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TABLE OF MOTIONS

PAGE 26: Motion to reconvene the ABC Control Rule Working Group to evaluate the existing rule and propose improvements. The motion carried on page 27.

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

PAGE 87: Motion to instruct staff to explore the feasibility to establish a non-NOAA quota bank using regional fishery associations as an example. The motion carried on page 87.

PAGE 88: Motion in Action 2 to modify Alternative 3 to read: Alternative 3: Distribute in inverse proportion the reclaimed shares held by NMFS among accounts with shareholdings of each share category within one month of the effective date of the final rule implementing this amendment. The motion carried on page 89.

PAGE 89: Motion in Action 2 to remove Alternative 2. Alternative 2 is equally distribute reclaimed shares held by NMFS among all accounts with shares of each share category to shareholders within one month of the effective date for the final rule implementing this amendment. The motion carried on page 90.

PAGE 96: Motion to begin a stand-alone document for Actions 1.1 and 1.2. Action 1.1 is Permit Requirements and Action 1.2 is Share Divestment. The motion carried on page 97.

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

PAGE 106: Motion to approve the Framework Action to Modify the Recreational For-Hire Red Snapper Annual Catch Target Buffer and that it be forwarded to the Secretary of Commerce for review and implementation and deem the codified text as necessary and appropriate, giving staff editorial license to make the necessary changes in the document. The Council Chair is given the authority to deem any changes to the codified text as
necessary and appropriate. The motion carried on page 106.

PAGE 110: Motion to approve the Amendment 51: Establish Gray Snapper Status Determination Criteria, Reference Points, and Modify Annual Catch Limits and that it be forwarded to the Secretary of Commerce for review and implementation and deem the codified text as necessary and appropriate, giving staff editorial license to make the necessary changes in the document. The Council Chair is given the authority to deem any changes to the codified text as necessary and appropriate. The motion carried on page 110.

PAGE 117: Motion in Action 3 to add an Alternative 5. Alternative 5 is modify the recreational seasonal closure to be Oct 1 through April 30 and May 21 through June 30 and open May 1 through May 20 and July 1 through September 30. The motion carried on page 120.

PAGE 141: Motion to rephrase Objective Number 2 of the Reef Fish FMP Objectives. Rephrase Objective Number 2 (To achieve robust fishery reporting and data collection systems across all sectors for monitoring the reef fish fishery which minimizes management uncertainty.) to “minimizes scientific, management, and risk uncertainty”. The motion carried on page 141.

PAGE 144: Motion to delay consideration of Amendment 52: Red Snapper Allocation until the January 2020 council meeting. The motion carried on page 145.

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

ADOPTION OF AGENDA
APPROVAL OF MINUTES
ACTION GUIDE AND NEXT STEPS

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

MR. PHIL DYSKOW: So moved.

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

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

REVIEW OF REEF FISH AND COASTAL MIGRATORY PELAGICS LANDINGS

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

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

The recreational reef fish landings, amberjack, as you know, is
on a fishing year starting in August and going through July, and
so, again, for the 2019/2020 season, that’s just begun, and so
what we’re showing you here are the 2018/2019 season, and this
is preliminary. We are still missing the Waves 3 and 4, or 3
and half of 4, that are part of that fishing year, and so these
are incomplete at this time.

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

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

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

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

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

We don’t expect, at this point, that there will be closures for
any of these except for lane snapper. We have done projections
based on the two waves that we have from this year, as well as
three-year averages for the months that we don’t have yet, and we expect that lane snapper will have to be closing this fall sometime, maybe as early as the end of September, but we’re still hoping to get some more recreational landings for this year to base that on and come up with a more firm number before we actually announce that closure. Again, we will re-do projections on the other three species as well, to make sure that they don’t need to close.

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

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

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

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

Spanish mackerel and cobia are stock ACLs. Again, there is no allocation between commercial and recreational. The date landing available through column there is for the commercial landings, and so, of course, for the recreational, the same as all the others, we have Waves 1 and 2, which only go through April, and so these are very, very preliminary numbers for this
year, and these are on the calendar year, and so this is from January, and so we have the first four months for recreational landings and then up through the end of July for commercial landings, but, as usual, we have very low landings, and this is, again, fairly consistent with what we’ve seen in previous years. Looking at those numbers again, remember that summer is the highest landings, and so we don’t have those numbers in there yet, and those percentages will go up in time. I believe that’s the end of my report, and I will take questions if you have them.

CHAIRMAN GUYAS: Thank you, Sue. Dale.

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

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

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

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

CHAIRMAN GUYAS: Any other questions or discussion on landings?
All right. Thank you, Sue. Our next item on our agenda is the Hot Sheet for African Pompano. Dr. Mendez-Ferrer, are you going to go through that?

**HOT SHEET: AFRICAN POMPANO**

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

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

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

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

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

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

First, I want you to take a look at the Y-axis, which has the
landings, and, as you can see, there is a large variation. Recreational landings are basically an order of magnitude higher than those of commercial, and so most of the fish that are being reported -- Most of them reported in the Gulf come from the recreational sector, and these are data from 2000 to 2018. At the time that I requested the data, we didn’t have data for 2017 and 2018 in the commercial sector. Like I said, most of the landings occur from the recreational sector, and they are mostly reported from west Florida and Alabama.

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

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

CHAIRMAN GUYAS: All right. Any questions? Dr. Frazer.

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

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

There are a lot of divergent viewpoints in stakeholders in that group of people that fish for those three things, and so we had a series of workgroups that we worked with commercial folks, and we worked with spear fishermen, and we worked with catch and release recreational guys and spearfishing and hook-and-line,
and everybody kind of had something different that they brought
to the table, and we settled on the regulations that we have
now, which is, for federal waters, just recreational
regulations.

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

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

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

CHAIRMAN GUYAS: I don’t recall having that information at our
disposal. Phil.

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

CHAIRMAN GUYAS: Not necessarily.

MR. DYSKOW: Where then are they found?

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

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

CHAIRMAN GUYAS: I believe they do like structure, and not
necessarily schooling with permit though, and so the reason why,
I think, we ended up not having commercial regulations in
federal waters is, when those commercial spear fishermen -- When they would see one African pompano, usually there were multiple African pompano, and so that’s how we kind of got to where we were. Roy.

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

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

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

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

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

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

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

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

CHAIRMAN GUYAS: Roy.

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

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

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

I have also heard interest in actually reducing the limit that we have in Florida to one fish, at least for part of the Gulf, if not the whole Florida Gulf, and so I don’t know that that was from public testimony, but I have heard some interest in that. John and then Mara.
MR. JOHN SANCHEZ: I have a question. When you say reducing it to one fish per person, are you saying per person or per vessel?

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

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

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

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

CHAIRMAN GUYAS: Leann.

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

CHAIRMAN GUYAS: Commercially, in state waters, that twenty-four-inch fork length minimum size limit, it is two per harvester, and two fish per vessel, max, whichever is lesser of
those two, and it’s hook-and-line gear, and so, essentially, it’s the same as recreational, but just for state waters, and so, if you’re fishing out in federal waters, and you get into pompano, African pompano, however you get into them, whatever gear, you can bring them back and land them in Florida, but you may not, on the way back in, stop and fish in state waters, because then the officer is not going to know where you caught those fish. Go ahead.

MS. BOSARGE: So you all just need a transit provision in your regulations to do this, or --

CHAIRMAN GUYAS: No. I mean, that’s how that works. If you’re out in federal waters, you can bring those fish in.

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

CHAIRMAN GUYAS: That’s correct. Tom.

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

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

SSC REPORT

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

Quite a few of them, by the way, in some situations, given the importance of the topic, I might have to get into a little bit
more detail and discuss with you and get some feedback, because some of these items are really important, as far as how we tie the science and the assessment process into the management framework.

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

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

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

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

That is the process that is outlined in place on this, and this new policy actually outlines how to integrate this BSIA
framework at the regional level as well, and so there’s a three-
year timeline that is presented by the agency that is giving
each one of the regions to proceed with this process and develop
our own regional framework for implementation of best scientific
information available. I will pause there, Madam Chair, since
each of these topics of sort of self-contained, and see if there
are any questions from the committee.

CHAIRMAN GUYAS: Kevin.

MR. ANSON: Dr. Barbieri, you talked about improved coordination
and communication. That is amongst the Science Center and the
SSC, or is that within the SSC? I guess I am more specific to —
- An example that comes to mind is when we had the gray
triggerfish assessment.
Raise your hand if you think it’s best available science, and
everybody raises their hand, and then, low and behold, there was
some confusion as to what best available science meant in the
context of the assessment, and so the council members go through
a training when they first become a member, and is there going
to be some sort of additional training, or training, for new SSC
members that will kind of review the concept and some of the
ideas that are brought forward in the document? Thank you.

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

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

CHAIRMAN GUYAS: Anybody else? All right. Dr. Barbieri.
DR. BARBIERI: Okay. Another presentation by Dr. Methot that was related to this other one had to do with the technical guidance document, and this is another agency policy directive that was developed for the National Standard Guideline 1. Again, this is to go into more detail on how to look at some of these issues, the more technical issues, that are associated with the recommendations and the policy guidelines outlined in the National Standard Guidelines.

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

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

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

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

Sub-Group 3 is focused on the data-limited stocks, and John Froeschke is our representative on that group that is looking into those stocks for which we have to have catch advice and management measures in place that are compliant with NS 1 and abiding by the Magnuson-Stevens Act, but for which we don’t have enough information to have a quantitative model-based assessment, and so, in those cases, there is different ways to
handle that, the data-poor stocks, and this sub-group is going
to be trying to bring together state of the knowledge and
identify some underpinnings for how we proceed on that.

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

CHAIRMAN GUYAS: All right. Any other questions for Luiz before
his next slide? All right. You’re up.

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

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

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

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

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

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

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

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

The analysis conducted by the Science Center using the SPR and
MSY global approach really helped us identify basically some lower and upper bounds for what we consider would be more realistic SPR proxy values for red snapper, and those would be between 23 and 38 percent, and so the current proxy MSY that we have in place for red snapper of 26 percent is really somewhere in the middle of that bound, and that gave us some assurance that we are more or less in the ballpark by making that choice.

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

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

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

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

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

CHAIRMAN GUYAS: Tom.

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

DR. BARBIERI: That’s exactly what I meant by cautious, and so it’s not cautious in the sense of being more conservative in your management, but being cautious on how you interpret the results of the assessment, because it becomes something that, like I said, you cannot really account for all the inherent variability that should be in there.
DR. FRAZER: Knowing that, I guess, you can adjust then the steepness, right, and can you adjust that value so that it would be more conservative than the one you might just routinely employ?

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

DR. FRAZER: Thanks.

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

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

You have that relationship, and that’s what the stock-recruitment relationship that we talk about all the time
actually means, trying to find the relationship between the two, and what happens is that that functional form of that curve has parameters, and steepness is one of the parameters, and it represents the slope that you have near the origin of that curve, and so you think about this here on this axis, and you have recruitment, and here you have spawning stock biomass.

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

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

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

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

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

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

The new version of SS actually allows us to specify recruitment very flexibly, and it does not require us to fit steepness at one to do so, and so there may be new options that we can
utilize in SS 3.3.

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

**CHAIRMAN GUYAS:** Kevin.

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

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

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

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

The SSC has been somewhat dissatisfied with the structure of the ABC control rule that we have in place right now. It’s been more like a placeholder until we were able to modify and then come back with something that was more meaningful, but, right
now, the way that we have for assessed stocks, our ABC control
rule using the P* approach, it basically conflates the risk and
the uncertainty components into the developing of that buffer
between OFL and ABC, and so we kind of would like to have those
issues more separate and consider development of the different
approaches on how we structure an ABC control rule, and that has
to do with the amount of uncertainty that we can actually
estimate within a stock assessment, how much that uncertainty
can translate into that probability density function that the
Center builds around your estimate of the overfishing limit, or
MSY, that we use to then develop that buffer.

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

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

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

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

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

I read about it in the SSC report, and it sounds like you all
looked at it pretty closely, and, if you could get together, you
could probably make some headway on it, and so I’m willing to
make that motion right there, the one that says reconvene the
ABC control rule working group to evaluate the existing rule and
proposed improvements, if I can get a second this time.

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

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

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

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

Actually, they still are not able to be fully calibrated and
comparable with the FES-calibrated MRIP data, and so all of that
needs to be resolved, because, at some point also, we need to
get the different surveys amongst the different states to sort
of talk to each other, in terms of calibration, and then have
some way to relate them to the MRIP survey results, so we can
have a Gulf-wide, space-wide, idea of the total recreational
catch, for red snapper in particular, but some other reef fish
as well, that can be used for assessments, and then, relating to
MRIP, there is the whole issue of being able to go back in time
and evaluate how that time series of recreational fisheries data
relates in the past to what is being caught right now.
That process is taking place right now, and there is a GRFS, the Florida Gulf Reef Fish Survey, that is actually meeting officially in September with MRIP staff and some other folks to have a more in-depth discussion about how the GRFS survey relates to MRIP and how that can be all calibrated and understood, and the idea is to start with Florida, but, actually, NMFS should be reaching out to some of the other Gulf states as well and trying to coordinate similar workshops going on with them as well.

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

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

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

CHAIRMAN GUYAS: Shannon.

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

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

This kind of caused a little bit of a setback on the progress of this stock assessment, and so this for your information, and the analytical team from the Science Center has switched the model from an age-based to a length-based approach, and they do not
expect a long delay, despite the setback and despite this change in model -- On the assessment completion, but there might be a month or two in delay that might be caused by this problem, and so this is just an informational update for you to know that this has happened. Are there questions from anybody?

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

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

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

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

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

This raised some questions, because there is always this tradeoff between having assessments that are more inclusive of data and new biological information and can be more complex in
nature versus the speed, the throughput, that we would like to have in terms of completing a certain number of stock assessments per year and helping our Science Center schedule their work in a way to maximize that efficiency in assessment throughput, and so this is something not to discuss today, but for you to keep in the back of your mind, and I don’t know if Dr. Calay has any input on this well from the Science Center perspective.

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

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

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

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

This presentation was on ongoing research on the effects of this explosive blasting to remove offshore oil rigs, mostly off of Louisiana, and evaluating then, through that, what the impacts were to the populations and the fisheries as a whole, because, of course, those structures function as attractors, and they retain some community of fish associated with them.
This study is ongoing, and it’s very complex, very large-scale, and LGL is working and organized this work to pull folks from the Science Center, a whole suite of cooperators, different cooperators, and he is using multiple techniques to assess fish abundance and come up with estimates of biomass for different species, and it’s something that eventually is going to be completed, I think, by the end of the year, and it’s going to be brought again before the SSC for evaluation in more detail, but preliminary results show that as much as 5 percent of the total red snapper abundance estimated for the Gulf is associated with those oil rigs that are being present there, and that about 45 percent, and these are preliminary results, of course, of the total greater amberjack abundance as well.

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

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

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

Dr. Karnauskas and colleagues from the Science Center also did that evaluation of all the artificial structures throughout the Gulf, and it was looking at the biomass, the abundance and biomass, of red snapper on those structures as compared to the size of the stock, and they also found out that, one, a very small proportion of the red snapper seem to be in those -- Relative to the size of the population as a whole, on those rigs, but that those rigs are important to the fishery, because they really provide a place for people to go and fish, and the
fishing mortality rates around those rigs are really, really high, which seems to indicate that those fish are being utilized by the fishery.

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

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

**DR. BARBIERI:** Yes.

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

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

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

**DR. BARBIERI:** To that point, Madam Chair, and Benny, Greg, did point this out, that, in this case, these structures may be somewhat different than other artificial reefs that we have, the vast majority that we have, out there, given the way that they are structured, the depths that they are at, and the whole sort of formation of how they are structured. It may not be
representative of a lot of the other areas and artificial
structures, but this is something that they are looking at right
now and trying to get to the bottom of, yes.

CHAIRMAN GUYAS: Leann.

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

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

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

If I understand correctly, you, having heard about those issues
in the South Atlantic, demonstrated an interest in having
similar regulations developed for almaco jack in the Gulf, and,
knowing of the paucity of more detailed information, requested
this summary of life history and landings and all this other
information on almaco jack be compiled for the SSC to evaluate
whether there was enough data to provide some well-informed
advice on potential regulations.
Unfortunately, we actually decided that we couldn’t at this time, and almaco jack is a very data-poor species, and it was looked at as a potential data-poor assessment stock during SEDAR 49 a few years back, and the Southeast Fisheries Science Center team, the analytical team that looked at that, looked into this in a lot of detail, and they really compiled a good process for looking at the available data and sorting through all of this, and almaco jack did not make the cut for that, given all the paucity of information.

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


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

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

After the terminal year of data in the assessment, when you have the stock status determination and you make projections for what the landings should be for OFL and ABC, there are several species where you see this, including, it looks like, what we’re going to be fairly soon for red grouper, is that we see this spike in the projections, in the landings for the projections.
The SSC expressed some concern over this, and we requested that
the Science Center analyze these assessment outputs and look
into this issue in more detail, to try and identify what are the
causes of this, and is this a problem, and, if it is a problem,
can it be solved, but at least come back to us with some
additional information on this.

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

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

CHAIRMAN GUYAS: Shannon.

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

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

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

CHAIRMAN GUYAS: All right. Thank you, Dr. Barbieri. It is

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

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

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

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

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

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

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

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

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August 13, 2019

TUESDAY MORNING SESSION

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

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

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

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

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

Then the remaining bullets here are the actions in the amendment, a little short description of how they connect or what the sub-actions are, and so, within Action 1, you have a sub-action that would require some or all shareholders to have a commercial reef fish permit, and then the next sub-action would
establish a process for share divestment for any shareholder who
is unable to meet those new requirements, and so that’s in the
Action 1, and we covered that at the last meeting, at least the
Action 1.1.

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

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

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

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

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

Then, finally, the distribution of allocation, and how would you
distribute that quota from the quota banks to those defined
recipients, by lottery, and then you’ve also come up with -- You
have a motion from some time ago where you talked about looking
at an adaptive redistribution based on fishing participation,
and so these are some of the broader questions and decision points that are in the document, and we’ll also come back to these later in the presentation, but these are things to be thinking about, because we’re going to start with a presentation on quota banks, and so that was our Action 3, developing a quota bank. The final action in the amendment, and we also covered this at the last meeting, would be the accuracy of estimated weights and the landing notifications.

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

When we use the term “allocation”, then we’re talking about pounds, and so share is a percentage, and allocation is pounds. These pounds are the amount of quota that is represented by your percentage, your share, of the entire quota for that year, and so keep those in mind, and we’re going to turn things over now to Mr. Paul Parker, who is going to provide us a presentation on quota banks.

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

**QUOTA BANK PRESENTATION**

**MR. PAUL PARKER:** Good morning. Thank you very much, Mr. Chairman and Dr. Ava Lasseter, for inviting me to speak this morning and share some of my experiences having to do with permit banks, and I thought it would be helpful to start at the beginning of my experience working in the commercial fishing industry, just share a little bit with how I got involved in permit banking, and then lead that up to the current work that I’m doing with an organization called Catch Together that is helping to support and develop permit banks and community projects around the country. Then I will go back into a more detailed explanation of the work I did on Cape Cod, and hopefully we can make some parallels to the work that you have in front of you to do with permit banks, and so thank you.
I started working on Cape Cod in 1997 as a commercial fisherman and working with a group of commercial fishermen to build an organization, and, at that time, things were very different. The ecosystem was different, and we didn’t have as many seals, and we had a lot less great white sharks, and the temperatures were different.

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

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

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

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

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

Another core principle that has guided the work that I’ve done has been building stronger businesses, because, ultimately, at this stage of commercial fishing, at least in the communities
that I have worked with, commercial fishing has really become
more of a business, and it’s really important to hold that up as
a standard for how to improve commercial fishing.

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

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

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

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

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

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

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

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

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

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

Some of the permit banks that we’ve worked with lately are on Martha’s Vineyard, where the community built a strategic plan four years ago and saw that they needed to purchase access, in order to stay in the fisheries, and they have strong support
from the municipality, in terms of availability of dockage and places to bring their boats, but there are huge pressures in terms of the high cost of living and difficulty finding crew and captains in what is increasingly a resort town. The permit bank that we worked with was able to purchase scallop, conch, licenses, and lobster tags, and it is now allocating them in the community to meet their goals.

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

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

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

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

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

**MR. PARKER:** Sort of two parts to the question, I think. The first is, in terms of the list of examples in front of you, they
range in scope and scale from probably surveying ten fishermen to maybe 150 fishermen, and so there is some range there, in terms of scale, and I see opportunities to work at a larger scale than that on the private side.

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

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

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

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

MR. BREWER: Thank you for the information.

CHAIRMAN GUYAS: Greg.

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

MR. PARKER: We’re non-profit. We’re a non-profit entity that lends to non-profit charitable organizations.

DR. STUNZ: So then you have a governing board then that guides...
your program?

MR. PARKER: We do.

DR. STUNZ: Who are the constituents that would make up a board like that?

MR. PARKER: Our board is called Multiplier, and our board of directors is a pretty hands-off intermediary that basically provides us with our operating support.

DR. STUNZ: Okay, but it’s not, I guess, fishermen or --

MR. PARKER: They are not involved, and so all of those types of decisions that we’ll talk about in a moment, in terms of allocation or acquisition or business model, those are all made at the local level. We’re a lender to the local partner.

DR. STUNZ: Okay, and so then maybe you will answer this then in a minute, when we figure out how it works, but, as far as recovery costs, funds recovered from those activities that pay for management of the program, I guess at the federal level, do you all pay those, or is that --

MR. PARKER: Catch Together is more like a non-profit bank, and we make low-interest loans to community organizations that want to buy these assets and manage them. We have management agreements with them about what they will do with the quotas, and they pay us back, and they have other requirements as well, because we care about their pre-identified goals and objectives and whether or not -- If we’re going to give somebody a 2 percent loan, instead of a bank right now would give you a 5 percent loan, and we’re giving a 2 percent loan because, yes, we want to get paid back, but we also care about the other goals and objectives that you have identified and told us you were going to hit with your loan.

DR. STUNZ: Okay. Thank you.

CHAIRMAN GUYAS: Any other questions? I don’t see any, and so I think we’re ready to move on. Please continue.

MR. PARKER: Great. Thank you very much. The next phase of the talk is really digging deeper into the Cape Cod Fisheries Trust example, and so this is the entity that I worked with from 2007 to 2017, for about a decade, and they continue to operate today.

I think this is a good way to think about the types of
challenges there are in setting up and structuring a permit bank, whether it is in a private or public or a quasi-private/public partnership.

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

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

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

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

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

Then we drop down to some of the outcomes, and some of these came directly from fishermen, and there was about a three-month process of meeting with fishermen, and there was somebody in charge of the strategic plan and in charge of meeting with the
fishermen and collecting their feedback and having a series of meetings, but, basically, the expected outcomes are a strong Cape Cod fishing economy, bankable fishing businesses, which was a real threat to the community. A lot of the fishermen, when the catch share system came into place, did not have bankable businesses, and so they were very opposed to catch shares, because they had no means of acquiring them, and they had no access to capital.

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

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

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

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

In terms of eligibility, each one of these eligibility criteria evolved over time, some of which took longer than others, but, when you think about them as a complete package, all of these eligibility criteria were designed to drive changes in the fleet, which is to say that some of these things weren’t in place when the system was created in 2007, and so the first one,
in terms of paying taxes, if you care about building a fishing
fleet that can participate in a catch share system and be
bankable, the first thing a bank asks when you want to get a
loan is if you can provide them with a copy of your tax return.

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

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

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

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

Follow your core beliefs and guiding principles. Again,
depending on your scale, it may be difficult to identify exactly
what you agree on, even at the highest level. Including the
fishermen, having a series of opportunities to have
conversations, perhaps professionally facilitated, where people
that oftentimes have joined an industry so they don’t have to
deal with other people can come together, at least temporarily,
to have a conversation about common goals and objectives.

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

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

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

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

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

These are some of the themes I was hoping you would take home
from today’s conversation, but adaptability is really important
in permit banking. Some of the things that we built in 2007 on
Cape Cod are needing to be changed today, and all catch share
systems are relatively new, and so the problems of today may
shift over time, and so figuring out how to address them in the
future is really important.
Building better fishing businesses is one of the core lessons that we’ve learned, and I think a tremendous amount of the resistance to catch share systems is a feeling of hopelessness, that fishermen got into this industry for reasons different than what catch shares create today, and so trying to figure out that system, whether it’s access to capital or getting the support your business needs to improve really is an important component.

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

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

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

CHAIRMAN GUYAS: All right. Are there questions for Mr. Parker? Kevin.

MR. ANSON: Thank you, Mr. Parker, for coming and presenting to the council. You had mentioned, as a response to a question earlier, about Maine and the state’s quota bank program, and you said that there was some collusion amongst, potentially some collusion amongst, the fishermen there to kind of drive the price down, and they didn’t realize full market share, or market value, and so I’m curious for the Cape Cod example that you provided, what’s the -- What is the price paid for that program, if you will, from the fishermen relative to what they receive at the dock per pound?
MR. PARKER: The lease price as a fraction of the dock price, I can tell you that the Cape Cod Fisheries Trust -- They have changed a little bit since I left, but they aim for a lease price to the fishermen that’s roughly 50 to 60 percent of what the market lease price is, and so it may be -- It fluctuates stock-by-stock, to the second point of your question.

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

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

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

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

CHAIRMAN GUYAS: Dr. Shipp.

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

MR. PARKER: I might need to ask for a follow-up clarification. The permit banks that I described, in the example that I described, basically each one of them owns shares, and it basically leases those as allocation to fishermen on an annual
basis, mostly with the goal of supporting ownership amongst the people that they are leasing to.

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

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

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

MR. PARKER: In the examples that I’m talking about, the non-profit organization basically controlled and run by commercial fishermen, with some community membership onboard, own the shares.

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

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

MR. PARKER: I will answer from two different perspectives, and the first is the Cape Cod example that I dug in on, which it’s a full financial review by the community economic development partner. They do the due diligence on the applications, and it’s rigorous enough that we’ve had fishermen say they won’t do it, and that’s an acceptable outcome for the program, that, if they don’t want to be involved in the process, that they can opt not to apply for allocation.
In the big picture, the program itself, with the economic
development partner, have determined that there is a lot of work
to be done by a small business to be competitive in a catch
share system, and most of the businesses, when they are
starting, have homework to do, whether it’s outsourcing
bookkeeping or however they need to adapt in order to create a
competitive business.

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

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

**CHAIRMAN GUYAS:** Tom.

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

**MR. PARKER:** When the program started, they were one-year
leases. Eventually, they adopted multiyear runways, but it’s a
one-year lease renewable for up to seven years, and so the idea
there was thinking about what does it take for a small business
to buy quota, like how long does it take and what do they need
to show to the bank, and so it’s common practice for a
fisherman, a young fishermen, and he’s a crew, or he’s bought a
new boat or whatever, and he shows up to the program and applies
for the program, and it’s a competitive process, to Leann’s
prior point, to get in. He or she is admitted to the program,
and, in year-one, they are given a runway, and they can see what
their allocation profile is going to look like over time. That
is a commitment that they can then take to a local bank and use
as leverage to build their business at a more rapid pace.
DR. FRAZER: Thank you for that, and so another question is you pointed out that most catch share programs are relatively young, and that there are changes that need to be made, or modifications, and I’m curious. When you talked about that, what are some of the changes or modifications that needed to be made in the programs that you are working with, and who drove those changes, the need for those changes?

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

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

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

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

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

MR. PARKER: Well, I mean, I think access to capital is one where I’m not fully understanding, but I’ve dug in a little bit here in the Gulf, and I don’t understand what the difference between your system is and say the scallop IFQ system that makes
it more difficult to go into a bank and use your quota share as 
a source of collateral to finance your business, but that’s 
commonplace in many of the regions that I have done work.

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

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

DR. FRAZER: Thank you very much.

CHAIRMAN GUYAS: Leann.

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

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

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

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

To me, that’s not a sign of systemic bankability, and that says 
that the bank is confident in your house and not that they’re
confident in the quota system. Most of the fishermen that I work with in Cape Cod have shifted away from that, and they’re using quota as a source of collateral. I have asked the question to banks here and in New England of what are the pre-conditions that make for such a different outcome, and there isn’t a clear answer.

**CHAIRMAN GUYAS:** Mr. Swindell.

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

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

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

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

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

**MR. PARKER:** In each of the examples that I gave, the permit bank is acquiring quota on the open market, and then they basically own those shares and allocate them annually. There is none being set aside, per se, and it’s all being harvested, and
I think there’s an embedded question about sort of how do they decide what they want to buy, and, in the instances that I have participated in, those are community-based decisions, where people look at the market and decide how much quota they need to meet their mission, and then they go out and finance that quota. I can tell that I sort of missed the mark on that one. Sorry about that. I will try harder.

CHAIRMAN GUYAS: Kevin.

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

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

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

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

We could sit down and talk about debt structure for a while if you want, but, to your point of are there other sources of
capital in any of these deals, and that might have been one of
the underlying -- The answer is yes. On Martha’s Vineyard, they
have done fundraising and raised some grant capital that they
have put into the mix that allows them to charge a different
rate.

CHAIRMAN GUYAS: Chester.

MR. BREWER: I understand that the organization that you’re
involved with now actually loans money to banks, these different
quota banks.

MR. PARKER: Yes.

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

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

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

I think those risks, in terms of risk assessment of getting paid
back, on the human side, are hard to predict from either fund,
but that’s why I end up spend a lot of time in different communities around the country.

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

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

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

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

**MR. BREWER:** Thank you.

**CHAIRMAN GUYAS:** Ava.

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

We do have Mr. Eric Brazer in the audience, in case I misspeak, as far as the Gulf of Mexico red snapper permit, and please
correct me, and so, in the Gulf of Mexico program, the
Shareholders Alliance quota bank is run through one of the
online IFQ system accounts, a shareholder account, essentially.
Are all of these other programs essentially doing the same
thing, run through -- Of course, you can transfer quota to the
people that would need them, and is that generally accurate?

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

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

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

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

I guess what I’m trying to get to is there some way to allow --
Is there an example where some of these privately-run quota
banks that are providing quota to other fishermen and are they
still subject to these other requirements, such as to have a
reef fish permit? I’m not sure if that’s anything that you can
speak to.
MR. PARKER: I think there is a question about, for this council to wrestle with, today and in the months to come, about whether or not it deems itself appropriately scaled and resourced to try to manage a permit bank aimed at certain problems that they see in the fishery or if this council sees enabling conditions for other people to do that work, and so I have seen instances, around the country and in New England, where councils have said, yes, this is important work and here’s how we can facilitate it.

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

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

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

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

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

DOCUMENT AND PRESENTATION

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

We just briefly discussed the shares is a percentage of the
quota and allocation refers to the pounds to be used during that year represented by the amount of shares, and here we get into the purpose and need and your program goals, and so, to begin with, these are the three motions that you have made under this amendment that have contributed to the development of the purpose and need statement, which is where the goals are.

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

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

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

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

You can see the language is very similar to the motions from before. The first part of that, until we get to the increased access to shares, all of that we understand is supporting that quota bank, and so, in the quota bank actions, there are sections to identify what you mean by small participants and new entrants and who would qualify to reduce these discards.
Now we’re wanting a little more clarification as to how to incorporate this idea of increasing access to shares into the document, and then, also, we will need to identify and define who are actively-fishing eligible commercial fishermen.

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

CHAIRMAN GUYAS: Anybody? Phil.

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

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

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

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

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

CHAIRMAN GUYAS: Roy.

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

It’s not clear to me though -- I mean, there’s X amount of quota to be had, and it’s all leased out to people, and what we’re doing is just moving who is going to lease the quota, but we’re not creating any new quota, and it’s not clear to me how it reducesdiscards at all. It’s going to movediscards around and shift around who has the quota, but it’s not like we’re creating new quota out of thin air.

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

CHAIRMAN GUYAS: Bob.

DR. SHIPP: I think Roy is right. It’s going to take a lot, and we’re going to have to bite the bullet on this. I think one way to go, and I think it’s later on in this presentation, is a set-aside, and a set-aside would be the pounds that would go into the quota bank, and the set-aside would come from the current
quota, and I don’t even know if that’s legal, and I will ask Mara, but does the council have the right to set aside a certain portion of the total commercial quota and put it in a quota bank? Is that something that we can do?

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

**CHAIRMAN GUYAS:** Greg.

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

**CHAIRMAN GUYAS:** Dale.

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

**DR. CASS-CALAY:** I certainly did not intend to interrupt you, and my apologies, but I just wanted to bring up that, at the discard mortality workshop that will be held this fall, the Science Center is providing current estimates from the recreational discards, and we are also providing some current estimates of commercial discards, and we are sending Nathan Vaughn, who has developed a tool which directly integrates assumptions about discard mortality and the age of discards into the stock assessment and can tell you what the actual change would be in your OFL and ABC.
I mean, it’s very -- Obviously, those sorts of analyses are very dependent on the magnitude of the release mortality, and, in the recreational sector, in most of our assessed stocks, the release mortality is thought to be pretty low in the recreational sector. In the commercial sector, it can be substantially higher, and so we will provide these tools and this information at the release workshop in the fall.

CHAIRMAN GUYAS: Dale and then Carrie.

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

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

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

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

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

I would love to have it to where we were getting more out of the resource, instead of just throwing it away as dead discards, but you have the real world of fishing, recreationally or
commercially or what have you, and you’re going to have dead
discards. You are never going to stop it. We can use more
descending devices than we’ve ever thought about before, but
it’s not going to stop all the discards that are going to be
there, and we just need to move on. The resource is -- The red
snapper resource is rebuilding, and the discards are still
there, but still it’s rebuilding, and so what more can we ask
for? Thank you.

**CHAIRMAN GUYAS:** Leann.

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

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

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

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

It is leased at a discounted rate, and then that fisherman has a
higher profit margin when he sells his fish, and he takes money
and hopefully saves it and buys into the program, buys shares, a little at a time. That would be how I would see it functioning in the beginning. The discards, that would be another goal, but I’m just trying to answer Ava’s question about leasing versus shares.

CHAIRMAN GUYAS: I’ve got a couple of hands. I see Phil and then Dr. Crabtree.

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

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

CHAIRMAN GUYAS: Roy and then Greg.

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

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

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

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

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

CHAIRMAN GUYAS: Greg, and then I think we’re going to take a break.

DR. STUNZ: To that point, and that’s the not the point that I originally raised my hand, but I agree with Leann and everything that was just said. In terms of a quota bank, I think it should be lease only in the beginning, for the reasons you pointed out, Leann, but I’m envisioning, Roy, a system where it’s governed or has oversight by the council and the National Marine Fisheries Service, but more of a public and private quasi-type partnership, where you have board members and key decision-makers that are made up from the fishery, and I don’t know what that would look like now, because, obviously, we’re just throwing this on the table right now, but it would have this public transparency and participation of those in the fishery and that kind of thing.
I do think that’s doable, but the point that I wanted to make, while we’re talking about fish that may or may not exist without some painful cuts or something like that, is I think there are ways to get at the bycatch. Obviously, first, get at the grouper and everything we’ve heard in public testimony, and, Roy, if we have to talk about full retention, I’m fine, and I think that might be a way to do that, because those fish are being removed from the water and then thrown back wasted.

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

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


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

CHAIRMAN GUYAS: Leann.

MS. BOSARGE: Ava, I think you need to nix the word “new
entrants”. I don’t think that’s really what we’ve been talking about, and it’s not your fault, Ava. We use that word, but I don’t think that word actually describes what people around this table have been referring to.

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

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

CHAIRMAN GUYAS: Tom.

DR. FRAZER: I think we’re going to honor the Chairwoman’s request for a break, and we’ll take a fifteen-minute break. Thank you.

(Whereupon, a brief recess was taken.)

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

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

CHAIRMAN GUYAS: Phil.

MR. DYSKOW: Thank you, Martha. We have to understand that this quota bank has a value, and the shares are distributed through the quota bank at a monetary value, and so, very quickly, this
quota bank will become revenue positive. It’s not a cost center. It’s potentially a profit center. We haven’t even figured out who is going to run it yet, but a third-party management of a quota bank is not necessarily a cost center.

CHAIRMAN GUYAS: Roy.

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

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

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

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

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

To Susan’s point, I think that program would generate a lot of money. My back-of-the-envelope calculation is like it’s $200 million in just share price alone that’s in that fishery, and so there is some money there. We just have to have these hard discussions of where does that come from, where do those extra
shares come from, to lease or auction or whatever we do to
generate those funds.

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

**CHAIRMAN GUYAS:** Phil.

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

**CHAIRMAN GUYAS:** Roy.

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

**CHAIRMAN GUYAS:** Kevin.

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

I mean, this is -- People made comments that we’ve had this
issue on the table for years, and we’ve had it on the table for
years because it’s a difficult issue to undertake. Listening to
some of the discussion this morning and the presentation by Mr.
Parker, I am kind of taking a step back and trying to look in my
mind, from a minimalist perspective, as to what it is that
brought us here and what are some of the things, the issues,
that really are being discussed and that we would like to
address and everything, and I have said it in prior meetings, and it’s what I’ve come back to today, is that I think a lot of these issues that we’re trying to address with new entrants and small participants and trying to get the quota to where it’s needed, a lot of that just really rests in the long-term ownership of these fish.

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

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

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

CHAIRMAN GUYAS: Chester.
MR. BREWER: Believe it or not, we’ve had, I guess, more privately than publicly, a lot of discussion about these topics at the South Atlantic Council, and one of the wiser people on the council, a fellow by the name of -- He still comes, but he’s not officially on the council anymore, is a fellow by the name of Ben Hartig.

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

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

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

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

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

The State of Florida is being very adversely affected right now, because our grouper guys are throwing overboard a whole bunch of red snapper dead, and that’s considered to be a problem, and they don’t have ready access to shares. That is not a problem that was necessarily foreseen, because it -- I have been around this a long time, and I didn’t realize -- I had no idea how successful the recovery would be for red snapper in the Gulf of Mexico. It’s been a phenomenal story, and so you’ve had a big
increase in the ACL for both recreational and commercial, and
there are numerous ways to get quota into these pools.

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

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

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

CHAIRMAN GUYAS: J.D.

MR. DUGAS: So what’s the possibilities of tearing down and
rebuilding the IFQ program, just starting over?

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

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

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

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

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

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

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

DR. LASSETER: No, it is not in the document, and we could pull together some information for you that is provided through the IFQ online program. Now, I do hear that that is not always entirely representative of what those lease fees actually are, and, because those are transactions that happen outside of the
program, and you transfer your allocation in the program, but
the two individuals who made that transfer outside of the
program agree on the price, and the price is requested, but it’s
my understanding that there’s a lot of pennies put in there as
well, and so we want to look at something -- We could definitely
look at that information, but I don’t think that’s going to be
painting the whole picture, but we could bring you something
back.

CHAIRMAN GUYAS: Phil.

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

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

CHAIRMAN GUYAS: Roy.

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

Some of these things we talk about as unintended consequences,
and I was here when the whole program was designed, and we knew
we were allowing leasing, and we knew that the shares were going
to people and weren’t sunsetting and weren’t going to be taken
away from them, and it wasn’t like these were accidents. We had
long discussions about all of this, and we designed the program
that way.

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

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

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

CHAIRMAN GUYAS: Ava.

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

CHAIRMAN GUYAS: Greg.

DR. STUNZ: Roy, I don’t disagree that the IFQ program didn’t
cause the bycatch issue, but I don’t think any of the original
folks that put that through were anticipating a recovery and a
range expansion like this of snapper, and so the problem is now
the program isn’t adaptable enough to allow those folks to lease
the shares where they can lease it in a feasible manner to
retain those fish, and so that’s the issue.

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

CHAIRMAN GUYAS: All right. Dr. Shipp.

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

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

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

DR. LASSETTER: Okay, and so then we will -- Since we’ve been in
discussion for a little while, I just wanted to come back for
just a moment on the overview and just help you all know where
we’re going into the document.

We’re going to come first to Action 2, very briefly, because
this is the action that has an alternative that would establish
the quota bank, and then we’ll go into the several sub-actions
of Action 3. If you have a document that you’re following
along, let me provide you a page number of where we’re at. It’s
On page 13 of the document, this action addresses the distribution of the reclaimed shares, and so, currently, National Marine Fisheries Service is holding a quantity of shares that were reclaimed from accounts that were closed through implementation of Amendment 36A.

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

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

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

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

For each person’s account, they may have shares in one category, red snapper only, and they may have shares in multiple categories, and, again, we have to keep in mind that people have created new accounts to separate assets for different reasons,
your vessel, your share ownership, and so some people would have related accounts, may have multiple accounts.

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

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

CHAIRMAN GUYAS: I’ve got a bunch of hands. I will go to Phil, and then I see Leann.

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

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

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

MR. DYSKOW: Modify this alternative, because I believe we have had the discussion, and Roy has given us ample guidance on this, that perhaps a NMFS-administered bank isn’t the appropriate step to take.
CHAIRMAN GUYAS: Okay, and so it looks like staff is working to put this on the board. Phil, you might have to help them out a little bit. With oversight from NMFS/the council, and is that right, Ava?

MR. DYSKOW: NMFS, the council, and other involved parties. I think we do want industry participation on this from many levels, small shareholders, IFQ holders, and we want this to be managed in the best interest of the industry, the fishery, not necessarily one segment of it, and so we want -- My vision here would be that the quota bank is administered by a consortium that has a fair and balanced representation with members of the fishery as well as the appropriate oversight bodies.

CHAIRMAN GUYAS: All right, and so let’s just make sure we’ve got this captured on the board, and so, in Action 2, to modify Alternative 5 to read: Alternative 5 is establish a third-party-administered quota bank with the reclaimed shares with oversight from NMFS, the council, and other involved parties. The third-party will retain the shares and distribute the allocation associated with the shares each year. Does that capture --

MR. DYSKOW: I think, rather than third-party, it should be the quota bank.

CHAIRMAN GUYAS: The quota bank will retain the shares. Okay. All right. Otherwise, that captures your thought? Okay. Is there a second to this motion? It’s seconded by Dr. Shipp. Leann, I saw your hand.

MS. BOSARGE: I feel -- I was just going to offer some words. Would you be willing to say, instead of “establish”, “distribute to a” -- When you say third-party-administered, that’s essentially a private quota bank, right? Is that what you mean? It’s not a governmental quota bank.

MR. DYSKOW: That’s correct.

MS. BOSARGE: Because I don’t know that -- These shares are out there now, and these are fish that are not going to be caught this year, right, and it takes a while to establish a new -- I would hate to say that it has to be established. It may be that, if we’re wanting something quasi-governmental, that is a private-governmental partnership, there is a quota bank out there, and we can put our stipulations on it the way we want it to be used.
In other words, hey, we have to see a board membership of this, and we want this quota to be used for this, and we want to see a quarterly report on how you’re accomplishing that goal. In other words, if you want it to be distributed to grouper longliners in the eastern Gulf, you can make that stipulation when you transfer that quota, but I hate to use the word “establish”, because that’s going to take a long time, and this quota is sitting there, and I don’t want it to sit there for -- Replace “establish” with “distribute”, and third-party or private quota bank, either way.

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

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

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

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

CHAIRMAN GUYAS: Greg.

DR. STUNZ: Phil, if you’re agreeable, I would just have one more word to put in there somewhere, and that would be “non-profit”.

MR. DYSKOW: Fine.

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

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

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

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

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

**CHAIRMAN GUYAS:** Dale.

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

**CHAIRMAN GUYAS:** Ed.

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

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

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

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

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

CHAIRMAN GUYAS: Mara.

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

CHAIRMAN GUYAS: Okay, Susan.

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

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

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

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

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

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

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

CHAIRMAN GUYAS: Roy.

DR. CRABTREE: Just before we leave this, there is some problems with some of the alternatives here, particularly Alternatives 2 and 3 that equally distribute the shares among accounts. That would effectively reward someone who just went in and created a
bunch of extra accounts, because an individual can have multiple
accounts, and so there’s like a loophole there that I think
would be a problem.

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

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

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

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

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

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

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

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

**CHAIRMAN GUYAS:** No, and we’re in discussion.

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

**DR. LASSETER:** Alternative 1 is always no action, and so all
three of these are really looking at all of the accounts, and many people have multiple accounts, and so you may have some of your shares in various accounts, and so I’m not clear either, and Dr. Crabtree raised the issue with the “equally”, in terms of some people could have multiple accounts, and it’s not clear to me that this is -- This new way of phrasing it would avoid that either, because, of course, inversely proportional -- You could also have a small amount of shares in this one, but a large amount of shares in another share category, but perhaps Dr. Crabtree could comment on that.

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

CHAIRMAN GUYAS: Leann.

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

CHAIRMAN GUYAS: Kevin.

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

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

MR. ANSON: I will make a motion to remove Alternative 2 from Action 2.

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

MR. ANSON: Just that I am trying to visualize this in my mind,
and the issue of quota banks and the authority or the direction
the council gives to NMFS about how to distribute these, you
know, are separate. You don’t need a quota bank to distribute
shares, and so NMFS can just distribute them, as we were just
talking about, and so I just wanted to make sure that’s clear,
and it probably is to everyone. It’s clear in my mind a little
bit more now, and so that’s all.

CHAIRMAN GUYAS: Dale.

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

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

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

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

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

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

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

Just as a refresh, again, the first decision is the threshold of
allocation to add to the quota bank, how much quota are you
putting in there, and from which of the share categories, from
which of the programs and, specifically, which of the share
categories.

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

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

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

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

If we look at the 2019 red snapper quota, it’s 6.9 million
pounds. On the left bar there, you see that, currently, 100
percent of the quota is distributed to shareholders as pounds of
allocation at the beginning of each year. What that means is
that, if you have 1 percent of shares, your 1 percent of shares
represents 1 percent of that year’s quota. Under the 2019
quota, that would be roughly 69,000 pounds.
This idea of a quota set-aside means that little double-dotted line there -- That’s the threshold that is proposed in the previous sub-action, and this example, which, again, we robbed from Dr. Shipp, who had proposed 80 percent of the quota. Below the 80 percent, and so 80 percent of the quota, would be distributed to shareholders as annual allocation, as is currently done. Then the 20 percent of quota would go into this quota bank.

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

CHAIRMAN GUYAS: Kevin.

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

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

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

If you don’t distribute the shares, you are essentially creating
the quota bank, and so Action 2 connects to Action 3, and Action 3 is only applicable, as the document is structured now, if in Action 2 you select that last alternative, and so now let’s go -- That was the overview of all of the actions and how they fit together. Then here is your -- Excluding the two motions that you just passed.

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

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

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

**CHAIRMAN GUYAS:** Any other questions or discussion on this one? Okay. Let’s roll.

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

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

Currently, there is no definition. The council does not have a definition of "small participant", of "new entrant", of "actively fishing", nor is it clear who would be eligible for quota to reduce the discards in the eastern Gulf. Now, you’re going to hear a presentation in a little while that’s talking about the full retention fishery idea, and that’s specific for the -- The presentation was specific to the longline fleet, and is that the population that you are wanting to address, provide quota for, for dead discards, or would it include some of the bandit fishermen as well?

These are some of the questions that we’re trying to get some feedback on how to further develop this action and define who are these eligible recipients.

So defining the terms, who are they? We have gone through each of these, and, in the document, there is bulleted lists of potential ways to think about these groups, and these are some of the questions that you could ask and try to answer, and so are small participants the same as new entrants? Are the characteristics of both groups the same?

The council had developed a definition of small participant and new entrant that’s in your document for the purpose of a finance program, of a fishery finance program, and they’re not exactly the same. It provides a small participant, in terms of the size of the vessel, and so that’s another way of looking at it, perhaps, is the type or the class of vessel that they have.

Would a small participant own a permit? Does a small participant have shares? Do they have a history of landing IFQ allocation? Then another way to look at it is, if you qualify as a small participant in one program, but not the other -- Are you wanting people who are only small in one and you want to exclude them if they’re a larger participant in say the grouper-tilefish program, but they’re a small participant in red snapper?

There’s a lot of different ways you could define who you mean by small participants, and Dr. Stunz asked earlier for some kind of feedback on how much quota and how many people would we even be talking about, and, if you could provide us some of these answers, kind of narrow down the scope of how you would define these groups, we could go and pull some information about those. Let me pause there and see if anybody has comments on how some general descriptions, general characteristics, of what you think
a small participant or a new entrant would be.

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

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

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

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

CHAIRMAN GUYAS: Leann.

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

This, to me, is a social document, and that’s what it is, but I think one thing that I do hear some consensus around the table, even with the quota banks, and we’re trying to -- Even redistributing the shares, if we don’t do a quota bank, and we’re going to -- Not redistribute, but we’re going to distribute the shares that we’re holding, that we reclaimed, and Roy made a great point that you probably want to distribute
those to people with a permit.

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

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

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

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

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

UNIDENTIFIED: I will second it.

CHAIRMAN GUYAS: We’ve got a second. Once we flip back to the board -- The motion is to begin a stand-alone document for
Actions 1.1 and 1.2. Is there any other discussion on this motion? Chester.

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

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

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

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

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

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

CHAIRMAN GUYAS: We’re talking today.

MS. BOSARGE: I mean, how much time do we -- I say continue on. I think we’re having, actually, good, substantive discussion, and, unless there is a pressing agenda item, I think we should still carry on.
DR. FRAZER: Okay. We’ll move forward.

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

DR. FRAZER: Good. Perfect.

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

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

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

Then another one that Dr. Crabtree mentioned recently, and this was originally explored in Amendment 41, which was the consideration of the catch share program for the charter fleet, was this adaptive management redistribution method, where, in cycles, depending on how much you participated and how much you used quota, you would then receive more quota into the future. Those with less participation would be receiving less allocation going forward, and so future distributions are related to the amount that you’re participating and the amount of landings that you’re making. All of that would need to be developed, but the concept of an iterative process of delivering access is what that’s talking about.
Then, finally, lottery being another approach there as well, and so those are the sub-actions in the quota bank, and let’s come back, since we just have ten minutes left, to the Action 1 and 2, because we may come back to this in Full Council, to discuss purpose and need.

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

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

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

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

This alternative goes towards people that would not be able to meet the requirement, or choose not to meet it, in that previous action, and then we have one more alternative in this action,
which would be going forward, and so following implementation of
this amendment.

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

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

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

CHAIRMAN GUYAS: Okay. Phil.

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

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

We have not determined the significance level of the actions
within this. Doing only the permit requirement -- I am looking
at Mara, because I’m wondering if that’s considered changes to
the permit, and that’s even within the framework procedure, and
so it could be an EA, technically, or are we -- I am going to
turn it over there for just a moment.
MS. LEVY: I don’t want to confuse what type of document it is with the NEPA requirements. I mean, we’ll have to go back and look at it, but, ultimately, there is no analysis in here, and it’s not a complete even public hearing draft, and so there’s no way that it’s happening now, and it’s not likely happening at the next meeting, potentially. I mean, it’s really a matter of staff time. You could get a document ready for January or early next year, but it’s not going to happen immediately.

CHAIRMAN GUYAS: Roy.

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

DR. LASSETER: That’s Alternative 3.

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

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

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

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

DR. CRABTREE: Just remember it’s the redistributing reclaimed shares that led to the whole other amendment and all that discussion, because we haven’t been able to come to any resolution to how to redistribute the small amount of shares we
already have, and so that’s not a simple thing for us, apparently.

CHAIRMAN GUYAS: Mara.

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

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

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

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

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

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

DR. FRAZER: Thanks to both of them for being here. I think we’ll go ahead and break, and we’ll come back at 1:30, and we’ll
pick it up with additional Reef Fish Committee business.

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

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August 13, 2019

TUESDAY AFTERNOON SESSION

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

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

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

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

CHAIRMAN GUYAS: All right. Is there a second to that motion? It’s seconded by Phil. Do we need to have any discussion on this?

DR. STUNZ: Real brief, Martha. I just wanted to add one thing that I discovered during the breaks that might shed some light, because we’ve been talking, obviously, about the discard rate with the longline fishery, and I didn’t realize this, but at least a subset of that group is doing official reporting to the Science Center, in terms of what their discard rates are like.
I haven’t seen any of that data, and I don’t know what phase they’re in of that data collection, but there are, I guess, official estimates or reportings of some type that are coming back regarding those fleets.

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

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

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

FINAL ACTION: FRAMEWORK ACTION TO MODIFY THE RECREATIONAL FOR-HIRE RED SNAPPER ANNUAL CATCH TARGET BUFFER REVIEW OF DOCUMENT

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

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

We can go ahead and skip on down, since you guys have already seen this stuff, and we can skip on down to Chapter 2. We only have one action in this framework action, and that’s to modify the red snapper recreational for-hire component’s ACT.
No action, like I said, would keep it at 9 percent for 2019, but, for 2020 and subsequent years, it would revert back to -- The ACT would be 20 percent below the for-hire component’s ACL. The council’s current preferred alternative is Alternative 2, which would apply the ACL/ACT control rule that was used in the previous framework action for -- Using landings from 2014 to 2017, and it would result in an ACT set 9 percent below the federal for-hire component ACL.

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

PUBLIC COMMENT

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

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

CHAIRMAN GUYAS: Any questions for Emily? All right. Codified text.

CODIFIED TEXT

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

CHAIRMAN GUYAS: Mara.
MS. LEVY: Just to clarify, this codified text assumes that it is built on Amendment 50’s codified text, and so it assumes that Amendment 50 is approved and implemented before this, because you already approved that and submitted it. If, for some reason, that didn’t happen, then this would read differently.

CHAIRMAN GUYAS: Dale.

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

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

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

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

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

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

DR. FROESCHKE: Good afternoon. This is Tab B, Number 9(a), is the document, and so this document, as you know, we’ve worked on for a while, and I just want to give you a brief update since the last time you saw it, which you selected all your preferred alternatives. There are five actions in here relating to status determination criteria, which I’m sure you’re all sick of, after yesterday, and one action on modifying the annual catch limits. One other item in here is, if you recall, in October and January
of this year, you all reviewed and modified the Reef Fish
Management Objectives, and, at one point, those were in the
carryover amendment, which has been postponed, and so, in order
to get those implemented and included as part of the official
objectives, we have moved those into this document, and so those
are now -- I believe that is Section 1.2, Objectives of the Reef
Fish Management Plan, and so that has really just been removed
from that document and put in here verbatim, and so it shouldn’t
affect anything with this document, other than I just wanted to
make that clear.

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

**PUBLIC COMMENT SUMMARY**

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

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

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

We also heard from another attendee that the MSY proxy should
actually be set at F 30 percent SPR, and that is Action 1,
Alternative 3. The rationale provided was that most of the
literature on MSY proxies suggests that it be set between 20 and
40 percent and that the council typically sets it at the
midpoint, which is 30 percent, and in the absence of any reason
to make it different.
Red snapper is our one sort of special case here, and it’s managed with a 26 percent SPR, and it’s the exception, because there is some scientific evidence that does support a lower SPR. However, that evidence may not exist for the gray snapper stock. In fact, the gray snapper stock might be less resilient than the red snapper stock, because its range is much smaller than that of red snapper.

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

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

CHAIRMAN GUYAS: Any questions for Emily? All right.

REVIEW OF DOCUMENT

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

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

CHAIRMAN GUYAS: It doesn’t look like it, and so let’s move on.

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

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

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

CHAIRMAN GUYAS: Any questions or discussion on the table or on Action 3?

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

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

We discussed, in a previous meeting, that there is very little buffer between the OFL and the ABC, and so, currently, you have selected Preferred Alternative 2, Option 2a, and that would establish an 11 percent buffer between the ACL and the ABC, and
it’s based on the yield at the 26 percent MSY proxy. Excuse me. It’s 2b. It’s Preferred Option 2b. This one has the buffer, and so, for 2019, the ACL would be 2.24 million pounds. For 2020, it would be 2.24 million pounds, and, in 2021 and beyond, it would be 2.23 million pounds, and so the pluses there is it would stay at the 2.23 million pounds until you modified it, based on a new assessment or for some other reason.

CHAIRMAN GUYAS: Are there questions on Action 5?

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

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

CODIFIED TEXT

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

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

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

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

DRAFT FRAMEWORK ACTION TO MODIFY GREATER AMBERJACK RECREATIONAL MANAGEMENT MEASURES

DR. LISA HOLLENSEAD: Thank you, Madam Chair. I am going to
give like a little brief background as to why we’re here. At
its June meeting, the council requested examination of
recreational measures for Gulf greater amberjack. Specifically,
the motion tasked staff with looking at modifying and changing
reduction of the recreational bag limit, fishing year, and
season, and so this is a draft framework being brought to you
today for your consideration and discussion and input to that.

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

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

CHAIRMAN GUYAS: Any questions or comments so far? It doesn’t
look like it.

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

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

For example, if there were six anglers in your party, right now
you could keep six fish, because there’s six anglers aboard.
One fish for two or fewer, that party would be able to keep
three fish. Then one for every three would be two, and then one
fish for every six would be one, for example.

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

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

CHAIRMAN GUYAS: Susan.

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

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

To preface a lot of this, since there has been so many changes
to greater amberjack, it really limits the amount of historical
data that we can use, and so, in some cases, like with the size
limit change, you can only go back to maybe two years of data.
When we get back to looking at the different seasons of landings
for certain months, for the fall period, that’s only one year of
data, which equates to an N of one, really, when you think of
the sample size of one, because it’s one season, and so the data
to use this analysis was limited, or at least constrained, by
the recent management changes.
CHAIRMAN GUYAS: All right. Are there any other questions on Action 1? If not, it might be good to go to the next one, and then we can see the bigger picture, it sounds like.

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

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

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

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

CHAIRMAN GUYAS: Sue.

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

DR. HOLLENSEAD: To Sue’s point, where the data comes from, or what the timeframe of the data comes from, is included in the appendix, and so you can get an idea of, just from what month,
how many years of data does that include, if you’re interested in looking at where do we have the most data and where we don’t for each month, and that’s also in the appendix for you all’s review.

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

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

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

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

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

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

Just as a broad, sort of general summary of these analyses, what you would be looking at is, for one fish per day -- I am going to do the shorthand. One fish per person, or two fish per
person, or three fish per person, Alternatives 2 and 4, which
includes that August closure in the summer, is what we predict
would get you the full season, and so some harvest in the spring
and in the fall, or the fall and the spring, depending on how
you wanted to do it, and it’s not until you go to that six fish
per person that Alternatives 2 through 4 we would predict would
allow the season to be open for that both fall and spring
period, but the take-home message is, according to the way we’ve
done this here, when you include August in that summer closure,
whether or not you also put in that partial opening for May
would give you that harvest for spring and fall, for any of the
fractional bag limit potential alternatives.

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

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

CHAIRMAN GUYAS: And it’s online, of course.

DR. HOLLENSEAD: Yes.

CHAIRMAN GUYAS: Dale.

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

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

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

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

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

**CHAIRMAN GUYAS:** Chris.

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

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

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

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

CHAIRMAN GUYAS: Yes. If that’s a motion, it would be probably helpful to repeat that very slowly.

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

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

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

MR. SCHIEBLE: Yes.

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

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

CHAIRMAN GUYAS: Carrie.

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

DR. HOLLENSEAD: Yes, that’s correct.

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

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

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

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

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

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

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

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

CHAIRMAN GUYAS: I guess I would look to SERO to see if that’s
possible.

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

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

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

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

MR. ROBINSON: It would be January.

CHAIRMAN GUYAS: Roy.

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

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

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

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

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

DR. HOLLENSEAD: Just to maybe help folks visualize, in Table
A.3.1, and so that’s in the appendix of the document, it’s the
source of the number of years of data for each of those months,
so you can see -- Like, for example, for like July and August,
2018 landings in August, July landings are assumed to be the
same as August, because that’s all there is, for example.

CHAIRMAN GUYAS: Leann.

MS. BOSARGE: I think that -- I’m not sure this is where we’ll
end up landing when we come to final action on this document,
but I am not opposed to putting anything into the document at
this point just to look at, especially when we’re trying to look
at these numbers on the fly and make a decision, and I think it
would probably be better to just have it in the document and
have it analyzed, and then we can look at all of these things
and have our numbers all in front of us and really make a more
educated decision on it, and so I will support your motion and
put it in the document for analysis.

CHAIRMAN GUYAS: All right. Unless there is more questions or
desire to look at tables, let’s get the motion back on the
board. Is there any other discussion on the motion? Okay. All
in favor of the motion, please raise your hand; all opposed.
The motion carries eight to five. Those are our actions, and so
unless there is other questions or comments on this document --

DR. HOLLENSEAD: We have a Reef Fish AP meeting, where we can
also bring up this document, and they can provide input in
September.


MS. BOSARGE: Just remind me again, and I think I asked this at
the last meeting, and my memory is so great, but when are we
going to get that amberjack assessment back? I don’t think
we’ve even started it yet, but what is it on the schedule?

MR. RINDONE: We are going to start that assessment in 2021, and
we should have the results from it in 2022. As far as the exact
timing, we haven’t ironed that out perfectly yet.

CHAIRMAN GUYAS: All right. Anything else on amberjack for the
time being?

DR. FRAZER: We’re going to take a ten-minute break and get our
scheduled sorted out here. We’re a little bit ahead.

(Whereupon, a brief recess was taken.)

CHAIRMAN GUYAS: We are ready. Our next item is the
presentation about implementing a full-retention bottom longline
reef fish fishery, and I think, Lauren, you’re going to start
that presentation and then hand it off to Jessica Stephen, and
is that right?

PRESENTATION: DECISION POINTS FOR IMPLEMENTING FULL-RETENTION
BOTTOM LONGLINE REEF FISH FISHERY: VIABILITY, MONITORING, AND
COSTS

MS. LAUREN WATERS: That’s right. Good afternoon, everyone. At
the council’s June meeting, there was discussion about the
merits of a full-retention commercial bottom longline fishery,
and the council requested that NMFS provide a presentation at
this meeting specifically addressing the requirements and
decision points to establish such a fishery, the viability and
costs of the video cameras and monitoring equipment that would
be necessary, and if cost recovery could be used towards
supporting that electronic monitoring.

I am going to be tag-teaming this with Jessica, and so I will
start with a little bit of history, mostly working on the
decision points and requirements, and then I will hand it off to
Jessica for a lot of the cost information as well as the
monitoring equipment information.

As a reminder of the history here, the bottom longline
endorsement for the eastern Gulf was established in 2010 under
Amendment 31, and it is only needed for the vessels that are
fishing in an area of the eastern Gulf, and there are sixty-two
permits available. You must have a commercial reef fish permit
in order to get the endorsement, and a majority of those
fishermen with the endorsement are hailing out of Florida.

That amendment also established the seasonal June through August
closure, and, as I mentioned, that area in the eastern Gulf that
you see there in pink is where the endorsement is necessary, and

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so there are fishermen with bottom longline gear that don’t have the endorsement, but it’s just that they are in different areas of the Gulf. They are not fishing in this one, and so they don’t have to have the endorsement.

Our discussion today is due in part to the low red grouper populations, and the fleet had expressed concerns over their lower landings, and, simultaneous, increased red snapper landings, red snapper catch, that they were having to discard, and so the question was is there a path forward to allow the eastern longline fleet, the red grouper fishermen, more red snapper allocation to land, rather than discarding those red snapper, and so the idea being a full-retention red snapper fishery for these fishermen.

This would essentially be assigning a quota of red snapper that’s based on or equal to what is normally attributed to that fleet’s discard of red snapper, and so creating a mortality-neutral-type situation. In order for it to truly be full retention and ensure that it’s full retention, this would require monitoring, and so, that way, you can ensure that all of the red snapper are indeed being kept.

In order to ensure that it remains mortality neutral, that is that they’re catching the amount equal to what’s normally their discard, they would have to stop fishing once all of their red snapper allocation was used.

As I said, the allocation for the red snapper would come from the Science Center’s estimates of that fleet’s dead discards, and the benefits from this proposal may include reducing bycatch, a more efficient fishery, and producing more seafood.

As a sort of back-of-the-napkin example, to just kind of look at what are we talking about as far as numbers here, on the screen, you will see that we have landings as well as estimateddiscards for 2016, 2017, and 2018, and, if, for instance, we just look at the estimated discards from 2018, and if the council were to say distribute that evenly amongst those sixty-two permits, that would be appropriately 1,200 pounds per vessel, or about 275 red snapper per vessel, and this data is just from the Areas 1 through 8 in the eastern Gulf, since that’s where our discussion is focused.

Moving on to some decision points, first and foremost, the council should look to consider what their purpose and need is. We looked back at the meeting minutes from June, and we have just drafted, as a conversation starter, a purpose and need
statement. The purpose is to establish a full-retention fishery for red snapper by commercial fishermen with a bottom longline endorsement. The need is to achieve optimum yield by reducing bycatch and increasing efficiency in utilization of the resource. Again, that’s just kind of a starting point, based on what we saw in the meeting minutes from last time.

Another decision point that we would like to put before the council is, is this a temporary solution during this time where we have these low red grouper populations and low landings, or is this a permanent need for the longline fishery?

Some of the expected requirements would be that this is going to be a new share category, and so, whether it’s shares or allocation, this would come from a separate red snapper discard quota. As I mentioned, also, they would have to stop fishing once they were out of red snapper allocation, in order to maintain mortality neutrality, and restrictions -- If the council should consider any restrictions on let’s say the transfer or what have you of this allocation, remember that it can’t be gear-based, because we don’t record the gear type in the IFQ program, and so, also, along with that, is realize that this allocation wouldn’t necessarily -- It could be landed by other gear types. Because we don’t track the gear, technically, this allocation could be landed on something other than bottom longline. As we said, it would be required that it’s monitored, in order to ensure full retention of red snapper.

More decision points for the council to consider would be the distribution of these shares. Would it be assigned to the permit or to the -- The vessel or the permit holder? Would this allocation be divided proportionally or equally amongst those permit holders?

If it’s proportional, what would it be based on? Would it be based on current red grouper shares that someone holds, or would it be based on their actual red grouper landings or based on their actual red snapper landings, and, kind of along the lines with this, is would this be a mandatory program or a voluntary program? Is this all or nothing?

Because, if you take a moment to think about it, depending on how the shares are distributed, there could be a situation where you have a fisherman who has a very small allocation, and the time, the effort, the cost to implement all of the monitoring equipment, would it really balance out in the end for that fisherman, and Jessica will be talking more about that in a minute.
Again, the council could also consider if you want any transfer restrictions on this allocation, and should there be, and what amount should be, potentially put forward as a minimum amount of red snapper allocation that a fisherman has to have before commencing a trip, and there are other fisheries in the nation that do this, but, again, if you think about it being mortality neutral, meaning they shouldn’t be fishing any more red snapper than what have been attributed to their normal discards, you wouldn’t want a fisherman to set a line and then not have enough red snapper in their account to actually cover what they could potentially pull in on that set, and so what is that, or should you or do you want to ask for a minimum amount before they leave the dock?

As I said, I was just putting forward to the council some of the decision points and such, as you asked. At this point, if there’s some discussions or questions before moving on to the cost and monitoring equipment.

CHAIRMAN GUYAS: Are there questions for Lauren? Leann.

MS. BOSARGE: I was wondering, on Slide 6, where you have the estimates in that chart, and snapper has been rebuilding steadily, and I noticed though, in 2017, the estimate of discards goes down, and those are dropping, and I guess that could have been something in that season, and maybe there was a bad hurricane and they didn’t fish a lot, and why does that go down if snapper has been rebuilding?

MS. WATERS: For that one, did we have --

MS. GERHART: I think it’s less that it goes down in 2017 than it went up in 2018, and I think what happened in 2018 is remember that we dropped the red grouper quota very low, because of concerns, and we had the emergency rule that we put in place and dropped it down to that level, from 2017, and so, just as speculation, there may have been more discards in that year, because the red grouper quota was lower, and we got more discards of red snapper in the attempt to try to catch those, but that’s just a speculation.

CHAIRMAN GUYAS: Roy.

DR. CRABTREE: Bear in mind too that these are estimates that have some pretty big confidence bounds on them, and so they’re going to bounce around quite a bit, but I don’t know what the confidence intervals are, but those -- They are fairly
substantial, I would guess.

CHAIRMAN GUYAS: Jessica.

DR. JESSICA STEPHEN: Just one other point to clarify is that discards are based on how much allocation they have available, and so, if someone was better at obtaining allocation throughout their year, then their amount of discards would go down, and their landings would go up, and that could be another factor playing into this, is how much they were able to get from someone else.

CHAIRMAN GUYAS: I see a number of hands here. I’m going to Ed, and then I see Kevin.

MR. SWINDELL: I was looking here at the 2017 landings, estimated discards and landings, and landings were higher, and discards were lower, and then, in 2018, the landings were higher again and the discards were higher again, and was this -- It kind of doesn’t make sense to me. If you’re going to land that many fish and you say that the resource was lower, was cut down, did they not catch all of the quota of grouper?

CHAIRMAN GUYAS: Shannon, is it to that point?

DR. CASS-CALAY: Yes, and I can only speak to the variability of the estimates. I mean, these come, essentially, from -- These are from Kevin McCarthy from the Science Center, and these are observer program discards, and so we have observer program estimates of discard rates on trips that were observed, and then they’re multiplied by the effort, and so these are estimates with high variability.

Furthermore, discard estimates are also -- They are partly a reflection of how much recruitment there is, and so, when there’s a year class that comes in, it’s very likely that those animals below the size limit will be discarded, and so there’s a variety of factors going on that contribute to the variability that you’re seeing here. There is not a one-to-one correlation between the landings and the discards year-to-year. There is enormous variability.

CHAIRMAN GUYAS: Kevin.

MR. ANSON: I am curious. What is the target species for these trips with that gear outside of red grouper? Is it red grouper and then red snapper, as far as the abundance, and do you have an idea as to -- Relative to red grouper, the other species that
would normally be caught with longline gear, and is it one-tenth
of the red grouper or that type of thing?

MS. WATERS: It would definitely be partially what they had
allocation for, and so, for some of the other IFQ species, and
then --

DR. CRABTREE: They catch some gag, and red grouper is the
mainstay of the longline fishery, and they get some amberjack
and some assorted other species, but I think they -- If they are
fishing south, they would bring in some true black grouper,
carbo, and other things, and so it just depends.

MR. ANSON: Just to follow-up though, is that -- Are you talking
5 percent of the target, of red grouper species, or 10 percent,
or do you have any idea?

DR. CRABTREE: We could get all of that. I’m going to guess
that red grouper is far more than 10 -- I would guess half of
what they catch is red grouper, but those guys, a lot of them,
are here, and I’m sure they could tell you better than I could.

CHAIRMAN GUYAS: Leann, did you have another question?

MS. BOSARGE: I just think we -- I don’t know. I want to dig a
little deeper into these numbers and think outside the box of
ways to maybe improve those estimates, if this is going to work,
because I am still a lot confused about the numbers, just based
on what I’m hearing on the water, and then I really need to
think through the whole idea of, well, it depends on how much
allocation they get each year as to what they land, as to what
their discards really were.

I want to know how much bycatch do they have, and, right now,
I’m not concerned with how much they land or don’t, but what is
the bycatch? What are we dealing with? Then, once we can wrap
our hands around that, maybe we can move forward as to how is
that being handled in the assessment and make sure that all of
our numbers line up.

CHAIRMAN GUYAS: Greg.

DR. STUNZ: Along the same lines as Leann, and getting into
these numbers a little more, and maybe this last motion will
help just a little bit, but, if you recall, at the last meeting,
we had a captain come up and give public testimony that he had
leased a substantial amount of quota, but he still threw back
something like 17,000 pounds, and I don’t remember the exact
number, but, while I like this idea, and we’re headed in the right direction, 1,200 pounds for him isn’t going to do much when there is -- He still is going to throw back 16,000 pounds or so, and so we still have a ways to go here, I think.

CHAIRMAN GUYAS: Roy.

DR. CRABTREE: Well, you’ve just got to recognize that discards are the weakest numbers we have, and so we have low levels of observer coverage and other things, and so, while I would like to be able to give you very precise numbers, that is simply not in the cards and not possible, and so I look at this, and I don’t know that there is any trend there whatsoever.

It’s just numbers are bouncing around, and I don’t even suspect that -- 59 is probably not any different than 77. They’re all probably within the margin of error, and so at best you get here is in the ballpark, and I don’t know how to make that any more accurate, and so it could be that some people discarded a lot more fish than this, but these are the estimates that we have.

CHAIRMAN GUYAS: Tom.

DR. FRAZER: I guess, to that point, these data -- These are the ones that Kevin McCarthy provided as part of the observers, and so how many vessels does that relate to, trips or vessels?

DR. CASS-CALAY: I will have to get back to you on that. I don’t have those numbers offhand, but I can make a request to the Science Center to provide that information.

DR. FRAZER: Sure, and the second part of that would be, of those trips or vessels that the observers were on, did they have leased allocation available to them or not?

CHAIRMAN GUYAS: Leann and then Dale.

MS. BOSARGE: I would say, just generally speaking, Tom, observer coverage is usually, at best, 2 percent, and I would say, in most of our fleets, 1 percent observer coverage. I mean, that doesn’t give you the number you’re looking for, but it gives you an idea of the coverage.

MR. DIAZ: To Kevin’s question earlier, I talked to a gentleman this morning, and he’s in the audience, and maybe we’ll get some public testimony from him, but he gave me some numbers, and he’s been tracking what he catches, and his grouper catch was about 40 percent, and so roughly 60 percent red snapper is the numbers
that he had told me this morning, and so thank you.

**CHAIRMAN GUYAS:** Roy.

**DR. CRABTREE:** But I’m guessing that is very recent and that, if you looked over a number of years, it was much more red grouper. They have just come down.

**EXECUTIVE DIRECTOR SIMMONS:** I just was going to point out that we did modify the number of hooks that were allowed, that removed the hook limitation on what could be carried onboard the bottom longline reef fish fishery, and so I don’t know if -- That was effective on February 6, 2018, and so I don’t know if that means that the trips were longer or there were more sets, because folks didn’t have to come in to get more hooks, but there was a regulatory change then.

Then I had one question. Do we have any information on if there’s a difference with the sets that are outside of thirty-five fathoms, versus outside of twenty fathoms, regarding discards for red snapper?

**MS. WATERS:** Not right at this time.

**CHAIRMAN GUYAS:** Are there any other questions for Lauren?

**MS. WATERS:** With that, I will turn it over to Jessica.

**CHAIRMAN GUYAS:** Thanks, Lauren.

**DR. STEPHEN:** The second half of the presentation is more about what electronic monitoring is and the costs associated with it. Electronic monitoring, for those of you not really familiar with the term, is a term that is referring to the use of cameras or other types of sensors that are used to monitor fish activities. Typically, it refers to cameras, and, in this presentation, that’s the terminology that I will be using it for. In a broader sense, it also includes things like VMS units or other sensors that might turn cameras on.

When we’re talking about electronic monitoring, we want to look at what are the different elements that are involved in a type of electronic monitoring program. Typically, to have what’s called a vessel monitoring plan, and so that’s a plan the vessel puts together that shows you where the cameras are located, and it lays out what the responsibilities are for those on the vessel or what the responsibilities are for showing the catch to the cameras and how they will train crew members to make sure
that all of these regulations are kind of followed in their vessel plan.

It also includes the collection of the EM data itself, and so the EM data is not just the video, but you also have the video and then the analysis that comes from the video. It also includes the transmission rate of all that video to sources to be reviewed.

Typically, an EM plan is put together with either electronic or paper reporting of a logbook, so that you’re able to use what was caught on the trip to match up to what you are viewing in the video, and then the last step is the video review, and so you’re going to -- You need to spend some time reviewing it, and that review rate may differ depending on what your purpose is for the electronic monitoring program.

Just to give you a kind of quick outlook of how things look in the U.S. with EM, there are other regions that have kind of gone full force into EM, for a variety of different reasons. Some use them to audit their logbook records, and some use it in order to monitor discards or compliance rates, and others look at it for just collection of discard or bycatch information.

There has recently been quite a bit of national guidance on electronic monitoring that has come through, and there is the NOAA Fisheries policy directive on electronic technologies as a whole, and that was issued originally in 2013 and updated most recently in 2019, and there is also a cost allocation policy directive, and that will play strongly into EM at this point, and that was released in May of 2019.

Currently under review is a white paper that is looking at the minimum retention period and data storage requirements for all the video collected under EM, and there will be an update to the regional electronic technology implementation plan coming out in February of 2020.

I am going to spend a little bit of time on the EM cost allocation policy directive. What this states is that any of the new monitoring systems that are going to be put in place must either be funded through federal appropriations or they can be through non-appropriated funds, and what means is through industry funding.

NMFS cannot guarantee the availability of federally-appropriated funds for EM programs, and they will not approve programs if there is insufficient funds. The guidance also goes a little
bit more into detail of who is responsible for what kind of costs and how those costs are broken out into different categories.

The first kind of cost category that I’m going to look at is the administrative costs. This is the cost of setting up the program, what are going to be the standards for the program, who is going to do the monitoring and the administrative report, and that’s strictly a NMFS responsibility and cost.

The sampling cost is where it gets a little bit more confusing, depending on how the program has been developed. The policy directive states that, when the programs are initiated by the councils and are designed to provide greater flexibility or an exemption from requirements, then the industry is responsible for the sampling costs.

When NMFS determines that EM is necessary to meet legal obligations, for example something meeting Endangered Species Act requirements, and if there is sufficient funds, then NMFS is responsible.

To give you an idea of what these administrative and sampling costs break out into, I have put some examples together. Typical administrative costs, we have the program administration, not just the setup of it, but continually running it afterwards, and certification for any of the EM service providers, to make sure they’re meeting the standards needed, EM program monitoring as a whole, to make sure the program is running smoothly, and then analysis of the data from the video and the storage of that analysis.

The sampling costs typically include equipment and installation and maintenance, and, in that case, we’re mostly talking cameras, but you’re also talking all the wires to connect the cameras together, a hard drive to store the data, and potentially, if you’re using satellite transmission for video data, something to handle that as well. It includes training on the equipment, development of the vessel monitoring plans, and data transmission and service fees, as well as video processing and video storage.

When the costs are shared between NMFS and the industry, the councils will need to determine and kind of categorize what those costs are and how they fall into the different sampling and administrative areas and document whose responsibility it is to pay for each one of those.
Kind of the last points I want to bring up is, when you have an EM program in a limited-access program, NMFS has stated that cost recovery fees could be used to recoup some of the costs from the industry, in order to pay for both the administration and the sampling costs.

Now we’ll take a look at what some of the types of costs are, and, typically, what I did is I divided the costs up into what are the start-up costs that are going to occur initially, and then the reoccurring are annual costs that the program will need.

When I was looking through this, I looked at the various different types of EM programs already out there, as well as a white paper that the Nature Conservancy has put together about the New England groundfish survey, and, in those, what they did is they divide up the cost categories into program development costs, vessel and equipment installation, and then program administration and operation costs.

Program development cost estimates typically include such things as when you’re looking for infrastructure, any needs for policy or regulatory costs to implement a program, and then different needs, such as creating the vessel monitoring plan, communication or training to the fishermen, and then EM review or certification. Among the different programs that we looked at, startup costs were anywhere between $130,000 to $250,000, and then annual cost was significantly lower, around $60,000.

Looking at the vessel equipment and installation costs, what I did for this analysis is I just assumed that there were three cameras per vessel and kind of priced them out close to what the 2018 prices were for camera installations. Startup costs very vessel can be between $3,000 and $10,000, and the reason there’s a bigger range between these is that the camera costs could be variable by how many cameras you are placing on them, how many cables you need to the cameras for their different locations, what your camera resolution is, and so how much detail do you want to get out when viewing that, and so there’s a number of variety of costs that could change this from the low end to the high end.

Looking at an annual cost, there is just typically maintenance and upkeep of the cameras from that point onward, and so there was an estimate of around $1,600 per vessel, and this is mostly support and repair of equipment. Again, this could be variable by the number of trips.
The more often you’re out in saltwater conditions, probably the more likely it is that you might have to replace equipment, and so there are different things that go into the estimate, and that could be low or high on a different year, depending on what equipment is working and at what level. Just to kind of give you an idea, the estimated camera life right now for most of the EM cameras in use is around five years.

The last section I want to go over is the program administration and operation estimates, and so these are broken down into some sub-categories, and you have the EM submission and review, and that’s the submitting of the video data, the transfer to it, and then someone going through the video and reviewing what’s happening, and estimated costs for that are $300,000 to $750,000 per year, and that’s both startup and the annual.

This is, again, variable by the number of trips taken by an industry and by the percentage of review that’s taken over the cameras, and so, if you’re looking at a program where you want to review every single trip and every set taken, you’re going to be towards the higher end. If you’re looking at a sub-sample, and the number of trips is lower, you’re looking closer to the lower end.

There is also the EM transmission and storage, and that’s running anywhere between 50,000 to 500,000, and, again, you have a variety of factors that can affect this, not only in the number of trips, as I have mentioned before, but what’s your video size, what’s your video retention timeframe. When you think about data storage, a video is a large file, and especially if you have it at a resolution that you might need to identify fish, and that ends up costing money, as you think about retaining that video for a number of years.

Finally, we have the program and system management, and that runs between $175,000 and $800,000 per year, and these things include such things as maintaining a database, where the data could be stored, the data analysis going forward to it, any kind of data processing, and then data auditing of the data, when the auditing is typically matching up those videos to your logbook records and doing further analysis along that way.

Kind of to summarize what all of these costs are, I have put them into a little table and identify kind of who may be paying for what, and, again, we have the equipment costs, and I used the calculations for the sixty-two vessels, using that $3,000 to $10,000 range, and the startup costs are between $186,000 to $620,000 for fleet, with recurring costs probably around
$99,000, and, again, that’s paid by the industry.

You also have the program development between $130,000 to $250,000, with a recurring cost of $60,000, which is paid by NOAA Fisheries, and then, in this instance, I put down both the industry and NOAA Fisheries, because here is where we would have to dig into what kind of program we develop and who would pay the costs for the program administration and operation, and this is between $525,000 to over $2 million on startup costs, and then reoccurring costs can be a very similar range. There is not much savings from your startup to your reoccurring costs. Overall, the program could have a cost of $841,000 to $2.9 million startup and around $684,000 to $2.2 million reoccurring.

I just kind of want to come back to -- Open for questions and leave you, again, with some of the ideas that we have put forward, and I think we’ve talked about the purpose and need, whether it’s voluntary or mandatory or permanent or temporary type program, and the distribution of the allocation, any restrictions you might want to place on how they can either transfer the allocation or when they go fishing, such as a minimum pounds required before they go out, and then, of course, the monitoring requirements.

CHAIRMAN GUYAS: Thank you, Jessica. Are there any questions about either Jessica’s part of the presentation or the presentation as a whole? Roy.

DR. CRABTREE: This was really just exploratory in nature, and the things that strike me about it is, one, the cost is higher than I would have guessed going in, and, two, the numbers of discards and the actual reduction you get in the poundage to it is not as much as I had anticipated going in.

That, to me, makes it -- If you look at this on a cost-benefit kind of thing -- Now, there are things we didn’t look at, like if you made this voluntary, and if it was some of the high-liners, then that might change the structure of it, and, of course, if only a portion of the fleet was involved in it, a lot of the costs would go down, but that’s the challenges, really, that I see with it, in terms of actually following through with it, and I haven’t really heard much more out of the fishermen, and so, whether they’re really interested in pursuing this any farther, I don’t know.

CHAIRMAN GUYAS: Leann.

MS. BOSARGE: It’s not looking too optimistic, based on those
discard numbers that we see there, which we only have a small percentage of coverage with observers, and I understand that, and we can only spread it around so much, and I still try and think of solutions, and so it seems like it might be a good candidate for some sort of research project.

There is a lot of S-K funds out there and restoration funds that are geared at bycatch and bycatch reduction, and so maybe if the longline fleet can get some grant funds to put some cameras on those boats for a season or so and get some better bycatch numbers that we’re dealing with, discard numbers, and we really know what those figures look like and have realistic numbers to work with and then look at something that gives you that. Then that may be doable, but you would have to put out the effort to get the realistic numbers first.

DR. CRABTREE: Yes, and there are benefits to this. It would certainly give us much better estimates of discards, and it would give us improved estimates of turtle takes, which has occasionally been an issue, and a host of other types of things, and you may recall that we did have some interest in an EFP by some of the longline industry, I think a couple of years ago, although we never followed through on it with them.

CHAIRMAN GUYAS: Jessica, did you want to chime in?

DR. STEPHEN: I just want to point out that Mote Marine Lab has been doing some EM work, through NFWF funding, and so they might have some data that would be worthwhile at being looked at, and I think Carole is here, if you want to ask her any questions about the program.

CHAIRMAN GUYAS: Shannon.

DR. CASS-CALAY: Thank you. Earlier, you asked about the number of trips observed, and, in 2016, it was eighty-six. In 2017, it was eighteen, and, in 2018, it was eight trips, and so these estimates have large confidence intervals. There are large variability in these estimates.

CHAIRMAN GUYAS: Tom.

DR. FRAZER: I mean, if it’s okay, can we get Carole from Mote to -- Would you be willing to come share with us a little bit about what your program entails?

MS. CAROLE NEIDIG: Thank you for the opportunity. Yes, at Mote Marine Laboratory, we’re working on three projects, currently,
and we’ve had funding through NFWF, BREP, and also CRP funding, and several NFWF funds, and we’ve been working in electronic monitoring for three years. Currently, we have sixteen vessels involved here in the eastern Gulf and, in the northwestern area, out of Galveston, we just brought those six vessels onboard there in March.

We currently have an array of both longlines and vertical line vessels, and we are collecting intensive data. We have had over 160 trips that we have data on over the past three years, and, also, that covers, right now -- We will have probably over 800 sea days this year that we have coverage for, and so we’re doing, both from looking at catch and discards, and we have data on all of that.

Of course, red grouper, and you were asking about that earlier, is the primary catch, as the fishermen will tell you too, and we have information on catch and discards of red snapper and all the other species that are targeted, plus all the discards, and that also includes marine mammal catches, and also shark interactions, gear depredation, and we have quantified all of those, and so possibly, at the next council meeting in Galveston, if you would want to, we could give a presentation, or along the lines, and so we are also, with that data, doing hotspot mapping.

We’re also in the development of an underwater camera for longline application for looking at cutoffs of large species of sharks, and that is something the fishermen had come forward and asked us for help on, because of the depredation of their gear, and so we’re trying to do a good job of documenting that for them.

We’re at the stage where we want to get this information that we have out to the working groups for being able to provide that back to both the industry and management for their use, and so we have quite a bit of a large database of information.

**DR. FRAZER:** A couple of quick questions. You have three funding agencies that you’ve been working with, and you have over 800 sea days, and do you have any idea what the combined costs of those granting programs was?

**MS. NEIDIG:** Yes, and, combined, we’re talking about $800,000, and, when you’re speaking of the equipment that Jessica was bringing up, we had spoke on the phone for some of this information, and she’s in the right ballpark, definitely, with what we see here too with our equipment. It runs about $10,000
per vessel.

We have been working with a non-proprietary software company, which Mr. Strelcheck had pointed out to us several years ago that we needed to make that move, which we did, from Archipelago Marine Research to Saltwater Inc., which the bluefin tuna fishery, in compliance, is using Saltwater Inc. on the east coast.

With them, we have worked very closely with them for several years in actually developing the software used particularly for this reef fish fishery in the Gulf, both on the aspect of application on the vessels and also for review software, with the appropriate templates and so forth, to get as much information with identifying species, and we have a listing of over 216 species, and so we are as exact as possible. We go through several courses of QC also with our data.

DR. FRAZER: Just real quick, wrapped in here are a couple of things. These data, though, they’re limited that were presented to us today, and your data suggests that the discards are about 30 percent of the landed weight, and, oftentimes, when we’re talking to fishermen, the estimates of those discards are much higher than that, and Mr. Diaz just said 60 percent, for example.

I am just curious. Although your information is not available yet, but, just generally speaking, is the magnitude of the discards that you see closer to 60 percent or --

MS. NEIDIG: No, and it’s actually lower. For 2018, our red snapper retained were about 78 percent that we saw, and I will narrow that down. Though we were using a lot of vessels, I am talking right now about -- I will narrow that down to five bottom longline vessels for the eastern, because I was trying to concentrate on that, because that’s your purpose here, is to look in this area. It was 78 percent, and so 21.25 percent discards with the red snapper for 2018, and I don’t have an updated number for you right now for 2019.

DR. FRAZER: Sure. Along those same lines, of those five vessels that you were monitoring, do you have any idea how many pounds of leased snapper that they had?

MS. NEIDIG: That I don’t have at hand, and we have looked at that, but I apologize that I don’t have it with me right now.

DR. FRAZER: No problem. I’m asking a lot of questions on the
fly, and so --

**MS. NEIDIG:** No, that’s okay, and I was antsy when you were all speaking. I wanted to put my hand up, but we do have quite a bit of -- We have a very large database that we want to get out there and share, and we are still moving forward with this information.

Our fishers are volunteer fishers, and so, of all the vessels that are participating in the program, which has been up to twenty, they have all volunteered their time to participate, and some of them have been with us for multiple years, and some approached us and said that we want to show that we’re being sustainable, and how can we get involved, and others have asked for help in this situation with the shark depredation, and so we have brought some of those onboard, to be able to have a broader base of vessels.

**DR. FRAZER:** Thank you.

**MS. NEIDIG:** You’re welcome. Thank you.

**CHAIRMAN GUYAS:** Leann.

**MS. BOSARGE:** I think you sort of answered my question already, and it may be something that you have to look back at, and so you gave us the number of what would be discarded, and I was just wondering just the actual mix in the catch, and so that gets at both leased, aka landed, snapper versus discarded snapper, and what was that mix like? I don’t know if you know that off the top of your head.

**MS. NEIDIG:** I have those numbers, but not on the top of my head, because another aspect -- In the sense when we’re looking at the discards, we’re also looking at vented, live damaged, and so we’re also looking at all different aspects and not just kept and discarded, but actually condition, just to add that in, but I am sorry that I don’t have that right with me, but I can get that for you by later today.

**MS. BOSARGE:** I think, Martha, I would be interested in at least taking a look at this data. She has some decent coverage, coverage that is comparable or better to the data that we’re using, and it is over at least a three-year period.

**MS. NEIDIG:** Yes.

**MS. BOSARGE:** I’m not sure if it’s appropriate for that
information to come here or to go to the Science Center, or even the SSC, but I would at least like that information to go wherever staff thinks it’s best, so that we can eventually look at that and see if that provides a solution.

MS. NEIDIG: We would like to get it out, and just to mention that, of all of our trips that I mentioned, we’ve only had four observers onboard those vessels for all those trips, but Elizabeth Scott-Denton has shared with us the observer information, with a non-disclosure agreement, but we have used that in comparison with our data.

We also are working with linkages with all of this data too and all the dealer report numbers, reference numbers, and the observer reference numbers and the biological sampling reference numbers. They are all lined up with our data, so that, when we provide you with data, we can show you everything that went along with that particular trip. Thank you for the opportunity.

DR. FRAZER: Thank you.

CHAIRMAN GUYAS: All right. I think there’s some interest in getting a presentation, but do you have thoughts about whether the SSC needs to see this as well or the timing of all this?

EXECUTIVE DIRECTOR SIMMONS: We could try to squeeze it into the September, maybe, SSC meeting. We could take some other stuff off, but we can’t extend it?

MR. RINDONE: Not unless you want to make it three full days.

EXECUTIVE DIRECTOR SIMMONS: Then to the council in October. If not, then maybe we could do it before the January meeting, or just bring it to the council and not the SSC, or we could do it the other way around, depending on what you prefer.

CHAIRMAN GUYAS: I think Roy had his hand up.

DR. CRABTREE: So you’re talking about having Carole’s stuff go through the SSC and then looking at that?

CHAIRMAN GUYAS: I think that was Leann’s suggestion, right? Yes.

MS. BOSARGE: We have a hard-working SSC. They don’t mind working late.

CHAIRMAN GUYAS: I think the interest is there. I think we’ll
just have to leave it to you guys to figure out the timing and how to make it work. Kevin.

MR. ANSON: I wonder if Dr. Calay also has the information on the number of reported trips that occurred during 2016, 2017, and 2018. You had given the number of observed trips, but I’m just curious to know what the number of total trips were.

DR. CASS-CALAY: One of the analysts is listening in on the conversation, and I’m sure she will report it as soon as she can, and so, when she does, I will get back to you.

CHAIRMAN GUYAS: All right. I guess, while we’re waiting for that, are there any other questions or points of discussion about this presentation? If not, we’ll just wait a minute, I guess.

DR. FRAZER: I just have some more general questions. I think Roy and I started a discussion about this a while back, but I think the way that this proposal, I guess, has been presented is that, if the discards, I guess, in a full-retention fishery, red snapper fishery I guess, would offset the mortality, then you could just incorporate it into the catch, but you would have to have the allocation, I guess, and you would have to make sure that that works in the quota.

The alternative, I guess, that I was at least trying to think about is that whether or not -- Let’s say, for example, you were a fisherman and you had a quota, and we’ll just, for the sake of argument, say it was 1,000 pounds of fish, and it was still a full-retention fishery, but you weren’t allowed to catch more than 1,000 pounds of fish in combination of red grouper and snapper, and, in that case, you would have no discards at all, right?

You may not catch your full complement of red grouper, but they’re not reaching the ACT anyways, and that would serve a conservation benefit, and I don’t think there’s an economic loss to the fishermen, but I would like to see that, perhaps, in public comment, what the fishermen have to say about that. My question, I guess to Roy, really would be is that even possible within the framework of how we operate, or is it too complicated?

DR. CRABTREE: Well, we have multiuse quota for shallow-water grouper, and we could look back at how we did that. I think that there’s buffers and things in it to make sure we don’t go over on anything, but there is some precedent for having
multiuse quota.

CHAIRMAN GUYAS: All right. Is there anything else on this topic? I am looking to see if Shannon has got that information yet.

DR. CASS-CALAY: I am conferring, but it looks like the total number of longline trips observed in the logbook in 2016 were 379. In 2017, it was 343, and, in 2018, it was 352. The number that I gave you earlier, which was eighty-six, eighteen, and eight, are the number of observer trips that reported dead discards of red snapper, and that’s where those discard estimates -- That’s the data the discard estimates are made using, and she did exclude trips that fish with multiple gears.

She is telling me information as I speak, which is awkward, but the eighty-six, eighteen, and eight are trips that reported discards of red snapper and not only dead discards, and so it’s a small fraction of trips that were observed that reported discards. A small number of total trips from the logbook program were observed and reported discards.

CHAIRMAN GUYAS: Ed.

MR. SWINDELL: I am assuming that the longline fishery, bottom longline, is in deep enough water for all the snapper to be dead when it’s brought up.

DR. CASS-CALAY: No, and there is a discard mortality rate that is applied, and I don’t remember it offhand, but it’s on the order of 40 to 50 percent, I believe, in the longline fishery.

CHAIRMAN GUYAS: All right. Anything else on this one? I don’t see any more comments, and so let’s move on to our next item, which is Amendment 52, and we’ll get Dr. Freeman up here.

AMENDMENT 52: RED SNAPPER ALLOCATION

DR. MATT FREEMAN: I will be talking about Reef Fish Amendment 52. The last time the committee had this in front of them was at the April council meeting, and so, before we dive into the amendment itself, just to revisit something from the April council meeting, I had presented a list of recommendations from the SSC, and, in particular, there was a recommendation regarding Objective 2 of the Reef Fish FMP Objectives, and, at the April meeting, the committee discussed that recommendation, and, at the end of that discussion, the committee decided they would like to think about it a little bit more and ask that we
bring that back next time this document came in front of the committee.

Just as a reminder, Objective 2 currently reads to achieve robust fishery reporting and data collection systems across all sectors for monitoring the reef fish fishery, which minimizes management uncertainty, and the SSC had made a recommendation to the committee and to the council to modify the last part of that sentence to read “which minimizes scientific, management, and risk uncertainty”. I will pause there. Again, if the committee would like to discuss it, we’re able to. Otherwise, we can go ahead and delve into the amendment.

As a reminder of what Dr. Froeschke said earlier, if there is a modification, this will be reflected in Amendment 51, gray snapper, which he presented on earlier, and so I will pause there.

CHAIRMAN GUYAS: Leann.

MS. BOSARGE: I mean, that seems like a smart change, to me. You want to minimize not only the management, but any scientific and other risk and uncertainties, and that should be a goal of any data collection system, I would imagine, and so it’s not in this document. I will just make the motion to -- That right there is my motion.

CHAIRMAN GUYAS: The motion would be, for the Reef Fish FMP Objective Number 2, to rephrase Objective Number 2 to replace “minimizes management uncertainty” with “minimizes scientific, management, and risk uncertainty”. John Sanchez is seconding this. Is there any discussion on this motion? Tom.

DR. FRAZER: Just for clarity, this objective now shows up in Amendment 51, right?

DR. FREEMAN: Correct.

DR. FRAZER: Okay.

DR. FREEMAN: As this document proceeds, it will also be reflected in this document as well, and we’ve got it in Amendment 50 currently, simply as a matter of trying to get it, quote, unquote, on the books, which is why, previously, it had been in the carryover document.

CHAIRMAN GUYAS: Any other questions or discussion on this? Is there any opposition to this motion? Seeing none, the motion
carries. Dr. Freeman.

DR. FREEMAN: If we could go to the purpose and need, that’s on page 4 of the document. Again, some housekeeping/reminders, since the committee last saw this in April, from the April council meeting, there was an update to the purpose. Previously, the initial part of the sentence read: The purpose of this action is to modify the sector allocations. In April, the committee and the council modified this, and now the language reads: The purpose of this action is to review, evaluate, and modify, as appropriate, the sector allocations of red snapper.

Again, I simply wanted to point that out as a reminder, since the committee hasn’t seen this since April, and, from there, if we can go ahead and go to Action 1, and there were no modifications to Action 1 or to the alternatives at the April meeting. I am happy to go through the alternatives again if the committee would like, as a reminder.

Otherwise, at this point, I believe some of the additional analysis would be contingent upon some of the data recalibration, and so I’m going to pause there and see what the committee’s pleasure is, as far as looking at Action 1 or the rest of the document.

CHAIRMAN GUYAS: Bob.

DR. SHIPP: Thank you. I guess we need to decide what we really want to cover today, because some of the data that we felt were necessary for this are not available yet. The GAO report I think is due in December, and there was -- What else was there? The MRIP recalibration is not available, and so I guess what is the pleasure of the council? Do you want to go ahead and have Matt go through this, with the expectation that we’re going to have to delay it anyway? That is my question.

CHAIRMAN GUYAS: John.

MR. SANCHEZ: I am on the same page as Dr. Shipp. It seems like, last time, we kind of dropped back and punted waiting on this, and there’s other studies going on, which may shed some light on biomass and how much fish may actually be in the Gulf of Mexico, and all kinds of things that I think would be really pertinent to looking at some kind of reallocation, and so I guess, until we have the benefit of all that information in front of us, I am all for dropping back and punting.
CHAIRMAN GUYAS: All right, and so I guess let me ask this question. When would we want to see this again? Bob.

DR. SHIPP: The items that I mentioned should be available by the end of this year, and so I’m looking at the January or February meeting, whichever that is scheduled.

CHAIRMAN GUYAS: So those items are the GAO report and the MRIP recalibrations? Okay. Carrie.

EXECUTIVE DIRECTOR SIMMONS: I was trying to multitask with the SSC agenda, but did you say MRIP recalibrations? Could you repeat that? I apologize. Did you say when the MRIP recalibrations would be completed? I apologize.

DR. SHIPP: All I know is the GAO report is due in December, and I don’t know when the MRIP material would be available. I would assume by then, but I don’t know that.

DR. FRAZER: Dr. Crabtree, could you tell us how the MRIP recalibration efforts would potentially influence these allocation decisions?

DR. CRABTREE: Well, the recreational landings are definitely going to change, and they are working on calibrations now for the state surveys, so we can take the mail survey FES estimates and convert those into state survey units, and I think we’re supposed to get those estimates at the end of the year or early next year, and then, at some point, I guess following that, when they start working on the assessment, they will reconstruct the landings times series and figure out how to do that, but, once we have those estimates, I think it will be possible to reconstruct the historical recreational landings series, and so sometime next year.

CHAIRMAN GUYAS: Right, and so let me ask this question, I guess, since the MRIP recalibration stuff has been delayed a few times. If we -- Come January or February, if we have the GAO report, are we comfortable moving forward with this just with that in hand, or do we want the MRIP recalibration numbers as well? I am just thinking about all the contingency plans that we probably need to make here.

DR. CRABTREE: I don’t expect that the GAO report is going to give you anything that’s going to lead you to a conclusion out of this. To the extent though that you’re going to base allocations on the historical landings, I am not sure how you can do that without having the adjustments that are then going
to be put into the next stock assessment and having that landings time series that’s going to be the basis for the assessment, and so it seems to me that you have to have that if you’re going to base allocations on historical time series.

CHAIRMAN GUYAS: Leann.

MS. BOSARGE: Well, I have to say that I agree with Dr. Shipp. I guess my suggestion would be, when the GAO report comes out, we need a presentation on that, somebody at a council meeting, an open public meeting, and let’s hash through that and see what it says, and, at that point, as a group, once we have that information, we’ll decide whether we want staff to bring us this amendment back at the following meeting or if we think, no, that wasn’t enough information and we’re going to need those landings numbers, and, when they get those recalibrations done, bring it to us then, because hopefully, at that point, we’ll be closer to the calibrations, and we’ll know what that horizon looks like. That would be my suggestion.

CHAIRMAN GUYAS: Bob.

DR. SHIPP: I agree with Leann. I think what we really do need is a motion to delay the Amendment 52 discussion until we have at least the GAO report, and, depending on that timing of that and what’s in it, we probably will need to wait for the recalibration. I would move that we wait until — Let’s put it on the calendar for January, because the GAO report will be out by then. I move that we delay consideration of Amendment 52 until the January meeting.

CHAIRMAN GUYAS: It’s seconded by Phil. Let’s get that on the board. Is there any other discussion on this? Ed.

MR. SWINDELL: It seems like it’s going to be too early for us to make any kind of — To have enough information to make any kind of decision with it in January. Perhaps the March meeting might be best.

CHAIRMAN GUYAS: Chris.

MR. SCHIEBIE: Just because I can’t find it, help me with it, but when is the next stock assessment due for snapper, red snapper?

DR. CASS-CALAY: The next red snapper assessment is actually a research track assessment, and so I believe it’s on the calendar for 2021, with an operational assessment completed for
management advice in 2022.

CHAIRMAN GUYAS: All right. Anything else on this motion? I think we just need to vote it up or down. Is there any opposition to this motion? Seeing none, the motion carries.

I guess, with that, that will take us to Other Business, unless you have anything else that we need to cover today.

DR. FREEMAN: It was a pleasure.

OTHER BUSINESS

CHAIRMAN GUYAS: Okay. Good talk. Okay, and so that takes us to Other Business. Is there any other business to come before this committee? If not, I will yield it back to the Chair.

(Whereupon, the meeting adjourned on August 13, 2019.)