



New England Fishery Management Council

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MEETING SUMMARY

Groundfish Oversight Committee

Sheraton Colonial Hotel, Wakefield, MA

April 4, 2014

The Groundfish Oversight Committee (CTE) met on April 4, 2014 in Wakefield, MA to: 1) continue development of Amendment 18 (A18) and, 2) to discuss Framework Adjustment 52 (FW52) that would revise commercial groundfish accountability measures (AMs) for Southern and Northern windowpane flounder stocks.

MEETING ATTENDANCE: Frank Blount (Chairman), Dr. David Pierce (Vice Chair), Mr. Terry Alexander, Mr. Vincent Balzano, Mr. Tom Dempsey, Ms. Ellen Goethel, Mr. Peter Kendall, Mr. Howard King, Ms. Susan Murphy, Dr. Matthew McKenzie, and Ms. Laurie Nolan; Mr. Terry Stockwell (Council Chair); Ms. Jackie Odell (GAP Vice Chair); Dr. Jamie Cournane, Ms. Rachel Feeney, Dr. Fiona Hogan, Capt. Rachel Neild (NEFMC staff), Mr. Tom Nies (Council Executive Director); Mr. Mark Grant, Ms. Sarah Heil, Mr. Michael Ruccio, Dr. William Whitmore (NMFS GARFO staff), Mitch MacDonald (NOAA General Counsel). In addition, approximately 20 members of the public attended.

DOCUMENTATION: Discussions were aided by: PDT memo regarding A18 dated March 21, 2014, PDT memo regarding A18- accumulation limits dated March 25, 2014, Amendment 18 Discussion Document dated April 2, 2014, PDT memo regarding FW52 dated April 3, 2014, Groundfish Committee draft meeting motions dated March 28, 2014, GAP draft meeting motions dated April 1, 2014, Research Steering Committee meeting report dated March 14, 2014, and a series of correspondence received by the Council.

KEY OUTCOMES:

- The Committee recommended an in-season adjustment to the windowpane flounder AMs in FW52 and the establishment of sub-ACLs for other components in future Groundfish action.
- The Committee recommended no action quota set-asides or restrictions for baseline criteria for leasing at this time.
- The Committee recommended treating permit banks and individuals the same; no definition of non-profit permit bank was necessary.
- The Committee modified alternatives regarding accumulation caps on permits and PSC.

AGENDA ITEM #1: REPORT FROM THE GROUND FISH ADVISORY PANEL

The GAP Vice Chair summarized the motions and discussion from the GAP meeting held on April 1, 2014. The GAP was concerned with the economic impacts of the windowpane flounder AMs. The EIS for FW47 estimated a \$15 million loss for the large AM area for northern windowpane flounder, with \$11 million estimated loss for New Bedford. It was unclear if that estimate included southern winter flounder, which was prohibited from landing at the time FW47 was developed. A GAP member did estimate that there would be a \$8-10 million loss for New Bedford alone, based on personal experience. The gear modifications were considered by the GAP to be more of a proactive approach to prevent overages, which could be included in the next available Groundfish action after FW52. The GAP also strongly supported the establishment of sub-ACLs for other fisheries contained in the other sub-components; the groundfish fleet should not be held accountable for other fisheries' catch. However, the GAP concluded that FW52 should address an in-season adjustment to the AMs and establishment of additional sub-ACLs could be addressed in the next available action. The GAP wanted solutions for both the northern and southern windowpane stocks; they did not discuss solutions for one and not the other because the framework should address both.

The GAP was not supportive of quota trading with Canada at this time because of a number of concerns with the process, however, if the Council continued pursuing trading the GAP supported the Committee's preferred alternative. Concerns were related to the uncertainty around the process and the lack of right of first refusal for sectors.

The GAP motion regarding A18 did not support accumulation caps, which reiterated motions made in September 2013. However, if accumulation caps were pursued, the GAP recommended a cap on permits and not on PSC. A Committee member questioned how they would select an appropriate cap on permits because not all permits are equal in terms of PSC. The GAP did not discuss what constituted an excessive share.

The GAP didn't specifically address whether sectors themselves meet the desired diversity goals but felt that in terms of trading that has been occurring has been healthy and completely necessary because no one individual or sector necessarily has what they need. Therefore the GAP was not in favor of restricting trading because it would be detrimental to fleet diversity. A Committee member noted that fleet diversity goals have not been identified by any sectors. The GAP did not discuss trading with permit banks. The GAP did not think permit banks should be given a different cap to individuals. The GAP did not think that there was sufficient quota available to create a set aside program for new entrants as so many sector members were struggling to stay in business.

The GAP was opposed to the research question that addressed identifying SNE windowpane flounder hot spots and developing an avoidance system because it was felt that it could be done in a different way and didn't need to be a priority for research.

The GAP Vice Chair explained that the motion would use some of the funding for processing data from 100% observer coverage required to access the closed areas and not for observer

coverage. A Committee member supported this and was opposed to any of the funding being used for observer coverage because that is not a research topic.

AGENDA ITEM #2: FRAMEWORK ADJUSTMENT 52 – WINDOWPANE FLOUNDER ACCOUNTABILITY MEASURES

PRESENTATION: DEVELOPMENT OF FRAMEWORK 52 TO THE MULTISPECIES FMP (JAMIE COURNANE)

Staff provided an overview of the projected timeline for the development of Framework 52 (FW52), which would have the Council taking final action in June 2014. The purpose of FW52 is to revise Accountability Measures (AMs) for the commercial groundfish fishery for northern and southern windowpane flounder stocks. Due to overages for both stocks in FY2012, the AMs will be implemented in FY2014. Based on preliminary FY2013 data, an overage for northern windowpane flounder has occurred. At the February 2014 Council meeting, the Council requested that any revision to the current AMs be applied to FY 2014, retroactively, or any overages that occurred prior to FY2014 and initiated FW52. The two stocks have differing statuses; northern windowpane flounder is overfished and overfishing is occurring while southern windowpane flounder is not overfished and overfishing is not occurring. On a recent PDT conference call, the PDT did not have any major concerns regarding the discard methodology but plans to further examine FY2013 trips with high discards. The PDT does not conduct stock assessments but did look at updated survey indices, which suggest increases in stock sizes. Potential alternatives discussed included revising the AM triggers based on stock status, using survey information and utilizing catch performance. The PDT had three ideas on revising the AMs. The first two are based on revising the trigger by either incorporating stock status/biomass or using catch history (overage in year one followed by under harvest in year two). The third would revise the timing of the AM (e.g. seasonal aspect) or the size/location of the areas themselves.

DISCUSSION ON THE PRESENTATION

Staff was not prepared to walk through the PDT ideas on how to revise the AM because they had not been fully developed by the PDT yet. If the Committee was interested in these ideas then the PDT could pursue them further. Based on preliminary analysis, idea #1 that incorporates stock status or biomass the AM would not have been triggered for FY2014. There is precedence for this approach from the Mid Atlantic Fishery Management Council for their recreational omnibus amendment. The outcomes of the 3 ideas may vary by stock; the two stocks have different stock status and preliminary catch in FY2013. The PDT has not yet developed revised AM areas or identified appropriate seasons. The Committee was generally in favor of the PDT providing examples of how these ideas would work.

1. Motion (Dr. Pierce/Mr. Kendall):

To develop alternatives to revise windowpane accountability measure (AM) triggers by taking into account stock status using survey information and utilizing catch performance according to the approaches provided as PDT Ideas #1 and 2, and AM areas be revised to seasonal gear-based modification areas according to PDT Idea #3 (see PDT memo 4/3/14).

Rationale – The PDT needs guidance to further develop these ideas. Need to give the PDT another opportunity to flesh it out and bring it back to us. Has to be done at the Council meeting since no other Committee meeting

Staff informed the Committee that the PDT would require more time to develop idea #3 than there was available before the April 2014 Council meeting. Accordingly, a Committee member was hesitant to rush this through without a more detailed report from the PDT. Staff noted that the ideas would be further developed by the Council meeting but would not be fully developed. Considering final action wasn't being taken until the June 2014 Council meeting, there was general support for the motion. A Committee member was hesitant to revise AMs just because they were triggered and considered there was insufficient time to fully develop the alternatives.

Public comment on the Motion:

- Vito Giacalone, Northeast Seafood Coalition – We support this and any option that could possibly take care of the unforeseen situation that came up here. Groundfish interests are accountable to both their sub-ACL and the overall ACL. In FY2012, had Groundfish only been accountable to the sub-ACL Groundfish would not have triggered the AM. FY203 is another issue and I just want to put out there. We agree that the current AMs, there is too much of a delay, but there is zero incentive for Groundfish to utilize a tried and proven method of working with a small bycatch of fish in that ACL using the sector accountability measure. If we implement that now it will have no effect. We can't have any control over whether the AM gets triggered because we're still accountable to the overall ACL. Before the sectors can go in and actually put themselves in that additional voluntary jeopardy they need to know that policy wise they will get a benefit for it, which will be to avoid the AM. That will be proactive and in-season and will work just like we do on the 15 allocated stocks. Right now the policy does not allow that to happen. Respect the fact that people are saying, is this people trying to go back on an AM now that it's triggered. That is definitely not the case. We know how we can stay within the catch in the future. This was a stock that was not looked at by the industry. We did not realize that this kind of thing was going to happen on windowpane flounder. Now we know what to do but the problem is \$15 million impacts. There's 75% impact in New Bedford, they're not going to survive that. There were huge damages when yellowtail flounder were taken off the table. SNE winter flounder were shut down for several years that fleet just shrunk. This final blow would basically annihilate an entire port over 200,000 lbs of a non-landable product. We have to figure out a management solution to that. It isn't just getting a grace period it's coming up with superior ways to deal with this in the future. We support the motion.
- Bonnie Brady, Long Island Commercial Fishing Association – We totally support this motion because we are not overfished and overfishing isn't occurring yet we're going down these tracks for a situation that could definitely be improved by that. Seasonal gear restricted areas would really help us. It couldn't be bigger unless you took out Long Island at this point. Anything that can be done to help because we also have the other fisheries that are involved.

MOTION #1 CARRIED 9-1-1.

Staff requested further guidance on a couple of issues raised by the GAP. NOAA General Counsel informed the Committee that the guidance on the mixed stock exemption had not changed; if that exemption was pursued the requirements would have to be met. GARFO staff noted that the mixed stock exemption was explored in FW47 but because the requirements were so hard to meet, it was moved to the considered and rejected section. If the PDT was to attempt to do this for FW52 it would require a lot of PDT time and effort. One Committee member was hopeful that the reauthorization of the Magnuson Stevens Act would make the mixed stock exemption more useable.

The Committee agreed to keep the motion tabled.

2. Motion (Dr. Pierce/Mr. Alexander):

To initiate another framework to further allocate the windowpane flounder ACL to be expanded to other components of the fishery, and develop AMs for these components.

The Council Executive Director noted that if this was added to the next available Groundfish action, it might require sufficient staff time to develop AMs that another Groundfish priority might not be achieved this year.

Public Comment

- Vito Giacalone – There must be a lot of resources dedicated to that right now and these are immediate problems that we have. I don't know if there's a chance to look at what that would do. I know you're talking about EM and smaller items that are up there but that's a major item. We know what the consequences of not dealing with this are and we're not saying that there aren't problems that can be fixed or addressed in A18 but are they priority now when you start to look at some of the things that we're talking about maybe not doing. If it costs us 6 months on A18, would that help?

MOTION #2 CARRIED 10-0-1.

AGENDA ITEM #3: AMENDMENT 18 – FLEET DIVERSITY AND ACCUMULATION LIMITS

PRESENTATION: DEVELOPMENT OF AMENDMENT 18 TO THE MULTISPECIES FMP (RACHEL FEENEY)

Staff provided an overview of recent Committee motions regarding A18 and posed a series of questions for the Committee to consider prior to the April 2014 Council meeting.

PRESENTATION: GULF OF MAINE COD IN 514 (JAMIE CURNANE)

The PDT analyzed the trends in cod landings in statistical area (SA) 514 by vessel size class. The analysis focused only on commercial data and did not include recreational catch. As background the PDT reviewed an analysis based on survey data conducted by NEFSC staff that indicated that GOM cod has concentrated into the GOM over the last 4 decades. Based on landings data, landings in SA 514 have increased as landings from SA 511, 512, 513 and 515 have decreased.

When examined by vessel size class after 2010, vessels 30 to less than 50 ft show a decrease in trips, a slight decline is seen in vessels 50 to less than 75 ft, while an increase is seen for vessels 75 ft and over. A similar trend is observed for total cod landings by vessel size class (decline in smallest size class; increase in larger size classes), however, all size classes indicate a decline in FY2012. There was insufficient data to include vessels less than 30 ft in the analysis; there were confidentiality concerns. The PDT also examined trends in CPUE between 1994 and 2012 and also used a trimean approach to further analyze the trends. These echo the trends seen in landings; after 2010 there was an increase for vessels over 50 ft, with vessels below 50 ft showing a decline. All vessel size classes show a decline in CPUE in FY2012. Management actions influenced the trends in CPUE across vessel size classes. Trip limits appear to have constrained landings for vessels over 50 ft when compared to vessels 30 to less than 50 ft. The decline in the landings in the 30 to less than 50ft size classes was caused by the decline in the total number of trips taken and by the decline in catch per trip. While the number of trips taken small vessel size class declined after 2010, they still greatly outnumbered those taken by the larger size classes. There are two biological questions for the Committee to consider, is localized depletion occurring for GOM cod and is concentrating effort in SA 514 increasing risk for GOM cod. The Committee may also want to discuss if there are any social equity issues that would require alternatives to address the inshore/offshore divide.

Discussion on the Presentation

The Committee discussed how management measures affected fishing behavior; prior to 2010 it appeared that larger vessels were fishing more inshore to land their 800 lbs trip limit as they were steaming home. After sectors, they were able to move inshore and conserve on fuel while maximizing landings. A Committee member noted that once catch shares were first implemented smaller vessels caught their cod as quickly as possible, but that behavior changed when they realized that leasing more was not viable.

Public Comment

- Jackie Odell, Northeast Seafood Coalition – I find this to be very interesting. On slide 13, FW25 which is the first grey line there represents the management action that implemented the WGOM closed area. That shows where the shift in effort occurred once that area was closed. Then FW42 put in the differential DAS counting area and at that same time is also when the cod was very abundant in the inshore area. How many vessels over time does this represent? Like how many vessels are in the 30 to less than 50 ft year class, etc.? That would be important to know. From what we saw it wasn't that cod between 2006-2010 was just in 514 but guys had just gone through a massive reduction that was just where you could make a quick trip to make money. Differential DAS counting focused effort on cod because that was where the money was. At the same time that we were supposed to be reducing effort on cod, we put in a management measure that increased pressure on cod.
- Vito Giacalone – The 514 catches of cod, is that the entire SA 514 or did those graphs focus on WGOM? We have to be careful about the inference that Stellwagen is only a small piece of SA 514. There's always been a significant amount of cod caught by the

larger vessels from the outside part of the WGOM closed area, which is also SA 514. The observation doesn't make sense to me. If there's any way you could double check it. The 30-50ft class looks like it had a serious decline in amount of cod kept per trip even though they had less trips post 2010. The 800 lbs was the prior trip limit and every small boat I know stopped bringing in 800 lbs when sectors started. They were bringing in 2000 – 9000 lbs. I'm confused by how the catch per trip went down when that constraint went away. I would have thought that the larger boats stayed more consistent because they had 8 days to catch 800 lbs a day, so a total of 4800 lbs. Under sectors they could catch 4800 lbs on the last day. That ends up being the same amount of fish as before as opposed to 800 lbs each day. This shows the opposite, this shows the small vessels having less kept pounds when the trip limit was removed and that doesn't make sense. The large size class shows a large spike up at the advent of sectors and shows a decline happening prior to sectors and then continued to drop into sectors of kept pounds per trip.

- Steve Welch, commercial fisherman – It is important to note that we were down to about a 200 lbs trip limit on codfish in the late 90s and even down to 30 lbs at one point and that's why you saw the big boats move offshore. They don't have the opportunity to move anywhere so they stay. That's why some of these slides show us staying in this area because that's where we fish. We're small communities and we have to access this area SA 514. The biggest problem from 2010 on was no trip limits. I know that's not a big thing about catch shares, we're talking about economic efficiency but what I saw is before 2010 was that big boats would come in and top a trip off. There's nothing wrong with that. The problem we had is we lifted the trip limit and people could catch as much cod as possible. When you lifted the trip limits opened up the inshore GOM and stocks were decimated.
- Marc Stettner, Northeast Hook Fishermen's Association – What was the rationale for not including vessels under 30 ft? Vessels under that size were affected.

The decrease in the number of trips wasn't too concerning because it shows an increase in efficiency. A Committee member also thought the increase in larger vessel sizes could be a result of improvements in reporting processes; previously the system was unable to process 2 VTRs for a trip but that was no longer the case.

Sectors have already included in the sector operations plan to declare into the WGOM but nothing has been done to address effort. Localized depletion, if occurring, was not due to just the larger vessel size classes but from total effort from all fishery participants.

A Committee member had a major concern that the PDT analysis did not agree with the scoping comments and was therefore not in a position to make a motion on this issue. Continued analysis of this issue that would look at position data, depth or effort west of the 70 degree line was supported by a couple of Committee members out of concern that decisions would be made on insufficient analysis. However, it was unclear what would be the benefit of that considering it could delay implementation of A18. A Committee member thought this could be included in a future action.

3. Motion (Mr. Alexander/):

To consider inshore/offshore Gulf of Maine (GOM) cod issues in a future action.

MOTION #3 FAILED No Second.

A Committee member did not think a motion was necessary; the Committee only needed to provide rationale on why this was not being included in A18. There was some hesitation to conclude that this should not be included in A18; the Council could discuss it at the April 2014 Council meeting, which would allow the Committee more time to review the analysis.

4. Motion (Mr. Dempsey /Mr. Alexander):

Move to recommend to the Council to take no action on quota set-asides at this time due to the status of the stocks. As these stocks rebuild, quota set-asides potentially could be considered in a future action.

A Committee member thought it was inappropriate to create set asides for new entrants into the fishery when there wasn't enough quota for current boats. Many fishermen are struggling to stay in business; a recent report indicated that 70-80% of participants were losing money. Merits of quota set aside programs were appreciated but might be more appropriate at a time of higher quota availability. However, such a program would have to be established in an amendment because it represents a re-allocation.

Public Comment

- Aaron Dority, Penobscot East Resource Center – I think before dispensing with this altogether you should take a look at some of the set asides programs that are in existence in other places, e.g. north pacific fishery there's a cod jig set aside program. I don't know when it was set up but I think it has a stair step provision where 1% is set aside and if that is used it goes up to 2% and so forth. It can increase over time up to a certain cap. That's one option that could be looked at. I think you probably would have an easier time now setting a set aside program doing some future planning than you would be 10 years down the road to say OK this stock is rebuilt so we're going to take a percentage out of other individuals' allocations for a new entrant. I think you'll have an easier time now if you plan that out with some fore thought and say down the road this could be triggered by a certain percentage of rebuilding and maybe for just certain stocks. If it's on the books then you acknowledge the importance of new entrants. You're also saying that everything has been allocated right now and we acknowledge that no one has enough fish to go around but at some point we will face rebuilding stocks and at what point is that enough to allow and justify more people to enter this fishery in a very small scale to allow them to build up the capital to then purchase another permit.
- Marc Stettner - You could look at it and you could maybe make a motion at some point to say part of A18 as a stock is declared rebuilt a certain percentage gets set aside of that stock or some stair step. It's kind of like putting something on the books now that this may just happen. No one is ever going to want to give up fish, whether it's 100% or 20%

rebuilt, it's going to be a fight. It's a good idea to start thinking about this so there is some avenue for new entrants.

- Vito Giacalone – Just from a resource perspective, I don't know if it takes a lot of work to analyze but I think it's really theoretical. We've seen stocks rebuilt and then then next assessment the data shows we're back in the toilet. As soon as something is rebuilt you end up with basically zero lease cost. There are a thousand of permits out there that don't have a lot of value to them that everyone is holding that if a new entrant wanted to get in could get in pretty cheaply and if base it on lease stocks he'll instantly have access. I would think something like this would take a full amendment that focused on that kind of thing where you say when you get to a certain threshold how much does the fishery need to survive and then how much can we start to allocate out to new entrants. When we see rebuilt stocks have a high lease cost or you have to buy \$1 million permit to get it but we don't have that problem right now. If we had rebuilt stocks they would have access for \$0. It's a problem looking for a solution that if we can put it off and it saves you time then I say put it off. If it's something you can throw in there token then I'm indifferent to it because I don't think it's going anywhere.

MOTION #4 CARRIED 8-0-3.

5. Motion (Dempsey/T. Alexander):

Move to recommend to the Council to take no action on restrictions for baseline criteria for leasing.

Rationale –People rely on leasing and don't see anything to be gained in this fishery by putting up barriers, especially when quotas are low. Need to move opportunities around to people who want to target Groundfish. It's counterproductive to goals of this action.

A Committee member noted that there was baseline criteria for leasing in the regulations but exemptions were granted to sectors every year; it may not be necessary to include this in the action.

MOTION #5 CARRIED 7-3-1.

6. Motion (T. Alexander/Kendall):

To treat permit banks the same as any other permit holders or entities in terms of accumulation limits and also move Section 4.2 (Regulatory Definition of a Nonprofit Permit Bank) the Considered but Rejected section.

There was some hesitation to remove Section 4.2 after the Committee spent a lot of time developing the definition of a non-profit permit bank.

6a. Motion to split (Goethel/Pierce):

Rationale –We don't need a definition of a non-profit permit bank right now but don't want to tie the hands of future council members by not having a definition. Important to have it in place for the future.

MOTION #6a FAILED 2-6-3.

A Committee member didn't want to remove the definition of a non-profit permit bank out of the assumption that they would have to submit a public report that would increase transparency. However, there are some criteria that need to be met in order to divulge confidential information, which may not apply here. The motion was intended to apply to all types of permit banks.

MOTION #6 CARRIED 7-1-3.

7. Consensus Statement

The OSC agreed by unanimous consent that Section 4.1.2 (Limit the Holdings of Permits should just have two alternatives, no action and a 5% accumulation limit that would apply to all entities.

8. Motion (Dempsey/T. Alexander):

Move to remove Section 5.0 (Alternatives Pending Further Discussion by the Groundfish Committee) from the document.

The Committee considered Section 5 to be redundant as it was a place holder for the PSC cap.

MOTION #8 CARRIED 9-0-2.

The Committee discussed US/CA trading and considered it important to develop for the long-term. At the march 28, 2014 meeting the Committee selected a preferred alternative. Further guidance on the trading process would help develop the alternative. If the Committee would like to restrict how much quota could be traded, it would be helpful to include that in A18 in case an opportunity to trade occurs in the near future. The Council Chair was leery to tie the hands of the TMGC by developing a process that has yet to be agreed upon with CA. Limiting the number of trades was not desirable at this time; the timing of the trading process may already limit the number of possible trades. The Committee was interested in discussing the right of first refusal clause but did not develop a motion to include it. It was considered to be the first step but there was not enough information to flesh out the details now. It was suggested that it could be included in the document to establish the process and develop the details further in a framework action.

Public Comment

- Vito Giacalone – That was our understanding too is that it had to be done in an amendment, which was why we had a one year ability to trade because we were thinking a 1 off may occur for yellowtail flounder and it didn't. That sent industry into the mode of figuring out what mechanism could work to make it happen. We did that but it hasn't gotten to this level yet. But if something were in here as a placeholder, the reason why that option 2b is what it is because of this overarching policy, which we've already run by a lot of people. We don't want to see anyone put in a situation where they could be making a trade with another country that will affect anybody's quota without our voluntary participation in that trade so we have a mechanism for that. If something like

this then maybe we'd get something out of A18 that a lot of us could recognize. No US/CA trading mechanism or policy would be adopted that has the potential to reduce any sectors ACE for a transboundary stock without the sector voluntarily participating in the trade through SIM. Any trading mechanism or policy adopted must preserve a sector's ability to maintain the sector allocation for the pertinent fishing year as if the trade had not been contemplated or executed. It's as simple as that. The sectors voluntarily contribute so whatever the powers that be decide to make a trade go ahead and do it but it's only conditional on sectors contributing the fish. Sector members can get fish out of their sector without it going through right of first refusal internally. If the sectors wanted a network and make that even broader they could do that. At least you'd have a mechanism in this amendment that shows we're not going to have a council body or government body make those types of decisions that are going to affect people involuntarily. If that was in the amendment we would be happy. You could develop the policies over time. It has to be voluntary that came from the sectors.

- Marc Stettner – I read this and I think it would be a better idea to consider this as a universal sector exemption. The way it reads now is may request; if it's a universal sector exemption then it would be a much stronger option that would be viable in the document.

9. Motion (Dr. Pierce/Dr. McKenzie):

Move that in Section 4.1.1, Alternative 3 (Limit Holdings of Stock-Specific PSC to the Same Level for each Stock in the Fishery), replace 25% with 15.5%.

Rationale – This would replace the 25% with 15.5% to be in line with the Compass Lexecon report.

The maker of the motion did not want to accept a friendly to have the 15.5% applied to an aggregate instead of individual stocks. Staff noted that the Compass Lexecon included both percentages; the report recommended the 25% if there was a large amount of competitive fringe.

MOTION #9 CARRIED 10-0-1.

10. Motion (Mr. Alexander/Mr. Balzano):

To add an alternative that would have a PSC aggregate cap of 15.5 % for all stocks in the fishery.

Rationale – If someone owned no more than 15.5% of the fishery it would limit the holdings of pretty much everybody in the fishery. A guy could have more than 15% of any particular species but as long as he stayed within the aggregate then he could never control the fishery or have market power. It's just another option.

There was a concern that this motion would add additional work and might delay implementation of A18. PDT analysis did show aggregate PSC holdings and the max held by an individual is 8.894% in 2013. That doesn't necessarily mean they have 8.894 of all of PSC it's because an MRI could have more than 1 ID associated with it. The PDT took all of the PSCs held by an individual person and averaged those across all the stocks so it's averaged it's not all of it

totaled. A Committee member considered this to need more work and suggested tabling this motion until the April 2014 Council meeting.

10a. Motion to table (Mr. Dempsey/Dr. McKenzie):

Rationale – We're not in the market of new alternatives just for the sake of. It's not clear what the overriding benefit would be. In the weeks before the council meeting we could work through that but it's a pretty high bar. To add a different approach we'll have to think through what it allows us to do that our existing alternatives don't.

MOTION #10a CARRIED 10-0-1.

A Committee member was concerned about the 5% permit cap alternative. The alternative was developed to be consistent with the permit cap under the scallop FMP. However, a 5% cap for scallops represents 17 permits; under Groundfish it equals 68 permits, which may represent the majority of a PSC. Further discussion on the implications of this would have to wait until the analysis was completed.

Public Comment

- Marc Stettner – I spoke to my association and we are not for the motion made at the last Committee meeting. We feel that the motion 2a we feel is the best option. I do have a question that needs to be clarified before the Council, in the PDT memo for Option A sub-option b voluntary it's a little confusing because the intent was for sub-option B it says holders of HA permits may elect to enroll in HA, common pool or a sector. We don't think that's correct and in line with intent of the Council because that would split the PSC into 3 categories. All we're looking for is a sub-option within the common pool. They could go into sector or remain in the common pool but the fish they would catch would come off the PSC of the handgear fishery. All the quota could remain in the common pool or in a sector and there won't be any quota in the HA. Why would anyone want to fish in the common pool if there is a handgear sub-ACL? If they want to go in sectors they still could and this would be the choice. You're drawing fish and keeping other gears from working on those fish within the common pool so we're not shut out like we have been many times. How would this infringe on that? If the choice was handgear common pool (one allotment) or sectors. I'm supporting the voluntary approach but the way it sounds now you have 3 choices not 2 and we're trying to get away from that. Handgear fishermen would take away from the common pool amount. You would have 2 columns within the common pool. As long as the intent was to allow fishermen the choice of fishing in the common pool or under the HA permit then OK. We support the Committee motion but it doesn't go far enough. Based on the PDT report, in 2013 there were 19 HA permits leasing in sectors, 1 actively fishing in sectors and 21 permits actively used for fishing. If we don't actively protect those fishermen those numbers will continue to decline on the active side and the number of lease only HA fishermen will continue to grow. This is a seed. You take a seed, you put it in the ground and you coddle it. We're at the seed point here. Motion 2a does exactly what we're hoping to do. I spoke with the fishermen who spoke at the last Committee meeting. He's a new fisherman.

We've discussed it that it's a percentage of the fishery and he wasn't aware of that. Now he understands that the percentage will grow with the stock. It may be tough for the first years but as the stocks rebuild then the trip limits will go up and he said he'd be satisfied.

The Committee did not support motion 2a because there was no way to track HA fish in-season. An overage could occur simply because the data cannot be accurately tracked. A Committee member was concerned about how this could set precedence for other gear types that might request their own sub-ACL. The Committee has discussed making it easier for HA fishermen to enroll in sectors in a beneficial way to HA fishermen. A Committee member thought that enough time has been spent on this topic and this was the best they could do for the HA fishery.

AGENDA ITEM #4: OTHER BUSINESS

Research Steering Committee

Staff informed the Committee that there were available funds in the Council budget for potential short-term research projects. The Council Chair requested the Research Steering Committee (RSC) to identify possibly research questions with priority given to collaborative research projects focusing on groundfish because currently there is no RSA funding. The RSC met on March 14, 2014 to discuss the scope of intended research. They concluded that focus would be on groundfish with priority given to projects with an on the water component. One caveat was the money could not be used to augment federal funding or ongoing federally funded projects. The RSC developed the following research questions.

Groundfish Research Questions from the RSC

1. What is the recreational haddock discard mortality rate?
2. To examine the timing and distribution of cod spawning in GOM and GB/SNE stocks.
3. To refine biological stock structure for GOM Cod and GB/SNE cod.
4. What are the gear engineering solutions that could reduce bycatch of GB YTF?
5. Identify GB YTF hot spots and develop an avoidance system.
6. What are the gear engineering solutions that could reduce bycatch of SNE WPF?
7. Identify SNE WPF hot spots and develop an avoidance system.
8. Examine species-specific net herding/effective swept area characteristics of the NOAA survey trawl net?

A Committee member thought impacts of climate change and ocean acidification should be included on the list of research questions. The RSC didn't think there was enough money to complete a comprehensive study on climate change. The RSC discussion on experimental fishing focused on harvesting, population structure, fish in closed areas and implications of a closed area. A Committee member thought experimental fishing in the closed area was a major priority before they were opened up.

The Committee agreed with the GAP motion on the research questions; further discussion could occur at the RSC meeting. It was important to keep in mind that at the RSC meeting the discussion was more focused on what could be achieved in a one year time frame as opposed to the limitations of the funding. A Committee member was happy that #3 was included as it

indicated they were comfortable with the redistribution of cod amongst members; this was not discussed at the RSC meeting. A Committee member was opposed to using this funding for observer coverage as that was not a research need. However it would be acceptable if the funding was used to analyze the utility of closed areas. The Council Chair directed the CTEs attention to a herring discussion document (Appendix 2) that discussed slippage events in CAI; if the Committee wanted to pursue this issue further then herring staff can speak to the Committee. There was some concern over this issue; the herring industry appears to be catching 4 times more than the HA fishery, which the Committee Chair thought should be reviewed. The Committee agreed to discuss this further at the Council meeting.

Correspondence

The Center for Sustainable Fisheries submitted a request for an emergency action to the Council. The Committee Chair proposed waiting to discuss this issue under the Groundfish agenda item at the April 2014 Council meeting.

Meeting adjourned at 3:47 pm.