

1 GULF OF MEXICO FISHERY MANAGEMENT COUNCIL

2  
3 DATA COLLECTION COMMITTEE

4  
5 The Lodge at Gulf State Park Gulf Shores, Alabama

6  
7 April 8, 2024

8  
9 **VOTING MEMBERS**

- 10 Ed Walker.....Florida
- 11 Kesley Banks.....Texas
- 12 Susan Boggs.....Alabama
- 13 Dave Donaldson.....GSMFC
- 14 Jonathan Dugas.....Louisiana
- 15 Dakus Geeslin (designee for Robin Riechers).....Texas
- 16 Bob Gill.....Florida
- 17 Michael McDermott.....Mississippi
- 18 Chris Schieble (designee for Ryan Montegut).....Louisiana
- 19 Joe Spraggins.....Mississippi
- 20 Andy Strelcheck.....NMFS
- 21 C.J. Sweetman (designee for Jessica McCawley).....Florida
- 22 Troy Williamson.....Texas

23  
24 **NON-VOTING MEMBERS**

- 25 Kevin Anson (designee for Scott Bannon).....Alabama
- 26 Billy Broussard.....Louisiana
- 27 Dale Diaz.....Mississippi
- 28 Tom Frazer.....Florida
- 29 Anthony Overton.....Alabama

30  
31 **STAFF**

- 32 Max Birdsong.....Social Scientist
- 33 Assane Diagne.....Economist
- 34 Matt Freeman.....Economist
- 35 John Froeschke.....Deputy Director
- 36 Lisa Hollensead.....Fishery Biologist
- 37 Mara Levy.....NOAA General Counsel
- 38 Jessica Matos.....Administrative & Accounting Technician
- 39 Emily Muehlstein.....Public Information Officer
- 40 Ryan Rindone.....Lead Fishery Biologist/SEDAR Liaison
- 41 Bernadine Roy.....Office Manager
- 42 Carrie Simmons.....Executive Director

43  
44 **OTHER PARTICIPANTS**

- 45 Christopher Liese.....NOAA
- 46 Jessica McCawley.....SAFMC
- 47 Mike Travis.....NOAA
- 48 John Walter.....SEFSC

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- - -

1 The Data Collection Committee of the Gulf of Mexico Fishery  
2 Management Council convened at The Lodge at Gulf State Park in  
3 Gulf Shores, Alabama on Monday afternoon, April 8, 2024, and was  
4 called to order by Chairman Ed Walker.

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

10 **CHAIRMAN ED WALKER:** The first order of business is Adoption of  
11 the Agenda. Are there any changes, or comments, to the agenda?  
12 Seeing none, okay. Do I need a motion?  
13

14 **MR. BOB GILL:** So moved, Mr. Chairman.  
15

16 **MR. CHRIS SCHIEBLE:** Second.  
17

18 **CHAIRMAN WALKER:** Thank you. The agenda is adopted, and next is  
19 the approval of the minutes from the previous meeting. Are  
20 there any changes to the minutes from the last meeting? Seeing  
21 none, could I get a motion to --  
22

23 **MR. GILL:** So moved, Mr. Chairman.  
24

25 **DR. C.J. SWEETMAN:** Second.  
26

27 **CHAIRMAN WALKER:** Okay. Thank you. First up, and only up, I  
28 think, on our list today, is Discussion of For-Hire Data  
29 Collection Program with Dr. Hollensead. Did I skip the action  
30 guide?  
31

32 **DISCUSSION OF FOR-HIRE DATA COLLECTION PROGRAM**  
33 **PRESENTATION: DISCUSSION OF FISHERIES ECONOMIC DATA COLLECTION**  
34 **METHODS**  
35

36 **DR. ASSANE DIAGNE:** Good afternoon, Mr. Chair, and I will also  
37 take care of the first portion of the action guide. As you  
38 recall, during the January 2024 meeting, the Data Collection  
39 Committee discussed the initial steps for creating a charter-  
40 for-hire data collection, and, during those discussions, the  
41 committee requested that further information be provided on what  
42 I would call economic data, I mean, with a broad umbrella.  
43

44 For this agenda item, we have prepared a presentation, and I say  
45 "we", because the presentation is in three parts, and that will  
46 include Dr. Mike Travis, Dr. Christopher Liese, and myself, and  
47 so we'll go after that presentation, and, following committee  
48 discussions, the second part of this agenda item would be

1 handled by Dr. Hollensead, where she will discuss the draft  
2 amendment.

3

4 **CHAIRMAN WALKER:** Okay. Very good, and so then are you starting  
5 us, or is it Mike Travis?

6

7 **DR. DIAGNE:** Yes, Mr. Chair. I will speak first, and then Dr.  
8 Travis, and then we will finish with Dr. Liese. For this first  
9 part, this is what I would call just a very brief overview  
10 relative to how we typically use some of the economic data in  
11 the amendments.

12

13 As you all recall, in the amendments, we are required to  
14 provide, in Section 4, Chapter 4, the direct and indirect  
15 economic effect expected from the proposed action, and so I will  
16 talk briefly about the economic data, and the estimated economic  
17 effects, and, in doing this, as an example, we could think about  
18 a typical amendment, if you would, that would address some  
19 concerns for an IFQ species and that regulatory action would  
20 include changes in commercial and recreational ACLs, as well as,  
21 for example, changes in the recreational season length.

22

23 I will start with the commercial sector and transition, and  
24 discuss, the recreational sector, and, for the recreational  
25 sector, we will look at the two components, the private anglers  
26 on one side, and, on the other side, the for-hire operators.

27

28 In the commercial sector, what we typically see, in our  
29 amendments, would be changes in IFQ shares and annual  
30 allocations, for example if you are looking at the gag  
31 amendment, as well as changes in value. For this type of  
32 discussion, we get the data from the LAPP branch, because they,  
33 of course, manage the IFQ systems, and they would provide the  
34 relevant data here, including the price of shares as well as the  
35 price of annual allocation.

36

37 We also typically include, when available, changes in producer  
38 surplus to commercial fishermen. In short, producer surplus is  
39 the difference between the revenue and variable costs, and, by  
40 variable costs, the two main things that we would think about,  
41 really, would be fuel costs and labor costs.

42

43 Because, when we change an ACL, or I would just say a quota,  
44 because we are talking about commercial here, the availability  
45 for seafood to consumers, folks buying the seafood in the  
46 markets, would change, and so it is expected that product prices  
47 would change, and, with that change in price, consumer surplus  
48 to seafood buyers would change, and that is something that we

1 also include in amendments, and, finally, the dealers involved  
2 in essentially the buying and selling of that particular species  
3 would also be impacted, and so we also consider changes in  
4 revenues to dealers.

5  
6 In a nutshell, on the commercial side of things, these are the  
7 main estimates, quote, unquote, that we would provide in  
8 evaluating alternative management options.

9  
10 In the recreational sector, if we start with private anglers,  
11 the measure of importance to us, for private anglers, would be  
12 derived from potential changes in the number of fish harvested.  
13 When you change the number of fish harvested, or available to  
14 harvest, to private anglers, you impact essentially consumer  
15 surplus, and, to define it, consumer surplus is the satisfaction  
16 that anglers enjoy above and over their cost of fishing.

17  
18 Now to concentrate on the for-hire operator, and, here again,  
19 there is going to be changes in the number of fish harvested by  
20 the anglers on those vessels, and that would also come with  
21 changes in consumer surplus to those anglers. As we just  
22 defined, essentially, the difference between is the satisfaction  
23 enjoyed above the fishing costs, if I could put it that way.

24  
25 **CHAIRMAN WALKER:** First off, you asked if anybody has any  
26 questions along the way, and I think that would be good, and I  
27 know this is a fairly long presentation, and, if there's  
28 something we don't understand, let's ask. I have one, with what  
29 you just said. For a recreational guy, the number of fish  
30 harvested would affect his consumer surplus on a charter trip?

31  
32 **DR. DIAGNE:** Yes. For any angler, essentially, that goes on a  
33 fishing trip, that angler would harvest let's say a fish, a  
34 particular fish, and so the satisfaction that angler derives  
35 above the cost of catching that fish -- Essentially that is what  
36 is known as consumer surplus.

37  
38 **CHAIRMAN WALKER:** Tom.

39  
40 **DR. TOM FRAZER:** Thank you, Mr. Chair, and so I guess I'm trying  
41 to figure out what's the metric that is employed to measure  
42 satisfaction.

43  
44 **DR. DIAGNE:** Okay, and so, here, given that, essentially, there  
45 is no market, if you would, if you take a private angler, and  
46 these measures are derived through let's say choice experiments,  
47 meaning, for example, these would be some stated preference  
48 models by which different bundles, or different choices, are

1 presented to let's say the participant in a particular study,  
2 and, I mean, there are some models that would allow one to  
3 extract, if you would, and estimate the measure of consumer  
4 surplus in that particular sense.

5  
6 I believe Dr. Liese is going to touch upon that, but, in a  
7 general sense, let's say consumer surplus, if you were to get  
8 out of the fishing business, quote, unquote, in the general  
9 sense, that would be the difference, if you would, between the  
10 maximum a particular consumer is willing, and able, to pay for a  
11 product, whatever product that is, and the market price of that  
12 product. That's the general sense, outside of fishing.

13  
14 **DR. FRAZER:** I guess what I'm asking, and I probably didn't  
15 phrase it right, and so, in the absence of catching a fish,  
16 right, and somebody is just fishing, and I will take an example  
17 of something that we don't typically do in this council, right,  
18 but let's say you're looking at a catch-and-release fishery,  
19 right, and then what would be the -- How would you estimate that  
20 consumer surplus? It's essentially, at that point, it's just  
21 the satisfaction value.

22  
23 **DR. DIAGNE:** That also could be determined, because, at that  
24 moment, essentially, you would present different bundles to the  
25 survey respondents, and these choice experiments are just one of  
26 the avenues, if you would, of estimating let's say willingness  
27 to pay, but some other avenues would, for example, include what  
28 are known as hedonic models, by which you would take let's say a  
29 fishing trip and parse it out into the characteristics of that  
30 trip, and then each one of the parameters then would allow you  
31 to value different attributes of the trip, one of which would be  
32 essentially what you are referring to.

33  
34 Onto the charter-for-hire operators, and we already talked about  
35 let's say the change in consumer surplus associated to the  
36 change in the number of fish, because, typically, essentially,  
37 consumer surplus is measured on a per-fish basis, and that's the  
38 unit.

39  
40 Now, if you look at that -- I did say, in the beginning, that  
41 potentially there is going to be a change in season length, and,  
42 if we think about it from the charter-for-hire perspective, then  
43 the number of target trips is going to change, and, by target  
44 trip, we mean the number of for-hire trips targeting a  
45 particular fish, let's say greater amberjack or gag, and those  
46 are routinely available to us, at least on a wave basis, and  
47 that is typically included in the amendments, and so what we do  
48 is we extrapolate based on that, and we measure the number of

1 target trips that would change, if you would, and the change is  
2 the target trips. Here again, we will have then some measure of  
3 producer surplus to value those target trips, in terms of  
4 changes.

5  
6 Because, of course, this is one of the main points of discussion  
7 here, and, I mean, going towards what to include or not to  
8 include in the data collection coming, and so, in terms of  
9 producer surplus -- I mean, to define it, it is the amount of  
10 money that a vessel owner earns in excess of the costs of  
11 producing, of providing the trip, and, in terms of costs here,  
12 what we mean is variable costs, and the two main variable costs  
13 to think about would be fuel costs and labor costs, essentially,  
14 and that is why, when we look forward at let's say the  
15 questions, you are going to be seeing things such as, you know,  
16 gallons of fuel, price of fuel, number of crew, et cetera.

17  
18 To get the producer surplus, you need the revenues and to  
19 subtract from the revenues the costs, and so we already talked  
20 about the costs, and these are the variable costs. To make it  
21 simple, it's fuel and labor, essentially, but, for the revenue,  
22 and I'm going to stop, Mr. Chair, and I think, behind you there  
23 is a question.

24  
25 **CHAIRMAN WALKER:** Sorry. Mr. Gill.

26  
27 **MR. GILL:** Thank you, Mr. Chairman, and thank you, Dr. Diagne,  
28 and so why do you only consider variable costs, when  
29 amortization, for example, of the vessel, and the equipment, et  
30 cetera, are also part of, at least to the producer, the cost of  
31 his operation, and a significant cost?

32  
33 **DR. DIAGNE:** Absolutely, Mr. Gill, and, essentially -- I mean,  
34 you know that, essentially, what you are referring to are fixed  
35 costs considered in this, right, and those -- I would say that  
36 I'm going to let Dr. Liese answer that question, when it comes  
37 to that, because I don't want to steal his thunder, and that's  
38 part of his presentation, but you know the difference between  
39 fixed and variable costs. I mean, the variable costs will be  
40 dependent on the level of output, meaning, the more trips you  
41 provide, the more those costs will grow, versus fixed costs,  
42 with fixed meaning it doesn't change, and it doesn't move,  
43 right, and those are going to be independent from the value of  
44 output, but they are used to determine other methods, such as  
45 return on investment and so forth, and so I'm going to just stop  
46 here, and Dr. Liese will --

47  
48 **DR. CHRISTOPHER LIESE:** Assane, can I jump in here?

1  
2 **DR. DIAGNE:** Yes, please do.  
3

4 **DR. LIESE:** Just because I will not go into these economics in  
5 my presentation, and I was going to say there's really two  
6 reasons. One is the practical, which is we don't collect fixed  
7 costs, and usually we just don't have it, and then the other is  
8 that this producer surplus is always something that -- It's more  
9 in the short-term than in the long-term perspective, and so, if  
10 you're going to look at -- Say if trips have to be cancelled,  
11 what's the loss to the operator, and it's basically, you know,  
12 revenues lost, minus the variable costs not incurred, but, since  
13 the short-term -- They have the vessel, and they have incurred  
14 the fixed costs, and so you wouldn't want to subtract the fixed  
15 costs as well, because then it would seem more -- Less costly  
16 than it actually is, and so the producer surplus always has a  
17 short to medium-term perspective.  
18

19 **MR. GILL:** Following up on Dr. Liese's comment, if the producer  
20 bought a boat, and took out a loan for \$100,000, and is making  
21 monthly payments on it, and so, in the short-term, that's very  
22 much part of his cash flow, and dependent on trip frequency, and  
23 number of passengers, and all that kind of stuff.  
24

25 **DR. DIAGNE:** The point I was trying to make is that fixed costs  
26 are costs that you are going to incur whether you take a trip or  
27 not. If you bought a boat, and you have let's say those things  
28 that you mentioned, even if you tie the boat to the dock, and  
29 you never fish, you still have to pay for those things. You  
30 mentioned that, you know, we are talking about short versus long  
31 run, but, in the long term, there are no fixed costs, because,  
32 really, nothing is fixed at that time, and everything becomes  
33 variable.  
34

35 In terms of the revenues, I mean, the revenues, to get those,  
36 you need, obviously, the number of trips, but, at the core, you  
37 need, essentially, the price of the trip, because this is the  
38 commodity that the charter-for-hire vessels sell. If you are  
39 talking about something else, let's say homes and so forth, the  
40 product sold is the home, and you need the price of the home.  
41

42 Charter-for-hires sell trips, and the price of the product that  
43 they sell is the trip fee, and so that is the most important,  
44 quote, unquote, metric in this whole thing, to be able to get  
45 the revenue price times the quantity, the charter fee times the  
46 number of trips, and so, if you get the revenue side, and you  
47 get the cost side, then you can deduct it and get to the metric  
48 that we are interested in, which is, you know, the producer

1 surplus per angler, and that is measured on an angler trip  
2 basis. This is a very quick overview, and Dr. Liese is going to  
3 expand into this, when the time comes. Thank you.

4  
5 **CHAIRMAN WALKER:** Mr. Anson.

6  
7 **MR. KEVIN ANSON:** I'm not on your committee, and thank you. Dr.  
8 Diagne, have there been any studies that look at -- You  
9 mentioned numbers of fish as being the base number, and have  
10 there been any studies that look, in the recreational side, in  
11 pounds of fish?

12  
13 **DR. DIAGNE:** In pounds of fish? Not too many. Not too many, to  
14 my understanding, but maybe Doctors Travis and Liese would  
15 expand, if they have something to add. Also, if I may add, Mr.  
16 Chair, in general -- I mean, on the recreational side, we have  
17 bag limits, and so, you know, you can harvest two fish, or three  
18 fish, but not in terms of pounds, and so that's also why the  
19 metric is there.

20  
21 **MR. ANSON:** I was just thinking in terms of, you know, you can  
22 have a fishery with, you know, more regulation, that could  
23 produce an average-sized fish that would be of higher weight  
24 than a fishery with less regulation, more fishing pressure, and  
25 so you have the trips versus the quality of trip, I guess,  
26 concept, you know, that we've talked about over the years, and I  
27 was just curious if it got drilled down to pounds of fish,  
28 because the tradeoff would be, yes, potentially numbers of fish,  
29 but it would also be the average size of the fish too, and so  
30 that's all. Thank you.

31  
32 **CHAIRMAN WALKER:** Okay. Thank you, Dr. Diagne. Is that the end  
33 of your presentation?

34  
35 **DR. DIAGNE:** Yes, that would be the end of it, and Dr. Mike  
36 Travis is going to now present his portion, and Dr. Liese will  
37 finish.

38  
39 **CHAIRMAN WALKER:** Okay. Dr. Travis, you have the floor.

40  
41 **DR. MIKE TRAVIS:** Okay, and so my part of the presentation is  
42 we've seen the importance of revenue data in fisheries disaster  
43 determinations, as well as the allocations of disaster funds.  
44 In the past, we typically have referred to what we call  
45 commercial fishery failures, and the reason for this is that, in  
46 the past, disaster determinations were only made for commercial  
47 fisheries or the commercial sector of a fishery, and so the for-  
48 hire sector, and other sectors, were not considered in the past.

1  
2 Typically, states would allocate their awarded disaster funds  
3 based on losses to each commercial harvester, and they didn't  
4 have to do that, and that's just something that we've noticed  
5 that the states have tended to do over the years.

6  
7 Now, it's also the case that, when the states put together what  
8 we call their spending plans, they could choose to allocate  
9 funds to other sectors, if they had a good justification, but  
10 it's important to remember that the revenue losses that may have  
11 occurred to those other sectors were not considered in the  
12 determination in the past.

13  
14 Again, thinking about the past and commercial fishery failures,  
15 for determinations where the Secretary did not use her authority  
16 to determine a commercial fishery failure, or a disaster, had  
17 occurred, prior to any analysis being conducted, the NOAA  
18 disaster policy indicated a positive determination should be  
19 made in cases where the percentage loss in revenue during the  
20 disaster year, relative to the previous five-year baseline,  
21 exceeded 80 percent.

22  
23 If the revenue loss was between 35 percent and 80 percent, then  
24 additional information was needed to demonstrate that the  
25 impacts were severe, in order for a positive determination to be  
26 made. If the revenue loss was less than 35 percent, then a  
27 determination should be made that no disaster occurred.

28  
29 Now, that has all changed. Well, mostly changed, and I will put  
30 it that way, and so, at the very end of 2022, Congress passed  
31 the Fisheries Resource Disaster Improvement Act, or FRDIA, and  
32 that act made a number of important changes to the disaster  
33 provisions within the Magnuson-Stevens Act. I'm not going to  
34 cover all of the changes today, and I just want to focus on a  
35 few important ones, for current purposes.

36  
37 Number one, Section 315, that previously covered what we used to  
38 call regional, or catastrophic, fishery disasters, has been  
39 eliminated. A good example of that from the Gulf, which some of  
40 you are aware of, is the Bonnet Carre Spillway disaster of 2018,  
41 and so we will not be doing any more of these region-wide  
42 disaster determinations.

43  
44 The second change, which is really important for this  
45 discussion, is that Congress added the for-hire and other  
46 sectors, such as processors, to those that could be considered  
47 in the determination process. Third, those revenue loss  
48 thresholds that I just spoke about, those are now laid out in

1 the statute, and they're not just in our policy, and they are  
2 now statutory.

3  
4 Now, those thresholds that Congress implemented, they are the  
5 same as what I just mentioned for the commercial sector, and now  
6 those thresholds will also be applied to the for-hire sector.  
7 Now, one implication of this is that one sector of a fishery may  
8 experience a disaster, based on those thresholds, while others  
9 do not, and it simply depends on the percent revenue loss in  
10 each sector.

11  
12 **CHAIRMAN WALKER:** Dr. Travis, can I ask a question on that last  
13 slide?

14  
15 **DR. TRAVIS:** Okay, and so why do these changes matter? I'm  
16 going to take you through two different scenarios to illustrate  
17 why the --

18  
19 **CHAIRMAN WALKER:** I'm sorry, Mike, and I had a question for you.  
20 Could you go back to the last slide for a sec? Are you there?

21  
22 **DR. TRAVIS:** Yes.

23  
24 **CHAIRMAN WALKER:** Okay, and so I just had a question on these  
25 thresholds that you mentioned. Are these thresholds only  
26 determined based on self-reported data, or would this be  
27 something that could be derived from say a tax return from a  
28 fisherman, or something like that, and is self-reporting, or  
29 what we're talking about in SEFHIER, the only way that you would  
30 be able to establish where you qualify in these thresholds?

31  
32 **DR. TRAVIS:** I wouldn't say they're the only way. I think that,  
33 for the commercial fisheries, the commercial sector fisheries,  
34 we have relied primarily on state trip ticket data in those  
35 cases, and, as far as I know, at least at the federal level, we  
36 have never requested tax returns, and I would be very averse to  
37 asking people, everybody who was affected, to submit tax  
38 returns, but I suppose, if a state wanted to pursue that, that  
39 might be an option. It's just I don't think that we -- I don't  
40 recall an instance where we've ever done that, or at least not  
41 in the Southeast, and I don't know that it's been done in any  
42 other region either.

43  
44 **CHAIRMAN WALKER:** Okay. Thank you.

45  
46 **DR. TRAVIS:** All right. Now, I want to emphasize, for the first  
47 bullet, that revenue losses from an eligible event, and I'm not  
48 going to get into what is an eligible and an ineligible event,

1 but they have to be estimated by fishery and state, and that is  
2 really important.

3  
4 In these scenarios, let's assume that we have an eligible event  
5 that occurred that caused revenue losses of \$15 million in the  
6 commercial sector and \$10 million in the for-hire sector of a  
7 particular fishery in a particular state, and so that means  
8 there was \$25 million in total revenue losses for that fishery  
9 in that state.

10  
11 Let's also assume the state could demonstrate that the revenue  
12 losses at least met the 35 percent reduction threshold in each  
13 sector and the impacts were determined to be severe. Now,  
14 before the FRDIA, the state could only submit analyses  
15 supporting the \$15 million loss to the commercial sector. With  
16 the changes implemented by the FRDIA, the state will now be  
17 allowed to submit an analysis supporting the total loss to the  
18 commercial and for-hire sectors of \$25 million.

19  
20 This gets us to why the for-hire revenue data is important.  
21 Let's also assume, in this situation, that there were disasters  
22 that occurred in other fisheries and states, and their combined  
23 revenue losses were \$75 million. However, let's also assume  
24 that Congress only allocated \$15 million for all the disasters  
25 in whatever the applicable time period is, and this is not  
26 unusual, and it is almost always the case that Congress does not  
27 allocate enough funds to cover all of the revenue losses across  
28 all the disasters.

29  
30 In fact, I have never seen them do that, and so, under the old  
31 rules, or if the state does not have adequate data to  
32 demonstrate that the revenue loss in the for-hire sector was in  
33 fact \$10 million, and that loss exceeded, at least exceeded, the  
34 35 percent reduction threshold, then it could only submit the  
35 \$15 million in commercial revenue losses. In that case, the  
36 total revenue losses for all disasters would be \$90 million, and  
37 the state's percentage of those losses would be 16.67 percent,  
38 and they would only be expected to receive \$8.33 million in  
39 funding for their disaster, assuming funds are proportionally  
40 allocated, and that is typically the case, when we get to that  
41 stage of the process.

42  
43 Now, if the state wants to use its prerogative to allocate some  
44 of those \$8.33 million in funds to the for-hire sector, then the  
45 amount of funds allocated to the commercial sector would have to  
46 decrease.

47  
48 Under the new rules, and assuming the state does have adequate

1 data to demonstrate that the revenue loss in the for-hire sector  
2 was in fact \$10 million, and that loss at least exceeded the 35  
3 percent reduction threshold, then it could submit a request  
4 showing total losses of \$25 million for the eligible event. In  
5 that case, the total losses across all disasters would increase  
6 to \$100 million, and, more importantly, to the state, the  
7 state's percentage of those losses would increase to 25 percent,  
8 and the state would be expected to receive \$12.5 million in  
9 disaster funds. That's about an increase of \$4.167 million, if  
10 funding for each disaster is proportionally allocated.

11  
12 In this scenario, both the for-hire sector and the commercial  
13 sector are better off, and I would argue the state is better off  
14 as well, because they will now have documented revenue losses,  
15 if they want to allocate the for hire sector's disaster funds  
16 based on revenue losses to each for-hire harvester, as they've  
17 typically done in the past for the commercial sector.

18  
19 This table in this slide, in case you didn't follow the two  
20 scenarios and all the numbers, this slide, and this table,  
21 summarize the primary outcomes. Now, keep in mind that I did  
22 assume, in both scenarios, and so that would be no for-hire  
23 revenue data and with for-hire revenue data, and I assumed a  
24 60/40 split, based on the actual revenue losses to the two  
25 sectors, and so you will see, you know, commercial revenue loss  
26 has not changed between the two scenarios, and the for-hire  
27 revenue loss -- If we don't have the data, it's going to be  
28 zero.

29  
30 With the for-hire revenue, it's \$10 million. The total increase  
31 is from \$15 to \$25 million when you have that for-hire revenue  
32 data. The state's percentage of the losses goes up, from 16.67  
33 up to 25 percent, and we're assuming the amount that Congress  
34 allocates is what it allocates, and it's not going to change.  
35 The disaster funds to the state, again, increase from \$8.33 to  
36 \$12.5 million. Funds to the commercial sector go from \$5  
37 million to \$7.5 million, and the for-hire disaster funds  
38 increase from \$3.3 million to \$5 million, and so, again, the  
39 bottom line here is everybody is better off if we have that for-  
40 hire revenue data.

41  
42 What are the implications for data collection? With respect to  
43 disaster determinations, and the allocation of disaster funds,  
44 it is in everyone's best interest to have estimates of for-hire  
45 revenue data in-hand by fishery and state. That means we need  
46 the fee data. We need the fee data just like we need ex-vessel  
47 price data in the commercial sector. We need fee data, in the  
48 for-hire sector, to get to revenue, just like we need ex-vessel

1 prices to get to revenue in the commercial sector.  
2  
3 Second, SEFHIER is a cost-effective choice to collect that data,  
4 particularly on a fishery-by-fishery basis, and also because, at  
5 least as far as I know, the states do not collect that data.  
6 Another point, because we know this may be on the minds,  
7 particularly of some of the state folks, who I've worked with in  
8 the past on these determinations, but after-the-fact surveys are  
9 less credible, since submitters can behave strategically to  
10 increase their sector-level and harvester-level payouts.  
11  
12 I know we've used in those in the past, and my position is we  
13 shouldn't allow them in the future, and that's just my view,  
14 because we have seen this kind of behavior in the past. Now,  
15 whether census-level fee data is needed, and, in other words, do  
16 we need to collect the fee for every trip, or is a sample  
17 sufficient to generate the needed revenue estimates, and that's  
18 going to be covered in the next presentation by Christopher  
19 Liese.  
20  
21 The last point is there are potential administrative burdens for  
22 the agency if the Gulf data collection differs from the South  
23 Atlantic, and potentially additional complications for the State  
24 of Florida, because, of course, it's split between the Gulf and  
25 South Atlantic. Keep in mind the South Atlantic is still, as it  
26 has from the beginning, collecting fee data for every trip, just  
27 like the Gulf program used to do before the court decision, and  
28 that's all I've got, and I'm ready for questions.  
29  
30 **CHAIRMAN WALKER:** Thank you, Dr. Travis. You've done a great  
31 job with this, and I know that you and I have had had many  
32 conversations about this, and you do a good job explaining it,  
33 and I will say that you have softened my stance a little bit on  
34 this, okay, and so that's progress.  
35  
36 **DR. TRAVIS:** I see that as success, Ed, because that's a minor  
37 miracle, if I was able to accomplish that.  
38  
39 **CHAIRMAN WALKER:** No, and you did a good job, and I appreciate  
40 that. Any more questions for Dr. Travis? Okay. Seeing none,  
41 Dr. Liese, you are up next.  
42  
43 **DR. LIESE:** Hello. My name is Christopher Liese, and I work in  
44 the Science Center in Miami, in the SSRG, and that's the Social  
45 Science Research Group, and we're six staff, six economists, two  
46 anthropologists, and they were all hired since about 2000 to  
47 2010, when the social sciences got more of a priority into --  
48 You know, added to fishery management, basically.

1  
2 Of those six economists, only one economist is really hired as a  
3 recreational economist, who focuses on the anglers, and that's  
4 David Carter, and, because there is a lot of recreational stuff  
5 going on in the Southeast, ever since I joined, in 2006, I've  
6 been helping him out, especially with the for-hire sector, which  
7 was always put into the recreational sector, but it is also very  
8 much, especially from the for-hire business perspective, a very  
9 commercial sector, and the methods you need for it are very  
10 similar to the commercial fisheries.

11  
12 What I am hoping to convince you of today is that, if you want  
13 science-based management, economic data is not secondary to  
14 other fishery data. The second thing is that the single-most  
15 important economic variable is the price of the good or service  
16 being studied, the charter fee, and I think Mike and Assane  
17 already drilled that point home.

18  
19 Then the third point is that the logbook is the right place to  
20 collect the charter fee, and I will go more into that, and I  
21 will go into all of this, and then a good statistical sample can  
22 be enough, and so we don't necessarily need a census.

23  
24 The outline for this presentation, and I will try and keep it  
25 short, and, I mean, it's not going to be short, and it's too  
26 long, but I will try to keep it shorter, but an overview of the  
27 economic data collection and results in the commercial logbook  
28 fisheries for reef fish and mackerel, and those are the  
29 logbooks, the commercial logbooks, that have been going on for a  
30 while, and they are catching the fish that most of the for-hire  
31 fishermen catch in the Gulf of Mexico.

32  
33 The second thing will be an overview of the economic data and  
34 results that we've been collecting, and using, in the for-hire  
35 sector, because there's not been a systematic data collection,  
36 and it's all very ad hoc. Every couple of years, it's something  
37 different, and then I will add some sort of proof-of-concept  
38 exploratory results from the for-hire logbook, while it was  
39 running in the Gulf, and then the conclusion.

40  
41 Data and results in the commercial fisheries, it's -- Basically,  
42 we really have one economic data collection, because these trip  
43 logbooks, and the economic data collection that work together  
44 with them, you know, answer -- They give us all the data we  
45 need, and so we don't have any other data collections other than  
46 this one.

47  
48 The logbooks, in general, I think are considered like the

1 workhorses, or the gold standard, for collecting fishery-  
2 dependent data, and that sort of applies to economics as well.  
3 You can -- I'm not going to go into the logbook, but we get, in  
4 the commercial fishery, because the product is the fish itself,  
5 and it's sold to dealers, and we basically get trip tickets,  
6 and, on the trip tickets, we have the value of the fish, which  
7 is very important to us, but, in 2002, and 2005 in the Gulf,  
8 basically an economic section was added to the logbook, at the  
9 bottom.

10  
11 Only a sample of permitted vessels had to do it, about 20  
12 percent each year, and it asked for variable costs, and very  
13 detailed variable costs, and you will see that part of it is we  
14 ask trip revenue again, because it's that important to get  
15 prices. You know, it's not easy to link logbook data to dealer-  
16 reported data. Any time we get data from two databases, it's  
17 usually a mess, when you try to bring them together.

18  
19 We also had a supplemental annual cost survey, and so the same  
20 sample of vessels, but after the year is over, get sent sort of  
21 an annual summary questionnaire, and it's focused on fixed  
22 costs, but, because economics has to be sort of holistic, or  
23 all-encompassing, at the vessel level, and so, if vessels do  
24 other fisheries that are not in the logbook, or if they do  
25 chartering or stuff like that, and, you know, they're reporting  
26 the fuel used for that, then, obviously, we need to know what  
27 their revenue is as well, because, if you want to get towards  
28 productivity, or performance, or profit, you need to, you know,  
29 measure apples-to-apples on the cost and benefit side.

30  
31 Again, on this logbook, we, again, have the revenue up here,  
32 because it is the most important datapoint for an economist, and  
33 so I want to -- Later in the presentation, I will often be  
34 talking about sort of having resolution, or being able to drill  
35 down onto specific segments of the fishery, or parts of the  
36 fishery, that usually the managers ask about, because these data  
37 collections are sort of systematic for all the coastal logbook  
38 fisheries.

39  
40 You can see that, you know, the overall logbook, and I think  
41 this was 2006, had almost 37,000 trips, on 1,770 vessels, and  
42 then we have an econ sample for some of the vessels and some of  
43 the trips, but nobody wants the result for this overall logbook,  
44 and that's the South Atlantic, and it's North Carolina through  
45 Texas, and so people always want some subset of that, and so we  
46 need to post-stratify the data, and we call these things  
47 segments of interest, or SOI, and so, for instance, you could  
48 pull out the red snapper trips.

1  
2 It's going to be a subsegment, and then you do the statistics on  
3 that subset, and you can -- Because it's linked to the logbook,  
4 anything that is variable, that's on the logbook, you can use to  
5 pull out and generate subsets. You know, if you want lionfish,  
6 and I just did it as a joke, and I can generate the results for  
7 lionfish, and there is, you know, near endless possibilities.  
8 If you want the west coast of Florida, red grouper, and so on,  
9 and so that's this very beautiful feature of having the econ  
10 linked to the logbook. The logbook is a census, and we have a  
11 sample, but, if it's systematic, you can sort of extrapolate any  
12 part of that census data as well.

13  
14 I should be going faster, probably, and so we have it  
15 standardized. Because it's a standardized data collection, we  
16 have a standardized economic report, and it's six pages of  
17 different results.

18  
19 Page 1 basically is just the logbook data summarized at the trip  
20 level, and, you know, it's an overview, and that's not economic  
21 data, and page 2 is basically the sample data related to that  
22 segment, and, in this reef fish segment, in 2016 I think, you  
23 had 5,800 trips, but we had econ data for 1,448, and that's what  
24 we based the results on.

25  
26 Because it's a sample, the results are not facts, like the  
27 logbook would be, and they are -- You know, you get confidence  
28 intervals, because they're statistical estimates, and we can use  
29 these variable costs, and the fee, to estimate the economics on  
30 these trips.

31  
32 The results that we provide are usually sort of -- The idea  
33 behind it is to say it's a financial statement for the fishery,  
34 and so we try to put it together in sort of net revenue, net  
35 cash flow, and do a balance sheet, you know, sort of like a  
36 public company has a financial statement, and we try to do a  
37 very simplified form for the fishery, and not for individual  
38 vessels, but just for the fishery as a whole, to see what the  
39 economic status of the fishery is, and trip net revenues or  
40 input prices.

41  
42 Because it's ongoing all the time, the nice thing is we have  
43 time series data, and so every year we have another sample, and  
44 every year we get the same data, and so the management process  
45 often wants five-year averages from us, because any one year can  
46 be an outlier, and so that's the very nice thing about having a  
47 time series for data collection.

48

1 Pages 3 and 4 of the standard results are basically the same  
2 thing again, but just this time the perspective is the annual  
3 vessel level, and so we sum up to the vessel level and use that  
4 mail survey that we send out on the annual costs, and so that  
5 generates -- Again, if you go down to the vessel level,  
6 obviously, there's going to be less vessels.

7  
8 These 525 vessels, there will be less observations, and so, if  
9 you have 525 vessels that fish for reef fish in 2016, and we  
10 have an economic survey from 110 of those, and that generates  
11 our results, and, again, here you have fixed costs, and so this  
12 is very much -- This annual-level perspective is very much  
13 comparable to a financial statement for the fishery, and, on  
14 average, how is the fishery doing.

15  
16 This is the same thing again, and, because this is a reef fish  
17 fishery, which is in an IFQ, and the net revenues are very high  
18 for any fishery, for any business actually, and, again, we have  
19 time series data, and we put out these annual economic reports  
20 on these fisheries, on these commercial fisheries, that vary,  
21 and so, basically, we take the logbook data, and we segment it  
22 by snapper grouper on the South Atlantic, and reef fish in the  
23 Gulf, and mackerels as a separate report, and then, in each  
24 report, we have segments, and there is the overall segment, and  
25 those are the results that we were just showing, but then also  
26 the results for red snapper trips, which we define as one pound  
27 of red snapper. For gag trips, and, you know, when we have  
28 sample size for all these subsegments, that might be of  
29 interest.

30  
31 A different data collection we have, a regular data collection,  
32 is for the Gulf of Mexico shrimp fishery. The shrimp fishery  
33 never has had a logbook, and the data collection, I would say,  
34 is a bit of a mess, and it's evolving, but so, since there is no  
35 logbook, there is nothing to add on economics, and so we had a  
36 self-standing annual economic survey, and it's two pages, and  
37 it's a sample for each year, and it's very much like the coastal  
38 annual survey that we mail out, and it just has to stand on its  
39 own, and we ask variable costs as well, and it gives you good  
40 data for the fishery as a whole, the financial statement, but we  
41 can't really drill down into annual cost data, not at the  
42 species level, not at the trip level, or anything of that  
43 nature.

44  
45 That brings me to the second part of my presentation, which is  
46 sort of the economic surveys and data collection we've had done  
47 in the Southeast for-hire fisheries. Again, there has never  
48 been anything systematic, and, you know, because it is a

1 commercial sector, we did try to collect revenues, and costs, to  
2 estimate profits, and those producer surpluses, and the various  
3 measures, and numbers, that the management process needs.

4  
5 Assane went into this, and for-hire operators are producers.  
6 They produce fishing experiences for their clients, and they  
7 sell them, and it is the profit, probably, that motivates them  
8 and keeps them in business, and so here's an overview of this  
9 part of the presentation. You know, really, the recreational  
10 fisheries, or definitely the for-hire recreational fisheries,  
11 should be called data-poor fisheries, just because there's never  
12 been really a trip count, and there's not been a -- You can't  
13 really have a count of active vessels, and they've done very  
14 little on catch, and so, I mean, that's, I guess, why people  
15 also want a logbook, because it's not been good.

16  
17 In the absence of all that, one had to -- You know, MRIP covers  
18 anglers, which are also on the for-hire trips, and so, you know,  
19 MRIP is the only source that's been systematically collecting  
20 anything about the for-hire sector, that I know of, and, that  
21 said, there is basically -- You know, it ignores the producers,  
22 because it focuses on the anglers, and MRIP has these two  
23 separate data collection for effort and catch, that then get to  
24 very small sample sizes, and they get extrapolated and joined  
25 together to estimate sort of the things that we want to know.

26  
27 Because, within MRIP, there is the mode of charter, or for-hire,  
28 and because it's a rare occurrence, it's very difficult to use  
29 these estimates, and so there's been all kinds of other economic  
30 ones, and you see some below here, and I will talk about those,  
31 but, again, they've all been ad hoc, one-off, and we usually  
32 have to start by trying to get some funding, and then we have to  
33 collect data, which is always a long process, and so the data  
34 that we generate from these surveys are always pretty much out-  
35 of-date by the time it's ready for any process, and the methods  
36 we use are actually complex.

37  
38 What you saw in the commercial sector is not really very complex  
39 methods. It's careful data collection, but then it's just  
40 adding things up and extrapolating it, and it's pretty  
41 straightforward. You know, if you don't have data, and no one  
42 collects it, then you have to use more complicated methods that  
43 are indirect, but hopefully get to a similar thing.

44  
45 The first thing that I will mention, as add-ons, is that MRIP  
46 used to be called MRFSS, and these add-ons, or follow-ups, to  
47 the mail or phone surveys occasionally, and there's one that is  
48 the trip-level expenditure surveys, and they have been done

1 fairly regularly. There is others, like the valuation studies,  
2 and the durable goods expenditures, that are not relevant for  
3 this right now, but the trip-level expenditure -- If you see,  
4 this is added to an angler interview, that the interviewer asks  
5 them what expenses they had, and, down here, it says "party,  
6 charter, or dive boat fees", and the other things around it are  
7 also related, like fish cleaning fee and processing and freezing  
8 and tournament fees.

9  
10 This is the data, but, again, it's not -- I don't know exactly,  
11 but every twentieth fisherman that they interview might be a  
12 for-hire fishermen, and I don't have that percentage exactly,  
13 but it's rare, and then, you know, any people actually paying  
14 these, or putting in these numbers, is low, and it's hard to  
15 extrapolate for that. I long ago stopped trying to do it, to  
16 say a state-level and a year, and it's just too far away, the  
17 data.

18  
19 MRIP, obviously, knows that this is a problem, and they have  
20 created the for-hire telephone survey, which is basically a  
21 weekly telephone survey of charter captains, where they try to  
22 collect the effort data in more detail. It's MRIP, and it gets  
23 all for-hire, including inshore and guideboats, all saltwater  
24 fishing, and it is, I believe, not done in Texas, and it's  
25 basically a logbook without the catch data, and it's about a 5  
26 percent sample. That itself is, of course, not economic, and  
27 it's also a small sample, but it's the best count of trips that  
28 you probably currently would have.

29  
30 In 2002 and 2003, a cost and earnings add-on was added to this  
31 telephone survey, and so a couple more questions were asked for  
32 every trip that was taken, and this is basically probably the  
33 best data that's ever been collected, until the logbooks, and it  
34 was conducted by Rita Curtis, now retired, at Headquarters, and,  
35 obviously, the sample was exactly the same as the for-hire  
36 telephone survey, 5 percent, and it was done over a whole year,  
37 and it collected fee data, and variable cost data, and we  
38 published a few things on that data, because it was good data,  
39 and, when I say "we", I mean David Carter and I published a  
40 bunch of things.

41  
42 One of the papers is called "Collecting Economic Data from the  
43 For-Hire Fishing Sectors: Lessons from a Cost and Earnings  
44 Survey of the Southeast U.S. Charter Boat Industry", and so  
45 we've been thinking about this for a while.

46  
47 Just to show, quickly, the results in publications, and the  
48 sample size is much bigger, and it's 1,200, and that's nice, and

1 confidence intervals are tighter, and we got all the variable  
2 cost stuff that we needed. There was actually a mail survey, at  
3 the end of the year, that went to people, and that required a  
4 smaller sample size, but it added the fixed cost dimension, and  
5 vessel prices, and stuff like that, but it required more work,  
6 and more assumptions, to get it done right.

7  
8 That paper actually ended with sort of a conclusion and data  
9 collection recommendations, and I will read the first one, and  
10 it said that fee information is vital data that should be  
11 collected regularly in a standardized and statistically-valid  
12 way, on a per-trip basis, and so that's still the same, and I  
13 still stand by that statement, and, actually, ever since that  
14 paper, David and I have been trying to convince MRIP, at  
15 Headquarters, to add the fee to that, or sample add it to that  
16 telephone survey, or occasionally add it, for a year or so, so  
17 we would get updated fee data, but, sadly, they gave us -- They  
18 always said it's a good idea, but then they found reasons to  
19 delay and give us the run-around, and, you know, those surveys  
20 are done by the Gulf States Marine Fisheries Commission, and the  
21 states are involved, sometimes, or contractors, and there was  
22 never the right time.

23  
24 When the for-hire logbook was on the horizon, we basically gave  
25 up that effort, and we had to call that a failure, and we  
26 focused on getting the fee included on the for-hire logbook.

27  
28 The next survey after that survey, that was in economic in  
29 nature, we conducted in 2009, and that's the year the data was  
30 collected, and there had been these sort of very comprehensive  
31 in-person surveys, done in the late 1980s and the late 1990s,  
32 and so we called it the third decennial survey. We raised quite  
33 a lot of funds and then contracted, in the Gulf, with Rex Caffey  
34 at LSU. On the South Atlantic, it was Steve Holland, I think,  
35 and the results that get cited, still today in some of the  
36 amendments, is Savolainen et al. 2012.

37  
38 The survey extended well beyond economics, including sort of,  
39 you know, demographics, hurricane impacts, policy questions,  
40 attitudes to management, and those sort of things, but there  
41 were also -- Or there was also lots of economics in it, and, you  
42 know, but, because it was a vessel-level survey, you get much  
43 smaller sample sizes, again, than if you do it at the trip  
44 level, and so, you know, if you break out guideboats, charter  
45 boats, headboats, we were left with about 129 observations on  
46 charter boats in the Gulf of Mexico.

47  
48 We asked sort of about their, I think, typical trip, and we

1 asked for the full-day trip and the half-day trip, and you see  
2 the observations go down to like eighty-five, and I'm just  
3 trying to give you an impression, and if you -- When you have  
4 those type of sample sizes, it's hard to drill down on anything,  
5 and so, if you start breaking this out by state, as I did up  
6 here, you can see that the sample sizes are getting small. I  
7 mean, I don't like sample sizes where individual observations  
8 will have a big impact on the overall averages.

9  
10 Those numbers, from that report, still get cited occasionally,  
11 and, in the absence of convincing MRIP to collect data, fee  
12 data, for us, David Carter got sort of creative, and he -- I  
13 guess the internet came along, and people started having  
14 websites, and so he built a system where he basically searched  
15 for websites and then scraped them for data, using actually  
16 Amazon Turk, which is sort of this gig employment thing, which  
17 is very easy, where people, you know, work for peanuts to give  
18 you some data, to, you know, do something for you, and, in this  
19 case, it was extract data from very diverse type of websites, to  
20 get at the trip fee and some of the trip characteristics that  
21 were on these websites.

22  
23 Just to give you one problem with the -- That's a central  
24 problem with these data collections, it's the sample sort of --  
25 It's not a true random sample, obviously. If, you know, we  
26 started with about 1,200 permitted vessels, and he found 558  
27 websites, and about 386 of those had prices, and, to standardize  
28 a little bit, only 264 had sort of for the typical six-pack trip  
29 prices, which we could compare, and so, on the other hand, some  
30 of those websites had multiple trips defined on their websites,  
31 like half-day and full-day, further out and near shore, and so  
32 on, and so we had multiple observations, and so we have these  
33 website prices.

34  
35 David used it to generate some regressions, to understand the  
36 price a little bit, and how it fluctuates, but, you know, one  
37 problem is always that it's a manufacturer's suggested retail  
38 price, and it's not a market price, per se, and you have -- We  
39 don't have it linked to logbook data, and it's the -- Sorry. So  
40 you don't have the number of anglers on that trip, a date, a  
41 month, any of that. It's not there, and so it's not a random  
42 sample, and, you know, you can see that the frequency of  
43 advertised trips stands in no relationship to the actual number  
44 of trips taken, and so maybe every website has a full-day and  
45 half-day, but half-day trips only represent say 10 percent of  
46 the vessel, and you don't know that from -- Of all trips taken,  
47 and so you wouldn't know that from the website, and, if you  
48 started taking means, it would not be very meaningful.

1  
2 These data, these website data collections, we did feel they  
3 were more useful in the headboat sector, and, for instance, in  
4 2012, there were seventy-five headboats in the Beaufort Headboat  
5 Survey. Sixty-two of those had websites, and fifty had price  
6 information, and so now we're at 66 percent of the population,  
7 and so you hope that is more representative than it was on the  
8 charter side, and I think I will get to that. Yes, and so  
9 that's the data collection of getting fee -- Of website data  
10 collections that we did.

11  
12 In 2014, the stars aligned, and that was Dave Gloeckner, and I  
13 think Steve Turner and Ken Brennan and Juan Agar, and they  
14 basically -- Suddenly, they were open to, as they were taking  
15 the headboat survey to a logbook app, they were open to adding  
16 some economic-inspired questions, and so we asked them to  
17 collect the number of crew, the number of non-fishing  
18 passengers, gallons of fuel used, and price paid per gallon of  
19 fuel, and that was asked on every trip, and it's linked to all  
20 the logbook data, the catch data, and other things that they  
21 usually collect in that survey.

22  
23 You know, once again, I just want to point out that, when you do  
24 it on a logbook, your sample sizes, even though it's only  
25 seventy-five vessels, and probably some are inactive, you get  
26 8,800 trips, and I don't know what year this was, but you start  
27 getting a large number of observations, and you get much more  
28 exact and good, usable data, and you can drill down, as he did  
29 here, on the trip length.

30  
31 That said, we did not collect -- Well, they did not want us to  
32 collect fee on that trip, and so we didn't collect it. We used  
33 those website prices instead. You know, in the headboat, the  
34 product is a very standardized product, that is sort of  
35 advertised and runs on schedule, and the prices are pretty fixed  
36 for long periods of time, and so we feel that, in that sector,  
37 it sort of works with the website, and it's the only option  
38 we've got.

39  
40 That said, our analysis with these two datasets have been  
41 limited. I think it has flowed into the management process  
42 occasionally, but it's not as nice as when you collect things  
43 together on one data collection, and I will just note here that  
44 charter trips are not nearly as standardized, and the charter  
45 fees vary much more than on the headboat fees.

46  
47 That brings me to our most recent economic data collection,  
48 which we conducted in 2017, and it was -- I called it a

1 voluntary pilot study, at the time, because I wanted to see what  
2 would happen if I did a mail survey, sort of implementing it  
3 ourselves, without local contractors, student and local  
4 contractors, but not out, you know, bidding out to another  
5 contractor.

6  
7 We conducted it sort of by wave, over a year, to get a whole  
8 year, and we had to sample almost half the eligible populations,  
9 which would have been the people with charter, federal charter,  
10 permits in the South Atlantic and the Gulf, and we got a  
11 surprisingly good response rate of about 45 percent.

12  
13 The first page asks sort of eligibility and characterized the  
14 business, and then the second page just asks them about one last  
15 trip, and so the -- Because what I want to emphasize here is the  
16 economics, which is the bottom part of this survey here, and  
17 it's the economics of one trip, the last trip they took, and  
18 those data are not useful, or not as useful, if they're not in  
19 the context of all the rest of the fisheries data, and so, on  
20 page 1, we ask was the trip in the last twelve months, is it an  
21 offshore trip, is it in the Southeast, and then, up here, we ask  
22 about the month, the trip length, the number of passengers, if  
23 it entered the EEZ, and the number of crew, and so exactly the  
24 type of logbook -- Or questions that are collected of a logbook.  
25 In order to make our econ data useful, we have to sort of have  
26 an artificial logbook here for one trip, the last trip.

27  
28 Again, because we send this to vessels, we get small sample  
29 sizes. You know, some vessels are inactive in the permits, and  
30 some don't take offshore trips, and we are left with 138  
31 observations. I think, on this survey, I asked about tips,  
32 because that's often ignored, and it is a good percentage of the  
33 trip, and we look for transaction fees, and I was testing how  
34 bad the website prices might differ from the actual fees, and,  
35 again, we did -- We had some variable costs, at the trip level,  
36 where we can calculate trip net revenue, and that's what we used  
37 to calculate producer surplus, and, again, here, I just wanted  
38 to say that, if we try to drill down, you start losing -- You  
39 know, the sample size starts getting small.

40  
41 Those last three studies that I talked about, the 2002, and so  
42 the for-hire telephone survey add-on, the decennial survey,  
43 which was a big survey, and then my mail survey are sort of the  
44 data that have been feeding the producer surplus numbers in the  
45 management for the last few decades, I guess, and these are the  
46 numbers that you calculate per angler, cash flow per angler, and  
47 it was \$166 from that first Rita Curtis survey. Then, in 2009,  
48 we calculated, on a small sample, \$159, in 2017 numbers, and we

1 thought, okay, that's good, and, from my mail survey, it was  
2 \$225, and so those are the type of numbers we give to the  
3 managers, among many others.

4  
5 Those are the actual data collections that have been done in the  
6 Southeast, and I thought that I would also give you sort of a  
7 taste of what could be done if we had logbook data, because, in  
8 fact, we do have some logbook data from the 2022 SEFHIER sort of  
9 experiment, and so I start with some disclaimers.

10  
11 You know, the whole for-hire stuff is my side gig, and so I  
12 don't have the time to really do this analysis right, and I just  
13 explored exploratory analysis and results, just to see what type  
14 of results we could -- That we might produce, and to sort of  
15 illustrate for you what is possible with logbook data in the  
16 for-hire sector.

17  
18 I got these other bullets from Michelle, who runs that program,  
19 and, you know, all the numbers are raw data, and it's not  
20 accounting for missing and unreported trips, and there were  
21 some, and not huge, but not totally negligible, amount of  
22 misreporting. It's not been calibrated, or validated, against  
23 MRIP. There is many issues there, and, you know, it's only the  
24 federal data, and so, again, please don't focus on the numbers  
25 exactly, but just sort of what can be done.

26  
27 This would be trip averages, and I actually started with 48,000  
28 trips, roughly, but then there's things with missing values, and  
29 so on, and, again, I did fast cleaning, and I kicked everything  
30 out, and I'm not reporting the trip length, because that's going  
31 to take way more cleaning. It has a start and stop date, and  
32 it's in military time, but, of course, people seem to get that  
33 wrong all the time, and so they give you sort of -- You know,  
34 you can't write a program to figure out the trip length, and  
35 it's going to be wrong for like 10,000 trips.

36  
37 The charter fee also has a lot of per-person fees in there, and,  
38 you know, a day-long trip, for \$100 or \$200, is unlikely, but,  
39 if you multiply it by the anglers, it starts making sense, and I  
40 did not clean those, and so these numbers are wrong, and they're  
41 smaller, but my point here was just, if you have a logbook, you  
42 can calculate the fee, and it will have a very tight confidence  
43 interval.

44  
45 We had the crew, fuel gallons, on average, fuel price, and so,  
46 with that, obviously, we can calculate the cost. We can use the  
47 crew numbers, and we needed to bring a wage in from somewhere  
48 else. For this illustrated example, I just used \$200 per day,

1 and then you can calculate sort of what the opportunity cost of  
2 labor is on this fish, or on this trip, this fishing trip, and  
3 you can calculate the cash flow, and then, per angler, figure  
4 out what it is, the cash flow per angler, and, again, it looks -  
5 - This is similar to what we had before.

6  
7 If you have 44,000 observations, you can break it out by trip,  
8 by state, and in so many other ways, and I just wanted to  
9 illustrate that here. For instance, the logbook has the target  
10 species, and so we can look at the trips that were actually  
11 targeting red snapper, or those that were not targeting red  
12 snapper, other snappers, and we can compare them. You see the  
13 charter fee is \$500 more, and, again, it's not the exact numbers  
14 that I want you to focus on, but just the fact that this is what  
15 you could do if you had good -- If you had fee data, and/or cost  
16 data, linked to the logbook.

17  
18 You can see that the cost for red snapper trips are also higher.  
19 By comparison, like mackerel trips are of a different nature.  
20 They're smaller, and then tuna and billfish trips are much more  
21 expensive, and they also generate quite a bit more cash flow per  
22 angler, and so, again, just an example of what you can possibly  
23 drill down into the data, and you could do this for -- You know,  
24 Florida has so much, and you could do it off of Monroe County,  
25 and the managers often do ask for, you know, things that are not  
26 the whole Gulf as a whole, but for things happening in only  
27 parts, or during certain times, seasons, trip limits, and that  
28 sort of stuff.

29  
30 This is another example of results, and, in this case, I'm  
31 aggregating to the vessel level, and so, in those 44,000  
32 vessels, there were -- Sorry. In the 44,000 trips, there were  
33 767 unique vessels, and, you know, you can figure things like  
34 out, like the average vessel took fifty-eight trips, and they  
35 used 4,500 gallons of fuel, and they generated a revenue of  
36 about \$82,000, and you could do the net cash flow, too.

37  
38 Again, that would be -- You know, these numbers are wrong, not  
39 clean, not ready, but this is the type of stuff you could do  
40 much more carefully, and well, with this type of data, and, you  
41 know, it doesn't reveal anything about individuals. It only  
42 tells you about the fishery as a whole, the for-hire sector, and  
43 so, if you, for instance, take the revenue fees, and you run a  
44 histogram, you see that, you know, almost a hundred vessels make  
45 less than a thousand dollars per year, and so they're probably  
46 taking one or two trips, or something like that.

47  
48 At the other end, there is, you know, five or six vessels that

1 actually make more than half-a-million, and quite a few who are  
2 between \$200,000 and \$500,000, and everything in between, and so  
3 there is always a lot of variation. With a larger sample size,  
4 you can possibly look at those and answer more interesting  
5 research questions about this fishery.

6  
7 Assane briefly mentioned, the valuation studies, the willingness  
8 to pay for a fish, and this is not the primary reason, but I was  
9 going to say this logbook has the potential to also provide us  
10 with -- It could be used to come up with willingness to pay for  
11 species caught, by species maybe, or by just -- It hasn't been  
12 done, and I didn't do it, but the idea is that, instead of doing  
13 these stated preference choice experiments, which is a fancy way  
14 of asking -- This one is private boat anglers, and this is  
15 asking anglers sort of like hypothetical questions, and how they  
16 would answer, and then sort of calculating how much value they  
17 placed on bag limits, or catch, and those sort of things.

18  
19 You can actually use methods called hedonic valuation, where you  
20 would use the information, the variation in charter fee, across  
21 all those charter trips, and what, you know, characteristics you  
22 could basically figure out what the anglers are actually -- How  
23 much they're valuing catch, or keep, or discarding, and those  
24 sort of things. It should be possible. David and I wrote a  
25 paper on this valuation, using that MRIP telephone for-hire  
26 data, which was about a thousand observations. We had to get  
27 the catch rate from MRIP to add it in there, but, you know, the  
28 current for-hire data is better than that.

29  
30 Then I will just say that there are -- You know, the fee, the  
31 price of a good, is basically the first thing an economist wants  
32 to know, and so there are many, many more sort of data methods  
33 that can be applied, and questions answered, and I think what  
34 I've shown you is mostly descriptive results, and there is lot  
35 more in economics, and, you know, there could be supply-and-  
36 demand estimation, in-plan regional impact modeling, and social  
37 studies would look at both income distributions and then start  
38 talking about poverty, and stuff like that, and so it opens a  
39 lot of possibilities, and, if you add a few cost data, that  
40 opens even more.

41  
42 That brings me to the conclusion, and so I hope we convinced you  
43 that sort of the for-hire sector is a commercial sector. The  
44 operator is in it, and it's a business, and they are trying to  
45 make money, by selling these trips, experiences, to anglers,  
46 but, other than that, it's pretty similar to what the commercial  
47 sector does, and so, in that sense, we feel that the data  
48 collection should sort of be on par with what you have in the

1 commercial sector.

2  
3 You know, just as an example, in the Gulf of Mexico, shrimp is a  
4 \$400 million revenue fishery, and we have no logbook, and so we  
5 only have annual surveys, but a systemic annual survey every  
6 year. Red snapper may be a \$30 billion-plus fishery, and we  
7 have those trip-level, and annual-level, very nice data  
8 collections, and the same for groupers and king mackerel.

9  
10 To give you an example where we do have ad hoc data collections,  
11 that we do every few years, the USVI fishery is maybe worth \$5  
12 to \$7 million, and it's hard to know exactly what, and we survey  
13 that every five to seven year, and we try to get some costs and  
14 econ data on it.

15  
16 The South Atlantic golden crab fishery is a fishery that is sort  
17 of half-a-million dollars, and, again, we survey them when funds  
18 permit, and, you know, every seven to ten years, and, you know,  
19 if you compare these commercial fisheries to the Gulf of Mexico  
20 for-hire sector, you know, the first thing is no one can tell  
21 you an exact revenue number, or even a good estimate of it,  
22 because it's not really been collected, and it's been done very  
23 ad hoc, but, based on that SEFHIER logbook data, I could say,  
24 for 2002, just counting the fees, and, again, there were many  
25 problems, but, counting all the fees that were actually there,  
26 that already added up to \$62.5 million revenue in 2022, and so,  
27 you know, it's a lower bound for what the for-hire sector might  
28 be making, and it was done -- You know, you can do that with a  
29 trip logbook.

30  
31 I think we're getting towards the end. In terms of the for-hire  
32 sector, if I were to, you know, propose options, one would be to  
33 collect data on every logbook, like we did in 2022. You could  
34 also collect the fee only on a random sample of logbooks, say 20  
35 percent, which is what we're doing in the commercial sector, or  
36 you could just run an annual economic survey, to get sort of  
37 economics at the vessel level, and that's what we're doing in  
38 shrimp, or you could continue to run these ad hoc voluntary  
39 surveys when funds are available.

40  
41 Here, I want to lay out -- You know, I tried to lay out exactly  
42 what the benefits and downsides are, and so, in terms of sample  
43 size, obviously, if you have the fee on every logbook, you get a  
44 census, and it's a huge sample, but, if you do a sample of 20  
45 percent, it's still going to be 8,000 trips a year, and so it's  
46 still going to be -- We can do pretty much everything we can do.  
47 The only difference is the results will be sort of statistical  
48 estimates with a confidence interval. If you had a survey, a

1 census, they would be more or less facts.

2  
3 With an annual economic survey, you would still get a sample  
4 size, but now it's at the vessel level, and so it might be like  
5 a hundred, or 200, data points a year, and your confidence  
6 intervals will obviously get bigger, and then these ad hoc  
7 surveys, as you saw, always generate very few small ample sizes,  
8 and, on the flip side, the confidence intervals are large, or we  
9 just don't report them, don't point it out.

10  
11 The other thing is annual updates, and so, if you have a  
12 systematic data collection, it is very valuable, because, to be  
13 honest, my preference is not even to interpret the levels that  
14 you measure with these, but, you know, if -- I put out the  
15 number of \$62 million earlier, and so, \$62 million, and there's  
16 probably things not being reported, not being counted, and there  
17 might be errors, but if, next year, we calculate \$72 million,  
18 from the same data collection, then I feel very confident that  
19 the fishery increased by \$10 million, because all those errors  
20 are probably still there, and so the change is better, and so  
21 that's why I have the time series data, and the systematic time  
22 series data, is so valuable, but you would get that with all  
23 these top three surveys.

24  
25 Now, if you go to the annual survey, you can't break that down.  
26 You know, you can't drill down. The resolution is limited. If  
27 you have a logbook, you can, you know, drill down into fine  
28 segments of the fishery, based on species resolution, temporal  
29 resolution, spatial resolution, and so it really gives you a lot  
30 of flexibility, and, again, if you collect it all the time, the  
31 managers usually tell you -- They don't tell you years in  
32 advance what they will need, and so the fact that you have it  
33 there, and you can go -- You don't have to do a data collection,  
34 but you can then say, okay, let's look for the Louisiana trips  
35 that target triggerfish, because that's what the management  
36 process wants information about, you know, and the economics of  
37 that, and then we can go in and pull it out and have the data,  
38 and so that's the big advantage of a logbook, and so, in terms  
39 of data quality, I would judge it best, good, worst, and not  
40 good.

41  
42 Looking at the costs of it, on this bottom table, I mean, there  
43 is the respondent burden, and we have to justify that to OMB in  
44 the Paperwork Reduction Act, but the fee on every logbook  
45 probably takes a captain a few extra seconds to actually put it  
46 down, and the fee on a random sample would be, you know, 20  
47 percent of a few seconds.

48

1 An annual economic survey might take an hour per year, and these  
2 ad hoc voluntary -- It's hard to say what they might take, but I  
3 don't think that most resistance to the few questions actually  
4 comes from the burden in terms of time spent, but it's this sort  
5 of general fear that I've always heard of like -- I called it  
6 responder risk, that we might use these data, or provide these  
7 data, to the IRS, or some other government agency, and that they  
8 would get misused, and it's partially in jest here, and I said  
9 the chance of that, for all of these data collections, is 0.0  
10 percent, and it's based on my experience of having done this in  
11 the commercial fisheries, and I don't recall a single case where  
12 anyone ever used this data outside of us, and we had to give it  
13 to someone, and so it's, I think, a very hypothetical problem  
14 that is not really happening.

15  
16 I would add that probably, if a judge subpoenas these data, they  
17 would probably be reducible, and I don't know if they would  
18 still be considered confidential, and we treat them as  
19 confidential, but so I personally don't see a risk there, based  
20 on experience, and I would, you know, say the for-hire sector,  
21 the people who are against it, on this principle, might want to  
22 talk to basically both the shrimpers or the reef fish commercial  
23 fishermen and see how they deal with it, because, again, I don't  
24 think it's ever been a problem.

25  
26 There is something that I have always feared, and I don't think  
27 it has ever happened, and it's more sort of like divorce cases,  
28 where one spouse, you know, wants to know about the income of  
29 the other, or something like that, and that's why we never, ever  
30 hand these data back, and so, even when people call us and say,  
31 oh, we would like our data back, and I never give it back,  
32 because I can't be sure that it would go into the exact right  
33 hands, because I can't identify people that closely.

34  
35 Finally, there is, and I think this is very important, the cost  
36 to NMFS of doing these data collections. If we're going to have  
37 a logbook, a lot of money will be spent to generate that, and  
38 staff hired and so on, and adding one economic question is going  
39 to add minimal additional costs, and that would be the same for  
40 a random sample of logbooks. It would be minimal additional,  
41 plus a little bit, because now you would have to sort of  
42 coordinate a sample into the process, but, other than that, it's  
43 still very little, you know, and it would give you a lot of  
44 data.

45  
46 An annual economic survey, I guesstimate that the running costs  
47 would be about \$50,000 a year, and that's what -- We have run  
48 two of these, and I had a staffer do them, but, you know, in the

1 first years, this type of data collection, if you would build a  
2 self-standing data collection, would actually be much higher,  
3 because you would have to build your own database, your own data  
4 entry tools, and you would basically be building an entirely  
5 self-standing data collection, and that takes a lot of -- At  
6 most, it probably takes some money for contract programmers, and  
7 it takes a lot of staff time, my time and others, to put that  
8 all together and then run it in parallel to a logbook.

9  
10 Finally, these ad hoc voluntary surveys, you know, they have  
11 cost us \$100,000, or \$200,000, and we would have to try to get  
12 these funds first, and then hand them to contractors to do the  
13 data collections, and then do the analysis later, and so they  
14 are not cheap to do, and, again, because you always start again  
15 from scratch, you're doing -- You know, a lot of the money gets  
16 used up in overhead time, and lots of time flows into it.

17  
18 You know, I did the math on that last survey that I did, the  
19 mail survey, on the contract process, and I basically calculated  
20 that, for each survey response, and remember that was like one  
21 logbook with econ data, and we spent about \$240 to \$350, and so  
22 it's very expensive to do these ad hoc surveys, compared to  
23 putting, you know, something on the logbook which is already  
24 there.

25  
26 With that, I conclude the survey, and I hope that I have  
27 convinced you that the for-hire sector are producers and that,  
28 you know, the fee is the bread-and-butter of economics, that we  
29 definitely need, and that the logbook is the best place to  
30 collect the data for the charter fee, and I would add there,  
31 which I might have not mentioned, that the closest thing to an  
32 actual transaction, a market transaction, documented, is the  
33 logbook, and so the logbook documents a transaction that  
34 recently happened, and so collecting the charter fee integrated  
35 into that information about the transaction makes that trip fee  
36 so much more valuable, and so it's this idea of integrated with  
37 the logbook that makes it more valuable.

38  
39 Then, fourth, you know, a good statistical sample would be  
40 perfectly fine, and it would be better than anything we've ever  
41 had before, and we would be very happy, and it would reduce the  
42 burden on the fishermen, on the operators. It might have other  
43 benefits, if we can get a random sample on a trip-level, which  
44 we are not able to do in the commercial sector, because it's a  
45 paper logbook, and we have to sample people before the year, and  
46 so we have to basically sample vessels, but, if this is an app,  
47 with digital computers, we should be able to actually do a  
48 random sample of the trip.

1  
2 The app would have to have some sort of like random number  
3 generator, and then it would throw up the econ fee question like  
4 every fifth time, or something like that, and that would be  
5 perfect, because the data would be collected as a real random  
6 sample, and, at the same time, because we would only be getting,  
7 you know, on average, 20 percent of every vessel's revenue data,  
8 no one would be worried that we now have the annual revenue,  
9 exactly, and we can estimate what the annual revenue is overall,  
10 which is what we want, but we don't, you know, know anyone's  
11 individual annual revenue, and so, finally, if you're going to  
12 put an economic section on that report, it would be great to add  
13 fuel gallons, fuel price, as, you know, proxies for input prices  
14 and quantities, because, again, it adds a lot, and it's still  
15 sort of very minimal, and it's the minimum cost data that we can  
16 correct. Sorry that that was very long. Thank you.

17  
18 **CHAIRMAN WALKER:** Thank you, Doctor. Are there questions?  
19 First off, you seem to be very good at what you do. You're very  
20 thorough, and, to me, it kind of brought up the disconnect  
21 between the economists and the charter boat captains, and so  
22 what the charter boat guys are looking for is a short, straight-  
23 lined catch and effort, primarily, reporting system.

24  
25 Speaking as a charter boat captain myself, you know, the  
26 economic part of it seems like tons of data gives you better  
27 economics, but it's also counter to what I see as the goals of a  
28 new SEFHIER program, is to not have tons of data. There's a lot  
29 of boxes, and you showed the commercial trip tickets and stuff,  
30 and there's just boxes and boxes and boxes, and you demonstrated  
31 how that provides really robust, great data, but it also, to me,  
32 exemplifies where we're at here, and trying to get a minimalist  
33 --

34  
35 You know, a minimally-burdensome program started, potentially to  
36 get you some worthwhile economic data, but at the least cost for  
37 the time of the boat captain, and that's my particular view, and  
38 I would like to hear from some of the other state  
39 representatives on the committee here on what they think, you  
40 know, their thoughts on the issue are, because I have my own  
41 opinion, but I know there are different opinions on this, and so  
42 does anybody else want to comment here, while we still have Dr.  
43 Liese on the line? Dr. Frazer.

44  
45 **DR. FRAZER:** I have some general questions, and can I ask those  
46 first? They're not exactly -- I will let people have, I guess,  
47 comments specific to yours, and maybe I should let them go  
48 first, Ed.

1  
2 **CHAIRMAN WALKER:** Is there comments more specific to mine from  
3 anybody else? Chris.

4  
5 **MR. SCHIEBLE:** Looking at the big picture on this, each state,  
6 and its charter industry, is not exactly the same, and to pile  
7 them all into the same collective group is a little bit  
8 different, and so, for example, some states -- Their business  
9 models are different, depending on the type of fishery you have,  
10 and so they may include a fuel bill as the total cost of a trip,  
11 and other fisheries, or other charter industries, may separate  
12 out the fuel bill, and the fuel bill is paid for by the  
13 customer, and it's not included in the trip fee that the charter  
14 assesses.

15  
16 Also, some states tend to treat their charter captains as  
17 commercial fishermen already, and others do not, and some states  
18 are working on legislation to include that, when it comes to the  
19 disaster things, on the declarations, or reimbursement, and,  
20 also, other states do not have it set up that way, and so we're  
21 kind of lumping everything together here, but it may not be the  
22 best scenario for everyone, and so, doing an analogy for that, I  
23 think it's the difference between LA Creel and MRIP, when it  
24 came to Louisiana.

25  
26 The survey just didn't fit right with a lot of things, as far as  
27 the length of the survey, asking a lot of questions that weren't  
28 germane specifically to Louisiana, and we weren't able to get  
29 the data, because we were tripping over ourselves asking all  
30 these other things, like do you have a mailbox or not. For some  
31 of this, it may apply, and others it may not, and that's my two-  
32 cents on it.

33  
34 **CHAIRMAN WALKER:** Thank you, Chris. Dr. Banks.

35  
36 **DR. KESLEY BANKS:** I guess I have a couple of questions in how  
37 this would work with different types of trips, because we have  
38 some charter guys that run with the commercial sector as well,  
39 and so how do those trips get categorized? Would those  
40 technically, even though they're a charter trip, and they're  
41 paying a charter fee, fall in the commercial sector, because  
42 they're using their commercial quota, or -- I mean, I just have  
43 like -- There's a bunch of different scenarios, kind of like  
44 what Chris said, and so I guess I have some questions on how  
45 this would fall into all of that.

46  
47 **CHAIRMAN WALKER:** Thank you, Dr. Banks. Okay, Dr. Frazer. I  
48 don't see anybody else. Give us your comment.

1  
2 **DR. FRAZER:** Okay, and so I have a couple of questions, right,  
3 and it's causing me to think about the types of information that  
4 is being generated, and so like on slide 26, and I don't know if  
5 you have to go all the way back there, but, in a lot of those  
6 slides, the summary data, the meeting values, were a lot less  
7 than the means, and you get to it on I think Slide 56, and you  
8 kind of described that outcome a little bit, but that, to me,  
9 means that, you know, you've got a very skewed kind of response  
10 to these survey questions, and so either --

11  
12 The question, to you, is do you think that the answers, or the  
13 responses, were accurate, or there was misreporting, or the  
14 alternative, in my mind, would be that you have a few really,  
15 really successful charter-for-hire fishermen that skew these  
16 things quite a bit, right, and I don't know if you have the  
17 answer to that, but it probably affects the way that you  
18 interpret these data quite a bit, particularly if you're going  
19 to try to lump the charter-for-hire in for disaster assistance  
20 and things like that. I'm going to stop there, for a second,  
21 and tell me what you think about that.

22  
23 **DR. LIESE:** I think that you're right that it's very skewed  
24 distribution, and we see that in all fisheries, and I don't know  
25 why that is, but there's always a few people who do very little,  
26 and maybe they're skewing it. You know, they're just part-  
27 timers who came in once, and then left again, you know, and  
28 they're more like latent effort, and so you could eliminate  
29 those, to a certain degree, in the analysis, to see what your  
30 typical -- You know, the people who are doing things more, but  
31 then, yes, you always have these highliners, who do way more  
32 than everyone else, but, you know, without detailed data, you  
33 wouldn't even know that, but, you know, the means are still  
34 pretty meaningful, because they are the averages of that  
35 fishery.

36  
37 If, you know, you want to know certain things in one measure,  
38 the central moment, it's the mean. You need to be aware that  
39 this is the mean, and it doesn't tell you about the skew in the  
40 data, and, you know, sometimes it's better to put things into  
41 quartiles, or quintiles, and report each for those, and, if you  
42 have data, you can do that, and there might be insights to be  
43 gained, but, yes, the specific for-hire data I have not played  
44 around with enough to give you any answer with certainty.

45  
46 **DR. FRAZER:** Okay. Thanks, and then so the second question I  
47 think is, on slide 57, where you had the revenues from 2021 from  
48 the commercial sector, and you had the shrimp, snapper grouper,

1 and mackerel, I think, and, if you subtracted out the shrimp,  
2 right, and essentially -- So all the reef fishes and the  
3 mackerels, and the net revenue was essentially equal to the  
4 federal for-hire revenues, right, and so I just wanted to make  
5 sure that I'm interpreting that right, and is that the finfish  
6 fisheries, in the Gulf of Mexico, from a revenue perspective,  
7 the commercial revenues are equal to the federal for-hire  
8 revenues that are generated.

9  
10 **DR. LIESE:** These data are still preliminary, and so I would not  
11 want to make that statement, and so it does say that the  
12 magnitude overall -- They are not a fraction, or something like  
13 that, and, yes, the federal-permitted for-hire fleet does hit  
14 the reef fish species, and some mackerels, right, and there's  
15 some parts that are in other, and like the billfish, or tunas,  
16 would not be in those particular fisheries, and they're  
17 separate, and I don't know their revenue numbers, and these  
18 revenue numbers change year-to-year quite a bit, and, again, I  
19 was only trying to give a ballpark impression here that, you  
20 know, this fishery is not a million-dollar-fishery, and it's not  
21 \$10 million. It's many tens of millions.

22  
23 You know, I don't -- I honestly don't know, and, since 2006,  
24 I've been trying to figure out -- To get the data that we could  
25 make a good estimate of how big our Southeast for-hire fisheries  
26 are, the federally-permitted ones, but so, you know, I think I  
27 will say, yes, that the magnitudes are in the same sort of  
28 scale, but I don't know if it's a little bigger, or a little  
29 smaller, and, you know, it depends on what you count, because,  
30 again, there might be things that recreational people don't hit  
31 at all, and I don't know about tilefish longliners that are in  
32 the reef fish, which we don't have here right now, and I think  
33 they're in the groupers maybe, and I don't know, because, again,  
34 this was just an illustration of magnitude.

35  
36 I think that's the only thing you can take away, because the  
37 first mismatch you see is the revenue data came from 2021, on  
38 the commercial side, and the other one was from 2022, from the  
39 SEFHIER experiment, and, again, there was so much cleaning going  
40 on, but I feel confident it's bigger, because I threw so much  
41 out.

42  
43 If you put in nonresponse, and cleaned up a few data problems,  
44 and so on, you would get more people with fees, you know, and  
45 you would raise this estimate, and not lower it, and there's not  
46 many reasons why those trips that are reported would not be  
47 counted.

48

1 **DR. FRAZER:** Okay. I appreciate that, and so what I'm taking  
2 away from this is that there's not orders of magnitude  
3 differences, most likely, with these basic economic data, and  
4 information, that's being collected, and so what I'm, again,  
5 trying to think about is the values of these respective sectors,  
6 and so, if you were to start to do more comprehensive economic  
7 analyses, right, and you were to look at multipliers, and things  
8 of that nature, would you be using the same tools, right, and  
9 would you expect the same type of multipliers, the same order of  
10 magnitude, perhaps, for these two sectors?

11  
12 **DR. LIESE:** I'm not an expert in those methods, but usually you  
13 look at the cost structure, in order to assign where this money  
14 flows to, you know, into shipbuilding, or fuel, and stuff like  
15 that, and then you look at the programs, look at the  
16 multipliers, of where the fuel comes from, and stuff like that,  
17 and does it leak out of the region, and does it leak out of the  
18 nation, and that's how it works.

19  
20 Now, given that these cost structures, which we would need cost  
21 data for, for these two sectors are probably pretty similar, in  
22 terms of fuel and, you know, like, in the big picture, they're  
23 not totally different, and I would assume that the multipliers  
24 would be very similar for the revenue.

25  
26 Now, there is the aspect that -- I don't know the experience  
27 part of the anglers. I mean, there's consumer surplus, but  
28 we're talking about just the impacts of the money changing hands  
29 and, you know, traveling through the economy, and so I think it  
30 would be -- I mean, there should be fairly similar multipliers.  
31 Now, as I said, I don't have any good input on the Gulf of  
32 Mexico for-hire sector.

33  
34 You know, remember this is also just the federal one, and there  
35 is also that huge sector of like state-permitted for-hire  
36 vessels, guideboats and the like, and so it's anyone's guess how  
37 many tens of millions that sector generates.

38  
39 **DR. FRAZER:** Thanks. That's very helpful.

40  
41 **CHAIRMAN WALKER:** Okay. I have one more question for Dr. Liese,  
42 and, if anybody else does, we'll throw it out there, and then  
43 we'll dismiss him, and we'll take a break and come back and  
44 listen to Lisa's presentation that's on potential modifications,  
45 and hopefully have a discussion on that, but my question is  
46 this, Dr. Liese, and you stated that a random sample of the for-  
47 hire sector would be, quote, perfectly fine.

48

1 If we're seeking common ground here between, you know, a group  
2 trying to minimize, you know, what they have to do to go fishing  
3 and economists, who would prefer more, what would you consider  
4 the best option to get you the most important data, you know,  
5 perhaps the most acceptable economic data, as far as the survey  
6 goes, in a random sample, and what would be the best way, for  
7 you, that's minimal on the burden side, in your opinion?  
8

9 **DR. LIESE:** Are you asking for a percentage or just the type of  
10 questions?  
11

12 **CHAIRMAN WALKER:** Well, essentially, I'm thinking, yes,  
13 percentage, but say you sampled 20 percent of the trips, and do  
14 you have any -- Would that be enough, and I think you mentioned  
15 that, and then I'm not really sure how we would sample 20  
16 percent of the trips on a daily basis, but, yes, a percentage of  
17 economic reporting of some status that you would think would be  
18 enough for you, and enough for the charter guys, because it  
19 seems, to me, we're looking for some compromise here on both  
20 sides, and that's where we want to be.  
21

22 **DR. LIESE:** Without actually using this data, it's hard to say,  
23 and, you know, to commit to something. I mean, the point is,  
24 the more sample size you have, the smaller the confidence  
25 intervals are, and the more you can say -- Like, if someone asks  
26 me about red snapper, and, well, that's like every third, or  
27 second, trip into the dataset, right, and so we can tell you  
28 something, you know, with a 5 percent sample, and probably we  
29 would still get pretty good results, but, if you wanted  
30 something on a less-frequently-caught fish, like triggerfish,  
31 then, you know, if we only have a thousand observations, now  
32 it's going to be only fifty observations.  
33

34 Then that's exactly like it is in the commercial sector, where,  
35 you know, there is some frequent -- You know, mackerels are in  
36 there too much, and I would under-sample mackerel, if I could do  
37 it easily, but, if we did that, if we lowered the percentage,  
38 then we would be running out of -- We wouldn't have enough  
39 sample for the reef fish, or some of the snapper grouper,  
40 species, and so that's so of where, you know, 20 percent is not  
41 a hard number, but, you know, it works on the commercial side,  
42 and it probably would work.  
43

44 If we felt that's still too much, I could figure out -- I mean,  
45 again, because I don't know what segments, what research we  
46 would want to do, and anything is better than what we have right  
47 now, which is nothing. Nothing is bad for us, and doing it  
48 separately, in our own sort of way, be it websites or surveys

1 every five or seven years, that's bad, and not good either, and  
2 it's not a way to do it, and so I would -- You know, the most  
3 important thing is to collect the fee, and, if it's too little,  
4 and say if you don't have enough, and if you only have an  
5 observation one year, and twelve the next, and, well, after five  
6 years, you might actually have enough.

7  
8 Then you would have to do an analysis, and I've done this for  
9 rock shrimp, where -- Was it rock shrimp or royal red? It might  
10 have been royal red, where the actual active observations for  
11 royal red shrimp was very, very few, because it's such a small  
12 fishery, but so then we pooled a whole bunch of years together  
13 to -- You know, I don't want to report averages for five or six  
14 people, and that's just dangerous, and there's too much  
15 fluctuation, but, you know, if you can get twenty, thirty,  
16 forty, then it's better, and so I -- Right off the bat, 20 seems  
17 good.

18  
19 I mean, it depends, and, obviously, it's a huge -- You know, the  
20 number of trips we're guessing might be 50,000 a year, and so 20  
21 percent of that is 10,000, and, I mean, I could probably live  
22 with less, you know, 10 percent, if that made the difference.  
23 Again, I don't -- Personally, I don't think people are terribly  
24 concerned about the seconds they take to put down that data, and  
25 I don't know, and I think it's more this issue of this is not  
26 data that we want to be collected, in principle, because of  
27 various risks, or just -- Maybe just on principle, and so that's  
28 on the percentage.

29  
30 I almost want to say we could maybe look at the 2022 data, and,  
31 you know, how far you can drill down depends on how many  
32 observations you have, and, you know, if you want -- There's a  
33 tradeoff. You know, getting 10,000 observations a year would be  
34 enough. 5,000 would still be great, you know, and then, on the  
35 question of what's the minimum data, I mean, long ago, we really  
36 sort of tried to cut it down to -- Obviously, some economic  
37 surveys are multiple pages, on tips and the various costs, bait  
38 and so on, and there's a lot of things we could ask, but, if we  
39 really -- The fee is like -- It's the most important, and that's  
40 what we want. Without that, we have nothing.

41  
42 Then, if you're going to go to a sample, and only bother a few  
43 people with that question, it would be great to add basically --  
44 You know, we already have -- I think we have the number of crew,  
45 which, times the trip length, tells us how many labor hours go  
46 into the trip, and the inputs are good to have.

47  
48 Crew prices, you know, the wages, are difficult to estimate

1 anyway, in any fishery, and so we get those from elsewhere, but  
2 then fuel is the second-biggest input into this production,  
3 after the labor, and so getting the gallons of fuel gives you  
4 more about another input, the second-most important one, and  
5 there's also questions that come down from Headquarters about  
6 fuel, and gallons, in themselves, and so, I mean, people want to  
7 know about fuel, and the fluctuation of fuel prices, and they  
8 fluctuate a lot, compared to other costs, and so there's often  
9 questions about -- You know, in years when the fuel prices go  
10 up, those questions start coming, and so the fuel is also a very  
11 important data point that often gets asked for, and so fuel used  
12 and the fuel price, and those together are the best way to ask  
13 those two questions, we've found.

14  
15 If you ask, you know, what did you pay for your fuel, they say,  
16 oh, I bought it three weeks ago, and I'm still using the same  
17 tank of gas, and stuff like that, and so we're trying to get at  
18 the value of the fuel that was used on the trip, and so those  
19 four questions, which we also have on the headboat, to me, is  
20 like the perfect minimum, but, if that's too much, then just the  
21 fee would be great.

22  
23 **CHAIRMAN WALKER:** Perfect. That's just what I wanted to know.  
24 Thank you. I appreciate that. Andy, did you have a question?

25  
26 **MR. ANDY STRELCHECK:** Yes. Thanks for the presentation, and  
27 certainly my head is spinning at this point. The last  
28 conversation addressed, I guess, my first question, which was we  
29 have these five socioeconomic questions, and Christopher  
30 weighed-in on that, and then, Ed, you talked about, obviously,  
31 the reporting burden, which is of concern, and that represents -  
32 - Those questions represent about 25 percent, and so what I'm  
33 hearing Christopher say is the fee is most important.

34  
35 I think the AP has already weighed-in and said they're good with  
36 number of paying passengers and crew, and so I would really be  
37 those fuel questions that would be the question-mark, as to  
38 whether or not we would want to collect those or not, and what  
39 the loss in value would be, and so Christopher has weighed-in on  
40 that.

41  
42 My question to you, Christopher, really is the random sampling  
43 of logbooks, and so you pointed out, in your presentation, kind  
44 of a minimal incremental cost to the agency, and the way you  
45 described it would be kind of a 20 percent subsampling within  
46 the software itself, and have we done that before, at this  
47 point, with any electronic system? I had the same kind of  
48 thought, and vision, when we talked about this in January, and

1 it seems like an efficient way of doing things, but, if we can't  
2 do that, I would assume the administrative costs would be much  
3 greater, but can you speak to that?  
4

5 **DR. LIESE:** I mean, we would hope that the programmers could  
6 program like a random number or something, but, if that was not  
7 feasible, then we would have to somehow sample vessels, and  
8 people, with mailing addresses in advance, right, something like  
9 that, and ask them to report for a period of time. In the  
10 commercial sector, we send out a selection letter, and we send  
11 it with the logbook. When the physical logbook goes out, we  
12 have a flyer in there, for those people who were selected, and  
13 we ask them to fill out the economics, during that calendar  
14 year, on every trip they do, and then we send them the annual  
15 survey after the year is over, and so that would be one example  
16 of how you might do it if you couldn't make it a random  
17 generation, if the app itself couldn't be made to do it.  
18

19 **MR. STRELCHECK:** Thank you for that, and then I guess just a  
20 couple of comments, and I don't think we're at the point of  
21 making any decisions today, but I'm certainly a proponent of  
22 continuing to consider a subsampling, versus a census approach,  
23 and how we narrow the potential economic questions, if we do  
24 narrow them, and one of the -- A few things that I keep thinking  
25 about, right, and so we keep hearing that burden is the reason  
26 for this.  
27

28 I think that's certainly part of this, but I've certainly been  
29 told, by many charter captains, that I just don't want to  
30 provide you my economic data, to the government, right, and so  
31 there's definitely a resistance, or a willing to provide it, but  
32 I think we need to keep in mind that this is a public resource  
33 as well, in terms of that balance of what we are collecting, and  
34 how we're using that data, and so I really appreciate the  
35 comments talking about that today.  
36

37 The other thing that I think we all need to keep in mind is, and  
38 it even came up this morning, during the shrimp discussion,  
39 right, and Bob brought up the need for using economic  
40 information for the shrimp closure, right, and we're constantly  
41 talking about inadequacies, and limitations, of our data, and so  
42 where's the right balance, in terms of what we collect, and what  
43 we choose not to collect?  
44

45 Then I think the last point that I will make is really more just  
46 of administrative cost, and burden, to both the participants,  
47 right, which is what we're thinking of highly here, but also the  
48 agency, right, and so, if we're going to subsample, or we're

1 going to do some other approach, I think we need to look  
2 carefully at we have this great platform of SEFHIER, that could  
3 be modified, that could easily collect this data.

4  
5 If we're going to go some other avenue, what does that other  
6 avenue look like, and can there be reductions in cost, or  
7 avoiding any cost increases, based on that data collection, and  
8 so I know we're not at a point of making any decisions today,  
9 but I just wanted to add that context to the conversation.

10  
11 **CHAIRMAN WALKER:** Dr. Banks.

12  
13 **DR. BANKS:** I guess I have -- I don't know if this goes to Andy  
14 or John or whoever, but I have a question then regarding --  
15 Clearly this presentation suggests that we are collecting some  
16 economic data in different fisheries, and how exactly are we  
17 incorporating that into fishery management plans? Is there an  
18 example of when the last time these logbooks were actually used  
19 in creating an FMP, or an amendment, something -- Other than  
20 just here's the economic section in the amendment, and like  
21 actually being incorporated? This could also just be my 3:00  
22 p.m. I need a nap right now, but sorry if that was a confusing  
23 way to ask that.

24  
25 **MR. STRELCHECK:** Well, there's a whole host of different ways  
26 this data can be used, right, and so part of it is what we just  
27 spent the last couple of hours getting presentations on, and we  
28 have not used the SEFHIER data, at this point, for any sort of  
29 regulatory decision-making, and part of that is just because  
30 it's in its infancy as a program, and we were building capacity,  
31 obviously, to implement it and move it forward, and it just  
32 takes a couple of years to stand it up, but, ultimately, at the  
33 end of the day, a lot of this has gone into a variety of  
34 different decisions, with regard to whether it's allocation or  
35 comparing, obviously, alternatives within amendments, or  
36 informing, obviously, some of our decisions about specific  
37 alternatives within actions.

38  
39 **CHAIRMAN WALKER:** Dr. Diagne.

40  
41 **DR. DIAGNE:** Part of me is thinking that maybe, earlier, I spoke  
42 too fast, because I thought that -- You know, that's what I  
43 started with. If you were to open any of our amendments, we can  
44 go to Chapter 3, and probably 3.3, and that would be the  
45 description of the economic environment. We can start there,  
46 and the metrics that are summarized there to describe the  
47 fishery, I mean, in terms of economics, will be laid out there,  
48 without, I guess, you know -- By sector for the commercial

1 fishery, I mean for private anglers and for the charter-for-  
2 hire, and I would say by component, because that's part of the  
3 recreational fishery.

4  
5 By the time we come to Chapter 4, we have, I guess, Section 4.3,  
6 typically, which is the discussion of the direct and indirect  
7 economic effects of the proposed actions and alternatives, and,  
8 if you go there, for each one of them -- I mean, if the  
9 estimates are available, we provide, and, as Mr. Strelcheck  
10 said, that allows for the comparison between the alternatives,  
11 in economic terms, and, when we don't have the information, it  
12 says clearly there that, due to data limitations, we are not  
13 able to quantify this, and so, routinely, we use the  
14 information, I mean, to support your decision-making, when you  
15 compare and contrast alternatives.

16  
17 **CHAIRMAN WALKER:** Dr. Frazer.

18  
19 **DR. FRAZER:** I agree exactly with Assane, right, and I think we  
20 regularly look at that data, and it's in the later parts of the  
21 amendments, to evaluate, you know, the various alternatives,  
22 relative to a particular action.

23  
24 I think what Andy said is important, right, because, in theory,  
25 we would use the same information to think about how we make  
26 allocation decisions, but I don't think we've got there yet, to  
27 be honest with you, I mean, but, ideally, we would be using that  
28 information, but it's not just the economics, right, and it's  
29 the socioeconomics, right, that need all these to come together  
30 in order to make those allocation decisions, but I think that's  
31 the hardest part.

32  
33 **CHAIRMAN WALKER:** Dr. Walter.

34  
35 **DR. WALTER:** Thanks for that question. Another thing that I  
36 think -- Well, two things are resonating from the presentations,  
37 and thanks for the comprehensive overview, and, one, you don't  
38 count unless we can count what the economic activity is. I  
39 think that was really clear in the disaster explanation that Dr.  
40 Travis showed us, that that's the things that count, in terms of  
41 getting disaster relief.

42  
43 Then, in things like we've been talking about with fishery  
44 compensation for offshore wind, you don't count unless your  
45 economic activity is counted for and, unless you bring that data  
46 to the table, then you're not going to be compensated, and I  
47 think that's another thing we're seeing, and why we are seeing  
48 the need, and maybe perhaps an increasing need for higher-

1 quality economic data.

2  
3 I think really what we're talking about here is not something --  
4 I mean, boiling it down to the decision point, it's how to  
5 include economic data collection in SEFHIER, and it's probably  
6 something like a 20 percent random sample, like we do for the  
7 commercial, and then the series of questions, and I think -- I  
8 hope the case was made of how, and why, that's valuable to  
9 include it.

10  
11 The reduction in burden might be that it's a random sample, kind  
12 of like the commercial fishery, and, okay, and the questions are  
13 -- Hopefully we can resolve them to not be that invasive, and  
14 then that data can count where it matters, and I hope that's  
15 where we're getting to. Thanks.

16  
17 **CHAIRMAN WALKER:** I agree, Dr. Walter, and thank you for that.  
18 If there's no more questions for Dr. Liese, we will thank him  
19 for his time and take a ten-minute break. Then we'll come back  
20 and talk about potential modification ideas for the for-hire  
21 program. We'll be back at 3:15.

22  
23 (Whereupon, a brief recess was taken.)

24  
25 **CHAIRMAN WALKER:** We'll get started, and so I think we should go  
26 with Dr. Hollensead's presentation and then have some discussion  
27 on her presentation.

28  
29 **AMENDMENT DRAFT OPTIONS**

30  
31 **DR. LISA HOLLENSHAD:** Thank you, Mr. Chair. While Bernie is  
32 pulling up the document, I will just let you know that this is  
33 the initial draft, and so, a lot of times, when we do sort of  
34 draft options, it's sort of an informal presentation, and things  
35 like that, and this is a gussied-up version, and it is that way  
36 because this document is going to require a really thorough  
37 description of the introduction and the program that was laid  
38 out before, and sort of justification for the document, and the  
39 IPT wanted to work on that sort of simultaneously, while the  
40 committee was having sort of their deliberations about what they  
41 wanted to see in Chapter 2, with the alternatives and actions  
42 and things, and so that's why the document appears the way that  
43 it does and why I'm giving this instead of a PowerPoint  
44 presentation, and so I will say that first off.

45  
46 What that means is that certainly everything is still sort of on  
47 the table for discussion, you know, and so committee input on  
48 the purpose and need, as well as Chapter 2, sort of the kick-off

1 for the actions and alternatives, and those are all still things  
2 that we can discuss. Any feedback that I get back from the  
3 committee, I will certainly report back to the IPT, and we'll  
4 deliberate about that, and then the revisions will show that,  
5 and so I just wanted to put that out there.

6  
7 Bernie, if you wouldn't mind bopping, really quick, to the  
8 purpose and need, and so, like I said, we'll go ahead and review  
9 this. This purpose and need takes into account not only what  
10 was in the old SEFHIER document, but it also incorporates a  
11 little bit of the deliberations from the ad hoc AP, and it sort  
12 of puts -- Their recommendations are sort of intertwined in  
13 this, and, actually, their recommendations were sort of similar  
14 to what the first purpose and need was, and so it actually  
15 blended fairly well, and so this is sort of one of the initial  
16 sort of stabs the IPT took at sort of to draft this language.

17  
18 The purpose of this amendment is to improve the accuracy,  
19 precision, and timeliness of the landings, discards, and fishing  
20 effort data from charter vessels in the for-hire component of  
21 the recreational sector for the Gulf reef fish and CMP  
22 fisheries, and, again, that is language from the ad hoc AP's  
23 recommendations. Improvements would increase stakeholder trust  
24 and buy-in associated with data collection.

25  
26 Another purpose is to collect social and economic information  
27 related to the operation of federally-permitted for-hire  
28 participating in the Gulf reef fish and CMP fisheries, and so  
29 that statement is in there as well. Again, we've just had, you  
30 know, a long presentation about the economic information,  
31 different ways to collect that now, and the IPT put that  
32 sentence in there in anticipation that that would be the case,  
33 but certainly that's still up to deliberations at the committee,  
34 and things like that, and so, as the document evolves, and is  
35 developed, the purpose and need will, you know, reflect any  
36 changes that we may see. There's not currently anything  
37 economic-related in the draft right now, and I just wanted to  
38 make that point. Ed, I think you've got a question.

39  
40 **CHAIRMAN WALKER:** Sorry. Ms. Boggs.

41  
42 **MS. SUSAN BOGGS:** Thank you, Mr. Chair, and so I do have a  
43 question about the purpose and need, and I understand that this  
44 is what was in the previous document, and it didn't occur to me  
45 until then, but, if you look at pages 13 and 14, and you see the  
46 definition of charter vessel and headboat, should the purpose  
47 and need say fishing effort data from charter vessels and  
48 headboats, because not all headboats report to the Southeast

1 Regional Headboat Survey.

2

3 **DR. HOLLENSHAD:** Yes, that's something that we can include. I  
4 am taking copious notes.

5

6 **CHAIRMAN WALKER:** Dr. Froeschke.

7

8 **DR. JOHN FROESCHKE:** Just to pile on, the way we've always done  
9 this though is the definition of headboat is if you're in the  
10 survey. There's kind of -- We've had discussion that there are  
11 headboats that do different things, and not every headboat is in  
12 the survey. The way that we split the vessels into the various  
13 parts is, if you report to the Southeast Regional Headboat  
14 Survey, you're a headboat. Otherwise, you're not.

15

16 **CHAIRMAN WALKER:** Ms. Boggs. I'm sorry. Mara.

17

18 **MS. MARA LEVY:** I mean, I looked at a version of this, and I  
19 think, in the version that I was looking at, it might have been  
20 having the definitions from the regs, but also the way the  
21 Science Center defines headboats, for purposes of the survey,  
22 and now it just has the reg definition, right, but, you know,  
23 John is correct that, when we developed this before --

24

25 There are different definitions in the regulations, because it  
26 has to go with when you're a dually-permitted vessel, for reef  
27 fish permits and stuff, but, for the purpose of this document  
28 and reporting, those vessels that are in the Southeast Regional  
29 Headboat Survey were the headboats. Everybody else was in the  
30 charter boat category, for purposes of reporting, and that was  
31 clear in the prior version, and I don't know what happened to  
32 that piece of it.

33

34 **CHAIRMAN WALKER:** Ms. Boggs.

35

36 **MS. BOGGS:** SO I guess that's my point, because, if you look at  
37 the definition of a headboat, it's a vessel that holds a valid  
38 certificate of inspection issued by the U.S. Coast Guard to  
39 carry more than six passengers for-hire, but it doesn't explain.

40

41 **MS. LEVY:** And it should. What I'm saying is the way that this  
42 is written now is not articulating how the buckets would be  
43 divided in this document, and so we're going to need to go back  
44 and make that clear, like it was in the prior document.

45

46 **CHAIRMAN WALKER:** Dr. Hollensead.

47

48 **DR. HOLLENSHAD:** Just to add clarification, it was in the

1 original one, but I think there was some question as to how that  
2 definition was, and so I had note, in the next IPT iteration,  
3 that we were going to double-check with the Science Center, and  
4 get that actual definition, and put it in, and I didn't want to  
5 put anything that may potentially be misleading, and so, again,  
6 this is the initial draft, and those sorts of things, and so  
7 just making sure that I follow-up, but it will be in the next  
8 one.

9

10 **CHAIRMAN WALKER:** I think you're still up, Dr. Hollensead.

11

12 **DR. HOLLENSEAD:** Okay. Was there any further questions about  
13 the purpose and need, again making some of the notes that the  
14 committee has brought up, as well as that section in the  
15 introduction about also having a definition for the headboat, as  
16 it relates to the scientific survey?

17

18 You might also notice, as you read through it, and you will look  
19 through and see that, hey, this looks like a part where there  
20 might be some data gaps there, and the IPT has identified a  
21 number of those as well, and we're still working on some of  
22 those. As I said, if you look at it, this is just Chapters 1  
23 and 2, and I forget how many pages it is, but it's quite a few,  
24 and so just recognizing that it's going to take us a little  
25 while to flesh out and make sure that we've really got  
26 everything going on with the introduction, and so that's why  
27 that's going to take a couple of iterations.

28

29 Bernie, then if you don't mind jumping down to Chapter 2 and  
30 going to Action 1 for me, please. This first action is going to  
31 establish the frequency and mechanism of data reporting, and so  
32 this is the for-hire vessels, and so these are the charter  
33 vessels, and so these are the non-headboat, if we're going to go  
34 ahead and call it that.

35

36 This is what was in the previous document, and it's very  
37 similar, with a couple of changes. Alternative 1, the no  
38 action, you know, the owner or operator of the vessel would  
39 report to the data collection programs that already exist,  
40 either through the MRIP or the various state surveys.

41

42 Alternative 2 would require that an owner or operator of the  
43 charter vessel or headboat issued a valid -- I won't read the  
44 whole thing, but it would require electronic reporting of those  
45 records for each trip, and so that's sort of how the old SEFHIER  
46 was done. If you recall from the ad hoc AP recommendation, they  
47 actually seemed to recommend -- Or they didn't seem, but they  
48 recommended that the reporting level at each trip was sort of

1 desirable.

2  
3 Some of those captains take multiday trips, and it's easier when  
4 you're offloading a trip, and it also helps with their accuracy,  
5 to remember, hey, what was offloaded on a trip, versus what did  
6 I offload last week, or two days ago, that sort of thing, and so  
7 it actually not only helps with the recall, but it helps them  
8 with less time spitting out the reports, since it's easier to  
9 recall.

10  
11 The other, you know, plausible alternative that could be  
12 proposed here was submitting fishing reports daily. Again, I  
13 went into sort of the rationale on why the AP has sort of  
14 recommended each trip, but we also have daily here, for  
15 consideration and discussion. In the discussion, we go into a  
16 little bit about why, you know, weekly reporting is likely not  
17 going to hit the objectives, and the purpose and need, of the  
18 program, and so we sort of talk about that in there as well, and  
19 so those were the time considerations.

20

21 **CHAIRMAN WALKER:** Mr. Gill.

22

23 **MR. GILL:** Thank you, Mr. Chairman, and so the difference  
24 between 2 and 3 is timing, yet Alternative 2's last sentence is  
25 not repeated in Alternative 3, and it would seem, to me, if it's  
26 significant for 2, it also ought to be significant for 3, and so  
27 why is it not --

28

29 **DR. HOLLENSHAD:** So we put in that in case somebody -- A trip  
30 was taken, and fish were not harvested, and so, if you threw  
31 everything back, those discards should be reported as well in  
32 the program, and so that's what that's meant to capture. That's  
33 why if says "if fish are harvested during each trip". I suppose  
34 that, yes, if you went out and fished for an entire day, and  
35 followed that same mechanism, that we could add that language,  
36 to make sure that that's encapsulated.

37

38 **CHAIRMAN WALKER:** Dr. Froeschke.

39

40 **DR. FROESCHKE:** The other part of that is, if a vessel is taking  
41 more than one trip per day, on the first trip, they're going to  
42 offload those fish, and they're not going to send a daily report  
43 until they've completed all their trips for a day, and so, if  
44 you have that language in Alternative 3, as it stands, the  
45 multiday trips, or the multiple trips per day, it would be  
46 violation, technically.

47

48 **CHAIRMAN WALKER:** Mr. Strelcheck.

1  
2 **MR. STRELCHECK:** I mean, just a suggestion, and I find the  
3 Alternative 3 language a little bit clunky, in terms of -- You  
4 know, when I think of daily, it's like the day of, right, and so  
5 we're kind of redefining daily to be the day after, and maybe we  
6 could avoid even having a definition for daily and just say  
7 submit fishing records by 12:00 p.m. the day following a fishing  
8 trip, something like that.  
9  
10 **DR. HOLLENSEAD:** Mr. Chair, we have Mr. Strelcheck's  
11 recommendation.  
12  
13 **CHAIRMAN WALKER:** Ms. Boggs.  
14  
15 **MS. BOGGS:** Dr. Hollensead, I cannot remember, and do we get  
16 into the conversation of what defines a trip later in this  
17 document? I know that's been an issue in the past.  
18  
19 **DR. HOLLENSEAD:** Yes, ma'am. That's Action 3.  
20  
21 **CHAIRMAN WALKER:** Ms. Levy.  
22  
23 **MS. LEVY:** Thanks, and I didn't catch this when we were looking  
24 at it at the IPT level, but do we need language in here about no  
25 trip reports, right, and like we did have that in the other  
26 document, and, if we weren't going to do the VMS, then you had  
27 to do like monthly, or I don't remember what the timing was, and  
28 I don't remember. Is it in here, or do we not have it in here  
29 yet?  
30  
31 **DR. HOLLENSEAD:** The IPT hadn't gotten there just yet, but that  
32 is something that, on the next iteration, we can discuss.  
33  
34 **CHAIRMAN WALKER:** Ms. Boggs.  
35  
36 **MS. BOGGS:** So that wouldn't be a separate action or anything,  
37 and that would just be a part of the dialogue in these  
38 alternatives, or a sub --  
39  
40 **DR. HOLLENSEAD:** Yes, and we discussed -- One of the discussions  
41 touches on it a bit, but Ms. Levy is right that it will probably  
42 need to be better fleshed out in the next iteration.  
43  
44 We'll move down to the next action, Action 2. This action has  
45 the same language as Action 1, except this will be pertaining  
46 towards those headboats that are not currently in the survey,  
47 and so, at the very top, this action only applies to vessels  
48 issued a valid charter vessel/headboat permit for reef fish or

1 Gulf coastal migratory pelagic species that do participate. I'm  
2 sorry, and so this would encapsulate -- What I said, but the  
3 reverse, and so these would be those that are currently in the  
4 Regional Headboat Survey. Is there any question about what this  
5 action is -- Again, this is how it was structured in the  
6 previous SEFHIER document.

7

8 **CHAIRMAN WALKER:** Ms. Boggs.

9

10 **MS. BOGGS:** So I guess this question would be -- I don't know if  
11 it's directed to Andy or if it's something that Ken Brennan  
12 would be involved in, and so, the last time we went down this  
13 road with SEFHIER, some things did change with the headboat, the  
14 Southeast Regional Headboat Survey, and so I'm assuming --  
15 Depending on what this council passes for this SEFHIER 2.0, and  
16 that's likely, or could possibly, happen again with the headboat  
17 survey, because, really, once SEFHIER stopped, there wasn't a  
18 whole lot that changed with the headboat survey, and I'm just  
19 curious. Can we anticipate seeing some changes, and should we  
20 be prepared for that?

21

22 **CHAIRMAN WALKER:** Mr. Strelcheck.

23

24 **MR. STRELCHECK:** I mean, unless the council opts to not make  
25 changes, right, then anything that we identify here for changes  
26 to the program would affect the charter boats and headboats, and  
27 so the reason that you saw the changes is because we adopted  
28 SEFHIER, and, once SEFHIER was set aside, we had to revert back  
29 to the previous regulatory requirements.

30

31 **DR. HOLLENSHAD:** If there's no other questions, Bernie, if you  
32 wouldn't mind scrolling down to Action 3. This action is the  
33 trip notification. If you recall the previous SEFHIER program,  
34 there was a desire, by stakeholders, as well as the council, to  
35 sort of modify that description of a trip, such to avoid a  
36 multiple hail-out situation, where a vessel operator may be  
37 moving for non-fishing purposes, such as picking up clients or  
38 getting gas, those sorts of things, and so there was a framework  
39 action that was developed, and actually passed by the council in  
40 January of 2023.

41

42 This is the language that was in that framework action, but I  
43 would, you know, encourage the -- It wasn't passed that long  
44 ago, and so the IPT -- You know, we decided to put this in here,  
45 as sort of a launching point for discussions, given that it was  
46 recently sort of reviewed by the council, but also to give an  
47 opportunity to look it over again, you know, make sure that  
48 these alternatives are in fact, you know, sort of what the

1 council would want to see for the next iteration of the program.  
2  
3 You know, like I said, it cleared up some of the language for  
4 moving your vessel for non-fishing activities, like getting bait  
5 or things, or, excuse me, for gas and things, but, you know,  
6 checking traps for bait, and those sorts of things, I recognize  
7 was still -- There was a little bit of discussion about how that  
8 might go, and so, in this iteration, you know, any  
9 recommendations the committee may have, or would like me to pass  
10 along to the IPT that they would like to see in another version,  
11 I would be happy to take those notes for that now.

12  
13 **CHAIRMAN WALKER:** So I remember that we had significant  
14 discussions about this, but I'm still not clear on why we say  
15 any trips engaging in any type of fishing or while fishing or  
16 charter activity, including trips that collect bait.

17  
18 If I go out, prior to my charter, and pull up my pinfish traps  
19 to catch bait, I have to -- I'm not entirely sure why I have to  
20 report that, and, to me, that's not much different than going  
21 and getting fuel, or going to get ice, and, I mean, it's kind of  
22 fishing, I guess, pulling bait traps, but I'm not sure. Can  
23 anybody clear that up for me, why pulling pinfish traps is  
24 included as a reportable activity? Ms. Boggs.

25  
26 **MS. BOGGS:** So, as I recall, Captain Walker, that was the  
27 rationale. If you're engaged in fishing, then you have to  
28 report that you're -- Whether you're receiving money for it,  
29 but, as I recall, that was the conversation, that any type of  
30 fishing activity, if you're checking bait traps, if you're out  
31 catching pinfish, or whatever, and that was considered fishing.

32  
33 **CHAIRMAN WALKER:** I suppose I can -- If you're fishing for bait,  
34 I guess that is kind of fishing, but, to me, pulling up a trap  
35 and getting bait isn't really fishing, but that's not what  
36 everybody does, and so maybe I'm just seeing it from my own  
37 lenses here, and so I appreciate that, Ms. Boggs. Dr.  
38 Froeschke.

39  
40 **DR. FROESCHKE:** I guess I would appreciate some feedback from  
41 the committee on this. I mean, we talked about this, at the  
42 IPT, for a long time, and I personally, and not speaking on  
43 behalf -- But I struggled to understand what those data would be  
44 used for, and there seemed to be a nuance about how those data  
45 have to go on your catch report, and that didn't seem like that  
46 was the idea, and so, in the spirit of streamlining this  
47 document, or this process, that the IPT was charged with, it  
48 wasn't clear, to me, how this fit in, because I don't know what

1 we would use the information for.

2  
3 **CHAIRMAN WALKER:** I can assume that it's an enforcement tool,  
4 really, rather than data collection. You know, a guy with a  
5 fishing pole, it would be hard to identify either way, to an  
6 enforcement guy, I guess, and I don't know, but I appreciate  
7 that. Mr. Dugas.

8  
9 **MR. J.D. DUGAS:** Thank you, Mr. Chair. Two things, Lisa. The  
10 Alternative 1, the last sentence, it states a vessel issued a  
11 federal commercial reef fish permit, and is that correct, a  
12 federal commercial reef fish permit?

13  
14 **DR. HOLLENSEAD:** Yes, that's correct, and that's supposed to  
15 cover those folks that have the commercial -- Basically, what  
16 it's saying is those folks with the commercial permit do have to  
17 have a trip notification, any time they go out and make a  
18 commercial trip, and so that's the no action, right, and, if you  
19 had a commercial and for-hire, and so it's to cover that.

20  
21 **MR. DUGAS:** Okay. Thanks. The second question is, on  
22 Alternative 2, at the end of the -- Let's see. Well, it's only  
23 one sentence, and it says "or chartered activity", and I  
24 remember us having a conversation, I guess a year-and-a-half ago  
25 now, about these dolphin tours, and I wasn't -- I was opposed to  
26 capturing that activity, and so I'm just bringing that to  
27 everyone's attention.

28  
29 **CHAIRMAN WALKER:** Mr. Strelcheck.

30  
31 **MR. STRELCHECK:** Good conversation, and so I went back to the  
32 motions that we passed in January, and I actually was on the --  
33 I was in opposition, but we did recommend trip declarations are  
34 only required for for-hire fishing trips, before departure,  
35 right, and so I think the key there is it's saying fishing  
36 trips, and not chartered trips, right, and I think there's still  
37 value, given that we've lost the VMS validation, to also include  
38 other chartered trips that may involve non-fishing activity,  
39 just for validation purposes, but I wanted to just make that  
40 note, and clarification, for the IPT.

41  
42 **CHAIRMAN WALKER:** I think I would agree with that as well.  
43 Anyone else on that topic? Okay, Dr. Hollensead.

44  
45 **DR. HOLLENSEAD:** Mr. Chair, that sort of concludes the document.  
46 As I said, depending on continued deliberations, based on the  
47 economic information and some of the things that we've discussed  
48 that will be in the IPT's next version, we'll make sure to get

1 those reflected to you.

2  
3 **CHAIRMAN WALKER:** Okay. Thank you. Mr. Strelcheck and Ms.  
4 Levy, or Ms. Levy.

5  
6 **MR. STRELCHECK:** Mara wants to compete with me, and so I'm  
7 giving her the first opportunity, so that I can rebut here.

8  
9 **MS. LEVY:** I just wanted to clarify that the declaration, how  
10 it's worded here, would be separate from the required trip  
11 report, right, and so, the way the language was written in the  
12 prior program, you were required to report when your vessel was  
13 operating as a charter vessel or headboat, and you weren't  
14 required to report, do a fishing report, if you were going to  
15 get bait, but you were required to declare it, so that there was  
16 a record of you going out and fishing, right, but the report was  
17 for when you were operating as a charter vessel or a headboat.

18  
19 **CHAIRMAN WALKER:** Andy.

20  
21 **MR. STRELCHECK:** So a couple of, I guess, questions, maybe for  
22 Lisa, and so, when we spoke in January, we had some motions  
23 about specifically the data elements that would be included in a  
24 trip declaration and on the logbook form, and how do you see  
25 those being integrated into the amendment action?

26  
27 **DR. HOLLENSHAD:** Mr. Strelcheck, if I'm interpreting your  
28 question correctly, so one of the sort of difficult things, in  
29 even writing up an initial version of this, is talking about the  
30 various data-level requirements for reporting, but then the  
31 associated validation, and not having that piece, and it's a  
32 little difficult to -- Because they're inherently linked, right,  
33 and they're inherently intertwined.

34  
35 What I would envision going next -- Again, we had a major  
36 discussion about the economics, and we sort of wanted to tie  
37 those ends a little bit, and get some direction on those, and we  
38 could then, you know, incorporate that in the document somehow,  
39 get this a little bit, you know, more polished, and then bring  
40 it forward, and I would anticipate maybe a little bit more  
41 information, either from the Regional Office or the Science  
42 Center, if they had any approaches that we could use for  
43 validation, and I know many things are still on the table, but  
44 something along the lines of a geofence, or some other approach,  
45 that maybe other regions are doing.

46  
47 I know the Greater Atlantic Region is doing some novel  
48 approaches to things, or any ideas that you might have, either a

1 presentation that comes back -- Again, we would continue  
2 simultaneously sort of working on the document, but, as those  
3 conversations are had, we can begin to piece this together a  
4 little bit, if that was something you thought that you were  
5 amenable to hearing.

6

7 **CHAIRMAN WALKER:** Ms. Boggs.

8

9 **MS. BOGGS:** Kind of to follow-up a little bit on Andy's  
10 question, and so, that motion at the last council meeting, that  
11 passed Andy's motion at the previous January council meeting in  
12 length, was to recommend to the council that trip declarations  
13 are only required for for-hire fishing trips before departure,  
14 and so is that an alternative that should be included here,  
15 since the one says "fishing or chartered activity", because, as  
16 you said, Lisa, depending on what we do here, it would -- We  
17 would have to go back and look at this, and so, being that the  
18 AP, or ad hoc, came back to us with that recommendation, I think  
19 that should maybe be included as an Alternative 3, and then you  
20 could have the Option a and b also with that Alternative 3.

21

22 **DR. HOLLENSSEAD:** Yes, ma'am, and I made a note to -- We could  
23 include that.

24

25 **DR. FROESCHKE:** Or we could just revise the wording of  
26 Alternative 2 to reflect that motion.

27

28 **DR. HOLLENSSEAD:** Yes, and I can take it to the IPT to discuss  
29 that.

30

31 **CHAIRMAN WALKER:** Mr. Strelcheck.

32

33 **MR. STRELCHECK:** I mean, it would be beneficial for the IPT to  
34 discuss, and, if it's better to add an alternative, like we  
35 recommended, and keep the one that's in there, versus replacing  
36 it, and I guess the other -- So I see now that the table, 1.3.2,  
37 has the recommended fields of data, and so that's helpful.

38

39 Since we had such a lengthy conversation about the economic data  
40 this morning, I feel like there needs to be an action, and  
41 alternatives, in here, in terms of whether or not we would be  
42 conducting a census, or subsampling the fleet, and, if so, what  
43 variables would we be collecting, and so I don't know if you  
44 need a motion or just as guidance to staff to incorporate and  
45 bring back to us.

46

47 **DR. HOLLENSSEAD:** Yes, sir, and, for clarity, that would be  
48 helpful as a motion.

1  
2 **MR. STRELCHECK:** Hold that thought. I will come back to it.

3  
4 **CHAIRMAN WALKER:** Okay. Ms. Levy.

5  
6 **MS. LEVY:** Well, and just, while you think about, or while we  
7 think about, or while everybody thinks about the economic data  
8 and such, I just want to remind folks, right, that the South  
9 Atlantic has a reporting requirement for South Atlantic-  
10 permitted for-hire vessels, and they currently require a suite  
11 of data reporting that includes those economic questions that  
12 were part of the Gulf, and the South Atlantic regs basically say  
13 that you can comply with the South Atlantic's reporting  
14 requirements, if you're reporting to a different program that's  
15 more stringent, or whatever it is, but that applies to both  
16 timing and questions.

17  
18 If they diverge in questions, then, even though the Gulf  
19 reporting might be more frequent, like trip level, it's not  
20 going to meet the requirements of the South Atlantic for  
21 questions, and so you're going to potentially run into this  
22 problem with having to do two reports.

23  
24 Now, that might be something that can be fixed via the software,  
25 right, if the software knows that you're dually-permitted, and  
26 maybe it can give you the economic questions for the South  
27 Atlantic, but I just want folks to keep in mind that we had this  
28 whole discussion about these dually-permitted vessels, and the  
29 way that we reconciled it, at least when we were developing  
30 these programs originally, was to make those questions identical  
31 between the two regions.

32  
33 **CHAIRMAN WALKER:** That really kind of throws a monkey-wrench in  
34 it, and so, Ms. Levy, would I be correct then in saying, if the  
35 South Atlantic decides that they're going to have whatever,  
36 eight questions for economic reporting, and we only have five,  
37 then we're going to have to comply with their ten-question list,  
38 because it's more stringent than ours, if we're dually-  
39 permitted?

40  
41 **MS. LEVY:** Well, you're going to have to comply with the  
42 requirements associated with each permit, right, and so, if the  
43 South Atlantic permit is requiring something that the Gulf is  
44 not, then, if technology doesn't fix that, by virtue of the fact  
45 that you get one report, and it knows what you're supposed to be  
46 doing, then, yes, you would have to comply with both  
47 requirements, but I don't know where we are in this  
48 technological world of it knows you have these permits, and it's

1 going to give you the right questions, and all of that sort of  
2 thing.

3

4 **CHAIRMAN WALKER:** Ms. Boggs.

5

6 **MS. BOGGS:** So, if I could put Ms. McCawley on the spot, and  
7 what kind of feedback did you get from your fishermen in the  
8 South Atlantic about the economic data questions?

9

10 **MS. JESSICA MCCAWLEY:** I don't remember us having this same  
11 level of feedback that you guys are receiving about these  
12 questions. I think there was some, but I would have to go back  
13 and look at some of our discussions and get back to you guys,  
14 but I don't think that we discussed it at this level.

15

16 **CHAIRMAN WALKER:** Mr. Strelcheck.

17

18 **MR. STRELCHECK:** So the South Atlantic had gotten a  
19 presentation, I think in December, essentially showing the  
20 challenges that they're having with compliance, and so they are  
21 embarking on some improvements to their program, and one of the  
22 points of emphasis that I have made with them is, as we work, at  
23 the Gulf Council, on this program, and they're working in the  
24 South Atlantic, and where is there alignment, obviously, to not  
25 duplicate effort.

26

27 Going back to my initial comment, I think it would -- **I'm not**  
28 **sure if it's an action and alternatives, and so I would like to**  
29 **just make a motion to have the IPT explore how to incorporate**  
30 **economic data collection into the amendment.** I am leaving that  
31 vague, because I'm not sure if it needs to be an action and  
32 alternatives, or if it needs to be subalternatives within an  
33 action, or it just needs to be discussion, and so if I can get a  
34 second.

35

36 **MR. GILL:** Second.

37

38 **CHAIRMAN WALKER:** Second by Mr. Gill.

39

40 **MR. STRELCHECK:** So, you know, just to add to the rationale, we  
41 had an extensive discussion today, and I think we need to really  
42 consider, obviously, the concerns of the industry, as well as  
43 the benefits, and costs, of collecting, or not collecting, this  
44 data, and I think there is some potentially actions, and  
45 alternatives, that could be considered, and so this gives the  
46 IPT some flexibility as to how we go about incorporating and  
47 evaluating those.

48

1 **CHAIRMAN WALKER:** Any discussion on the motion? All right.  
2 We're going to vote this up or down. **Is there any objection to**  
3 **the motion among the committee? Seeing none, the motion**  
4 **carries.**

5  
6 All right. Are we done? All right. That was quick. All  
7 right. That completes the Data Collection Committee, and I hand  
8 it back to you, Mr. Chair.

9  
10 (Whereupon, the meeting adjourned on April 8, 2024.)

11  
12

- - -