

SOUTH ATLANTIC FISHERY MANAGEMENT COUNCIL

GOLDEN CRAB ADVISORY PANEL MEETING

**Crowne Plaza Cruise Port
Ft. Lauderdale, FL**

July 26, 2011

SUMMARY MINUTES

Golden Crab AP:

William Whipple, Chair
Howard Rau, Jr.
David Nielsen

Randy Manchester
Chip Bethell

Council Members:

David Cupka

Council Staff:

Ms. Kari MacLauchlin

Julie O'Dell

Observers/Participants:

Karla Gore

Dr. Andy Strelcheck

The Golden Crab Advisory Panel of the South Atlantic Fishery Management Council convened in the Crowne Plaza Cruise Port, Fort Lauderdale, Florida, July 26, 2011, and was called to order at 8:30 o'clock a.m. by Chairman Bill Whipple.

MR. WHIPPLE: I think we are set to begin. I appreciate everybody's patience. There has been a lot of activity related to getting ready for this meeting, and I want to make sure that we have got things more or less organized as to what is supposed to happen here. I think that has finally happened. We will find out.

One of the first things I want to do is to get everybody introduced. If we can go around and give names, I'd appreciate for the interest of everybody. Some people don't know not only people's names but their connection with this whole process. I think it would be helpful to have a few words as to what the connection is with this meeting. We can begin with you, Randy, and go around.

MR. MANCHESTER: I'm Randy Manchester. I have had a couple golden crab permits and I'm trying to see this fishery be a really good fishery.

MR. CUPKA: I'm David Cupka. I'm the Chair of the Council's Golden Crab Committee and also the Council Chairman.

MS. GORE: I'm Karla Gore. I'm from the National Marine Fisheries Service Southeast Regional Office and I'm the IPT lead on this amendment for the regional office.

MR. STRELCHECK: I'm Andy Strelcheck from the Southeast Regional Office, National Marine Fisheries. I'm the program manager for catch share programs in the Gulf of Mexico as well as the Wreckfish ITQ Program in the South Atlantic.

MR. BETHEL: I'm Chip Bethel, a golden crab fisherman.

MR. RAU: Howard Rau, golden crab fisherman.

MR. WHIPPLE: Golden crab fisherman and I might say that all the impressive row of people here are on the Advisory Panel for the Golden Crab Fishery.

MR. NIELSON: My name is David Nielson. My family was very instrumental with founding and pioneering this Golden Crab Deepwater Fisheries. I am currently retired from fishing and I am seriously thinking about going back. I've taken twelve years off. Thank you for letting me be on this panel.

MS. MACLAUHLIN: Kari MacLauchlin. I'm the South Atlantic Council Staff Social Scientist and I am the interim lead on golden crab.

MR. WHIPPLE: I'm not sure whether everybody got a copy of this agenda, which is out on the front table of this meeting. It is pretty straightforward. I'll talk a little bit more about the

purpose but I would like to have an approval of the agenda, if we could have that. All in favor, any issues? Okay, thank you.

MR. CUPKA: Bill, if I might, we are going to get a presentation from Andy as part of our agenda. Where exactly is that going to be, before other business or where will Andy's presentation come on the agenda?

MR. WHIPPLE: Where will it come? I don't know whether you have it, but it would come right after we talk about eligibility, fairly early in the process. The purpose of this meeting I think should be very clear to those who are involved with getting ready for it but probably not to others necessarily. This process of getting a catch share program considered for the Golden Crab Fishery has been going on for several years.

The Advisory Panel unanimously approved that it would be developed to setting up a possible program for the fishery and that related documents of options and what have you expanded and confused itself and became very close to unmanageable. The council in considering how to proceed has asked us as the advisory panel to try to simplify and give a certain amount of direction as to what our wishes are as golden crabbers.

It had, I believe about 120 options in it a few days ago or a little more than that, but not very long ago. It has now been pared down very significantly. What we are trying to do in this meeting is to actually prune it a little bit more and to give some more definitive data for the council as to why and how and what result we want in a catch shares program.

That is the purpose of this meeting. It is not to consider whether or not we would want to have a catch share program. For people that are opposed to that whole idea, there is plenty of opportunity to make your voice. There is a public comment period, there are letters, there is a meeting with people on the advisory panel, meeting with council people and so forth. The merits of the catch shares program itself are not an issue for this meeting. We were also asked to give some of the reasons why members of the AP want a catch shares program.

It is a pretty long and involved list; but just to get through the general ideas that are fundamental, we want to prevent a race to fish from developing; maximize the utilization of the resource by decreasing discards; create the environment necessary for new market development; maintain the current increases in the ex-vessel prices; enhance the economic viability of the fishery; increase financial stability; increase safety at sea; avoid interaction with benthic habitat and increase stewardship incentives.

All those can be elaborated on and debated and discussed but that gives a core outline of some of the basic reasons. One of the fundamental questions is given those goals, are there other ways to accomplish the same thing without getting specifically into a catch shares program. Most of the members of the industry believe that the management option that will best achieve the goals that I just outlined is a catch share. As I say, that whole issue can be played out as time goes on, but that is not the purpose of this meeting to decide.

There are a number of people here who probably would like at some point to make a public comment about their attitude toward this whole process and we will provide a period somewhere about halfway through the meeting for those comments to be made. In addition we have been asked to provide a timeline for the completion of this program.

By completion we mean as most of you realize there are very significant number of steps and hoops that have to go through and I think look at most of them that are most important. What we are looking for are public hearings in October and November of 2011, final approval from the council in December and implementation as soon as possible. Now I'd like to entertain a motion to adopt that timeline.

AP MEMBER: I'd like to make a motion that the AP adopt a timeline of public hearings October and November 2011, final approval December 2011, and implementation as soon as possible.

MR. WHIPPLE: Any discussion? Do we have a second?

AP MEMBER: I'll second.

MS. MACLAUHLIN: The motion is to adopt the timeline of public hearings in October and November 2011, final approval in December 2011, and implementation as soon as possible.

MR. WHIPPLE: Okay now, any discussion? All in favor. **Motion passes.** Kari, I think it is your turn to bring us through this process that is hopefully understandable and not self-contradictory and so forth. .

MS. MACLAUHLIN: We have a summary document that I think everyone has and then also the full draft amendment is on the South Atlantic Council Website, and it is really big. There are a couple of copies if you need to look at it here today. At the beginning of the summary on the first page we have the abstract and the purpose and need from the draft.

That is the first thing that you may just want to discuss. These are some new bullet points that the IPT put together last week when we spoke, and that was people from the NOAA Fisheries Office in St. Pete and then council staff. We are going to incorporate these, and this is just to let you know and if you have some other recommendations to add or you want something reworded or something like that, just let me know.

I am just going to walk through these. A proactive approach to management to prevent a derby fishery from developing; protect sensitive benthic habitat by ensuring fishery participants have a high level knowledge of the fishery and its operation; modify management of the fishery to allow for ease of transferability of pounds and for flexibility due to vessel breakdowns and medical issues; reduce the potential for gear conflict in the Golden Crab Fishery and ensure safety at sea; provide economic incentives for the fishery to operate more efficiently and to prevent negative impact to sensitive habitat; promote optimal utilization of the resource and professionalize the fishery and maintain participation of fishermen with high level knowledge and experience.

Some of these are redundant and that's when the staff gets together we can do a little editing on those; basically talking about optimal utilization of the resource, maximizing efficiency, maintaining participation of fishermen with a high level of knowledge and experience and then also, protecting the coral habitat, reducing gear conflicts and safety at sea issues – just so everybody knows.

Continuing on Page 2 of your summary document, we start out with Action 1, and this is to implement a catch share program. It is on Page 2, that first box, Action 1, implement a catch share program for the Golden Crab Fishery; and there are two alternatives and it is basically do not implement a catch share program or Alternative 2 is implement a catch share program.

The IPT discussed this may be a place to add some other management measures that were for the council to discuss and consider before considering the catch share program to be the best way to meet those management goals for this amendment. If the AP would like to recommend any additional measures for the council to discuss and consider at their next meeting, that would be great. You can make a motion for whatever you want with this action, a preferred or –

MR. WHIPPLE: I think first I would like to ask Andy...

MR. STRELCHECK: This really I think is more of a process issue for us. If you guys are supportive of a catch share program, I think you make that known through a selection of a preferred alternative, but in terms of the requirements we work under for management we'll likely have to compare this program to some other options.

To the extent that you guys have ideas in terms of maybe other things that could be considered, not necessarily what you prefer, but could be considered, we'd like to hear that so we can work those into the document. We've heard ideas such as elimination of latent permits or trip limits. Those might not meet all of the purpose and need and goals that you have identified, but if those are at least viable options that you think are worth considering, or if you have something else, that would be worth hearing.

MS. MACLAUHLIN: This can be just a discussion and then the AP can make a motion for one of these alternatives in here. We just wanted to put it on the table for the AP to discuss if they want, if you guys want to.

MR. WHIPPLE: Okay, there has been some background discussion about this but anybody on the AP got some choice alternatives or suggestions for discussion?

MR. RAU: Just from what I've heard, I don't see the other programs – I don't believe the other programs would really work for this fishery. I think a catch share program is what it needs. I don't think—the sector system sounds too complicated. I don't believe a trip limit would really work too well. I don't think anybody—to eliminate the permits, it is such a small fishery already.

MS. MACLAUHLIN: Well, if you would like to recommend to the council one of the alternatives here, then someone would need to make a motion that the AP chooses a preferred of

these two. You can make a motion to choose a preferred out of just these two alternatives that are presented which is implement a catch share program or do not implement a catch share program.

MR. RAU: You're talking about Action 1.

MS. MACLAUHLIN: Yes.

MR. RAU: I'd like to make a motion that we implement a catch share program for the Golden Crab Fishery.

AP MEMBER: I'll second.

MS. MACLAUHLIN: The motion would read adopt Alternative 2 in Action 1 as the preferred. The next action is the eligibility criteria to receive initial allocation and we are going to add this additional text into this to be clear that Action 2 is eligibility to receive initial allocation under Action 3. There are a couple of different alternatives; some with different qualifying periods.

Alternative 2 is anyone who has made landings between '01 and '09. Alternative 3 is a little more recent, 2005 to 2009 and Alternative 4 would allow initial allocation to any valid golden crab permit holders. Then 5 adds captain and crew, 6 adds dealers and 7 adds the crew and dealers into eligible to receive initial allocation.

I think the IPT has recommended that and then also – we don't have the information about that and also with the initial allocation scenarios you have to have some landings except for equal allocation. Crew may be eligible to receive initial allocation but don't actually qualify in Action 3 to receive anything. Then also the IPT noted that those kind of conflict with the goal and purpose of high level of experience and knowledge.

For example, dealers maybe do not have – haven't actually fished for golden crab. I think that the IPT would recommend removing those to the council and you could recommend that as well. Then also I spoke with Glenn Ulrich before and he passed along some of his – and he I think preferred Alternative 3 just in general in favor of more recent landings for these – just to let you all know.

MR. WHIPPLE: Is she right?

MS. GORE: Yes, that is what I remember from the IPT recommendations, Alternatives 5, 6 and 7 we proposed for removal.

MR. WHIPPLE: Okay, any discussion? Gentlemen, do we have a motion?

AP MEMBER: I'd like to make a motion, under Action 2 we take out Alternatives 5 through 7.

AP MEMBER: Second.

MR. WHIPPLE: Discussion on that? All in favor. **Passes.**

AP MEMBER: I'd like to make a motion that we use Alternative 4 as preferred, restrict eligibility to valid commercial golden crab permit holders.

AP MEMBER: I'll second that.

MR. WHIPPLE: Discussion? In favor. **Passes.**

MR. WHIPPLE: Now, Andy, you wanted to have your discussion at this point?

MR. STRELCHECK: Yes, before we move on from Action 2, I think we probably need to set the stage here for Actions 2 and 3. In Action 2, Alternatives 2 and 3 include landings' data for the year 2009. We have options in Action 3 that include landings' data through 2008. There appears to be a little bit of a disconnect there.

There have been suggestions by the council of including up through 2010 so it might be worth having a discussion of that. I don't know if you want to do that before or after I give my presentation, but I just wanted to point that out that whatever you decide you probably at minimum should be consistent in terms of the timeframe you are looking at.

AP MEMBER: Can we do it after the presentation?

MR. WHIPPLE: I think that is the way we would like to do it.

MR. STRELCHECK: What we have done is try to put together a tool for you guys to use in looking at initial allocation scenarios. In the amendment, as it currently stands, there is eleven alternatives in Action 3 that could have somewhere on the order of about 69 different initial allocation options.

We haven't gotten into detail in terms of analyzing all of those particular options. We did take a more simplistic approach at this point and looked at some of the options we thought might be more reasonable and viable to analyze and easier to analyze. We intend to beef this up as that list of options is reduced somewhat and narrowed so that you guys can get a better idea in terms of what your initial allocation could look like under these various scenarios.

The calculator itself essentially relies on your logbook landings' data, which is linked to your permit history. I have forms printed out, I can hand those out afterwards so that if you want to request your landings history, you can fill those out. You have to meet some confidentiality requirements and then we can send that to you.

For the most part what we will try to do is post this online so that you can access it; and once you get your landings history, it is as simple as plugging in the landings history into these orange boxes. That is the only step that you'll actually have to complete in this entire spreadsheet. Everything else will be computed for you in terms of initial allocation.

We tried to provide step-by-step instructions just to kind of help you follow through what we are actually doing here in terms of making decisions. I'm just going to keep it simple for now and enter in some landings history, and we will just say 50,000 pounds annually every single year during the entire time series. Once you've entered your landings history, you are done in terms of data entry.

You would follow this down and what this table shows you in Step 2, is essentially what is your average annual landings during three different time periods. If you're more of a new entrant to the fishery, you are going to obviously see that the bulk of your landings are going to be 2006 to 2010. If you have participated for a longer time, your average landings for a longer period of time might be higher.

We just looked at these three time periods. You can see it includes through 2010, which you may or may not want to include, but it gives you kind of an idea or a sense of what does a longer time series look like versus a shorter time series. Once again, all you're doing at this point is viewing the information in the spreadsheet.

Down here in Step 3, this is I think an important consideration that everyone will need to keep in mind for initial allocation. The average landings during 2010 or say in the most recent years have been somewhere on the order of 600 to 700,000 pounds, whereas the annual catch limit that is going to be specified in the quota that you would be operating under in the near future will be 2 million pounds.

There is a huge difference between those two numbers. There is a lot of room to grow. When you look at initial allocation, if you are just going to allocate among the 11 participants that are currently in the fishery, then what you are likely to get is a lot more pounds than what you currently harvest. Now if that quota comes down you are going to get less pounds; as that quota goes up you are going to get more pounds.

What you tend to find is that from nearly all of the scenarios that are being considered in this particular model, the pounds that you would receive is actually higher than what you would have been landing. Unfortunately you can't see all of this. There are 27 scenarios that have been considered. The way to essentially look at these is this is the qualifying years that we are using for your landings, so 2002 to 2010 for scenario one – these there are different time periods to use.

This is the eligibility criteria, you just selected golden crab permit holders so that is down towards the bottom of the scenarios; but if you selected one pound during this timeframe as a qualification criteria, then that would set eligibility. These two columns essentially tell us or tells you, how we are going to apportion the quota.

Are we going to base it solely on your landings history, which would be 100 percent? Are we going to base it partially on your landings history, so at 50 percent of that 2 million pound quota or 1 million pounds is going to get divvied up based on your landings history. The other 50 percent is you go equally among the eligible participants of the program.

For example, under the golden crab permit eligibility criteria you just adopted, if you chose this scenario each permit holder would get essentially 50 percent divided by 11, so about 4.5 percent would go to each golden crab permit holder whether you had landings history or not. Then the remainder of your shares would be based on your landings history.

If you did not land a single golden crab but maintained your golden crab permit, a minimum is you're getting about 4.5 percent shares for the resource. So what does this all mean in terms of the calculations? Keep in mind up top we had said you were landing on average 50,000 pounds annually.

What this does is it calculates the percentage of the quota that you would be eligible to receive on an annual basis. Regardless of what the quota level is, this is what you would be eligible to receive and hold. Under scenario one with determination you can get about 9.7 percent. Under some of these other scenarios you get a higher or lower amount depending on the criterion being used.

What does this equate to? Well, you just take this percentage and multiply it by the quota and it gives you an idea of what your landings would look like in terms of what you would be eligible to land starting at the beginning of the fishing year. Now what you will notice is that you were averaging 50 thousand pounds but now that the quota has gone up to 2 million pounds, that is what you are eligible to receive under this scenario.

There is this huge difference between what you were landing versus what you are actually going to receive under a 2 million pound quota. If you based this more on 2010 landings, you can see how much closer the values come to one another. That is essentially what is driving the amount of pounds that you would receive under one scenario versus the next.

I won't go through certainly every scenario, but down here at the bottom what we've tried to do is just put together a little summary of these 27 scenarios. We put together essentially worse case; that would be the lowest you would receive. On average, of all those scenarios this is what you would likely receive and best case.

What you would receive is somewhere in this range depending on what is selected by the panel, but also keep in mind that it is also based on the scenarios that are indicated right now in this pool, and you might select an option that is beyond what is currently included. Then in terms of annual pounds you can see essentially the range of annual pounds that you would likely receive, so it gives you some sense of what you receive kind of on an average basis.

If you look at more detail in terms of the actual scenarios, it will highlight it more in bright yellow what essentially is the option that would give you the most shares and the most poundage? For you guys the challenge really is deciding what is going to be a fair and equitable balance between all the participants in the fishery for initial allocation.

Hopefully that makes sense; but if you have questions, I guess feel free to ask at this point. There is a lot of information in this but the bottom line is it should give you at least a snapshot

picture of what you would likely receive. Once you get your landings history, you just plug that in and see for yourself what the various option results is. Questions?

AP MEMBER: What years does this go down to?

MR. STRELCHECK: It includes 1998. Now I could go back farther than that, I think one or two years, but it is 1998 through 2010. Based on recommendations from this panel, we can modify this to include essentially the years for that baseline, whether you want to go back farther or have less recent years included in that landings history.

AP MEMBER: This is set up to go, the model.

MR. STRELCHECK: It is set up to go, but as I mentioned, you had 69 initial allocation options in the document. This only covers a small portion of them and some of the ones that we have considered here aren't even in the document at this point. To the extent you want to narrow those initial allocation options and throw some out, we can then start working on building in the remaining options into this.

Yes, we can make this available as soon as possible, and it is a matter of obtaining your landings history to then plug in and evaluate the various scenarios. Does it make sense to you guys why the annual pounds you would receive are so much higher than what you actually land currently? The reason I was trying to emphasize that and point this out is because I would expect that a large part of the decision of initial allocation really will stem from at minimum a person wants to get – what they are landing currently or what they believe they would want to land in the near future as kind of a fair representation of their harvest level.

I emphasize that point because there is this huge disparity between what was on average being landed versus what the quota is going to be, and that magnifies the amount of annual pounds that then one would receive and therefore diminishes the effect of really what initial allocation decision you make, because everyone tends to get more than what they were landing regardless of that initial allocation.

Now the limitation of that is let's say, for example, you have just a really bad stock assessment in the near future – I'm not saying that is likely – the quota gets cut significantly from 2 million pounds to some lower level. Well, at that point your initial allocation becomes more important because the quota is lower, the quota share that you have remains the same so you are going to get some amount less than what you currently have.

We have had that experience with some of our Gulf programs where we have implemented a program and then the quota gets reduced and it is a tough pill to swallow, to say the least. It is a matter of trying to find that balance that kind of works for everyone. In this instance at least with the initial implementation of the program, the 2 million pounds looks like it is going to provide everyone with some additional poundage.

AP MEMBER: How often is that 2 million pounds recalculated; how often do they do that?

MR. STRELCHECK: That is a recent recommendation. We haven't had a stock assessment for golden crab. I don't know if we've ever had one. We've had a review of the population a while back but there is a proposal, I think for a 2013 stock assessment. That would be the next review to truly evaluate whether the 2 million pound quota is appropriate or not.

MS. MACLAUHLIN: Okay, we will start looking at Action 3, which is the initial allocation scenarios. I will just kind of summarize these. Alternative 1 is to not establish initial allocation. Alternative 2 uses your aggregate catch history '02 to '08. Alternative 3 uses '95 to '08 aggregate history. Then Alternative 4, 5 and 6 use different qualifying periods of ten years or two years in Alternative 6 – I'm sorry, 4, 5, 6 and 7, but then also sets up a way to provide a bonus to permit holders who receive a small initial allocation, and that actually comes out of some of the highest shareholders' portion but then also have some criteria to receive that.

Alternative 8 uses a 50 percent catch history and 50 percent equal allocation and the different subalternatives use different qualifying periods; 95 to 2008 and then also 2005 through 2008, 2002 through 2008, and then also has a criteria attached where you have to have landed 25,000 pounds or 50,000 pounds to receive your equal allocation part.

Alternative 9 uses a similar scenario but it is 75 percent catch history and 25 percent equal allocation. Alternative 10 uses equal allocation to everyone that is eligible, so that is all the permit holders. Then 11 uses the best three years average with different qualifying periods and criteria.

When we discussed this with the IPT, one thing that came up was probably the 50/50, which would be Alternative 8, may be the fairest way to do this, where if catch history is rewarded but also everyone gets some equal allocation; and then the data on 1996 are incomplete so your qualifying periods need to at least be '97.

For example, those two subalternatives in 8A and 8B, we may not have the information for '95 and '96 so we may want to move those qualifying periods to '97. The IPT also requested for 4 through 7, which are the ones that have the bonus for the people who receive a small initial allocation, if these would—if the highest shareholder portion, if that is to a permit or to an individual; you need to clarify that.

Also just to pass along Glenn did – oh, also the IPT, someone suggested another one which was to allocate half – I'm sorry, to allocate a portion based on catch history, that was based on the recent catch history, so allocate 750,000 pounds or around there based on your catch history and then the rest of it equally among everyone. Just to pass along from Glenn, he liked simple alternatives like 2 and 3 and is supportive of more recent active fishermen and the ones who kept the fishery going. He would prefer Alternative 2.

MR. CUPKA: I don't have a comment. Obviously, I am not going to suggest anything in regard to what alternative you should recommend, but I do want to point out that Alternative 8 is the alternative that we used when we established the Wreckfish ITQ. It was 50/50; 50 percent based on catch history and 50 percent equal allocation. I'll just tell you that for your own information, just background information.

But Alternative 8 is the way that we set up the Wreckfish Program when it was set up. It seems to me that you need to make a decision on whether you want to include more recent data, maybe through 2010. I think these years were picked because this was when we first started working on it and 2008 was probably the most recent data we had at the time. You may want to consider whether you want to extend that range of years or not to 2010.

MR. WHIPPLE: Okay, you just said that wreckfish was the one that went with the 50/50?

MR. CUPKA: Yes, I think Kari said that the IPT had discussed it and they thought that was the fairest approach to use. I just wanted to let you know that there is a precedent for that in the South Atlantic Council because that is the very method we used when we set up the Wreckfish ITQ Program years ago.

AP MEMBER: I'd like to make a motion that we go to 2010, on the end instead of 2008 on most of those alternatives, they get the newest data. However you want to word it, Kari, go ahead and help me out.

MS. MACLAUHLIN: The motion is to extend the qualifying periods to include 2010 data in Action 3. What you are saying though is that Alternative 2 would be use 2002 through 2010 aggregate catch history. Alternative 3 would be 1995 through 2010 aggregate catch history. Alternative 4 is 1998 through 2008, so that would extend everything to 2010 and so on.

MR. WHIPPLE: But through the whole series.

MS. MACLAUHLIN: Throughout everything, so where it says 2008, change all of those to 2010; is that your intent?

AP MEMBER: Yes.

MR. WHIPPLE: Okay, we have a motion; do we have a second?

AP MEMBER: I'll second that.

MR. WHIPPLE: Discussion?

MR. STRELCHECK: Just for the benefit of the council, the rationale for including more recent years it sounded like was to account for more recent activity; more representative of the ongoing fishery, is that correct?

AP MEMBER: Yes.

MR. WHIPPLE: Anymore discussion?

MR. RAU: If we use the 2010 and 2009 data we are going to hold this document up. I think 2008, when we first started this whole deal, this catch share, it was a long time ago; a few years ago, and that is the data we use now. We have gone through these initial allocations, we've

looked at them through 2008 and now we are going to have to change it all. I think the alternatives are carefully thought through. Now because of all this new activity with the high price on these crabs, there has been a lot of activity in the last two years in anticipation of a catch share program where they want to jump into this fishery.

AP MEMBER: Howard, when you say you are going to hold up the document, o they have to go back in and redo the numbers; is that what you're saying?

MS. MACLAUHLIN: It will just require additional analysis of all the different formulas and scenarios. For example, in the big document all the different pie charts and everything would have to go back through and recalculate.

MR. WHIPPLE: Okay, all in favor of the motion.

MS. MACLAUHLIN: In Action 3 in the document, every time it says '08 for the qualifying period, so this is Action 3, so in Alternative 2 it says use 2002 through 2008. What this is going to do throughout the whole action is instead of 2008, it would be 2010 so just extending all of those.

For example, in Alternative 2 it would use 2002 to through 2010 aggregate catch history for each vessel. Alternative 3 would be use 1995 through 2010 aggregate catch history for each vessel and so on. Also, you may want to hold questions and then they are going to have a public comment and we can chat about it.

MR. WHIPPLE: I thought you wanted to say something, Dave, but I guess not.

MR. CUPKA: No, I don't think it is appropriate for me to say anything, and I certainly wasn't suggesting that you include 2010. I was just saying you need to consider that before you move ahead. It will impact your timetable that you have already approved I think because it would be hard to meet that timetable now. But, of course, we don't know what Congress is going to do next year so we may have a lot of time to work on this before we can ever submit it. We just don't know that at this point.

MR. WHIPPLE: Now, as I recall we were in the middle of a vote. **All in favor; opposed. We have a three to one rejection and the nays have, so I get it right.** You can make a motion.

MS. MACLAUHLIN: Are we finished with Action 3?

MR. WHIPPLE: We turned down that motion; we need another one.

AP MEMBER: I'd like to make a motion that we recommend data through 2008 be used as a qualifying period.

MS. MACLAUHLIN: I'm looking through the document and this seems to be just status quo; make no changes to the qualifying period, no additional analysis.

MR. WHIPPLE: So we don't need a motion?

MR. CUPKA: No, I don't think you need a motion to do that. You've already got that in there, but you do need to select one of those alternatives to recommend to the council.

AP MEMBER: Excuse me for a second; are we still on discussion?

MR. WHIPPLE: Yes.

AP MEMBER: I want to understand. You want to use the data up until 2008 but not the 2010 because they've already done their homework. Okay, that is all I was going to say.

MR. STRELCHECK: I said this yesterday and I'll say it again. I don't see the 2010 data holding up the document. We have it in hand; it is available. Yes, there has been analysis done. We'd have to update and revise that, but if that is the only reason not to use it then I would say you probably need to think of another rationale. We do have the 2010 data and I think it is just a matter of reworking it. The timeline you discussed earlier is ambitious. If we slipped on the timeline, I don't think it would be because of the 2010 versus 2008 data. I just want to point that out.

AP MEMBER: Andy, let me if I understand you right. You're saying that it is not going to take much more time?

MR. STRELCHECK: It will certainly add to it. The issue usually is updating the permit history and then linking the landings data to that permit history. That has been done. We have the data in hand; but in terms of what goes in the document to evaluate the actions and alternatives, that would have to be revised and updated accordingly.

MR. WHIPPLE: Procedurally where are we? The 2010 motion has failed; does that bring us back automatically to using the 2008? So now it is a question of proceeding on those choices; is that correct? Okay, do we have a motion on the choices under Action 3?

AP MEMBER: Under Action 3 can we clean some of this up by eliminating Alternative 4, Alternative 5, Alternative 6 and Alternative 7? I guess we've been told that these would be very – or they cannot be analyzed.

MS. MACLAUHLIN: No, they were analyzed in the –

AP MEMBER: But there is difficulty in doing it.

MS. MACLAUHLIN: No, they've already been analyzed with these qualifying periods in the big document.

AP MEMBER: So if we are going to go with the 2008, we probably ought to use these.

AP MEMBER: It's a lot more alternatives; we should try to clean it up I think somewhat.

AP MEMBER: Well, they are in there for a reason.

MS. MACLAUHLIN: I think that overall the IPT recommendation was if you are not seriously interested in an alternative, then you should remove it for the sake of simplifying the document and making these choices a little fewer so we can get things moving along. I think that is a fine justification for taking something out is that these are ones that you've considered but have decided that you were more interested in different allocation scenarios; and that's okay.

MR. WHIPPLE: Well, Randy, which ones would you like to see left in?

MR. MANCHESTER: Alternative 4; from '98 to 2008.

AP MEMBER: So what do you think about getting rid of 5, 6 and 7?

MR. MANCHESTER: Fine.

AP MEMBER: I'd like to make a motion that we remove Alternatives 5, 6 and 7 under Action 3.

AP MEMBER: I'll second.

MR. STRELCHECK: Bill, can I ask a clarifying question – and maybe Kate understands this better because she was the one looking at the analysis – but Alternative 4, you must have a 25,000 pounds of aggregate catch history from '98 to 2008. That is just total over that entire time period; that is not an average per year, correct?

MR. WHIPPLE: I believe that is an aggregate total.

MR. STRELCHECK: Okay, and then the 30 percent initial allocation on all vessels owned combined. Since we are dealing with permits, can we refer to it in terms of permit history? There are some complications to this. The reason is when we look at shareholdings, for instance, we have to look at individual entity shareholdings and not what is necessarily tied to the vessels.

It goes back to the permit history and who is on that permit and whether they are involved in a corporation or not. I am trying to I guess understand the details of this a little bit better so we can make sure we are analyzing it appropriately. The challenge I see I guess is if you are over 30 percent, then the 2 percent will come off of that person's share history and go to these remaining qualifying vessels if I am understanding it correctly. Is that how it is working?

MR. WHIPPLE: I believe so.

MR. STRELCHECK: I don't know how many vessels will be below 5 percent initial allocation but essentially the top person or persons could be essentially deducted for every single vessel that is under 5 percent. This is essentially just to benefit the smaller vessels and allow them to have more initial allocation, correct?

MS. QUIGLEY: Yes, I was just going to say the wording vessel, vessel, vessel, et cetera, at one time there was consideration of looking at vessels instead of permits. I believe right now the situation is just looking at permits. All of the reference to vessels should be changed to permits. That was the intention.

MR. STRELCHECK: I don't think there has been a motion made, I'm not sure if we need a motion, but for general cleanup, since we don't have good landings history pre-1997, can we just I guess make a note that we would modify the document accordingly for any alternatives that include data pre-1997 to only include data from 1997 onward.

MR. WHIPPLE: I think if I understand you, this has been mentioned, but we need a motion that any of the years previous to where you have data should be eliminated. Do we have that motion?

AP MEMBER: I'll make a motion that we use 1997 as the first year of data collection.

AP MEMBER: I'll second that.

MR. WHIPPLE: All in favor. How many have we got? I guess we got it. Have to turn your head fast. **It passes.**

AP MEMBER: I'd like to make a motion that we eliminate under Action 3, Alternative 10, allocate through equal allocation of total quota.

MR. WHIPPLE: Any discussion? We need a second.

AP MEMBER: Second.

MR. WHIPPLE: In favor; okay, **passes.**

MR. CUPKA: Bill, I have a question again; not so much about which alternative, because you haven't selected an alternative yet, but in relation to the time period -- and guess maybe Andy can help me with this -- it is kind of unusual not to use the most recent data and there is no reason why we couldn't cut it off at 2008 given a rationale, but again I don't know that I've heard that rationale.

I think Howard may have touched on a little bit of it in the fact that it has nothing to do with length of time to analyze it, it has to do with when boats were operating in the fishery and I guess concern about new entrants that have come in since 2008, but don't we need a pretty clear rationale for why we are cutting it off at 2008 on the record?

MR. STRELCHECK: Yes, I think that would be helpful. The other option would be for us to go ahead and analyze both '08 and 2010, which doubles the workload, but just to have it available for council consideration. The rationale I've heard so far really points to speculative entry or gearing up, ramping up of landings since discussion of the catch share began in 2008.

I know this probably very panel recommended a control date back in '08; early '09 that ultimately was implemented last year. The control date really is the basis for 2010. I think if you can put together a strong record as to why you wouldn't want to use 2009 and 2010 at least to go forward to the council for consideration.

MR. WHIPPLE: Any comments on the comment? I think, Kari, you did have something to say a minute ago.

MS. MACLAUHLIN: I was just going to say that I think Howard's recommendation with the justification of not adding 2010 data is what Andy said, because of more recent activity and the anticipation of a catch share program.

MR. CUPKA: I just wanted to make sure that was enough based on Andy's experience and justifying some of these actions. If he feels like it is, that is fine. It's almost kind of like the elephant in the room that nobody wants to really talk about too much. If you think that is sufficient in terms of rationale, that is fine but I want to make sure that we do have sufficient rationale for cutting it off at '08.

MR. WHIPPLE: I guess I'm allowed to make a little comment. I think part of the – we requested a control date and Howard mentioned this, in 2008 we are told that we shouldn't try to go forward with it. Of course, all the analysis and stuff, as he said, is done. Certainly the effort was made to have the control date correspond with the years.

MR. CUPKA: Well, again, remember, the control date doesn't do anything other than put people on notice that if they enter the fishery after that date they may or may not be included.

MS. MACLAUHLIN: I was just going to make a suggestion. The AP might want to consider adding another alternative that would look at some alternatives that go to 2010; you know, leave the current suite of alternatives there that go to 2008, but maybe adding one more set of alternatives that extend to 2010, just for something to look at, and that wouldn't hold the document up.

MS. GORE: Are you saying, for example, add subalternatives for Alternative 8.

MS. MACLAUHLIN: Yes, maybe add a subalternative under each current alternative that would look at the full catch history from 2002 to 2010; so don't reanalyze every alternative here in the document to 2010. Leave these the way they are but just add some that would look at 2010.

AP MEMBER: So how would you word that?

MS. GORE: Kari will know how to word it.

MR. WHIPPLE: It looks like you want to make a motion, Randy. No?

MR. MANCHESTER: It seems like everybody wants to analyze 2010, that doesn't mean that we have to go with it, though.

MS. MACLAUHLIN: How about would we put, for example, for 2 and 3, separate those into subalternatives, or we could combine that into one alternative and have four subalternatives and that is just the aggregate catch history alternative with four subalternatives. That's original Alternative 2. This is original Alternative 3, except that just says '97 because you just passed that motion.

This is what would be Alternative 2 if you extended to 2010 and this would be Alternative 3 if you extended to 2010. So what I'm proposing is to combine Alternatives 2 and 3 and then add subalternatives to include 2010 and basically you are creating a new alternative with 4 subalternatives.

MR. WHIPPLE: Now, we've got motion 8 and this is relative to Action 3. Is this suggested wording for a motion, is that right?

MS. MACLAUHLIN: Okay, I am going to write up a motion based on that alternative example that I gave you, to the best of my ability. The motion reads combine Alternatives 2 and 3 in Action 3 and add subalternatives to extend the qualifying periods to include 2010; such as Alternative 2, use aggregate catch history for each permit to allocate initial allocation. Subalternative 2A would include 2002 to 2008; 2B would be 1997 to 2008; 2C would be 2002 to 2010; and 2D would be 1997 through 2010. Someone needs to make the motion officially.

MR. WHIPPLE: Yes, I understand. Okay, anybody wish to present the motion?

AP MEMBER: I'll make the motion.

MR. WHIPPLE: Second? Okay, that fails for want of a second. Do we have any other motions relative to Action 3?

AP MEMBER: I think we need to make a preferred here. I'd like to make a preferred under Action 3, Alternative 9B.

AP MEMBER: Can anybody clarify "aggregate", what that really means.

MR. STRELCHECK: The way I understand it, it would be the total sum of your landings over that entire time period. As long as it exceeds 50,000 pounds, then you would qualify for – no this would be 1997 through 2008.

MR. WHIPPLE: So in those eleven years, not for any particular year, but the sum of all the years you might have 2,000, 7003, 10 and so forth, as long as that sum is 25 or more.

AP MEMBER: It says 1995 and not 1997.

MR. WHIPPLE: Well, he doesn't have data for '95.

AP MEMBER: All right, that is all I wanted.

AP MEMBER: I'll second that motion.

MR. WHIPPLE: All in favor. Any discussion on it before we vote?

MR. STRELCHECK: I apologize because I wasn't involved with the AP a couple of years ago but can you guys explain the rationale or basis for the 25 or 50,000 pounds as to why you think that's a reasonable level for qualifying for this equal allocation? Was there a rationale for that when it was proposed?

MR. WHIPPLE: It no longer applies but kind of illustrative. Originally, I think 35 permits on the whole were issued and there were requirements made to have a total landing over a period of two years I think of 5,000 pounds. An awful lot of people who jumped into this in the beginning when there was a big flood of interest didn't qualify.

So there was attrition on a high number of permits. Here maybe the situation is a little different but I think that the point to the aggregate number is that it's got to be somebody that has had some activity that is not necessarily significant but nonetheless been fishing. It is pretty modest as it is, but I think that was the point to at least get 25 or 50,000 pounds depending on the particular option so that it isn't somebody that has been a bystander but happens to have a permit. Okay, any more comments before we have a vote on the motion? All in favor. Did your hand go up, Randy? **Okay, motion passed, approved.**

AP MEMBER: Is it possible to put another preferred, to have two preferreds?

MR. WHIPPLE: What's your sense on that, Dave? I would think so.

MR. CUPKA: We've had more than one preferred sometimes in our amendments but it depends on whether it is actually a sub-portion of that alternative. I guess from the standpoint of just recommending something for the council to consider, if it's something else you're equally interested in, I guess you could. This isn't a formal document.

MS. MACLAUHLIN: At the Lobster AP meeting they recommended a preferred and then they did another motion – passed another motion that said but if you don't pick that preferred then we recommend this one; like a second, second choice. We'll just word it like that if you have another.

MR. WHIPPLE: If the council doesn't like the preferred, they get another choice where it might be acceptable.

MS. MACLAUHLIN: Right and for this action you can't have – they're all exclusive, so if you choose one preferred, then you are not going to be able to do two different types of formulas or something like that. The council will only pick one preferred alternative for this, but I think that you could word a motion of if the council chooses not to adopt Alternative 9B as the preferred, then the AP would recommend adopting another one or something.

AP MEMBER: So how do you word that?

MR. WHIPPLE: I suppose it could be preferred 1 or alternate preferred 2 or something, whatever. Okay, is there a motion?

AP MEMBER: I haven't given you the -- it's 8B.

AP MEMBER: Second.

MR. WHIPPLE: Any discussion? All in favor. We have three; approved.

AP MEMBER: It was so quick.

MR. WHIPPLE: You want some more time? Okay, where do you want to go now, Kari? Okay, anything more on Action 3?

MS. MACLAUHLIN: Okay, moving along to Action 4; from what I understand this is the action that establishes eligibility to buy shares and pounds after initial allocation; and that's correct, right? So 2 and 3 are who get initial allocation and Action 4 is who can buy after the fact, correct? Is that correct, because we may change the text to reflect that and be more specific about this.

To harvest you have to have a permit and the shares and everything, so just to be clear that this is who can buy. Alternative 1 is no action, so establish eligibility for anyone to buy the certificates and harvest; and then Alternative 2 would be anyone who holds a current permit in any zone can buy shares and then also annual pounds; just any permit holder, that is what Alternative 2 is.

The IPT recommended perhaps – I'm going to jump ahead a little bit – putting Action 4 and Action 6 together because this does have to do with transferability of the shares and the pounds. We may want to talk about combining these and making one action that defines transferability. In Action 6 the different alternatives are – the first alternative is do not establish any kind of rules for trading or transferring.

Alternative 2 is basically you can sell and lease all or a portion of your share or your annual pounds to anybody who is eligible. That is what links it back to Action 4. Alternative 3 would be – this is one where I think that we needed some clarification. Alternative 2 is a permit holder or those leasing a permit. Then Alternative 3 would be anyone who holds a permit.

I'm assuming like permit owners, it restricts it to permit owners only. Then 4 just puts a timeline on it. They can only be transferred during the first five years. Then the language in there that says eligible individuals must be persons who are U.S. citizens or permanent resident aliens; because this is a limited access privilege program and under Magnuson 303A, that is already defined in there so we may remove that language.

Really what you all need to decide and make a recommendation about is do you want pretty much unrestricted transferability as far as you can do all of it, a portion of it, you can lease it, et

cetera, which is what Alternative 2 would be; and then who do you want to be able to hold those shares or annual pounds. Do you want it to be just permit owners or also people who are leasing as well?

AP MEMBER: Am I under the understanding that the new entrants to the fisheries must purchase annual pounds and purchase or lease a permit is no longer there?

MS. MACLAUHLIN: Well, that I think is – if the catch share program is implemented, that is an assumption of fishing and entering the fishery is that you would have to have a permit and you would have to either have pounds or buy your own shares.

AP MEMBERS: Okay, and on Action 15 the alternatives talk about pounds going into being set aside for new entrants so that they don't have to put out an arm and a leg to go ahead and purchase pounds so that they can start crabbing. Action 4 and Action 15, what is it? Do we have to purchase pounds here? Because if we vote on this, then Action 15 goes out the window; isn't that what I am thinking here?

MS. MACLAUHLIN: No, I don't think so. I think that these first ten actions or so are setting up the basics of the catch share program. We are going through everything that needs to be – to who is eligible to hold, who is eligible to receive initial allocations and then who is eligible to buy and sell – or to buy shares and pounds and use it or lose it and things like that.

Then we are going to—and then everything else, those are not things that are required, like a new entrants' program. They are just provisions that can be put into these. I think that absolutely you can set up some transferability rules and make decisions about who can buy the shares and when and everything like that and still be able to set up some kind of set-aside or in some way something to help with new entrants and help with those capital requirements when they first come in.

AP MEMBER: Are we going to put a time period on it?

AP MEMBER: Could you eliminate Action 4? Doesn't the transferability take care of that?

MS. MACLAUHLIN: That's what the IPT was recommending is that we could probably eliminate 4; and then because where it says among all permit holders and those leasing a permit, that basically is defining who is eligible to purchase shares or pounds. We can undo that.

MS. GORE: Right, and we also can deal with the new entrants. The IPT talked about the new entrants needing to be defined in Action 15; so if we eliminate, if you guys decided to eliminate Action 4, we would deal with the new entrant stuff in Action 15. It would still be there, but just not here.

MS. MACLAUHLIN: In Action 6, Alternative 4, there is a time requirement on it so transferability could only occur within the first five years of the program. Some programs restrict transfers within a few years or something like that, so that is just an option in there, some kind of timeline.

MS. GORE: I actually read Alternative 4 a little bit differently, so within the first five years it would only be transferable to other golden crab permit holders and then after that you could transfer it to any U.S. Citizen.

MS. MACLAUHLIN: Oh, I'm sorry, yes, you're right.

MS. GORE: It was brought in the pool for you could transfer to.

MR. WHIPPLE: May I interject a little procedural thing here? This is being recorded and when there are a couple of people it is pretty understandable, but when somebody speaks would they just say their name so the record comes out a little cleaner?

AP MEMBER: May I make a motion? I would like to make a motion that we eliminate Action 4.

AP MEMBER: I'll second.

MR. WHIPPLE: Discussion? All in favor. Passes.

MS. MACLAUHLIN: May I make a recommendation that we continue with discussing Action 6 and then we'll go back to 5 for now.

MR. WHIPPLE: If that's what you would like to do, okay, go ahead.

MS. MACLAUHLIN: Do you have any discussion for Action 6 and the transferability? I just wanted to go ahead and continue that discussion; and then we we're finished with Action 6, then I'll go back to Action 5, which is the appeals process.

MR. WHIPPLE: Are there any discussions before we ask for a motion relative to Action 6?

AP MEMBER: On Alternative 3, the only person that can either they'll be able to get shares will be somebody that holds a golden crab permit.

MS. MACLAUHLIN: This is something I would like clarified, I think in that is a permit holder an owner or a permit holder is somebody who owns or leases the permit; and then if there is a difference, then to clarify it? I think that's what the difference is between 2 and 3 is that 2 is owners and leasers and 3 is just owners, but if that is not correct let me know and then we can also clarify the language.

MR. STRELCHECK: I just called our permits office to ask this very question. The lessee is the person that leases the vessel and not the permit, but they are identified as the permit holder in that instance so I don't think there is functionally a difference between a lessee and a permit holder that isn't doing a lease at that point, functionally from how we handle it on our permit's side with regard to issuance of permits. I don't think Alternatives 2 and 3 would functionally be different other than the wording at this point.

MR. WHIPPLE: Any further discussion? Do I have a motion relative to 6?

AP MEMBER: Do we need to remove Alternative 2? Let me make a motion that in Action 6 we remove Alternative 2.

AP MEMBER: I'll second it.

MR. WHIPPLE: Any discussion? All in favor. Pass.

MR. NIELSON: I don't understand, Howard, is the thinking here for Alternative 4 in the five years – during the first five years, because if you do away with 4, doesn't 2 allow you to do anything you want, so to speak?

MR. RAU: I was thinking of preferred as Alternative 3.

MS. GORE: Two and three are redundant.

MS. MACLAUHLIN: So do we want to redo the vote?

MR. WHIPPLE: We'll revote on the motion. All in favor. Okay, approved. All right, now we need another motion under 6.

AP MEMBER: I'd like to make a motion for Alternative number 3, Action 6, to be the preferred.

AP MEMBER: Second.

MR. WHIPPLE: Can we get a vote? 10 up mean a yea, it passes, approved.

MS. MACLAUHLIN: If there is no additional discussion on transferability, we will move on to Action 5, which is establish criteria and structure for an appeals process. This specifies in Alternative 2 of set-aside of 1 to 2 percent of the ACL. And so in all cases also in the document that when it says TAC, we will be updating the language to say ACL. Alternative 2 is 1 to 2 percent of the ACL for a set-aside for an appeals process after initial allocation; and if that set-aside is not used, it will be returned back to the quota pool and redistributed based on that original initial allocation formula.

Then also in Alternative 2 the NMFS Regional Administrator would administer the appeals process. It would be conducted 90 days after initial allocation and before any bonus such as in Alternative 4 would be distributed and there would be no hardship clause and the appeals process would rely upon trip tickets to establish additional landings.

If fishermen felt that initial allocation was incorrect, then he would present to the NMFS Regional Administrator through some kind of process with proof of landings through trip tickets. Alternative 3 would use a board of state directors and other designees to review those appeals

and then make recommendations to the regional administrator and kind of the same criteria, 90 days and no hardship arguments.

The IPT recommended that in Alternative 2 to specify what percentage of the ACL, so maybe a Subalternative 2A would be set aside 1 percent of the ACL for the appeals process, Subalternative 2B would be set aside 2 percent or something like that; not a range but actually say the percentage.

Then also just to pass along, Glenn felt that he favored a board instead of making the recommendations in Alternative 3 and also felt that a set-aside because there would be – and the IPT also mentioned this that because everybody who receives initial allocation will receive poundage-wise more than they land, that there may not be any appeals. I guess we would also need to specify – it is specified, I'm sorry – about how the set aside will be redistributed. Is that all?

MS. GORE: The IPT or the NMFS office, we need to look into an appeals – there is a NOAA-wide appeals office that has been formed and we need to figure out how that would work with this. This action may not even be relevant to the golden crab fishery catch share program once we figure out how the appeals office works, but it would be good for the AP to make a recommendation anyway and go ahead and see how that's going to play out.

I was just going to say Kari had mentioned using subalternatives under Alternative 2 for the percentage of set-aside, but if you feel that – I mean we don't want to analyze alternatives just for fun so if you have a percentage in mind, like if you want 2 percent or 1 percent and we don't have to analyze those various alternatives, that would probably be better.

MR. WHIPPLE: Any further discussion? Is there a motion?

AP MEMBER: Do we have to remove Alternative 2 and then just change the 2 to 2 percent?

MR. CUPKA: I can tell you we've done it both ways and the way outlined in Alternative 2 and the way outlined in Alternative 3, and Alternative 2 is a lot better, smoother process. We did Alternative 3 when we were doing the snapper grouper limited entry thing and it was a problem.

MS. MACLAUHLIN: So I think you can just make a motion to specify 1 percent or 2 percent or however much in Alternative 2.

AP MEMBER: I'd like to make a motion that we pick Alternative 2 as our preferred with 2 percent.

MR. WHIPPLE: Okay, any discussion?

AP MEMBER: Second.

MR. WHIPPLE: All in favor. Okay, passes.

MS. MACLAUHLIN: Moving along to Action 7, this is on Page 6. This is another basic catch share program design. This defines the quota share cap so the highest percentage of shares that one entity can own, this is required that the council define it by law. Alternative 1 is do not establish the catch share.

Alternative 2 would set the cap share as the maximum percentage initially allocated to someone. Alternative 3 through 8 present different percentages, 25 percent, 35 percent, 45 percent, 55 percent, 65 percent, and 75 percent. Before June, Alternatives 3, 4 and 5 are not in this action and that was requested be added by the council at the June council meeting for analysis of these.

MR. WHIPPLE: Any discussion? Do we have a motion relative to Action 7?

AP MEMBER: I'd like to make a motion that we set the cap at 49 percent.

MS. MACLAUHLIN: I guess that would be to add an alternative.

AP MEMBER: That would be adding an alternative.

AP MEMBER: Second.

MR. WHIPPLE: Any discussion? In favor. Approved. Any further motions on Action 7?

MR. CUPKA: Bill, if I could ask a question, one of the reasons that we wanted to have this is to try and eliminate some of these alternatives and if there are any alternatives in here that you think don't need to be in there, a recommendation to eliminate some of those like 6, 7 and 8. If you think those are too high – and the council thought that maybe they were, but that's why we've got some different percentages. If there is any you think are just too high, then you could recommend that we remove them and further streamline the document a little bit.

MR. WHIPPLE: Any discussion on that? We've got the range going all the way from 25 to 75; can we eliminate some of them?

AP MEMBER: I'd like to make a motion in Action 6 that, excuse me, Action 7 we eliminate Alternative 6, 7 and 8.

AP MEMBER: Second.

MR. WHIPPLE: Discussion? All in favor. Approved. Anything further on Action 7?

MR. STRELCHECK: You made the motion to add the 49 percent as an alternative; you haven't made a motion for a preferred alternative. If you want to select a preferred, do so.

MR. WHIPPLE: Yes, thank you we got lost in the tracks.

AP MEMBER: I'd like to make a motion of 49 percent as the preferred.

AP MEMBER: Second.

MR. WHIPPLE: In favor, I get three, I think. Opposed. Anything else relative to Action 7? .

MS. MACLAUHLIN: Okay, Action 8 defines a cap on the number of annual pounds that one person can have in a year. This would be if you have your shares and then you would get your annual pounds allocated out for you, and Action 8 would define if there was within that year how many pounds you could have.

Alternative 1 doesn't define a cap, so basically no cap on that. Alternative 2 sets the annual pounds cap equal to the corresponding share cap as defined in Action 7 – and I'm sorry that's a typo where it says Action 10, but it is referring back to Action 7 – times the annual quota. For any single fishing year no person shall possess annual pounds in the amount that exceeds the cap, which is what this defines.

Anyone receiving annual pounds in excess of the annual pounds ownership cap would not be able to purchase additional annual pounds. Does that make sense to everybody? You can't go over that if this is defined. Anyone receiving annual pounds that were less than the annual pounds, ownership can purchase the additional annual pounds up to that amount of the annual pounds cap.

Alternative 3 sets the annual pounds cap with three different scenarios which is the share cap that was specified in Action 7 plus 1 percent times the annual quota. Subalternative 3B is the same except it is 5 percent the annual quota and 3C is 10 percent – plus 10 percent of the annual quota. The IPT recommends not having an annual pounds ownership cap.

MR. WHIPPLE: Would you repeat the last sentence.

MS. MACLAUHLIN: The IPT felt that Alternative 1, not defining an annual pounds cap, was good.

MR. WHIPPLE: Okay, any discussion? A motion?

AP MEMBER: I'll make a motion that we eliminate Action 8, annual pounds cap.

AP MEMBER: Second.

MR. WHIPPLE: All in favor. I think we have at least three, maybe unanimous, I guess.

MS. MACLAUHLIN: Continuing on to Action 9 is a use it or lose it policy. Alternative 1 doesn't specify any kind of minimum landings requirement to keep your shares. This is a provision to make sure that shares are being used for fishing. Alternative 2 allows the permit owner or the permit leaser have used at least 10 percent of the share in one year so that could be, they fish the share, they sold the share or they sold the annual pounds that year on a cumulative basis during a two-year period using a running average.

Alternative 3, shares that remain inactive for three years will be revoked and redistributed proportionally among the remaining shareholders. Inactive is defined as using less than 30 percent of an individual's allocated shares over a three-year moving average period. Then 4, shares that remain inactive for three years will be revoked and redistributed proportionately among the remaining shareholders; and inactive is defined as less than 50 percent of the allocated shares over a three-year average period were used.

The IPT recommends that the different alternatives are reworded so that they are similar structurally. Because basically the first one is that you have to use at least 10 percent within one year, but then 3 and 4 give you three years and different percentages that you are required to either fish or sale or lease out your annual shares.

We maybe could combine 3 and 4 with the percentages as the subalternatives in there. Then also when I spoke with Glenn Ulrich, he wanted some clarification on if your shares are revoked, what happens to your permit; like if your shares are revoked then can you – you just have to buy back in, I guess, trying to talk about some discussion and also he supported this action but he didn't want it to be too restrictive so that you could have some flexibility if you were out for a year, or for whatever reason.

I guess when we were talking about it, it was like what happens if this happens? What happens to that person that if they actually get their shares revoked, if they actually don't meet the criterion that is chosen, what happens to their permit, are they out for good, things like that, I guess. Is that something that you have discussed before?

MR. WHIPPLE: I don't think we have, but does anybody have – Kari or Dave or Kari or Andy, do you have some input you would like to make?

MR. STRELCHECK: I guess I caution you in how high you set the threshold if you choose a use it or lose it policy based on what I was discussing earlier about the landings that you have been averaging in recent years compared to a 2 million pound quota. If you set the threshold too high, you could ultimately have a use it or lose it that might be higher than your current landings.

MR. WHIPPLE: Than you're able to do.

MR. STRELCHECK: You have plans maybe to ramp up effort, but it's not going to occur overnight; and as a result you could quickly get yourselves in a situation where you're having to just meet the use it or lose it criterion in order to maintain your shares and allocation. That's point one. I think this is not a bad thing to have.

We have instances where accounts become inactive or people don't fish their pounds of allocation, and it's obviously not a good utilization of the resource so you want to try to distribute that to people that are fishing for golden crab at that point. I think the devil is in the details in terms of the mechanism you allow that to happen. My recommendation is just keep it more of a minimal standard rather than a maximum standard.

AP MEMBER: Andy, if you lease out your shares and the person that leases them doesn't catch crabs, does that go against you?

MR. STRELCHECK: Yes, that's another good point. My recommendation is to really focus this on landed catch for shareholders and not on leased catch because you could have a business relationship or a friend and just simply lease them their allocation and then you've already gotten around the use it or lose it policy. Whereas, we can directly track how much you get at the beginning of the year and how much of that you landed to insure that you are at least landing the minimum threshold.

AP MEMBER: So could we put in another provision in there to make it even like 5 percent?

MR. STRELCHECK: Yes, you're looking at, under a lot of those allocation scenarios, increasing threefold over your current landings, so 10 percent would be equivalent to about 30 percent of what you're currently landing.

AP MEMBER: 10 percent maybe on a three-year period?

MR. CUPKA: Well, one reason we set Alternative 2 the way we did is to define all these activities that would allow a person to meet their quota. In other words, if you may sell it one year to somebody and if it meets the minimum requirement, then you've used it. The person you sold it to might not have used it and that might be neither here nor there, but at least you've met part of your requirement.

As a general rule we've got some problems right now in the Wreckfish ITQ Program that we probably wouldn't have if we would have had a use it or lose it aspect to that program. Initially several council members fought to include a use it or lose it aspect to that program but it didn't get voted in.

Now we've got a situation where we've got people out there sitting on them and some people we don't even know if they are still alive or not. We're trying to clean that up; but if we would have had a use or lose it policy, we wouldn't be in the situation we're in now on wreckfish. I think it's a good thing to have; but again I think like I said earlier, you need to be careful on how it is set up.

You want to encourage people to use it, you don't want them sitting on these things, but you don't want to create a situation where they are trying to meet the requirements and still end up losing because of adjustments in the ACL or something along those lines. It's a good thing to have, but you need to make it somewhat liberal so that you don't eliminate people unintentionally, I guess.

MR. STRELCHECK: Let me add to that. The Gulf programs considered this but ultimately didn't adopt it because of some complexities on how it would be monitored and administered. I don't think that's impossible to do. One of the concerns they had is you have changes and fluctuations in stock abundance and there might be reasons why you just can't go out and land that allocation. The population just had a really bad year one year, or multiple years.

The way they worded their alternatives was based on the annual average utilization of IFQ shares. For example, if you have a 2 million pound quota but the fishery as a whole only landed a million pounds, well, you wouldn't be basing your bench mark on 2 million pounds. You would be basing it on a million pounds at that point.

That gives some leeway then to what is being actually utilized and not what is available to be utilized. That's I think an important distinction. That also helps with that minimum threshold to give you a more likelihood of actually achieving it at that point. We can wordsmith the alternatives to account for that if this is something you guys want to continue to pursue.

MR. WHIPPLE: I was just going to say maybe you three can work with Kari to try to develop a substitute. There's Dave and Karla and you.

MS. MACLAUHLIN: I don't know how to say this, Andy.

MS. GORE: Well, are you just making a motion that the IPT –

MS. MACLAUHLIN: Yes, add an alternative or change the language in the alternative.

MS. GORE: To address utilization, average utilization?

MR. STRELCHECK: I think we would just modify the definition of inactive in Alternatives 2 and 3 – or 3 and 4, excuse me. I think we had recommended the Alternative 2 be modified to be consistent with how Alternatives 3 and 4 – so I guess it would be all three alternatives. Then inactive would be defined as less than X-percent – and then the percentage can be added – of the aggregate annual average utilization of IFQ quota, or catch share quota over a three-year moving average period.

Previously we were defining inactive as using less than 30 percent of an individual's allotted shares, so the difference here is now it is not based on what you're allotted, it's based on the average utilization for the fishery as a whole to account for potentially landings being well less than the specified quota.

MR. WHIPPLE: Do we need to write out all the rest of it or are we just having this as a separate directive as to how to word the alternative? I think that is what we're coming down to, isn't it?

MS. MACLAUHLIN: Would the specified percent be 10, 30 and 50?

MS. GORE: Right now Alternative 2 is based on a two-year moving average so I don't know if the AP wants to make a recommendation to change that to be consistent with the three-year moving average or if the intent is to keep Alternative 2 as a two-year moving average with a 10 percent.

MR. CUPKA: I remember when we first discussed this at our first AP meeting there in Charleston, while we were looking at some of these aspects, and what we were really trying to do was to give them some flexibility by including a of couple years. I don't think there was

anything magic about two years versus three years. Three years might give you more flexibility depending on if you had a problem when it hit and all.

I think it would be better to have them consistent. Like I say, I recall our discussion on that. The intent was to provide a little flexibility where you would be looking at just more than one year, but again I don't think there is anything magical about two years versus three years. In some ways three years is probably better than two.

MR. WHIPPLE: That would come up in whatever turns out to be the preferred of these three. This would apply to any of the alternatives, right? What about the issue that you raised Andy and Randy and you together did about leasing and then nobody use it.

MR. STRELCHECK: I don't know if you want to make a separate motion or just deal with it here, but if you want to emphasize that the activity would be based on landings only, then that would clarify things I guess in terms of the criterion.

MR. WHIPPLE: Can we get that in there?

MR. CUPKA: What about the case, Andy, where you had somebody who for one reason or another decided to lease out for one year, then they wouldn't have any landings at all. Obviously, that permit is not inactive, they've just given someone else the opportunity to utilize it. If you just limit it to landings you are going to penalize the person maybe that wants to lease it out for a year for whatever reason.

MR. STRELCHECK: Right, and that's really the crux of this issue. If you go with no action, you essentially allow for participants that are going to have permits and hold shares that potentially just are going to lease out shares and not fish them. That would be perfectly within their right. Whereas, this would at least force each shareholder to land a portion of their catch and simply not lease it.

Now they could lease on one year but then land in other years to meet the averaging requirement. I can say that this is a mixed bag in talking with the Gulf IFQ fishermen. Some people really like this, the idea that you force people to land a portion of their catch, and others think that it's actually good to have shareholders that just simply lease allocation because it makes it available to other participants.

It's really up to you guys and how you want your fishery to be managed, and how you want it to operate. If you want to ensure that the shares and allocation are being utilized by fishermen, then that is where the use it or lose it becomes important. Otherwise, you would select no action and allow people to lease it or land it or do a combination of the two.

MR. WHIPPLE: One thing I would like to remind people of, if you would just say your name when you are going to speak on the microphone so that the records people listening to the tape know who's talking it would be very helpful for them.

Okay, I think we were right in the middle of this Motion 19 and in discussions have really well been thought that with a use it or lose it, the wording needs to be done pretty carefully and the thoughts of maybe a little more carefully developed. Rather than trying to pick one of these probably, the smart thing to do is to vote no action for now and request that staff write up what may be a more fitting action. Anybody object to that?

AP MEMBER: I'd like to make a motion for Action 9 that we pick Alternative 1, no action and then I guess our staff develops that Action 9 better.

MS. GORE: Look for alternatives so it would be consistent with the inactive definition, if that's what you guys are thinking.

MR. CUPKA: Is the intent here though to put these new alternatives in this particular amendment or to put it in an amendment down the road? We had some discussion about that at break and I didn't know whether the intent was to develop new alternatives to include in this now or to develop new alternatives that would be used in a subsequent amendment.

MR. WHIPPLE: Do you have another way of doing it?

MR. CUPKA: I'm just concerned about when it would get done. If you want it included in this amendment, the AP won't be meeting again probably before the council moves ahead with the amendment. That's the only thing I was wondering.

MR. WHIPPLE: Sorry, I'm having a little problem, but I think you said you're afraid that if we want no action, that is going to imply the wrong thing, is that correct?

MR. CUPKA: I'm just thinking of the timing on this; if your intent is for staff to develop alternatives to bring back for you to look at?

MR. WHIPPLE: Yes, I think so.

MR. CUPKA: There's probably not going to be another AP meeting prior to when the council moves ahead with this amendment. Is the intent to include this whole issue in this particular amendment or to deal with it in a future amendment, because I don't think it will have time to come back to the AP for consideration before the council moves ahead?

MR. WHIPPLE: Well, it's obviously an important issue. That's part of the reason for trying to get it right, which may mean not trying to do it right now, but maybe you've got some other thoughts on how to proceed.

MR. CUPKA: Well, obviously there are other avenues to comment. We'll be holding public hearings and there will be a comment period at the council meeting. I'm just saying that may be the time to get your input, but we won't have an opportunity for you to meet as an AP before we move ahead on this. We will certainly welcome your input during the public hearings or during the comment period before council takes action on this. There will be other opportunities but just not in a setting like this.

MR. RAU: Can we take this up – this particular one, can we take it up after this amendment and look at it later down the road, just the timing.

MR. CUPKA: Well, that's what we talked about some during the break. There is no need to include it in this amendment if you want to put it in a later amendment. We just need to know whether your intent is to include it in this amendment or maybe defer action on it until it's further developed. We can accommodate it either way, I think.

MR. WHIPPLE: Everybody on the AP panel is local. Would it be possible for us to address just that one issue without all of the time and expense of gathering everybody else? Could we make a judgment on that, just that one issue?

MR. CUPKA: Well, and each of you will have an opportunity to comment on that one issue and then the other issues again before the council takes final action. You just may not be able to do it sitting down together, which sometimes helps to build a consensus. Certainly everyone will have an opportunity to comment on whatever staff comes up with.

MR. WHIPPLE: Maybe I'm missing your thrust, Dave, but it is okay to – you just want us to be aware of that, but it's okay if we delay this particular issue? It's not going to impede the process with Amendment 6 or would it?

MR. CUPKA: You mean if it is not included in Amendment 6?

MR. WHIPPLE: Yes.

MR. CUPKA: No, that wouldn't be a problem. When we work on Amendment 7, we could revisit the issue and just move it down the road if we think it's going to hold up us getting – the important thing I think is get the program a place; and once it's in place, believe me, we'll find out things that we didn't envision and we'll have to come back in a future amendment and make some corrections probably and we could do it then if that's what you want to do. Andy, do you have any thoughts on that?

MR. STRELCHECK: I think there is going to be a lot of opportunities for them to comment on this particular action as well as everything else. I would hope that if the council doesn't convene this AP again, that at least have a conference call or something to discuss the actual outcomes and decisions made by the council over time, but there are going to be public hearings and the opportunities for you obviously to submit public comments.

In this instance I am unclear as to why you are choosing no action which is just not selecting a preferred alternative at this time and maybe just tabling it until you have further information. We could certainly craft some language and maybe run it by you towards the end of this meeting if you would prefer to do that and make a decision, or I think it is perfectly acceptable just to not select a preferred at this point. As this further progresses, you can make some recommendations to the council although it might not be as convenient as sitting here as a panel as a whole.

MR. WHIPPLE: I think you've highlighted the fact that it's a sticky wicket if it's not set up properly; and rather than run in here and not get things right, maybe tabling it would be the good thing to do.

MR. STRELCHECK: Yes, and I think a lot really depends on the choice of initial allocation and that can dictate a lot of how this decision is made. Until maybe more comes to light with that, it is probably appropriate to table it; and then once you have a more refined decision on initial allocation, this would be an easier decision to make for you.

MS. MACLAUHLIN: Well, we have a motion out there right now.

AP MEMBER: All right, Bill, could I add to Motion 20 that this be tabled for a later date and not be included in Amendment 6?

MS. MACLAUHLIN: Eliminate the action from Amendment 6 with the intention of putting it in a future amendment after further development. Do you want to amend the motion for that? Okay, then I'll read it. **The motion says eliminate Action 9 and have staff develop new alternatives consistent with the inactive definition for a use or lose policy for a future amendment.**

MR. STRELCHECK: So is the decision to eliminate it at this time just because you don't feel like you have enough information and the timing of this? If you think it's a valid concept, the council will see this in September and December if they meet your timeline when they make decisions, so by leaving it in you haven't eliminated it from consideration.

They can always consider no action at this point rather than taking it entirely off the table and out of the amendment. I just want to make sure I'm understanding why eliminate it at this stage because there could be additional information, and revisions that come to light that could help you maybe make different decisions other than just simply eliminating it.

MR. WHIPPLE: I think we all have the same general idea, but I think the concern was that no action meant that we didn't want any such policy and we don't want to convey that. Tabling it presents the same problem, I guess. How would you like to see it?

MR. STRELCHECK: I guess we can reflect this in the discussion, Kari, but if they keep the action in but just do not select a preferred alternative, then we could let the council know the reasons why a preferred alternative wasn't established at this time; that this might be something they would like to further consider before the amendment is completed.

MS. MACLAUHLIN: Yes, that's correct, because when I present to the council the AP recommendations, note that there were no recommendations for a preferred in this action but that the AP discussed the different ways to define inactive and how initial allocation would affect them, and everything that we talked about; that maybe would go in a future amendment but they do feel it's an important provision to have in the program. David Cupka is here so he will also be able to convey that to the committee.

MR. WHIPPLE: If I'm understanding this, maybe all that needs to happen is they get rid of eliminate and say with regard to Action 9 have staff develop, et cetera.

AP MEMBER: Postpone.

MS. GORE: It kind of sounds like there are two things. We're having a hard time deciding on what that percentage would be and then we are also having a hard time deciding how the alternatives should be – how they should be written. I've come up with I think what you guys were saying as far as the structure of the alternatives without the percentages.

If you wanted to look at those and then make a motion to include those in the document and then later on you would deal with the percentages, and that would be a discussion you guys would have to think about. I don't know if you want to see them now or later in the meeting or how to go about that.

MR. WHIPPLE: Want to get your words put up? Can I do that in the middle of a motion? Comment period, I guess.

MS. MACLAUHLIN: So we're going to move on and come back to this, if that's okay. Well, do you want to do public comment and let Scott speak?

DR. CROSSON: Scott Crosson, Southeast Fisheries Science Center. I know some of you guys already. I'm also on the South Atlantic SSC; I've been on there for a number of years. I just wanted to let you all know as far as the Science Center we're planning on a couple of economic and social data gathering in the next year or so.

It is probably not going to be – well, it's definitely not going to be in time enough for this amendment, but we're trying to get a baseline. No matter what happens with this amendment and whether it passes or not, we need to start getting a little bit more data on the golden crab fishery. I'm an economist down there.

What we're planning on doing is a small economic survey for the active golden crab fishermen. It's only going to come once, as far as I'm concerned. It will probably be coming out in about six months and it's like a two- or three-page document just asking you guys basic trip expenditure information about how much you pay for fuel per trip and how much you pay for bait and all those different items, and then some of the big capital costs you have with your boats and things like that.

Again, just so that we have some economic data because right now all we have are the things from the logbook program. That is one thing that is going to be coming down. The survey for that is working its way through the federal bureaucracy. I don't know when it's going to get done doing that. It's probably a few more months away.

Hopefully, we'll be able to have that data gathered for I guess the 2010 or the 2011 calendar year. Then maybe in five or six years we'll come back and do it again, and maybe we'll be able to compare the original data to the new stuff. The second thing that we want to do – I'm an

economist but one of the other guys down in the Miami lab is an anthropologist, and he and I would like to get some data on the social aspects of the fishery and the historical aspects of the fishery.

There is funding available for us to probably pull a focus group or a group interview together in this area, the Fort Lauderdale area, at some point in the fall. We just want to get again some general historical information about how the fishery developed, what it's like to actually work out there on the boat. Excuse me; I'm not an anthropologist so I don't know exactly what Brent wants to get into with some of this stuff.

We have piecemeal information that we hear from guys at different meetings, but we really don't have a good idea of how the fishery has developed over time. We want to get that going as well. Again, I'll give you guys a call. I have your contact information, of course, so I'll give you guys a call and we would – again, we would have it at one of the market research firms like a focus group center here in Fort Lauderdale.

We'd probably have it in the evening some time and have a meal for you guys and probably be able to pay a couple hundred dollars or so apiece just as an incentive to help reimburse you for mileage and things like that. That's all I had to say. Again, this is not part of the amendment process. This is just because I happen to have all the golden crab fishermen here or pretty much all of you here at one time, and so I just wanted to introduce myself and let you know that. I don't know if you guys have any questions on anything. Okay, thanks.

MR. WHIPPLE: Thank you, Scott. Would any of the other people that are with us want to make some comments or ask questions or present things for consideration and what have you? You've been very patient and we appreciate your attention. No? Okay.

MS. MACLAUHLIN: This is on Action 9. We have kind of a standing motion still that we're working on, and Karla had put together some new alternatives with some new language in there. Alternative 1 for Action 9 would be do not specify a minimum landings requirement for retaining shares.

Alternative 2, shares that remain inactive for three years will be revoked and redistributed proportionately among the remaining shareholders. Inactive is defined as less than 10 percent of the aggregate annual average utilization of the catch share quota over a three-year moving average period.

Now, you could change the three years and the 10 percent how you like. Then there are two subalternatives for this. 2A would be landed fish only and 2B would be landed fish, quota share or sale of annual pounds. Would the 2B mean that you either had to hit that 10 percent with your landings or you had sold it or leased it and what happens to it after you sell it or lease is not your problem?

MS. GORE: Right.

MS. MACLAUHLIN: What if you lease or buy during the year; do you have to use that?

MR. STRELCHECK: This would just be relative to what you were issued at the beginning of the year. Now to wordsmith it, I would drop out “quota share” because you’re dealing with just the annual pounds, and I would change “sale” to “transfer of annual pounds”.

MS. MACLAUHLIN: It was just in the subalternative. Moving on to Alternative 3 – and we’ll fix these here, too – Alternative 3 is similar to Alternative 2 in that if the shares remain inactive for three years, will be revoked and redistributed proportionately among the remaining shareholders.

Inactive is defined as less than 30 percent of the aggregate annual average utilization of the catch share quota over a three-year moving average period with two subalternatives. One is landed fish only and the other would be the same as Alternative 2, would be that you could report landings or transfer annual pounds to retain your shares.

Alternative 4 is the same except that less than 50 percent of the aggregate annual average utilization of the catch share quota over a three-year moving average; with two subalternatives that are the same. You have the minimum requirements as 10 percent, 30 percent and 50 percent. Then either they have to have landings of those 10 percent, 30 percent or 50 percent or landed or transfer of the annual pounds. Does this make sense to everybody?

MS. GORE: I’m thinking this is from the discussion that this kind of structure is what you guys were thinking of? If that’s true, you could make a motion to adopt the new wording for these alternatives, but you don’t necessarily have to choose a preferred right now. You could just adopt the new structure of the alternative.

MR. WHIPPLE: Andy and Dave, do you like what Karla came up with?

MR. CUPKA: The only thing I was just looking at is Subalternative 2B, landed fish and/or transfer of annual pounds – it could be a combination of the two also; couldn’t it?

MR. STRELCHECK: Yes, I support the changes. I think the 10, 30 and 50 percent also is probably a good range. You would probably want to consider the higher amount if you are talking about landed fish and transfer of allocation, a lower amount if you are just dealing with landings. At this point I think given the initial allocation decisions that still need to be made, I think it would be good just to adopt this and table the decision for preferred alternative until more information is available.

MR. WHIPPLE: You say table the preferred but adopt the new wording. Do we need to defer? Can we make a preferred now or do you want to table it?

MS. MACLAUHLIN: We have this motion, still.

MR. WHIPPLE: Yes, I know and I’ll come back to that in a minute. I think the purpose was to clean up the language so what we were using or losing is understood clearly and that part presumably has been done, but we had the same concept with that preferred on the alternate one,

so I'm asking in the wrong order here, I guess, whether we can. Anyway, the first thing we've got to do is go back to the other amendment that's hanging there.

AP MEMBER: Which motion is that?

MR WHIPPLE: Motion 20; which action?

MS. MACLAUHLIN: I think you can withdraw Motion 20 and we'll start over.

AP MEMBER: I'd like to withdraw Motion 20.

MR. WHIPPLE: May we have a vote on – a second, please. Thank you, Randy.

MS. MACLAUHLIN: So now we need to make a new motion.

MR. WHIPPLE: Well, we've got to get rid of 20 first, right?

MS. MACLAUHLIN: No, it was withdrawn.

MR. WHIPPLE: We don't have to vote because the author withdrew it. All right, anything else need to be cleaned up first?

MS. MACLAUHLIN: No, we can start a new motion when you're ready.

AP MEMBER: Bill, I'd like to make a motion that we adopt the new wording for the alternatives.

AP MEMBER: Second.

MR. WHIPPLE: Okay, any discussion? Those in favor. Approved. Now, I can ask my question; do you want to have a preferred under the new wording?

AP MEMBER: I guess we could discuss them.

MR. WHIPPLE: You mean right now; fine with me. Do we have comments on the motion?

AP MEMBER: Let's look at Alternative 2. No, I wanted to look at the next one down, Alternative 3, Subalternative 3; landed fish or transfer of pounds, 3B Subalternative.

MS. MACLAUHLIN: Right, they are all this – 2, 3 and 4 are similar in their wording except for the highlighted at 10 percent in Action 2, 30 percent in Alternative 3 and 50 percent. But then other than that, this language is all the same.

MR. WHIPPLE: But 10, 30 or 50 is the only difference, right?

MS. MACLAUHLIN: Yes, and then in this the proposed alternative, it uses three years so in the original in this document it does say in Alternative 2 – it uses a 10 percent minimum during a two-year period. We can change the percentages are the two or three years if you prefer, and have it in there and present that as new proposed alternatives.

MR. MANCHESTER: Isn't 10 percent over three years and 30 percent over aggregated annual average. They are basically the same thing except you can look at it one year at a time and then you look at it at three years?

MS. MACLAUHLIN: No, Alternative 2 is also the aggregate annual average utilization. I think in the original Alternative 2 it was cumulative.

AP MEMBER: Well, I pulled out a preferred; Alternative 2 – I guess that's Subalternative 2B, that would be landed or sell.

AP MEMBER: Second.

MR. WHIPPLE: Any further discussion? Any advice from council? All in favor. Okay, approved.

AP MEMBER: Excuse me, Bill, before when were having the comment period there was a young lady that was not in the room, and maybe she might, want to say something or am I –

MR. WHIPPLE: She's well into the whole system. Okay Kari, proceed.

MS. MACLAUHLIN: Action 10, the cost recovery plan, this is required by law under the Magnuson-Stevens. Really, Alternative 1, not to implement a cost recovery plan would make catch share program not in compliance with Magnuson-Stevens. Alternative 2 implements the cost recovery plan and states that the fees shall be the responsibility of the recognized shareholder and then have the following condition.

One, that the cost recovery – the first subalternative is that the cost recovery fees will be calculated at the time of sale to the registered dealer based on either the actual value of the landings or a standard ex-vessel price calculated by NMFS. 2B, the fee collection and submission would be the responsibility of either the shareholder or the dealer.

2C would be the collected fees would be submitted to NMFS either quarterly or monthly. The IPT did recommend that we could just have Alternative's 2, 3 and 4 instead of these subalternatives and then have the option in there as subalternatives. Also, just to let you know, when Glenn and I talked about this, he preferred a standard in Subalternative 2A, a standard ex-vessel price so that there wouldn't be any incentive for misreporting of the sale price and also that the dealer should collect the fees and submit them and then also that it should be submitted monthly. That's all I have for that.

MR. WHIPPLE: Who made those recommendations?

MS. MACLAUHLIN: That was from Glenn Ulrich when we chatted about it.

MR. WHIPPLE: Any general discussion; is there a motion for Action 10?

MR. STRELCHECK: Just to give you some background in terms of administration of our current programs, in the Gulf we collect fees quarterly from dealers. That's accounted for through our online accounting system and then they pay the fees recovered at the end of each quarter they're billed for it.

The only difference and maybe a recommendation here is we actually collect actual ex-vessel prices; so if there is interest in a standardized price that would be used to pay cost recovery, that would be a difference between the Gulf programs. We have had some problems with inconsistent reporting of prices by dealers in the Gulf. I don't have necessarily a strong recommendation one way or the other, but that would at least avoid dealers reporting low prices to get around some of the cost recovery fees for administering the program.

AP MEMBER: You would prefer shareholder?

MR. STRELCHECK: It is actually easier I think to collect it at the point of sale and they maintain it and then get billed back to the dealer. I don't know how golden crab works. If several of you sell to the same dealer, then it reduces certainly the number of entities we have to reach out to then and recover costs from.

MR. CUPKA: How is the IPT recommending this be structured? In other words, the way it's set up now there are a number of options or a couple of options under each subalternative that needs to be dealt with separately because those you need to pick a preferred. But the other part, the subalternative part is just parts of the fee structure program, so how would that be structured in a document?

MS. GORE: We are recommending that the subalternatives be changed to alternatives. What we see now is Subalternative 2A would be I guess Alternative 2 and I and II would be subalternatives under Alternative 2. Let's look at Subalternative 2B, that would be Alternative 3, the collection and submission of fees shall be the responsibility of.

Subalternative 3A would be the shareholder and 3B would be the dealer. The AP and then the council would have to choose a subalternative under each alternative. We basically want to restructure the whole action.

MR. CUPKA: What are subalternatives now? Really there is no choice there; those are all aspects of the fee program. The real choices come when you start looking at the options under each one. If you set those up as alternatives, all of those would be preferred and then you really wouldn't have any choice until you get to the options within each one of those. Do you see what I'm saying? If you set Subalternative 2A, 2B and 2C up as alternatives, you're really going to choose all of those because those are just aspects of the fee program.

DR. MacLAUCHLIN: Well, what I was thinking was just that there would be multiple preferred on this.

MR. CUPKA: There would have to be – each alternative would have to be preferred because it's all part of the fee structure; and then when you get down to your choices, whether it's going to be a shareholder or dealer, plus quarterly and monthly and that sort of thing, so you'd have preferreds for those, also.

MR. MANCHESTER: Does anybody know about how much it cost to do a small fishery like this?

MR. STRELCHECK: I guess what may be the better question would be at a million pounds let's say for golden crab, let's say it's a good ballpark, what's the estimated price that you would get on average given RSW as well as frozen prices.

AP MEMBER: It's like two bucks, two and a quarter.

MR. STRELCHECK: Okay, so you're talking about a fishery that's worth 2 million, a little over 2 million; take 3 percent of that, that gives you \$60,000, is that right? So my expectation is that our cost of administering it would probably run close to that, if not more than that, just because of personnel to monitor the data, law enforcement. It probably cost more than the 3 percent at that point.

MR. CUPKA: I think what Randy is getting at is the thing we've discussed before, the fact that in these small fisheries you probably don't even recover enough to even start to manage the fishery. But on the other hand, the law says you have to do it, so it's really not an option even though it doesn't make a lot of sense in all cases.

MR. STRELCHECK: Well, then I'll add to this. Obviously, if the government councils add programs that help to reduce costs because we take advantage of economies as scale and already existing infrastructure. Usually there is a pretty big cost with initial implementation, but that doesn't get factored into cost recovery. It's only after the program starts, but we do have costs to maintaining an online system and monitoring activities.

The Magnuson Act also lays out 3 percent is the maximum but that we can evaluate that periodically and determine if it can be reduced from 3 percent. That would be something we would look into as it develops and if more programs are added especially in the South Atlantic.

MS. MACLAUCHLIN: This is what I was thinking of how you would change these into alternatives. Instead of a Subalternative 2, it would be the fees will be calculated at time of sale through the registered dealer. Then the council could choose either actual – base the fees on actual ex-vessel value or the standard.

These are not written out, but Alternative 3 would deal with the fee collection and submission, whose responsibility is it to actually collect it and submit it to NMFS, and one subalternative

would be the shareholder and the other one would be the dealer, and then 4 would be how often the fees are submitted to NMFS, quarterly or monthly.

The AP could recommend the preferred for each of these, if you prefer a standard fee or a fee based on the standard value collected and submitted by the dealer monthly, which is what Andy was talking about with the Gulf IQ, except that is using a standard; then you can make that recommendation to the council to adopt those as preferreds.

I have a question and maybe it's for David Cupka or you all. If the AP recommended just standard, dealer submits monthly, I mean just that. Then could the IPT put these into alternatives instead of subalternatives and then the council could just adopt the preferred alternatives based on the AP's recommendation for the overall cost recovery plan?

MR. CUPKA: I don't see why not.

MS. MACLAUHLIN: I just feel that would be easier than maybe the AP recommending that we change it to alternatives and then we can deal with it and the council will still understand that standard or actual shareholder or dealer submitting it and then monthly or quarterly, so just instead like recommend the concept instead of a specific.

MR. WHIPPLE: I thought I was following you; try again.

MS. MACLAUHLIN: Well, why don't you discuss what options and the cost recovery plan that you would prefer and then I will try to figure out a motion that reflects that.

MR. WHIPPLE: Part of the trouble I think for everybody is you don't see the whole thing on the new wording on that. The stuff on the paper, you see the whole set of options and you can't do it the way that these things are presented.

AP MEMBER: So what do you want to hear, our recommendations on what we – I mean I would like it calculated by NMFS? I'd like to see the dealer and quarterly.

MS. MACLAUHLIN: So your hypothetical motion would be adopt preferred subalternatives in Action 10 that would require cost recovery fees based on a standard ex-vessel value calculated by NMFS, collected and submitted by dealer on a quarterly basis. Okay, can you make that motion?

AP MEMBER: I'd like to make a motion that we adopt the preferred subalternatives in Action 10 that would require cost recovery fees based on a standard ex-vessel value calculated by NMFS, collected and submitted by dealer on a quarterly basis.

AP MEMBER: I'll second.

MR. WHIPPLE: Discussion?

MR. NIELSON: Just reading here. “Regardless the National Marine Fisheries Service may adjust the fee percentage in the event that the recovery fees exceed the management enforcement costs of the fisheries”, so that 60,000 could go.

AP MEMBER: That’s capped off.

AP MEMBER: Normally what are the programs usually at, about one and a half?

MR. STRELCHECK: Red Snapper was our first and that first few years was running at about 6 or 7 percent because it was a brand new program. We just brought grouper or tilefish online this past year so we’re in the process of evaluating against the cost to see how both of those programs combined are running. At this point we’re still collecting 3 percent for both.

The Alaska programs – and maybe Kate knows better, but I think some of those are running about a percentage and a half, 2 percent. Lower, but they’re obviously huge volume fisheries as well. Then wreckfish right now doesn’t have a cost recovery program, but that’s one thing that will be modified as that program gets overhauled.

MR. CUPKA: I had a question for Andy. Did you say in the Gulf program they use an actual ex-vessel rather than a NMFS calculated value? Why is that or what are some of the pros or cons of using one over the other?

MR. STRELCHECK: The concern in the Gulf was that there are large regional differences in prices depending on the markets you sell to, whether it’s a local market or you’re selling it in New York or Houston, and there were concerns about having a standardized price, at least Gulf wide to apply to all dealers or fishermen.

In Alaska, I was just reading, they actually break it down by fishing areas, so you could set up any number of ways to calculate standard ex-vessel price to alleviate that problem. What we’re seeing in the Gulf is especially with species that have high lease prices for pounds; the lease price is getting deducted out of the reported price and therefore a red snapper that used to have a dealer pay \$4.50 for is now being reported as \$1.50, or \$1.25.

We just changed the regulations to help address that particular problem. We’re continuing to monitor it to see if that is going to help fix it. There is at least discussion of potentially modifying it to go to a standard price so that all dealers and fishermen are playing from a level playing field.

If you’re reporting your prices correctly, you’re going to pay 3 percent of that reported price and someone down the road is not going to be paying 3 percent of a very much reduced price and therefore not contributing as much to the overall cost recovery as you would. Let me add one other thing, and then Scott probably could even weigh in on this further.

From a standpoint of the programs themselves, once they’re implemented there is a five-year review time frame for each of these programs. Obviously, the economic data that we collect

helps to evaluate the program. To the extent that the data has some errors and problems with it, it makes it more complicated to review the program.

MR. WHIPPLE: Any further discussion; a vote on the motion? Favor. Okay.

MS. MACLAUHLIN: Action 11 deals with the boat length limit rule. The IPT discussed changing the language in it to say, "modify the boat length limit rule". Then Alternative 1 would be no action, do not modify the existing boat length limit rule. Alternative 2 would eliminate that boat length limit rule in the middle and southern zone.

The IPT wanted some more clarification on where this came in and thought maybe it could be eliminated because it could go into – if it's stated somewhere else like with the catch share implementation, then you wouldn't need a boat length limit rule, so it automatically would remove that rule.

MR. MANCHESTER: I've got a question. On Alternative 2, why was it put in there, Bill?

MR. WHIPPLE: I'm not sure. I mean, what's stated for the rationale is true, but Howard and I were talking about this just a little while ago and I really don't—go ahead, Dave.

MR. CUPKA: I seem to recall when we did this and were discussing it, it stemmed in part I think from the concerns at the time and what was actually going on with some large vessels trying to transfer into the fishery. We had problems with gear conflict particularly in the middle and southern zone. That's why it only applies to those two.

Also we were trying to encourage boats to fish in the northern zones where the resource is known to locate, but realize that you had to run further and so you would probably require a larger boat. Now with these recirculating seawater systems, it would probably be better to have a larger boat anyway to accommodate those systems. I think it was to try and deal with this conflict that occurred early on when we had some boats from Alaska come down and start fishing in the area and creating gear conflict problems and everything.

To try and deal with that, I think we put the boat length provision in there to try and discourage some of that but yet not discourage them if they wanted to try fishing in the northern zone where they probably do require a larger boat. That's my recollection of how it got in there or why it was in there.

MR. WHIPPLE: I think I was around when that was going on or very close to it, Dave, and I understand that was a very strong concern for good reason. What I'm puzzled about was this particular document, how that Alternative 2 came as a Golden Crab AP recommendation. I don't remember that happening. Maybe you can comment on this, any one of you.

MR. MANCHESTER: As I recall the weight of the water had pretty much put the boats almost in the sunken position. I've got two of the smallest boats, and I'd like to go this RSW system but those boats are so small they can't handle any water. They're going to go down; I'm going to

need a bigger boat. I just wanted to say that water weight is a lot. How far does your boat go down when you fill it up with water, Bill?

MR. WHIPPLE: That is certainly true, but the question is what does your permit allow? You've got a 20 percent; have you used that already?

MR. MANCHESTER: You could, and I could go a little bigger if I wanted to. If we get the cap shares, it won't even matter because you'll be restricted to the amount of cap. If you want to catch the crabs in six months instead of a year, then it would seem to me that a bigger boat would be way more efficient.

AP MEMBER: What was the recommendation of the IPT on this?

MS. GORE: To eliminate the action.

MS. MACLAUHLIN: No, eliminate the boat length rule.

MR. STRELCHECK: Yes, our recommendation was remove the action entirely; but if you wanted to make a recommendation about modifying the regulations, that this would essentially be continued upon implementation of the catch share program. For instance, in grouper/tilefish in the Gulf of Mexico, when the catch share program went in place, the trip limit was no longer effective as well as the seasonal closure.

Those were just written into the amendment that upon implementation of the catch share those would be removed as restrictions. You would need at least to make a recommendation that the boat length regulation would be eliminated and then we would place that in another area of the document so that it is apparent that is your intent. If you remain silent or we remove it from the document, then it would remain in effect and wouldn't be changed.

AP MEMBER: You're saying the implementation – you wouldn't get rid of that until the catch share was implemented, is that correct? You wouldn't eliminate the boat length until the catch share went into effect.

MR. STRELCHECK: Correct; if you weren't considering this amendment and you wanted to eliminate the boat length, then it would be part of a plan amendment at that point, but the catch share is essentially taking the place of some of these other restrictions at that point.

MR. CUPKA: It seems to me the alternatives aren't listed right. I mean Alternative 1, no action; you've already got a boat length established there. What it says is really it's kind of duplicative with Alternative 2. The no action thing would retain the boat limit rule that is currently in place. The alternative is stated wrong.

MR. STRELCHECK: Yes, and we noted that and meant to correct it. I think the bottom line is if you want to make a change to the program, we're telling you that it doesn't have to be an action, but it will be contained in another section of this particular document. You would just need a—I think you would need to make at least a motion at that point to express your intent so

that it doesn't get lost in the amendment as we develop it further. Otherwise, just remove the action and the boat length limit remains and won't be changed.

AP MEMBER: I'd like to make a motion that we remove the boat length if the shares go in effect or however you want to word that.

MR. WHIPPLE: So it's neither of the two options that are there right now.

AP MEMBER: No, we'll make an Alternative 3; make another motion. It just doesn't seem fair if you're stuck to a quota to restrict it in the size of your vessel.

MS. MACLAUHLIN: Eliminate the boat length limit rule upon implementation of a catch share program. So the motion reads add an additional alternative to Action 11 that eliminates the boat length limit rule upon implementation of a catch share program.

MS. GORE: If I'm understanding correctly, that is something that we can do without an alternative. If we're clear on the APs intent, we can just add that into the definition of the catch share program in Action 1. If that's what you guys want to do, if we're clear on your intent like through a motion, we can do that.

MR. MANCHESTER: That's what I want.

MS. MACLAUHLIN: Add language in the amendment that eliminates the boat length limit rule upon implementation of a catch share program. That way it can go in Action 1 or it can go in general description of the program.

MR. RAU: I'd like to make a motion that we withdraw Action 11.

AP MEMBER: Second.

MR. WHIPPLE: Vote; three to one.

MS. MACLAUHLIN: Action 12.

MR. STRELCHECK: I'm still confused. What is I guess the rationale for maintaining this regulation and what purpose does this regulation still serve I guess is the question?

AP MEMBER: I guess it's to keep the original rule.

MR. WHIPPLE: Are you talking about 11 still?

MR. STRELCHECK: Yes. So in your opinion the rationale for implementing the regulation in the first place still stands?

MR. WHIPPLE: It's fundamentally true. It may fade away, but right now we prefer to have it stand; not every one of us, but most of us.

MS. MACLAUHLIN: Okay, continuing on, Action 12. The title is to address quota share allocation among the golden crab fishing zones. Basically what this is, is specify if the quota shares have zones attached to them. Alternative 1, no action, the participants can use the quota in any of the three golden crab fishing zones.

Alternative 2, participants can use quota in any zone for which they possess a permit. Alternative 3 also eliminate the box in the southern zone originally established to protect against large vessels. The IPT felt like – well, I have in my notes need some more ideas here from the AP about Alternative 2, I guess some other alternatives.

And then also in regards to the box in the southern zone, maybe that would go with the boat length limit rule as is this still a useful rule in place? Maybe it can be addressed with the implementation of the catch share program like we were just talking about with the other one.

Then Glenn Ulrich, just to pass along what we talked about, is he is fine with Alternative 2, that you can use your quota share in any zone that you possess a permit, but he did talk a lot about encouraging spreading out effort and then effort in the northern zone, which Bill and I talked about a little bit as well. That's all I have for that.

MS. GORE: We talked about this a little bit. Alternative 2 basically says participants can fish in any zone for which they possess a permit, which is currently the way the fishery is structured. It seems that Alternative 2 isn't necessary unless you want to change the way that is structured. So the way that this whole action is structured I think is incorrect.

Right now no action is participants can use quota in any of the three golden crab fishing zones regardless of which permit they hold, which is currently not the way the fishery is structured. It seems to me that Alternative 2 is the way the fishery is currently structured and may not be necessary in the document.

Alternative 3, just like Kari mentioned, can be written into the structure of the catch share program if you guys want to eliminate that box. We talked a little bit that this whole action maybe could be eliminated and incorporated in other places in the document.

MS. MACLAUHLIN: I have a question. Is the Alternative 1 – and I think Karla kind of said this, but I guess I need clarification – is that Alternative 1 is that you can use quota in any zone regardless of where you hold a permit and that essentially would just get rid of the zoning of the permits, right, and you can't do that without getting rid of the permits, anyway.

MR. WHIPPLE: Well, no action would mean status quo and what's described as not status quo.

MS. MACLAUHLIN: Yes.

MR. WHIPPLE: You do need a zone-specific permit, which is what Alternative 2 says and that's the case, anyway.

MS. MACLAUHLIN: I think maybe at some point maybe there was discussion – I don't know, when I first read this, this was kind of the idea I got from this is that are you going to zone the quotas that gets allocated to a permit to that zone as well. That was what I thought originally this action was about, but that's not what the alternatives really reflect, so I don't know.

MR. WHIPPLE: You're saying there has been some discussion about making a quota zone specific, but it hasn't materialized yet, has it?

MS. MACLAUHLIN: No, that was a discussion in my head.

MR. WHIPPLE: Okay, your head. I think that Alternative 1 is wrong and Alternative 2 is the status quo, so those two go away, or should.

MS. GORE: Right, and then Alternative 3, if that is something that you guys wanted to recommend, we could add that to the structure of the catch share program, similar to what we talked about with the boat length rule. We don't need to do an action; we can just add it in as part of the program.

MR. WHIPPLE: So what we need to do is to make a request for that box to be dealt with by the powers that be.

MS. GORE: And make clear your intent that you want to keep the current structure, where participants with a permit can fish in whatever zone they have a permit for, if that is what your intent is.

MR. WHIPPLE: I think so. We haven't raised the question to the group yet, but I'm pretty sure that is how it would come out.

MR. MANCHESTER: I've got a question. It seemed like Dave said that the problem with the big vessels is gone. The intent of that box was to eliminate a vessel that was 120 feet coming in and fishing on a vessel that is under 65 feet –

MR. WHIPPLE: Which they were.

MR. MANCHESTER: – in the southern zone box. I thought you said that there really isn't a problem anymore, that those vessels are gone.

MR. WHIPPLE: That's right.

MR. MANCHESTER: So if we're trying to clear this thing up a little bit, we probably should eliminate it, just completely eliminate it.

MR. WHIPPLE: You mean eliminate the box?

MR. MANCHESTER: Eliminate the box.

MR. WHIPPLE: Yes, that's what we're talking about. Our role as the AP would be to request that it be eliminated.

AP MEMBER: All the middle zone?

MR. WHIPPLE: No, no, no, this is on the southern zone. This is on the southern zone area that is about 35 by 11 miles that was set aside for small boats when, as Randy just said, there was a deluge of people showed up with big gear and big, big problems in Marathon as a result of it, but that was ten years ago, and they all went away. I think what we want; whether there is a motion or a request or what have you, to have the box go away.

MS. MACLAUHLIN: Karla, will you listen and tell me if this is correct in what I'm about to recommend. I would recommend eliminating Action 12 and then using this same language from the motion before, to talk about – which is this right here – about adding language into the amendment that would eliminate the southern zone box upon implementation of a catch share program so that it's just kind of embedded in the document, but that it's in there and when this is implemented then the box will go away.

Since we don't need—this is not possible, anyway – Alternative 1 is not possible anyway with the zoning and the permits and then 2 would be status quo, no action. That's my recommendation, eliminate Action 12 and then make an additional motion that uses this same thing except for the box; is that correct?

MS. GORE: It would be a part of the amendment and then let the council –

MR. CUPKA: Yes, my understanding is that we could just eliminate that box as a part of this amendment by adding language in the amendment that eliminates the box upon implementation of a catch share program, and the program could be structured so it said the box is eliminated, similar to what you tried to do before with the zone there.

I agree with Kari. If I was going to make a motion, that is what I would do. I would eliminate Action 12 and then you could do it all in one motion, make it a part of this amendment that would be structured in such a way that the box would be eliminated upon implementation of a catch share program. You can do that all in one motion. It wouldn't delay it; it would be part of the amendment. It wouldn't add further delay to the amendment.

MR. STRELCHECK: When the council takes final action, they have to deem the regulation. We would write up the regulations how the catch share program would work. As part of that we would eliminate, for instance, the box and any other restrictions. You'd have an opportunity to look to make sure that the regulations that would be eliminated upon implementation were eliminated and that we had covered everything. This is just mostly procedural in that we don't need to analyze something if the catch share is taking the place of it or some other management action is taking the place of it.

MR. WHIPPLE: I hope so; I believe you. Okay.

AP MEMBER: I'd like to make a motion that we withdraw Action 12. Can we put in that other part?

MS. MACLAUHLIN: Do you want to add that?

AP MEMBER: Yes.

MS. MACLAUHLIN: I'll read the full motion. Motion 26, withdraw Action 12 and add language in the amendment that eliminates the southern zone box upon implementation of a catch share program.

AP MEMBER: Second.

MR. WHIPPLE: Any discussion? **Those in favor. Four.**

MS. MACLAUHLIN: Action 13, establish criteria for permit stacking. Alternative 1 is no action, do not allow stacking of permits; and Alternative 2 is allow for stacking of up to three permits on one vessel so that any zone for which the vessel has a permit can be fished in one trip. The IPT just needed some more discussion. We don't have a recommendation, really, and Glenn didn't have a problem with stacking permits.

MR. NIELSON: I have a question. I don't quite understand this. If I have a permit for the southern zone, do I need to buy a permit for the middle zone and do I need to buy a permit for the northern zone so that I can go from the southern zone all the way to the northern zone? Is this going to allow every golden crabber to have three permits; is that what this is?

MR. WHIPPLE: That doesn't refer to transit. If you've got a permit for the northern zone and a permit for the southern zone, that's all you need to make the fishing boat places. You don't need a permit to transit a zone if that is what you're saying. I'm not sure it is.

MS. MACLAUHLIN: I have a question about what it is right now. You can only, in one trip, fish in one zone; is that correct?

MR. WHIPPLE: Right now that is true by default because you can't have more than one permit on a boat, so you're limited to whatever permit you have. The stacking allows you to fish in – well, let's say it's southern and northern as we said, all you need is those two permits and you can go right through the middle zone on your way as long as you don't fish. One very poor option is every time you make a trip is to call up the permits office and try to swap the permits around; and it gets ridiculous especially if you want to be in two different zones in one trip.

MS. MACLAUHLIN: From what I understand of our conversation the other day, that this would be – as boats start making multi-day trips, this is going to be a necessity to be able to go into two different zones on one trip, right?

MR. WHIPPLE: Well, it's close to a necessity. It makes it very awkward, but you certainly get limited options as to what you can do.

MR. CUPKA: It would certainly be more efficient because then you can fish more than one zone on a trip without having to come back each time and switch out permits and go to the other zone.

MR. WHIPPLE: Vastly more efficient, Dave.

MR. NIELSON: Okay, so if you're fishing up north and somehow I get all three of these permits, I can come up and fish by you but I don't know where you're at so I set my traps and we tangle up; is that what this is going to allow, as to where everybody is kind of safe at home plate now.

Do you have to buy these permits or are you going to be given these permits? Are you going to be given shares for them zones also so that you can—or do your shares that you got with your original permit, does that go along with the permit that they're going to give you or you got to buy – do you get more shares? There are 11 permits now, and when this is all done you're going to have 33 permits.

MR. WHIPPLE: No, it doesn't involve more permits than the eleven we have now, no, not at all, no new permits.

MR. NIELSON: Okay, I'm mistaken.

MS. MACLAUHLIN: If anything, it would consolidate permits onto a vessel, right? But I guess I understand your concern, David, in that would this allow for concentration in one of the zones, for example. If you had a permit for each zone on one vessel and you had all your shares, then according to the previous action you can fish your shares anywhere you have a permit. What if everybody goes to, for example, the southern zone to fish all of them, I guess, maybe.

MR. CUPKA: We issued permits by zone, so there won't be any more people fishing in a zone then are fishing in there now. The only thing that it's going to allow you to do is if you have more than one permit you can fish more than one zone on a trip. All the southern people that have a southern zone permit right now could go out and fish in the southern zone, but you won't have any more able to fish than are currently able to fish unless we increase the number of permits by zones, which we haven't looked at because we wanted to spread out the effort among all the different zones.

MR. WHIPPLE: I know the kind of issues you are talking about now in terms of risks reflect our concern about taking the boat length limit off. If you have somebody that's got a 120-foot boat up in the northern zone and it's appropriate for there, maybe; and he has a middle zone permit and it doesn't have a length requirement on it, then he can come down and stack those two and there you are. It makes it more difficult for some to fish in the middle zone appropriately with a length limit, but if you take it off it leads to the kind of thing you and Dave were just talking about, or can.

AP MEMBER: I make a motion on Action 13, preferred Alternative 2, allow for stacking of up to three permits on one vessel so that any zones through which the vessel has a permit can be fished in one trip.

AP MEMBER: Second.

MR. WHIPPLE: Any discussion? We mentioned at one time eliminating the words up to three, I don't know if you want to make that change or not. It may not have any significance, but it might. Well, I don't know how it would work, but let's say you've got two middle zone permits. Maybe you want to keep it at that, so maybe the up to three is good. I mean if somebody has got two middle zone permits, can they put them together by what you said? I don't know.

MR. MANCHESTER: Just keep it at three.

AP MEMBER: I see what you're saying. Well, that would have to be a new alternative. That would have to be a new alternative if we change the language. Bill brought up a point; allowing for stacking of a—we would like to remove the three.

MR. WHIPPLE: I'm not sure, maybe we would say as many as one permit would be for each zone on the boat. You can consolidate. In a case like Randy, he can merge the two permits but that is a separate issue.

AP MEMBER: So how would you go about—do we have to do a different alternative if we're going to change that?

MS. MACLAUHLIN: So you are trying to add an alternative that allows for more than three permits? Yes, then you would have to—but you want to keep—so, for example, Alternative 2 would be up to three permits and then Alternative 3 would be as many as you want, no limit. Yes, you would have to add an alternative, but if you are adopting Alternative 2 as your preferred then –

MR. WHIPPLE: Probably be as it is.

AP MEMBER: You want to leave it as it is?

MR. WHIPPLE: Let it be the way it is, isn't that what you think? We've got a second on this. Any further discussion? Time to vote.

MS. MACLAUHLIN: Action 14, monitoring and enforcement, this has a couple of different alternatives for enforcement issues and monitoring. One is no action; do not require any additional monitoring or enforcement. Alternative 2 would phase in additional monitoring as necessary based on the economic capacity of the fishery; and explore real time reporting and electronic monitoring such as collecting data on a website upon landing. Alternative 3 deals with VMS and would require all the fishing vessels that are involved in this catch share program to be equipped with VMS and different subalternatives of who would pay for the VMS equipment and the communication costs.

Alternative 3A is the shareholder, 3B is NMFS; 3C is jointly by the shareholder and NMFS; and 3D is for the purchase, installation and maintenance paid for my NMFS and the communication costs are paid for by the shareholder. Alternative 4 would implement a hailing requirement when landing, location and time and other information.

The IPT recommended removing Alternatives 2 and 4 and just putting them into the catch share program requirement as they should be minimum requirements for any catch share program. Glenn Ulrich also was supportive of that. The IPT recommended that this action focus only on the VMS and use the different alternatives. Basically you just have what is in Alternative 3 and those would be alternatives.

MR. CUPKA: We have a couple of VMS programs in effect now and there is more in the Gulf, but my understanding is that the only cost that NMFS pays for is for the equipment itself and that installation and maintenance and communication costs are all borne by the fisherman. I think that is correct, isn't it, Andy? At least the ones that I'm aware of, NMFS provides the equipment but they don't pay any other costs associated with it. If that is the case, I don't see a subalternative in there that limits it to just NMFS paying for the equipment.

MR. STRELCHECK: Right, so we have a fund that allows for paying or purchase of the units themselves and the burden of installation and then the monthly charges is on the fisherman or vessel owner at that point. We can tweak that language based on currently what's in place.

MR. NIELSON: Can you be more specific on that cost?

MR. STRELCHECK: A VMS unit, I think the maximum reimbursement is somewhere around \$3,100 for a unit. That's for whatever the cheapest unit is to purchase. They run upwards of 35, \$3,600, so anything above that you would have to pay. For, installation I don't know the exact amount, it probably varies a little bit by vessel and how complicated it would be to install, but you're looking at probably another \$300 to \$500 installation cost, and then on top of that is a monthly charge that depends on usage.

It would be like a cell phone bill, if you have the basic plan and don't use it a whole lot you're probably looking at \$30, \$40. If you're using a tremendous amount, I've heard some captains where it's run upwards of \$100 a month, depending on usage.

MR. WHIPPLE: Do you want to entertain something for eliminating 2 and 4?

MS. MACLAUHLIN: If someone would like to make the motion.

AP MEMBER: I've got discussion still. When we went over to St. Petersburg and we talked to law enforcement for that whole day, they didn't recommend the VMS because of the fact that we keep dragging out of the box. That was their recommendation because they couldn't enforce it.

MR. WHIPPLE: What I think you are going to find here is a qualifier in the boat here so that VMS is not going to be used for location of the boat or on the gear.

MR. STRELCHECK: VMS, it would be important to know that a vessel is at sea and that it's returning to port and ensuring that it's landing at the location that it is supposed to be landing at or if it hasn't reported, a notification that we're aware it's coming back to port. We certainly recognize some of the problems you'd face with setting your gear in one area and then your boat drifting into another area where gear wouldn't be allowed to be set. I would want to talk to law enforcement again about that particular issue and how that would be addressed.

MR. WHIPPLE: Okay, any motions for Action 14?

MR. NEILSON: I make a motion that we on Action 14, we eliminate Alternative 2 and Alternative 4.

AP MEMBER: Second.

MR. WHIPPLE: Any discussion? Vote.

MR. STRELCHECK: Let's use that same language we've been using about adding it into other areas of the amendment as appropriate.

MS. MACLAUHLIN: Okay, I'll read the motion: Eliminate Alternative 2 and Alternative 4 in Action 14 and add language in the amendment that establishes the monitoring and hail in requirements upon implementation of a catch share program.

MR. WHIPPLE: Okay, this is going to be two motions the way we had it and I think it is accomplishing the same thing – get rid of 2 and 4 first. Let's see what happens, anyway. Okay, that would be step one. We've got that seconded already. **Vote on that; three.** Okay, now do we have another motion relative to 14?

AP MEMBER: I'd like to make a motion that we add language in the amendment that establishes the monitoring and hail in requirements upon implementation of a catch share program.

MR. WHIPPLE: Okay, but you want to exempt what is on the fishing area.

AP MEMBER: So recommend that VMS be used for detecting?

MR. WHIPPLE: No, landing sites and not for monitoring fishing areas. Do you want to see this?

AP MEMBER: No, recommend that VMS be used for detecting landing sites and not for monitoring fishing areas because of previous conversations with enforcement and the declaration that VMS is not appropriate for the golden crab fishery for monitoring the allowable golden crab fishing areas within the HAPC.

MS. MACLAUHLIN: I think that should be motion number 30. I think that should go into the next motion, so we can do this one, and this is just for clarification.

MR. WHIPPLE: Well, when it says monitoring it sounds universal, that's all. So if we have another, that helps. That is the motion; do we need a second or have we got it? Okay, a vote.

MR. NIELSON: Bill, excuse me, I thought that when you had them scratch Alternative 4, isn't that for the hail in? You don't want to do that or you want to do that. Oh, okay, so all you did is you canceled it here and you made it there – I got it.

MR. WHIPPLE: Basically, yes. Okay, is there another motion relative to Action 14?

MR. RAU: We recommend that VMS be used for detecting landing sites and not for monitoring fishing areas because of previous conversations with enforcement and declaration that VMS is not appropriate for the golden crab fishery for monitoring the allowable golden crab fishing areas and the HAPC.

MR. STRELCHECK: Just to clarify; is your concern that simply the video monitoring, that no at-sea enforcement could potentially be used against you in terms of saying you were fishing in the HAPC when you weren't; is that the concern? I'd have to check with law enforcement, and I don't know when you met with them or how long ago and what their procedures are.

I think there have been some federal cases made in terms of what's required for them to actually determine if a vessel was fishing in an area that it shouldn't have been and that there is an at-sea component, either through flyover or through a vessel meeting you at sea. With that said, I think what I am trying to get at is they still might be using it to monitor where you're fishing, but in order to actually make a case that you would have been fishing illegally in an area you shouldn't have been, they would have to be at sea and to document that and determine where that gear is actually set.

MR. WHIPPLE: This goes back to when Randy spoke up both to, Dave, you may not be aware of this and I'm pretty sure that Andy probably isn't. How long ago was it, Randy, a couple of years, anyway? We were concerned because a lot of our fishing is fairly close to the areas that we don't belong in by agreement with what developed out of the HAPC program.

The problem is several fold. In the first place the speeds that they use to determine whether or not – they being the people that are doing the monitoring – can be very misleading, because the speeds that we have in the Gulf Stream may indicate that we are probably at a hauling pace and we may not be at all. We may have a 4-knot Gulf Stream that we're going against.

A lot of the rest of the operation through no fault of us and no movement of the gear on the bottom, the boat when it's hauling can be as much as a quarter of a mile or even in extreme cases a half mile away from the gear. Even so, that's the way because of the cross currents and the wind and one thing and another, this is where you have to be to haul the gear.

We could very easily be spotted with a boat in an illegal position but the gear isn't. We spent at least half a day, no exaggeration of the length of time, with Hal and some – I think there were four or five other people of his group in attendance of the meeting. He came to the conclusion at

that time that VMS was not an appropriate tool for monitoring whether we were in an illegal position when hauling gear. That's where that came from, Andy.

It was something that we were very concerned about and still are because a lot of what we do is very close. It's very often the situation that the boat is going to be over the line and the gear is where it belongs. Nothing ever touches the HAPC; but if you go by where the boat is, you've got a problem.

MR. STRELCHECK: I think the challenge is I don't think there is going to be a way of us writing a regulation that exempts you from being monitored while at sea. It's really then how do we address this from an agency standpoint in terms of enforcing the VMS regulations. The regulations would state, well, VMS is required in order to participate in the Golden Crab IFQ Program.

Whether we could narrow that to explicitly say how VMS would then be used for the program or not, I'd have to check with law enforcement or would that be more of an internal policy based on knowledge of the fishery and how you operate; that in order for them to not use it for those purposes, they're just aware of those situations and they don't enforce – or don't investigate and enforce when you're hauling back in areas that might be illegal, but the reality is you're not illegal at all because of just how the conditions are at sea.

I just need to talk with them. It seems like what you're wanting with the motion is an added level of comfort in terms of how this can be enforced. I'm not sure if we'll be able to provide explicitly what you need through regulations or not, but maybe there is something we could add to the plan that would allow for more specific clarification on how this would work in particular for the golden crab fishery.

MR. WHIPPLE: I don't think any of us here in this group, anyway, have experience with the VMS program. What we hear may be exaggerated and distorted and what have you, but there certainly have been a lot of complaints that we have heard about, errors that are made and so forth. Given the situations that I just talked about where we're misplaced as far as the boat and not so far as the gear, this just opens the risk, seemingly anyway, to us very significantly.

Hopefully, this can be resolved in some positive way so that we're not deprived of fishing legally in order to satisfy a monitoring system that is going to make some errors. Do I understand that you'd like to have a rewording of this Motion 30; is that what he was getting at? Andy, are you uncomfortable with the wording of the motion?

MR. STRELCHECK: No, I think it does a good job of laying out your intent and the conversation you have had with law enforcement. I think my discomfort is mostly from you guys' sake is how do we write this from a regulatory standpoint or can we write this from a regulatory standpoint? I'm questioning whether we could or not. I'll talk to our VMS coordinator and Hal a little bit more in terms of the conversations you guys had and if they have any ideas how to best address this given these concerns.

MR. WHIPPLE: So, we don't have a second yet, do we? Do we have a second? Any more discussion? Are you okay with this, Dave? The way it's written. **All in favor.**

MS. MACLAUHLIN: Okay, moving on with Action 15. This is establish criteria for the new entrants program. Alternative 1 is no action, do not create any provisions to assist new entrants into the fishery. Alternative 2, set aside some amount of the annual pounds for new entrants from the quota as releases part of a violation, as lost quota in the use it or lose it provision and/or when the TAC exceeds 3 million pounds.

Alternative 3, 4 and 5 are all using a set-aside of 2 percent, 5 percent or 10 percent of the golden crab ACL every year. That would be auctioned off to the permit holders that do not own shares or do not possess shares. The IPT recommended that this should specify who the new entrants are and should follow eligibility that's in Action 4 and 6 are transferability.

Glenn Ulrich actually had some comments on this, was that Alternative 2 is too vague and that you should specify a certain number of pounds or a percentage of the ACL like in 3, 4 and 5. Also what happens to the unused set-aside; does it get redistributed to whoever is left that year. Then also expressed some concerns about provisions for new permits in underutilized areas.

MS. GORE: Anything else from the IPT?

MS. MACLAUHLIN: The IPT also talked about for Alternative 2, in talking about where the annual pounds pot would come from, making those into subalternatives and then the council could choose where they want those to come from or where they want the new entrants pounds to come from.

MR. WHIPPLE: Have we absorbed that, the IPT and what have you; have you got any questions about it.

MS. MACLAUHLIN: We were talking about it at the break, about how this would work exactly in that let's say, for example, that the ACL does end up being 2 million pounds; for example, with 3, 4 and 5, you could replace the 2 percent with set-aside 40 thousand pounds, 100 thousand pounds and 200 thousand pounds every year that go into the auction for a permit holder that did not possess shares.

It would be auctioned off to whoever the new people are. From what we understand, that would mean that, say, for example, in Alternative 5, that sets aside 10 percent of the ACL, that 200 thousand pounds would be set aside and then the 1,800,000 pounds would be allocated out based on your share percentages to everybody else. Then this would happen every year; correct?

MR. MANCHESTER: 2 percent, 5 percent or 10 percent out of 2 million pounds, but is it really 2 million pounds? We don't know what it really is, do we?

MS. MACLAUHLIN: Well, if the amendment gets approved by the Secretary of Commerce that the council is going to submit for final approval in August, the council is recommending a 2

million pound ACL. Unless that does not get approved by the Secretary of Commerce, then that is the case, yes.

MR. STRELCHECK: I guess a lot of concerns with this one. I like the idea of a new entrants program. I think the challenge that you guys face is you are going to have 11 permits; so in order to be a new entrant you have to purchase a permit. There is not going to be a whole lot of people that actually would become new entrants at this point. Then you're allocating up to 2, 5, 10 percent to those new entrants through an auction system.

Well, an auction works if you have quite a few people bidding on it. Well, if you only have one new entrant or a couple of new entrants, you have a limited universe for an auction system to really work and function properly. I guess my thought was – and I still struggle with this because it's not really a new entrant program, but rather than I guess structure it the way it is currently, you might want to give some thought as to how quota increases, seizures, any other changes in quota might be redistributed among the existing participants at the time.

If you want to take care of the smallest participants, maybe they get a disproportionately larger amount of the amount that's being redistributed than a larger permit holder. You can come up with criterion that way. Someone that buys a permit might start off with a small amount of share might benefit more than a person that received a lot of share at the beginning of the program. Those are just ideas.

I'm not certainly suggesting that those are the preferred by any means. I think there are just a lot of challenges that you'd face with especially Alternatives 3 through 5 and a limited universe of permit holders.

MR. WHIPPLE: Did I understand from Kari that there were issues with at least the wording and maybe the concept of Alternative 2; did I understand that right?

MS. MACLAUHLIN: That Glenn had felt that it was too vague because it said set aside some amount. I think that he preferred more of a specific amount, either a percentage of the AC or X number of pounds.

MR. WHIPPLE: This was who?

MS. MACLAUHLIN: Glenn Ulrich.

MR. WHIPPLE: Glenn, okay. Any discussion about that whole Action 15?

MR. MANCHESTER: I've got a question. If somebody buys a permit, they're not going to buy any shares with that permit or they just buy a permit and have zero shares? They own a permit but they can't catch one pound of crab? What if they have a hundred pounds of crabs on there, they're not eligible for this program? I mean zero. They just have a permit but they have no pounds.

AP MEMBER: What about eliminating Alternatives 2, 3, 4 and 5 and putting something new in that could be developed by the IPT?

MR. WHIPPLE: That sounds like a good idea.

AP MEMBER: Or we could put some like he was saying.

MR. WHIPPLE: Some of the things Andy was talking about; small number of people and auctions not being a real auction and so forth; that's stuff we hadn't considered.

MR. NIELSON: Reading your Alternative 2 here; release as a part of a violation. Well, I don't know, I think for the past 20 years I think there may have been maybe one or two violations, so there is going to be no crabs coming out of that. The lost quotas, your lost quota, use it or lose it, I don't think there is anybody in this room that is going to lose it. I don't think any shares will be coming from that provision.

When the TLC exceeds 3 million pounds, never is there going to be 3 million pounds caught, period. All right, when we first talked about this many, many years ago back in 1995, Howard, when we were going to the council, we were very interested in preserving this fishery and the health of the crab, and also we were interested in preserving it for the fish trappers, us; and also for future generations.

We have got to put something in here. I don't know, Chippy, do you think your son might want to go crabbing? What about my son? What about somebody who is just crazy enough to buy a permit and buy some shares that wants to go crabbing. We've got to help these people out. I had a thought here, kind of like Glenn's idea about setting aside 40, 50 thousand pounds of crabs a year so that when this person buys a permit, because he's going to have to buy a permit, you know, for an arm or a leg, maybe just his arm, he doesn't have to give up the rest of himself to buy shares because why put out a half a million dollars to go crabbing?

He should be able to start out and build whatever he wants to build. I certainly like the idea of putting some amount of poundage into a kitty and it stays there and it rolls over just in case somebody wants to go crabbing. Because, you know what, like I said, there are going to be guys after us, I hope. Like I said, maybe I'd like to go crabbing and I do not want to have to buy shares at ten dollars a share or a hundred dollars a share or a dollar a share. That's just my thought.

MR. WHIPPLE: Any other comments?

MR. MANCHESTER: I have a crazy scenario. Say, for instance, we catch the 2 million pounds and they put 40 thousand pounds a year on the side and three years down the road somebody buys a permit and gets 100 thousand or 120 thousand; is that going to deduct from the 2 million? Are we going to be at 1,880,000 thousand or could we still catch it if it's in the kitty but not being used?

MR. WHIPPLE: That's the first question I had when Dave made his comments because if you go long enough you get the whole allocation.

MR. MANCHESTER: Well, couldn't we put a limit?

MR. WHIPPLE: I'm getting into this more than I guess I'm supposed to. We've been doing some work in the background here to the issue of long-term questions of what happens to permits as people get old or decide some other bright thing is in their future. What happens, they'll want the permits put into their bureau drawer or turned into heirlooms.

As in line really with what Dave is saying as the generational aspect of the fishery rolls along, there needs to be provisions made to protect against – the bad word for it is hoarding, but to make sure that the permits that have been used actively before are still effective one way or another in other people's hands. I think, Andy, you mentioned that this is one of the big issues is the second generation. Everything goes fine for the first ten years and then as people retire, somehow or other their shares aren't available, at least not fully. Have there been mechanisms to deal with that?

MR. STRELCHECK: With red snapper, grouper tilefish, which is my immediate experience; we are working on establishing a loan program. It is a federal loan program that will allow for new entrants to apply for loans, low interest loans to the government to help fund the purchase of shares allocation to get their business – fishing operation up and running.

With that said though, there are still issues with is it cost effective or cost prohibitive for people to actually purchase those shares and allocation. I guess where you're at currently; I don't think we are going to probably reach any sort of decisions at this point. I'm wondering if it would be best to just make a recommendation that the interdisciplinary planning team review this action further and provide additional suggestions on how a new entrant program could possibly work.

I know that doesn't address your immediate needs here as an AP, but then we could bring something forward to the council, we could send out the e-mail information to the AP in terms of ideas that have been suggested and get your reaction and response to that as well as the council's reaction and response.

I think you phrased it perfectly, Dave, that you have concerns about the next generation and how do they get into this fishery. Although permits can be handed down from one family member to another, that is not always going to be the case. How do you accommodate for those new entrants to make this a viable fishery that's going to be here for the long term?

MR. WHIPPLE: Yes, exactly. I'm not sure that Action 15 is the way to do it or at least it could be a combination of things. I think holdover – that the purpose of this Action 15 and all the alternatives is not that there is a rollover; that what's taken from one year is added to what's taken from the next year and taken from the next year so that the allocations keep shrinking every year and I don't think that is acceptable.

MR. STRELCHECK: That's not the way it would work. There wouldn't be any sort of rollover provision. You either use it or you don't. The other problem I'm having with this is you're talking in terms of annual pounds. Well, for a new entrant that's great; come around the first year they get annual pounds; but what happens the second year?

They're no longer a new entrant so are they going to get anything or did they just get a little bit in their account for the first year to get started and then they've got to figure things out for themselves and go out and purchase shares and allocation in order to run their business the second year.

It seems like what you would want to focus on is some sort of set-aside of shares and the corresponding pounds to go along with those shares for potential new entrants. How that works and the amount is really the question. I've heard from some of you, 2 percent is what, 40 thousand pounds.

MR. WHIPPLE: Yes, it doesn't do much.

MR. STRELCHECK: You can't run your business on 40,000 pounds. That's for maybe more than one new entrant at that point. It seems like what we'd want to do is go back to the drawing board and look at what, if any, new entrant programs there are around the country, around the world and come back to you with some additional information.

MR. WHIPPLE: It sounds good to me.

MR. NIELSON: On your very first page here, it says here that it seems to me that the council wants to keep this deepwater crab fisheries going and they are saying here that you've got to be highly qualified and you've got to know what you're doing. I've lost my train of thought.

MS. MACLAUHLIN: I think this is kind of a conflicting thing when part of the reason why you're setting up the program is to limit participation in entry and so how do you do that, how do you keep some people out but still allow for your next generation or for new entrants to enter the fishery.

It is conflicting. I think that there is a way to keep it from getting to big while also establishing some kind of program; for example, for crew who want to graduate or start their own business and get their own permit or something like that; a way to help them out to buy shares if that's what they decide to do.

MR. MANCHESTER: Andy, how were you going to word that for the way you said it?

MR. WHIPPLE: He's going to come back to us.

MR. STRELCHECK: You're looking for a motion here? First of all, do you want to eliminate from consideration the current alternatives in Action 15?

MR. WHIPPLE: I thought that was where we were heading. I think we can safely assume I think that we all want – we recognize a problem of the continuing vitality of the fishery and new entrants and what have you, but we may not have enough good ideas yet to take preferreds.

MR. STRELCHECK: Okay, just something along the lines of, recommend the Golden Crab IPT provides the alternatives in Action 15 to develop a new entrant program or in developing some alternatives? Do we want the feedback? I don't know how that would work without another AP meeting and provide and discuss during a future AP conference call.

MR. MANCHESTER: Could we make this another motion on top of the other motion?

MR. WHIPPLE: I don't think it's that complicated.

MR. MANCHESTER: Or are we going to get rid of the other one completely?

MS. MACLAUHLIN: This is Andy's suggestion.

MR. WHIPPLE: Does that work, Dave?

MR. NIELSON: I think about fairness and I think about somebody wants to go out there and do what we do, you know you've got to give them a chance. I really would like to see something. This can't go away; we've got to do something.

AP MEMBER: Would you be happy with like 2 percent or something?

MR. NIELSON: Maybe not today, but I'm not too sure how the council feels about this and I'm not too sure about the National Standards, if anything is being violated here. I just don't know. I do know that 20 years ago we started this fishery from the bottom of the ocean up. It's never been done before and it should be here for anybody who wants to do it.

MR. STRELCHECK: With that said, I still don't think we're going to be able to craft anything that is going to be fully meaningful today; but if you have ideas that you would like us to look in to explore, certainly I think propose those now or after this meeting. I don't think the expectation is this is going to go away. I think the idea would be that we bring this back to you sooner rather than later.

Certainly we're developing the document for the September council meeting, so it would come to light no later than September at that point. When the AP meeting or call happens is going to be up to council scheduling, and I would expect probably after the September meeting. Certainly we'll need some help and input from industry. You guys I'm sure have some good ideas that you haven't thought of at this point. We'll take a look at what programs exist elsewhere and see what can be done. Maybe there are some things that we can both meet in the middle on and agree to.

MR. NIELSON: Andy, please there is no disrespect here, but you are comparing apples and oranges here. This is a totally unique, totally different fishery than anything you know. It's not like the snapper grouper; it's not like the wreckfish. Sorry.

MR. WHIPPLE: Okay, motion? Is the first thing we get rid of Action 15 and presumably direct it to that one.

MS. MACLAUHLIN: Do you want to get rid of the whole action or just the current alternative?

AP MEMBER: Get rid of the current alternatives.

MR. WHIPPLE: Yes, the title is good; establish criteria for new entrants; no problem with that. It's the content that's a little shaky.

AP MEMBER: So get rid of Alternatives 2, 3, 4 and 5?

MS. MACLAUHLIN: Just that or do you want to add that language in there?

AP MEMBER: Yes, I'd like to add that language, "Golden crab IPT revise".

MS. MACLAUHLIN: Okay, I'm going to read the motion.: Eliminate the current Alternatives 2 through 5 in Action 15; direct that the Golden Crab IPT to revise the alternatives in Action 15 to develop a new entrant program for discussion during a future AP meeting or call.

AP MEMBER: Second.

MR. WHIPPLE: We've got a second: all in favor.

MS. MACLAUHLIN: Action 16 is to establish provisions for banking and borrowing and it has two alternatives. Alternative 1 is no action; do not create provisions for banking and borrowing as part of the Golden Crab Catch Share Program. Alternative 2, establish a 20,000 pound borrowing allowance each year.

On the borrowing, the IPT recommended that the borrowing can be accommodated by Action 18, which is the annual pounds overage provision. Probably this is not necessary, this action is no longer necessary; and also Glenn Ulrich was okay with removing this action.

AP MEMBER: I've got a question. So when it's bank and borrowing, which means if you – at the end of your shares, and you come in with your last load and you're 5,000 pounds over, then it does what?

MS. MACLAUHLIN: Well, that's the thing with this action is that it has a borrowing provision in it but not a banking one. I don't know what the original intent was. It just says you can borrow 20,000 pounds each year, but it doesn't say you can bank it, like roll it over, is that what you mean?

AP MEMBER: No. I'm just thinking you lose it the next year, right?

MS. MACLAUHLIN: I'm not that clear.

MR. WHIPPLE: Yes, you lose it, right.

AP MEMBER: There should be a little something in there because your last load, you just don't know.

AP MEMBER: Well, there is if you go further.

MS. MACLAUHLIN: In Action 18, Action 18 addresses like if you go over on your last trip, how that works.

AP MEMBER: That's what I was worried about.

MR. STRELCHECK: Also to add to this, I think there are some legal issues here, because we are going to set a catch limit; and although the 2 million pound harvest level is unlikely to be reached, if everyone dipped into a 20,000 pound borrowing, you could actually go over the annual catch limit, which legally wouldn't be allowed under the Reauthorized Magnuson Act.

MR. CUPKA: I'm glad to hear you say that because I've asked Monica that question many times and she somehow felt you could do it. It seemed to me it was contrary to the provisions of the Magnuson Act that allows you to exceed an ACL.

MR. STRELCHECK: Yes, you could do it and we allow for a little bit of room with our other IFQ programs. The quota is set lower than the catch limit and that way there is a buffer between the two. Even if you allow an overage in one year, it is not going to be great enough to actually exceed the catch limit at that point.

AP MEMBER: I make a motion that we eliminate Action 16.

AP MEMBER: Second.

MR. WHIPPLE: Any further discussion? All in favor.

MS. MACLAUHLIN: Action 17 deals with collection of royalties from resource use. Alternative 1 is no action; do not collect royalties from the shareholders. Alternative 2 is hold annual auctions of portions of the ACL for fishermen with a golden crab permit; and place the funds collected through the auction into an account to help pay for golden crab fishery management.

Alternative 3 redefines the shares so that they expire every five years, with a start date upon implementation of the amendment. The council will determine if the shareowner is reissued the shares for another five years after that or an auction will be used to determine the next owner. Auction participants must own a golden crab permit and the funds will be placed into an account to pay for golden crab fishery management.

Alternative 4 is the similar scenario in which the shares expire every ten years, and then the council will determine if the shareowner is reissued the shares for another ten years. After the time has expired, then an auction will be used to determine the next owner. Alternative 5, assess a tax on shareholders equal to an estimation of super profits, which are profits that exceed normal profits made in the fishery.

The IPT, the notes that I have is that Alternative 5 would be hard to define and it's probably not reasonable. Glenn recommended if there is no precedent for royalties then eliminate at least for this time and see whether stability and how the fishery performs under catch shares before you tax, you put a royalty on it.

MR. WHIPPLE: It might be a good idea.

MS. MACLAUHLIN: Okay, anyway, that's it I think from the IPT. Did we have a recommendation? Who wants a royalty?

AP MEMBER: I make a motion that we eliminate Action 17.

MS. MACLAUHLIN: Would you want to eliminate it or choose no action? This is directed to Karla and Andy and David.

MS. GORE: For simplification of the document, I would suggest eliminating it.

AP MEMBER: I second that motion.

MR. WHIPPLE: All right, we got a vote.

MS. MACLAUHLIN: Action 18 is the annual pounds overage and this would put in a provision to allow a fisherman to go over by a certain percentage on his last fishing trip. Alternative 1 is to not allow this. Alternative 2, a person on board a vessel with a shareholder's only remaining golden crab allocation may exceed by up to 5 percent the shareholder's annual pounds remaining on the last fishing trip of the year.

Alternative 3, a person on board a vessel with a shareholder's only remaining golden crab allocation may exceed by up to 10 percent of the shareholder's annual pounds remaining on the last fishing trip of the year. The IPT recommended that you need to add language that if you go over, then this comes off your next year's allocation. Then Glenn Ulrich felt that 10 percent, Alternative 3 was okay but thought there should be language about you pay back your overage, as well.

MR. WHIPPLE: Any discussion before the motion? Do we have a motion relative to Action 18?

AP MEMBER: So is the IPT going to put this language together?

MR. WHIPPLE: It's pretty simple, isn't it, so we could do it right now with your help; you've got to pay it back.

MS. GORE: Yes, we could do it now or you could just give us editorial license to just add that into the alternative.

AP MEMBER: Well, discussion would be I think you're using 10 percent. I'm thinking maybe 20 percent.

MS. GORE: So would you want to add another alternative that looks at 20 percent or do you want to modify Alternative –

AP MEMBER: I'm thinking modifying it to 20 percent only because if you really hit them hard, you know it's kind of different. You could have a 50 trap trawl and 100 pounds of trap.

MS. GORE: So modify Alternative 3 to exceed by up to 20 percent.

MR. WHIPPLE: Yes, 20 percent at first blush sounds like the TAC but it's not; it's one particular trip. It's not too wild.

AP MEMBER: Action 18?

MR. WHIPPLE: Is that going to be Alternative 4, 20 percent?

AP MEMBER: Yes, 20 percent, that would be Alternative 3.

MR. WHIPPLE: Action 18, yes, you want to modify 3. Alternative 4 would be to make it 20 percent.

AP MEMBER: Do you want to do that Alternative 4 or should we just change the number, percentage?

MS. MACLAUHLIN: Well, if you're not interested in 10 percent being analyzed as an alternative, then I think we can just change it to 20 percent and then we would have no action alternative, a 5 percent alternative and a 20 percent alternative and then add the language that says that it will come out of your next year's allocation. I think you could probably just say modify Alternative 3 to allow for the last trip to exceed by up to 20 percent.

AP MEMBER: Maybe we should modify Alternative 2 to 10 percent, too.

MS. MACLAUHLIN: Okay, I'm going to read it: **Modify Alternative 2 in Action 18 to allow a shareholder to exceed by 10 percent and Alternative 3 to allow a shareholder to exceed by 20 percent; and add language to Alternatives 2 and 3 that there will be a payback required in the subsequent year of the shareholder's allocation.**

MR. WHIPPLE: Once we vote for this, we still don't have a preferred. Any discussion of the motion?

AP MEMBER: Bill, I'll second the motion.

MR. WHIPPLE: All in favor.

AP MEMBER: I make a motion now that we make this our preferred, Alternative 3.

MR. WHIPPLE: Okay, do we have a second? We've got two seconds. Those in favor.

MS. MACLAUHLIN: Okay, Action 19, approve landing sites. Alternative 1 is no action; do not establish approved landing sites for the Golden Crab Catch Share Program. Alternative 2 establishes approved landing sites for the Golden Crab Catch Share Program and the participants must land at one of these sites to participate.

With two subalternatives, one is that the approved landing sites would be selected by fishermen but approved by NMFS Law Enforcement prior to use; and 2B; approved landing sites will be selected by the council and NMFS based on industry recommendations and resource availability.

MR. WHIPPLE: Andy, could you review what I think I heard from you about landing sites. There's a whole raft of them and so forth and so on, so people understand.

MR. STRELCHECK: The landing sites are intended to help enhance enforcement of the program. The idea here is that you would submit the landing site that our office of law enforcement would then come out and review. There are certain criteria that that site would have to meet. Mostly they pertain to just having access to the site, the landing location being on the water, fairly basic criterion.

My recommendation is that we leave it up to you guys to submit the sites, we go out and review them and approve or disapprove those locations. Once they're approved, those landing sites can be used by anyone that participates in the golden crab fishery, although what usually happens is they're individual landing sites for your particular vessel, unless it happens to be a dealer that multiple vessels sell to.

MR. WHIPPLE: Okay, if I understand you, and I think I did, landing sites eventually are fishery specific, but they are selected by the whole group of fishermen involved.

MR. STRELCHECK: You as fishermen are individually responsible for submitting landing sites to us for review and approval. You can submit more than one landing site, but once it's approved it is not exclusively for use by your only vessel. Multiple vessels could land at that site.

But that gives you the authority essentially to provide landing locations that you intend to use, rather than us trying to make that decision for you based on just input and recommendations. We have a process now where we continue to receive updates to landing locations. People will

continue to add landing locations as the program goes on. Fewer and fewer are being added because we now have a pretty long list of landing locations that people can land at.

MR. WHIPPLE: Is that list something we should – I mean there is one, I assume, for the east coast of the United States or not?

MR. STRELCHECK: This doesn't pertain to the South Atlantic at this point; this would be for the Gulf of Mexico only. You would be creating, essentially, a whole new list specifically for the golden crab fishery.

MR. WHIPPLE: If I understand it, we could pool together and come up with a reasonable number of sites and request them.

MR. STRELCHECK: Yes, and essentially you would put in whatever sites you currently land at or intend to land at and Howard would do the same and Dave and Randy and that would all be compiled into one large list of landing locations. Then when you do a VMS notification that you are coming in for a landing, you'll have to select what landing location are you landing at.

MR. WHIPPLE: Individually.

MR. STRELCHECK: And if it is not on the preapproved list you can't land there until it is approved. That's the goal is we make this list comprehensive so that those landing sites are approved before the program starts and it's a matter of then the program beginning and you're able to use those sites immediately.

MR. WHIPPLE: I think I mentioned to you that the thing I was uneasy about was emergency situations in weather or breakdowns or what have you. We presumably want the list to include more than where we routinely go.

MR. STRELCHECK: Yes, and we deal with this on occasion. We have a call service that works 24 hours to accept landing notifications. They will call me after hours if there is a particular problem. I had a boat that caught on fire coming in at 3:00 o'clock in the morning and got a phone call in the middle of the night. I'm not going to tell them, no, you have to land at a particular site at that point. Their boat is on fire, it needs to be towed in now; it doesn't have an engine working.

There is going to be exceptions and it's a safety-at-sea issue at that point. But the whole intent is obviously just to ensure that we know where you're coming in at and law enforcement and dockside samplers can meet you at the dock if they so wish and sample your catch and ensure what you are reporting is exactly what you are landing.

MR. WHIPPLE: New England seems to be the hot bed of difficulties, but I've heard troubles up there with boats and landing sites at least from the boat operator's point of view have ended up being pretty absurd, but, anyway. Any further discussion about this issue?

AP MEMBER: How long would it take to get a new site approved?

MR. STRELCHECK: At the start of the program we try to do this up front and get all of the sites preapproved before the program gets implemented. After the program, it's variable. It I think can run up to a month, six weeks, depending on when law enforcement can get out to the site. I've had them approved in a matter of a day or two.

It just really depends on how many locations are being submitted and how many sites they have to go out and review. Given this is a small fishery, with likely a limited number of sites you'd be needing approval for, I would expect you would get all of those approved prior to implementation and then adding sites would just come along as necessary.

AP MEMBER: Andy, what about a thousand feet or a block away from one place where you park your boat to maybe you have to park it because somebody took your spot? Is that kind of –

MR. STRELCHECK: I'd have to talk to law enforcement, but I think we have at numerous marinas in the Gulf, where you're at one slip that's a landing location that is separate from another slip; even if they're just a few feet away, just so that we ensure that we know exactly where that boat is coming in at. A thousand feet could make a huge difference in terms of an inlet if it is across one side of an inlet versus another. We could help you out in terms of those details.

MR. WHIPPLE: Okay, any more discussion? We need a motion concerning Action 19.

AP MEMBER: I'd like to make a motion in Action 19 for Alternative 2, Subalternative 2A.

AP MEMBER: Second.

MR. WHIPPLE: Any further discussion? All in favor. Four, zero.

MS. MACLAUHLIN: The last action is Action 20, adjustments in annual allocations of the commercial TAC. Just so everybody knows, we are going to update the language where all the TAC is replaced by ACL. Okay, Alternative 1, no action, do not allow for adjustments in your annual allocation of the commercial TAC.

Alternative 2, annually allocate adjustments in the commercial quota proportionately among eligible shareholders based on the percentage of the commercial quota each one holds at the time of the adjustment. Basically if the ACL goes up or goes down, then your annual pounds will also adjust.

Alternative 3, allocate adjustments in the commercial quota through an auction system. That would mean that anytime the ACL increased, anything over the 2 million pounds that were initially allocated would just be allocated out through an auction system. The IPT, I have the Alternative 4, that anything over the 2 million commercial ACL can be put into the new entrants pot.

Glenn noted where would the proceeds from the auction go if there was an auction? I think we talked about that Alternative 2 is kind of what I think is an assumption of the catch share program, that when the ACL increases then your annual pounds increases based on the shares that you hold. That's all we talked about, really.

MR. WHIPPLE: Okay, do we have any discussion about the issues of Action 20? Do you have a motion?

MR. RAU: I'd like to make a motion that we eliminate Action 20.

MR. WHIPPLE: Second?

AP MEMBER: Can we discuss something? If the ACL goes up or down, somehow we are going to have to be notified how many shares we have.

MS. MACLAUHLIN: I don't know; Andy, how does that work? Do they get a notification every year of how many pounds they'll get?

MR. STRELCHECK: Yes, essentially you have an online account and at the beginning of the year we empty your account and then fill it back up with the new quota level, so you would be able to go in immediately and take a look to see what you are receiving. I guess the thing I am wrestling is do we eliminate this or do you want to consider other ways of redistributing allocation once quota changes take place?

To me it only makes sense to distribute it proportionately because otherwise you have to get into the redistribution of shares at that point, which I don't think is the intent here. I think you might be okay to just eliminate this action altogether, but it gets back to a little bit about what we were talking about earlier, Dave, and the new entrants program and maybe rolling something along this same idea with the new entrants program and figuring out how you can make adjustments when, quota increases in particular take place to the program.

MR. WHIPPLE: Okay, so we have a motion to eliminate; do we have a second?

AP MEMBER: I second it.

MR. WHIPPLE: You did second it. I think that's consistent with what you're saying.

MR. STRELCHECK: Yes, I think you still have to maintain the language though in another place to the amendment, so do we use that same statement we've been using?

MS. MACLAUHLIN: So this is what Andy is suggesting is just to take the language that is in Alternative 2 where your individual allocations will just be redistributed proportionately based on how much of the quota that you hold and put that into the amendment as just part of the catch share program.

MR. WHIPPLE: So this is the same motion that Howard amended, added to, is that correct?

MS. MACLAUHLIN: Howard made a motion to eliminate Action 20 and this is kind of additional suggested wording.

MR. WHIPPLE: It's the same motion.

MS. MACLAUHLIN: Yes.

MR. WHIPPLE: It's a modified motion, that's all. I think we need to have somebody either withdraw the original 37 or add this to what we have.

MS. MACLAUHLIN: If Howard is okay with that; right.

MR. WHIPPLE: Which do you prefer?

MS. MACLAUHLIN: Just adding it.

MR. WHIPPLE: Would you like somebody to make a motion to add this language to Motion 37.

MS. MACLAUHLIN: Well, Howard can add this.

MR. WHIPPLE: Yes, I assume he will.

MR. RAU: I make a motion that we add this language.

MS. MACLAUHLIN: I'll read the motion: Eliminate Action 20 and add language in the amendment that specifies that annual adjustments in the commercial ACL will be allocated proportionately among eligible shareholders based on the percentage of the quota each holds at the time of the adjustment.

AP MEMBER: Second.

MR. WHIPPLE: Any further discussion? Those in favor. Okay.

AP MEMBER: I have one thing about the new entrants. We have a September council meeting, I'm wondering if we could get together before that September council meeting on the new entrants. Is there a way we can have like a conference call or something but before that meeting?

MR. CUPKA: If that's your desire to do that, we can have staff set up a conference call and you can all discuss it and that would be good.

AP MEMBER: Do we make that into a motion?

MR. CUPKA: I don't think we need a motion. If that's what you desire to do, we'll make it happen.

MR. WHIPPLE: It doesn't have to be a motion; it's just a note. Okay, I think that's the printed list of actions, anyway. Is there any other business? Would you like to adjourn? Go ahead, Dave.

MR. CUPKA: Just briefly before you do that, I just want to, on behalf of the council, thank all of you for your attendance and input here today. I think you accomplished a lot that is going to help us move forward on this process, so again thank each one of you for your input and for staff, for the work they've done. I think we are moving ahead. Thank you very much.

MR. WHIPPLE: And we certainly thank Andy and Karla; it certainly helps a lot. Okay, nobody jumped when I said adjourn; does anybody want to do that? I guess it has happened.

AP MEMBER: I make a motion we adjourn.

MR. WHIPPLE: Thank you.

(Whereupon, the meeting was adjourned on July 26, 2011.)

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