

New England Fishery Management Council Groundfish Oversight Committee

Draft Meeting Summary

August 14, 2013

The Groundfish Oversight Committee (Committee) met in Peabody, MA. The Committee discussed recent work on Framework 51 and Amendment 18 to the Multispecies Fishery Management Plan. Committee members present were Mr. Terry Stockwell (Chair), Mr. Tom Dempsey (Vice-Chair), Mr. Terry Alexander, Mr. Frank Blount, Mr. Peter Kendall, Ms. Sue Murphy, Dr. David Pierce and Ms. Laura Ramsden. They were supported by Groundfish Advisory Panel (GAP) Vice Chair Ms. Jackie Odell, Recreational Advisory Panel (RAP) Acting Vice Chair Capt. Patrick Paquette, staff members Mr. Andrew Applegate, Dr. Jamie Cournane, Ms. Rachel Feeney, and Dr. Fiona Hogan (NEFMC), Mr. Mark Grant, Ms. Sarah Heil, and Mr. Michael Ruccio (NMFS NERO) and Mr. Mitch MacDonald and Mr. Gene Martin (NMFS General Counsel).

Discussions were guided by a presentation of Development of Framework 51 to the Multispecies FMP, PDT memo to OSC dated July 26, 2013, PDT memo to OSC dated July 29, 2013, PDT memo to OSC dated August 6, 2013, PDT memo to OSC dated August 7, 2013, a PDT memo to OSC dated August 7, 2013, Groundfish OSC meeting summary dated June 12, 2013, Groundfish Advisory Panel meeting summary dated June 10, 2013, a presentation on updates to Amendment 18 and a series of correspondence received by the New England Fishery Management Council.

Under other business, a Committee member intended to discuss streamlining sector reporting requirements with the goal of lessening the burden on industry. The Committee Chair wanted Committee feedback on non-allocated species discards as an increasing number of Mid-Atlantic stocks are appearing in the Gulf of Maine (GOM). Another Committee member wanted to discuss using VMS for safety issues following public comment at the June 2013 Council meeting.

PDT Framework 51-related Updates

Staff provided an overview of recent work completed by the Groundfish Plan Development Team (PDT). Work was divided into two categories, those of regulatory requirements and additional groundfish items. The PDT addressed rebuilding plans for Gulf of Maine (GOM) cod and American plaice, specifications for white hake and US/CA TACs for Georges Bank (GB) yellowtail flounder, Eastern Georges Bank (EGB) cod and EGB haddock.

Staff clarified that the comments made by TRAC regarding the high levels of recruitment for EGB cod referred to recruitment after 2000 and the recent high recruitment events were lower than strong recruitment events from the whole time series. The Committee discussed the sub-options outlined for the GOM cod and American plaice rebuilding plans that were designed to rebuild with a median probability of success, consistent with the existing rebuilding plan. In the GOM cod assessment one of the models assumed that natural mortality (M) had increased from 0.2 to 0.4 but would reduce at some unknown time to 0.2 again; if that reduction does not happen then the stock may be unable to rebuild based on these plans. The PDT provided a table of fishing mortalities from the projections associated with the rebuilding strategies, which all indicated that fishing mortality would need to be low. The PDT proposed using $75\%F_{MSY}$ as opposed to $F_{rebuild}$ because the latter could be more restrictive.

A Committee member thought that the white hake quota was not being met because of limited quota availability of other stocks and fishermen targeting them in the winter for better market prices; not because of low stock size. The PDT is taking a preliminary look at quota limiting stocks (frequently referred to as “choke stocks”) and their impacts on the ability to catch other groundfish stocks.

A Committee member considered the fifty percent probability of success for rebuilding plans to be a low standard that should be examined. The PDT has reservations on the reliability of long-term projections and has discussed how to use previous assessments to inform this process, e.g. to achieve X% increase per year, was that goal reached in previous assessments or projections.

Staff presented information on additional Groundfish issues that may be included in Framework (FW) 51. These included small-mesh fishery AMs for GB yellowtail flounder sub-ACL, RA authority for in-season US/CA adjustment, halibut and wolffish AMs, haddock spillover, carryover and disapproved reporting/monitoring issues from FW48. The PDT requested Committee guidance regarding these issues and whether they should be considered for inclusion in FW51.

There was support for input from the Whiting Advisory Panel regarding the small-mesh Accountability Measures (AMs). Consideration by the GAP of halibut and wolffish AMs was proposed.

In the proposed rule for FW50, NERO outlined changes to the carryover provision but the allowance of up to ten percent carryover was not changed. An automatic *de minimus* amount of carryover will not be counted against ACE of ACL to provide some incentive for vessels to not risk safety at sea towards the end of the fishing year.

For haddock spillover, the PDT did not conclude any scientific/technical basis for changing the quotas between the Georges Bank and Gulf of Maine haddock stocks. Staff suggested the Committee discuss management uncertainty assigned to the ABC for Gulf of Maine haddock stock; the Council could potentially do its own risk assessment to address the issue.

Some public comment included:

- Maggie Raymond, Associated Fisheries of Maine: I have a question for the Agency with regards to the carryover issue. Under this document that says NERO will continue to move forward unless the Council takes action, does that mean that if the Council does not address this issue in FW51 that the Agency would do a Secretarial Amendment in order to address it? Would you have to have a mechanism that would adjust this annually going forward? I think you do need to have some kind of annual adjustment if you continue to go down this road and if that’s the case I’m curious when the industry would be notified of when and what the carryover would be for subsequent years.

NERO staff clarified that carryover was still 10% but couldn’t be allowed to cause overfishing. A small amount could be given automatically that won’t cause the ABCs to be exceeded. For everything else taken up to the 10% then it’s dependent on whether the total fishery ACL is exceeded then carryover doesn’t become subject to an AM. If it is exceeded then carryover is subject to the AM. There is a stock benefit to leaving fish in the water; there isn’t a one for one transfer unless the stock stays static. It wouldn’t be an issue when stocks are going up that becoming the binding restraint if the stock decreases.

A Committee member was concerned that carryover appeared to be off the books and was now being applied to uncertainty buffers that have not performed well in the past. The Committee was interested in seeing a clear outline of the Agency’s plan for carryover in order to determine whether any action for FW51 needed to be taken.

Some public comment included:

- Maggie Raymond – I think it would be important if NERO has plans to move forward without Council action that they should tell us what they're going to do now because we might like it; stranger things have happened. It would just be helpful if we knew what their plans are and we could see whether or not that would be workable from the Council and the industry's perspective. Just for the record, the Council commented on the NMFS proposed rule to change the carryover saying they didn't think you had the legal authority to do it as did Associated Fisheries of Maine so just wanted to point that out. One other issue, I would urge the Committee to adopt AMs for the small-mesh fisheries for Georges Bank yellowtail flounder and for any other bycatch that may occur in those fisheries. I don't know what the reporting requirements are for the whiting and squid fishery; I know that the squid fishery has a requirement to request an observer 48 hours before you go fishing. I'm pretty sure the whiting fishery does not; that was a recommendation that was made by the GAP about maybe 10 years ago when it was discovered that there was a very large bycatch of haddock in the cultivator shoal whiting fishery but that action was never adopted by the Council so I would urge you to look at improving monitoring and reporting of those fisheries in this FW. I know you can't probably do anything about squid but whiting fishery is a part of the multispecies plan so you can in this FW improve the reporting and monitoring of that fishery. I would urge you to do that. I would also point out that in June three of the major industry associations asked the Council to take AMs for groundfish bycatch in other fisheries as a very serious issue that we all felt needed to be addressed.
- Vito Giacalone, Northeast Seafood Coalition – Just to carryover, what I can glean from what the Agency is saying, I think they might be heading in a direction that makes sense. It's not altering the ACL, the ACL is the ACL, scientifically and that's going to be the performance standard that whether we exceeded it or not. The accounting, we have 1200 individual MRIs that hold PSC, it's an extremely inefficient system it's proven that it's inefficient and we're not complaining about it. We're just saying that you can allocate an amount of fish to 1200 MRIs and the chance of getting 100% of that allocated ACE to a point where it can be caught is extremely low. Almost all the sectors have a buffer built in so I don't think there's a direct connection in the law between what you allocate to sectors and PSC and the ACL. The ACL is the legal threshold and what goes to the sectors is going into an inefficient system You can put more fish in to the system and it's not necessarily going to meet the ACL but it is going to relieve the leasing market for the handful of guys that have got their businesses tailored to that. They'll still be ACE stranded. I think maybe the Agency's transitional thinking is in the right direction, I hope. On the haddock spillover, I think the PDT did a lot of really good work there I was just a little bit disappointed with the conclusion that there wasn't enough technical support for going forward with assuming that you could make management changes based on it. I would recommend we're hearing and seeing multiple reports of many, many hundreds of vessels fishing inside the WGOM closed area and catching 2003, not that we're checking the otoliths on them, but they're large haddock inside the WGOM closed area by fishermen who aren't very good normally at catching fish. It was a maze out there last weekend and buckets and buckets of haddock filets coming out of there and these aren't juvenile fish, these are full grown fish probably 2003 year class. There was an assumption made by NOAA when no bag limit was put on the recreational sector and that was probably a sound assumption if the assessment was correct and if no spillover was happening but the reality is there's as much fish being caught on a two person or three person two hook hand line right now as many of the commercial fishermen are allocated for the year. I would suggest that if you want to do a cross check to see if the assessment was correct and why the cohort that they talk about that they didn't see 2003 year class in the trawl survey replace the trawl survey buy yourself a ticket or go out with a friend go into the WGOM and you will see the 2003 year

class and many other year classes, reportedly there are boats doing drifts that are working on smaller fish intentionally so that there's plenty of action and then drift onto where they're going to get adult fish so people can take a pile of fish home. We're missing the boat big time here and it's not going to take a trawl survey, the Albatross or Bigelow, to go out and find out that we messed up. You got a commercial fishery being shut down here and you got a lot of fish being yanked out of the WGOM closed area. That's a fact and you don't have to go by the testimony just buy a ticket. Hopefully you figure out a solution for this and thank you Dr. Pierce for recognizing that there is a lot of good information coming out of the PDT report I just wish that the conclusion was a little stronger.

A Committee member was confused by the potential management measure that would allow the RA to adjust the quota for GB yellowtail flounder after the allocations were already made and the implications for boats that were fishing their allocations. Staff explained that both countries were interested in the trade and it would occur over multiple years. A Committee member was unsure if Canada would be interested in a trade for yellowtail flounder, depending on what the quota might be and given the change in allocation by country. The SSC is scheduled to meet August 20 – 21, 2013; yellowtail flounder ABC is on their agenda. NERO staff explained that at the TMGC Intercessional meeting, draft trading principles were developed that would see a trade occur across fishing years, e.g. the US would receive 2013 fish from Canada to be used in 2014. The GAP vice chair highlighted the need for industry participation in the TMGC process. NERO staff explained that there are six members from each country on the TMGC – four industry members, one management representative and one NEFSC representative. TMGC meetings are public meetings.

The Committee moved on to discuss the potential rebuilding plans for GOM cod and American plaice. The plans were considered adequate by NERO and were being reviewed by the SSC at their August 2013 meeting. A Committee member, after reviewing the relevant fishing mortality levels associated with the rebuilding plans, no longer had any concerns with the rebuilding plans.

The Committee agreed by consensus to move forward with the GOM cod and American plaice rebuilding plans as currently proposed by the PDT.

The Committee moved onto Accountability Measures (AMs) for the small-mesh fishery. Input from the Whiting Advisory Panel was considered to be essential. The NEFMC is coordinating with the Mid-Atlantic Fishery Management Council (MAFMC) on this issue but no draft measures are available yet.

The Committee agreed by consensus to proceed with the small-mesh AM as outlined and will incorporate advice from the Whiting Advisory Panel.

The Committee discussed the distribution of fish traded with Canada under the RA authority for an in-season adjustment. Under the draft management measure, any received allocation would be distributed according to current distributions. A Committee member found this problematic because individuals could be giving up fish and others would receive the fish. NERO staff explained that considering the timing of the 2013 trade, it was thought that keeping the trade simple was best. There is a transfer mechanism already in place between the scallop and groundfish fleets; if the scallop fleet doesn't use any yellowtail flounder it receives from the trade could be transferred to groundfish. As the trade mechanism is further developed these issues could be addressed.

The Committee agreed by consensus to include for consideration a measure that would distribute any additional quota consistent with the sector sub-ACL distribution; if trading groundfish quota then examine an allocation scheme that considers it as additional groundfish quota that contributes to ACE.

The Committee discussed halibut and wolffish AMs; FY 2012 catch are still unavailable but preliminary estimates indicate there may have been an overage for these stocks. A Committee member did not think it was appropriate to layer closures over effort controls and suggested investigating approaches that would allow the Council to allocate halibut and wolffish using an index approach or catch history. An assumed discard mortality of 100% is used for halibut. Potential changes in the closed areas by the Omnibus Habitat Amendment may open areas that could increase catch of halibut and wolffish but this needs to be investigated further. The RAP representative confirmed that wolffish were regularly encountered in the southern WGOM area.

The Committee discussed the haddock spillover issue. A Committee member provided a photo that showed a catch of 1300 lbs. of haddock three miles east of the GOM stock line, on the GB side. The suggestion was made to identify statistical areas where spillover might happen but another Committee member thought that spillover would happen everywhere. There was some concern that the SSC might agree with the PDT and the Committee would have to conduct a risk analysis and make the assumption itself, perhaps considering the tagging study that reported 10% movement as the best available science. The PDT would not be able to perform any additional analyses before the SSC reviewed the haddock spillover issue at its August 2013 meeting. The PDT had conducted an extensive analysis of the issue and did not find evidence of substantial GB haddock spillover into the GOM and was concerned for the state of the GOM haddock stock if 10% spillover was assumed. The Committee wanted to discuss the issue at the Joint Committee meeting with the Habitat Committee in September 2013. A Committee member thought there was only a single haddock stock and not two and wanted to include management measures for this in FW51. It was not known at the meeting whether the existing two stocks were genetically different. Another Committee member reminded the Committee that haddock is experiencing overfishing and is approaching an overfished condition.

Some public comment included:

- Marc Stettner, Northeast Hook Fisherman's Association – I understand the dilemma you're in, you don't have the science to back up or it's not complete. I think you should consider like was mentioned before whatever tagging studies you do have. We know it's not zero movement between GOM and GB I think you should really maybe consider 10% and I'd say I've heard that haddock when tagged don't really do that well so because of the slime and it affects the returns so if you're getting 10% back on returned tags I would think the spillover is more than that because they're not a fish that's just responds to T bar tagging very well. I would encourage the Council and everyone to consider at the minimum a 10% spillover at least put a number out there for consideration. I was involved in a cod study but as a bycatch we're really surprised because the area where we're doing the cod tagging we're catching about 3 or 4 miles off Cape Anne and we're catching large quantity of haddock about 10 – 12 inches big. I've never seen that many small haddock in the inner GOM before in my life and I haven't been fishing that long but that's a lot. I don't know what year class it is but they just didn't appear. They came from somewhere and I just don't understand how if the GOM stock is so depressed how do we have for many, many years, how do we have so many little haddock like this unless the GB fish moved inshore like they do in the spring into the GOM to spawn and those little haddock have been swimming around ever since. Perhaps that's the case, maybe you have like cod, the fish moving inshore from GB to spawn and then moving off that would mean spillover.

The Committee discussed the issue of carryover again. NERO clarified that their plan had already been published in the interim final rule for FW50. The final rule for those actions was being finalized and should be published before the end of the August 2013. A Committee member requested a case study to

see how the proposed method would have worked in the past. The Committee agreed to wait for the case study before deciding to include carryover in FW51.

The Committee discussed disapproved reporting or monitoring issues from FW48. Based on comments received, the Agency disapproved management measures that included creating separate strata for GB yellowtail flounder. The Committee discussed both sides of this argument; there were some that thought it was still a good idea because very few yellowtail were being caught in those areas but vessels were still being charged yellowtail flounder discards based on the assumed rate. However, it appeared from the comments received during rule-making that some sectors didn't necessarily think this was a good idea.

Trawl gear stowage was disapproved because it was inconsistent with enforcement; this will be reviewed again by enforcement. Cost sharing for monitoring was also disapproved but there are internal groups in NERO working on this issue. There was some support for further development of cost sharing options in time for inclusion into FW51. A Committee member thought it would be useful for the PDT to look into ways to improve decisions regarding at sea monitoring (ASM) by examining the existing goals and objectives to identify ways to best utilize limited resources. The GAP could also be utilized to identify specific trips that could be covered at a differential rate while meeting the goals and objectives. Increasing the number of strata creates difficulties for monitoring stocks; the Agency's resources are currently stretched to the max. A Committee member requested an update as to whether the Agency will be able to cover total costs of monitoring this year and what the potential was for next year.

Motion: To request the PDT develop an alternative in FW51 that would allow for full retention of allocated Groundfish stocks explicitly linked with expanded catch accountability to ensure this change did not result in unintended negative management outcomes. (Mr. Dempsey/Mr. Kendall)

Rationale: We didn't have time to flesh out this measure in FW48 like EM. I think it's going to be the only way to get us out of this sort of insane discard strata conversation

There was some concern that this strategy could show that the current assumed discard rate is too low and what the consequences might be. Targeting small fish would not happen because of the price of fish; FW48 reduced the minimum fish sizes of some stocks and low prices have been realized for these smaller sizes. Discards are already accounted for against the ACL and if the discards were reduced it was expected that the vessels would be able to land them. The RAP representative questioned whether this motion included recreational vessels. Considering the difficulties with electronic monitoring, it might not be in place by May 1, 2014 but would hopefully be implemented as soon as possible. Another Committee member was concerned with removing minimum fish size requirements. The GAP representative pointed out that at the June 10th, 2013 meeting, the GAP passed a motion requesting that the assumed discard rate problem be addressed.

Some public comment included:

- Maggie Raymond: Associated Fisheries of Maine supports this motion, we supported the Council's consideration of this in the previous FW and unfortunately it was not approved by the Council. My concern is it's likely to happen again since it was not a very strong vote in favor of full retention although most Council members that spoke against the concept basically said it wasn't ready for prime time but didn't explain what prime time would look like. The assumed discards issue is very serious. We've highlighted it many times. The NEFSC was supposed to review the methodology this fall and has decided that's not a priority; I don't know if they notified the Council of that or not, but they won't be looking at that methodology anytime soon. My understanding is that some of NMFS staff were going to work with sector managers to help them try to figure out how to assign discards to individuals as opposed to the entire sectors but

I'm not sure what the status of that is. Hopefully that can help some of this issue. This is not a new idea. This happens with many fisheries around the country and the world it's just that for a long time in groundfish and those of us who have been around for a long time, know that it was considered an important component of the plan was to protect undersized fish to allow them to grow to maturity so that they could reproduce. That is still obviously an important component of the plan however, we have no idea at this point, how many fish are being killed and we're never going to be at a point where we're going to have 100% observer coverage on this fishery because it's just not ever going to be economically viable to do that. The electronic monitoring thing has been stalled for year, hopefully we can get that moving and that would be an important component of this but we're just going to have to at some point recognize that the majority of the fleet obeys the rules. If you tell them that they have to land all the fish that they catch they will do that, we know that and compliance is pretty high. Right now we have no control, they're allowed to discard all this undersized fish that's not counted and never will be counted because we'll never know what it is. Requiring them to bring that in is not going to increase that problem of not knowing it should improve our understanding of what the real catch is in the fishery. Several frameworks ago the advisors also recommended that if you had full retention you had to have 100% dockside monitoring. That program would need to be modified so that small fish could be counted because right now fish is not measures by length; it's not sold that way. When we reduce minimum size we have no idea if there are more small fish really being landed because it's not how it's marketed. It's marketed by weight. We would have to modify the dockside monitoring program to somehow get a handle on what is the real amount undersized fish that is being landed. That would be a huge incentive for fishermen to change their behavior because other fishermen would be looking at that saying what the hell are you doing. Right now nobody knows what anybody is doing in the fishery but if you have to bring that in they'll be a peer pressure on people to change their behavior because you're going to wreck the market and cause all kinds of problems for the resource you have to think of it in those terms as well. In the short term I think if we can figure out how to assign discards to individuals instead of the entire fleet that will be helpful and hopefully that work will continue but I think the Council needs to get the science center on this review of this methodology as well there maybe things that they can do that can improve this situation but we're not going to know that until they decide that this is a priority.

- Marc Stettner – I'm not going to speak for or in favor I just wanted to say that I think this motion maybe the maker could be more specific. Sectors or recreational party boats, handgear, private boats would need to be looked at for each type of fishing person. My fishery, hook gear, enjoys the concept of throwing back undersized fish that haven't spawned yet thinking that those fish will grow up spawn and we'd accrue the fishery and the chance of catching them when they are worth more larger. Certain fisheries are very size selective and maybe this would work for them but I really personally would hate the thought that if I caught a 12" cod that I'd have to keep it. It would go against my grain and the other fishermen I know. It seems for certain gears and certain types of fishing it wouldn't be appropriate but maybe if the maker could fine tune it or ask that for each fishery to be reviewed that would be more appropriate than one thing for everybody because I can't keep a 12" cod

A Committee member requested information on whether vessels were changing their behavior to target smaller fish following the reduction in minimum fish sizes implemented in FW48 before lending support to full retention. The GAP supports full retention; the assumed discard rate removes quota from fishermen.

The motion **carried** on a show of hands (4/2/1).

The Committee agreed to discuss streamlining sector reporting at one of the September 2013 Committee meetings. The NERO informed the Committee that they're planning a workshop for sectors to assist them in minimizing the impacts of the assumed discard rate. A Committee member was disappointed that this workshop was not going to address how the calculation was done itself and considered that to be potential future work for the PDT. The NEFSC was planning on revisiting the current methodology but it is the timeline was unknown and the workshop was designed to help sectors with the current methodology.

Staff requested some form of prioritization of potential management measures for FW51. One Committee member proposed prioritizing according to what could prevent boats from fishing this year that included: 1. haddock spillover, 2. RA authority for trading and 3. disapproved reporting mechanisms. It was suggested that following those three would be 4. carryover, 5. small-mesh AMs, 6. halibut and wolffish AM and 7. full retention. The Committee again clarified its interest in exploring alternative AMs for halibut and wolffish that may or may not include closures.

Amendment 18

Staff presented recent PDT work on the five tasks they were assigned for A18. The tasks included examining measures in the Northern Economics report, capping permit owners to owning 5% of permits, defining and capping accumulation of private permit banks, providing access to capital, and measures outlined in the Northeast Hook Fisherman's Association (NHFA) proposal. The Committee was updated on work regarding defining excess shares and learned that Compass Lexecon will be contracted to complete this task. The Committee was asked to provide guidance regarding priorities for A18.

Staff reminded the Committee that at the June 2013 Council meeting a motion was made to have the PDT examine the NHFA proposal. A Committee member thought it would stretch monitoring resources further to create another program within the common pool. A Committee member suggested the NHFA join a sector in order to eliminate the trimester restrictions.

One Committee member was concerned with the sufficiency of data for the excessive shares analysis. Staff noted that ownership data for the groundfish fishery is better than when the contractor conducted similar work for the Mid-Atlantic surf clam ocean quahog fishery. Council staff will be in charge of the contract, ensuring deadlines are met. The Committee clarified that non-state permit banks should be non-profit organizations that lease out ACE like a permit bank. There should also be a distinction between leasing ACE to support the fishing community and leasing for profit, e.g. public library versus a large online bookstore. Staff noted that since PSC is designated to the MRI and not the permit, it would be easier to cap the holdings of PSC at the MRI level than to cap permits. The GAP Vice Chair reminded the Committee that the GAP voted to take into account the full range of ACE levels that would keep entities viable.

The Committee had a few questions regarding the Northern Economics report and whether accumulation caps would transform the fishery into a LAPP. Staff clarified that as long as ACE remains allocated to sectors (as opposed to individuals) the fishery would not be a LAPP. The PDT had not come to any conclusions regarding that. NOAA General Counsel clarified that capping permits or ACE doesn't turn the system into a LAPP. However, an ACE use cap for specific segments of the fishery (e.g. vessel length groups) may need to have more specific allocations potentially triggering a LAPP.

Some public comment included:

- Maggie Raymond: I have a question about this contract with Compass Lexecon. I think it's probably a good idea to get a definition of excessive shares since I'm sure my definition would be different to others. In terms of the work phases, I understand number one, meeting with staff, both

Council and NEFSC, to select appropriate economic data. I just want to emphasize that there's a lot of economic data that you don't have about the fishery. It's going to be critical to include in this analysis, how much people have already invested in buying permits, buying out other fishermen. What happens when you think you're fishing year is going to be OK and then you blow the engine and you have to find \$200,000 somewhere? There's a whole list, those are just a few things that came off the top of my head because I'm pretty sensitive to them right now. I think there really needs to be a phase where you bring in the industry; those discussions really need to be done very thoroughly. Talk to a lot of people about what their expenses are and what kind of debt people have hanging over their heads now and how they think they're going to get through the next few years. I would encourage you to and I will personally encourage fishermen to participate in those discussions because I think that's the only way you're going to get a real understanding of what the appropriate economic data is that they're going to need in order to answer the other questions.

Based on the PDT work, a Committee member supported looking at limiting MRIs instead of permits. Another Committee member wanted more clarification on what an MRI is.

Motion: That the PDT further develop the Northern Economic Accumulation limit approach described in PDT Appendix 1 Number 4 (modified): limit the amount of PSC of all stocks individually that may be controlled by a moratorium right identifier including leased ACE that effectively increases MRI shares of ACLs (Dr. Pierce/no second)

Rationale: This was considered it to be consistent with PDT feedback but if leasing isn't capped, then a cap just on holdings won't be sufficient. Someone could have a PSC that effectively is increased rather dramatically through leasing

The motion **failed** for lack of a second.

There was some hesitation to set up any caps that would prohibit the viability of groundfish businesses; several ownership cap alternatives could be proposed and analyzed by the PDT that could be on stocks in aggregate or individual stocks. Considering the age of the fleet, there was opposition to limiting people who are already in a bad situation. There was still support of investigating what the options would look like considering the five percent cap voted on by the Council.

Motion: I move the following options be included as part of the excessive share discussion in Amendment 18 and towards achieving goal 4 in particular as well as 1 and 3:

- 1) A x% cap on the amount of stock-specific PSC held annually by permit/MRI with one sub-option being:
 - a) 5%
 - b) 1%
 - c) Grandfather to maximum % held by an ownership entity as of April 7, 2011 control date;
- 2) A x% cap on the number of permits/MRI with PSC held by an ownership entity, with sub-options being:
 - a) 5% cap
 - b) 1% cap
 - c) Grandfather to maximum % held by an ownership entity as of April 7, 2011 control date
- 3) A x% cap on % ACE held annually by sector, including ACE owned and leased-in by members, with one sub-option being:
 - a) Grandfather to maximum % held by an ownership entity as of

April 7, 2011 control date
(Dr. Pierce/Mr. Dempsey) –

Motion as amended: I move the following options be included, but not limited to, as part of the excessive share discussion in Amendment 18 and towards achieving goal 4 in particular as well as 1 and 3:

- 1) A x% cap on the amount of stock-specific PSC held annually by permit/MRI with one sub-option being:
 - a) 5% cap
 - b) 1% cap
 - c) Grandfather to maximum % held by an ownership entity as of April 7, 2011 control date;
- 2) A x% cap on the number of permits/MRI with PSC held by an ownership entity, with sub-options being:
 - a) 5% cap
 - b) 1% cap
 - c) Grandfather to maximum % held by an ownership entity as of April 7, 2011 control date
- 3) A x% cap on % ACE held annually by sector, including ACE owned and leased-in by members, with one sub-option being:
 - a) Grandfather to maximum % held by an ownership entity as of April 7, 2011 control date

Without an analysis by the PDT, it was difficult to say whether a vessel would be required to sell a groundfish permit if it was even one percent over a cap. The motion was intended to provide the PDT with a starting point for analysis but there was some opposition to the percentages proposed in the motion. The proposed cap on sectors was thought to be problematic as sector membership could change, especially if vessels are forced out of business because of low quota.

Some public comment included:

- Maggie Raymond: I urge the Committee members to vote this motion down. These percentage numbers don't make any sense. What's 5% of GOM haddock, one fish? This is crazy to think that we can lay numbers on these ACLs or PSCs which are going to change significantly; the ACE associated with this is going to change significantly over time for each one of these stocks. Every 2 years we're going to get different numbers and these percentages are going to be completely different and aren't going to make sense. I disagree that we have to start somewhere and develop some options. The whole idea of excessive shares in relation to NS4 is when you do an allocation. NMFS has said that we haven't done an allocation here. They said that in the comments on A16 when people were saying you have to cap people in A16. NMFS said no we don't. We haven't done an allocation; we don't need to cap anybody. We don't need to develop options just for the sake of developing options. That's the wrong way to go. All that does is put a bunch of fear and confusion into the industry. As it is now, people have to get out. There are people who have to get out; they have to sell out and we already have a control date that's limiting that because someone who might have some money. I can't sell because you have a control date because buyers don't know if it's going to be any good. We have nonsense like this where you're going to have a percent or lease some fish. How the hell are people going to pay their bills? This is just gone completely out of control. We capped the ownership of some number of permits at some reasonable level. Your concern about somebody owning 70 permits assumes that all those permits are equal well I got a few of permits that have nothing on them that I owe a lot of money on but they have no PSC associated with them at all. So big deal if I own 8 or 9 permits half of them are

no good. But I still owe money on them I'm still paying on them so this is the stuff that why do Council members who aren't involved in this day to day life of trying to make this business work, you just don't understand. We're hanging on. We've invested millions of dollars to keep going to get to nowhere. To have nothing left after investing that money and now you're saying too bad. We're going to take that away from you because you're over some arbitrary percent; it's crazy.

The motion **failed** on a show of hands (3/4/0).

The Committee discussed how the Council voted for a 5 percent cap; PDT work indicated this may equate to roughly 22 to 70 permits, depending on how they are counted, e.g. all MRIs, only MRIs with PSC associated.

Motion: Move that the Council reconsider the 5% cap and instead

1. Set a 1% cap on MRIs with associated PSC (about 11 – 14 permits/MRI per owner) and
2. Have the PDT determine the degree to which we expect this cap to constrain the fishery (Dr. Pierce/Ms. Murphy)

Rationale: This motion is the same as the Council motion only it reduces the cap from five percent down to one percent as the five percent was considered too excessive.

There was support for waiting for some analysis before picking final numbers. NERO staff explained that they were working on finishing the ownership database to include the permits in CPH. The Committee agreed to wait for that information before moving ahead with this matter.

The motion was **withdrawn** without objection.

A Committee member considered a permit bank to be a non-profit organization and not an individual owner. Staff requested further clarification of a definition of a permit bank; without a definition of a permit bank staff did not know who to grandfather in. A Committee member suggested looking at Scallop A15 EIS; there was a program that would have created entities like permit banks for scallops that was developed but ultimately not adopted.

Motion: to ask the PDT to analyze a 15% in aggregate in GF permits cap on permit banks owned by a state or private entity and permit banks should be held to the current control date and grandfather clauses if adopted (Mr. Alexander/Mr. Kendall)

Rationale: The 15% would include current and future permit banks to prevent permit banks from owning all permits in aggregate; they could increase from their current 89 permits to 220 permits. Many permits hardly have any PSC associated with them, which led at least one Committee member to think that PSC should be capped. Again, there was some hesitation to make a decision on permit banks at this point without further analysis by the PDT. There was a suggestion that the PDT look into the GAP suggestion of permit splitting and vessel upgrades.

The motion was **withdrawn** without opposition.

Northeast Hook Fisherman's Association Proposal

Marc Stettner outlined the NHFA proposal to establish a sub-ACL for the handgear fishery from the Common Pool that was developed once A18 was initiated. The number of active fishermen has declined through various regulations and is now less than ten. One of the A18 goals is to have a diverse fleet; if nothing is done then the HA permits will be sold off and there will be no more handgear fishery. The

NHFA considered itself to be too small for sectors. The NHFA considered it a failure if the handgear fleet disappeared.

There was some confusion regarding how the proposal would help the hook fishermen if they were still going to be constrained by their allocation. The HA permit is limited access, they fish with rod and reel and are restricted to a 250 hook tub trawl; vessels have to fill out VTRs and dealer reports. Based on the allocation years (1996 – 2006) the hook fishery caught between approximately 1% of cod and haddock was a little less.

Some public comment included:

- Hilary Dombrowski, Northeast Hook Fisherman's Association – I'm here to support Mr. Stettner in his efforts here. We have a very struggling fishery as all fisheries are struggling at this point. We are the oldest continuing fishery in this country and like Mr. Stettner said we'll be the first to go. We need some help here. We're not asking for a lot. The Pacific Council has allotted their handgear fishery a percentage of all their fishing. It was given to them outright this is not unprecedented. This has happened already. The fishery is struggling because of the trimesters and the quota sharing that we do with the rest of the common pool. We are regulated by catch restrictions right now when we started this year we were allowed 100 lbs of cod per trip, 100 lbs of haddock per trip; most of the boats didn't go because you can't make a day's pay on 100 lbs of fish. This is where we're at. We're willing to work this Committee and the Council to try and get a plan in place that will allow this fishery to continue. I want something to pass along to a 17 year old or a 14 year old like myself many years ago in a 15 foot skiff out there with a jig catching fish. I've fished for 49 years full or part time and it's come to this. It's terrible what has happened. There are no youngsters that can get into the fishery anymore. There is nobody to pass along our knowledge. There's nobody to take our place. We are going to be 100% imported fish before long. We can't even sell the damn dogfish anymore. It's ridiculous. We're willing to work just to get a small piece to continue a fishery and then as the fisheries improve, expand it. There's only 100 permits that's not worth a lot. Most of those permits don't have a history because they're attached to lobster boats. What we have for accumulation right now was the core group 30 or 40 boats accumulated all that, not the 100 and that's why it's there. We just like to have a piece of our share. We've been restricted by the council and in our heyday were allowed 300 lbs of cod per day and there were no restrictions on haddock and pollock at that time but we've always been restricted. We can't fish from March 1 to March 20; I don't know why that was implemented. There are so many things that have restricted this fishery and I'd like to see it survive.

The hook fishermen were hesitant to join a sector because of the costs associated with that, including putting a computer on a boat. The hook fishermen embrace trip limits and want to be managed like the recreational fishery. They didn't think they had the resources to form a sector; they want to fish the handgear quota equally and manage it together so they don't need to lease quota. From the Committee, there was some general support for the handgear fishermen to form their own sector and a member offered to help them figure out how a sector could work for them. Removal of the trimesters for common pool vessels was suggested as a potential solution. It was roughly estimated during the meeting that if there was a handgear sector sub-ACL the 2013, PSC would roughly be 13,450 lbs of GOM cod, roughly 500 lbs. of GOM haddock, 60,000 lbs. of pollock and 14,000 lbs. of white hake for the handgear fleet.

A few of the Committee members agreed to work with the handgear fleet to help their industry without creating a new sub-ACL and further discussion was postponed pending those results. A short-term relief option might be to remove the trimesters within FW51.

Amendment 18 Discussion Continued

Motion: request the PDT develop alternatives that would allow for splitting GF permits and or PSC off the rest of the limited access permits on that vessel for permanent transfer. To consider revisions to vessel upgrade restrictions to allow more flexibility for the fleet and improved safety. (Mr. Dempsey/Mr. Alexander)

Rationale: The Committee should task the PDT to analyze permit splitting alternatives and what impacts and flexibility to achieving our goals and revising our vessel upgrade restrictions.

The Committee was informed of a Secretarial Amendment that will address the vessel upgrade restrictions; a presentation will be made on it at the September 2013 Council meeting. There was general support for this motion as it would provide relief to fishermen and would be consistent with the sector policy of not shifting effort to other fisheries. The motion is consistent with an earlier GAP motion.

The motion **carried** on a show of hands 6/0/1.

2014 Groundfish Priorities

The PDT discussed potential priorities for 2014 that included ABCs for the three winter flounder stocks, pollock, and US/CA stocks. The PDT suggested continuing work on A18. The Committee will have the opportunity to discuss priorities at the September 2013 Committee meeting. A Committee member requested the list of outstanding priorities for 2013 and in particular wanted to address sub-ACLs for groundfish catch and on groundfish directed fisheries.

Some public comment included:

- Maggie Raymond: I have a question about the process. We are going to have a discussion at September meeting but usually the Executive Committee comes up with some recommendations for priorities. I have some suggestions for priorities and I'm hoping the Committee has some suggestions that would go to the Executive Committee and they can decide whether or not they should be forwarded to the Council for consideration. Can I ask a separate question, on this contract with economics people to look at excessive shares is that decisions made by the Executive Committee or Director?

Other Business

The Committee discussed the VMS issue raised at the June 2013 Council meeting that would allow coast guard to access VMS during an emergency. A Committee member thought this issue was going back to the Enforcement Committee.

The issue of Mid Atlantic stocks moving north to New England waters was not discussed at the meeting.

The Rednet proposal was discussed and the Committee asked a member of the Rednet network to comment on it.

- Maggie Raymond – I'm not sure I'm the right person because I just resigned from the Rednet network because I don't see anything productive coming of that particular process. You'd have to ask the principal investigators or Mr. Christel from NERO. It wasn't a reflection on the Rednet network itself but my boats from our association participated in the data collection in order to get the information to support the exemption request, which the Council supported and which the Agency actually implemented briefly for the end of the last fishing year and then decided that we

couldn't have the exemption unless we had 100% observer coverage. The goal of my participation was to reestablish a sustainable trawl fishery for redfish. Clearly, that isn't going to happen for whatever reason the Agency is not going to be reasonable about the data that we provided and consider that to be acceptable in order to have the exemption without the coverage. There are a lot of other fisheries that drag small mesh around the GOM with no observer coverage at all, no monitoring no oversight, no nothing after the exemptions have been granted. This one has been treated differently and so I just gave up and thought it was a huge waste of our time and tax payer dollars and I don't see any point in continuing to continue to investigate the selectivity of different mesh sizes when they're not going to be allowed to be used unless we have 100% observer coverage. I do think that the Committee and the Council could consider granting an exempted fishery that did not require that observer coverage that would be up to you to decide that. We and Mr. Christel will verify this, we provided more information than has ever been used by the Agency or Council to grant an exempted fishery about how clean this fishery could operate and we had more tows over more timeframe over more fishing area than anybody has ever done and it wasn't good enough.

A Committee member thought the study was wasting money on a net selectivity study considering that they already had that data. Selectivity was thought to be something the industry could do on its own. The decision was made to go with the 6" mesh after the NEFSC had some issues with the 4.5" mesh. The 100% observer coverage was required for concerns about the 4.5" mesh on other fisheries.

- Maggie Raymond – I have another question for the Agency. I think about a month ago the RA conducted a conference call with members from the fishing industry to discuss mitigation measures for groundfish and came up with a long list of potential things that might be done. Is there a status update since we're suffering from the lack of mitigation?

The NERO is continuing work on mitigation measures; the NERO is hoping to announce a decision on sector access to groundfish closed areas. It was unknown when notice would be provided regarding the harbor porpoise closure.