

New England Fishery Management Council
Summary of public hearings for
Draft Northeast Multispecies Amendment 18
August 3-20, 2015

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Introduction

Between August 3-20, 2015, the New England Fishery Management Council (Council) held six public hearings on the Draft Environmental Impact Statement (DEIS) for Amendment 18 to the Northeast Multispecies Fishery Management Plan. These hearings were moderated by the Groundfish Committee chairman or designee and staffed by Council analysts. At each hearing, staff presented the amendment timeline, alternatives under consideration, and draft impacts analysis. After an opportunity to ask questions for clarification, public comments were taken on the measures proposed in the amendment.

This document summarizes the public comments made at each hearing. Comments are mostly in the speaker's own words, but are not exact transcriptions, and may have been edited for clarity and brevity.

The attendance estimates for each hearing are based on the attendance sheets signed by audience members, which are available upon request. Based on the attendance sheets, about 25 people attended the hearings, although some individuals attended more than one hearing, and additional people may have attended but did not sign in. Testimony was given by 13 individuals.

The Council is accepting written comment on Amendment 18 through August 31. Written comments and a summary of all comments will be provided as separate documents.

Portland, Maine

Holiday Inn by the Bay, 88 Spring St.

August 3, 2015

Hearing officer: Frank Blount

Other Council members: None

Council staff: Rachel Feeney

Attendance: Eight audience members (five commenters)

Mr. Blount opened the hearing at 6:00 pm, introduced Council staff in attendance, and commented on the Amendment 18 process. Ms. Feeney briefed the audience on the amendment timeline, alternatives under consideration, and draft impacts analysis. After an opportunity to ask questions for clarification, public comments were taken on the measures proposed in the amendment. The hearing closed at 7:15 pm.

Questions

Kyle Molton (Penobscot East Resource Center) asked if there is impacts analysis available for the accumulation limit alternatives, particularly the impacts to fleet diversity. Staff referred him to the analysis of social and economic impacts in the Draft Environmental Impact Statement, which includes discussion of the potential for fishery consolidation (Section 7.6.2).

Hank Soule (Sustainable Harvest Sector) asked for clarification on how accumulation limits would apply to sectors. Staff clarified that the accumulation limit alternatives apply to all individuals and entities. Thus, if a sector holds a limited access groundfish permit(s), it would be subject to whichever alternative is implemented. A sector would not be limited by number of permits/amount of Potential Sector Contribution (PSC) held by individual members of the sector.

Mr. Molton also asked that if PSC accumulation limit Alternative 6 is implemented (collective cap across all stocks), what would happen to any excess PSC. How would it be determined which stock would be constrained? Staff indicated that this detail is currently missing from Alternative 6, but was already intending to seek clarification from the Council in September before final action is taken.

Jim Odlin (Atlantic Trawlers, Inc., commercial groundfish fisherman, Portland, ME) asked for clarification of PSC accumulation limit Alternative 6. Staff indicated that under that alternative, the average PSC held across all stocks can be no more than 15.5. Thus, with 15 allocated stocks at present, if you add up all one's PSC, it cannot be more than 232.5 (15.5 x 15).

Tim Rider (F/V Finlander, handgear commercial groundfish fisherman, common pool member; Saco, ME) asked if the number of Handgear A (HA) permits renewed in 2014 (n=132) includes permits in Confirmation of Permit History. Staff clarified that it does.

Josh Wiersma (Environmental Defense Fund) asked if the data confidentiality Alternative 2 applies to intra-sector as well as inter-sector trades. Staff clarified that it does.

Mr. Molton also asked about the timing of implementing Omnibus Habitat Amendment 2 (OHA2) relative to Amendment 18 and how that would impact the no action alternative of Section 4.4.3 regarding the Inshore Roller Gear Restricted Area. Staff clarified that if OHA2 is

implemented first, then the no action for Amendment 18 would change to reflect any changes implemented through OHA2.

Comments

Jim Odlin (Atlantic Trawlers, Inc., commercial groundfish fisherman, Portland, ME): Atlantic Trawlers, Inc. owns five offshore groundfish vessels, employing 30 people. It is my opinion that no accumulation caps are needed. There are numerous permit banks, there are many sectors, most sectors have first right of refusal, no individual or entity owns anything [permits], and species-specific PSC are not able to be split. By any measure, there is no excess consolidation going on now and there has been none documented. Far from it, the fishery is very diverse. Amendment 16 was set up to allow consolidation and recognized that there is too much capacity, given the low ACLs now and likely in the future, and they may be going even lower. Without further consolidation, no one will be able to reach profitability. This is quite obvious if one looks at the economic data available and/or simply looks at the age of fleet. Many vessels are long past their useful life. If you look at Goals 1-3 of Amendment 18, I can't see how they can possibly be accomplished with accumulation caps put in place. Any accumulation limit will do nothing except allow deep-pocketed companies to consolidate the fleet. There are many ways to do this. You are only kidding yourself and hurting the smaller guys while you say that you want to help them, as has been the past results when regulations have been put in place to help the smaller guy. Seeing that we have the largest scallop company in the world here in New England, despite a cap of 5% on permits, I will offer the following: no individual should be punished for something that is outside their control. On the PSC cap alternatives, if you do decide to go down this crazy road of picking caps, there simply must be a recognition of PSC acquired before the control date. Otherwise, you'll need some serious justifications for picking something before the control date. You'll have a lot of legal issues, including the issue of takings. For disposition of holdings in excess of that is allowed, I support Option A. We need to be able to keep a balance of stocks in someone's holdings. This is the least destructive option. I oppose Options B and C. I oppose PSC cap Alternative 2. It's too limiting, with no flexibility. It will just make sure every vessel goes broke. It devalues the whole industry and will lead to further underutilization of ACL. Why would you limit a stock that is not being used, such as pollock, redfish, Georges Bank haddock, etc. I also oppose Alternatives 3-5. I reluctantly support Alternative 6, the preferred alternative. It still allows much-needed flexibility and recognizes permit banks and sectors and no splitting of ACL. It will for sure cap the industry at some level that will not allow excessive consolidation while allow some possibility to find profitability. For permit caps, I support the preferred alternative. The 5% permit cap is the same as the scallop fleet. Had you done this a few years ago, it would have allowed management resources to move on to things that could possibly help the industry as a whole, i.e., you would have stopped wasting time on something that has no possible upside. For the data confidentiality measures, I support the preferred alternative. For the inshore/offshore measures, I support the preferred alternative. I have seen nothing that would justify putting in an inshore/offshore line. No one has articulated why they want it or what they are going to do with it. For the redfish exemption measures, I support the preferred alternative. Finally, as with all other regulations, be aware of unintended consequences. As I mentioned before, there is no need for this. These kinds of regulations are easy to get around, and will clearly hurt the smaller fishermen by devaluing their businesses and limiting flexibility. I don't see a single conservation benefit to any of these proposals. I cannot see any net gain to the Nation by making it impossible to achieve OY, not to mention profitability or the possibility of

providing sustainable seafood to the people of this country, who may or may not fish or live near the coast. This simply can't be the plan. Thank you.

Marty Odlin (Atlantic Trawlers, Inc.; commercial groundfish fisherman; Portland, ME): I don't see how any of these rules are going to help. They are not going to prevent consolidation up to everyone's maximum limit, so it's not really going to help anyone get into the industry. It's just going to devalue the permits that exist. Most of the rules aren't going to add a conservation effort. I don't see the point. They are just going to cause more problems and confusion, and make it harder for people to operate. Thanks.

Tim Rider (F/V Finlander, handgear commercial groundfish fisherman, common pool member; Saco, ME): I'm here to support the measures for the handgear proposal. We definitely need a change in what's happening. This is a good start. It's not a lot of fish, but if it works, it's good for all of us. If the stocks are coming back, it's pretty evident that the system that we have for us now doesn't work under trimesters. Being able to fish for other species when one stock is closed would be helpful. Right now, there is very little effort in handgear. There was a heavy effort on flounders early in the trimester, which got the common pool closed, and the handgear vessels paid the price for that pretty dearly in the Gulf of Maine this year. Most people can't fish at all, because they don't have the range to do that with handgear. The standard tote is not a big deal obviously. On removing the March 1-20 closure, there's not a lot of us that are equipped to fish in that time of year in New England. I might be one of the only ones, but it's pretty bad in March, so I don't really go a lot. There's not a big presence in March; you might see a few trips, but not enough to make a huge impact. Same thing with the VMS equipment; I can't even keep VTRs dry on my boat, so I can't add much else to it. A lot of us are in open boats. I'd like to see our discards as de minimus, because they are. It's really important that this go through. It's a small amount of fish. We know that. There are some challenges with it, but it's a start. We fish a different style gear than everyone else, and we need to have a way to be managed a little differently. There's very little effort to handgear fish in the Gulf of Maine, and if you do, you are risking your life dearly just to fish now. Thank you.

Josh Wiersma (Environmental Defense Fund): Regarding accumulation limits, we oppose the preferred alternative, because overall, EDF is concerned that nothing in Amendment 18 does anything to meet its goals. I think everyone is aware that right now the fleet is in trouble. Consolidation is occurring, because of the dramatic cuts in Annual Catch Limits. What the Compass Lexecon report showed was a level of accumulation that had little to no risk of market power, and identified these two thresholds of 15.5% and 30%, which they identified as a moderate risk of market power. From our perspective, what you're trying to do is recognize that although today there might not be an issue with excessive shares or excessive control in the fishery, but fish stocks will recover at some point in the future. Fishermen will have opportunities to invest in this fishery. At that point, we need to have safeguards in place to make sure that new entrants have a chance to participate, and that fishermen who are already participating have an equal shot at targeting and accessing the resource. The problem with the preferred alternative for accumulation limits is that it sets the PSC average/aggregate level at a point where, if you compared a potential accumulation portfolio under the preferred alternative with the current max PSC holdings, you'd end up with a situation where someone could specifically target key choke stocks. For everybody, even larger vessels, this is a problem. For example, if every other stock was maintained at its maximum PSC holdings, someone could accumulate 50% of the GOM cod PSC, 30% of the witch flounder, 30% of the plaice and still

maintain aggregate PSC holdings that are within the limit. The other issue that we have is with the 5% total accumulation cap on permits. The total number of multispecies permits is in the neighborhood of 1,450 permits, but only about half of those permits have any PSC history on them. What the preferred alternative says is you want to target 5% of the 1,450 permits. Well, half of those permits are going to be off the table anyway. No one is going to be trying to accumulate permits with no catch history. What you really want to be doing is setting a total permit accumulation limit that is consistent with the 750 or so permits that actually have catch history. As a very easy rule of thumb, a more likely and equitable ratio should be 2.5-3%. On data confidentiality, we think that there are opportunities to improve data use and the overall efficiency of the fishery if very small changes were put in place. We realize that the key argument against releasing sector trade information is the confidentiality violation of Magnuson. The problem with limiting data confidentiality is that it promotes a non-transparency culture in the sector Annual Catch Entitlement (ACE) market. It leads to severe inefficiencies in trading due to asymmetrical information, costly market information, and ultimately, we have a nontransparent, inefficient ACE lease market. It's exasperated both the data management and the ACE underutilization problem. There is an easy fix, and it could fit within the confidentiality restrictions of Magnuson. If only the information on inter-sector trades were made available to only sector participants, not to the entire public, then every player who has invested in this system and has put their fishing businesses as part of the sector system would have a fair and equitable chance of understanding what their ACE is actually worth. I like the analogy of imagining that you are a home owner trying to sell your home in a market where only the buyer has information on the comparable houses in the neighborhood. The seller is likely to accept an offer that is unrepresentative of the actual property value. This situation has evolved in the Northeast fisheries management system of sectors. It could be remedied, either through only exposing inter-sector trade information to other sector members or by aggregating information and not identifying the individuals who are involved in the transactions. If it needs to be more than two transactions, then you could just wait until two or more transactions took place, and then that information could be aggregated, the prices could be averaged, and that could be posted along with the current information that is already posted about the quantity of trades that takes place within the sector system. That information is critical. There is no better way of understanding the dynamic changes in the ecosystem than having a true shadow value of what's actually going on in the resource. I want to reference a paper by Ragner Arnison called "Minimum information management." His premise is that a lot of catch share systems around the world are too costly to get the data that we need to effectively manage them, specifically to be able to set Total Allowable Catch. In New England, it's no different. We have 16 different stocks that have to be surveyed annually. We have an extreme data requirement, but if you use correct information about ACE prices, it's theoretically possible that you could back out a socially optimal Total Allowable Catch, based only on looking at the ACE prices throughout the year as a representation of a fishermen's actual value and their marginal willingness to pay to go fishing. On the redfish preferred alternative, we strongly support it. We feel that it is a well-researched and well-used method for fishermen to increase their catch on redfish, which is an historically underutilized fishery and species. Thank you.

Kyle Molton (Penobscot East Resource Center; Northeast Coastal Communities Sector): I will be submitting written comments that speak specifically to the options outlined here. I want to talk about the public hearing process and the challenges it presents for small boats and diverse fishermen, particularly in eastern Maine. I drove 3.5 hours to be here from Stonington. Some

fishermen who we work with live two hours further east. The timeframe basically for the entire thing, from now up until the public comment period after final action has been taken, falls smack-dab within the middle of Maine's lobster fishing season. I understand the need to move these things forward on a timely basis, and obviously this has been delayed significantly, but virtually all of the fishermen in our sector and that we work with are interested in this, but simply don't have the time at this time of year to get in their car and drive between three and five hours to Portland. Geographically, this is the furthest north and east that there will be an in-person hearing. That probably only represents only half-way up the coast of where we are really talking about the few stocks that this is really going to matter for. Geographically, it's not very representative. Again, I understand the challenges. With timelines and trying to operate businesses that a lot of these folks have moved into because of the lack of groundfish, this is further driving them away from fishing in the groundfish fishery, being able to comment publically, be involved in the process, and maintain their investment in this fishery. Thank you.

Portsmouth, New Hampshire

Best Western Plus Wynwood Hotel & Suites – 580 U.S. Highway 1 Bypass

August 4, 2015

Hearing officer: Frank Blount

Other Council members: none

Council staff: Rachel Feeney, Jonathon Peros

Attendance: Two audience members (no commenters)

Mr. Blount opened the hearing at 6:15 pm, introduced Council staff in attendance, and commented on the Amendment 18 process. The two audience members in attendance did not wish to receive the staff presentation and had no comments. The hearing closed at 6:20 pm.

Questions

none

Comments

none

New Bedford, Massachusetts

Fairfield Inn & Suits by Marriott – 185 MacArthur Dr.

August 10, 2015

Hearing officer: Frank Blount

Other Council members: Dr. David Pierce

Council staff: Rachel Feeney

Attendance: Seven audience members (five commenters)

Mr. Blount opened the hearing at 6:00 pm, introduced Council staff in attendance, and commented on the Amendment 18 process. Ms. Feeney briefed the audience on the public hearing document, including the amendment timeline, alternatives under consideration and draft impacts analysis. After an opportunity to ask questions for clarification, public comments were taken on the measures proposed in the amendment. Additional questions were asked during the comment period as noted below. The hearing closed at 7:30 pm.

Questions

Steve Welch (commercial groundfish fisherman; Scituate, MA) asked about the data confidentiality measures. “When we started this, this room would be too small to have this meeting. Now we can have this meeting in the Dunkin Donuts parking lot.” He understands why the Council does not want individuals to give information, but why not permit banks? He feels that it would be good to know where permit bank fish are going. Are permit banks included in the alternatives? Are permit banks different than persons? Staff clarified that the same data confidentiality provisions apply to permit banks as other permit holders, such that the price data for the Annual Catch Entitlement (ACE) that they lease is considered confidential. Mr. Welch indicated that he did not care about the price data. Staff clarified that the measures in Amendment 18 pertain to making the price data for ACE leases non-confidential. Mr. Welch also asked if the measures in the Inshore/Offshore Gulf of Maine section for the gear restricted area would include flat sweeps. Staff clarified that the measures in Amendment 18 would just change the boundary of the Gulf of Maine/Georges Bank Inshore Gear Restricted area, not the gear types that it would apply to. Mr. Welch asked for clarification on the Council’s preferred alternatives and the decision timeframe. Staff clarified that the Council selected initial preferred alternatives in April, but is scheduled to select final preferred alternatives at the September-October meeting. Mr. Blount indicated that the Council could make changes to its preferred alternatives and that Amendment 18 does not have a mandatory timeline.

Pat Kavanagh (commercial groundfish fisherman; New Bedford, MA) asked for clarification about the grandfathering provision that would apply to whichever accumulation limit alternative selected. Staff clarified that if there is a Potential Sector Contribution (PSC) cap, any PSC that a person had as of the control date (April 7, 2011) that is above the limit would not be impacted by the limit (i.e., could continue to use it). Mr. Kavanagh also asked that if PSC accumulation limit Alternative 6 is implemented (collective cap across all stocks), what specific stocks would be constrained and how much PSC does the person with the highest holdings have. Staff indicated that the person with the most holdings in the fishery has holdings well below [average of about

7.6] what would be constrained by Alternative 6 [average of 15.5]. Mr. Kavanagh also asked when the Compass Lexecon study was conducted. Staff indicated that it occurred in the fall of 2013.

Comments

Jim Kendall (New Bedford Seafood Consulting, Massachusetts Fishermen's Partnership): I've been involved for 20-something years in the Council process. Lately, I've fallen behind on the groundfish issues, because I haven't had many dealings with it. How does one expect someone like myself who is fairly conversant with these issues, when I get to a point where I don't understand half the acronyms used. There are no listings of acronyms in any of the documents that I can find. I have commented on this previously. I've been doing this a long time. PSC is a new acronym for me, and I'm not quite sure what I'm referring to when I comment. I'm sure there are others like myself who may not want to get to the table and mention that fact. That's a major problem with the process. If we can't understand what we are talking about, how can we rationalize what to say?

Staff pointed Mr. Kendall to the list of acronyms in the Draft Environmental Impact Statement and in the public hearing document.

Jim Kendall cont.: I stand corrected. Thank you. To get to the Compass Lexecon analysis, I have a couple questions. Their conclusions of no evidence of market power in the fishery today. What are they looking for when they try to determine market power? What does that refer to?

Staff clarified that market power is the ability to control the price of a product, so the price of landed fish, ACE leasing, and in the sale of permits.

Jim Kendall cont.: OK. It would be interesting to see how they come up with that determination. Wouldn't market power also refer to ownership levels? What is PSC?

Staff clarified that Compass Lexecon recommended a stock-specific PSC cap and explained that each permit has a PSC assigned to it, essentially an amount of fishery access that the permit has.

Jim Kendall cont.: I'm going to have to catch up. In this analysis, were there any abnormalities or unusual percentages of ownership in the industry?

Staff pointed Mr. Kendall to the permit and PSC holdings data in the DEIS (Section 6.5.4), particularly the maximum and mean holdings. There are a small number of individuals with more holdings than the majority of permit holders.

Jim Kendall cont.: That's why I'm surprised at their conclusion of no market power existing currently. If it's not a problem now, it's a good sign to the Council that there is a possibility that this could be the wave of the future if we allow it to continue. That might be reason enough to assign caps if nothing else. It's a trend that has gone on from the industry. Who participated in the peer review? Are they listed anywhere?

Staff clarified that there were three economists selected by the Center for Independent Experts and one by the Council. The peer review report is posted on the Council's website.

Steve Welch (commercial groundfish fisherman; Scituate, MA): At the 15.5% accumulation limit [Alternative 6], could six people or entities own this fishery?

Mr. Blount indicated that it was theoretically possible, but Compass Lexecon and the Plan Development Team determined that it is unlikely that people could get the correct combination of permits to do that.

Steve Welch cont.: A scallop boat just sold for \$7 million based on the assumption that there is going to be mass-consolidation coming down the road. Am I missing something? I haven't been around the Council process in quite a while. I'm wondering if something is going on here that I should probably know about. Six people? I always thought that the magic number for NMFS was 400 fishermen. Now, there are 210 and it seems like there's still too many people. On the upside, there's no full-time fishermen left in Sector 10 on the South Shore, so that's good news for whoever wants this. On the 15.5%, is that just for one stock or aggregate? Say there is 1 million pounds in the whole system and GOM winter flounder account for 10% on that. Can you have one person own all of the winter flounder?

Staff clarified that under PSC Alternative 6, theoretically, a person could accumulate 100% of the PSC for a particular stock, so long as the average PSC for all the stocks is not above 15.5. However, that would be unlikely to occur given that PSC cannot be split off of permits.

Dr. Pierce explained the Council's rationale in selecting PSC Alternative 6 as a preferred alternative. Some have said that if there is a 15.5% aggregate cap, a fisherman could have very low PSC for some stocks and potentially 50% of the Gulf of Maine winter flounder, with an average of 15.5%. That's alarming for some that the percent could get that high. However, during the Council debate, many Council members indicated that it is very unlikely that this sort of situation would occur, because fishermen are selling their shares bundled. It likely would not happen for GOM winter flounder or any other stock. The debate was hot and heavy on that issue, but the Council ended up feeling comfortable with Alternative 6. The argument was that no one is going to corner the market that would control the fishery in the Gulf of Maine by having up to 70% of the winter flounder, which by anyone's estimation would be considered excessive.

Steve Welch cont.: I'd comment on the inshore/offshore. I was invited by friends in Europe and Canada (Newfoundland) who have been through the catch share/ITQ programs. They are all working for companies now. I thought this catch share thing was supposed to make us more profitable and independent, and it's done nothing but the complete opposite. I can't run my own business anymore without having to have a sector manager, and association to belong to, and people to give me more rules on top of what NMFS is already giving me. It has made my business a lot more difficult to navigate and a lot more expensive. It was supposed to be better for the fish, better for the consumers, and more economically efficient. Those are the reasons that I thought we went into this catch share program. I went to British Columbia. We went to a fish processing plant. There was one boat unloading 210,000 lbs. of Pacific whiting. We got there in the afternoon and went outside, and there were vats lined up in the sun, all up and down the parking lot and in the warehouse with no ice on them and flies all over them. Wasted fish. This was the model of economic efficiency. One boat catching all that fish and bringing it to the dock and just let it rot in the sun. I thought that was a problem. I walked into the warehouse and went off on my own. I talked with one of the guys that worked there, a former fisherman. He said that they used to have about 30 boats that would catch the whiting and bring it in a little bit at a time, bringing a quality product to the market and it was processed. There were a lot more processors there at the time too. All that's gone now. That was about six years ago. Fast forward, and now British Columbia is talking about using Pacific whiting for fish feed for fish farms, because it's slop. That is a quality protein that's gone to waste, because of the efficiency of catch shares.

That's what we have here. And the inshore and offshore, I don't point fingers to the inshore or offshore guys, but we had a really nice little inshore niche market going on with the inshore boats bringing quality product to the dock. Once we lost that, we saw the price of codfish crash, once we lost the trip limits and all these other bad things that happened. I'm really disappointed that the Council didn't take more of an effort to put more input controls into the catch share system through Amendment 18. You could have done something to protect the inshore. There's no one left. If it wasn't for the state water fishery, I'd be out of business right now, and now they are talking about cutting the fluke quota by 50%. Maybe next year I'll be out of business, and I'll be sitting next to [referred to a former fisherman], hanging out and talking about the old days. I'm really disappointed in the Council process. We are not taken seriously and the industry leaders hijacked the process away from the ordinary hard-working fishermen. Thank you.

Dr. Pierce encouraged the audience to express opinions on which accumulation cap alternative is the best. Also state if you feel none are any good. Do you support the Council's preferred alternatives? Is there is another more appealing?

Steve Welch cont.: I'm really frustrated and angry, so I apologize for any harshness. Rachel, you have good knowledge of this, and God bless you. I don't have the patience for this. That's why I'm a fisherman. My philosophy has always been to keep as many people fishing as possible. We are a unique group of individuals. Commercial fishing offers a lot of people opportunity for employment who cannot find employment anywhere else. That's why we end up with the reputation that we have. I always said, "we get the best of the worst." I was one of them. I was on the way, I was always in trouble growing up. Fishing saved my life probably. I'm really disappointed that we are not going to be able to pass this on to someone else. This is the final nail in the coffin. People could have gotten into fishing before this under the Days-At-Sea program. It was still affordable. It's not affordable now. Permit banks, I know they are good for the communities and save the communities and start new people fishing so well, the reality is that permit banks aren't getting new people into the fisheries. The Alliance sold \$710,000 worth of quota last year. Of course, a lot of it was scallop, but where did the rest of it go? It went outside. It didn't go into the community. Those guys are skate fishing and monkfishing, anyone that's still there. I don't think permit banks are going to save the industry. As to David's question, to not even have an accumulation limit on anything? You could put it at 5% and have 20 people owning the fishery. If you are really serious about keeping the traditional New England fishery going, you gotta sharpen your pencils. This is really sad to have two fishermen sitting in this room, and a former fisherman who left because he was hurt. It keeps me up at night, and I'm disappointed in the process. I tried, as being on the board of directors of one of the organizations, and I was continuously shot down for whatever reasons. I honestly do not see why we can't have different rules for the inshore area. The discarding argument comes up. Well, we rebuilt the fish stocks with the discarding. So we go to catch shares; we lower the size of the fish; we're talking about lowering the size of the mesh; the markets crash, we lost a lot of processors; we lost a lot of infrastructure. It's going to be integrated into a couple companies. That is not what our Congressmen and Senators want, nor the people of New England or the United States. We are talking about a food, a renewable resource that is being destroyed, like the family farms. I'll be there in September. That's the last hope I have for this process, because if not, I honestly feel it's been a waste of time. I know the groundfish advisors put a lot of time in, but I feel the process has been corrupted. Thank you.

Ron Borjeson (commercial groundfish fisherman; Sandwich, MA): This is typical. This is what's happened to the fishing community. The frustration that was just demonstrated; it's just unbelievable. How you can say the process is working is really beyond me. On the accumulation caps, and how things are going to be distributed by percentage, it's easy to see that some individual or entity could control, just for example, Gulf of Maine flounders. With the sectors, if that were almost caught, that would turn the flounders into a choke stock. We'd have to purchase of fish, which is another burden that is not considered in the sector management. It's bad enough that you have to buy fish to go fishing, then you have to buy it, because someone else owns a higher percentage of it. You have to purchase the fish so if you accidentally catch them. There's something definitely wrong with that picture, whereas for years and years we had trip limits that worked. Everybody abided by them. It was equal throughout the whole fishery. In all my years of fishing, I have never seen such a boondoggle as sector management. It's very discouraging. How it's supposed to promote anything is beyond me. There's nobody new coming into any of the fisheries. People are dropping out every single day. I find myself frustrated everyday with just the process it takes to get away from the dock, with the vessel trip reports, the VMS reports, the monitors that we have. Today is a good example. There were three federal agents, two state police officers, and four EPOs¹ in Hyannis where I take out every single day. They boarded five of the boats down there today. Hyannis is a big tourist attraction. People were appalled. It looked like a raid on the fishing industry. That goes on once or twice a week, for what? The life of a fisherman is not what it used to be anymore. It's become complex due to the Council process and Amendment 16. Sector management does not work. Thank you.

Pat Kavanagh (commercial groundfish fisherman; New Bedford, MA) asked for clarification of the note in the accumulation limit measures that should NMFS determine that the holdings above the accumulation limit selected constitute an excessive share, a person may not be allowed to have holdings above the limit.

Staff clarified that, although there are options in the document for how a person could continue to have holdings above the limit selected, NMFS may determine that having excess holdings would violate the law. Thus, those options may not be approvable.

Pat Kavanagh cont.: Compass Lexecon did a study and came up with 15.5%, but they didn't recommend an aggregate cap. An aggregate cap would not be good. It's obvious to anyone that it's just a numbers game. The aggregate cap is the sound of one hand clapping. It does nothing. It doesn't limit anything right out of the bag. It leaves the door open for some rampant abuse of the system. When you start to buy up permits and drop off the stuff you don't want, or pay a lot for a permit because it's got an amount of something that you are looking to get. The PSC needs to be limited per species to be effective. Otherwise, it's not effective at all. Someone could make it their mission to buy up a given stock. You could buy up all the GOM cod if you pay enough money. Coupled with the option where you can hold the permits, but not use the excess PSC. You can just keep buying permits that have GOM cod, for instance. The Council-preferred option to hold permits, but not use excess PSC is good if the PSC is limited per species. It does no good if you are going to leave the door open by having an aggregate cap.

Mr. Blount asked for clarification if he is opposed to PSC Alternative 6.

¹ EPO = Enforcement Protection Officer

Pat Kavanagh cont.: Yes. Alternative 3 makes sense, because it gives you a limit. The Council preferred of 15.5 collectively is crazy. It leaves the door wide open. I'm highly against Alternative 6. If someone is able to buy up way more than 15.5 of a species, they would be in control. There was a company in Texas, Gulf King Fish Company. It was really big and they owned most of the town's fishing boats. They guy got it in his mind that he was going to go down to Central America, and he moved the whole thing right out of town and country and left the town high and dry. If you look around here, you'll see there are a number of boats that are a certain color. Don't let businesses get that big. That's what Compass Lexecon was getting at when they recommended 15.5% for each species. They didn't do the numbers collectively. They could see that someone could own all of one species if they just keep buying it. Nothing to keep that from happening. As far as anyone losing what's above 15.5%, many of us had permits that we bought for Days-At-Sea and bought vessels that had good DAS. They had plenty of fishing history, but with the stroke of a pen, a lot of those went away. One of my boats had 145 days and the next day it had none. It's happened before. People say, "they guy is going to lose whatever, because he's above the cap." Well, I lost it too. We all did, most of us who were trying to stay with the program. It's the same deal. The speculators know there is a risk, so don't cry for the speculators. I appreciate your efforts and all your years of hammering away at this thing, but I would hate to see at the end this 15.5% aggregate cap. It's crazy; giving it all away at the very end. Thank you.

Chris McGuire (The Nature Conservancy) asked a question on PSC Alternative 6. If someone goes over the collective cap, how would you decide which of those 15 species would be not useable? With the other options, it's pretty straight forward.

Staff indicated that this detail is currently missing from Alternative 6. NMFS raised that question recently. We will seek clarification from the Council in September before final action is taken. The original maker of the motion to put Alternative 6 in the documented intended for the choice to be made by the individual permit holder to make the choice.

Chris McGuire cont.: That doesn't seem reasonable if your goal is to reduce control in the fishery. You could have one person who fishes in one stock area, say in the Gulf of Maine, could decide that they don't need any of the Georges Bank fish. Because you have those two stock areas, with a vessel that only fishes in one, it could drive the numbers up for the vessel considerably. That's a good question to try to work out. Thanks.

Pat Kavanagh cont.: I did the math on what the highest permit holder has. If you do the aggregate cap, that would change within the first month, I would bet. You'll get guys buying up to 15.5% and then speculate further on certain species. Thanks.

Mystic, Connecticut

Hyatt Place Hotel – 224 Greenmanville Ave.

August 13, 2015

Hearing officer: Mark Alexander

Other Council members: none

Council staff: Rachel Feeney

Attendance: Zero audience members

Mr. Alexander opened the hearing at 6:15 pm, but due to the lack of attendance, the hearing closed at 6:15 pm.

Questions

none

Comments

none

Gloucester, Massachusetts

Mass. Division of Marine Fisheries – 30 Emerson Ave.

August 18, 2015

Hearing officer: Frank Blount

Other Council members: Dr. David Pierce, Libby Etrie

Council staff: Rachel Feeney, Dr. Jamie Cournane, Jonathon Peros

Attendance: Six audience members (three commenters)

Mr. Blount opened the hearing at 6:10 pm, introduced Council staff in attendance, and commented on the Amendment 18 process. Ms. Feeney briefed the audience on the public hearing document, including the amendment timeline, alternatives under consideration and draft impacts analysis. After an opportunity to ask questions for clarification, public comments were taken on the measures proposed in the amendment. The hearing closed at 7:00 pm.

Questions

Valerie Nelson (concerned citizen, Gloucester, MA) stated that she read the Compass Lexecon report, and that it is an organization that has defended huge consolidation in banking and other industries that all kinds of groups complain about. They have a narrow and particular view on how to assess market power. How were social impacts assessed, like fairness? Staff pointed her to the analysis of impacts to human communities in the Draft Environmental Impact Statement [DEIS, Section 7.6.2], which states that each accumulation limit alternative would allow continued consolidation in the fishery. The Council is currently deliberating how to balance the social and economic impacts of the alternatives and welcomes public input.

Comments

Valerie Nelson (concerned citizen, Gloucester, MA): In the interest of making this really rigorous and scientific, I have some questions about why when so many fishermen in Gloucester believe that the offshore boats coming into the inshore areas fished out the inshore stocks and we are paying the price of this for a long period of time. It would be useful to make sure that doesn't happen in the future. Did it not happen? Did it not matter that the offshore boats came in with catch shares? Will it not happen again? What is your answer to what many fishermen believe what happens when you let boats go anywhere and certain localized stocks are really decimated in the process? Do you not believe what the fishermen say? What is the solution?

Mr. Blount indicated that he would take that as a comment in favor of an inshore/offshore line in the Gulf of Maine to prevent what you perceive has happened through catch shares. The Council developed related alternatives in Amendment 18. The purpose of this public hearing is to not answer for the Council, but to take public comment on the alternatives. The Council will be deliberating these issues at the next Council meeting in late September in Plymouth.

Valerie Nelson cont.: There are communication problems when analyses like what Compass Lexecon did don't answer what matters to communities.

Dr. Pierce explained that the issue of inshore vessels being impacted by offshore vessels fishing inshore has been discussed at length by the Council. That concern expressed by the inshore boats and some offshore boats did lead to the alternatives in Amendment 18. However, the Council has preferred no action. When the Groundfish Committee meets [September 3] to discuss what to recommend to the Council, these issues will be discussed again. Some Committee members might offer up a motion that would be specific to your concern, although there is nothing in Amendment 18 that gets to the heart of the matter as you described it (e.g., no trip limits). We hear you, but don't have the answers you would like to receive.

Jackie Odell (Northeast Seafood Coalition): We are preparing formal written comments. Briefly, if a cap is chosen by the Council under Amendment 18, we support the Council's preferred option for Potential Sector Contribution (PSC) caps, Alternative 6 (15.5% aggregate), because it is the least disruptive on the fishery, and does not penalized fishermen for what they received primarily as an outcome of the Amendment 16 allocation formula that was chosen by the Council. The NSC is not supporting a cap. On the inshore/offshore Gulf of Maine (GOM) measures, we support the Council's preference for no action for a GOM boundary, sub-ACL for GOM cod, roller gear restrictions, or the declaration requirements, which would come into play if there was an inshore/offshore line. We would not support the roller gear restriction, because that has been addressed under the habitat amendment, which is being finalized by the Agency. Having a boundary without a clear problem that has been identified and analyzed and that doesn't solve a problem. The lines in Amendment 18 have no clear directive on why they would be chosen. We can't support lines in an action without clear understanding of what it is trying to accomplish, rather than saying, "We'll figure that out later." That is not quite responsible. What is being discussed for the GOM cod sub-ACL would be unbelievably disruptive on the inshore fleet - the increased monitoring requirements, the reduction of GOM cod due to the east and west split. It works against the goals of the amendment, which is to promote fleet diversity. It would be detrimental to the inshore fleet, and we can't support that.

Dr. Pierce suggested that it would be helpful to the Council if the Northeast Seafood Coalition addresses in its letter the concern expressed by some Council members about the potential consequences of the PSC accumulation limit Alternative 6 that the Council is preferring. Some have said that it may be possible to have an entity having, say, 50% of all of the GOM cod and little of all the rest. They would have 15.5 collectively. There are reasons why some have said that would be unlikely. It would be helpful if you could elaborate.

Maggie Raymond (Associated Fisheries of Maine): Regarding the comments of the first speaker, the Plan Development Team (PDT) did look at the claim of a significant shift of effort from offshore to inshore, and did find that there was some, but not enough to support the claim that the offshore boats had fished out the inshore waters. There is analysis available [see DEIS Section 6.5.6.7]. The Council did not ignore this concern; it was seriously investigated by the PDT.

Webinar

August 20, 2015

Hearing officer: Frank Blount

Other Council members: Libby Etrie

Council staff: Rachel Feeney, Jamie Cournane, Lou Goodreau

Attendance: Two audience members (no commenters)

Mr. Blount opened the webinar at 6:15 pm. The two audience members in attendance did not wish to receive the staff presentation and had no comments. The hearing closed at 6:20 pm.

Questions

none

Comments

none

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