

Should catch history remain with the Snapper Grouper Permit or be attached to an endorsement?

Summary of Snapper Grouper Committee and Council discussions

In December 2011, the Snapper Grouper Committee discussed Amendment 18A to the Snapper Grouper FMP, which proposed implementation of an endorsement program for black sea bass pot gear in order to reduce effort in that fishery. The Committee held a lengthy discussion on whether the catch history should be transferable along with the endorsement or whether it should remain tied to the snapper grouper permit. The action to allow for transferability of the black sea bass endorsements contained alternatives that would and would not allow the transferability of catch history. After much discussion regarding which option would be less confusing to the fishermen and easier for the NMFS Permits Office to work with, the Committee decided to continue the discussion at Full Council in order to consult with Permits Office personnel. The discussion again ensued during the Full Council session at the end of the meeting. Salient points of both discussions are below. Verbatim minutes are attached to this summary.

- Transfer of catch history from the permit to the endorsement could be considered in two ways: (1) catch history associated with the permit *before* creation of the endorsement program, and (2) catch history associated with the endorsement *after* creation of the endorsement program.
- If the endorsement was associated with catch history prior to creation of the endorsement program, issues could arise when endorsements are transferred because one endorsement could accumulate a lot of catch histories from different snapper grouper permits.
- If landings histories become associated with endorsements, it is conceivable that somebody could start “collecting” endorsements, since they likely will have a value less than the permits, and landings histories could become massive.
- If catch history is tied to the endorsement, it is possible that fishermen could accumulate catch histories in anticipation of a catch share program being implemented in the future. If the history stays with the permit, then that would help maintain a level playing field if the Council were to consider a catch share program in the future.
- If the endorsement was only associated with catch history after the creation of the endorsement program, then there would be prior black sea bass landings tied to the permit and that would create a split that needs to be tracked, especially if the Council were to consider a catch share program.
- Snapper Grouper Advisory Panel recommended keeping the catch history associated with the permit.
- Having catch history tied to the endorsement could create problems with the “two for one” requirement if both permits have endorsements associated with them. How would the catch histories of the two endorsements be handled?

- NMFS Permits Office stated that landings could be tracked either way (history tied to permit or endorsement). However, their recommendation to keep things “cleaner” was to keep the history associated with the permit.
- The Council’s position in the past has been that the transfer of the permit constitutes a transfer of the vessel’s entire catch history to the new owner. This is what fishermen understand and are already used to.
- Suppose a snapper grouper permit has some lesser landings history of black sea bass on it so the owner did not qualify for an endorsement but subsequently obtains one through a transfer or purchase. Would that person get credit for the endorsement landings that come over plus his original snapper grouper permit landings? Then if the endorsement is subsequently sold, do only the initial qualifying snapper grouper permit landings go with it and the original catch history remains on the permit?
- The endorsements could be designed in such a way that the qualifying permit’s landings do not become associated with the endorsement but any subsequent landings that come after the issuance of the endorsements are associated with that endorsement. Then, when the endorsement is transferred, it wouldn’t pick up all the subsequent permits landings. However, this design creates complications.

MR. HARRIS: So move, Mr. Chairman, that we create a new Alternative 5 and do what Gregg suggested we do. I will have to have somebody put it up there on the – I'll make the motion to help you out, but I can't do it. Yes, sir, and make that our preferred.

MR. CURRIN: Okay, motion by Duane to create a new Alternative 5 instead of modifying Alternative 4 and make Alternative 5 the preferred alternative. Second by Charlie. Discussion? Brian and Gregg, is that sufficient direction with that motion; you guys are clear?

DR. CHEUVRONT: Yes, I think we're fine with that.

MR. CURRIN: Any opposition to the motion? I see none and that motion is approved. Anything else, Brian, from overnight?

DR. CHEUVRONT: No, I think that's it. Thank you; I think you've saved us a number of hours of work there because as you know we're under deadline once this is all over. We're now on the same document. If you're following along in the decision document, it's page 15, Action 3, which is if you're following along in the full amendment that was in the briefing book, that is PDF Page 177, document page 126.

This is the establishment of an appeals process for fishermen excluded from the black sea bass pot endorsement program. Currently your preferred alternative is Alternative 2; a period of 90 days will be set aside to accept appeals of the black sea bass endorsement program starting on the effective date of the final rule. The Regional administrator will review, evaluate and render the final decisions on appeals. Hardship arguments will not be considered. The RA will determine the outcome of appeals based on NMFS logbooks.

If NMFS logbooks are not available, the RA may use state landings records. Appellants must submit NMFS logbooks or state landing records to support their appeal. This is the alternative that was supported by the Snapper Grouper AP and there were no other recommendations, what you need to do is just decide whether you want to keep this as your preferred or something else or move on, whatever you'd like.

MR. CURRIN: Bobby, anything you wanted to add?

MR. CARDIN: No, sir, the AP supported it; that was it.

MR. CURRIN: Any desire by the committee to change the preferred? I see none; let's move on.

DR. CHEUVRONT: Okay, Action 4, PDF Page 179, document page 128 – Action 4 is to allow transferability of black sea bass endorsements. Currently you do not have a preferred and you need to select a preferred. Right now Alternative 1 is no action, that you would not be allowed to transfer them.

Alternative 2 is they can be transferred between any two individuals or entities that hold a valid or renewable unlimited snapper grouper permit, and the endorsement and associated landings

history of black sea bass can be transferred regardless of whether or not the unlimited snapper grouper is transferred. Then the subalternatives have to do with the length of period that you must wait before you can transfer that permit, either starting upon implementation, after two years, three years or five years.

Alternative 3 is that the endorsements can be transferred between any two individuals or entities that hold a valid or renewable snapper grouper permit. The endorsement and associated landings of black sea bass history will be transferred only if the snapper grouper permit is transferred, with the same transferability time limits on there.

The distinguishing factors between these two have to do with whether or not how the history can be transferred. One, either you require the transfer of the snapper grouper permit and then the history can be transferred or you do not require the history of the snapper grouper permit to be transferred and to allow the history to go with the endorsement.

MR. HARTIG: I just move Alternative 2, Subalternative 2A.

MR. CURRIN: Motion by Ben to select Alternative 2, Subalternative 2A as the preferred; second by Tom Burgess. Discussion? Bobby.

MR. CARDIN: The AP on this, there was some talk like biologically if the catches are caught in a certain area and it transfers to, say, a Florida boat or something, that would have some social and economic impacts let's say if a Florida boat bought up a bunch and moved it to Florida. Other than that, I believe that was the only thing can recall.

MR. CURRIN: Did you guys select a preferred here: I don't recall that you did; just some discussion of it, yes.

MR. CARDIN: We selected no action, leave it the way it is, the program the way it is.

MR. CURRIN: All right, further discussion the motion? Monica.

MS. SMIT-BRUNELLO: Why don't you go ahead with this motion and then I'll bring it up.

MR. CURRIN: Any further discussion on the motion? **Is there any objection to the motion? I see none and that motion is approved.**

MS. SMIT-BRUNELLO: In discussing this with people back at the regional office who deal with permits – I think you met Carolyn Sramek; she heads up that office – she was talking about whether the council wanted to allow the transfer of an endorsement that perhaps had expired. Her suggestion was a valid – in the beginning of Alternative 2, for example, you would say, “A valid or expired black sea bass pot endorsement can be transferred to any individual or entity that holds or simultaneously obtains a valid unlimited snapper grouper permit.”

Her thought was based on I think the rock shrimp and some other situations where someone would fail to renew their endorsement or would renew their endorsement and not renew their

permit. You know, we got into that whole situation where people didn't understand perhaps and didn't renew both the endorsement and the permit.

Her theory was if the council wanted to go this route, that if you allowed an expired permit – I guess you would allow the renewability of an endorsement at any time. So, if Duane had an endorsement and it had expired, he would still be able to transfer it to Tom because that endorsement could still be renewed. Her suggestion was a valid or renewable black sea bass endorsement.

DR. CRABTREE: I think the gist of it is if you want to buy someone's endorsement, you've got to renew your snapper grouper permit before we're going to give it to you.

MR. CURRIN: Well, what's your pleasure here, folks?

DR. CRABTREE: Well, I think that these are good comments and we ought to modify the language. Do we need a motion to modify the language in Alternative 2 or 3?

MR. CURRIN: I think the staff would probably appreciate that and probably could include the same language in 2 and 3.

DR. CRABTREE: Right. All right, I'll move that we modify the language in Alternatives 2 and 3 to read as follows: "A valid or expired black sea bass pot endorsement can be transferred to any individual or entities that hold or simultaneously obtain a valid or renewable unlimited snapper grouper permit. The endorsement and associated landings history of black sea bass can be transferred regardless of whether or not the unlimited snapper grouper permit is transferred."

MR. CURRIN: A motion by Roy and a second by Tom Burgess. David.

MR. CUPKA: If I can ask Roy a question while they're getting that together; we didn't say valid or renewable permit because I guess the permits office considers a permit that is still able to be renewed as a valid permit; is that correct?

DR. CRABTREE: Yes, but what we're saying is we're not going to transfer the endorsement to you unless you renewed – you have to renew your snapper permit before we're going to make the endorsement transfer to you. I guess if the motion passes maybe a little discussion about the landings history business, because the way I'm reading this, Monica, the landings history goes with the endorsement for sea bass. Well, it has got that language "the endorsement and associated landing history can be transferred."

MS. SMIT-BRUNELLO: That's the way I read it, too.

DR. CRABTREE: So I'm reading that that the landings, should we ever come to a catch share program with sea bass, the landings histories would be associated with that endorsement; so if you transfer your endorsement, your landings histories on sea bass go with it.

MR. CURRIN: I think that's everyone's understanding; is that correct. Brian?

DR. CHEUVRONT: Yes, in regards to this motion that we have up there, we really only need to change the language of the first sentence of 2 and 3; because if you change the second sentence in Alternatives 2 and 3, it makes them identical and we don't want to do that. We want to keep that distinction there, so really all the changes are in that first sentence.

DR. CRABTREE: So just to further complicate all of this, so the way I'm reading it the landings history goes with the endorsement, but the endorsement doesn't exist until when all this goes in place. Once the endorsement is created, whatever landings history occurs under that endorsement goes with it, but I guess the landings history prior to the existence of that endorsement is with the snapper grouper permit; so that if I buy your endorsement, I'm getting your landings history just from the creation of the endorsement forward, but you still have your landings history on your snapper grouper permit. Do you follow what I'm saying?

MR. CURRIN: Is that the intent of the committee? Well, you could leave it with the permit as the way it is now or I guess we could specify that upon establishment of the endorsements, that the prior landing history from that permit would be attached to the endorsement, if that's what you wanted to do. Jessica.

MS. McCAWLEY: Prior landings history just specific to black sea bass?

MR. CURRIN: Yes.

DR. CRABTREE: And maybe it's what you just said, Mac, but I guess you could do this and say when we create these endorsements and those endorsements all are going to go on a snapper permit, then all the landings history for black sea bass is now attached to that endorsement; and if you trade your endorsement all of your landings history for sea bass for all time since we've had snapper grouper permits goes with that endorsement, so that it's not split apart. I'm not quite sure what the pros and cons of that all are, to be honest with you, but I think splitting it up between the endorsement that's got recent landings history and the snapper permit has the old history might get – I could see how that might get confusing at least.

MR. CURRIN: As could I. Doug.

MR. HAYMANS: And the next tier to that is hook and line versus pot-caught black sea bass, right? I mean the endorsement is for pots, right?

MR. CURRIN: That's correct.

MR. HAYMANS: So his hook-and-line history is going to go over, too?

MR. CURRIN: It depends on how you structure it, but the simplest way, if that's the way you want to do it, would be all black sea bass landings associated with the permit would then be attached to the endorsement if that's the way you want to go. Otherwise, they remain separate; and I don't know, we'd have to ask Roy and the permits office as to how difficult that would be to track. As it is right now, based on our alternatives and preferreds, I believe it's going to be split. Roy.

DR. CRABTREE: Well, it seems to me that the cleanest way to do this is when we issue these endorsements, I mean they're based on their past landings history, and so is to say that, all right, now the landings history for black sea bass caught with pots are now attached to that endorsement; and if you sell that endorsement you're selling, all your pot fishing history is going with it. The hook and line is different; that stays with the snapper grouper.

That seems like the cleanest thing, but I am going to ask Jack McGovern if he would sometime before we come back to this in full council talk to Carolyn Sramek in our permits office, Jack, and see if we're making some unforeseen mistake with this and made sure that made sense. I just think if we let these landings histories get split among two different permits, it's going to create problems down the road.

MR. HARTIG: Roy, how did we handle the endorsement situation with red snapper in the Gulf; did we tie the catches to the endorsement if you transferred the endorsement?

DR. CRABTREE: There was 2,000 pound trip limited – I think it was a license called, wasn't it, in the Gulf and then there were the 225, and I think all of the qualifiers and all were based on those licenses; is that – they were licenses. Now don't ask me what is the difference between a license or an endorsement.

MS. SMIT-BRUNELLO: It's the same thing.

DR. CRABTREE: But I think all the landings histories were associated with those licenses. I think when we did grouper, that was just a reef fish permit, so the landings history was all associated with that reef fish permit. And then the other thing to think about with snapper grouper because of the two for one, we're going to have permits out there that used to be two permits. When the two for one occurred, I guess whoever owns that snapper grouper permit now gets credit for the landings history of both of the permits that used to exist? That's something else we need to think about.

MR. CURRIN: All right, we got a motion before us now to modify the language. The discussion we've just most recently had would require another motion to clarify our intent here, but let's deal with this motion that we have regarding valid or expired endorsements. **The motion is to modify Alternatives 2 and 3, the first sentence of each of those alternatives to read, "A valid or expired black sea bass pot endorsement can be transferred between any two individuals or entities that hold or simultaneously obtain a valid snapper grouper permit." Any further discussion? Any objection to that motion? I see none and that motion is approved.**

Okay what is your pleasure on dealing with this last issue about history and how that should be transferred? Roy's suggestion the cleanest way to handle it would be to specify that all prior black sea bass pot landings would be associated with the newly established endorsement. Bobby.

MR. CARDIN: Talking about the cleanest way, I don't understand why you wouldn't just let the history go with the permit the way it has been in the South Atlantic since '98. If someone

wanted to buy your endorsement, they just buy you out, buy your permit and your endorsement, and it would be cleanest to leave the history with the permit. The question is what is an expired endorsement? Is there going to be a timeframe like a year like a grouper permit or can it be expired for eight years? When does the expired endorsement just disappear?

MR. CURRIN: I can't answer that last question. I was under the impression endorsements would not be expired. I don't know whether they'll they have to be renewed every year or not. That's a question for the SERO office and it may just be some language problems there. But as to your first point, Bobby, I think we have had some discussions of that and there was some desire expressed for the fishermen to be able to retain his snapper grouper permit yet transfer his endorsement – sell and transfer his endorsement, but still retain it, so it would have to be associated with another snapper grouper permit but not necessarily the one that was initiated upon.

MR. CARDIN: Well, to that point, with the two for one and if you're transferring and the history goes with the endorsement, you could really stack up your landings and create a monopoly with the endorsement. It seems like if you left the history with the permits, it would be a lot more controllable as far as tracking the history of that permit.

DR. CRABTREE: So you're saying, Bobby, when I get my endorsement, then my sea bass landings are now attached to that endorsement; and I transfer my endorsement to someone else who has a snapper grouper permit, now all the landings history of that snapper grouper permit becomes attached to the endorsement; and if it got passed around a few times, it would get all those – yes, I think that's a problem.

MR. CURRIN: Well, I guess you could interpret it that way, Roy. I interpret it as kind of a one-time thing. We're setting up these endorsements, the prior history goes with those endorsements, and I don't see any mechanism for adding more history.

DR. CRABTREE: Okay, but if I have a snapper grouper permit that has some landings history of sea bass on it but it's not enough to meet the 2,500 pounds so I don't get an endorsement, so I buy an endorsement from another fishermen and now I've got his endorsement with all his landings history, yet I still own – and I put it on my snapper grouper permit, now I've got that landings history but I've also got landings history on my snapper grouper permit.

Now we come to a catch share, I get credit for all of that; and if I then transfer it someone else in the same boat, I could see how you would stack up landings histories that way. I'm not sure that's what we want to do. I guess an alternative way to do it is say we're going to issue these endorsements and they just allow you to fish, but the landings history is still with the snapper grouper permit; and so if you buy an endorsement you're just getting the endorsement that allows you to fish, but you don't get the landings history. I'm not sure what all the pros and cons of this are because I don't think we've really spent much time getting into the details of this.

MR. HAYMANS: So after a catch share program may be put in place; isn't that what you're doing when you're buying additional shares from somebody, you're just adding to your shares? That's just doing it before a catch share comes in place, right?

MR. CURRIN: Yes, I think you're right. Bobby, you have a comment?

MR. CARDIN: Well, that's the point. Some people are working their way buying permits and doing this kind of thing ahead of time and not telling – you know, fishermen, they don't know what is going on, and that is that people are stacking the deck and then come and say let's go catch share, let's go catch share.

A lot of us fishermen don't realize that is what some of these permit brokers are doing. In the Gulf, when the Red Snapper IFQ went into place, all of sudden those guys that bought permits that didn't even have any history with them because it was stuck with an endorsement – and, you know, just to have a fair and equitable level playing field we as fishermen know that the history goes with the permit and it just seems fair to the fishermen if it stayed that way, and it seems a lot simpler to understand the history is attached to the permit and not the endorsement.

MR. HARRIS: Just a question, Mr. Chairman, but there is nothing that prevents someone from buying a number of unlimited snapper grouper permits and stacking them that way right now, is there?

MR. CURRIN: Not to my knowledge. Roy.

DR. CRABTREE: You can't put but one snapper grouper permit on a vessel; so if you buy three snapper grouper permits you're going to put them on three different vessels, and then those permits still have those landings histories but you can't stack them on one vessel.

MR. CARDIN: Yes, sir, Duane, I can buy two for one and then go buy another two for one and two for one; I'm stacking it but now I'm doing what the two-for-one program was designed to do, to reduce permits.

MR. HARRIS: As Roy said, you've got to put them on different vessels so you're not reducing the number of vessels that are actually fishing. Well, the two-for-one, yes, but you've got to put a permit on a vessel, one permit per vessel, right? Okay, never mind.

DR. CRABTREE: I think this is the way Andy did this analysis, so you got a snapper grouper permit that used to be two snapper grouper permits, and what they did was take all the landings for both of those snapper grouper permits and sum it up, and so that then becomes the landing history for the new permit, and that's what was used to determine these qualifiers, right, Andy?

So I guess it's possible that two snapper grouper permits are bought and become one, then somebody buys that snapper grouper permit and another one, and they become one; I mean, you could in theory have multiple snapper grouper permits get united over time and pile up a pretty serious landings history, but I suspect that there aren't that many two-for-one transfers, and so I suspect that would be a seldom-encountered problem.

MR. CURRIN: Bobby, last comment.

MR. CARDIN: One last thing. But that's fine, that was the intent of the two for one to reduce the permits. So I have a Bobby Cardin permit; I can go buy your permit, put it right back on the same boat, put Bobby D. Cardin, and then I can go buy another one, put it on the boat and put Robert Cardin – you know, I can stack them that way, but I'm doing what council wanted was a reduction in the capability of the fleet, so I don't see no problem in doing that because that's what council intended.

MR. CURRIN: All right, what is your pleasure on this whole issue; how are we going to deal with the landings history and how they're going to pass forward, what are they going to be associated with? Roy.

DR. CRABTREE: Well, based on what I know right now I think the most straightforward thing to do is have the landings history remain associated with the snapper grouper permit and the endorsement just allows you to fish, but it doesn't give you the landings history. Now, I would like to ask Andy and Jack to really think this through and talk to Carolyn Sramek and we come back to this at full council. But based on my understanding right now I think that avoids the most problems.

DR. DUVAL: Just looking at the second sentence right now, which reads, "The endorsement and associated landings history of black sea bass can be transferred regardless of whether or not the unlimited snapper grouper permit is transferred," that doesn't require it. "Can" is not "shall".

MR. CURRIN: All right, I think Roy has got a good suggestion and let's let the staff dig into this a little bit more and think more about the implications and we will just revisit this at full council and make sure it's the way we intended. Roy.

DR. CRABTREE: I think if that's the way we go, we're going to have to modify that language, because that language seems to me to imply that the landings go with the endorsement.

MR. CURRIN: Yes, we will have to modify it, so let's think about it and get some advice and deal with this action at full council again. While we're moving to Action 5, I remind you we're scheduled to end this committee meeting at noon today. We'll be very lucky to do that, but please keep that in mind and let's try to move as quickly as we can without screwing something up. All right, Action 5, Page 18.

DR. CHEUVRONT: Correct, Action 5, Page 18, PDF Page 186, document page 135. Action 5 is to limit effort in the black sea bass pot fishery each permit year. Currently your preferred alternative is Alternative 5, require that each black sea bass pot in the water or at sea on a vessel in the South Atlantic EEZ have an attached valid identification tag issued by NOAA Fisheries Service. Limit the black sea bass pot tags to 35 per vessel each permit year. NOAA Fisheries Service will issue new identification tags each fishing year that will replace the tags from the previous year.

MR. CURRIN: Everyone okay with this preferred? No desire to change it; we'll move on.

MR. HAYMANS: Right, so that will be 718 for the first two years. You don't have it in the report. It is in the decision document, and I can see Myra shaking her head, so thank you, that's what I meant.

MR. CURRIN: Okay, is there further discussion of that motion? Is there any objection to that motion? **I see none, that motion is approved.** Under Action 2, to limit participation in the black sea bass pot fishery with an endorsement program, **there was a motion from the committee to select Subalternative 2A as the preferred and then a substitute motion to select Subalternative 2G as the preferred. That substitute motion was approved and on behalf of the committee I move that as the main motion. Is there discussion? Is there opposition to the motion? I see none; that motion is approved.**

Under Action 4, allow transferability of black sea bass endorsements, there was a motion from the committee to select Alternative 2, Subalternative 2A as the preferred, and on behalf of the committee I so move. Is there a discussion?

DR. CRABTREE: I think we had a lot of discussion about where the history goes, and I think wasn't that one of the issues we were going to try to resolve in full council?

MR. CURRIN: I believe you are right.

DR. CRABTREE: I think what I have gotten from my permits office that it would be most straightforward to track landings if they remained associated with the snapper grouper permit. It seems to me that is probably the best way to go with this. It avoids the most problems.

MR. HARRIS: Mr. Chairman, that would mean that the black sea bass pot endorsement would not have any landings history when it is created?

MR. CURRIN: That is correct.

MR. PHILLIPS: Roy, if somebody sells an endorsement, the history will not go with the endorsement, which is going to make is very difficult should the pot fishery ever decide to become part of an ITQ. That is going to make a mess out of that.

DR. CRABTREE: Can you explain why?

MR. PHILLIPS: Yes, if Tom sells his endorsement to Ben, Ben has got an endorsement and two years down the road and they decide to do an ITQ, but the years are going to be say a Boyles' Law or something, how are they going to separate out the history? Can they go back and separate out the history?

DR. CRABTREE: The history would just be what is associated with their snapper grouper permit. I think that is straightforward enough. Here is the problem with the landings going to the endorsement. If I get endorsed and so now we say, okay, so your landings are attached to the endorsement now, and then I sell you the endorsement. When you get it, then all of your snapper grouper permits also now become attached to that endorsement. If you then sell it to someone

else, then all of his snapper grouper landings get attached to that endorsement and that gets really squirrely to me.

MR. PHILLIPS: I know that happens with the two for one, but I don't see anybody really needing to keep buying endorsements once they get one, and the history with that endorsement should just simply go with that endorsement. I don't see anybody stacking endorsements. There is no need for that once you can go fishing.

DR. CRABTREE: In the example I listed nobody is stacking endorsements. It is just as the endorsements change hands, all of the landings that were associated with that snapper grouper permit then go with the endorsement. If it changes hands multiple times, it would end up with several snapper grouper permits worth of landings then attached to it, it seems to me.

MR. BURGESS: At this time, to my understanding the endorsement is just so that you can use pots and use that gear and that ability and that is because of its efficiency and things of that nature, so that is my understanding at this time not to consider what is going to happen down the road or something of that nature, so it seems appropriate.

MR. CURRIN: Keep in mind the AP's recommendation was – and as you heard Bobby yesterday was to keep the landings history associated with the permits as well.

DR. CRABTREE: I want to be clear; my office said they think they could track it either way. They just think it is more straightforward if the landings remain with the snapper grouper permit. I think we could do it either way. All these permit things are really complicated and you have to think hard about them.

MR. PHILIPPS: Well, I guess that leads to the question if they can do it either way, would it be possible if somebody to buy an endorsement and could they buy their history as a separate transaction?

DR. CRABTREE: I don't know how that would work.

MR. CURRIN: I think I heard Bobby in the background, and I think he is right, if it were a corporation you could.

DR. CRABTREE: But, Mac, I think the way I read this, the landings history goes with the endorsement; and if we want to have the landing history stay on the snapper grouper permit, I think we would need a new motion or a substitute motion or something. Is that your read of this motion?

MR. CURRIN: I am having a hard time figuring out exactly where I am and whether we are discussing the motion that I made on behalf of the committee. Myra you can straighten me out, but I thought I was on Action 2 with the first motion, which then was substituted. That motion ended up that I made on behalf of the committee was substitute Subalternative 2G, which was a 2,500 pound whole weight qualification.

They exclude those with no reported landings on black sea bass using black sea bass pot gear between January 1, 2008, and December 31, 2010. Is that not the motion that I just made? We voted on that and I made that one on behalf of the committee? Okay, I am behind then, sorry. Go right ahead, Roy.

DR. CRABTREE: What I am reading is it says the endorsement and associated landings history of black sea bass can be transferred regardless of whether the unlimited snapper grouper permit is transferred. Now I think the word “can” is a problem, because that doesn’t seem to indicate to me with any certainty which way. But I think if you want the landings history to go with the endorsement, we need to tweak that to make it clear that the landings history will go with the endorsement when it is transferred.

If we want the landings history to stay with the snapper grouper permit, then we need to modify that sentence to make it clear that is what is going to happen. If you want to make it optional and all that, then I think we need to not take final action and go back to another meeting because I don’t know what to do with that.

MR. CURRIN: No, I think we need to decide one way or the other how we want this to go, whether the landings history for those fish landed under the endorsement go with that endorsement or whether all of the landings history for black sea bass remains with the permit the way it is now.

MS. SMIT-BRUNELLO: Just to remind everybody, I am sure you remember, but it has been the council’s position in the past that the transfer of the permit constitutes a transfer of the vessel’s entire catch history to the new owner, so that is already on the books.

MR. CURRIN: I think that is the point Bobby made yesterday. That is kind of what fishermen are used to; that is what they assume. That doesn’t mean we can’t tie the landings as they are developed, I guess with the issue instead of an endorsement, with that endorsement. It is up to you folks. Roy said the permits office can do it either way. The cleanest way to me seems to be – I agree with Roy to attach it to the permit, but it is up to the committee.

MR. HARRIS: It really doesn’t make any difference to me; and since the AP has suggested that it go with the permit, I would be inclined to go with the AP’s recommendation on this. Even though I am kind of leaning the other way, I am just not very strong the other way. I think I would probably just go with what the AP has recommended, which is keeping it with the permit.

MR. CURRIN: Well, the one thing to me that makes it a whole lot cleaner is if you start tying landings to a new endorsement, there are prior black sea bass landings that are going to remain with that permit. Then you have got two things you have got to track. They say they can do it, but I think that is going to provide a lot of confusion with the fishermen as to if they buy a permit, or buy an endorsement separately. I am not sure they are going to know exactly what they are getting and it is going to be more difficult I think to find out. It is up to the committee though. Charlie.

MR. PHILLIPS: Well, if we come back at a separate point in time, which I think we will be, and we do like we have done with golden tile and we separate a hook-and-line sector out, you have got qualifying criteria; do we need to let the history follow the endorsement for the pots because of that or will it matter?

MR. CURRIN: Well, I don't know, Charlie, I can't answer that. Duane.

MR. HARRIS: Aren't you still going to have landings history by gear anyway, by gear and individual permit? If you have black sea bass pot landings, they are still going to be reflected. They are going to be reflected as a portion of the over all snapper grouper permit landings, I would think.

DR. CRABTREE: Yes, I think what we are talking about right now is pot landings and not hook-and-line landings.

MR. HARTIG: I thought it was going to be better to tie it to the endorsement. If you do get to a catch share program and somebody buys an endorsement a year ahead of time and then that history is still on the old snapper grouper permit, that could be a problem for the endorsement buyer. But it seems to me the best way to do it is tie it to the endorsement, if you want this thing to be transferred and to work its way through the fishery.

MR. CURRIN: That is what this motion before us does, I believe.

DR. CRABTREE: Well, we can do that; we just need to be clear about things. Would we say that when the endorsement is issued to a snapper grouper permit, then that snapper grouper permit's landing history is now associated with that endorsement. If I then buy that endorsement, I get your landings history with it.

But what if my snapper grouper permit has some lesser landings history of black sea bass on it, and I didn't qualify for the endorsement because of that, but I still got landings history and now I have my endorsement which I put on my snapper grouper permit. Now do I get credit for the endorsement landings that come over plus my snapper grouper permit landings? Then if I subsequently sell my endorsement, does only the initial qualifying snapper grouper permit landing go with it when I sell it and I keep what was on my permit? Do you see what I am saying? I think we can do it but we need to clarify some of those issues.

MR. CURRIN: Yes, it is a very good point and I think it is one Bobby made yesterday. I am not sure it sunk in until right now. But when you start dividing the landings histories up and associating them with an endorsement. it is conceivable at least that somebody could start collecting endorsements since they likely will have a value less than the permits. If something changed, then this landings history could be just massive. You could start stacking them, I believe, with endorsements by adding endorsements.

DR. CRABTREE: Yes, so I think if we want it to go with the endorsement, what I would say is the qualifying snapper grouper permit's landings are then associated with that endorsement. Any landings then that come after the issuance of the endorsements are associated with that

endorsement, but when it is transferred and then moved again, it doesn't pick up all the subsequent permits landings. But you can see that is complicated. I haven't even asked you the question I am going to about what happens if somebody goes in the two for one and buys two snapper grouper permits that both have an endorsement on it? We'll come to that in a minute.

MR. CURRIN: Monica, Bobby Cardin just whispered that he didn't believe that the alternative that attached the landings to the endorsement went out to public hearing and is that a problem?

MS. SMIT-BRUNELLO: Well, that is why I raised my hand until I got lost in the maze of Roy's transfers, and I think that I just almost gave up. I don't think that the scenario that Roy posed where once you create these endorsements and then you transfer the endorsement, you are transferring along the vessel's permit history. I don't recall that being in the document.

I think you probably have two options here; either the black sea bass landings stay with the endorsement and get transferred along or they stay with the permit regardless of the endorsement. I think those are your options. I agree with Roy on the "can" business. "Can" means you are able to, but maybe it doesn't say "shall", so it doesn't say you will.

MR. CURRIN: Yes, and my recommendation would be then if this is the alternative you want to stick with where the landings stay with the endorsement, that we include a suggestion to change that language from "can" to "shall". If you want to associate with the permit, it's probably cleanest to vote this motion down and then select the alternative that ties the landings to the permit. Any further discussion of the motion?

Does everybody understand where we are now and what we are doing? A vote in favor of this motion will tie the landings to the endorsement. If that is what you want, vote yes. If you want it tied to the permits, then we will take a separate motion to change that word up there. Is everybody clear? **All right, all in favor of the motion raise your hand, I see three in favor; all opposed, I see seven opposed. That motion fails.**

MR. JOLLEY: Mr. Chairman, I abstain. I can't make heads or tails of what you are talking about.

MR. CURRIN: Raise your hand and I'll try, but it may even get muddier if I try again.

MR. JOLLEY: I abstain.

MR. CURRIN: Let the record reflect that there was one abstention. Myra, you will have to help me out with which alternative it was under Action 4 that kept the landings with the permit. If that is the committee's desire, then we would need a motion to that effect. Yes, Charlie.

MR. PHILLIPS: Well, I still would like some clarification that if the landings don't go with the endorsement, can they be transferred at some – should some other management issue come up like an ITQ or something down the road, how are we going to handle history?

DR. CRABTREE: I think what we are looking at now is Alternative 3. That says the endorsement and associated landings history of black sea bass will be transferred only if the unlimited snapper grouper permit is transferred. If I want your landings history, I need to buy your snapper grouper permit. If you are in a corporation, I could just buy it. But if you are outside the corporation, I would have to buy another one, and there would be a two for one. Then I would get the combined landings history on those two snapper grouper permits.

MR. PHILLIPS: Well, let's say I am already in the fishery, I don't need a snapper grouper permit, I do want to pot fish, so basically I am swapping my boat over to a new permit, which is a part of a portfolio that we all have, because I don't think there is a fishery left that you can do fulltime. Then my permit with the histories that I have been collecting for years, I will have to sell that to somebody else so I think that is going to be messy.

MS. SMIT-BRUNELLO: Charlie, in that case why wouldn't you just buy a black sea bass endorsement from somebody? You have a permit.

MR. PHILLIPS: I am thinking that this is a really strong candidate. I am thinking about what happened in the Gulf with red snapper. They went to endorsements, they went through trip limits, and they ended up in catch shares because it worked for them. I think there is a highly strong possibility a few years down the road they may end up here. It is kind of like the constant catch. It looks good to start with, but I think it is going to bite us down the road. I am trying to figure out something so it is smoother down the road.

MS. SMIT-BRUNELLO: In the scenario you just posed, it is not that you were just wanting to go black sea bass fishing; it is that you wanted someone's black sea bass landings history?

MR. PHILLIPS: I mean both. I don't have an endorsement so I would want an endorsement and the history should it ever go to a catch share.

MR. BURGESS: Yes, as I had stated earlier I think this was developed to just give you the opportunity to use sea bass pots. I am uncomfortable moving forward with the endorsement having the landings with the idea of the possibility of an ITQ system. Today we are not dealing with an ITQ system.

I am not sure that management should reflect what might happen in the future or not. We are speaking also about sectors as far as hook and line and pots in the future in another amendment to try to address that. I do support that the hook-and-line sector maintain the historical participation in this fishery in one way or another. I kind of supported staying with the permit at this time and maybe deal with it at a later date.

MR. CURRIN: Is that a motion, Tom, to select Alternative 3A as our preferred? Again, the next motion, as you are likely aware, deals with some suggested language changing clarifications for this motion that we are with. I believe that is the one, is it not, that would maintain the history with the permit.

DR. CRABTREE: Yes, that one would do that. I guess another way to think of it is you could have landings history for years before the permits came into existence stays with the snapper grouper permits, but landings history from the endorsements being issued forward goes with the endorsement.

That way if you want to buy someone's recent landings history, you would get it when you buy their endorsement, but you wouldn't get the landings history before the endorsement went in play. I think, Monica, that is kind of an in-between those two, so from a NEPA perspective we would be okay?

MS. SMIT-BRUNELLO: As long as it is in the range of what was analyzed.

DR. CRABTREE: You tell me.

MS. SMIT-BRUNELLO: What does the new alternative say?

MR. CURRIN: Well, there hasn't been one yet, but it would be a hybrid of two and three, I think.

MS. SMIT-BRUNELLO: I will reserve final judgment once I look at it, but I think we will be fine because the first no action is you are not allowing any transfers, so I think we are all right.

MR. CURRIN: I think that would create a mess, personally, but that is just me and I may not know.

MR. HARTIG: Yes, the problem with these options is that you can never transfer just the endorsement. You have to transfer everything at one time.

MR. CURRIN: I don't think so.

MR. HARTIG: Okay.

DR. CRABTREE: You could buy someone's endorsement; you just wouldn't get their landings history if we approved 3A.

MR. CURRIN: All right, what is the committee's pleasure? Let's get off the block here. We just voted down the previous motion to tie the landings to the endorsements so that kind of leaves us with one option, I think, perhaps two.

MR. BOYLES: Mr. Chairman, I make a motion that we select Alternative 3A as our preferred.

MR. CURRIN: Motion by Robert' second by Ben. Discussion? Jessica, did you have something?

MS. McCAWLEY: Is the hybrid option that Roy just talked about, is that off the table now that we have this other motion, because the hybrid sounded pretty good that once somebody bought the endorsement the catch history from that point forward went with the endorsement. It sounds like Monica is saying that we could do that, but we have a motion on the table here.

MS. SMIT-BRUNELLO: Monica is saying that she would sure like to look at it.

MR. CURRIN: For clarity, Jessica, I think – and you may have said this and I just didn't quite understand it the way you intended, but I think what Roy was getting at was you established the endorsement. Your previous landings history stays with the permit. Whatever landings history you develop under that endorsement are tied to the endorsement. If and when you sell the endorsement, then you would get that landings history associated with the endorsement.

MS. McCAWLEY: Yes, that is exactly what I am saying.

MR. CURRIN: That is I guess a possibility. To me it seems like a nightmare, but I may not understand it. We have a motion before us to select Alternative 3A, which ties the landings to the snapper grouper permit, correct. Further discussion? Ben.

MR. HARTIG: Just that as these things come up in the future we can deal with them as we have problems. I am willing to go back to the more basic.

MR. CURRIN: Further discussion? **All in favor of the motion raise your hands, I see 10 in favor; all opposed, I see none opposed; are there abstentions, two abstentions. The motion is approved with 2 abstentions.**

DR. CRABTREE: Now I am assuming in the case where someone brand new comes into the fishery and buys two snapper grouper permits to do the two for one but both of them have an endorsement on it, we are going to tell him you can't have but one endorsement so you need to sell one of your endorsements and you can choose whichever one, but we are only going to let you keep one of those endorsements and we are not going to let you combine them somehow. Is that our intent?

MR. CURRIN: Well, I am not sure. I think it is moot, because there are no landings. If this goes through as this, there are no landings associated with the endorsement and all it is is a privilege to fish black sea bass pots. If you wanted two of them, I don't know why you would.

DR. CRABTREE: But I don't think we are going to allow two endorsements on one snapper grouper permit, which means you either have to get rid of one of your endorsements, sell it or it is just going to go away.

MR. CURRIN: I don't know. I have been surprised before and maybe you could buy one cheap and sell one high and that would be a viable scenario. I am not saying it couldn't happen. But, yes, I am fine with that; is everybody fine with that? Do we need a motion to clarify that?

DR. CRABTREE: No, I think as long as we are clear about that we are okay.

MR. CURRIN: Okay, we will make sure the staff at least gets a note.

DR. CRABTREE: I think as long as our intention is clear that no one can have more than one endorsement on a snapper grouper permit, then that clarifies that. The next question we had had to do with the renewal of these permits. Now I think the committee did not want to have the endorsements open ended so that you could renew it any time.

We were going to go with the – I think what we did was that it is automatically renewed when you renew your snapper grouper permit; is that correct? As long as you renew your snapper grouper permit, you have got your endorsement. But if you let your snapper grouper permit lapse and go away, the endorsement goes away with it, correct?

MR. CURRIN: I think we have got a motion to that effect in here. I am not positive, but there was one we tabled from yesterday and I think that is perhaps the one, but let us get there and let's see if we don't have it handled.

MR. HAYMANS: Mr. Chairman, I would just like to ask the question that if there was a motion to remove Actions 2, 3, and 4 from this amendment, is there another vehicle that can go in soon; and, two, does it affect the rest of this amendment in what we are trying to accomplish?

DR. CRABTREE: Say that again.

MR. HAYMANS: If we remove Actions 2, 3, and 4, because it seems to be giving us the most trouble right now, which is basically the pot endorsement, we keep the effort – at least the number of pots limiting the bringing back to shore – you keep all the other actions.

MR. CURRIN: To me, Doug, that is the guts of the amendment. That is why it was initiated to begin with. I would not be in favor of that. Robert, you had your hand up.

MR. BOYLES: You said what I was going to say.

DR. CRABTREE: Just to answer the question, you could do that by selecting no action on those three and then asking that those three be brought to you again at the next council meeting, and then you could make another decision. I am not commenting on the wisdom of that approach, but you could do it.

MR. CURRIN: Did you check out of your motel room already? (Laughter) All right, I think I know where I am. We just approved a new preferred or selected an Alternative 3A, which ties the landings to the snapper grouper permit. **I believe the next motion from the committee was to modify some language in the two previously discussed Alternatives 2 and 3 as follows: Under Alternative 2, a valid or expired black sea bass pot endorsement can be transferred between any two individuals or entities that hold or simultaneously obtain a valid or renewable unlimited snapper grouper permit. On behalf of the committee I so move.** Is there discussion of that motion? Myra.