

New England Fishery Management Council Groundfish Oversight Committee

Meeting Summary

March 6, 2013

The Groundfish Oversight Committee (Committee) and Groundfish Advisory Panel (GAP) met in Wakefield, MA. The Committee and GAP discussed Amendment 18 and the TMGC Intercessional meeting. Committee members present were Mr. Terry Stockwell (Chair), Mr. Tom Dempsey (Vice-Chair), Mr. Terry Alexander, Mr. Erling Berg, Mr. Frank Blount, Mr. David Goethel, Mr. Peter Kendall, Mr. Howard King, Ms. Sue Murphy and Dr. David Pierce. They were supported by Council Chairman Mr. Rip Cunningham, GAP members Carl Bouchard, Chris Brown, Ritchie Canastra, Aaron Dority, Gary Libby, Jackie Odell, Paul Parker, Geoff Smith, Hank Soule and Mike Russo, staff members Mr. Tom Nies, Ms. Rachel Feeney, and Fiona Hogan (NEFMC), Mr. Mark Grant, Ms. Sarah Heil, Ms. Melissa Hooper, Gene Martin, Mitch McDonald and Mr. Michael Ruccio, (NMFS NERO).

Discussions were guided by the NEFMC staff white paper “Status Update: Development of Amendment 18 to the Multispecies FMP” dated February 28, 2013, Regulatory Flexibility Act analysis in Framework 48 of the Multispecies FMP dated February 26, 2013, Preliminary Potential Sector Contribution Ownership Data dated February 25, 2013, NEFMC staff white paper “Fleet Diversity, Allocation and Excessive Shares in the Northeast Multispecies Fishery” dated February 11, 2013, NEFSC/SSB report “2011 Final Report on the Performance of the Northeast Multispecies (Groundfish) Fishery (May 2011 – April 2012) dated December 2012, Summary of Public Comments Received by NEFMC and NERO/NMFS on Amendment 18 to the NE Multispecies FMP dated June 11, 2012, NEFMC Workshop on Accumulation Limits and Fleet Diversity dated June 9, 2011 and a series of correspondence received by the New England Fishery Management Council.

The Groundfish Oversight Committee (Committee) and the Groundfish Advisory Panel (GAP) met to discuss Amendment 18, which has been a Council priority for three years. Staff requested the Committee reconfirm the original objectives identified for the Amendment, in addition to establishing a revised timeline and additional analyses. A Committee member intended to add electronic monitoring (EM), full retention in the groundfish fishery and haddock to the Other Business Agenda item. A GAP member requested the Committee discuss the white hake assessment and a mid-season increase in quota. The Committee Chair only allowed Committee members to make motions.

Staff reviewed goals for Amendment 18 and provided the Committee with discussion questions that might help lead the conversation but informed the Committee that if Amendment 18 moved forward that it was unlikely for a document to be ready prior to a vote in November 2013. National Standard (NS) 4 states that allocations should be made in that no one should gain an excessive share. There is no widely accepted standard on what excessive means in fisheries. Economically, it is difficult to come up with an accurate calculation due to the data required. Staff provided a history of the development of Amendment 18 and outlined scoping comments; some additional correspondence regarding Amendment 18 was received after the scoping period

ended. Staff outlined public comment and desired outcomes regarding accumulation caps and fleet diversity and at what point does overcapitalization results in control of excessive shares. This might require reporting on diversity and need to make sure confidentiality standards were maintained.

A Committee member wanted to discuss a document submitted by the Environmental Defense Fund titled “Maintaining Diversity and Limiting Accumulation in the Northeast Multispecies Fishery” and asked if staff was going to analyze it and make recommendations to the Council. The staff presentation didn’t include the measures outlined in the document because of time restraints but could provide a summary at the next Committee meeting if requested. Another Committee member was interested in non-regulatory approaches to fleet diversity as it was suspected that this was already occurring throughout the fleet and requested more information. Staff explained that it was suggested by the public; the Council could set some general bounds on what they considered to be diversity in the sector and the sector could develop more specific plans.

A GAP member requested more information regarding at sea monitoring (ASM) and the Agency’s commitment to pay up to fifty percent or as much as possible of costs. A Committee member informed the Committee that at the Maine Fisheries Forum the Regional Administrator announced that the Agency was going to pay for one hundred percent of observer coverage for at least a year but it was ultimately dependent on the budget. A GAP member wanted to discuss what was required under a non-LAPP system. General Counsel informed the Committee that NS4 applies to all Fishery Management Plans (FMPs) and management measures but there is no definition of what a legal share is in terms of a specified percentage. A definition will hopefully be developed during the Amendment 18 process and how that should be interpreted in light of the history of the fishery and the types of management that are in place, the permits and rights that have already been allocated should be taken into account in the definition. The GAP member requested clarification on whether under catch shares, these requirements under NS4 applied to this fishery. General Counsel said when Amendment 16 was approved compliance with NS4 had to be ensured. A Committee member didn’t consider any rights to have been allocated under the Groundfish FMP. General Counsel stated that fishermen have certain expectations because they have their fishing history and allocations and these must be taken into account during this process. The published control rule informed the public what might be revised and gave notice that any permit acquired after the control rule might be limited; this would be more difficult for permits obtained before the control rule. A Committee member considered that based on the Regulatory Impact Review (RIR) that small entities were already disproportionately affected.

A GAP member suggested developing goals and objectives for Amendment 18 as it was considered that the accumulation caps and fleet diversity were more strategies than goals or objectives. Another GAP member thought an opportunity would be lost if only the market side of things was manipulated; more work needed to be done on efficiency before more hurdles are put up. A GAP member requested information on fishing effort distribution after hearing a presentation regarding GOM cod; more than fifty percent of GOM cod came from two ten minute squares, which are very productive but a lot of effort may have shifted into this small area.

Some public comment included:

- Brett Tolley, Northwest Atlantic Marine Alliance (NAMA): The one point I want to make and highlight is the page in the presentation that looks at excessive shares and uses the definition to look at excessive shares with market power, which is determined by a product that has limited substitutes. Part of the work that we've been doing with some of the partners that have been weighing in on this process are coming from a very sizeable chunk of the market which is the hospitals that represent about \$7 billion worth of food purchases; a quarter of that being seafood and we've been hearing from them who are part of a network of 500 hospitals called Healthcare Without Harm that there are no substitutes for this seafood that reflects a more diverse fleet that is not concentrated into the hands of just a few. I just wanted to put that out there I'm not sure if the definition of market power had taken that into account and we're happy to provide more information moving forward.
- Jim Odlin: When you talk about market power in most cases it's somebody that can control a market. There are all kinds of substitutes; there's Norwegian fresh cod being flown in now at huge rates into the U.S. But one thing you have to look at if you're going to look at market power is that a large percentage of the groundfish sold in New England is sold on public auctions, where anybody can register on that auction and go bid for seafood. There's absolutely no possibility for somebody to have market power in that kind of situation so you need to justify this type of action as doing something to address market power which I don't think exists. Then you have to look at the percentages sold on public auctions, maybe look at it over a period of time. By a public auction I mean an auction that any person can register to buy fish on. I think we have 3 or 4 in New England right now so you'd have to find out the percentage of the fish caught that go through that auction.
- Dick Allen (Fisheries Historian): I just wanted to point out there has been analysis of the question that Mr. Dority raised. The NEFSC has looked at the distribution of fishing effort by statistical area over at least the last twenty years so that information is available.
- Vito Giacalone, Northeast Seafood Coalition (NSC): One question that would be helpful as baseline information to understand, and something that we've commented on many times, is to understand the effectiveness so far of Amendment 16 to meet the objectives (once defined) of fleet diversity & accumulation limits. The initial allocation of Amendment 16 was voted in June 2009. There's some excellent tables produced by the PDT that show the PSC ownership data. If you look at that it would be really helpful for all of us to see the PDT go back and look at June 2009 and determine what that chart would look like with the ownership status of the fishery at that time. I hypothesize that you almost could not tell the difference between the chart when fish were allocated in June 2009 and the chart today. The hypothesis is that nothing much has changed over the last four years, which could indicate that the existing sector system is doing a good job at preventing excessive shares and accumulation limits. That's not to say that they're not important and they're not issues that need to be addressed and prepared for but if you don't have something happening right now and for four year it's been pretty much in

check I think that's important for you to know for Council resources going forward. Do you have an emergency situation that's happening or do you actually have something that you did in 2009 and didn't know you did it. So when I look at that chart, three entities up to eighteen percent, and twenty five entities up to fifty percent; I'm going to say that happened when you allocated the fish in 2009 and that would have been a helpful chart to have for the Council when you made the vote at that point. The control date in other words may not have much effectiveness to it because what happened to it in 2009 and if the Committee requested that information for the next time you talk about this would be very helpful.

- Ben Martens, Maine Coast Fishermen's Association: Looking at this slide, we had some people talk about market shares in terms of selling fish at the market and when I first saw this I thought it was talking about allocations and leasing allocations, selling or transferring permits. Defining some of the definitions, determining what we're talking about and where we're taking this amendment would be a really helpful couple of steps we could take today so that we at least have the same language that we're talking about and understand where we're going with this and what we're focusing on and maybe both of these things could be covered in this type of slide but I found it a little confusing just in the discussion that we just had.
- Bill Chaprales, F/V Ruby: I really don't understand what Mr. Giacalone was talking about. If you want to talk to a lot of fishermen that are even in his sector, Sector 10, I'm talking to these guys and we're all going out of business. They say the sectors don't work so you're going to hear a lot from other fishermen that are going to say the same thing so whatever document in 2009 or whatever we got here today I'm seeing what's going on out on the water and there's no fish. Everybody's fighting saying there is fish. There's people in sectors saying they don't work and guys are selling out right now because they can't continue.

A GAP member thought there was some confusion regarding LAPPs because the scoping documents provided a lot of information on LAPPs; there has been some concern that Amendment 18 was going to backfill Amendment 16 into an LAPP compliant program.

A GAP member thought equitable opportunity should be allowed but was opposed to anything that might take fish away from struggling fishermen and given to someone who wants to enter the fishery. The GAP member suggested a program that would teach new fishermen how to fish to ensure the next generation of fishermen is capable of taking over but did not want to focus on market share in Amendment 18. Another GAP member didn't understand what market power might mean as the majority of fish and scallops are sold at auction, in a transparent system, that is very dynamic. According to a Committee member, FY 2012 had been an unusual year where small boats were paid a lot of money to lease their fish in a sector so leasing caps should not be added into the amendment.

Staff provided an overview of the FY 2011 performance report that included fishery statistics including homeport states, number of active vessels, gross revenues and number of vessel affiliations. The report showed a decline in number of active vessels between 2009 and 2011

except for vessels over 75 ft. The number of vessel affiliations has also declined. Groundfish landings and revenue showed an increase in FY 2011 but both were higher previously in the time series examined. In FY 2010 and FY 2011, catch only approached one hundred percent of allocation for a few stocks. Staff informed the Committee there was a typo in the FW48 analysis document; a section was incorrectly added into FW48 and belonged in FW50 instead.

A Committee member wanted the distinction between groundfish and non-groundfish to be very clear; the groundfish fleet has become increasingly dependent on non-groundfish species. Staff informed the Committee that the work mentioned on affiliations and ownership was ongoing but would be reported to the Committee when it was completed. The Committee member hoped that NERO and NEFSC were working together closely on this analysis. A Committee member confirmed this was the case and there was a number of letters from the Agency regarding Amendment 18. A performance report was completed by the NEFSC in December 2012 and staff will determine an appropriate time to present that information to the Committee and Council. The numbers in the report are based on real data and are not model-based. A Committee member was skeptical that they were not model-based because the numbers for NH seemed low. Staff did clarify that these numbers were based on calendar year (CY) and not fishing year; CY 2012 was not fully reconciled yet. A Committee member wanted to see the real impacts of management actions on fishermen, how many are going out of business or just leaving the groundfish fishery. This was echoed by another Committee member who had an issue with using average groundfish sales because it was misleading if you have to lease fish; it doesn't indicate if an entity is viable or not. A GAP member suggested tracking the money where it goes instead of just focusing on gross revenue; leasing revenue doesn't just evaporate out of the fishery.

A GAP member requested data on PSC ownership pre and post the Amendment 16 decision to clearly identify the problem and what needs to be solved; if this is considered a problem then this should have been addressed in Amendment 16. A Committee member didn't think changes in PSC would be seen; leasing has changed to a number of boats that can afford to lease. A GAP member considered this a waste of time talking about new entrants and asked for the real number of permits out there. NMFS NERO staff informed the Committee that it included all limited access permits. The GAP member suggested concentrating effort on updating stock assessments with real numbers and not providing assessments that use data that are a few years old; yellowtail flounder had huge problems and no one would be able to fish on Stellwagen because of the huge reductions in cod and yellowtail flounder.

A Committee member phrased the question as how did these percentages change between the end of the qualifying year and the end of the fishing year – the lease market is essential so that the smaller number of fishermen actively fishing can get fish. There aren't a lot of new entrants because it is cost prohibitive and not much money is being made in the fishery; operational consolidation was not considered to be negative. A GAP member agreed that the number of permits was not limiting but would argue that it's not a lack of ACE either; the problem was a lack of fish. There was a lot of concern that if people are leasing quota that they might be forced to sell their permit or would lose it. Another GAP member thought Amendment 16 provided ways for people to get into the fishery, e.g. allowing C permits to join sectors and was puzzled by how the new entrants discussion is only focused on the groundfish fishery instead of the scallop fishery or red crab fishery (that has only one entrant).

A Committee member wanted a leasing definition to be established because fishermen viewed leasing as a dead loss, while economists considered it as a positive. From a crewman's perspective, leasing is not a positive if it results in less fishing and a lost job. There are issues with hoarding of quota, e.g. yellowtail flounder, where fishermen need to lease quota but no one is willing to lease to them. Another Committee member disagreed and thought leasing was a positive but people go about it differently – some lease fish to target them and others lease to target other fish. Another Committee member spoke to leasing being a necessary measure for some businesses to be viable so it was not always a negative.

Some public comment included:

- Jim Odlin: I think you need to glean into this homeport type of thing because most of the boats home-ported in Portland, ME are landing in MA and that's giving you the impression that Portland didn't take any cuts. The other graph (Slide 30) shows that everything stayed relatively flat. So when you look at where fish were actually landed you'd come up with a different graph to where boats are home-ported. I think that's important to have in there so you need to look at the landings chart not the home-ported chart. The second issue is the graph that showed the 75 foot boats and up were relatively flat in their catch (Slide 35). I think what needs to be gleaned out is a lot of that catch is the healthier catch of fish. I know it is. That's exactly what we designed Amendment 16 to do so when you're looking at all these things you need to decide if we are going to consider somebody catching redfish, pollock, or GB haddock, for instance, as a negative or a positive. If we have excess quota share and nobody is catching it and some people through Amendment 16 were able to increase their effort on those stocks and catch more fish I can't see how you can look at that as a negative against someone who couldn't do that because of their makeup of their vessel size. That has to be a positive outcome of Amendment 16. We know that that happens so you have to somehow in your analysis figure out a way to take out some stocks otherwise you're looking at skewed data. You have to take out the positives from the negatives when you're trying to figure out if something negative is going on. There's nothing that I know that will prevent anybody from increasing their catch of redfish, pollock or haddock other than they don't want to do it to make up for their size of the vessel doesn't allow them to do it but that's not somebody else's problem and that's not a fault of the fisheries so there's plenty of that quota available; there's plenty of the fish to catch and it's very cheap to lease; you can get it for free, practically a cent a pound just for the paperwork. Again, you got to take that apart in your analysis.
- Dick Allen: I just wanted to expand on Mr. Odlin's point about you really need to look at the stocks you're talking about in a lot of cases because for example the Gini index that's in the 2011 performance report a lot of people would look at that and say well if there's an indication that it's moving to the right and the fishery is somehow becoming more concentrated that's a trouble sign. But it's automatically going to happen if people make sure of the abundant stocks because the abundant stocks are offshore stocks that are going to take a smaller fleet of larger boats to utilize those stocks so to the extent we're successful in increasing the utilization of the abundant stocks we will see that Gini index

curve move out in a way that some people will find troublesome. If you don't take into account which stocks are represented here when you accumulate everything together you can get a misleading picture. I think it's really important to think about the fact that where the fish that are available are and what's going to happen as we develop those fish.

A GAP member provided an example of how fishermen react to uncertainty about potential management actions; he bought multiple permits including ones from NY and CT and now leases those fish out and had to lease from someone who bought permits for the GOM. A GAP member highlighted a Northeast Seafood Coalition analysis for Amendment 18 that didn't find any negative impact on fleet diversity within their sectors in 2010 and 2011 or from data available from the NMFS website. Another GAP member thought quota flow was affected by the NEFSC and their determination of the winners or losers and it's all down to chance as to who fishes for what and where based on availability in the ocean. Leasing was further supported by another GAP member, who would prefer to catch allowances for each year but has benefited from leasing fish from and to other fishermen in the last couple of years.

The GAP Chair was unable to attend so another GAP member submitted a statement to the Committee.

The GAP statement:

“Amendment 18 should include:

- 1) Analysis of allocation of groundfish sub ACL and AMs to other fisheries including (if possible) state waters
- 2) Analysis of permit splitting so that individuals can acquire additional groundfish PSC without cost of entire suite of linked permits
- 3) Analysis of removing upgrade restrictions so that fishermen can move permits to larger platforms to expand fishing range

And BEFORE Amendment 18, address the problem described in today's correspondence regarding the management difficulties that may be caused by disparity between GOM and GB haddock ABC.”

The Committee discussed potential analyses that should be completed and what should be included in Amendment 18. A GAP member wanted to be cautious so they don't backfill or get somewhere they didn't want to be unintentionally. Another GAP member wanted to see more information on pulse fishing.

A Committee member considered some of the potential data analyses identified in the staff presentation were covered tangentially but questioned if we could set price controls on leasing. More information on the performance of permit banks and where they're leasing fish was requested. A GAP member recommended a project on anti-trust issues completed with GMRI that may not have been made available to the Council yet. A Committee member drew the Committee's attention to the 2011 Final Report on the Performance of Northeast Multispecies Fishery that contains a lot of important information but it does not include the costs to acquire more ACE and that needs to be included. NMFS NERO staff confirmed that was true for the

2011 report but were now getting leasing costs from sectors on inter and intra trades; the methodology maintains individual members' anonymity. The Scallop fishery is an ITQ and is not subject to the same confidentiality requirements as a non-ITQ or non-LAPP fishery; the Groundfish sectors are not an ITQ or a LAPP but if you took action to turn them into one then the rules regarding confidentiality would no longer apply. The Committee member conceded but pointed out that when a fisherman joins a sector he/she retains his/her PSC to use as they see fit.

The Committee Chair recommended prioritizing the list of recommendations. A Committee member asked if the boat activities had changed or whether they were still within a reasonable percentage. A Committee member was concerned about the timing of Amendment 18 and favored simplifying how to move forward so it could be completed in a timely manner. A Committee member was opposed to setting lease price and wanted to discuss entry level permits but suggested dividing up the list into manageable sections and allowing the GAP to discuss some of the issues first. Another Committee member vehemently disagreed about not fixing the price of leasing because small boats need to be able to afford fish. Small boats were considered incapable of competing in the lease market. A counterargument was proposed that if the lease price is set arbitrarily low then more people may decide to fish resulting in fewer fish available for others who need it. However, that wasn't considered to be bad as it would keep boats on the water. Those small boats can't afford to pay \$3/lbs. for cod or \$0.70 for yellowtail flounder in addition to other costs; the fact that only one hundred and thirty entities were viable was concerning. A GAP member thought it was counterproductive to not use facts in the argument; the lease price for cod is not \$3/lbs. Two theories on why industry is failing are common: 1) this is a typical catch share system and big systems with lots of capital are leasing lots of fish and 2) there are too few fish out there driving people out of business but the industry needs to work together and stick to the facts. A Committee member strongly disagreed with those statements and believed that the lease price for cod will increase to that level; the lease price for cod was \$1.16 this year. The cost of leasing is a problem and will only get worse as the price for choke stocks continue to increase.

A GAP member requested Agency support for Amendment 18 and some guidance on Agency goals and objectives for the amendment. A Committee member stated that it was up to the Council to come up with management measures.

A GAP member stated that fishermen frequently need fish in a narrow window of time when fish swim together and that's when the lease prices are usually high; if you can't afford to lease then you have to lease your fish out. But it was considered helpful if there was an indication of what the lease price might be or maybe an upper cap. Another GAP member thought there was clear evidence that the lease price was directly related to the ability to catch them; because availability can fluctuate it's hard to say that the lease price is always constraining. It was suggested that an analysis for inshore/offshore fishing effort be included on the list. A Committee member considered that to have been taken care of by an agreement amongst sectors; if a sector vessel is fishing in the GOM without an observer then it can't leave the GOM but if an observer is onboard then they can fish in both GOM and GB. The agreement was further explained by a GAP member – if a vessel decides to fish anywhere in the ocean and fish close to shore to the west of the Jeffrey's Closed Area then you must have an observer on board; if there is no

observer then you can fish close to shore but you must stay within the broad stock area, i.e. you can't go to GB.

A GAP member tried to refocus the group on prioritizing the list but the group needed to be clear on what it was trying to achieve and the necessary steps to achieve goals.

Some public comment included:

- Brett Tolley: I'd like to add some perspective to this conversation. I think getting to specific problems that this amendment can be addressing and moving forward with that sort of understanding so that the goals and vision of what this amendment can accomplish can be more palatable. Over the past week, NAMA and partner organizations have hosted workshops to talk specifically about Amendment 18. Both public and fishermen were invited to have an open conversation exactly as the Council and Committee members are having right now. We reached out to over one hundred folks in ME, Portsmouth, Gloucester and Cape Cod and later today we're going to Point Judith, RI. What we've heard from folks is that the safe guard areas identified in the scoping report which include caps, quota set asides, owner operator incentives, leasing provisions and inshore/offshore; no one in any of the workshops that we hosted said that those should not be included moving forward. Each of those areas is identified in the scoping report and it lays out based on the feedback of 250 folks that weighed in on the scoping hearings what those problems look like so I would suggest that is starting point for looking at the outcomes and the problems that were identified during that scoping process. Just to emphasis in the research areas that need to be identified, what we heard during the workshops this past week is that the leasing and the issues surrounding leasing area a major problem. There needs to be analysis that looks at both the price caps and the baseline leasing. What will the impacts of those be? The other areas of research that we heard around New England were that the inshore/offshore conflicts are also a major problem. There needs to be analysis that can show the impacts of separating out the inshore and the offshore fleet. I just want to mention that the workshops will end today and I look forward to following up and including a more thorough report back to the Council for the purpose of helping give feedback in this really challenging and difficult conversation. We want to be able to provide insight into the conversations that we're hearing throughout New England and the common problems to help us get more specific and clear.

A Committee member did not consider the inshore offshore situation to be the extent of misreporting issues; unobserved trips can still fish in multiple areas and misreport, e.g. inshore GOM cod, yellowtail flounder and GB cod.

Staff thought direction from the Committee would help and could provide some information on what was possible by the April 2013 Council meeting but it was not possible to know offhand at the Committee meeting how much could be accomplished in that time. The Committee shifted focus to discussing whether the objectives listed in the white paper were still appropriate. A Committee member suggested analyzing fishing habits pre and post Amendment 18 or DAS. A GAP member considered this an attempt to undo capitalism; everyone voted to empower a market based system. A Committee member considered all the Amendment 18 objectives were

worth pursuing and didn't think they could not pursue these objectives even if they wanted to because of NS4 and catch share policy that deals with excessive shares. A GAP member thought they were sound goals but didn't consider an unforeseen problem of a lack of fish when they were developed; quota instability is destructive to small business. A Committee member wanted the industry's perspective on the goals of Amendment 18 and to develop a plan to include in Amendment 18 to achieve these goals that they could enforce themselves but time was limited. There was insufficient time to complete Amendment 18 and put in place by May 1, 2013 but if there was some indication that it might be in place for FY 2014 fishermen might try to hold onto their boats for another year. Another Committee member thought that might be important to have that as a concurrent process to the Council process and past examples of sectors developing their own plans have been positive. However, the more items are added to the amendment the longer it would take to complete.

If sectors were expected to solve the problem, then a GAP member wanted them to have access to Council analyses and in order for a clear problem to be identified. The sectors organized a lessons learned workshop and intend to present the results to the Council; some problems have been solved but they intend to outline outstanding issues. The sectors organized the GOM inshore declaration but forgot to inform the Council of its implementation. A Committee member thought there still needed to be regulatory approach but it could be combined with a sector developed plan; trips limits were suggested because GOM cod aggregate and fishermen target the aggregations. A letter was included in correspondence that stated the Council should not restrict flow of quota because such constraints were incompatible with how sectors were designed and sectors were already developing diversity goals. Another Committee member didn't want to wait for sectors because it was another delay and the Committee should focus on paring down the list.

A letter from a fishermen stating that they were finished with the fishery was highlighted by a GAP member to get the point across that the situation is deteriorating for fishermen; the industry is in a fishery disaster and fleet diversity is being discussed. It was suggested that the Council make a priority for small businesses and quota stability to improve the system and stabilize small businesses.

Some public comments included:

- Dan Shannon, Marshfield, MA: I've heard people saying they don't understand the problem or what the issues that we're trying to address are. From my perspective I've fished for thirty years, I've spent twenty two years on Stellwagen, but the last few years under catch shares I've watched the cod stocks drop significantly because of the way catch shares were implemented. This was the first winter in twenty two years that I can't go out and make a day's pay codfishing. I'm not trying to point fingers. I feel it's the Council and NMFS dropped the ball on this when they implemented this by not thinking ahead about what was going to happen here but the fact remains that all of us fishermen, a ton of guys right now, are dealing with the stocks depleted in our area. It's like it lead to localized depletion on Stellwagen and people can argue about the sand eels or the water temperature or this and that but anybody who has been out there a long time knows what happened. I feel that's the problem we're dealing with and that should be the objective. I

want the Council to understand that this is the problem. What caused it was the way the rules worked to allow overfishing to happen inside a small area and I think that needs to be addressed and the Council needs to say this is a big problem and then we can address it and try and get the stocks back to where they were through some of the amendments or some of the things that are up here for discussion. I feel that's the big priority for me and a lot of my friends. That's what's going on right now. I also feel and seem to be kind of lost on this, as soon as we went to catch shares, fish don't spawn anymore? We don't have any spawning protections. I've seen just this past October and November we used to have spawning closures then and there was hundreds of thousands of lbs. of spawning fish caught right outside between Plymouth and Gloucester when they were in there spawning. It was right after the storm Sandy and the Nor'easter that a big shot of fish showed up and hundreds of thousands of lbs. of fish were caught and they were all full of spawn. I feel that part of the reason the stocks have gone down too has been because we lost the October and November closures and I think maybe that should be looked at. I think spawning fish need to be protected and that was a reason why the stocks were coming back under DAS because of those spawning closures. I do support the goals that have been put up here for Amendment 18.

- Vito Giacalone: It's been 4 years. It's pretty frustrating on our end knowing what we lived through in those two and a half or three years of Amendment 16 development to hear people totally forget what we did. The Council explicitly decided not to do caps on sectors and we all agreed that was the right thing to do at the time. I think it was unanimous and the Council refused to look at requiring affinities, in other words, taking a Community or gear types or vessels sizes and saying that are the way you select a sector. Instead they said it's self-selecting. NOAA and the Council stood behind that and said it would be wide open. Voluntarily industry coalesced into sectors, fleet diverse sectors. That's the way we set them up. Now we're here at the Council and they don't trust sectors. To my knowledge every sector set up under Amendment 16 is still set up today. I think membership has been extremely consistent. Sustainable Harvest has worked well with Cape Cod, Cape Cod has worked well with the NEFS sectors. The industry has been doing a good job at self-managing and when a real issue comes to the surface we attempt to address it so don't make us feel like you can't trust the sectors to do it. The other thing is the standards that sectors have been held to. This is right to the goals and objectives because if we don't identify the real issues we won't get anywhere. The standards the sectors were held to far exceed any standards that were expected from any of our state or federal management, and FSO departments; one manager doing things on a weekly basis that they're producing that we weren't able to expect for more than six or seven months to come out of the fishery as a whole. It showed that when you had fine scale management you get a tremendous amount of data back. Then I hear Council members say you got one month to fix everything or we'll take four years to fix it. I take exception to that because I feel like the sectors really do want fleet diversity because the sectors volunteered to fleet diversity and the sectors want to deal with real fisheries problem. If you don't stabilize the quota, and allow quota to go away – ninety percent on GB YTF, ninety percent on GOM cod, sixty to seventy percent on your flounder stocks and you guys don't want to be diverse anymore. Sectors, fix it. Are you kidding? Come on. We're going to do everything possible to keep anybody in the game right. You're going to have

to do a breakeven analysis to find out if the blocks you put on leasing to see if will stop anybody in the fishery from being solvent. I hope you see everybody when we decide to do this presentation so we can see what the sectors were designed to do. Please don't make use defend sectors anymore. We feel like the industry is being overlooked when it comes to some of these problems. The other standard that you're holding against the sectors is you expect us to satisfy one hundred percent of the fishermen in the region. The fishermen see bad things happen in their backyard, they've got their own opinion and they're right and they're justified and have a right to their own opinion as to why the thing that happened. Just because we can't get everyone to agree doesn't mean sectors are failing. There's nothing the Committee will come up with for a management action that you're going to get everyone to agree on. That's never happened before.

- Jim Odlin: I don't think anyone in the fishing industry is breaking even right now. I'm quite sure everyone is losing. To try to put things in a box further is just going to make more people go bankrupt. We've cut ninety percent of peoples quota in a small area where most people depended on that quota and you're going to think that any kind of restriction on flexibility is going to keep anybody alive is just insane. We need all the flexibility to try to keep some people alive. It's unfortunate we took a fifty percent cut when we implemented on that stock of fish when we implemented Amendment 16. Do you think people taking fifty percent cuts that some people are not going to go out of business? Now we're putting another seventy percent cuts on them. We don't think there are going to be some cost to that? It's not living in the real world. We need more not less flexibility. Unfortunately I'm in big guy category. Last year our company caught 2/10 of one percent of GOM cod. We traded our GOM cod with one of the smallest guys in the fleet so he could fish inshore and survive. Out of all my boats, we only fished two days in a year in SA514 and I think it was because weather was so bad that he stopped there to burn time so that he could have his monkfish limit. We're forced to dump one thousand lbs. of monkfish overboard today because we're forced to do it. We're coming in from a storm a the end of a trip two days early and we have to dump one thousand lbs. of monkfish over dead, out of the hold. That's just crazy. 2/10 of one percent of GOM cod, however, our small company, family owned, twenty five employees put fifty fish cutters in New Bedford last year catching redfish. Who are we hurting? Why would you take something like that apart or even consider it? They're using examples of Iceland and the west coast. In Iceland there are a couple of the biggest fish companies in the world; their quota on cod alone is 200,000 tons. Two small boats catch more than our GOM quota for a year. It's not even relevant. You can't even look at anyone like that. They let people have 30-40% quota shares on some items because that recognizes that's what it takes for business decisions. The west coast has a couple of the largest business there too. The northwest fishery survives because they do other things. Everyone in that fleet is involved in other fisheries and augments that income with groundfish. The verdict is not out on their accumulation caps because there's no way for anybody out there to build a new boat. We're not talking about survival we need to be looking ahead. There has to be less boats in this fleet if we're going to live with the quotas that we've been given today. It's going to happen no matter what you come up with. If you want no boats then you put some of these things in place and you'll get that very quick. If you want someone to survive they need flexibility. The fleet is thirty five years old; it's ready to fall off a cliff.

I have banks talking to me all the time there is nothing happening in groundfish. Banks are going to be pulling loans and not giving them. There's no major consolidation going on. There is an ebb and flow of quota but it's working both ways and it's allowing people to stay alive. I think you're going in the wrong direction. People are forgetting that there is a big year class of haddock coming on GB. The science is telling us the quota is going to be 98,000 for haddock in two years' time on GB. We have to talk about how to deal with that. How is it going to affect the GOM fisheries? Proactive positive things that will preserve the infrastructure of the ice plants and the fish cutting houses and all the infrastructure that we need is not going to be fixed by any of this but by something like that you can fix it overnight, making sure we can get at that fish and making sure that fish doesn't shut down the GOM because it will spillover. Trying to split up a pie if you take the total pie that's going to wipe everyone out is just crazy. This Council recognized that A16 that we were overcapitalized, we made it so we could deal with the overcapitalization in an easier way than what had been previously on the books. We additionally sent the letter to the congress telling them we were overcapitalized and please do a buyout. Someone tell me what's changed and we cut the quotas by another fifty percent basically across the board and we're still not overcapitalized? What changed? If you still consider us overcapitalized how does restricting what people can own help, all you'll end up doing is the poor guy who gets in trouble is not going to have anybody to sell to.

- Bill Chaprales, F/V Ruby: All I can say is what I've seen on the ocean since the early 80s until the turn of the century we had a viable hook fishery off Chatham. I was involved in the first sector, the Cape Cod hook sector. The number of members was probably forty to fifty members. We had a great fishery. When we could fish, weather dependent, it was a small boat fishery and I fish from November until May 1 every year. We'd go out with twelve to fifteen bundles of ear 200 – 300 hooks per bundles. You could be guaranteed to come home with 2000 lbs. or better. It was in inshore fishery from the backside of Provincetown, Backside Nauset all the way to great south channel. It was known that Chatham hook fish had premium hook cod. That fishery disintegrated in around 2004-05. The fishery that bailed us out for a few years was when we were allowed to go into Closed Area I, the haddock SAP. We went in there, had meetings at our office all excited about our future in the hook fishery in this CA. We believe in a way of life, a sustainable fishery not destroying the habitat. The first year we had a great year. The next year based on different general category, everyone wanted to get involved in so we had to split the category up. Outside interests had to split half the season with us. The second year was so-so. The third year wasn't good at all. To this day, after that third or fourth year, basically no boats can go in there and make a living in that closed area and that's been expanded since that time. I've heard stories of some of the boats, or only four boats that I know of right now, are trying to go hook fishing that belong to the fixed gear sector. I no longer belong to that sector. Now you can't catch fish in that closed area. That's a closed area, no one can make a living there. Why? No one can make a living from Provincetown down to the Great South Channel, offshore. The small boat fishery is gone. In the last 3 or 4 year since all the sectors have come in to play they've gone up to fishing the GOM, myself included. I jig fish there using three rods and reels when it was eight hundred pounds a day I was getting my fish by 10 – 11 am. Since sectors came in and it was a free

for all we could see it going downhill. I've only been able to make 1 trip on Stellwagen Bank. I caught 354 lbs. and it took me from sun up to sun down. We don't have any fish. The Chatham guys don't think they're coming back to Chatham either. They're fishing on skate, dogfish, and monkfish. Now we got Stellwagen Bank it's the last place inshore for us to get fish and that's gone. You can't have this pulse fishing. Even if you have a certain amount of quota you can't say it's not going to hurt the resource. We have done the destruction of spawning stocks and as soon as they come out of the closed areas and you clean them up. We're just on a downward spiral and it's not going to get better. I've heard that in two years the fish are going to be back. Where are these fish going to come from?

- Nick Chaprales, F/V Ruby and F/V Easy Does It: I've heard a lot of things today. I just don't understand how somebody can say that this sector program could promote fleet diversity. This last week I've been part of this who fishes matter tour. I've heard over one hundred fishermen, from small boat draggersmen from hook fishermen from guys who jig and the general consensus is that under sectors they're going out of business. To say that sectors promote fleet diversity is ludicrous. All the small guys are going out of business and I'm 26 and my goal through this who fishes matters tour was to try to get a bunch of young people here today to show you guys that there's a future in this industry, we hope. Apparently I failed because none of them showed up but I did my best. I can guarantee you one thing that I'm not going anywhere until they turn the lights out because this is the industry that I chose to be in whether it's lobster, dogfish or tuna, I'm going to be here. So someday when the fish come back and there is a fishery I'm going to be the face that you're looking at. I may try to get a seat on this panel as well because I feel like there's more that can be done. I know you guys are clearly over extended and overworked but it's tough to hear so many different stories from so many different people. Everyone is naturally trying to protect their own interests. The system that we're under promotes fleet diversity is it's just not true. There are so many people going out of business.

The Committee Chair suggested staff apportion data requests into two tiers as a way to prioritize work. A GAP member suggested including the quality of the resource into the problem statement. This was echoed by another GAP member who wondered where the fish were and asked if there was something more constructive that could be done to provide some relief to business, which wasn't included in the objectives. In terms of the timeline, it was asked if a GAP meeting could be held before the April 2013 Committee meeting. Staff was not sure how much time could be allowed for this topic at the April meeting because of staff time and closed areas were the primary topic for that meeting.

Forward looking goals were desired but it was unclear what the list could be replaced with. A Committee member was open to suggestions but wanted them to be made at this meeting. The Committee Chair suspended discussion of the list. Staff offered to review the list and report in April with what items were feasible and expected completion dates; if any items were completed they would be reported at the April Committee meeting.

Staff took the following list of tasks developed and prioritized by the Committee for future work.

Data Analysis Requests

To help define a problem statement for the amendment, the Committee and AP made several requests for additional data analysis:

Fishery performance

1. Refine/Update/Further detail the diversity and market concentration of the multispecies fishery.
 - a. Specify whether consolidation has occurred in terms of ownership, harvesting, or operations.
 - b. Compare today with how the industry was structured before and during DAS.
 - c. Describe the changes in permit ownership that have occurred post A16.
 - d. Identify PSC share by business entities for FY11, FY12, and FY13 and compare with FY10.
 - e. What are the net revenues in the fishery, accounting for ACE leasing and other transaction costs?
 - f. How many C permits and small permits exist in the fishery? How does opportunity for new entrants compare with other fisheries?
2. Review the performance of permit banks to determine if they are fostering fleet diversity. Where is the permit bank ACE going? Are the banks benefiting the industry as designed?
3. Define/describe evidence in current system of the occurrence of "extraction of disproportionate economic rents from other permits holders". (see A18 goal #4)
4. Do a break even analysis of FY13 with the quota allocated. How much additional quota would have to be needed to break even.
5. Describe the use of inshore and offshore fishing grounds and the effect A16 had on utilization of fish stocks. Has there been a tendency towards pulse fishing on inshore grounds? Would an inshore/offshore differentiation of effort be feasible?

Legal requirements

1. Determine whether or not the Multispecies FMP currently complies with National Standard 4. If not, what steps would be necessary to ensure compliance.
2. Identify how current anti-trust laws address excessive share issues and whether they provide sufficient controls in lieu of FMP measures.
3. Determine if setting price controls on quota leasing would violate anti-trust laws.

General

1. Define the thresholds where an entity might gain market power in the fishery, including the leasing market.
2. Describe pros and cons of limitations on trades between vessel classes.
3. Describe how accumulation caps on PSC or ACE can be accomplished under current plan and permit rules (e.g. this is not an ITQ, and there are restrictions on permit splitting).
4. Describe pros and cons of limiting PSC or ACE on sector financial viability, e.g. cost sharing.
5. Describe pros and cons of limiting ACE usage by individual vessels.
6. Describe pros and cons of forced divestiture.

TMGC Intercessional Meeting

Staff provided an overview of the TMGC Intercessional Meeting held in Portland, ME on February 26 – 27, 2013. Quota trading, multi-year assessments, alternative management strategies and a review of the Understanding were discussed. The U.S. did report that the NERO had asked the Groundfish PDT to look into the issue of misreporting and were intending to report at the April Council meeting. A lot of progress was made regarding quota trading; the report will go to the Steering Committee. The idea for quota trading is to set quotas and if there are any requests for a trade and then we would negotiate them. The timing of trades would be limited initially as the procedure was ironed out but trading at various times of the year was considered as a future possibility. A lot of work needs to be completed before this would work but it was a concept that everyone agreed to. Potential difficulties were identified, including the difference in the fishing year timing between the two countries. Trades were only supposed to be approved if the industry thinks it is mutually beneficial. Biological considerations have yet to be completed to determine any impact on the stocks. The trades might only be among TMGC stocks, i.e. trade haddock for yellowtail flounder and not albacore. If this is approved by the Steering Committee then a pilot study is the next step but it was unlikely that any trades would take place this fishing year because the process has to be established for each country. For the U.S., a few things need to be decided, e.g. does this go into the management plan, what and how much do we want to trade and receive, do you want to trade with the scallop industry?

The Steering Committee needs to approve the guiding principles and concepts, then the TMGC will likely work through the guidance and then the Council will discuss it. Staff explained that there was a chance that some of these issues might be worked out in time for FY 2013/14 but that might not be reasonable. There was no detailed discussion on the Canadian industry's willingness to trade yellowtail flounder but the Canadians reported that they caught very little yellowtail flounder. A Committee member was pessimistic that a trade for yellowtail flounder would be possible in FY 2013/14 and encouraged the Agency to approve the Council recommendation for a yellowtail flounder ABC. A Committee member who attended the TMGC Intercessional confirmed that the Canadians said they made a couple of trips looking for yellowtail flounder and then it more or less stopped.

A Committee member asked staff about progress made regarding detection of misreporting of EGB cod as WGB cod. Staff informed the Committee that this was being looked into, a quick comparison of VTR and VMS had been done and showed some differences, but no firm conclusions could be made at this time. Staff will take a closer look at those data and redo analyses to make sure; the distribution of observer coverage, lease prices distribution of VTR trips will also be examined but this requires an inference on what is happening, which is difficult. The Committee member thought this could have significant impacts to our system of attributing catch by area and our Understanding and this should be pursued further but asked the Agency to explain how catch was attributed and why the conservative practices were removed. With Amendment 16, all stocks were allocated to sectors and the Agency elaborated in the preamble to Amendment 16 that they were removing the section from FW44 that attributed all GB cod catch to the eastern area; this change was presented to the TMGC in 2007. The regulatory text is the law and it was an oversight of the Agency that the original method was still included in it and is

proposing to correct that in the upcoming rules. A GAP member was confused as to why you would tell Canada we thought our fishermen were cheating before we had evidence of it.

Some public comment included:

- Jim Odlin: The Council debated this issue back when we did Amendment 16 about whether you could fish in more than one stock area and it was not that we didn't deal with it you're right the text didn't reflect what the council intent was. It was clear to me that the intent was to be able to fish in more than one stock area on one trip. To the issue of problem that if there is a problem, the first part of the first two years of sectors, the industry was told that the way we asked law enforcement if we tow over a line where do you want us to report the fish and were told to report the fish where you hauled back. That's how the industry operated. Since then we've had a clarifying letter from the Service that says we think you should if you are staggering a line you're supposed to estimate where you were catching the fish and how much you caught in each area and that's how you should report. Even if do you see something where they're reporting something different in the west and reporting in the east that's how the industry was told to do it. Most fisheries do this, they report fish when people are staggering a line even on the west coast, that when they're fishing in more than one stock area they do log it where they actually haul back. It's a common way to attribute stocks to broad stock areas and if you don't do that then I think you might have a problem in your assessment. If there are people misreporting, I don't know if there are, that's against the law. People have gone to jail for that. I suggest that we enforce the law and not penalize everybody because I'm quite sure some people are not misreporting and they shouldn't be penalized for something somebody else is doing. The other issue is if we try to put barriers up, e.g. if you fish in more than one broad stock area we're going to count the fish against the eastern fish, but we're going to have a 98 ton quota next year in EGB so I'm concerned that if we don't have the flexibility to fish in more than one stock area people are not going to go there. They can't afford it because if you find that there are no fish there and steam back to the dock. If we want to force everybody ashore then restrictions such as this counting it all against that stock area or even worse trying to tell people they can only fish in one broad stock area you're just going to defeat what we need to be doing and that's keeping people offshore.

A Committee member explained that fishermen were supposed to report where you caught the majority of catch for that tow. This differs to how observers report; it's based on where they haul out. The member of the public said we were told by someone to do that. A Committee member stated that he did a lot of misreporting before receiving a permit letter in 2011 informing us on the change on how to attribute catch. Prior to that enforcement told them to report the area that we hauled back in.

Trading pounds of fish was discussed at the meeting, not necessarily pound for pound; it's unclear how a trade to the scallop fishery would be handled because that doesn't have anything to trade. A GAP member noted that the Chatham hook fishermen have noticed other people were fishing across the line and a huge change in the lease price has occurred over the last three years; hook fishery effort was down in the eastern area. A comparison of observed trips that fish in the

east to unobserved trips in the west was proposed. A Committee member was unclear what action would be taken if anyone was found to be misreporting and was not convinced that NMFS had the tools to identify any vessels that was misreporting. Enforcement has been consulted but it is difficult to enforce because it's not something that they put on a VTR and without an observer onboard it's hard to know but it's unclear how much enforcement has looked into the issue. The Committee member was confused by the opposing conservative and liberal strategies used by the Agency.

The Committee agreed by consensus to have the PDT further explore potential misreporting.

Staff moved on to another TRAC discussion item – multi-year assessments because scientists don't feel like there is enough time to improve the assessments. However, the evidence they provided showed that quality of performance would have decreased. GB haddock was suggested as a possibility for a multi-year assessment but that wasn't strongly supported by the TMGC. Canada prepared a white paper regarding alternative management strategies but no individual strategy was selected for further investigation but a working group is working on an outline of how it would work. The U.S. proposed the establishment of a system to review the Understanding; Canada did not in favor of the idea and would only be receptive to it if it came out of the Steering Committee.

A GAP member asked if the TMGC was supposed to discuss the Council decision to raise the GB yellowtail flounder ABC to 1150 mt. NMFS NERO staff advised the TMGC of the Council decision but indicated that the signal from the Service was that it wouldn't be approved. There was no further discussion or renegotiation of the quota at TMGC. The GAP member was confused at the lack of renegotiation and asked if the correct interpretation of that was the Agency was going to reject the Council's recommendation. The Committee Chair informed the Committee that the TMGC did not negotiate and we're waiting for the Regional Administrator to approve FW50; the Steering Committee meets later this spring.

Staff provided a short list of potential items to be considered in the next groundfish action that included ABCs/ACLs for GB yellowtail flounder, white hake, EGB cod and EGB haddock and potentially SNE/MA yellowtail flounder scallop fishery sub-ACLs, new GOM cod rebuilding plan and modification of carry-over provisions as requested by NERO,

Other Business

The white hake assessment was completed in February 2013; a Committee member asked when an updated ABC would be approved by the SSC and implemented. At this time the SARC is still deliberating the FMSY proxy and it is not clear when the report will be available. Because of the Council process, it is unlikely that it will be in place by May 1. The Agency could do an emergency action without having to go through the SSC if it was justified. A GAP member encouraged the Agency and the Council to inform fishermen about the expected increase in white hake quota so they don't lease unnecessary quota. The trade mechanism between groundfish and scallop industries for SNEMA yellowtail flounder was included in FW48.

The difference between the GOM and GB haddock quota is a major concern for the industry. It was considered unlikely that some of the GB haddock would not spillover into the GOM and there was some evidence for this from a paper by Russ Brown in the mid-80s that indicated the GOM fishery was supported by this spillover. The Committee Chair suggested putting it on the agenda for the next Committee meeting but the member wanted to discuss it to allow any analyses to be completed before the next meeting. Another Committee member thought it would be best to have the PDT review all available evidence of this and offer guidance on potential impacts at the next Committee meeting.

Motion: To task the PDT and SSC to examine the issue of GB haddock spillover into the GOM stock area, provide an estimate of the amount of spillover when large year classes of GB haddock occur, and provide suggestions as to how the anticipated spillover of the strong 2010 year class can be used to adjust the GOM haddock ABC for FY 2013, 2014 and 2015. (Dr. Pierce/Mr. Goethel)

A Committee member did not like the fact that when the SSC reconsiders something they don't come back with a higher number.

Motion to substitute: The groundfish committee recommends that the council ask the RA to implement the following administrative / management adjustment to reflect the real likelihood that some Georges Bank haddock will be caught north of the 42 20 due to known tendency of "spill-over" when the GB stock is at such high levels.

- Since the GB ACL is 100 times greater than the GOM ACL and the 42 20 is much more of a management line than a biological boundary, the council acknowledges there will be GB haddock caught north of the 42 20.
- To account for this GB haddock catch in the GOM, the council recommends that haddock landed north of the 42 20 will be attributed at a 2 to 1 ratio. 2 GB and 1 GOM.

For example: If 300lbs of haddock is reported caught in the GOM management area, 200 lbs. will be attributed to GB and 100lbs to GOM. (Mr. Alexander/Mr. Kendall)

A Committee member thought there were some analytical problems associated with the motion to substitute that would have to be explored by the technical people. Another Committee member didn't think it was viable to bypass the SSC; the Council can't take any action that exceeds the ABC that doesn't go through the ABC. The maker of the motion to substitute disagreed and considered it a policy decision that had to be made and sent to the SSC. NOAA General Counsel stated that the Regional Administrator had no authority to substitute an ABC; it must be based on SSC recommendation and considered it appropriate that the PDT complete the analysis. Staff considered the motion to substitute to change the way the catch is accounted for and the mixing question was technical; this has not been examined at a SARC so the SSC would need to review it. A GAP member sat through a NEFSC presentation that showed 14 out of 17 stocks had moved north because of climate change; this suggested to him that mixing was occurring because the fish were swimming back as they caught them and landed them. A GAP member was confused by the motion – he had GOM haddock allocation but no GB haddock and asked if he would get twice as many GB haddock that he didn't have to catch if this passed. The maker of the motion to substitute clarified that they were not asking for a new ABC, only a two percent mixing ratio;

if only one percent of those fish spillover into the GOM that fishery will be shut down by the end of the summer. Another Committee member supported the original motion and suggested the PDT locate a paper on a haddock tagging study that showed 5-7% mixing rate. GOM haddock are more sensitive to stock fluctuations compared to GB haddock. The Committee member thinks all the reference points are wrong and there has been a regime shift; a letter outlining research on the topic had been submitted to the Council. The motion was considered to be a band-aid but an emergency action was really needed to increase the GOM haddock quota.

A GAP member preferred the motion to substitute but was OK with the original motion as long as the issue was resolved; this is also an issue for recreational vessels in the GOM. Because the motion asks the Regional Administrator do something, a Committee member abstained from the vote on the motion.

Some public comment on the motion included:

- Vito Giacalone: It does talk about the management concern about where there's practically we're accepting from an ABC standpoint no haddock north of the 42 20 line whatever that magic line is supposed to mean and a record biomass of haddock south of it and managers are saying obviously there is going to be spillover in fish caught in fact I think some of the work that Ms. Raymond had done showed there was talk about the fishery in the 1980s was pretty much supported almost entirely by spillover from GB. The GOM haddock fishery was supported by the spillover in GB. We have that document and there was a lot of fish caught in the 80s in the GOM. They were assuming then that it was heavily supported so this is a really precautionary thing to say that let's assume there are no haddock north of the line and assume we have a lot south we're going to shut down the GOM instantly as soon as one of those critters crosses the line and gets caught. It's not that much of an exaggeration what we've got right now. I think attributing it to GB is the correct thing scientifically, we never thought that increasing the ABC was going to be the lift that you're going to pull off because we did witness the SSCs last deliberation on this and rather than increasing that ABC we thought there's already records showing that you're going to be catching GB haddock in the GOM and how do you attribute that correctly. Hopefully if the whole motion moves forward the SSC will extract something out of that.

The motion to substitute **failed** on a show of hand 2/4/1.

Committee discussion continued on the original motion. A Committee member considered the PDT could examine the issue and avoid the SSC. Another Committee member supported the motion because if the removals were changed then the ABC was changed, which needed approval by the SSC. Another Committee member didn't think anyone ever considered the broader issue of the assessment and suggested a literature search because a doubling of a small number was better than no increase at all. A Committee member supported the motion but asked if the original number would have been even smaller if carryover had been considered in the assessment.

The main motion **carried** on a show of hands (7/0/0).

A Committee member was approached by Archipelago to ask the Committee to consider full retention in the groundfish fishery if it was combined with Electronic Monitoring (EM) to lower the costs of the monitoring program. There was some support for the idea but one Committee member had some reservations considering the cost of EM; if the company was able to drastically reduce the price. The Committee member sent a letter to the Council proposing removing observers from boats and putting them onto the dock, which he reported resulted in strong public support after receiving a large number of phone calls. Another Committee member had been working with the company for a number of years and had seen little progress in EM and asked if Archipelago was interested in an EFP to land undersized fish. The Committee Chair informed the Committee that the Council recently voted against full retention and it was not an option right now. Staff was concerned that private companies were requesting the Council to pass measures for the company's benefit; an EFP request is a separate process. The Committee member clarified that in addition to Archipelago, the Fisheries Statistics department and NEFSC were interested in full retention and discards and advocated for putting the camera system on his boat but since they couldn't retain undersized fish unless they pursued the EFP. Another Committee member suggested that Archipelago make a formal presentation to the Committee or the Council to make the process more transparent and indicate to the public what their goal is. A GAP member had been working with another company using a discard chute to identify fish as they were discarded; if the Council had passed full retention they could sell the cameras to the Council.

A Committee member highlighted a letter received by the council on February 19th from fishermen from various sectors requesting help during this fishery disaster; NERO was commended for providing one hundred percent observer coverage in FY 2013.

A Committee member requested more information on the RAP catch quota. Staff provided a brief overview of the RAP measures. Because of the timing the Council delegated the ability to comment on RAP measures this year. A model developed by the NEFSC that takes into account recent catch and future stock size indicated that the current regulations for GOM cod would probably achieve the recreational sub-ACL this year. A GAP member was confused why that didn't also apply to the commercial sector. Staff explained that the recreational quota was being reduced but their management measures aren't going to catch the fish. A Committee member questioned the discard mortality assumption for haddock because from his experience haddock don't survive. A GAP member supported this because they couldn't get haddock to survive in tagging experiments while cod did fairly well.

The meeting is adjourned at 5:25.