SOUTH ATLANTIC FISHERY MANAGEMENT COUNCIL

SHRIMP COMMITTEE

Renaissance Orlando Airport Hotel Orlando, FL

June 10, 2008

SUMMARY MINUTES

Committee Members:

David Cupka, Chair Rita Merritt Susan Shipman

Council Members:

Duane Harris Dr. Wilson Laney Dr. Roy Crabtree Anthony Iarocci Tom Swatzel

Council Staff:

Bob Mahood Kate Quigley Kim Iverson

Observers/Participants:

Monica Smit-Brunello Bill Sharp Dr. Joe Kimmel Dr. Tom Jamir Kay Williams Carolyn Sramek Brett Norton Margot Stiles Richard Vendetti Dave Allison Dick Brame Karen Raine George Geiger Mark Robson John Wallace

Robert H. Boyles, Jr. Dr. Brian Cheuvront Mac Currin Lt. Brian Sullivan

Mike Collins Myra Brouwer

Kate Michie Hal Robbins Dr. Mike Travis Otha Easley Dr. Stephen Holiman Nicholes Chrobat David Dale Tricia Choe Glenn Delaney Bruce Irwin Buffy Baumann The Shrimp Committee of the South Atlantic Fishery Management Council convened in the Vienna Ballroom of the Renaissance Orlando Hotel Airport, Orlando, Florida, Tuesday morning, June 10, 2008, and was called to order at 9:53 o'clock a.m. by Chairman David Cupka.

Mr. Cupka: I'll call to order the Shrimp Committee meeting, if everyone will take their seats. Thank you. This is the Shrimp Committee meeting and the first order of business will be Approval of the Agenda. Are there any changes to the agenda? Seeing none, then our agenda is approved.

The next order of business will be Approval of the March 2008 Committee Minutes. Are there any corrections or additions to the committee meeting minutes from March? Seeing none, then our minutes are approved.

The next item of business deals with the Shrimp Review Panel. You'll recall we convened them by conference call earlier this year to look at the issue of the status of the stocks on pink shrimp and I'm going to ask Myra to run through the review panel report and the recommendations.

Ms. Brouwer: Thank you, Mr. Chairman. I will give you a brief overview of what's included in the Shrimp Review Panel report, which you received as part of your briefing materials. I'll quickly go through it. This was presented on Sunday afternoon also to the SSC. First, some background. Amendment 6 to the Shrimp FMP established a proxy for minimum stock size threshold as a parent stock size capable of producing MSY the following year.

The stock, again, seems to be below that threshold in 2008 and so back in March, the council requested input from the Shrimp Review Panel as to whether any management action was going to be necessary to address the overfished status of the pink shrimp stock. The panel, as David said, met by a conference call on April 24th.

What we found is that the landings in North Carolina, commercial landings, show a marked decline since 2005. Effort, as the number of trips, shows also a declining trend in 2005 through 2007, relative to previous years. I'm going to project the table that is in the report and you can reference that as well, so that you can actually see the numbers. Also, there is a negative relationship between the landings of white and pink shrimp, which is indicated by fishery dependent and fishery independent data, coming from the Pamlico Sound survey.

This is the table showing landings for North Carolina and Florida and also trips and CPUE. You can see the landings over here for 2005 through 2007. It's considerably lower than in previous years. This figure shows annual landings in thousands of pounds for 1983 through 2007 and the grayish bars denote pink shrimp and the darker gray is white shrimp. Again, there is some sort of a relationship where landings of white shrimp -- Where there's been high landings of white shrimp, there's been very low landings of pink shrimp.

In Florida, landings in 2007 are actually the lowest since the year 2000. Again, effort, as indicated by the number of trips, showed a steep drop in 2003 and recovered a little bit and declined again in 2007. The comparison in landings of pink and white shrimp does not show a trend in the area where the two species overlap and so, again, I'm putting up the table showing

the landings, the trips, and the CPUE in Florida.

This is a figure showing landings of pink and white shrimp in counties of Florida where the two species overlap, north of Cape Canaveral. Fishery independent data, SEAMAP data, found that density has been below the MSST threshold of 0.461 shrimp per hectare for the last five years. They ran some regressions that showed a significant negative relationship between the densities of pink and white shrimp during the period 1990 through 2007.

Here's that figure, showing that relationship. However, the R-squared, as you can see, is pretty low. The same was observed for pink and brown shrimp, a significant negative relationship there. The R-squared there is a bit higher. It's 0.59 and so there's that figure. Up here is a table showing the densities for pink shrimp, from 2003 to 2007, and it's highlighted in bold.

The Science Center at the Beaufort Lab has been running a model to predict spring pink shrimp harvest in North Carolina, based on overwintering temperatures, for about two decades now. The model is, however, no longer able to make accurate projections, which to them suggests that overwintering temperature is not any more a factor that is useful in predicting pink shrimp harvest.

Based on this information, the Shrimp Review Panel concluded that the abundance of pink shrimp in the South Atlantic is in fact not being affected by fishing, but factors other than fishing. Because of that, the Shrimp Review Panel has recommended that no management action be taken at this time.

When I presented this to the SSC on Sunday, there was some discussion as to what factors could potentially be affecting the density of pink shrimp and basically, there's really no good indication. The Science Center up in Beaufort, to my knowledge, has not looked at a different model, different than what they've been using, to see if they can continue to predict harvest and so there's evidently different factors at play that are affecting the abundance of pink shrimp in the region. That concludes my report and if you have any questions, I would be happy to try to answer them.

Mr. Cupka: Thank you, Myra. Do we have questions about the review panel report?

Ms. Shipman: I was looking for Brian, possibly. Back in the 1930s, I remember reading --When I was not alive, I want to quickly add, back in the 1930s, but some of the work by W.W. Anderson, some of that early shrimp work, I think there was a shift in that North Carolina fishery in the 1930s and it would be worth going back into the literature and taking a look to see what happened then. I vaguely remember that, reading it, I might quickly add, and not being there.

Mr. Harris: Bob reminded me when we were doing work on shrimp in Georgia in the early 1970s, when we saw high abundance levels of white shrimp, we had low abundance levels of brown shrimp and then vice versa. We just speculated that those other shrimp were eating the larvae of the other shrimp that were coming in and so that's why we had those low abundance levels.

Whether that was ever the case or not -- I put that in one of my papers as speculation, because I couldn't find it in any other literature at the time and then subsequent to that paper being printed, we did read in some other documents that that could be the case and so whether it is or not, who knows. I wasn't there with Shipman back in the 1930s, but that was in the 1970s.

Dr. Laney: It just so happens that back in the 1970s that I did my PhD on shrimp population dynamics in North Carolina and Duane is absolutely right. There's some spatiotemporal separation between those two species, too. When you look at correlations between two species that recruit at different periods during the summer, some of that negativity may be explained by the behavior of the animals themselves and as noted already, has nothing to do with fishing, per se.

I would have to go back and look at my own dissertation to remind myself of what I said at the time, but there definitely are some recruitment factors that enter into things, aside from just the wintertime temperatures, which, to the best of my recollection, seemed to have more to do with white shrimp distribution than pink shrimp landings in North Carolina, because pink shrimp are kind of at the northern end of their range in North Carolina anyway and so they are subject to a lot of fluctuations not only in temperature, but also discharge has a big impact on them, with white shrimp seemingly a little bit more able to tolerate fresh water than the pinks or the browns do. There are a lot of things that enter into it.

Mr. Wallace: In order to keep this from being a continuing, ongoing problem, can we use white shrimp as the indicator species, to determine whether or not it triggers a review? This is going to happen. We talked about this when we first set these guidelines, when I first got on the council, that there's never any pink shrimp out there.

It's always going to be an ongoing problem and it keeps triggering an overfishing issue that's got to be addressed by Magnuson. Why not use the white shrimp as the indicator species? If white shrimp fails over a five-year period, there's not going to be an industry or anything to manage. Why can't we do it that way? We've done indicator species for the snapper grouper complex. To that, can we do it without a full-blown amendment?

Mr. Cupka: I'm not sure we can do that. Perhaps Roy can tell us that, but I wouldn't say that there's never any pink shrimp out there, because obviously if you look at the table, some years there are significant amounts of pink shrimp.

Dr. Crabtree: There have been pink shrimp out there in the past. The CPUEs were higher. I don't know if you could do it with an indicator species or not. You might could, but you would have to amend the plan to do that and we haven't done indicator species for snapper grouper. We've talked about it for a long, long time, but we've yet to implement any of that. It may be something you can do. We would have to do the analysis and take a look at it.

Mr. Wallace: I'm just trying to keep this from going to the review panel every year, because like I say, it's going to continue to be an ongoing problem.

Mr. Cupka: I don't know how much of a problem it's been, because we haven't taken any

action. We've had discussions before that it's an annual crop and it's a little hard to really influence some of this and obviously the review panel thinks there are a lot of factors involved here and a lot of them are outside our control. They aren't even sure what all the factors are, but it doesn't appear that fishing is contributing to the problem. It's not an overfishing problem and so I'm not sure how we go from that.

Ms. Shipman: Hopefully we can address shrimp overall after the proposed rule is done with the ACLs and all of the new acronyms. I think we're going to have an opportunity to look at those annual species as a whole again anyway and I would suggest we do it more in a holistic fashion, to look at the shrimp plan overall.

Mr. Cupka: I agree with that. I think now is not the time to be -- We have more important things on our plate right now and if it's not that big of a problem, we'll wait until some of these other things are enacted and see what the impacts are going to be.

Dr. Crabtree: That makes sense to me and it may be that if something is just fundamentally changed in the ecosystem, whether it's an interaction between shrimp species, increased predators because of less shrimp effort, or climate change -- I don't know, but at some point you would have to recognize that the fundamentals of the productivity of the stock may have changed and this is the new reality.

That's what they refer to as a regime shift in the fisheries kind of thing and I don't know that we're at that point yet, but at some point, you've got to recognize that the environment may have changed and this is the way it's going to be and that's really the reality you need to base your fishery management on. I think that's all something we need to look at at some point in the not too distant future.

Mr. Wallace: To that, are we -- Is it being declared an overfished species when this comes into place?

Dr. Crabtree: It is an overfished species. That's what it's listed at in the Report to Congress and according to the overfished criteria we put in place. Overfished, in the context of the way it's used in Magnuson, does not necessarily mean the stock has been depleted by fishing. It just means the stock is depleted and in this case, pink shrimp appear to be depleted and why, we don't know right now. The scientists are telling us it's probably not because of fishing.

Mr. Wallace: To that and because the shrimp is not going to be subject to an annual catch limit in Magnuson and is that right?

Dr. Crabtree: That's right.

Mr. Wallace: One outweighs the other as far as -- Is there any implication of being declared overfished that's going to have a negative effect on us with the annual catch limit? What's the negative aspects of being declared overfished?

Dr. Crabtree: Right now, I don't know that there are any, because the scientists are telling us

that it's not because of fishing and so there's little we can do about it. I think we have to continue to monitor the situation and I don't think it has any bearing on the annual catch limits requirement. Annual crops are exempted from annual catch limits, but it is something that we're going to have to continue to watch and probably have to go back to this review panel until we come in and figure out how to deal with this and amend the plan.

Mr. Currin: I'm not on your committee, but I see Brian is in the room, and he may or may not be able to address this, but I was just curious as to whether there's any indication of a northward shift in distribution. North Carolina is, as Wilson said, is kind of at the northern end of the range of these things and I don't even know if within North Carolina if there's been any detectable shift in distribution northward.

There's no trawling in the inshore waters in the mouth of the Chesapeake Bay that I'm aware of for shrimp, but there may be some up there now. I just don't know, but if there's opportunities, it might be worth looking at, to see if in fact there's been a northward distributional shift in that species.

Mr. Cupka: Again, I think when we look at this whole issue, that's certainly one of the things we'll have to look at and see if there has been, but at this time, it doesn't appear to me that there's any real meaningful action that we can take to try and deal with this situation, other than continue to monitor it, unless anyone wants to offer any suggestions for how we might deal with it. If not, we're going to move on.

Ms. Shipman: Just one question and maybe a suggestion of National Marine Fisheries Service. When the report is finalized to go to Congress, is there a way that we can footnote the overfishing status? It may already be.

Dr. Crabtree: It already is.

Ms. Shipman: To me, that sounds like we're letting the public and Congress know this particular classification or characterization of the stock is not because of fishing mortality and I think as long as we do that, we're okay.

Mr. Cupka: Unless I hear otherwise, we're going to move ahead then and get into our major item of business today, which is Shrimp Amendment 7. I'm going to ask Myra, again, to give us an overview of the amendment and the public hearing draft that went out or it hasn't gone out, but it's been worked on.

Ms. Brouwer: Thank you, David. I've prepared, again, an overview, basically, to walk you through some background and what the various actions and alternatives are currently in Shrimp Amendment 7. Rock shrimp was added to the fishery management unit under Shrimp Amendment 1. In 1996, there was a federal rock shrimp permit that was required to fish for rock shrimp and this amendment also established the rock shrimp closed area, to protect Oculina coral.

Shrimp Amendment 4 established OY as MSY in the South Atlantic EEZ at 6.8 million pounds

and the overfishing threshold was set as two standard deviations above mean landings for the period 1986 through 1994. Then Shrimp Amendment 5 established a limited access program for the rock shrimp fishery. It required an endorsement to fish for rock shrimp in the EEZ off of Georgia and Florida.

The eligibility requirements for this endorsement were to have a federal permit on or before December 31 of 2000 and also to land at least 15,000 pounds in one of four consecutive years from the time of issue of the endorsement. This amendment also required use of vessel monitoring systems for vessels with a limited access endorsement and it also required vessel operator permits.

Shrimp Amendment 6 revised the status determination criteria for rock shrimp. It lowered the MSY/OY to 4.9 million pounds, based on landings from 1986 through 2000. It established the overfishing rate and the overfished status at one-half BMSY for two consecutive years.

The current issues that the council would like to address with Shrimp Amendment 7 are the need to maintain effort and infrastructure for this fishery to remain viable. There's a concern that the make-up of the fishery could change under the current requirements. The potential loss of endorsements, due to not meeting the landing requirement or confusion that has ensued over the naming of the endorsement and the permit, is also a concern and there's also a lack of economic data for the shrimp fisheries in the region.

The actions and alternatives are listed in the document summary, which you have a copy of. It's PDF page 18 if you would like to follow along. Amendment 7 includes five actions. Actions 1 through 4 are specific to the rock shrimp fishery and Action 5, as I've already mentioned, applies to both rock and penaeid shrimp fisheries.

Action 1 addresses the landing requirement. Alternative 1 is no action. Alternative 2, which you picked as your preferred, is to remove the 15,000 pound landing requirement. Alternative 3 is to reduce that landing requirement to 7,500 pounds. Based on the analyses that have been conducted thus far, the impacts would be a 34 percent reduction in fishery participation if the requirement for the 15,000 pound is maintained.

There would be negative biological impacts under Alternatives 2 and 3, due to an increase in effort, although those would probably be minimal, and there would be the least long-term administrative impacts under Alternative 2. One thing that came up since the March meeting is - In team discussions, we found out, or we determined, that right now there is no formal mechanism by which the South Atlantic rock shrimp landings can be compiled and reported to the permits office for the purpose of determining whether an endorsement holder has met the landing requirement. If the council chooses to retain this landing requirement, such a mechanism is going to need to be created in the future and certainly this would add to the administrative burden. Action 2 deals with endorsements due to not meeting the landing requirement.

Mr. Wallace: Can you explain that? I always thought they had to turn in their landings reports or do they turn them into the state and it's just not going to NOAA? Why is there no formal mechanism to compile these landings?

Ms. Brouwer: I'm going to let Dr. Mike Travis answer that for you.

Dr. Travis: John, what we're talking about is something equivalent to like a quota monitoring system, like we have in some of other fisheries, whereby the landings information would be compiled on an annual basis and then reported back to the permits office and then they would determine who has met the landings requirement and who has not and then begin the process of potentially revoking endorsements for the vessels that did not meet the landings requirement. That system is not in place.

Ms. Smit-Brunello: Mike, that doesn't mean that you can't get the landings right now and make the determination as to who meets the minimum landings requirement, is that correct?

Dr. Travis: Yes, that is correct.

Ms. Shipman: Is it more of a Gulf issue than a South Atlantic? The South Atlantic, we all have trip ticket systems, I think, North Carolina through Florida. That's going into the ACCSP data warehouse and so is it the boats, any landings that are going over to the Gulf? I guess I'm struggling with what the problem is.

Dr. Travis: The issue is that yes, that information from the South Atlantic states would go to ACCSP when the data is actually provided to them, but then once it goes to ACCSP, then someone -- The information has to be compiled and then it has to be provided to the permits office, so that a determination can be made. Someone has to do that.

Mr. Cupka: It's not that the data isn't available, but it just hasn't been provided to the permits office for them to say this person or this vessel has met the requirements of the endorsement. Is that correct?

Dr. Travis: Correct.

Ms. Shipman: On the Atlantic side of the landings, Mike, do you all not have access to the ACCSP data warehouse? I thought you all had the confidentiality clearances and all of that to get it.

Dr. Travis: Yes.

Ms. Shipman: If it's a matter of the states knowing who our permit holders are and providing you all that information, I assume the states could do that. I don't want to speak for the others. We've got so few boats in this that we certainly could, but it seems like the Atlantic side is not an issue, necessarily. I can see where the Gulf might be, because obviously their data are not coming into the ACCSP system.

Mr. Cupka: Other questions or comments? If not, we'll ask Myra to continue through her presentation.

Ms. Brouwer: Moving on to Action 2, this one addresses endorsements lost due to not meeting

that landing requirement. Again, Alternative 1 is no action, do not reinstate those endorsements. Alternative 2, which has been picked as your preferred, is to reinstate all endorsements lost and Alternative 3 is to reinstate endorsements for vessels landing at least 7,500 pounds.

The impacts of these alternatives would be adverse biological effects from Number 2 and 3. The most beneficial socioeconomic effects and most burdensome administrative effects would be under Alternative 2.

Action 3 deals with endorsements lost due to failure to renew. Under Shrimp Amendment 5, the language in that document required a limited access rock shrimp permit. However, when the final rule was published, it required a limited access endorsement. The federal rock shrimp permit can be renewed at any time, but the endorsement is only renewable for one year after it becomes inactive. After that, it is non-renewable and it's basically lost to the fishery.

A number of endorsements are currently non-renewable and some of those are linked to vessels that did meet the landing requirement. Alternatives for this action are no action and your preferred, Alternative 2, is very detailed, because the council wanted to make sure that those folks that were serious about participating in this fishery were given a chance to continue to participate in the fishery and so Alternative 2 is to reinstate all endorsements for those who renewed their permit in the year in which they failed to renew their endorsement.

In addition, it would require rock shrimpers eligible to have their endorsements reinstated to apply for a limited access endorsement within one year after the effective date of the final rule for this amendment and there is a note under this alternative that eligible individuals need to have had an endorsement at one time. Again, this is to ensure that it addresses the needs of those folks who really would like to remain in the fishery and who because of confusion did not renew their endorsements when they were supposed to. Alternative 3 would extend the time allowed to renew the rock shrimp endorsements to one calendar year after the effective date for this action.

Impacts would be minimal biologically from Number 2 and Number 3. The most beneficial socioeconomic, of course, and most burdensome administrative impacts would be from Alternative 2. An issue that came up during team discussions is the fact that Alternative 2 refers to individuals, whereas the endorsements are issued to vessels. There's going to need to be a little bit of wordsmithing to that alternative to specify that language and that's because this distinction can be important when the regulations are drafted.

Action 4 is to change the names of the permit and the endorsement to minimize the confusion that currently exists. The no action alternative is to continue to use the open access permit and limited access endorsement. Alternative 2 is to create two types of permits for the rock shrimp fishery and specify that each vessel can only have one of them.

The Rock Shrimp Permit South Atlantic EEZ would allow fishing throughout the EEZ and the Rock Shrimp Permit Carolinas Zone would allow fishing in the EEZ off of North and South Carolina and so these are the only two alternatives under this action and the council has not yet picked a preferred.

This action would have no direct biological or economic effects and again -- Positive social effects, in that confusion would be minimized and it would have significant short-term administrative effects, from the permits office having to revamp their system and change the forms that they're currently using and things like that.

Action 5 is to require shrimp permit holders to provide economic data. Alternative 1 is no action and Alternative 2 is to require economic data collection from all South Atlantic shrimp permit holders and Alternative 3 has been picked as the preferred. It's to require South Atlantic shrimp permit holders to provide economic data if they are selected to do so. There are no biological effects and there's a beneficial economic impact and significant administrative burden from Alternatives Number 2 and 3. Mike is going to go into more of the details of what these impacts are and show you numbers. If you have any questions, I would be happy to answer them.

Mr. Cupka: Are there any questions? What I would like to do is ask Mike to go through his economic analysis and give us that information and then we'll go back through the action items under Amendment 7, to continue our discussion and see if we want to make any changes, change any preferred alternatives or pick a preferred alternative for Action 4. What I want to do is ask Mike Travis to go ahead and give us his economic analysis and he also presented this to the SSC earlier this week.

Dr. Travis: First of all, I just wanted to point out that yes, I do know how to count appropriately. I do have my reasons for taking these actions in somewhat of a different order than the way that they are in the amendment and hopefully that will become clear as we proceed through the presentation and I also want to emphasize that this is at this stage a preliminary analysis. The complete regulatory impact review and regulatory flexibility analysis will be done before the council takes final action, presumably at the September meeting, and so we are going to flesh these impacts out a little bit more.

Without going into all the details that I covered with the SSC, suffice it to say that I compiled all of the relevant permit data for the South Atlantic shrimp fisheries, which would be the rock shrimp endorsements, the open access permits, rock shrimp permits, and the South Atlantic penaeid shrimp permits.

I compiled the aggregate landings, revenue and price information for the fisheries as a whole, compiled landings and revenue data for all of the permitted vessels, for 2003 to 2007. I compiled all the pertinent dealer-level information and just, as you folks are aware on the committee, we did a preliminary analysis of this that I presented actually over the phone at the August meeting last year, where we looked at the information for 2003 to 2006, and then the council decided to proceed with the amendment after receiving that particular analysis.

The information now has been updated to take into account 2007 data and the focus of the analysis now is on 2004 to 2007. We also did a fairly significant amount of editing to the data and I just want to touch on that really quickly. The reason for that is we discovered, as a result of the previous analysis, that there was a fair amount of confusion on the part of several dealers in the State of Florida with respect to water body codes that distinguish between Gulf and South Atlantic waters.

That confounded the previous analysis and was giving us some false results and we believe that we have corrected that to the extent possible, in some cases actually referring to VMS information. We also took into account changes in the vessels who currently have the endorsements and the permits and the other thing that we focused on was in the previous analysis, we did not look at whether the landings were coming into federally permitted dealers or not.

I was reminded that that is a requirement that has been in place for over a decade now, so that vessels who are landing rock shrimp that come from South Atlantic waters, those landings need to come into federally permitted dealers. If they are coming into non-federally permitted dealers, those landings, in effect, are not legal and cannot be counted towards the landings requirement.

I won't go into the details of the comparative analysis, but I redid the 2003 to 2006 analysis and then did the 2004 to 2007 analysis and what we found was that the impacts of the current regulations are much more severe than what we had seen in the 2003 to 2006 analysis.

Mr. Wallace: I guess this is more a question for the states. Are there dealers now state permitted and not federal or are all of them required to be federal?

Ms. Smit-Brunello: In the current fishery management plan, there's a requirement for dealers who receive this to have a federal permit and I'm assuming they also need to have their requisite state permits as well.

Mr. Wallace: What you're saying is in order to legally land rock shrimp it's got to go through a federally permitted facility right now.

Ms. Smit-Brunello: That's correct.

Dr. Travis: Then just to expand on that a little bit more and then I'll move on, but in certain years it has not been an issue, but in at least a couple of years, there's been anywhere from 6 to 8 percent of the landings have come into non-federally permitted dealers and so that did affect some vessels.

Ms. Smit-Brunello: I believe that once Mike brought this to everyone's attention, because it wasn't -- No one realized this was going on and the Fisheries Service sent out a Fishery Bulletin as well to everyone, to remind them that they had to have a federal dealer permit to receive these rock shrimp. That just went out, the bulletin did.

Dr. Travis: Let's talk about Action 5. This is the action that would require all federally permitted shrimp vessels in the South Atlantic to provide economic data and the purpose of this particular action is basically to meet several of our legal mandates, including Executive Order 12286 and the Regulatory Flexibility Act, where we should be looking at impacts of management measures on net benefits and on profitability to vessels and without cost and profit information, it is very difficult to do that.

This is also to meet the requirement in the reauthorized version of Magnuson-Stevens, whereby

we are supposed to be specifying the economic data, that we require fishery participants within the FMP. This will meet that mandate as well. The requirement would cover all vessels that have the limited access rock shrimp endorsement, the open access rock shrimp permit, and the South Atlantic penaeid shrimp permit as well.

Now, there are about 700 unique vessels that have those permits. Of course, there are many more permits than that, but many vessels have two or all three of those particular permit/endorsements. We currently have this type of a required economic data collection program already in place in the Gulf, which we implemented in 2006.

We have discussed this with the Center personnel and we intend to make this a joint program, because there is considerable overlap between the vessels that are already covered by the Gulf program and those that would come in under the South Atlantic. In fact, there's about 300 vessels that are joint Gulf and South Atlantic vessels.

What means is that there are basically 400 new vessels that are unique to the South Atlantic fisheries that would come in under this program and so the new burden would fall on those 400 unique vessels of the South Atlantic. The survey is basically a two-page survey, where we sample about 30 to 33 percent of the permit holders on a random basis.

We will be stratifying that sample, so that we get appropriate coverage of the Gulf shrimp fishery, the South Atlantic penaeid shrimp fishery, and, of course, the rock shrimp fishery as well. The Center estimated that the survey takes about forty-five minutes to complete. Obviously there's no direct cash expense and no direct burden to the fishermen for this, but there is an opportunity cost, because of the time involved in completing the survey.

We estimate that burden as an opportunity cost, based on the time that they have to spend filling it out. The Bureau of Labor Statistics says that what we call first-line supervisors in the fishing industry that an hourly wage is approximately \$19.33 per hour and so that comes to about an opportunity cost of \$14.50 cents per vessel per year. If we were to actually do a census, which is one of the alternatives, the total opportunity cost to the fleet would be \$5800 or if we do a 30 percent sample, it would be about \$1,700.

The reason that I wanted to cover that is because, of course, when we look at the effects of the other actions here, we're primarily going to be looking at impacts to landings and revenues and not so much impacts to net benefits or profits, because, again, we currently don't have that information.

A little bit of background with respect to the other actions, we have -- Under the limited access program for rock shrimp, we issued 155 endorsements. The amendment initially estimated that there would be 167, but the final number was in fact 155.

In Amendment 5, the council specified that their target for this fleet, in terms of a maximum fleet size, or optimal fleet size, was 150 vessels. We actually were fairly close to that from the beginning. Now at present, as of today, or at least when I last looked at the information, of those 155 endorsements, 105 of those are active not in terms of landings, but in terms of their

endorsement is up to date.

Twenty of those have expired, but they are still renewable. They're still within their one-year timeframe of renewing those endorsements. Thirty of the endorsements have already terminated. In other words, they are not renewable at this time. That information -- I believe we passed out a handout that has one of the critical tables. In fact, it's probably the most critical table in the amendment at this point.

You can see that information is in Columns 2 and 3 of that table, where the total number of endorsements is 155, according to the second column of the table, and then you will see that the currently active or renewable is 125, of which 105 are active, twenty are renewable, and then the thirty are currently terminated. That information is in Columns 3 and 4 of the table that was passed out to you.

What that means is that currently our maximum fleet size in the fishery, under existing regulations, is 125 vessels. We no longer have 155 endorsements in this fishery, but we have 125. With respect to performance in the fishery, it's important to note that two of the last three years, 2005 and 2007, have been two of the worst years on record for this fishery in terms of landings and revenues. In fact, the two worst years since the first year when the fishery came into being.

You look at the information that's in the amendment and you'll see that catch per trip, the number of vessels participating in the fishery, and the amount of effort, as measured by trips, were very low during those two years as well.

You'll also see in there that rock shrimp prices basically crashed in 2004 and remained relatively low in 2005 and recovered somewhat in 2006 and continued to increase in 2007. They're not major increases, but at least they've reversed the direction. The problem for the fishermen, of course, is that fuel prices have been rising during this time as well and in fact, they've been increasing at a faster rate than the rock shrimp prices have been and that's been particularly true over the last four to six months, where, as we all are well aware, diesel fuel prices have risen in an unprecedented manner.

One of the other points that I wanted to bring up is that previously I had looked at the market value of these endorsements, because, of course, these endorsements are fully transferable and so they have some value to them when they are sold to another individual who wants to put them on another boat.

Previously, when I had looked at this information, the average purchase price of these endorsements was approximately \$10,000. That was in the first two years during which the limited access program was in place. In reviewing the data more recently, I would say that that average has fallen by about 50 percent, to approximately \$5,000.

That may even be a little generous and this is to be expected, because the market value of these endorsements is going to reflect the economic performance of the fishery. As the fishery becomes less profitable, the value of those endorsements is going to go down and that is what has happened.

With respect to Actions 3 and 4, the way I gauged what the council was saying with respect to their goal for this particular amendment was that they wanted to increase, or at least maintain, the maximum potential productive capacity of the harvesting fleet in order to support the onshore infrastructure. As we all know, if you don't have a sufficiently large enough harvesting sector, there's not going to be enough production coming in to support the onshore infrastructure.

I also wanted to point out that this is sort of what's led to the confusion with the current process, is that Amendment 5 discussed the implementation of the limited access permit. In fact, what was implemented was a limited access endorsement and so that's why we're coming back to this issue in this amendment.

The endorsement -- Some people, I guess, are confused by that term. It's important to remember that the endorsement is basically an attachment to the open access permit. You can't have the endorsement without having the open access permit. The open access permit you need to operate in the EEZ off the Carolinas. If you're going to be operating in the EEZ off of East Florida and Georgia, you need both the open access permit and the limited access endorsement.

Myra already talked about the application and the time period and so I won't go into that. We do believe that part of the confusion here also is that on the physical application form itself there is a separate section for open access permits and another one for limited access permits/endorsements and it could have been that people saw the box up in the open access area for the open access permit and checked that one off and then forgot to check off the box for the limited access endorsement and so we have this little problem.

Yes, we did look into this and we did find that there are some of the endorsement holders that renewed their open access permit, but failed to renew their limited access endorsement. To deal with this problem, the way I see it is that Action 3 is a short-term solution to this problem, whereas Action 4 attempts to permanently solve this problem, so that we don't have to deal with it again.

Action 3 is to reinstate the terminated endorsements. Preferred Alternative 2, when we looked at this information to see how many of the vessel owners were confused by the permit endorsement structure, we only found that five -- Of those thirty terminated endorsements, there were only five that renewed their open access permit but failed to renew their limited access endorsement and so Preferred Alternative 2 would benefit five vessels. That would allow five vessels to come back in, so that our maximum fleet size would go from the current 125 back up to 130.

These particular five vessels are highly productive vessels, averaging about 390 -- Nearly \$400,000 a year in gross revenue and so these are highly productive vessels that you're allowing to come back into the fishery. These vessels would also be allowed to retain the market value of those endorsements and so at \$5,000 per endorsement, that's a benefit of about \$25,000.

Of course, the actual benefits in the long term are going to depend on what the council does under Actions 1 and 2 and I want to reemphasize that these actions, 1 through 4, are all

intertwined, somewhat interdependent, and so keep that in mind.

Alternative 3, it's unsure how many vessels that would allow back into the fishery, because it would require action on the part of the vessel owners and the permits office, and so I say that the effects of that are uncertain. One point that I wanted to bring up, because this question has been brought up to me by various individuals, and I want to go back to that table -- As Myra said in her presentation, there are five vessels whose endorsements are currently terminated, but that did meet the existing 15,000-pound requirement. That is indicated in Column 9.

One of the concerns I had with respect to meeting the council's goal was whether these five vessels that met the current landings requirement were the five that were going to be reinstated under Preferred Alternative 2. In fact, they're not. They're completely different vessels and so there was a little bit of concern there, at least on my part, that we were reinstating terminated endorsements for vessels that really had not been involved in the fishery.

It may be that with respect to meeting the council's goal that reinstating these five endorsements for the vessels that had met the landings requirement might be a better option. However, in looking at the data, these five vessels that met the 15,000-pound requirement and whose endorsements are terminated, none of them have been active in any commercial fishery for the past year and in a couple of cases, the last two years.

In fact, three of them are no longer even documented by the Coast Guard and so even though they may have been involved in the fishery at one point in time, they may not be around any more, based on the information that we have, and so reinstating those endorsements would not get you anything, because they're not around anymore.

To reemphasize, the five vessels that would be allowed in under Preferred Alternative 2, you do want those coming in, because they are commercially active and they're highly productive vessels and so I think it's a good alternative.

Action 4, the primary advantage of this is to simplify the process, particularly for the vessel owners that have limited access endorsements. They're only going to need one permit now, rather than needing two, and so the primary benefit is to those individuals. It's a minimal benefit, but as things currently stand, we charge \$25 for the first permit that vessel owners apply for and \$10 for each additional permit or endorsement and so now, under the new system, since they only need one permit, they would save that extra \$10 per year. It's not a big deal, but it's something. For 130 vessels, they would save \$10 a year and so \$1300 in benefit to those particular vessel owners.

I think the biggest benefit in the long term is that we're going to avoid this confusion and any unintended termination and reduction in the maximum fleet size. I think that's the biggest benefit.

Actions 2 and 1, when the -- I still want to emphasize that when the council first implemented this landings requirement, at the time when they were deliberating this, this was 2001 or 2002, the fishery was still relatively economically healthy back then. Obviously things have changed

dramatically in this fishery and this is not an economically healthy fishery anymore and so I think that needs to be kept in mind with regard to why the requirement was put in place and why the council is now reconsidering that.

With respect to the clock, there is some confusion over this. The four-year time period in which vessels have to land at least 15,000 pounds in one year, it was determined, after some discussions with GC, that the four-year clock would start over whenever an endorsement was transferred and so that's important, because it affects when the clock begins for each of the vessels. Again, going back to the table that was handed out, you'll see that we've specified in there basically each year in which vessels initially obtain their endorsement, because that affects when their four-year clock begins and ends. It's very important to know the initial year in which the initial endorsement was obtained.

We've already talked about the fact that the dealers have to have the federal permits. In cases where those landings came into non-federally permitted dealers, I could not count those landings and therefore, did not. Again, to emphasis, these landings have to come from South Atlantic waters and landings from Gulf waters were not counted.

I want to emphasize again too that, yes, I did use trip ticket data. I think that there are some difficulties with using the trip ticket information to determine whether the landings came from South Atlantic or Gulf waters, because remember that these vessels take very long trips, in a lot of cases, sometimes thirty days at a time. During those trips, they can cross back and forth between Gulf and South Atlantic waters, particularly as they're heading down to the Keys.

Yes, they do incidentally harvest rock shrimp down in the Keys and so it's a little bit difficult, because in the trip ticket forms, at least for Florida, they're only recording one area where they went out and fished and so it's a little bit tricky to say with 100 percent certainty did those rock shrimp come from South Atlantic waters or did they not.

The VMS data may be a partial solution to that, but, again, if the vessels cross between Gulf and South Atlantic waters, again, you're not sure exactly where the shrimp came from and so VMS would only be a partial solution. Again, I would say that Action 2 was probably a short-term solution to this issue of the landings requirement and Action 1 is meant to permanently deal with it.

Going back to the table once more with regard to Action 2, which is to reinstate the endorsements due to not meeting the 15,000-pound requirement, based on this table, the vessels that we're currently concerned about are the vessels that initially obtained their endorsements in 2003. Of the 107 vessels that initially obtained their endorsements in 2003, eighty-three of those are currently active or renewable.

Of those eighty-three, only forty have met the 15,000-pound requirement as of the end of 2007. Do people see where I'm getting that in the table? Okay. Only forty of them and the other forty-three have not and so our concern right now is that based on the current regulations, we would have to revoke or not renew the endorsements for the forty-three vessels that have not met the current 15,000-pound requirement. They would be kicked out under the status quo.

Under Preferred Alternative 2, the benefit of reinstating the endorsements for not meeting the requirement would be the value of their endorsements. They get to keep those endorsements and so they retain the market value of those endorsements and so that would be a benefit to the fishery of about \$215,000 right there.

These are highly productive vessels that average about \$300,000 a year in revenues. Granted, their dependence on the fishery in recent years has been relatively limited. Only about \$4,600 per year, on average, has come from South Atlantic rock shrimp. The short-term benefit to the fishery would only be about \$200,000 a year, on average, in gross revenues, but the long-term benefit could be greater, again, depending on what the council does under Action 1.

Now, Alternative 3, which would be to reinstate those endorsements for those vessels that at least landed 7,500 pounds of rock shrimp, there really isn't much difference. Even though it may be a midpoint between zero and 15,000, basically it was -- I think what's been going on is either you've been in this fishery or you haven't been in this fishery.

You may reduce it down to 7,500 pounds, but it's not going to benefit very many vessels. In fact, it's only going to benefit three or possibly four vessels. If you kick that down to 7,500, there would actually be forty-three vessels, rather than forty, that would meet the 7,500-pound requirement.

That one only benefits three additional vessels relative to the status quo. Now, those three vessels have been fairly active in the fishery, fairly dependent, about a little over \$17,000 per year in revenues that have come from this fishery, on average, for these vessels, but it's only three vessels and so it's not going to be a big benefit, compared to Preferred Alternative 2.

What this means in terms of maximum fleet size is that under Alternative 1, status quo, our maximum fleet size would decrease from the current 125 down to eighty-two just this year. Under Alternative 3, it would decrease down to eighty-five or possibly eighty-six, depending on what we do under the other actions, whereas under Preferred Alternative 2, it would remain at 125 or possibly increase up to 130.

The point is that there's very little difference, in terms of the benefits, comparing Alternatives 1 and 3. If you want any significant benefits to the fishery, Preferred Alternative 2 is the one that gets you that and that's in terms of direct benefits to the harvesting sector and the same applies to indirect benefits to the onshore infrastructure. The benefits of Alternative 3 relative to the status quo are very minimal. The only potentially significant benefits would be under Preferred Alternative 2.

Finally, with Action 1, this would be dealing with the 15,000-pound landings requirement in the long term. As you can see, again, going back to our table, in addition to those vessels who initially obtained their endorsements in 2003, there are other vessels that have obtained their endorsements in years thereafter. Specifically, there are twenty-seven vessels that have not yet --- Their clock has not yet expired, but they haven't met that 15,000-pound requirement and in fact, they haven't even met the 7,500-pound requirement. Given the recent performance in the fishery, I think it's highly likely that these twenty-seven other vessels that obtained their

endorsements after 2003 are probably not going to meet that landings requirement either. Now, I can't say that with 100 percent certainty, but given what's been going on in the fishery, I think it's highly likely that the majority, if not all these twenty-seven vessels, are not going to meet that requirement. They probably wouldn't even meet the lower 7,500-pound requirement and therefore, they would probably be kicked out of the fishery as well within the next year or two years or maybe three years.

Now, these vessels are also highly productive, about \$268,000 per year in gross revenues, on average, but, of course, not very dependent on the rock shrimp fishery. Less than a half percent of the revenues have actually come from rock shrimp.

Under the status quo, they would obviously lose their ability to participate in this fishery in the future, but they would also lose the value of those endorsements, which for twenty-seven vessels at \$5,000 a pop, that's \$135,000. Since these vessels could also lose their endorsements within the next or so, what that would mean is that the maximum fleet size for this fishery under Alternative 1, under the current regulations, could come down to as few as fifty-five vessels very shortly.

Under Alternative 3, it could come down to as few as fifty-eight or fifty-nine vessels, whereas under Preferred Alternative 2, it would stay at 125 or possibly up to 130 vessels, again, depending on what the council does under Action 3.

The point is that Alternative 3 conveys little long-term benefit beyond the current regulations and only Preferred Alternative 2 is going to convey any significant long-term benefits to the fishery, both for the harvesting sector and the onshore sector. I just want to reemphasize that given the recent performance in the fishery and the fact that this is just the first four-year clock -- This requirement continues and we have to evaluate this every single year and the vessel has to meet this requirement basically every single year and so we would evaluate it for 2005 to 2008 and 2006 to 2009. If you haven't met it, you're out.

In a very short period of time, even though a vessel who may have met it this go-around, they may not meet it the next go-around and so we could even be below fifty-five vessels in a short period of time and so you can see that under the current regulations -- The council started off -- We started off with 155 vessels and the council's target was 150 and we could be significantly below that in a very short period of time under the current regulations. That's it.

Mr. Cupka: Thank you, Mike, for a very thorough analysis.

Dr. Travis: I apologize for prattling on too long. I'm known for that.

Mr. Cupka: It's a good idea to get a little clearer understanding of what some of the impacts would be on our alternatives we've been looking at. I'll open it up and are there any questions for Mike?

Ms. Shipman: I just wanted to echo your comments. That was an excellent presentation and it did a really good job of quantitatively validating where we were heading qualitatively, in the

absence of that information. It's one of the best presentations I've seen to sort of validate our preferred alternatives.

Dr. Travis: Thank you. I appreciate that. So my prattling on isn't worthless?

Ms. Shipman: No, it was excellent prattling.

Mr. Cupka: It also wasn't predetermined. It just worked out that way and so I agree with you, Susan. It does validate some of the things we wanted to do.

Dr. Cheuvront: Mr. Chairman, I'm not a member of your committee, but it sounds to me like while Preferred Alternative 2 sounds like the best thing we've come up with, maybe it's not enough. If there is going to be this ongoing burden that Mike was talking about, having to redo this analysis on an annual basis, I don't know if the committee wants to look at some way of maybe trying to simplify some of this process or something, but it just seems like an awful lot of work, if our goal was to maintain a certain fleet size when we're facing the real possibility that that fleet is going to be diminished significantly, potentially, rather quickly.

Mr. Cupka: If you look at all the actions, Brian, you'll see that if we take the preferred in all of them that it is going to simplify it and we're going to do away with a lot of this.

Mr. Geiger: Thank you, Mike, for your presentation. A question. Do the rock shrimpers have to present their permit to sell rock shrimp to a dealer or do the dealers have to see that permit before they can buy rock shrimp?

Dr. Travis: I'm going to defer to Monica on that. I think the answer is no, but I know that in the bulletin that we recently sent out that we strongly encouraged the vessel owners that when they are landing to actually ask the dealer, do you have a federal dealer permit, because it adversely affects them. This is beyond the landings requirement, because in terms of catch histories, the catch history doesn't count either.

We did advise them to ask that of the dealer. I don't believe in the bulletin that we said anything to the dealers about asking the vessels if they had the endorsements, but I'm going to defer to Monica.

Ms. Smit-Brunello: It's not a requirement in the regulations, but I would think it's a good business practice that you might want to look at someone's permit when they come in to sell you fish. Is that what you were asking, whether the dealer is required to -- I don't know what common industry practice is, however.

Mr. Geiger: I guess to that point, and I hope this is not too late and I'm not bringing something that's going to throw a monkey wrench in this whole process, but when I first came on the council and we put VMS requirements on the vessels, we used to receive a report at every council meeting as to how many vessels had conscribed with the requirement to install VMS and it went up incrementally and then at some point -- Unfortunately, my memory is not quite as good as Mr. Currin's from North Carolina and I can't recall when the last time we got an update

was, but I never recall ever hearing that the rock shrimp fleet was at 100 percent compliance.

My query, via law enforcement, is that in fact there is not 100 percent compliance and that there are two vessels -- Correct me, Otha, or maybe I should let you speak to it, but per Otha, I think he said the two vessels on the Atlantic side still do not have VMS capability and a number of vessels who fish in the Gulf of Mexico for shrimp, but have a rock shrimp endorsement, do not have VMS installed, because they don't fish for rock shrimp and the requirement is that they only turn on the VMS when they go rock shrimping.

Mr. Cupka: Otha, do you want to address that?

Mr. Easley: You're correct. There are currently two permitted vessels, home ported in the South Atlantic, without a VMS installed yet. The reason being, I don't know. They just haven't got around to it or maybe they haven't gone fishing yet, but there is not a requirement that they have VMS before they're permitted. That wasn't written into the regulations back then. That would make things a little bit tighter.

Also, you're right too in that there are a small number of vessels that shrimp over in the Gulf that according to our regulations here in the South Atlantic are not required to have that VMS on when they're over there. They're required to have it on over here in the South Atlantic.

Dr. Travis: Otha, can I ask for clarification on that? You're saying that if the vessel crosses over the line that we've drawn in the water down in the Keys between the Gulf and South Atlantic that once they cross over into Gulf waters that they can turn that off?

Mr. Easley: That's my understanding, but we can get some definite verification here. I think Monica has the book open in front of her and wants the mic.

Ms. Smit-Brunello: The requirement right now that I see here is an owner or operator of a vessel that has been issued a limited access endorsement for South Atlantic rock shrimp must ensure that such vessel has an operating VMS approved by NMFS for use in the South Atlantic rock shrimp fishery onboard when on a trip in the South Atlantic.

Mr. Cupka: One other thing too, George. I think some of those reports we were getting was in terms of the number of people that we reimbursed them for the purchase of the VMS units and for whatever reason, some people got them and didn't submit the paperwork to get reimbursed for those purchases. I know we used to get reports on that aspect of it too, but --

Mr. Geiger: To that point, I see this VMS issue as a whole as a problem and I certainly would speak toward including the requirement for anybody who gets reinstated or applies for a reinstatement of a permit to be compliant with the VMS requirements and have one installed on their vessel before they're issued a permit.

Now, if that means we have to go back and readdress the original requirement that we levied for having VMS and when you have to have VMS, then I think that's a worthwhile effort. In our briefing book this time, we have a report on the Oculina Bank and the observations that were

made out there and in my simple mind, thinking linearly, I can see the opportunity for people here, non-permitted, to fish in that area and now we find that they can sell rock shrimp without ever being checked to see if they have a rock shrimp permit and so what does that do in terms of all the data that Dr. Mike just presented to us?

It probably is miniscule, probably, but who knows? I think there's a hole in our process here and the alternatives that we have by not addressing the requirement for VMS to be linked with reissuing those permits.

Mr. Cupka: Let me just say my intent was after we got questions from Mike, I'm going to ask Myra to go through those actions and see if we want to change them or how we want to deal with them. I intended at that point to bring that issue back, because I know that is one that you're concerned about and we need to consider possibly further changing one of our alternatives. If there's only two of them that don't have VMS, I don't know whether those would be two of them that would re-qualify or get their endorsement back. We would have to check and see.

Mr. Geiger: That was two in the South Atlantic, Mr. Chairman. I think he qualified it as being several other vessels that fish in the Gulf that have a rock shrimp endorsement that only fish in the Gulf and do not have a VMS installed.

Mr. Cupka: Here again, when we get to that action item, if we amend it to include that, it won't matter whether they're in the Gulf or South Atlantic. If they're going to participate in the fishery, before they get an endorsement back, they would have to have VMS. Any other questions for Mike?

Mr. Currin: I'm not on your committee and I think George touched on my concern. The report we received on the Oculina and some of the recent diving activity out there and surveys indicates that there's some kind of bottom disturbing gear, fishing, going on out there.

I don't know whether it's rock shrimp or whether it's people participating in the penaeid fishery that are encroaching on the edge out there, but it does concern me that there's still activity out there that's having an impact on that habitat. It does concern me greatly and so whatever we can do in the rock shrimp fishery to ensure that VMS compliance is occurring, I think it would benefit us.

Mr. Cupka: If there are no other questions, I want to thank Mike for his presentation and I'm going to ask Myra to run through our action items and see if you all want to make any changes in these or if you want to change the preferred and, again, in Number 4, we don't have a preferred and so if you want to pick a preferred on that one before we go to public hearing, we'll do that at the appropriate time.

Ms. Brouwer: What I've done is just extracted the actions and alternatives out of the draft document, so we can walk through them and you can -- You see the language up on the screen and we can walk through them and make changes as needed. First, we probably should pick a preferred for Action 4. Do you want to go one-by-one?

We'll start from the top then. Action 1 addressed a 15,000-pound rock shrimp landing requirement. Alternative 1 is no action, retain the 15,000-pound rock shrimp landing requirement. Preferred Alternative 2 is to remove the 15,000-pound rock shrimp landing requirement and Alternative 3 is change the landing requirement to 7,500 pounds of rock shrimp. Does the committee think that any changes are needed here?

Mr. Cupka: Anyone wish to make any motions or take any action to change this particular action, our preferred, before we go to public hearing? Seeing none, then we'll move on to the next one.

Ms. Brouwer: Action 2 addresses endorsements that were lost due to not meeting the 15,000pound rock shrimp landing requirement by December 31, 2007. Alternative 1 is no action, do not reinstate lost endorsements. Preferred Alternative 2 is reinstate all endorsements lost due to not meeting the landing requirement of 15,000 pounds of rock shrimp in one of four consecutive calendar years. Alternative 3 is reinstate endorsements lost due to not meeting the 15,000-pound rock shrimp landing requirement in one of four consecutive calendar years for those vessels that landed at least 7,500 pounds of rock shrimp during the same time period.

Mr. Cupka: Anyone wish to make any changes to Action 2 before we go forward?

Mr. Geiger: Mr. Chairman, would you like those in the form of a motion or just a discussion open or how do you want to handle them? For example, in Preferred Alternative 2, I think the alternative as it reads is fine, but I would add "contingent upon demonstrated proof that the applicant is currently subscribed to an approved VMS system".

Mr. Cupka: We can add that wording and we'll be going through these and approving them at full council and obviously we'll need motions then to move ahead.

Mr. Geiger: I guess I would ask Myra to keep typing, so I can see what it looks like. Sometimes what I say doesn't necessarily look very good.

Mr. Cupka: Could you give her the wording again?

Mr. Geiger: I think I said "contingent upon the applicant demonstrating subscription to an approved VMS system" or words to that effect. Maybe "subscription and installation of approved VMS system equipment".

Mr. Cupka: Does that take care of your concern now, George? Okay. Any other questions or comments on this?

Ms. Smit-Brunello: Maybe we just need to think about that further between now and council, because, in effect, you would be putting an additional requirement on these particular people, because the other rock shrimp endorsement holders, by way of the regulation I just read, are not required to have VMS unless they're going to be on a trip in the South Atlantic in which they're going to harvest rock shrimp, must ensure that such vessel has an operating VMS approved by NMFS for use in the South Atlantic rock shrimp fishery onboard when on a trip in the South

Atlantic.

If they're not on a trip in the South Atlantic, I guess this doesn't require them to have VMS. What I thought you were talking about before was really changing that requirement so that to get a permit renewed or reinstated perhaps here, you would want the endorsement holder to have an approved operating VMS, show that they have that on their vessel every year before they can get renewed and that sort of thing? Think about it more long term and for the larger group, apart from just these few people.

Mr. Geiger: Thank you, Monica. That's exactly what I had in mind. I didn't know how we had to go about doing that and the suggestion was made that we address each one of the alternatives in line and so at some point, I don't know if we would add another alternative at the bottom, stating the long-term plan that Monica outlined, or what we would do, but I think that's exactly my intent, was to change the requirement and that to receive a rock shrimp endorsement, you would have to demonstrate that you had a VMS installed.

Mr. Cupka: Perhaps we can use some of that wording that's in the regulation.

Ms. Shipman: To that end, I had a question of the wording in the regulation. It says when on a trip in the South Atlantic and is it implicit that that's a rock shrimp trip or any shrimping trip? I thought we had some discussion that these vessels that did hold the endorsements, whenever they were in the South Atlantic shrimping, they needed to have the VMS on. I think that's what the industry thinks.

When I talked to the office this morning, our shrimp season opened today and they were telling me about the number of vessels that have VMS out there, the large vessels that we're assuming are rock shrimp boats.

Ms. Smit-Brunello: Karen Raine from the Office of Enforcement is here, if she would like to speak to that. I think I misspoke a little bit before, when I was paraphrasing the regulations. It doesn't say when they're on a rock shrimp trip. It says when they're on a trip in the South Atlantic, which leads me to believe that that could be any trip, for whatever there's fishing for. Maybe Karen would like to speak to this.

Ms. Raine: I agree with Monica. It says any trip and it doesn't limit it to what type of fishing trip the vessel is on, but when in the South Atlantic, it needs to be there.

Mr. Cupka: Do you want to add another alternative or do you want to leave it like this?

Dr. Crabtree: I think if we're going to change the overall VMS requirement that it should probably be another alternative or either another action. I don't know which, but I don't think it should be tacked on to this one, which is referencing only reinstating. I think it should be separate, because it's going to affect all vessels, whenever they renew.

Ms. Smit-Brunello: I agree.

Mr. Geiger: If we can do that and add on an action to do that to this, that's fine with me. I think it's great.

Mr. Cupka: There's nothing that would preclude us at this point, since we haven't gone to hearing, I think, from adding another action item. Maybe what we can do is get Myra together with Monica and draft up something for our consideration at the full council meeting. Myra, do you want to go ahead to our next action?

Ms. Brouwer: Moving on to Action 3, this deals with endorsements lost through failure to renew the rock shrimp limited access endorsement. Alternative 1 is no action, do not reinstate lost endorsements. Preferred Alternative 2 reads: Reinstate all endorsements for those who renewed their permit in the year in which they failed to renew their endorsement. Require rock shrimpers eligible to have their endorsements reinstated to apply for a limited access endorsement within one year after the effective date of the final rule for this amendment. Note: Eligible individuals need to have had an endorsement at one time. Alternative 3 is to extend the time allowed to renew rock shrimp endorsements to one calendar year after the effective date for this action.

Mr. Cupka: George, I think this was where you originally started thinking about the VMS, but since it applies to a couple of actions, I think the way to deal with it would be a separate action.

Mr. Geiger: If I might, Mr. Chairman, in a couple of these actions and the alternatives as they're written, we refer to the permit holders in different ways, those, these, their, rock shrimpers, eligible individual, theirs, shrimp permit holder. Somehow, we need to figure out what we're going to call these people and call them one thing, because I can't keep up with seven names.

As I understand it, the permit issued to a vessel, the vessel can't file landings and the vessel can't do anything, can't reapply for its permit, and so in fact, the vessel owner -- I guess rock shrimp vessel owner is the entity and I don't know, but whatever it is, we need to get a uniform name for this permit and use it throughout all the actions.

Mr. Cupka: You're right. In some places, it refers to the vessel and in others, it says permit holders and all. Obviously in reality it's got to be a person that applies for this and so --

Ms. Shipman: I think we can just maybe give staff editorial license, but we need to go through here and say for those vessel owners who renewed their rock shrimp permits and just clarify -- It's getting at that issue I think the team identified, in that the eligible vessels need to have had the endorsement at one time, but I think we can just let staff do the modifiers that are needed. George's point is good and I think the team's point is good, just make sure we're consistent with the way the plan is set up of what's holding the permit, is the permit attached to the vessel or the individual or whatever.

Mr. Cupka: That's a good point and we'll ask staff to go back and, again, do some editing on that before we get to full council. That brings us down to Action 4.

Ms. Brouwer: Moving on to Action 4, this action changes the names given to the rock shrimp permit and endorsement, to minimize confusion. Alternative 1 is no action, to continue to

require an open access permit to fish for rock shrimp in the EEZ off the Carolinas and a limited access endorsement to fish for rock shrimp in the EEZ off of Georgia and Florida.

Alternative 2 is to create two types of permits for the rock shrimp fishery and specify that a vessel can only have one permit. A) Rock Shrimp Permits South Atlantic EEZ would allow fishing throughout the South Atlantic EEZ and B) Rock Shrimp Permit Carolinas Zone would allow fishing in the EEZ off of North and South Carolina. For this action, we don't have a preferred yet.

Mr. Cupka: Thanks, Myra. As Myra pointed out, we don't have a preferred and if we wish to have one, it's appropriate that it be in the form of a motion, I think. Does anyone wish to make a motion before we discuss it?

Ms. Shipman: I do, but I want to hear what Mike Travis has to say first.

Dr. Travis: Myra, can you scroll back up, because I think that we are confusing matters a little bit again and I just recently caught this. Under Alternative 1, the no action, actually, to be technically correct -- It is true that they need the limited access endorsement to fish for rock shrimp in the EEZ off of Georgia and Florida, but they also need the open access permit and so it should say -- The point is that they need both to operate off of Georgia and Florida now. I think we need to clarify that Alternative 1, so that it is clear that right now that in status quo they need both of them to operate there. We keep rehashing this, because it keeps confusing people.

Mr. Cupka: That's true and as you stated earlier, you can't get an endorsement without an open access permit, but it needs to be clearly stated.

Ms. Shipman: I would like to move Alternative 2 as our preferred and also move a modification to Alternative 1 that would also say, after the word "Carolinas" put a comma and then say "and continue to require an open access permit and a limited access endorsement to fish for rock shrimp in the EEZ off of Georgia and Florida".

Mr. Cupka: We'll make that change. I do have a motion and is there a second on the motion? Is there a second? Mark Robson seconds. Discussion?

Mr. Currin: Again, I'm not on your committee, but I just want to make sure it's clear in the verbiage and alternative and the motion that there's no confusion associated with people who currently have the Carolinas Zone permit, to indicate that they might allow for a broader permit that would allow them to fish off of Florida and Georgia. I assume that's the intent.

We don't want to open up the fishery in Georgia and Florida to people who currently have only a limited permit and that needs to be very clear. We don't need to send the idea that if you currently are able to fish only in North Carolina and South Carolina that you're now going to be able to apply for a permit to fish off of Florida and Georgia, if that's the intent of the committee.

Mr. Cupka: That's certainly, I think, the intent and has been our intent all along. You think we need a note there or something that people holding open access permits, if they're not eligible to

apply for -- Not open access, whatever the new wording, people that hold that type of permit are not eligible to apply for the --

Mr. Currin: I would think that would offer some clarity. I don't think we should send out something that people might question as to whether they are eligible to now apply for a permit that they've never had in the past before.

Mr. Cupka: We've got clarification wording in other places that says they can only hold one type of permit or another and so we'll include a note there, to that effect.

Ms. Merritt: It may also help to back that up if you use the word "rename" rather than "create", because "create" implies that these are new permits that may be open to other people, where you're just renaming the existing permit. It's just a thought.

Mr. Cupka: I think we've probably got Myra completely bamboozled now and so we need to go back and get a clear motion that incorporates all this, so we can get it down and project it on the board. Susan, do you want to try to accomplish all that?

Ms. Shipman: I am staring at the language. We may, under Alternative 2, want to say "clarify through redesignation the existence of two types of permits" or something like that. I agree with Rita that we're not trying to create a new permit structure at all. Then the other part of it you want to get at is to not allow new applications for the rock shrimp permit, which is, in essence, a limited access permit. The only way you want new entrants to get in is through transfers of existing permits. That's the other thing I think we're trying to get at.

Mr. Cupka: Why don't we go back -- If you want to withdraw your motion and maybe the first thing we need to do is pick a preferred and then we'll work another motion, maybe, to work on the verbiage.

Ms. Shipman: **That's fine.** My original motion was to designate Alternative 2 as our preferred and then clean up that language in Alternative 1.

Mr. Cupka: Is that all right with your seconder, Mark, if we withdraw the motion and make a new motion? Okay. The new motion is to make Alternative 2 our preferred motion. We have a motion by Ms. Shipman and a second by Mr. Robson. Is there any discussion on the motion? Is there any objection to the motion? Seeing none, then that motion is approved. We need to go back then and get, again, some verbiage from Myra to put up there of how we want that to read now.

Ms. Shipman: Can we work on it and bring it back, possibly? I think we know the intent of what needs cleaning up.

Mr. Cupka: Yes, we can do that, because it's getting a little crazy. We'll come back at full council with the wording to incorporate both the idea of you can only get -- You can't apply for a limited if you currently have an open access and the other aspects.

Mr. Robson: While we're at that, go back to Action 3 and be consistent in what we're referring to as the permit and clarify that we're talking about the open access permit, so we refer to it the same way throughout all the actions and alternatives, just to be abundantly clear. If you look, it's reinstate all endorsements for those who renewed their permit and we want to be referring to exactly the open access permit.

Mr. Cupka: Again, we'll go back through those and get them cleaned up before the full council session. Our next action is Action 5 and this is dealing with the economic data. Again, just to point out, this requires that all shrimp permit holders, not just rock shrimp permit holders.

Ms. Brouwer: Action 5 requires all shrimp permit holders to provide economic data. Alternative 1 is no action, do not require collection of economic data from any shrimp permit holders. Alternative 2 requires all South Atlantic shrimp permit holders to provide economic data and Preferred Alternative 3 requires all South Atlantic shrimp permit holders to provide economic data if selected to do so.

Mr. Cupka: Is there any desire on the part of the committee to change our preferred on this particular action? Seeing none, then we'll move ahead. That's all the actions. Of course, when we come to full council, we'll have a new action dealing with VMS that we'll work on in the meantime and present it at that time. I'm going to ask Myra just to briefly go through the timeline and see if there's any desire to change the public hearing locations or anything along those lines.

Ms. Brouwer: The timeline for the public hearings is up on the screen. One of them would take place in Cape Canaveral on the 8th of August and the other one in North Charleston on August 12th and written comments would be due by 5:00 PM on August 15, 2008. The council would then review the public hearing input and approve the document at the September meeting, with final approval at December.

Mr. Geiger: Do we know how many people in the Gulf have permits? Would it be appropriate to have a public hearing location in the Gulf of Mexico as well for the permit holders over there?

Mr. Cupka: I don't know the exact number, but I've got a feeling there's a fair number of people over there and it seems in the past that we have held at least one hearing in the Gulf. Susan can confirm that or Monica.

Ms. Smit-Brunello: I'll just point out that I believe there's a Gulf Council meeting in August that might timely coincide with those dates and which, if you wanted to, you could request that they hold a public hearing at that meeting. I don't recollect where the meeting is.

Mr. Cupka: That would be a good option, if we can combine it with that. We can contact staff down there and see if we can't get on the agenda to do that, but I think it would definitely be good to have one in the Gulf, to give those people an opportunity. Any other comments on the public hearing schedule?

Normally, at this time, I would want this committee to take an action, a motion, to move this

forward for public hearing, but given that we have some modifications to do and another action to develop, I think what I'll do is just defer it and we'll meet as a committee of the whole during the full council meeting and give everyone an opportunity to see the wording and whatnot and at that time, we'll take final action. Not final action, but approve it for public hearing.

Ms. Smit-Brunello: I have one other question and, Mike Travis, help me with this if I get this wrong and we might need some clarification for the record. In Action 3, Preferred Alternative 2 is to reinstate all endorsements for those who renewed their permit in the year in which they failed to renew their endorsement and is it the committee's intent that that be reinstated to the vessel and perhaps it has a different owner than the person who owned the vessel at the time they didn't renew the endorsement or would it go to the owner of the vessel at the time that he or she didn't renew the endorsement? I guess current vessel with that owner or past vessel owner, potentially.

Mr. Cupka: That gets back to this problem where we weren't very consistent in how we applied some of this verbiage, but, Susan, did you have a thought on that?

Ms. Shipman: My intent, when we discussed this at the last meeting and I made the motion, was that it would be endorsements for the vessel, because I think the idea is to keep the fleet that was active in that fishery fishing. If that vessel has been transferred to someone else, I think it's the vessel, the catch capacity, we're looking for. In my mind, that would be for the vessel, because the person may have totally gotten out of the fishery, but the vessel, if it was transferred to a new owner and they renewed the permit, it meant to me that they meant to stay in the fishery.

Mr. Cupka: Mike, would that be a problem, to try and track that down and follow that?

Dr. Travis: That is exactly the way I interpreted it when I did the analysis. When I talked about these vessels, I was assuming that the endorsement that was reinstated would go back to that vessel and so when I described the characteristics of those vessels, in terms of being five highly productive vessels, I'm talking about those vessels now in terms of the person who was the owner at the time and that would be --

First of all, it would be much more difficult to track, because then I would have to figure out, if it's a different owner, where that owner went to and whether they're even still involved in commercial fishing or not. They may not be in commercial fishing anymore. I wouldn't know without looking at it, but it would be a more difficult task.

Mr. Cupka: Other comments? Any other questions or concerns? All right. That will bring us down to Other Business then. Is there any other business to come before the committee? Seeing none, then we are adjourned.

(Whereupon, the meeting adjourned at 11:39 o'clock a.m., June 10, 2008.)

Certified By: _____ Date: _____

Transcribed By: Graham Transcriptions, Inc. July 10, 2008

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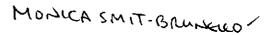
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SEDAR Committee

George Geiger, Chair Brian Cheuvront Roy Crabtree Duane Harris Vince O'Shea Mark Robson Staff contact: John Carmichael

<u>SHRIMP</u>

David Cupka, Chair George Geiger Rita Merritt Mark Robson Susan Shipman John Wallace Staff contact: Gregg Waugh

MYRA BRONNER

SNAPPER GROUPER

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George Geiger, Chair David Cupka Duane Harris Susan Shipman Staff contact: Bob Mahood

SPINY LOBSTER

Tony larocci, Chair Mark Robson; Vice Chair George Geiger John Wallace Staff contact: Gregg Waugh

> ** Members will be appointed to the Bluefish, Calico Scallop, and Dolphin/Wahoo Committees, if these committees need to meet during the year.

Staff Attendee List

Bob Mahood 🗸 Gregg Waugh _____ Mike Collins John Carmichael Rick DeVictor Dale Theiling _____ Julie Neer _____ Andi Stephens Roger Pugliese _____ Kate Quigley Myra Brouwer Kim Iverson Julie O'Dell _____ Rachael Lindsay _____ Cindy Chaya _____ Deb Buscher _____

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So that we will have a record of your attendance at each meeting and so that your name may be included in the minutes, we ask that you sign this sheet for the meeting shown below.

	•	Committee Meeting Orlando, FL day, June 10, 2008	
NAME & ORGANIZATION	AREA CODE & <u>PHONE NUMBER</u>		P.O. BOX/STREET <u>CITY, STATE & ZIP</u>
BRETT NORTON	FUC 8504	885600	620 S. Meridian St. Talla FI.
DAVIN DALE	NMFS/SER,	/1+cD	St. Petersburg FL
MARGOT STILES		028333900	Washington DC 20036
Tricia Choe	DOCTOGE 20	2482-4265	Wishington R
Richard Voirset	1 55A 51	2 1222 - 8796	
Alenn Delan	M SSA Z	024348220	usshingdow DC 2004
Dave Allis	m Olanno 2	02-433-3900	De
Bun A		05-743-7938	1546 Eastward Ho Lane
Dick Bram		10-338-0012	NC

South Atlantic Fishery Management Council 4055 Faber Place Drive, Suite 201 North Charleston, SC 29405 843-571-4366 or Toll Free 866/SAFMC-10

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Shrimp Committee Meeting
Orlando, FL
Tuesday, June 10, 2008

NAME & ORGANIZATION	AREA CODE & <u>PHONE NUMBER</u>	P.O. BOX/STREET <u>CITY, STATE & ZIP</u>				
BUFFY BAUMANIA	1 OCEANA 202.833.3900	WASHINGTON DC 20036				
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South Atlantic Fishery Management Council 4055 Faber Place Drive, Suite 201 North Charleston, SC 29405 843-571-4366 or Toll Free 866/SAFMC-10						

Year Obtained	# of Vessels	Currently Active or Renewable ¹	Currently Terminated	Currently Active or Renewable Meets 15K	Currently Active or Renewable Does Not Yet Meet 15K	Currently Active or Renewable Meets 7500	Currently Active or Renewable Does Not Yet Meet 7500	Currently Terminated Meets 15K	Currently Terminated Does Not Yet Meet 15K	Currently Terminated Meets 7500	Currently Terminated Does Not Yet Meet 7500
2003	107	83 (66,17)	24	40	43	43	40	3	21	4	20
2004	14	9 (8,1)	5	5	4	5	4	2	3	2	3
2005	13	12 (12,0)	1	5	7	5	7	0	1	0	1
2006	9	9 (7,2)	0	5	4	5	4	0	0	0	0
2007	11	11 (11,0)	0	0	11	0	11	0	0	0	0
2008	1	1 (1,0)	0	0	1	0	11	0	0	0	0
Total	155	125 (105, 20)	30	55	70	58	67	5	25	6	24

Table 3.4-6.	Distribution of South Atlantic Rock Shrimp Endorsements (RSE).
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¹ The number of active endorsements and the number of renewable endorsements are the first and second numbers in the parenthetical respectively.