back to you.

12
13 **CHAIRMAN GUYAS:** All right. I guess, while we're waiting for
14 that, are there any other questions or points of discussion
15 about this presentation? If not, we'll just wait a minute, I
16 guess.

17
18 **DR. FRAZER:** I just have some more general questions. I think
19 Roy and I started a discussion about this a while back, but I
20 think the way that this proposal, I guess, has been presented is
21 that, if the discards, I guess, in a full-retention fishery, red
22 snapper fishery I guess, would offset the mortality, then you
23 could just incorporate it into the catch, but you would have to
24 have the allocation, I guess, and you would have to make sure
25 that that works in the quota.

26
27 The alternative, I guess, that I was at least trying to think
28 about is that whether or not -- Let's say, for example, you were
29 a fisherman and you had a quota, and we'll just, for the sake of
30 argument, say it was 1,000 pounds of fish, and it was still a
31 full-retention fishery, but you weren't allowed to catch more
32 than 1,000 pounds of fish in combination of red grouper and
33 snapper, and, in that case, you would have no discards at all,
34 right?

35
36 You may not catch your full complement of red grouper, but
37 they're not reaching the ACT anyways, and that would serve a
38 conservation benefit, and I don't think there's an economic loss
39 to the fishermen, but I would like to see that, perhaps, in
40 public comment, what the fishermen have to say about that. My
41 question, I guess to Roy, really would be is that even possible
42 within the framework of how we operate, or is it too
43 complicated?

44
45 **DR. CRABTREE:** Well, we have multiuse quota for shallow-water
46 grouper, and we could look back at how we did that. I think
47 that there's buffers and things in it to make sure we don't go
48 over on anything, but there is some precedent for having

1 multiuse quota.

2
3 **CHAIRMAN GUYAS:** All right. Is there anything else on this
4 topic? I am looking to see if Shannon has got that information
5 yet.

6
7 **DR. CASS-CALAY:** I am conferring, but it looks like the total
8 number of longline trips observed in the logbook in 2016 were
9 379. In 2017, it was 343, and, in 2018, it was 352. The number
10 that I gave you earlier, which was eighty-six, eighteen, and
11 eight, are the number of observer trips that reported dead
12 discards of red snapper, and that's where those discard
13 estimates -- That's the data the discard estimates are made
14 using, and she did exclude trips that fish with multiple gears.

15
16 She is telling me information as I speak, which is awkward, but
17 the eighty-six, eighteen, and eight are trips that reported
18 discards of red snapper and not only dead discards, and so it's
19 a small fraction of trips that were observed that reported
20 discards. A small number of total trips from the logbook
21 program were observed and reported discards.

22
23 **CHAIRMAN GUYAS:** Ed.

24
25 **MR. SWINDELL:** I am assuming that the longline fishery, bottom
26 longline, is in deep enough water for all the snapper to be dead
27 when it's brought up.

28
29 **DR. CASS-CALAY:** No, and there is a discard mortality rate that
30 is applied, and I don't remember it offhand, but it's on the
31 order of 40 to 50 percent, I believe, in the longline fishery.

32
33 **CHAIRMAN GUYAS:** All right. Anything else on this one? I don't
34 see any more comments, and so let's move on to our next item,
35 which is Amendment 52, and we'll get Dr. Freeman up here.

36
37 **AMENDMENT 52: RED SNAPPER ALLOCATION**

38
39 **DR. MATT FREEMAN:** I will be talking about Reef Fish Amendment
40 52. The last time the committee had this in front of them was
41 at the April council meeting, and so, before we dive into the
42 amendment itself, just to revisit something from the April
43 council meeting, I had presented a list of recommendations from
44 the SSC, and, in particular, there was a recommendation
45 regarding Objective 2 of the Reef Fish FMP Objectives, and, at
46 the April meeting, the committee discussed that recommendation,
47 and, at the end of that discussion, the committee decided they
48 would like to think about it a little bit more and ask that we

1 bring that back next time this document came in front of the
2 committee.

3
4 Just as a reminder, Objective 2 currently reads to achieve
5 robust fishery reporting and data collection systems across all
6 sectors for monitoring the reef fish fishery, which minimizes
7 management uncertainty, and the SSC had made a recommendation to
8 the committee and to the council to modify the last part of that
9 sentence to read "which minimizes scientific, management, and
10 risk uncertainty". I will pause there. Again, if the committee
11 would like to discuss it, we're able to. Otherwise, we can go
12 ahead and delve into the amendment.

13
14 As a reminder of what Dr. Froeschke said earlier, if there is a
15 modification, this will be reflected in Amendment 51, gray
16 snapper, which he presented on earlier, and so I will pause
17 there.

18
19 **CHAIRMAN GUYAS:** Leann.

20
21 **MS. BOSARGE:** I mean, that seems like a smart change, to me.
22 You want to minimize not only the management, but any scientific
23 and other risk and uncertainties, and that should be a goal of
24 any data collection system, I would imagine, and so it's not in
25 this document. **I will just make the motion to -- That right
26 there is my motion.**

27
28 **CHAIRMAN GUYAS:** The motion would be, for the Reef Fish FMP
29 Objective Number 2, to rephrase Objective Number 2 to replace
30 "minimizes management uncertainty" with "minimizes scientific,
31 management, and risk uncertainty". John Sanchez is seconding
32 this. Is there any discussion on this motion? Tom.

33
34 **DR. FRAZER:** Just for clarity, this objective now shows up in
35 Amendment 51, right?

36
37 **DR. FREEMAN:** Correct.

38
39 **DR. FRAZER:** Okay.

40
41 **DR. FREEMAN:** As this document proceeds, it will also be
42 reflected in this document as well, and we've got it in
43 Amendment 50 currently, simply as a matter of trying to get it,
44 quote, unquote, on the books, which is why, previously, it had
45 been in the carryover document.

46
47 **CHAIRMAN GUYAS:** Any other questions or discussion on this? **Is
48 there any opposition to this motion? Seeing none, the motion**

1 **carries.** Dr. Freeman.

2
3 **DR. FREEMAN:** If we could go to the purpose and need, that's on
4 page 4 of the document. Again, some housekeeping/reminders,
5 since the committee last saw this in April, from the April
6 council meeting, there was an update to the purpose.
7 Previously, the initial part of the sentence read: The purpose
8 of this action is to modify the sector allocations. In April,
9 the committee and the council modified this, and now the
10 language reads: The purpose of this action is to review,
11 evaluate, and modify, as appropriate, the sector allocations of
12 red snapper.

13
14 Again, I simply wanted to point that out as a reminder, since
15 the committee hasn't seen this since April, and, from there, if
16 we can go ahead and go to Action 1, and there were no
17 modifications to Action 1 or to the alternatives at the April
18 meeting. I am happy to go through the alternatives again if the
19 committee would like, as a reminder.

20
21 Otherwise, at this point, I believe some of the additional
22 analysis would be contingent upon some of the data
23 recalibration, and so I'm going to pause there and see what the
24 committee's pleasure is, as far as looking at Action 1 or the
25 rest of the document.

26
27 **CHAIRMAN GUYAS:** Bob.

28
29 **DR. SHIPP:** Thank you. I guess we need to decide what we really
30 want to cover today, because some of the data that we felt were
31 necessary for this are not available yet. The GAO report I
32 think is due in December, and there was -- What else was there?
33 The MRIP recalibration is not available, and so I guess what is
34 the pleasure of the council? Do you want to go ahead and have
35 Matt go through this, with the expectation that we're going to
36 have to delay it anyway? That is my question.

37
38 **CHAIRMAN GUYAS:** John.

39
40 **MR. SANCHEZ:** I am on the same page as Dr. Shipp. It seems
41 like, last time, we kind of dropped back and punted waiting on
42 this, and there's other studies going on, which may shed some
43 light on biomass and how much fish may actually be in the Gulf
44 of Mexico, and all kinds of things that I think would be really
45 pertinent to looking at some kind of reallocation, and so I
46 guess, until we have the benefit of all that information in
47 front of us, I am all for dropping back and punting.

48

1 **CHAIRMAN GUYAS:** All right, and so I guess let me ask this
2 question. When would we want to see this again? Bob.
3
4 **DR. SHIPP:** The items that I mentioned should be available by
5 the end of this year, and so I'm looking at the January or
6 February meeting, whichever that is scheduled.
7
8 **CHAIRMAN GUYAS:** So those items are the GAO report and the MRIP
9 recalibrations? Okay. Carrie.
10
11 **EXECUTIVE DIRECTOR SIMMONS:** I was trying to multitask with the
12 SSC agenda, but did you say MRIP recalibrations? Could you
13 repeat that? I apologize. Did you say when the MRIP
14 recalibrations would be completed? I apologize.
15
16 **DR. SHIPP:** All I know is the GAO report is due in December, and
17 I don't know when the MRIP material would be available. I would
18 assume by then, but I don't know that.
19
20 **DR. FRAZER:** Dr. Crabtree, could you tell us how the MRIP
21 recalibration efforts would potentially influence these
22 allocation decisions?
23
24 **DR. CRABTREE:** Well, the recreational landings are definitely
25 going to change, and they are working on calibrations now for
26 the state surveys, so we can take the mail survey FES estimates
27 and convert those into state survey units, and I think we're
28 supposed to get those estimates at the end of the year or early
29 next year, and then, at some point, I guess following that, when
30 they start working on the assessment, they will reconstruct the
31 landings times series and figure out how to do that, but, once
32 we have those estimates, I think it will be possible to
33 reconstruct the historical recreational landings series, and so
34 sometime next year.
35
36 **CHAIRMAN GUYAS:** Right, and so let me ask this question, I
37 guess, since the MRIP recalibration stuff has been delayed a few
38 times. If we -- Come January or February, if we have the GAO
39 report, are we comfortable moving forward with this just with
40 that in hand, or do we want the MRIP recalibration numbers as
41 well? I am just thinking about all the contingency plans that
42 we probably need to make here.
43
44 **DR. CRABTREE:** I don't expect that the GAO report is going to
45 give you anything that's going to lead you to a conclusion out
46 of this. To the extent though that you're going to base
47 allocations on the historical landings, I am not sure how you
48 can do that without having the adjustments that are then going

1 to be put into the next stock assessment and having that
2 landings time series that's going to be the basis for the
3 assessment, and so it seems to me that you have to have that if
4 you're going to base allocations on historical time series.

5
6 **CHAIRMAN GUYAS:** Leann.

7
8 **MS. BOSARGE:** Well, I have to say that I agree with Dr. Shipp.
9 I guess my suggestion would be, when the GAO report comes out,
10 we need a presentation on that, somebody at a council meeting,
11 an open public meeting, and let's hash through that and see what
12 it says, and, at that point, as a group, once we have that
13 information, we'll decide whether we want staff to bring us this
14 amendment back at the following meeting or if we think, no, that
15 wasn't enough information and we're going to need those landings
16 numbers, and, when they get those recalibrations done, bring it
17 to us then, because hopefully, at that point, we'll be closer to
18 the calibrations, and we'll know what that horizon looks like.
19 That would be my suggestion.

20
21 **CHAIRMAN GUYAS:** Bob.

22
23 **DR. SHIPP:** I agree with Leann. I think what we really do need
24 is a motion to delay the Amendment 52 discussion until we have
25 at least the GAO report, and, depending on that timing of that
26 and what's in it, we probably will need to wait for the
27 recalibration. I would move that we wait until -- Let's put it
28 on the calendar for January, because the GAO report will be out
29 by then. **I move that we delay consideration of Amendment 52**
30 **until the January meeting.**

31
32 **CHAIRMAN GUYAS:** It's seconded by Phil. Let's get that on the
33 board. Is there any other discussion on this? Ed.

34
35 **MR. SWINDELL:** It seems like it's going to be too early for us
36 to make any kind of -- To have enough information to make any
37 kind of decision with it in January. Perhaps the March meeting
38 might be best.

39
40 **CHAIRMAN GUYAS:** Chris.

41
42 **MR. SCHIEBLE:** Just because I can't find it, help me with it,
43 but when is the next stock assessment due for snapper, red
44 snapper?

45
46 **DR. CASS-CALAY:** The next red snapper assessment is actually a
47 research track assessment, and so I believe it's on the calendar
48 for 2021, with an operational assessment completed for

1 management advice in 2022.

2

3 **CHAIRMAN GUYAS:** All right. Anything else on this motion? I
4 think we just need to vote it up or down. **Is there any**
5 **opposition to this motion? Seeing none, the motion carries.**

6

7 I guess, with that, that will take us to Other Business, unless
8 you have anything else that we need to cover today.

9

10 **DR. FREEMAN:** It was a pleasure.

11

12

OTHER BUSINESS

13

14 **CHAIRMAN GUYAS:** Okay. Good talk. Okay, and so that takes us
15 to Other Business. Is there any other business to come before
16 this committee? If not, I will yield it back to the Chair.

17

18 (Whereupon, the meeting adjourned on August 13, 2019.)

19

20

- - -