

SOUTH ATLANTIC FISHERY MANAGEMENT COUNCIL

WRECKFISH SHAREHOLDERS MEETING

**Reefhouse Resort & Marina
Key Largo, Florida**

June 28, 2022

Transcript

Wreckfish Shareholders

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Mike Freeman
John Polston

Jim Freeman
Charlie Phillips
Paul Reiss

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Jessica McCawley

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Frank Helies
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Ed Glazier
Karla Gore
Britni LaVine
Michael Travis

The Wreckfish Shareholders of the South Atlantic Fishery Management Council convened at the Reefhouse Resort & Marina, Key Largo, Florida, on June 28, 2022, and was called to order by Ms. Christina Wiegand.

MS. WIEGAND: I am going to get us started. Thank you, everyone, for making the trip down to Key Largo for the wreckfish shareholders meeting. I thought the first order of business, since I haven't met many of you in-person, though I'm sure you all know each other, is to just quickly go around the room, so that everyone can introduce themselves. I'm Christina Wiegand, and I'm the one that's been emailing you guys constantly, and I'm a Social Scientist for the South Atlantic Fishery Management Council, and then let's start over here with you, John.

MR. POLSTON: John Polston, Kings Seafood, Port Orange, Florida.

MR. FREEMAN: Jim Freeman, Sea Farmers of America and Two Jerks Seafood, Port Orange, Florida.

MR. FREEMAN: Mike Freeman, Sea Farmers of America.

MR. PHILLIPS: Charlie Phillips, and I have the Fish Hound and Phillips Seafood.

MR. SMILLIE: Hi, you all. My name is Nick Smillie, and I'm new Digital Communications, or Digital Media and Communications, Specialist at the council. If you guys have any questions about the webinar and getting set up today, I'll be your guy.

MR. REISS: Paul Reiss, Fishing Vessel Oxbow, Stonebass Fisheries, and Oxbow Holdings, Inc.

DR. CROSSON: I'm Scott Crosson, and I'm an economist from NOAA in Miami, and I'm also on the SSC, and I do the wreckfish economics for NOAA.

MS. WIEGAND: All right, and then I've got a couple of people online from the Southeast Regional Office that are probably going to be piping in here every once in a while, and so I wanted to give them a chance to introduce themselves, and so, Karla, why don't you go ahead?

MS. GORE: Hi. I'm Karla Gore from the Southeast Regional Office and Christina's counterpart working on the wreckfish amendment.

MS. WIEGAND: Jessica, why don't you go ahead?

DR. STEPHEN: I'm Jessica Stephen, from the Southeast Regional Office, and I manage our catch share programs, and so wreckfish is underneath my division, or my branch, and I will have one more person joining, Britni LaVine, who works within our branch, but she's just having a little trouble connecting, and she'll get into it shortly here.

MS. WIEGAND: Excellent. Thank you, ladies. Next up will be approval of the agenda. It's a pretty simple and sweet agenda. We're going to be talking about the Snapper Grouper Amendment 48, which is the wreckfish modernization amendment, but I will just pause here, to see if there's anything else that anyone wanted to add to the agenda other than this. All right.

I'm seeing nothing, and next up would be Public Comment, and so there's no one in the room, I believe, who will be giving public comment, but, if there's anyone on the webinar who would like to give public comment, you can go ahead and indicate that you would like to do so by raising your hand on the webinar. It's the turkey-looking thing on the side of your screen. All right. Seeing no one who wants to make public comment, I am going to turn it over, briefly, to the Snapper Grouper Chair, Jessica McCawley, to give a few statements, before we dive into Amendment 48.

MS. MCCAWLEY: Thank you. I have a slide for you guys here, and so I'm really excited that you guys are going to talk about this amendment. We've done some work on it, but I feel like we need some input from you guys before we can go even further. You can see here, on the slide, that the council is talking about this amendment at every-other council meeting, just because they have a large workload, but this particular amendment is based on recommendations from the 2019 review, and we want to make sure that you guys are involved, really kind of at every step of the way here on this amendment as the council moves forward.

There's lots of different nuances in there, but we hope to provide more flexibility for fishermen, increased profitability, but, also, I want to get rid of those paper coupons. I am just saying, and it's just mine and Kerry's thing, that I can't believe that we're still using paper coupons, but I just look forward to the discussion that you have today, and Kerry and Chester and I are here and can try to answer any questions that you have about the council discussions.

MS. WIEGAND: All right, and so, with that intro, let's go ahead and dive into Amendment 48. I've got a presentation that I'm going to go through, just because it sort of breaks things up into more digestible chunks, but it follows, verbatim, the decision document that was in you guys' briefing book.

Just to get us rolling, since it's been about a year-and-a-half since we talked about this amendment, I just wanted to sort of refresh you guys' memory on why we've gotten to this point. If you will remember, a few years ago, back in 2019, the council completed a review of the wreckfish ITQ program, as mandated by Magnuson, and that review found a couple of things in the program that really could use further improvement, including some of the confidentiality issues, getting rid of those pesky coupons, like Jessica said, and moving to an electronic program.

We have to address cost recovery, because that is mandated by the Magnuson-Stevens Act, as well as some wreckfish permit concerns, allocation issues, and then offloading site and time issues that have been brought up by you all at past meetings, and so this amendment is fairly large, and that because it intends to sort of address all of these different components that need improvement. Of course, that all dives into the purpose and need.

The purpose is, of course, to modernize the ITQ program, and, really, the need for that modernization is to improve program monitoring and enforcement, data collection, and provide some flexibility for you all and hopefully increase profitability of the ITQ program.

Just to give you sort of an idea of where the council is at in developing this, like Jessica said, it's coming back to the at every-other meeting, just because of the heavy workload associated with moving over to an electronic program, as opposed to the paper program, and this is next going to go to the council at their September meeting, which is Charleston, South Carolina, and they will

be reviewing the full draft amendment, as well as any comments and recommendations you all make at this meeting today, and considering approving it for public hearings. Then the goal would be to continue to develop this, with an ambitious goal of finalizing the amendment and submitting it to the National Marine Fisheries Service by September of 2023.

Before we dive into the meat-and-potatoes of this amendment, and get to where we're going to have a lot of discussion, does anyone have any questions or concerns about sort of the impetus for this amendment and the timeline we're currently working with? All right. I am seeing no one jump up with any concerns, and so, without any further ado, let's dig into it.

Action 1, the first action in this amendment is going to look at revising sector allocations and the sector annual catch limits for wreckfish, and so, currently, the commercial sector is allocated 95 percent of the annual catch limits, and the recreational sector is allocated 5 percent of the total annual catch limit. Alternative 2 would modify that to shift it to 98 percent commercial and 2 percent recreational, and Alternative 3 would shift it to 99 percent commercial and 1 percent recreational, and then Alternative 4 would shift it to 99.5 percent commercial and 0.5 percent recreational. I know those numbers can be a little abstract, and so, here, we've got a table that shows what those allocations would actually look like, in pounds round weight, of wreckfish, based on the current ACL.

To give a little background, one of the reasons that this action is being considered in this amendment is because recreational landings are rarely reported through the Marine Recreational Information Program, and I believe there's been one intercept since 2012, but the reason, originally, that we had moved from 100 percent of the fishery being commercial to a 95/5 percent split between the commercial and recreational sector is because there were a lot of reports from fishermen of recreational sort of incidental catches of wreckfish, and so the goal was to establish sort of a small allocation for the recreational sector, which would hopefully curb some discard mortality issues with recreational fishermen catching wreckfish and then having to toss them back, and so that's how we ended up at the current 95/5 percent split. Just for some additional information, right now, the recreational sector has a season from July 1 to August 31, with a bag limit of one fish per vessel per trip.

I am going to move on to the questions slide. You are going to -- Any time you see this little wreckfish with his mouth open, that's when we're hitting time for discussion, and so some of the information the council would like to have from you guys, when they're talking about allocations, is any information you guys have on effort shifts to and from wreckfish and sort of why these shifts are occurring.

Are you seeing incidental -- Increases in incidence of recreational encounters of wreckfish? Have you guys heard anything about that, anecdotally, and then what do you know, in terms of discards of wreckfish in the commercial or recreational sectors -- How often are they being discarded, why, and then, sort of when fishing for wreckfish, what other species do you tend to encounter that you're find yourself needing to discard? With that, I will stop talking, so that you guys can provide your valuable input to the council.

UNIDENTIFIED: I would opt for Option Number 4, the 99.5 and 0.5 percent. I think that would be appropriate. I haven't seen any incidence of recreational wreckfish fishing, whatsoever.

UNIDENTIFIED: Since you've started fishing, you've never seen one?

UNIDENTIFIED: Recreational? No, I have not.

UNIDENTIFIED: In thirty years, we haven't seen one, and so I would second that, the 99.5. There is no interaction up off the Blake Plateau up there whatsoever.

MR. M. FREEMAN: The only recreational interaction that I am aware of what, whatsoever, is migratory fish off of the Florida coast. They're on their way back up to the Blake Plateau to spawn, and you might see one or two, if somebody caught a wreckfish and didn't know what it was and thought it was a grouper and brought it in, but definitely not a targeted effort, to my knowledge.

MR. POLSTON: Pretty much the same thing that everyone else has said, and, on the other part of it, I would say leave it like it is, just in case there is some kind of incidence that we don't know about, and you've already got it at one fish per vessel per -- So, if they do, who cares? They've got 1,900 pounds out there available to them, and, at Option 4, you've got 1,900 pounds available to them, and so, if we do have any incidences, it doesn't matter. They're not going to get 1,900 pounds.

UNIDENTIFIED: I saw an Anthony Bourdain episode, and he was in Miami, and he was in a restaurant, and they were cutting a wreckfish, and I called the enforcement, after seeing the episode, and the guy researched it and said that it was just very rare that this specific operation landed a wreckfish, and, just like John says -- I mean, 1,900 pounds, annually, would more than cover anything that is out there.

MR. M. FREEMAN: I actually had more of a question than a comment. Being that the last MRIP intercept was in 2012, what exactly is the recreational allocation looking to be set at? If you don't know when they're being caught, how are you gauging how many fish to set aside for the recreational sector?

MS. WIEGAND: So, unfortunately, it's incredibly challenging to estimate how many wreckfish are being landed, because they are so rarely intercepted by MRIP, and so we had actually sort of thought of trying to create an allocation and just saying, over the last say decade, how many wreckfish have been caught by the recreational sector and base the allocation off of that, but, unfortunately, because of those very rare intercepts, we are sort of unable to estimate that, and that's a known problem with MRIP that I know NMFS has a number of working groups talking about.

MR. PHILLIPS: Wreckfish aren't overfished, nor undergoing overfishing, and so, if we give the recreational half of a percent, and so they're going to get X amount of pounds, but, if you get an MRIP intercept, what is that going to turn into as far as fish? Is it going to turn into 5,000 fish being landed or what?

They could get one MRIP intercept, and supposedly be way over their cap, but, since we are not in overfishing or overfished, I don't think there's a payback provision for that, and so it really would almost be a no-harm-no-foul, unless we started seeing an awful of it, and so I think we could live there, and, because of our status on wreckfish, I think we would be okay, and there is not going to be an issue for wreckfish, supposedly, and the recreational sector ever getting shut down because

of it, should there be one, or even two, intercepts, because we're not overfished, and we're not overfishing, and so we're going to leave it alone, unless the council sees an issue, and then we would have to act, and so is that the right scenario?

MS. WIEGAND: Yes, I believe you're correct, Charlie. I will confirm and look at the accountability measures, but I don't believe there is a payback provision in place for wreckfish, unless it's overfished or undergoing overfishing, which it currently is not.

UNIDENTIFIED: One other quick thing, and I know we're not really touching on that right this second, but I'm going to bring it up, before I forget. I've found out a lot here the last few years, and, since we are not overfished, and overfishing is not occurring, my question is when is the council and the science going to start increasing back towards our million-pound quota that we had years ago, and, because we have the ITQ program and everything, when is quota going to seriously start going up, to where, if more people ever want to get into the fishery, possibly they can, or we can continue to fish the way we're fishing and have a more productive, successful year.

MS. WIEGAND: Another stock assessment for wreckfish would be necessary, or, at minimum, another discussion among the council's Scientific and Statistical Committee. We have not gotten to cost recovery yet, but my understanding is that it's possible that some cost recovery money that is mandated to be collected, because of Magnuson, could possibly be used to fund another assessment, but I am going to ask Jessica Stephen to speak to that, as I believe she's a bit more familiar with how cost recovery can and cannot be used.

DR. STEPHEN: Christina, I will say that we're still trying to figure out whether it can or cannot be used. In general, cost recovery is not used for stock assessments. We are trying to pursue looking at, since there is not a stock assessment lined up for this species, if it could potentially be used for it. Right now, I can't even give you a percentage of whether I think that will or will not fly with them.

MS. WIEGAND: All right, and, Mike Travis, I see you've got your hand up, and so go ahead, if you would like to provide a bit more information on that, and feel free to introduce yourself to the group here as well.

DR. TRAVIS: Sorry for being late to the webinar. I'm Michael Travis, and I am an economist in SERO, and I'm also the Social Science Branch Chief, and I've been working on wreckfish issues for quite a number of years at this point, but I did want to chime-in on this. We have not been able to get a clear answer on this, and, to be honest, my recommendation is for the to submit an inquiry to Headquarters and ask them this question, specifically, if cost recovery is implanted, can some of those funds be used to fund a new wreckfish stock assessment.

I would also ask if it matters whether that assessment is done externally or not, and I'm pretty sure that it would probably have to be done externally, and I don't think we could use the funds to pay for an internal stock assessment, but, again, that would be part of the inquiry, but the bottom line is I would ask that the council request specific answers to those questions from Headquarters.

MS. WIEGAND: Excellent. Thank you, Mike. All right. Is there any other feedback that you guys would like to provide on this action? If it helps, I can scroll back to the table that shows the current allocation under Alternative 1 and then the proposed allocations.

MR. REISS: Are we here to like take a vote on which alternative we're pushing?

MS. WIEGAND: Traditionally, the shareholders group has operated on consensus, but, if there are differing opinions throughout the shareholders, all of that information will be presented to the council, but, if you all would like to make a consensus recommendation on this action, you are certainly welcome to do so.

MR. POLSTON: I'm for it, for the Alternative 4, and I think everyone in the room is, but you --

MR. REISS: I fifth it.

MS. WIEGAND: All right. Thank you, guys. Any other discussion you would like to have on allocations, before we move on to Action 2? All right. Next up is Action 2, and this is where we're going to get into some of the more technical nitty-gritty. This action is pretty straightforward, but the details that will need to go in it are a bit more complex, and so, essentially, Action 2 would implement an electronic reporting system for the wreckfish ITQ program.

The no-action alternative, you guys would, obviously, retain that paper-based reporting system, where you use those paper coupons. Alternative 2 would implement an electronic system for reporting, including tracking ownership, transfer of quota shares, distribution and transfer of annual allocations, and, of course, electronically record wreckfish landing information.

This table gives you a bit of a better idea on the difference between the paper-based system you're currently operating under and the electronic reporting systems, and so, of course, right now, the shares, you've got those numbered certificates. Electronically, it would simply be percentages under allocation. In paper, you've got those pesky paper coupons. Electronically, everything would be done in one-pound increments, and it would all be stored online, and sort of so on and so forth.

The big thing is sort of the participation eligibility. Right now, it's the snapper grouper permit and the wreckfish permit, and that could be retained under the electronic system, as well as additional participation requirements could be applied, and we're going to talk about that in a bit more detail when we get to the third action in this amendment, which addresses the wreckfish permit.

Another key thing to keep in mind, when talking about the electronic reporting system, is that there are sort of two different chunks of the system. The first is the functional structure, and these components just sort of form the base structure of how it works, and it's what is used in a lot of other ITQ reporting systems, and, if changes were needed to this, it would significantly increase the time and the costs needed to implement an electronic reporting system.

Then you've got these operational elements, and these are sort of independent of that base structure and are, thus, left to the discretion of the council, and these are things like program eligibility, that we'll talk about later, hail-in and hail-out requirements, which, again, we'll talk about later, and so on and so forth, everything you see on this list, and so this is really where you guys will be having discussions on what you may or may not want the council to make adjustments to.

To sort of start us off, one of the questions we have for you guys is what requirements should there be to obtain a new wreckfish shareholder account, just an account, within the electronic system, and, just to give you an example of what we're talking about here, for the Gulf reef fish IFQ program, during the first five years, only those who had a permit were allowed to retain a shareholder account, and so, currently, there aren't any restrictions on who can obtain wreckfish shares, but, in order to obtain a permit, you have to have shares, and so, second to that, in order to obtain shares, it will now be a two-step process, through the electronic system, because the transfer and the transferee, and so the person who has shares, and the person who you are sending the shares to, and you're going to need an account to do both of those things.

Broadly, what we would like you guys to talk about here is simply the requirements to get an account, and then, in the next action, we're going to start talking a bit more about eligibility to actually participate in the fishery.

MR. M. FREEMAN: I am asking for clarity on something. If the requirements for a snapper grouper and a wreckfish permit were retained in order to obtain an account, would that not preclude any new entrants to the fishery? If you cannot get a permit without shares, and you cannot create an account without a permit, it's a closed system, and is that the current thinking behind this?

MS. WIEGAND: If you were to require the wreckfish permit as well to make an account, my understanding is, yes, that would create a closed system. You could also simply just require the snapper grouper unlimited permit, which would then allow anyone with a snapper grouper permit to access the system.

MR. M. FREEMAN: Then I would recommend that, at least for the sake of creating an account, that you don't require both, or you're going to have significant issues down the line.

MR. POLSTON: Back to what you were just asking, and how is that going to work, and maybe I missed something, but, if you do allow -- Let's just say we have unlimited, and we don't require a wreckfish permit, and so a person with an unlimited snapper grouper comes in and creates an account, so they can get some shares, I guess, to go ahead and fish, and, at that point in time, isn't the whole law and everything going to have to be changed, because you have to have a wreckfish permit to be able to fish for the fishery.

MS. WIEGAND: So you would still need -- So, if I'm a -- I've got a snapper grouper unlimited permit, and I can make an account, and now I can get into the system, and now say, you, John, can get me some shares, and I would still then need to go get a wreckfish permit, before I could legally fish, but I see that Jessica has also got her hand up, and I'm going to go to Jessica McCawley first, and then, Jessica Stephen, I see you on the line, and so, after Jessica McCawley, then Jessica Stephen.

MS. MCCAWLEY: I'm going to try to speak for myself and Kerry, and so we have -- Based on everything that has happened in the Gulf with the ITQ program, I guess we're concerned about the removal of the wreckfish permit. It seems like it should stay in place, just from kind of what we know about what's happening in the Gulf and the discussions around the council table, and it seems like it should be retained, even though it's this added step, because I just want to prevent -- I don't even know what to call it, speculation maybe, in the fishery by having just the snapper grouper permit and then someone kind of speculating and then leasing or whatever, and just that's what is

happening in the Gulf, and so it just seems like, to us, that the permit should be retained, but I guess that's a discussion for you guys.

MR. M. FREEMAN: Sorry to jump in real quick, but I wanted to clarify. We're not at all for the removal of the permit requirement in order to fish, and I was speaking specifically to the ability to create an account for the online shares. You would have to remove that requirement to create an account in order to purchase shares in order to obtain a permit, and it's a bit convoluted.

MS. WIEGAND: All right. I've got a list of people with hands up, and so I'm going to go to Jessica Stephen, who can hopefully provide some additional light for this, and then Scott Crosson, and then Chester, and then Mike Travis.

DR. STEPHEN: All right, and so hopefully I can try and clear up some of this. When the wreckfish program becomes an online program, the shares, in essence, because the wreckfish permit, so to speak, and so you will not necessarily have the situation that occurred in the Gulf. The situation that occurred in the Gulf was done due to specific actions chosen by the council.

What ends up happening is when the account and the shares in the electronic system become the permit, you then have requirements that you can base on who can obtain the allocation, which would replace the coupons, and who can obtain the shares, and then you limit that participation by saying you must have shares in order to harvest to those who are actively participating within the program, and so there are ways to ensure that you have participation in the program by those that are actively within it without having the separate wreckfish permit in the permitting system, and this eases the ability for people to come into the program, but they need to still hold shares in order to do the activity and work within the program.

By having both the wreckfish permit and the SG 1 permit in there, it does kind of end itself in a circular loop, and the way this would be handled -- I guess if dropping the wreckfish permit, as we modify the regulations, we would state all these other eligibility requirements that kind of replace who can and cannot participate in the wreckfish program, and so you could limit those to U.S. citizens, or you can limit those to SG 1 permit holders, and you can add additional limitations, or the council can, to who you want to be eligible to participate in it, and then use other mechanisms that limit transfers in order to also enforce that eligibility. The main concern is that we need to understand who is eligible to create accounts, and that has to link directly to our permits system, in order to allow other activities within that system.

MS. WIEGAND: All right. Chester.

MR. BREWER: Well, Charlie, you have heard about my perfect world from time to time, and I want to talk about what one of the things in my perfect world would be, that those persons who hold IFQ fish the IFQ, and they don't lease it to somebody else for a profit, and maybe there's a little bit that's allowed, but there is a cap on it, because Jessica just made reference to the, quote, the situation in the Gulf, and what the situation in the Gulf is, with regard to red snapper in particular, for the first five years, you had to have the permits in order to utilize IFQ.

When the requirement that you had to have a permit went away, you had a bunch of folks that came in that didn't have a permit. They didn't fish the fishery. They came in because they could make 12 to 15 percent on that IFQ and leasing it, and so now you've got a situation in the Gulf --

I don't know what the latest figures are, but it was always an upward trend, and now you've got -
- The last I saw with the numbers, it was over 30 percent of the shares are held by people that don't even have a permit. They don't set foot on the water, and so it is a matter of some concern, and I think it's a matter of concern, certainly to me, and I think to other council members, and so I would love some advice from you all on how we can best ensure that we don't get in that situation with regard to wreckfish, or, as a matter of a fact, with any fishery that we go into an IFQ.

I'm not saying that I will support it, but I do want to know how best to stop that situation, and I will start out by asking, and are you all seeing a bunch of leasing of shares? Okay. Very little, apparently.

MR. M. FREEMAN: I will jump in real quick. The nature of the wreckfish industry is -- It kind of precludes what happened in the red snapper industry from happening here, just due to the difference in size. We're talking about a 400,000-pound quota, as opposed to fifteen-million. The 400,000 pounds that we have, we've got eleven months to fish it, and there's not enough to go around as it is, precluding issues with vessels, crews, weather, things outside of our control to be able to actually get out onto the wreckfish grounds, but, to properly answer your question of how to avoid the issues that the Gulf had with this over-consolidation that are ultimately speculators, I would have to probably get back to you guys by email in a few weeks. I don't know that this is a great forum for it, but I would be happy to provide info at a later date.

MR. POLSTON: Well, not to sound old-fashioned, but I think, if we were just to leave things the way they are -- Right now, you're asking is there any leasing going on, and I've had my wreckfish boat down for six months now, from a little tragic situation, but, anyhow, when Mr. Freeman passed away, and he owned Sea Farmers of America, and he left in his will to Jimmy Sea Farmers of America, and his wishes were for his half of Kings Seafood to also go to Sea Farmers of America, and so we did exactly what the wishes were and stuff, but my point being that cut my shares in half, or ours, which became mine, and half, and so, yes, I have been leasing pretty much every year since then.

I have leased from Pete Boehm, and I have leased from Jimmy, from Sea Farmers of America, I mean, and it's basically from him, from Sea Farmers of America, and there is some leasing going on, for sure, lease exchanging, we'll say, or whatever, and it's possible, and, of course, it should be possible, because that's the way we set the program up, and, as far as if we keep it the way it is -- I'm not, once again, trying to exclude people, but back to something that Mike Freeman said, and we don't have enough quota, as it is now, for everybody to be able to wreckfish the nine months that we can.

We always run out of quota before you can get the amount of fish that you need, just for the people that's already -- You know, what's going to happen if you get a bunch more participants? You're going to actually hurt the people that have been doing it for the last thirty years, just in my opinion.

MR. M. FREEMAN: I want to add a quick bit of context to my previous comment, and I was speaking to -- There is not any leasing, that I am aware of, from basically these share accounts to outside participants, and there is leasing in between the active participants if they reach their quota for that year. There's not any share lords going out and trying to poach fishermen of, hey, I will lease you some wreckfish quota to go fish.

MS. MARHEFKA: I will just say this though, and listen to me. As someone who has been involved with this council since 1998, what you all need to think about is not what is happening now, but the potential of what can happen. You have a fishery that is very valuable, because of the work you all have done, right, and I can only see it getting more valuable, because of the fact that it's a well-managed, sustainable fishery, and so I just urge you -- I don't know what the answer is either, but I just urge you, as you sit here, to not be thinking about what's happening right now, but to think about like what's the potential worst-case scenario for the fishery itself.

Of course, I don't think -- Like, when we talk about the caution with leasing, we certainly don't mean within the industry to other fishermen, to any other fisherman. Other fear is that it goes to, as Chester said, some person who has nothing to do with fishing, and so try to just think -- I say the same thing about, you know, be cautious about what you think about the recreational sector, in the fact that it is an expanding sector, and you've seen the power on the boats.

You know, there is going to be shift that happens, and so, instead of thinking about what happens now, I just urge you all to think about what things might look like ten or fifteen years from now, because you all have something wonderful in this fishery, and it won't take long before people start to catch on, you know, and not that they shouldn't, but let's make sure that those of you who have put literally so much money and blood and sweat and tears into it aren't hurt by it.

MR. PHILLIPS: I've got several boats, and I own them all, 100 percent, or me and the bank, and my banker likes me too much, but, yes, I've got -- My wreckfish boat is down, and it had an engine issue, and so it's been down a month-and-a-half, and I've got permits on my other boats that don't have shares, because I'm the agent, and they allow me to have permits, and so we need to at least let the shareholders set up accounts for boats like my second boat and stuff like that, which should be fairly simple, but we don't want to leave that out.

MS. WIEGAND: I think what I'm going to do here is move us on, real fast, to the next action, which talks specifically about that wreckfish permit and has some additional discussion questions that I think are -- Sort of we're already starting to talk about, and so let's just get it all on the table and keep moving on, and it speaks directly to what you were just talking about, Charlie.

Real fast, Action 3 looks at modifying that requirement to possess a commercial vessel permit for wreckfish. Right now, it has this language where, in order to get that permit for wreckfish, you have to be a shareholder, and either the shareholder must be the vessel owner or the owner or operator must be an employee, contractor, or agent of the shareholder, and some of that language makes it a little challenging for NMFS -- It's hard for them to identify sort of who might be an agent of the shareholder, and so Alternative 2 removes that language, and then Alternative 3 would remove the wreckfish permit requirement entirely.

Again, like Jessica noted when she was speaking earlier, we can build eligibility requirements into the electronic program, and so removing the requirement for the wreckfish permit does not necessarily mean that sort of anyone can jump into the fishery, because we can work to build those eligibility requirements, and so I'm going to skip over some of that extraneous information right now and move towards these questions that we would like you guys to talk about, sort of the pros and cons from how you guys operate your business and, from your perspective, the pros and cons of having that wreckfish permit.

Then, again, like Jessica was talking about, the electronic system can limit share transfers to those who have an account, but it can also limit it further, and like they must have an account and a snapper grouper unlimited permit, and so on and so forth, and there can also be requirements to maintain shares, and so can you maintain shares if you no longer have a snapper grouper permit? You, obviously, wouldn't be able to fish those shares, but could you maintain them, and then the same with sort of allocation transfers and then maintaining or possessing allocation, and so I'm going to pause there, and I'm glancing at my hands raised, and I see, Mike Travis, you've got your hand up, and I didn't know if you wanted to provide any other information that might guide the shareholders as they discuss these questions.

DR. TRAVIS: We kind of jumped a little bit there, and so, you know, I guess the main point that I want to make, and then I may make another, but, you know, the main point is that the wreckfish permit does not -- It does not provide any additional functionality to how the program runs beyond the snapper grouper unlimited permit, and it is essentially a redundant permit requirement, because people bring up the Gulf, and I will give you an example of why we consider it to be redundant.

In the Gulf, in the past, before the regulations were changed, you had to have shares, and you had to have a Gulf reef fish permit. Well, even back then, we never required a species-specific permit, like red snapper, in addition to the reef fish permit. It would have become, quite frankly, insane to do species-specific permits on top of the reef fish permit, and so, similarly, in this case, it is really not necessary to have a wreckfish permit on top of the snapper grouper unlimited permit, in addition to being -- You know, to holding wreckfish shares, and it's just -- It's more administrative burden for the shareholders and for us.

There is -- I cannot identify any benefit from that permit continuing to exist, and so that would be my main point, and the other thing is, and I will largely defer to Jessica on this, but there needs to be some clarification when we talk about an account, and there are different kinds of accounts. You have shareholder accounts, and you have vessel accounts, and so, when you refer to an account, please be very clear on which kind of an account you're talking about, because they have different functions in the program, and I will stop there.

MS. WIEGAND: Thanks, Mike, and so I guess I just want to make sort of a recommendation to you all, as you're talking about this, and I know sort of the nitty-gritty on how this program is going to, or could, be designed can get a little sort of intricate and confusing, and so I guess, if it were me approaching this, what I would do is sort of broadly look at these and think, you know, share transfers, and who do I want to be able to transfer shares to, and sort of explain how you guys would like to work, and then you've got Jessica on the line, and myself, and Mike, who can sort of say, yes or no, we could work this into the electronic system, or, no, we actually couldn't, and so, to sort of avoid feeling overwhelmed in the minutia, I would just sort of think about how would I like to see the system operate, and then we can provide some of the more nitty-gritty, if needed.

MR. PHILLIPS: What I'm hearing is the boat accounts are basically going to take the place of the wreckfish permit, and we just need to make sure that we don't make it, you know, super easy for just anybody and everybody, and, if we keep the snapper grouper permits, that you have to have a snapper grouper permit to have a boat account, I don't think very many investors are going to spend \$90,000 to \$100,000 just so they can get a snapper grouper permit, just so they can get a

boat account, somehow, someday, and I don't think they're going to spend that kind of money to get in there so they can deal stuff.

UNIDENTIFIED: I just had a thought, and, as it stands, you have to be a shareholder to obtain a wreckfish permit, and so what if you made it a requirement, to obtain a wreckfish share, that you had to hold a snapper grouper unlimited permit? Otherwise, it would be invalid to obtain a wreckfish share, and that -- In turn, that would limit your investor-type participant, and, like Charlie says, snapper grouper unlimited permits are like few and far between, if not unavailable, and so that would still permit you to keep the wreckfish permit premise, but then the participant would, more than likely, be a fisherman that would want to use it, as opposed to just a simple investor.

MS. WIEGAND: Go ahead, Jessica.

DR. STEPHEN: I want to kind of say that's exactly what I was getting at when I was speaking earlier. The SG 1 becomes the mechanism for people to then obtain shares, and then having that shareholder account within the system takes the place of being a wreckfish permit, as it's now the shareholder account, and you can do additional eligibility or transferability requirements that make sure that you don't have people who are just sitting there holding shares and not harvesting them.

For example, you could make conditions to maintaining your shares not just be having the SG 1 permit, but having other criteria, and you could make restrictions on who can receive the allocation transfers, or who can harvest, being a requirement that you have shares within your account, and so there are ways to mimic the purpose of the wreckfish permit, as it is now, in the electronic system, where the electronic system, in essence, becomes that permit.

We've learned things from the Gulf, and so we would be very clear about what things would potentially overexpand the fishery, or there are eligibility requirements that are much broader than what you currently have, but we could build-in requirements that keep it very close to what's already in place.

MS. WIEGAND: I guess I'm sort of curious, and you heard from Mike that, certainly from a NMFS standpoint, that wreckfish permit doesn't really have -- It's redundant, and it's not really helping them with anything. If sort of the function of the wreckfish permit can be built-into that electronic system, from you guys' standpoint, is there still a need for that permit, for some reason? Does it in any way sort of benefit your business, despite it sort of not being of any value from the NMFS end of things?

UNIDENTIFIED: If I'm understanding this correctly -- I guess I was relating the permit to the shares, and that's why I said the permits need to remain in place, but, if you're taking a permit out of place, listening to Mike, that's not going to affect the shares whatsoever, correct? If a person - - The only thing that will make a difference is that anybody that has a snapper grouper permit could, at that time, lease shares from shareholders, and is that correct?

MS. WIEGAND: That's my understanding, yes.

UNIDENTIFIED: Okay. I think, in my mind, I was linking the permit to the shares, and I guess that part is not changing.

MS. WIEGAND: So they are linked, in a sense, currently, where, in order to get a permit, you have to have shares, but removing that permit wouldn't affect your shares in any way. Scott.

DR. CROSSON: I just wanted to add something, really quickly, just because, when Tracy Yandle and I did the deep dive into this, when we wrote our article a few years ago, and one of you who has actually been in this fishery since its origin can correct me if I'm wrong, but my understanding is that the council -- The permit is older than the ITQ program, and they created -- The council, in the early 1990s, created the permit program as a way of limiting entry and then quickly followed it with the ITQ program, which was supposed to supersede the permit. The fact that both of them still exist is sort of an accident of that regulatory history, and so there is no need, according to the way the council designed I think Amendment 3, to have the permit still in existence.

MR. M. FREEMAN: I don't necessarily have any issue with doing away with the permit. I am just trying to work through what the eligibility requirements would need to be in order for the fishery to continue operating in the way that it already is. For instance, the previous slide you had up with the alternatives with doing away with the permit, Alternative 2 would be incredibly disruptive to the way the fishery is already structured.

Actually, could you flip back to that, real quick? By removing the "agent of the shareholder" language, that would basically preclude Charlie's second boat that fishes, our second boat that fishes, and there would be a myriad of issues from that. I have no issue with doing away with the permit, and I would probably need a few days, or a week, to get back to you guys by email, as far as eligibility requirements, to at least allow it to continue operating in the same manner that it is and put some more thought into potentially new requirements, to make sure that it's still accessible to new fishermen, but not overly accessible, to where the bar for entry is so low that you could potentially have bad actors come in and, hey, I got into the fishery for \$5,000, and I am going to say that I didn't catch anything, but I'm just going to keep landing until I get boarded, and then I will report the landings, and so there's just a lot involved that's outside the scope of just this little few-hour meeting, and so I'll get back to you guys, probably in about a week.

MR. PHILLIPS: John, when you were talking about leasing the shares, you're talking about leasing the coupons on a yearly basis and not necessarily leasing the shares, but you're just talking about getting more coupons, buying coupons from somebody, so you can just keep working year-to-year, and I just want to make sure, and there is a difference between leasing coupons and leasing shares, in my mind.

MR. POLSTON: Yes, you're right, and leasing poundage, if you will. You can't lease shares. I mean, you can't lease the percentages, and you have to sell those, and so, yes, I didn't term it right, but, yes, and I think everybody knew what I was talking about. Sorry about that.

MR. REISS: Maybe the simplest solution is to keep signing the damn papers.

MS. WIEGAND: Jessica, go ahead.

DR. STEPHEN: I want to comment on this Alternative 2, and so, the way the wreckfish program is currently set up, the electronic system would not be able to handle Alternative 1 if that agent of the shareholder is someone who owns a vessel and permits in their own name. The way the system

has to link is you have to be able to link the shareholder account and the vessels under it. The vessels under it must match the names on the shareholder account exactly, and so, if Alternative 1 is kept, there will need to be some serious consideration about how the structure of the IFQ system is set up, and that may significantly delay the creation of the program, because it's not going to hold to the structure that's currently in place. We don't have any other fishery where a different permit holder is fishing somebody else's shares and not under their own account with their own requirements of how to harvest.

MR. M. FREEMAN: Actually, maybe I can get a little bit of clarification, and this is probably just due to my lack of knowledge of exactly how the Gulf shareholder accounts operate, and you mentioned that, in order to -- I'm sorry. Without doing away with the permit, it would not be operable, and the vessels would have to be underneath the shareholder account, and the names would have to match exactly, but I was just curious what exactly you're referring to by that. Vessels are held in separate corporations, typically, and so I'm just trying to figure out how the shareholder account that holds the shares could have several vessels underneath it that are separate corporations, or if I'm misunderstanding something.

DR. STEPHEN: Let me try and back up and explain. The way the permit system works is that the names on the permit are considered the permit holders, and the way the catch share systems are built is to mimic that, because we need to understand what permits belong to what accounts, and so, if you have two corporations, currently, for your permits, and so you're sitting there, and you have two different corporations for that, those would be two separate accounts within the system.

Now, some people have let's say a permit under their name, and have three or four vessels that are underneath that name, and so the names on the permit vessels will match exactly the names in the shareholder account. Currently, and we ran into this during the review, we have some agents of shareholders that, on their own, own their own SG 1 permits, in their names, and so the only way they are linked is through a piece of document that says they're an agent of another account.

This actually will create a problem, because there is no way to link their account to that shareholder account, because, in the permit system, there is no linkage between the two, and so, if we wanted to continue with Alternative 1, we would need to probably collect additional work and revamp the permit system, in order to capture this more correctly, and it might get tricky for the person who is harvesting SG 1 species outside of wreckfish, versus wreckfish, as to who actually those landings information belong to.

In NOAA's eyes, the landings belong to the permit holder of the vessel, and so, even right now with wreckfish, if an agent is landing it, those landing records are not available to the shareholder, even if they're an agent of the shareholder, because the landings are associated with the permit holder of that vessel that harvested it, and this created a lot of problems in us being able to collect waivers, in order to work with that data and share that during the review, and, again, none of our other fisheries operate in this manner. I think this is still a holdover of the original wreckfish permit, prior to the IFQ program.

MR. M. FREEMAN: I appreciate the clarification, and I would probably say that Alternative 3 is the most viable, and we'll just have to build eligibility requirements to ensure that the vessels that are already harvesting wreckfish don't lose the ability to create accounts, but I don't see any real

need for the permit, so long as the vessel accounts and the shareholder accounts track where those shares go and who ultimately lands them, to make sure that it doesn't end up in some big leasing scheme.

MR. PHILLIPS: Well, it kind of brings me full circle. What we're doing right now is really not that complicated, and it works, and, like Paul says, I hate to throw something out that works to try to -- You know, modernization is great, and electronic coupons are great, but, if it's going to have the fishermen, you know, backing up, so it's harder for us to run rabbits, and, actually, it's harder for the region to keep track of it, and I don't want to do something just because we can, and we're in worse shape, when we get through, than before we started, and it would be great if we could transfer some shares in the middle of the year, if we needed to, and we don't do it very often, and, even if you needed to transfer some shares, you just transfer the coupons and then transfer the shares at the end of the year, which is what I did last year, but, no, if we've got to be able to set our second, our back-up, boats in, or be able to -- We've got to be able to make those accounts somehow, and, if it gets too complicated, status quo is looking better, as bad as I hate to say it.

UNIDENTIFIED: Charlie, when you said you had to transfer shares, which you were talking to me about shares, and you own all the boats, and your name is on them, and why would you have had to do that, and why couldn't you have just ordered another wreckfish permit for that vessel, because your name is n both of them?

MR. PHILLIPS: Well, they're all in separate corporations, and so I'm going to --

UNIDENTIFIED: But aren't you the owner of all the corporations?

MR. PHILLIPS: I am the owner of all the corporations.

MR. M. FREEMAN: (Mr. Freeman's comment is not audible on the recording.)

MS. WIEGAND: All right, and so, just so I can summarize, to make sure that I'm understanding sort of what the group as a whole is saying, generally, you guys are fine with removing the wreckfish permit, so long as there are eligibility requirements built into the electronic program that essentially mirror the way the system works now, but there is some concern about whether or not moving to an electronic system is perhaps going to overcomplicate and cause issues that may not currently exist under the paper-based program, and is that sort of generally what the group is thinking?

UNIDENTIFIED: Yes, I agree with that, and you could add an Alternative 4 here to make no modification to the requirement, to leave it as it is.

MR. M. FREEMAN: Being that this is not expected until 2023, and I don't think we've ever actually gotten an answer on it, but, if they were to go with Alternative 3, and the council decides it's in the best interest of the fishery to remove the permit, that would not take place until the electronic system is completed and ready for use, correct?

MS. WIEGAND: Correct. That's my understanding, that this would all go -- Everything that's sort of in this amendment would all go into place at the same time, unless there were -- We're going to get into a few things that aren't necessarily tied to this electronic reporting that -- NMFS

does have the authority to implement certain things and then delay certain things until say the electronic system was available, but, yes, we could make sure that the permit was not removed until that electronic system was set up and in place.

MR. M. FREEMAN: Correct, and so Alternative 3 is still essentially Alternative 1 until that system is ready.

MS. WIEGAND: Correct. You guys would continue operating under that sort of no-action alternative, the status-quo system, until the electronic program is ready, in which case these new regulations would go into effect. All right, and so I'm going to pop back to these questions, just real quick, and I -- My understanding, again, is that you guys sort of would like to maintain the status-quo system and have that built into the electronic system, but I just want to pause here, again, real quick, before I move on to some of these additional actions, to make sure that there isn't sort of anything additional that you may want to add on top of the current system in place.

I am particularly thinking about things like requirements to maintain shares, and so, if you currently have shares, and then say you sell your snapper grouper permits, can you continue to hold onto those shares, or -- You certainly wouldn't be able to harvest them without the permit, but can you continue to hold onto those shares? What sort of requirements would you guys like to see, in terms of maintaining shares or maintaining and possessing allocation?

MR. REISS: Could you say that again, please?

MS. WIEGAND: I am looking at Question 3, specifically, that's up there, requirements to maintain shares, and so do you no longer need a snapper grouper permit to maintain shares, or would you guys like to see a requirement that, in order to maintain the shares, you have to have a snapper grouper permit and/or any other additional requirements that you guys would like to see?

MR. REISS: I would like to -- Where you would have to maintain the South Atlantic permit to continue to hold your shares.

MR. PHILLIPS: I am inclined to agree. You might give somebody a grace period time to sell those shares, because somebody may want the snapper grouper, to go catch beeliners, and they don't necessarily want to go wreck fishing, and so you might give somebody a year to sell it to somebody else that had another snapper grouper. Like I said, I don't see a whole lot -- That many transfers going on anyway, but that might be a reasonable, you know, option in there.

MR. M. FREEMAN: It's a little complex, and, yes, I would be in favor of actually having to hold the permit you would need to be able to fish the shares that you have, and I just want to make sure that -- We'll probably just have to do some restructuring on our end, and our situation is a little bit unique, in that Sea Farmers of America itself does not hold the vessels, and we have three other corporations that the vessels are incorporated into, and Sea Farmers of America leases those shares to ourselves, to keep liability how it should be.

I will have to reach out for some additional clarification on the difference between a shareholder account and a vessel account, to make sure that we're not jeopardizing the way that we're already operating or if we need to move shares to the individual boat accounts themselves or what we would have to do to be able to require a snapper grouper permit without putting ourselves in a

position where we're now not complying with the new regulations, and so I will have to get back to you on that as well.

MS. WIEGAND: All right, and so I feel like I have enough guidance, as staff, to take this back and develop, you know, sort of additional actions and alternatives for the council to sort of create the system that you guys are discussing, but, before we hop away from this, Jessica, I wanted to check-in with you, real fast, Jessica Stephen, and we've two Jessicas participating, but, Jessica Stephen, to make sure that you also feel like you've gotten the information that staff needs from shareholders to continue to move forward and bring something to the council in September.

DR. STEPHEN: Yes, and I feel like this conversation has been helpful. Maybe what we can do is provide some examples of different criteria, either for maintaining shares, transferring, and harvesting, that will let you kind of mix-and-match and find a way that has, basically, eligibility requirements that the current shareholders are in favor of and would support. I'm happy if anyone wants to reach out to me about how their specific situation works, and I would be happy to talk to them about how that would play into this situation.

MR. M. FREEMAN: I will probably follow-up with you on that. If you have a list of existing eligibility requirements that are already built into the system for use in the Gulf, to give us kind of a list to at least look at that wouldn't require additional programming to make it work, which is this not a large enough fishery to support that cost burden, and that would be very helpful.

DR. STEPHEN: What's really helpful is that the different kind of eligibility requirements are just code writing. As long as you maintain the structure of the database system that's already there, it's just changing the code requirements, and so, for example, if I'm going to transfer allocation, and the requirement is that they have to have shares, we just look into the account, and it has shares, and it now appears on your list that you can transfer the allocation to them, and so that coding, on that end, is a little bit lighter, and it's the structure of the accounts, the shareholder and vessel, that's critical, and that's the area that would cost more if we would have to revamp it. I have examples from a variety of other programs that has changed and what kind of the pros and cons are of each different types of requirements.

MR. M. FREEMAN: If you wouldn't mind sending that out to the wreckfish AP, that would be greatly appreciated.

DR. STEPHEN: I will get together a document and work with Christina on that.

MS. WIEGAND: Perfect. Thank you, Jessica. All right, and so, with that, I'm going to move us on to two other actions that are quite a bit easier to digest than the last one, and so we've got Action 4 and Action 5. Action 4 looks at modifying the commercial fishing year for wreckfish. Right now, it runs from April 15 and ends on April 14, and Alternative 2 would simply look to modify that to have it be the calendar year, to begin on January 1 and end on December 31.

Similarly, Action 5 looks at modifying the spawning season closure. Right now, it's that January 15 through April 15 closure, and Alternative 2 looks at modifying that slightly, and so it would be January 1 through April 1.

The reason we're looking at this is because, moving to an electronic reporting system, there are required shut-down times from December 31 at 6:00 p.m. to January 1 at 2:00 p.m., and this is for sort of all of those IFQ fisheries, and so having the wreckfish fishing year be sort of offset from the calendar year would require programs to need to be shut down at different times, and so the wreckfish program would have to be shut down for this December to January 1, when the other fisheries were being reset, and then the other fisheries would need to be shut down when wreckfish needed to be reset, and so it just sort of administratively makes it a lot easier if we modify it to be the calendar year. Then, for Action 5, with the spawning season closure, that change was just meant to sort of, again, better align with a calendar year fishing year.

Some of the questions we have for you guys are, you know, have you seen any changes in where the fish are available, a shift in catch seasonally, annually, north or south, particularly for the spawning season. If we modify that spawning season closure to be January 1 to April 1, is there going to be an issue with that, from a biological standpoint, in terms of when you guys are seeing spawning in your area, and so, before we sort of make those changes, the council would like to get input from the shareholders on what they're seeing, in terms of spawning and where and when those fish are available.

MR. M. FREEMAN: Changing to January 1 to December 31 would actually be beneficial, outside of the fact that it would create massive issues with the online system. We participate in the golden tilefish longline fishery, and I believe John and Charlie do as well, and that starts on January 1, and so we're always kind of stuck with the dilemma of do we try to fish the remainder of the shares through the 15th, or do we transition to tilefish on the 1st, and that would at least clear that up. Probably I would defer to Paul as far as changing, or changes, in their spawning period. We have seen some changes over the last twenty years, but he'll be able to provide a lot more insight, over the long-term, than I think any of us would.

MR. REISS: I can see the advantage of switching it, calendar-year-wise, from a reporting standpoint, and from a tax standpoint and everything else, and I can see all of that, but I don't think that, because the wreckfish overlaps the opening of the tilefish, and the inconvenience of having concluded on January 15, are valid enough reasons to supersede the science that was established years ago that January 15 to April 15 is the most advantageous closure period. I am of the volition to leave it the way it is.

MS. WIEGAND: I do want to make one quick clarification. Let me scroll back to those actions, and so the council did specifically put these into two separate actions, so that they could modify the fishing year to be the calendar year, January 1 to December 31, but still have the option to retain the current spawning season closure of January 15 through April 15, and so do know that you can sort of -- You're not required to change the spawning season closure just because you've changed the commercial fishing year, just to be clear.

MR. PHILLIPS: Paul, do you think, with the climate change and the water temperatures changing, it's going to change the spawning season in the next -- Has it changed it any, and do you think it's going to change it in the next ten years or something, because whatever we do here is going to be here for a while, I think, I hope.

MR. REISS: I don't -- I think climate change can only hurt the fishery, but I don't think it would alter the spawning closure whatsoever. Once again, I mean, you know -- Well, the colder the water

temperature, the better the fishing is, and there's absolutely no doubt about that, and so it stands to reason that -- I haven't seen any change, as far as the shifting of the seasons.

MS. WIEGAND: All right, and so, again, to sort of summarize what I feel like the group is saying, to make sure that I'm not putting words in anyone's mouth, no one really has a concern about sort of changing the fishing year to be January 1 to December 31, but it seems like there is a desire to retain the current spawning season closure from January 15 through April 15, and that does mean you would sort of -- Under that scenario, we would have sort of fifteen days of open fishing at the beginning of January, before you hit that spawning season closure, and so, again, I just want to make sure that I'm sort of summarizing everything I'm hearing around the table correctly.

MR. REISS: Well, help me out here a second. If you maintain the spawning closure of January 15, but then you alter your fishing year to conclude on December 31, what is that doing?

MR. M. FREEMAN: What that would essentially do is that -- The way it's currently structured, any landings from January 1 to January 15 are applied to the quota for the prior year. Action 4 would simply change that so that January 1 to 15 is now that calendar year, and then we could also retain the January 15 through April 15 closure, and it's just the -- You still have twelve months to fish, but it's two weeks of that twelve months is now on a different year.

MR. REISS: So the only difference would be where you would apply the catch?

MR. M. FREEMAN: Correct.

MR. REISS: I have no problem with that whatsoever.

MR. M. FREEMAN: If we were to go for Alternative 5, or Action 5, Alternative 1, and Alternative 4 in Action 2, the only thing that would change is where that catch is applied to, as far as the quota.

MR. REISS: That's fine and dandy. That's irregardless, to me. I don't care.

UNIDENTIFIED: Also, I'm pretty sure that those dates are wrong. It's January 14 and April 16, and not that that's a big deal, but I'm just saying that is the dates, January 14 and April 16, and not January 15 and April 15.

MR. M. FREEMAN: That is what it says though. It's saying that, January 15 to April 15, it's closed, and that means you can harvest to the 14th and starting on the 16th.

MS. WIEGAND: I trust you all to keep me honest. Mike Travis, I see you've got your hand up.

DR. TRAVIS: I was -- This was implemented way back in 1990, and so it's been over thirty years ago, and I'm not aware of any new science that would shed light on the dates for the spawning closure. There is, obviously, some discussion in the original amendment, and I just thought it was worth noting that, in the proposal itself that laid out the basis for it, it says fishermen have observed that wreckfish caught during the January through April period are in spawning condition. Preliminary research results provided by the South Carolina Wildlife and Marine Resources Division support the conclusion of a January through April spawning season. It's not clear, to me,

that, based on that -- If we move it by two weeks, as long as it remains in that January to April timeframe, is that problematic?

MR. M. FREEMAN: If I understood you correctly, the original decision made back in -- I can't even remember at this point, but it was based on observations from fishermen at that time, and, so long as we maintain the period itself, and the current structure is exactly three months, and moving it two weeks one direction or the other is really not going to affect interaction with them, as far as spawning, and there really wasn't much scientific impetus for the original January 15 through April 15, and is that correct, outside of observations?

DR. TRAVIS: I want to be upfront here and say that I am an economist and not a biologist, and so I don't want to be claiming expertise here, but I'm just reading, you know, from the proposed rule document that discussed that issue, and so I would defer to the biologists, and the fishermen, particularly those who, you know -- Paul, I mean, I think you were operating in the fishery way back then, and so it's not clear, to me, that moving it by two weeks is going to make a big difference, biologically speaking, but I would defer.

MS. WIEGAND: All right. Jessica, I see you've got your hand up, and so go ahead and jump in.

DR. STEPHEN: I would just make the recommendation, maybe, Christina, that we reach out to MARMAP from South Carolina DNR and see if they have any updated histological information regarding spawning season for wreckfish. It's been about ten years since I worked for them, but, when I was working for them back then, we were collecting samples from a lot of the wreckfish fishermen, as well as trying to collect samples independently, and so there might be data there, if we don't have it already within the review, that could shed some light on whether the spawning season could be changed slightly with or without a biological effect.

MS. WIEGAND: That's absolutely something council staff can do, is reach out to those guys at MARMAP, to see what information they might have for wreckfish.

MR. REISS: Mike and Jim, I understand your personal desire not to have an overlap with the tilefish, and Charlie, but, once again, deferring to the science, I mean, the January 1 to January 15 wreckfish window, if you will, you guys don't have the boat to be out there, more or less, in that time of year, in that weather, and I do, and so I don't know that there is really a situation that isn't taking care of itself, the way it is.

MR. M. FREEMAN: I don't have any strong feelings one way or another, as far as the current spawning closure. I was just curious what the original thinking was behind it, which appears to be a little vague.

MR. REISS: That's what the scientists came up from the landings.

MS. MARHEFKA: Just FYI, I forget, and, Chester and Jessica, tell me if you remember, but I think, at our meeting last week, we picked a preferred to shift the golden tilefish longline season to January 15. We did pick that preferred? Okay. I know we were discussing it, and so just since you all were talking about it, and, again, that's in the early phases, and we haven't even gone to - - Maybe we've gone to scoping. We haven't gone to public hearing, and I know that, and so that's early, and it doesn't mean that's happening, but just to have that be part of your thought process,

that there is some discussion about that happening, and I can answer some questions, and Jessica can as well.

MR. PHILLIPS: Why?

MS. MARHEFKA: Have you not been paying attention? Okay, and so is this news to you all? Okay, and so Jessica will tell you that it was a request by your AP members, people.

MS. MCCAWLEY: The Snapper Grouper AP talked about this, at length, and some of the folks in the fishery are asking it to be moved to that start date, and so it has to do with Lent and Easter and other things. It is Easter-related, and so why Easter?

MR. POLSTON: The reason I put the comment for the later opening is because, yes, we have boats that fish, but we also have to market the fish too, and so, from a marketer's point of view, you have Mexican grouper that are fished up until January the 15th, and then the Mexican grouper market shuts down, and you've got about a two-week period. I would be -- I mean, it's going to stink, as far as not having golden tile from January 1 to the 15th, but the weather gets a little bit progressively better, the later you get into the year, and so it will be a little bit safer for the boats, and, also, from a marketer's point of view, you will get further into Lent, for the pricing, and, also, you will get further away from the Mexican grouper that will be running up until that time.

So not just will it help the fishermen, but also it will help as far as overlapping with the golden tile versus wreckfish. At that point, if we really pushed hard, we could fish the entire wreckfish season and at least be minimal late, we'll call it, for the golden tile season, if it started on the 15th, and I said either January 15 or February 1, as far as the opening is concerned, even though it would hurt, like I said, missing the fish for January, but you would have later into the year, which, basically, you can more or less name your price, because it's going to be one of the only whitefish on the market.

MR. REISS: If you shift the closure January 1, and you shift the opening of the tilefish to January 15, you will be able to sit on your thumbs for two weeks.

MR. M. FREEMAN: Before we get hung up for the rest of the day here, Action 5, I'm perfectly fine with Alternative 1.

UNIDENTIFIED: I will second that.

MS. WIEGAND: All right, and so it looks like consensus is keep the current spawning season closure as-is, and, again, still will talk to some of the guys at MARMAP and see if we can find any sort of more recent information on wreckfish spawning, but, otherwise, we'll present, and, again, you've got council members here listening, that the shareholders feel like keeping the January 15 through April 15 spawning closure is ideal at this point.

All right, and so we're about halfway through this document, and we're about to dig into some of the bigger stuff, VMS, offloading site and time requirements, and so I might make a recommendation, and I think we've got some other shareholders that are on the way, and so what if we take maybe a ten-minute break and get some coffee and regroup and then come back and

start talking about VMS and offloading times, and does that sound all right to the bigger group? Well, I can't provide more than coffee right now, but we'll be back at 2:42.

(Whereupon, recess was taken.)

MS. WIEGAND: All right. I think we're all ready to dive back in, and so next up is Action 6. This is the VMS action, and so, right now, commercial vessels that are fishing for wreckfish are not required to be equipped with a vessel monitoring system. Alternative 2 would require that all vessels with an SG 1, or the snapper grouper unlimited, permit that were participating in the wreckfish portion of the snapper grouper fishery to be equipped with vessel monitoring systems.

That could mean, of course, a lot of different things, and so there are two types of VMS systems, and you've got satellite systems and cellular systems. Cellular systems collect hourly ping rates, while you all are out at-sea, via satellite GPS, and then store that information. Then, once your boat is back into cell range, the VMS unit will then send all of that information, and so cellular is typically better when information is not really needed in real-time and doesn't need to be submitted while at-sea.

Alternatively, you've got satellite VMS, which, again, collects those hourly ping rates, via satellite GPS, and that information is then immediately sent to NMFS, and satellite is really the only option if you're looking for like at-sea monitoring and submission, and so it's useful when you need that real-time information, such as to monitor closed areas, submit hail-ins, and it can be used to track where a vessel is going to land, so that law enforcement can intercept as needed.

Satellite units do tend to be a little more expensive than cellular units. NMFS does have a reimbursement program, and it's only up \$950 for any fishery that allows a cellular unit. For satellite units, it's currently \$3,100, but the important thing to note is that reimbursement program is currently under review, and it may or may not be reduced. It's always sort of up to available funds.

Some of the other options that you guys have, outside, is you could extend the offloading time requirements, and that's in a separate action, and we'll absolutely talk about that, and then, of course, the hail-in and hail-out requirements, and so declaring that you guys are leaving the dock and that you're coming back. Non-VMS hail-in and hail-out would create an additional expense to the agency to implement and maintain, and so it's sort of ideal to have that hail-in/hail-out requirement, coupled with the VMS system.

I'm sure you guys have a lot of thoughts on this, and one of the things that council wanted us to ask you, explicitly, is sort of what level of monitoring do you feel is necessary for the commercial wreckfish fishery? Do you feel that VMS is necessary? Do you feel it's not necessary, and then sort of, should the council consider VMS, should they also require a hail-out and/or a hail-in declaration, and so I will just sort of leave it at that and let you guys provide input to the council.

MR. PHILLIPS: Can I ask the rationale on why the council wanted this? What was the method to the madness?

MS. WIEGAND: So this was a topic that was brought up at the -- Gosh, this was a council meeting maybe a year-and-a-half or two years ago, and it was brought up by the NMFS representative to

bring to the shareholders, to see if what was something that you guys wanted to consider, and, at the October 2020 shareholder meeting, I believe sort of the general consensus of the shareholders, at that point, had been not super opposed to it, and maybe it's a necessary evil, but not necessarily onboard, and so we're sort of bringing back more information.

When we spoke to the council about this in March, they really felt like they needed more information from you guys on what was really necessary, in terms of monitoring this fishery. Perhaps VMS is something you all feel is necessary, and perhaps it's not something you feel is necessary for this fishery, and the council didn't really want to make any decisions until they got you guys' input on monitoring these.

MR. M. FREEMAN: Our opinion is still the same now as it was then, and I don't see any real tangible benefit to a VMS requirement in the wreckfish fishery. It's not like we have MPAs anywhere near their habitat, and so you don't really have to worry about us fishing in closed areas. The only benefit that I could potentially see is that a hail-in requirement potentially allows law enforcement an advanced notice to meet us at the dock. We already have set offloading times, and they still don't show up during those, and so the only people that it could potentially -- Maybe VMS could help prevent someone from poaching, but I don't see -- The people you have to worry about in this fishery are ones that don't have wreckfish shares or permits in the first place, who will not be bound by a VMS requirement.

There are five of us, six of us, total, and we all know who each other are when we're out there. If there's another boat out there fishing for wreckfish, it's in our own interests to make sure that they're operating legally, and I don't see the big need to necessitate the additional cost and the inconvenience of it, to be honest with you.

MR. BOEHM: I don't want to see the VMS.

MR. POLSTON: With me, because of swordfish permits, I already have to have a VMS on my vessel, but I do not see where it's been any benefit by having one. They're a bit of a pain, as far as the hailing-in and hailing-out, but, I mean, I get why they want them to do it, and it's also a bit of a pain when you have problems, and your boat goes up on the railway, and you forget to call them, and they're saying you're non-compliant, because you're not pinging no more, and, if they were looking, they could tell you were on land, and, anyhow, it can get more cumbersome than anything, and I don't -- Like I said, it would be nothing out of pocket for me, but I don't see where it could benefit at all to go to something like that.

MR. REISS: Also, I'm sure this cost recovery is going to be coming down, to some degree, sooner or later, and I guarantee you there will be some way that we would be adversely affected by that in application to this as well.

MR. PHILLIPS: You know, if I could see where they were going to use it for some science, to really help, but they pretty much get everything they need from the logbooks, and I don't know that the VMS is going to help them a whole lot. If there was, you know, a really good rationale to spend the money and the time and the effort, and it goes down and you can't go fishing until you get it fixed, and some things like that, and it may not happen often, but it's going to happen, and so it's going to be more than just that fifty or sixty dollars a month, and I'm -- In a lot of ways, I

would like to have it, just, you know, to help track the boat, but we've got satellite receivers, and we've got all kinds of stuff on those boats anyway.

MS. WIEGAND: All right, and so this one is a little bit easier for me to summarize. What I'm hearing is a resounding, no, the shareholders are not interested in VMS, nor do they feel that that level of monitoring is necessary for the size of the fishery. All right. Well, that makes that discussion nice and smooth.

Let's move on to the offloading site and time requirements for wreckfish, and so, as you guys, I'm sure, are aware, right now, wreckfish can only be offloaded between the hours of 8:00 a.m. and 5:00 p.m. local time. We've got a couple of different alternatives under here. Alternative 2 would move to 6:00 a.m. to 6:00 p.m. local time, and Alternative 3 expands those hours even further, to 5:00 a.m. through 8:00 p.m. local time, and then Alternative 4 would remove the requirement to offload wreckfish completely, or to offload between a set number of hours completely, and you would, obviously, still need to offload your fish.

Our understanding, from you all, is that one of the big issues with the offloading time requirements is that it really sort of affects the efficiency of your operations. If you arrive at the dock too late to offload, you have to just sort of sit on those fish, and then you've got to unload the next day, which keeps you from going back out, and there has been concerns about sort of rarely encountering law enforcement, even when you are offloading.

We did talk to our Law Enforcement Advisory Panel about this issue, and they saw no problem with expanding the offloading hours. They recommended 6:00 a.m. to 6:00 p.m., which I believe is what it is for the programs in the Gulf, and their rationale was that, you know, those hours sort of work with a typical law enforcement officer's schedule, and they encompass daylight hours only, which they felt was important for officer safety.

Pretty simple questions here, and are the times that we presented in Alternative 2 and Alternative 3 sort of sufficient to decrease the probability of you guys arriving late enough that you can't then offload your fish, and are there any sort of things the council should really be considering when talking about expanding or removing these offloading hours?

MR. M. FREEMAN: I mean, it seems like the original rationale behind this was to give law enforcement an opportunity to come down to the dock and make sure that fish are being landed legally, and the first place my mind goes to is I understand that, but, given that every other South Atlantic fishery does not have set unloading times, and they can unload at 2:00 a.m. or 3:00 a.m. or 4:00 a.m., which, ironically, is typically when you see the most law enforcement presence, I just don't see the need for additional constraints on the wreckfish fishery, due to the fact that solely is an ITQ. If we're doing unloading hours for this, why don't we have them for every other snapper grouper species? What additional benefit does this provide the wreckfish fishery?

MR. REISS: I would prefer not to have a time constraint whatsoever, but, to be able to alleviate having to have VMS -- I mean, 6:00 to 6:00 would be a way to go to alleviate having to have VMS, and so I would go with the 6:00 to 6:00.

MR. PHILLIPS: Just for clarification, on 6:00 to 6:00, would it mean that you would have to start by 6:00, or 5:00 in the afternoon, or would it be through at 6:00?

UNIDENTIFIED: Completed.

MR. PHILLIPS: Completed? Because sometimes we want to try to catch a truck, and things are running behind, and so I'm kind of inclined to think like you, that no hours would be better, and I don't think it's really going to -- I don't think this should depend on whether we have VMS or not.

MR. POLSTON: That was going to be my question, is what does having VMS and unloading hours even got to do with each other? I mean, you should be able to not have VMS and have no unloading hours, because of -- The last I've known, the FWC officer can come to your establishment anytime he wants to and look anything over he wants to, and I've actually had them have my boats offload without me even being there, which we had discussions about that, but, I mean, that actually happened.

They went down there and had my boat offload without me even being there, and it was on a Sunday, but, anyhow, I don't see why one would have anything to do with the other, with no VMS or no offloading hours, and it's just whenever we feel is best, because, many times, we have missed trucks, because we couldn't offload, and, on your summertime, it doesn't get dark until 8:30 or 9:00 sometimes, and, if a guy is just getting in right at dark or whatever, if you needed to offload that night, to make the truck, and you start at 8:00 and he's got 3,000 or 4,000 pounds, you're not going to get it in time, and so you miss the truck.

MR. REISS: Well, I agree, John, and that would be preferable, neither, having neither time nor VMS.

MR. M. FREEMAN: We agree, and I do tend to side with Paul, that, if the council ends up in scenario where we're in either an offloading hours and no VMS, or no VMS and offloading hours, then 6:00 we'll make work. We've made the existing hours work. It's not ideal for the fishery, but I still think Alternative 4 is sound, and I don't see any need for offloading hours. Our last interaction was at 3:00 a.m., when we were unloading a golden tilefish boat, and there is law enforcement presence out there still.

MS. MCCAWLEY: I can't speak for the whole council, but the Law Enforcement Advisory Panel has not suggested that removing the requirement for the offloading hours is okay, and so, since they want offloading hours, I can't imagine that the council will just remove the hours, and so it seems to be important to law enforcement, and so I can't imagine that the council would just go with remove the requirement for having offload hours, and so maybe pick your second choice, which it sounds like was Alternative 2, 6:00 to 6:00.

MR. M. FREEMAN: The second choice of not removing the offloading hours entirely, and the Alternative 3 would be preferable. I mean, the widest range of hours is the best situation for us. I mean, 5:00 to 8:00 gives us at least the ability to try to get packed out, in the event that we have a late unload, and you have one truck to make it to Canada that week, and, if you miss it, you're four days out.

MS. WIEGAND: Jessica, did you have something to add to this, Jessica Stephen?

DR. STEPHEN: I did, and so several points I wanted to -- Someone asked where the VMS kind of intersected with this and why they can't be separate, and there is a little intersection in that. With the VMS pinging hourly, law enforcement can see where you're going to land, and kind of anticipate that as you're coming in, and so that could be a way where these two intersect.

With regard to the question about do you need to stop at 6:00 p.m., I can tell you what law enforcement has done in the Gulf, and I think they've recommended keeping consistency within the region, and that is that you must stop offloading at 6:00 p.m. unless an officer is there and gives agreement that you can continue with your offload, if you had started it and hadn't finished it by 6:00 p.m.

Then the one last point is that the 6:00 a.m. to 6:00 p.m. was chosen by law enforcement for the safety of their officers and keeping a consistent time year-round, and understanding that, seasonally, the amount of light does change throughout the seasons, and so, while in the summer, you might have light a lot longer, in the winter months, you may not, and they wanted to keep things within daylight hours, for the safety of their officers.

MS. WIEGAND: Thanks, Jessica. Just an FYI, and I think we're getting a little bit of feedback on your end that's making it a little bit challenging to understand you. We're double-checking everything in our room, but it looks like we're still all right, and so just an FYI that we're getting some feedback.

I actually had a question for you, Jessica, that I would like to make sure that I understand. A hail-in and hail-out requirement for this fishery would be challenging to do without VMS, from NMFS' standpoint, and is that what I'm understanding?

DR. STEPHEN: Hopefully you can hear me a little bit better. Not using the VMS would require us to build new infrastructure, in order to capture the hail-in through a different mechanism, and so it's not as much a difficulty as it is a cost and time to implement.

MS. WIEGAND: Okay. Thank you. I just wanted to make sure that I understood that correctly.

MR. POLSTON: What is the hail-in and hail-out? I mean, has that come into effect or is important now, after thirty-some-odd years, all of a sudden?

MS. WIEGAND: It's just an option with VMS that would -- It would sort of be different from offloading time requirements, and you would hail-out, to let them know you were leaving the dock, and then hail back in, to let them know when you were going to arrive, but my understanding, from what Jessica just said, is that that would really need to hand-in-hand with the VMS requirement, because, without that VMS, it would require them sort of building additional infrastructure, and so, if you're not interested in VMS, it seems like the way to go would be to stick to the offloading site and time requirements.

UNIDENTIFIED: Since the lady said that enforcement is adamant about having an offload time, and, with that in mind, I would suggest that we vote for either the 6:00 to 6:00 or the 5:00 to 8:00, to appease them, and that would alleviate us from having to go with the VMS requirement.

MR. M. FREEMAN: I would think it would be fairly unanimous that, in order of preferability, 4, 3, 2, 1, whatever the least restrictive amount that the council is willing to bear.

MS. WIEGAND: All right. I am not seeing anybody disagree with what Mike has just said, and so sort of the shareholders' first preference would be to remove it entirely, but, sort of acknowledging what Jessica said about law enforcement feeling there is an importance to these offloading site and time requirements, moving to 5:00 a.m. to 8:00 p.m., the least restrictive, on up to more restrictive.

All right, and then let's move us along to the next big set of actions, which is cost recovery, and so, again, the council is mandated by the Magnuson-Stevens Act to implement a cost recovery plan, and there are sort of a couple of different things that the shareholders can provide input on, in terms of how this program is designed.

The first is sort of the who of it, if you will, and so implementing -- Not implementing cost recovery is not legally viable, and so Alternative 2 and Alternative 3 are really our only choices here, and so Alternative 2 would implement a cost recovery plan, and the quota shareholder that is landing the wreckfish would be responsible for collection and submission of the cost recovery fee to NMFS. Alternative 3 would have the dealer that is receiving wreckfish being responsible for collecting and submitting that fee, and now I'm going to go through all of these, but don't worry. We'll come back to each individual one, so you guys can discuss what your preference is, because what you select in the first one may affect what you would want to select in the second one.

The next is sort of one of the whens, and so having that fee collected at the time of landing, fees collected upon the sale of the fish during a fishing seasons, or fees being collected in the last quarter of the calendar year, of the year the fish was harvested, and then you've got sort of the how often submitting that cost recovery fee to NMFS, once a year, twice a year, four-times a year, or monthly, twelve times a year.

Then the last decision point is sort of the what, or the how, this value is being calculated, and so your options are the actual ex-vessel value, which is calculated by multiplying your wreckfish landings by the actual ex-vessel price, and so the total monetary sale amount the fisherman is receiving per pound of fish, and then you've got your standard ex-vessel value, which is multiplying the wreckfish landings by the standard price, which is averaging the ex-vessel price for the previous fishing year and any sort of expected price change in the current fishing year.

I know this is a lot, and it's sort of a complicated system, and so the questions we have here sort of align with each of the actions, and so I think the best way to go about this is going to be start with the first decision, see what you guys would like for that, and then sort of move on through the series of actions, and so, to get us back, Sub-Action 8.1, this is who is responsible for collecting and submitting that fee.

You've got the quota shareholder or the dealer receiving the wreckfish, and so I will let you guys sort of discuss what your preference would be here. I will say that the council did express an interest in perhaps just mirroring whatever is done in the Gulf, but first wanted to get your input on what you all would prefer, before deciding to go that route.

UNIDENTIFIED: I have an opinion on this. Where I unload the fish, I'm not going to have him responsible for collecting my money and submitting it to NMFS, and I would much rather pay it to NMFS myself.

UNIDENTIFIED: When you're talking about cost recovery, he was just asking, which I would ask also, and are you talking about mirroring the Gulf by like 3 percent, and then you're also saying that the way that you're going to come up with the amount, by the multiples and stuff like that, and why wouldn't they come up with how much a cost recovery program is, how much it costs, and then, at the time, when we have paid in that amount, that you've already paid it off, instead of continuing to pay for that year?

MS. WIEGAND: I guess your question is two parts, and I see that we've got some hands jumping up from NMFS staff that are on the line, but sort of the 1 percent, 2 percent, 3 percent, that's decided not by the council, but by NMFS themselves, once they have estimated, based on a variety of factors, how much cost recovery is appropriate for the wreckfish ITQ program, and so that's not something the council can set.

Then, in terms of mirroring the Gulf, they were thinking of mirroring it in terms of who collects the money and who submits it to NMFS and how often that's submitted to NMFS, or this process we're outlining here, but that percentage is out of the council's control, and I see that both Jessica and Mike have their hands up, and so, Jessica, I'm going to go to you first, and then Mike after that, to provide a bit more info on how the cost recovery program functions. Jessica, if you're talking, you're muted on your end.

DR. TRAVIS: Christina, Jessica is telling me that she's not able to unmute herself.

DR. STEPHEN: Now I can. Thank you, Mike. Cost recovery is up to 3 percent of the cost to implement the program that is incremental based on what would have been done in place of it, and that's set by Magnuson. We would collect the percentage. If the cost to run the program is less than 3 percent, what we're collecting from you, we would collect less than that to do it, and that money can be rolled over year-to-year, in order to meet some requirements, such as updating and modernizing systems along the way.

The reason the Gulf collects the cost recovery from the dealer is that it does allow us to have sort of a stick, so to speak, over the dealers, to make sure that they are submitting the landings to the system within time and that we're collecting accurate data and that the shareholders aren't fishing and thinking they have more allocation than possible, because a dealer did not complete a landing transaction.

We can go either way though within this program, and the kind of stick is that, if you don't pay your cost recovery, we would stop you from interacting with the program until the time that you do pay what you have owned to-date, and then you would have immediate access again to the program.

MS. WIEGAND: All right. Thanks, Jessica. We're still getting a little feedback from you. I'm going to go to Mike, and hopefully, Mike, you'll be a little bit clearer. If you're not, then the issue is on our end, and so I guess we'll find out. Go ahead, Mike.

DR. TRAVIS: Does that just mean that my sound has to be clear or that I have to clarify things that she said as well?

MS. WIEGAND: Your sound is clear, and, if you could clarify a little bit of what Jessica was going over, that would be phenomenal for us.

DR. TRAVIS: I will try. Basically, just to reiterate a little of what you said, as well as what Jessica said, at this point, we couldn't tell you what the cost recovery fee is going to be, because it's partly dependent on the structure of this new program that we're putting together and then the cost of pulling that new program together, and so, once we know what the program is going to look like, and then we estimate the cost associated with that program, then we will be in a position to look at what the fee would be.

Now, keep in mind, also, that the fee is -- How do I want to say this? It's -- Well, depending on which value you use, but, regardless, it's a percentage of whatever value you decide to use, but let's just say it's a percentage of the actual ex-vessel value, like it is in the Gulf, and that can range -- You know, like we have the 3 percent max in the Gulf, but there are other catch share programs, across the country, where it's, you know, maybe 0.2 or 0.3 percent, and so -- But it's going to vary as the ex-vessel value of the fishery varies, because, if you have your cost estimate, and you say, okay, here are the costs that need to be covered, well, then, you know, if your ex-vessel revenues increase, then the percentage of the cost recovery fee will actually go down, and then the opposite is also the case, and so I hope that makes sense to people, but, if I need to clarify more, please let me know.

MS. WIEGAND: Thanks, Mike.

MR. PHILLIPS: That gives me two questions. One is what is the cheapest way to collect the money, and, two, if it comes through the dealer, and the dealer is responsible for sending the money in, I'm guessing that lets the shareholder be not responsible if the dealer doesn't pay. If the dealer doesn't pay, then he just basically can't buy fish after such a point in time, and then the fisherman is going to have to find somebody else that has paid up to sell his fish to, worst-case scenario, but what is the -- Those are my two questions.

MS. WIEGAND: Your understanding is my understanding, Charlie. It's the dealer that is responsible for collecting and submitting the cost recovery fee to NMFS, but, should that be not be submitted, sort of the punishment, for lack of a better word, would be on the dealer, and there shouldn't be any consequence to the wreckfish shareholder for that, outside of now you cannot necessarily sell to that dealer until the situation has been remedied, but I see Kerry has -- Go ahead.

MS. MARHEFKA: I think you're right, but I think one of the rubs to think about -- I think everyone is on the same page here, but just to add another reason to not have it be at the dealer level is the dealer permit is still open access, and so, in theory, if Mark is the dealer, and you sell to Mark, and Mark doesn't pay his 2 percent, well, I can get my dealer permit, and you could sell to me, and it doesn't affect you, and it doesn't affect Mark, and you know what I'm saying? So I think that there is more loopholes, and it's just something for you all to remember, that the dealer permit is open access, and so that might be a problem.

MR. M. FREEMAN: I had a little bit of trouble with the microphone feedback. Is the current structure in the Gulf that the dealer collects the cost recovery or the vessel? There was a bit of static at that point.

MS. WIEGAND: We've got Jessica, and it look like she has switched over to her phone now, and so hopefully we can hear her better, but my understanding is that, in the Gulf, it is the dealer that is responsible for collecting and submitting the fee.

DR. STEPHEN: That is correct.

MR. PHILLIPS: Do we have an idea on the difference in the cost to collect with the dealer versus the fishermen? Is collecting with the fishermen going to be 10 percent more, or 50 percent, or do they have any idea?

MS. WIEGAND: I believe no matter who is collecting, whether it be the shareholder or the dealer, it's still calculated the same way, either by the standard or actual ex-vessel price that we talked about, and can talk about more in a little bit, sort of the last action in this amendment, but, regardless of who is collecting and submitting it, the cost should be the same. The price is the same.

MR. PHILLIPS: But I thought I understood that, if there was money left over, it could be credited toward the next year, and so does it cost more to collect through the fishermen or the dealer, or is that -- Even though the percentages are the same, is it going to cost the region more money to collect one way or the other?

MS. WIEGAND: Okay, and so that I do not know the answer to, but I'm guessing Jessica knows very well which is sort of easier, in terms of cost, for the region and administering this system.

MR. POLSTON: One other quick question on -- Excuse me. I'm sorry.

DR. STEPHEN: No, and go ahead.

MR. POLSTON: My other question is, also, I'm sure all of us owners would like to know, and is it going to be -- For us, is it going to be cheaper to continue to do the paper coupon program that nobody likes or change to the computer system, and which one would be the most cost-effective for us, to continue to deal with the coupons, the advantage of money, or go with the new system, if that's cheaper.

DR. STEPHEN: Okay, and so I'm going to start with the first question, which was the cost to the agency, and so there is a minimal addition cost to the agency if we're going to collect it from the shareholders, just for the creation of the codes and the logic that will link it with pay.gov. After the creation of that code, there is no difference in cost to the agency of whether we collect it from the shareholder or from the dealer.

With respect to the cost overall to run the program between paper and electronic, I think Mike Travis had spoken to this, and we're not quite sure what the difference will be, but we do know that the data quality would significantly increase through collection of an electronic program, and that would aid in the science and management of the fishery.

MS. WIEGAND: All right, and so, with that additional information from Jessica, are you all still leaning towards the shareholder being responsible for collection and submission or -- Again, I just want to make sure that, you know, when I'm sort of summarizing this discussion, that I'm accurately capturing you guys' consensus and preferences.

MR. REISS: Yes, I'm very much in favor of the shareholder being responsible for payment of the recovery cost.

MR. PHILLIPS: If it's nominal, I would agree.

MS. WIEGAND: All right. I'm seeing nods in agreement around the table, and so let's sort of move on to the next decision point, which would be when the fee is collected, and so if it's collected at the time of landing, upon sale of such fish during the fishing season, or collected in the last quarter of the calendar year, and so I see, and, sorry, Jessica, and I almost missed you, that you've got your hand up again, if you wanted to provide, I guess, additional detail to Action 8.2.

DR. STEPHEN: No, and I think my hand just accidentally stayed up.

MS. WIEGAND: You're good. That was on me. Thank you. Paul, I saw your hand shoot up. Go right on ahead.

MR. REISS: You can't collect it at the time of landing, because there's a lead time on the return of money to the vessel. You don't know what the fish are going to bring, specifically, and it's not like a snapper grouper fishery, and we have a lead time that we just don't know what the fish price is per pound, and so it's too much of a variable. I mean, I would go for collecting the money after the fishing season is over. Preferably after the fishing season is over, and then you know what you've accumulated, stock-wise and money.

MR. PHILLIPS: Well, if you did it at the time of landing, are you talking the check needs to be there two weeks after you land, or does it need to be post-dated the day you land, or, if you do it at the end of a quarter, and what kind of timeline do you have after the deadline, because, if you've got three weeks, you generally should know what your fish are worth, because they're not going to last in the -- Well, wreckfish can last in the cooler for three weeks, but, ideally, they won't be there, and so that would make a difference, what kind of timeline you've got after your date.

MS. WIEGAND: I am going to explain this, but, Jessica, please feel free to jump in and make sure that I'm not inaccurately characterizing this. I believe Action 8.2 and Action 8.3, which is how often this fee is submitted, are very closely tied, and so, for example, if you were to select Alternative 4, where fees are collected just in that last quarter of the calendar year, you may only be able to select cost recovery fees being submitted once per year, at the very end of that year, and so it's sort of two separate actions, when you are collecting the money and when that money has been submitted to NMFS, but, again, Jessica, please feel free to jump in if I am inaccurately characterizing how that system functions.

MS. MARHEFKA: My question, I guess, is for her or Mike Travis. My understanding, and maybe I'm wrong, is that it's not a fluctuating basis that the percentage is based on, and that they're going to pick a value. What am I trying to say? In other words, if you get, you know, \$6.00 to the boat,

and you get \$6.25 to the boat, you're not paying your percentage based on \$6.25, and you're not basing it on \$6.00, and NMFS is picking a number.

MS. WIEGAND: That is sort of the fourth action in this long series of actions, but, Mike, I see you've got your hand up, and so go ahead and help us shed some light on how all of these different actions are intertwined with one another.

DR. TRAVIS: I am going to try, and I know Jessica lost -- Her call dropped, unfortunately, and so she's logging back in, and so I think, if I understood first what Kerry was talking about, it's -- So, once we have all the information that we need, and we pick that percentage cost recovery fee, then that percentage is applied -- It's in place for a year, and so we will reevaluate, and potentially change it, on an annual basis. It will be -- The percentage will be constant throughout that year, but it can change from year to year, and so that was one point that I wanted to make.

Now the other thing here, and, Christina, I think this is what you were trying to emphasize, is this particular sub-action is about collection, and I think Jessica, if she has reestablished her connection, wants to distinguish between collection and submission, but someone had made a comment, and I'm sorry that I'm not following voices particularly here, but had said something about collecting the fees after the fishing year is over, and I don't think that that's a viable alternative under Magnuson.

That's why we have these alternatives of either collecting the fees at the time of landing, and I certainly heard why people are not thrilled with that idea, and I get it, and then Alternative 3, which is collecting the fees at the time that the fish are sold, and then your last alternative is to collect it during the last quarter of the calendar year, and so you have to collect by the end of the calendar year, and you can't wait until after that in order to collect those fees, and I don't think that that's an alternative, but I think I'm going to stop there and let Jessica pick up the ball and run with it, and she is back on.

MR. M. FREEMAN: Can I ask for clarification on one thing?

DR. TRAVIS: Sure.

MR. M. FREEMAN: Does this sub-action actually apply at all, in the event that the shareholder is responsible? I guess I'm having trouble differentiating between the idea of collection and submission if we go with the alternative stating that it's the responsibility of the shareholder. I get it in the event that it's the dealer.

DR. TRAVIS: Yes, and I was actually just chatting with Jessica about that same issue, because that's not the way we do it in the Gulf, and I don't think that's -- Sorry, and I was thinking about another fishery, but that may be something that Jessica even needs to think about, in terms of, if you did go with having the shareholders submit the fees, rather than a dealer, might that affect this. Jessica, go ahead.

DR. STEPHEN: Thanks, Mike. Originally, 8.2 was thought about in regard to the dealer collecting it and because of the way that Magnuson is specifically worded. If you choose, in 8.1, for the shareholder to do it, think of 8.2 as you're collecting from yourself and maybe reserving in some account, and then, in Action 8.3, it's when you would submit that money to NOAA, and so

you're collecting it -- Basically, if we take Alternative 3, for example, you would collect it from yourself at the time of the sale of the fish. When you sell the fish, you reserve the cost recovery percentage, and that would be considered collecting it, and then, when you move to decisions in 8.3, you would submit it to the agency under one of those alternatives. Hopefully that helps clear up a little bit of the difference. Some of this is the way that Magnuson is written, and trying to get around this may get less burdensome, both on the fishermen and the agency, on when to collect it.

MR. M. FREEMAN: That was extremely helpful. Given that is the case, Alternative 3 really seems like the only viable alternative for this sub-action, given the nature of our fishery. We can't collect at time of landing, due to -- Well, I guess we technically could, but it would be a little bit more burdensome, and it's really dependent on whether we go with actual ex-vessel values, as opposed to the standard I think the use in the Gulf.

MR. PHILLIPS: Well, I still -- Maybe I missed it, but I still haven't heard the -- When it's figured, say at the end of the -- When you get paid, or, if it's the end of the quarter that you caught the fish in, how long between like the end of the quarter that you caught the fish in and submission? What kind of timeframe do you have in there? I would kind of like to do quarters, because I know when all the quarters are, and I can just add up my trips through that quarter, and I know it ended on June 30, and I got X amount of trips, and I figure out the money, and then, maybe the middle of July, two weeks, I've got to get a check in the mail, and so that's -- I like set dates, myself.

UNIDENTIFIED: I agree with Charlie, because, you know, it's going to become an expense on the books that's going to be shared by all, and so you need a timeframe where you can apply that expense to the books, instead of waiting until the last quarter. In April and June, you haven't the faintest idea of what to put on the books, but, if you do it quarterly, then you can make that application.

MR. M. FREEMAN: I think that's the idea behind collection taking place at the sale of the fish, is that the fish are sold, you have your price, and you know the percentage, whatever that value ends up being that you have to set aside, and you set it aside, and then the actual submission frequency is what determines when the money is sent in, but it would go on the books at the time of the sale of the fish, even though you're holding that money to be sent in at a later date.

MS. WIEGAND: Mike is exactly right, and it's actually Sub-Action 8.3 where you guys would determine how often shareholders would be submitting that fee to NMFS, and so, again, you've got annually, biannually, quarterly, or every month, are sort of your options here, and I see, Jessica, you've got your hand up, and so go right on ahead.

DR. STEPHEN: I was going to walk through, again, an example with the way we handle it in the Gulf, and so they collect -- The fees are submitted to the agency quarterly, and what happens is we take the landings that have been entered into the IFQ system and calculate the cost recovery fee from that and submit it to pay.gov. Then you are notified quarterly what the bill is for it, and you have a month in which to make that payment before we start taking action for non-payment.

I would imagine that, no matter which of these alternatives we choose, that there would be a time when it is generated from the agency and then a time period after that where you would be submitting it. I do want to caution that the twelve times per year would probably be an additional

burden, both on the fishermen and the agency, and we might have to limit the amount of time in which you have to pay that before you're allowed to continue using the system.

MR. POLSTON: I am assuming, when you're talking about shareholder, the person to pay -- Well, not necessarily. Let's say, for example, I'm a shareholder, but I need to lease some coupons, and who is responsible for the payment, the person that's fishing it, I would assume, or the actual shareholder of that coupon, the person that you leased it from, and so I would assume that you're talking about the person that is using, and, if you go in a different direction, where you don't have to be a shareholder to be able to fish, now who is the burden going to fall upon?

DR. STEPHEN: You're correct. It is the person that is landing it that has to pay the fee. This is a little misnomer, that we have shareholder accounts in general that we refer to, whether you have the shares or not, and that's how the landings are tracked, and so apologies that we weren't clear on terminology, but it is the person landing it that would be responsible for paying it.

MR. M. FREEMAN: So it's technically the vessel account that would be paying it in and not the shareholder account?

DR. STEPHEN: I probably would need another meeting with you guys to show how this works. The vessel accounts are associated with a shareholder account, and they are the same entity on both, and so it's called the shareholder account, because, if you have multiple vessels under your account, we give you one bill for all your vessels, rather than a bill per vessel.

MR. PHILLIPS: Yes, but these vessels are -- You know, my vessels are like, you know, Mike's. They are all corporate entities, and each vessel is going to have its own account number, I think, from what I understand, and so I would think -- Since the account, the boat that landed the fish, whether it got some shares from Fish Hound, and they were unloaded on the Beagle or something, and the Beagle would pay according to what it landed on its shareholder account, and, if Fish Hound unloaded some, it would pay what it unloaded on its boat account, and that's kind of what I would see happening, but, if you want to group all my accounts together and just give me one bill, and, as long as it's itemized as to what went where, I can live there.

MR. M. FREEMAN: I think we're leaning towards quarterly on this sub-action.

MS. WIEGAND: All right, and so I'm hearing quarterly, and then, to go back to Action 8.2 -- Then how are we feeling about 8.2, in terms of when it's collected, even though, as the shareholder, you are sort of collecting for you to then submit to NMFS, but my understanding is that, because of the way Magnuson is written, this still needs to be codified, in some sense. Correct, Jessica?

DR. STEPHEN: That's correct. We just want to be clear with that, so that we're matching Magnuson appropriately.

MR. M. FREEMAN: I think the Alternative 3 is still the sensible option, given that one of the later sub-actions is actually whether we use the standard ex-vessel value or the true ex-vessel value landing doesn't really work, in the event that we use the true ex-vessel value, and they kind of contradict each other, given the nature of the wreckfish industry and how our wholesale market works.

MS. WIEGAND: Does that, and this may be sort of my still learning this cost recovery system, since this is the first one in the South Atlantic, but, Jessica, does it work to do Alternative 4 mixed with quarter submission, or are those two mutually exclusive?

DR. STEPHEN: Sorry. Action 8.4 or -- I'm a little confused. Sorry.

MS. WIEGAND: No, I'm sorry, and I may have confused it, and so what you guys are looking at is, for Action 8.2, collecting the fee during -- Upon the sale of fish during such a fishing season and then submitting that quarterly.

DR. STEPHEN: Yes, that would be fine.

MS. WIEGAND: Perfect. Okay. Then we're on the same page, and that will absolutely function.

MR. M. FREEMAN: I was thinking more that Alternative 2 probably would not function, in the event that we decided, for whatever reason, to use true ex-vessel price instead of the standard that they use in the Gulf.

UNIDENTIFIED: We're not going to -- I mean, yes, if I'm getting vessel price, a return to the vessel, of \$6.00 a pound, and I say, oh, I only got \$3.00 a pound, and I'm paying 3 percent on \$3.00 a pound, where is the checks-and-balances?

MR. M. FREEMAN: That's actually this sub-action right here. Just, right out of the gate, I would probably prefer Alternative 3, to use the standard, where they average the prior year, so you don't run into scenarios where people try to underreport ex-vessel prices or try to work around it in some manner.

MR. POLSTON: I have one quick question also, and it's kind of on that same line. We'll say the boat price is \$6.00 a pound, and I had to lease coupons, which we'll say are fifty-cents a pound, in actuality --

UNIDENTIFIED: No, a dollar, John.

MR. POLSTON: No, that's people that are actually leasing coupons are fifty-cents, okay? Inside joke. Anyhow, and so the actual cost is \$5.50 that the boat is actually getting, and that's the figure that I assume you would use as ex-vessel price, when you figure the percentage?

UNIDENTIFIED: No, and we went through this last time.

MR. M. FREEMAN: No, and it would be the actual ex-value price. I mean, if you have to lease shares, and it's costs you fifty-cents a pound, and so you effectively earn \$5.50, you would still pay in, for the cost recovery, based on the \$6.00 a pound value that they returned to the vessel. This sub-action, in particular, the second option, which I believe is what they do in the Gulf, already -- Say 100,000 pounds of wreckfish were caught in the prior year, for between all of the vessels, and it averaged out to \$3.00 a pound, then you would pay your fare based on that price, and so, whatever the percentage works out to be, based on what they estimate the program to cost, you would pay off of the average for the entire fishery, as opposed to what your particular vessel

got, which it would seem like would prevent anyone from potentially attempting to say that they earned less money on their fish, to avoid paying as much in for cost recovery.

MR. REISS: I agree with that, and I can see the standard ex-vessel value being the criteria, to use that for a base. That makes sense.

MS. WIEGAND: All right. Mike, sorry, and I was missing your hand up on the webinar. Go ahead, if you would like to provide some sort of additional detail, in terms of the difference between the actual and standard ex-vessel value that are used for cost recovery.

DR. TRAVIS: I think the first point of clarification that I wanted to make is that the Gulf -- The Gulf fee is based on actual ex-vessel value and not the standard ex-vessel value. The standard ex-vessel value is an approach that is primarily used in the Alaska fisheries, in their catch share programs, and there is a number of reasons why Alaska went that direction, and it's partly because, in a lot of their fisheries, they really don't have, and at least not directly, they don't have an ex-vessel price, particularly in fisheries where they do processing at-sea, and so, you know, it's not the same kind of price when they land as the prices that we have in our commercial fisheries here.

It's also, and this sounds actually a little similar to what some of you were talking about, where they don't know what price they're going to get for their product for weeks, and sometimes months, after the fact, and so, for example, they would not know the ex-vessel value of their landings for quite some time, and so that's part of the reason why they went to the standard ex-value approach, but I did want to clarify that actual ex-vessel value is what we use in the Gulf, and to emphasize I think what someone else said, that, you know, you cannot -- You cannot make deductions.

Like, if you were -- If you were paying for coupons, allocation, whatever term you want to use, you cannot deduct that when coming up with the ex-vessel price that we then use to generate the ex-vessel value. In fact, that's exactly why we have that definition in there, because we had a problem with that in the Gulf, and, as a result, it was being used as a means for people to intentionally reduce their cost recovery bills, which then shifted the burden over to the folks who were not doing that.

MR. REISS: I think we should go with the standard ex-vessel value, for a couple of reasons. I mean, I've had -- Like Alaska, we have a lag time on knowing what our return is, A, and, B, I've had fish that were spoiled on a truck going to New York, and, consequently, I didn't get paid for them, and I don't want to pay anything on fish that I didn't get a return on, and sometimes that takes quite a while for that to come to light, and so, with those two bases, I think that we should mirror Alaska and go with the standard ex-vessel value.

MR. M. FREEMAN: Ironically, I think the standard ex-vessel value would probably prevent you from not paying-in, in the event that you had spoiled product that you ultimately were not paid on, and you still landed the pounds, and it's based on the average value from the prior year, unless they built some form of provision in for that.

MR. REISS: Technically, that's correct, and so, if you're just talking about value, then you're right. I mean, you're not talking about return.

MR. M. FREEMAN: I guess my biggest question is for actual ex-vessel value, and what controls are there in the Gulf to prevent a dealer that owns vessels from underreporting the value of their catch? It just seems like that's a recipe for disaster and could potentially already be being abused on the other side.

MS. WIEGAND: I am going to be honest that I do not know what sort of measures are in place in the Gulf to address that kind of scenario, but I see that Jessica has got her hand up, and I'm sure that she can shed some light on how it functions in the Gulf.

DR. STEPHEN: Originally, in the Gulf, we did have problems that deductions were being made for buying ice or bait, and, again, we're collecting this information from the dealer, what the values are and all that, but there are fishermen that are also their own dealers, and, when we notice that there seems to be an unusual ex-vessel price that is below standard, we start first by achieving them, of what they should be reporting, why they should be reporting it, and, if we have continual problems, we do refer them, eventually, to law enforcement to handle under a legal case, as it should be what is your ex-vessel value.

We do a lot of work, within the branch, of analyzing the data and making sure where those kind of extremes are, and, in the Gulf, there is differences, from state-to-state, of where the ex-vessel price is and accounting for differences within seasons, and so we look at a variety of data, to ensure that the prices being reported are within value, and I will say that our ex-vessel price data, in the Gulf, has a pretty high standard of number of valid prices that we believe are correct in moving forward, a little bit higher than what we've seen in some other catch share programs.

Then one other point I would just like to make is someone had mentioned about if the price changes, and there is a process to allow corrections to submitted landings, and those could also be done if you had submitted at a certain price and then, later, you found that that price was actually higher, and you could submit a correction form to us. We do use the dealers in the system to submit the landings, and that's the two-factor verification, that the dealer submits and the captain of the vessel, or the vessel account, does sign-off that that's an accurate price, and then, when they do corrections -- We do have corrections coming in that are signed-off on by both the dealer and the vessel.

MR. PHILLIPS: I understand that you're not going to put bait and ice and fuel in there, but the packing very often changes between dealers up and down the coast, and so you might have somebody packing on fifty-cents, and you might have somebody packing on a dollar. How exactly does the region figure what the real value is, or the average value, of all the dealers that are packing?

DR. STEPHEN: I guess I will answer to this, but we do collect information from the dealers on transactions outside of the catch share program, as well as within it, and it doesn't preclude potential collusion among all the dealers who have a lower price, and we typically, in the Gulf, have a couple of dealers we work with that are -- They freely give us what kind of the average market prices are, and there are little balances and checks that we use to groundtruth information as well. With the Gulf program, it's a much larger fishery, and so it becomes a little bit easier, I think, to identify outlier values. Likewise though, in a very small fishery, I think we would notice differences fairly quickly.

MR. M. FREEMAN: I think, actually, I'm now leaning towards actual ex-vessel value, to prevent a scenario wherein a fisherman that receives less on their catch ends up having to pay a higher proportion if the remainder of the fleet receives more.

MS. WIEGAND: All right. I'm hearing one person say actual ex-vessel value is what they want to go with, and does anyone else have any other thoughts? Am I going to see nods around the table? Where are the rest of you all leaning?

MR. REISS: I would prefer standard, because, that way, once again, I could plug that in as an expense, even before I pay it, to be applied to the trip itself. I would have a fixed price to go by.

MR. PHILLIPS: They are going to figure this number -- Like, for 2023, they're going to look at all the numbers for 2022, and then, whatever the number is, then that's what they're going to give for 2023, and I'm guessing that's going to be standard ex-vessel, and so, yes, it would definitely - - It's probably going to average out, and I doubt that it's going to make much difference, and, like Paul says, I think it will definitely be easier for bookkeeping and running the rabbits.

MS. WIEGAND: Go ahead, Jessica. Did you want to provide a bit more information for these guys to chew on?

DR. STEPHEN: Yes, and I just wanted to provide -- To let them know that we do have ledgers within the system that are allowed to help with their business and bookkeeping that show the transitions and the cost, so they could use that to anticipate the cost, if they go with ex-vessel. If we end up going with standard, we can also modify those ledgers, so you could see your actual ex-vessel, and then you would see what the standard was applied, and so you could also do your math and see that over time, but that is a service that we provide with the electronic program.

UNIDENTIFIED: Do we have to pay for that as well?

DR. STEPHEN: That is already built-in and so all I would do is limit it to the species that you guys are catching and just change the report, and so it would be part of the overall electronic program and the benefits of it.

UNIDENTIFIED: Sign the coupons, boys.

MR. M. FREEMAN: If Paul and Charlie want the standard ex-vessel value, we're perfectly fine with that, and it really doesn't make a big difference.

UNIDENTIFIED: I'm good with whatever these guys are good with.

MS. WIEGAND: All right, and so I'm hearing the group is coming around to standard ex-vessel value is what we're going to recommend to the council. All right. Then I believe we have gotten to the very end of Wreckfish Amendment 48, and so, like I said, the council is going to be talking about this at their September meeting, which is in Charleston, from September 12 through 16. Before I jump back to the agenda, is there anything else that anyone would like to talk about in terms of actions or anything that needs to be addressed with Amendment 48?

MR. PHILLIPS: Okay, and it was on the notes that we have to pay cost recovery, and, in the olden days, I thought there was -- It could have changed since then, since I was on the council, but I thought there was a conversation that, if we didn't change anything, and just renewed what we had, that we didn't have to pay cost recovery, but, if we have to pay cost recovery, whether we change it or not, and I just want to make dead-dog positive that that's where we are now.

MS. WIEGAND: That's where we are, and so, whether you guys move to a new program or stick with the old program or make a ton of changes or make zero changes, cost recovery is now mandated by the Magnuson-Stevens Act, and so you do have to pay it, regardless of what changes we make.

UNIDENTIFIED: I have a question. Can industry not have any input on what costs are? It's like I remember, when we first started talking about this, there was some -- There was some number thrown out by enforcement that was outrageous and totally unnecessary, and I just -- I don't think it's quite fair that industry doesn't have a hand in how costs are calculated.

MR. M. FREEMAN: If I recall correctly, from the prior meeting, I do believe that it was the law enforcement estimate for the costs they associate with enforcing the wreckfish fishery, in particular, that seemed steep, given the lack of enforcement presence, historically, that I think we all kind of took issue with.

MS. WIEGAND: I'm not -- I am going to have to ask NMFS staff if there is any avenue for fishermen to provide comment on the sort of ultimate costs of this fishery to the agency. I know that, since the percentage that's ultimately decided on is sort of out of the council's control, that the council process wouldn't necessarily be the appropriate avenue for that, but I don't know if another avenue exists, and so, Jessica, I don't mean to put you on the spot, but I am in fact going to do so.

DR. STEPHEN: I was going to say, but you're going to put me on the spot anyhow, and so I need to double-check in Magnuson, but Magnuson does set the cost recovery and what the cost recovery should be calculating, in order to do it in very broad, general terms. Let me get back together with our General Counsel and some other folks, to make sure, before I give you any definitive information about that.

It is typically the incremental costs though to run the program, and so we don't put cost recovery towards aspects that would be to do typical traditional management, and it would be costs in relation to the catch share program in and of itself, and, again, we are limited to collecting no more than 3 percent of the cost recovery. In the Gulf, that does not cover the entirety of the program. The benefit of what we're building in here is that we can proportion out different costs to the program, because we're going to use the same system, and so the wreckfish fishermen are not bearing the full brunt of an electronic system, and they are benefitting from the cost of a shared system and sharing the costs out among those for maintenance of that system.

MS. WIEGAND: Mike, did you have anything additional to add?

DR. TRAVIS: I just wanted to emphasize, again, that this is the reason why we really need a response from Headquarters, in terms of whether potential future stock assessments can be paid

for via cost recovery funds, because that would make, obviously, a big difference, in terms of the fee, I would assume.

MS. WIEGAND: All right. I am seeing no hands pop up as interested in talking about anything else related to this amendment, and so I will jump us back to the agenda, real fast, and the only other thing is any other business, and is there anything else that you guys want to talk about, in terms of the wreckfish fishery, or did we cover it all in Amendment 48?

MR. POLSTON: More quota.

MS. WIEGAND: All right, and then, last on the list, we've got public comment. There is no one sitting in the room. If you want to make public comment online, I'm going to give you a one, two, three to raise your hand.

Seeing no hands, that's all we had for you guys today, and I just want to give a big thanks to you guys for coming all the way out here, and I know Key Largo isn't necessarily the easiest of locations for everyone, and I know I speak for myself, and the council members, that we really appreciate you guys taking the time to show up and provide us input, so that this program can be designed in a way that's going to be beneficial to you all. I also want to give a big shout-out to the NMFS staff that's been online this whole time, helping to field questions and provide more detail, and that is all I've got for you guys today. Thank you, guys. Everyone have a safe trip home.

(Whereupon, the meeting adjourned on June 28, 2022.)

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Certified By _____ Date _____

Transcribed By
Amanda Thomas
August 26, 2022

Wreckfish Shareholders Attendee list - 6/28/22

Certificate	Shareholder	City	State	Shares	Contact Name	Phone	Email	Notes
✓150	Sea Farmers of America, Inc.	Port Orange	Florida	25.841	Mike Freeman	(386) 795-3664	mike@twojerks.com	
✓150	Sea Farmers of America, Inc.	Port Orange	Florida	-	Jim Freeman	(386) 882-6151	cfreeman23@bellsouth.net	
✓154	Kings Seafood, Inc.	Port Orange	Florida	5.167	John Polston	(386) 295-4406	kingseafood@bellsouth.net	
✓163	Stonebass Fisheries, LLC	Mt. Pleasant	South Carolina	49	Paul Reiss	(843) 870-9810	pwr060@gmail.com	
✓164	Peter Walter Boehm	Key Largo	Florida	5.314	Pete Boehm	(305) 522-3247	sustainableshark@yahoo.com	
174	Cole Richards	Deltona	Florida	2.994	Cole Richards	(386) 804-1967	-	Paul Reiss' Daughter
✓175	Fish Hound Seafood, LLC	Townsend	Georgia	11.528	Charlie Phillips	(912) 832-3149	ga_capt@yahoo.com	
177	Head East II Seafood, Inc.	Murrells Inlet	South Carolina	0.026	Chris Conklin	(843) 543-3833	conklincc@gmail.com	
178	Grey Ghost Fishing	Tavernier	Florida	0.1	Scott Vaeth	(305) 393-3224	scottvaeth@aol.com	
179	Boehm Seafoods, LLC	Key Largo	Florida	0.03	Pete Boehm	(305) 522-3247	sustainableshark@yahoo.com	

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Attendee Report: Meeting

Report Generated:
06/30/2022 11:19 AM EDT

Webinar ID	Actual Date/Time	Start	Duration
800-158-867	06/28/2022 EDT	12:20 PM	3 hours 53 minutes

Attendee Details

Attended	Last Name	First Name
Yes	Chaya	Cindy
Yes	Foss	Kristin
Yes	Glazier	Ed
Yes	Gore	Karla
Yes	Helies	Frank
Yes	Klasnick	01Kelly
Yes	LaVine	Britni
Yes	Mehta	Nikhil
Yes	Murphey	Trish
Yes	Smillie	Nick
Yes	Stephen	Jessica
Yes	Travis	Michael
Yes	Wiegand	01Christina