

SOUTH ATLANTIC FISHERY MANAGEMENT COUNCIL

GOLDEN CRAB ADVISORY PANELS

**Harbor Beach Marriott
Fort Lauderdale, FL**

January 29, 2012

SUMMARY MINUTES

Golden Crab AP:

Howard Rau
Glenn Ulrich
David Nielsen

Chip Bethell
Randy Manchester

Council Members:

Charlie Phillips

Council Staff:

Dr. Brian Chevront

Observers/Participants:

Kate Quigley
Brad Whipple
John Paiva

Dr. Scott Crosson
Nuno Almeida

The Golden Crab Advisory Panel of the South Atlantic Fishery Management Council convened in the Harbor Beach Marriott, January 29, 2012, and was called to order at 1:00 o'clock p.m. by Dr. Brian Chevront.

DR. CHEUVRONT: We're going to go ahead and get started on the Golden Crab Advisory Panel Meeting for the South Atlantic Council. I'm Brian Chevront. I'm the council staff who has been assigned to work with this advisory panel. A couple of things I'd like to say before we really get going. First is that we're going to do a voice recognition for all the AP members, and I believe everybody has a copy of the agenda, right? If you don't there are actually a few copies down there.

Pretty much what we're going to be doing is we just have a couple of procedural things that we need to handle and then much of the meeting is going to be going through the actions and alternatives for Golden Crab Amendment 6. The first thing I would like to do according to the agenda is to approve the agenda. Anybody have any changes they want to make or corrections? Seeing none, the agenda will stand approved.

I believe I also sent out to everybody a copy of the minutes from your meeting from last July. I was not there at that meeting. I had just been hired by the council at the time and was not able to attend. Does anybody have any changes or corrections or anything they'd like to make to those minutes? Okay, and then there is actually a procedural thing I see Randy looking at is a cost report there.

When I sent out the letter to you all, I copied the information that was given to me that said that parking was twelve dollars a day. They lied; it is actually twenty-five dollars a day. Don't worry about it; the council will pay it. We will reimburse you for it and try to get a receipt, if you can. I know that when you pulled into the self-parking thing they gave you a ticket and I have not seen anybody at the kiosk when you leave. If you have a problem when you put your little ticket into the machine when you go and it doesn't give it back to you or ask you if you want a receipt, let me know so I can let our people know that, look, they didn't get a receipt for the parking, it was all automated.

I didn't hear any changes, corrections or additions to the minutes of your meeting from July 26th; is that correct? Seeing none, I guess we'll say that those stand approved. Now what I'm going to do is we have a question about electing the chairman and the vice-chairman of the AP. Actually on the agenda it has my name, but I'm going to turn that over to the current vice-chairman, Howard Rau.

MR. RAU: I wonder if we could defer this election until June or the next AP meeting?

MR. BETHELL: I'll second that motion if it's a motion. I'll agree or I'll make the motion. **I would motion that we wait until the next AP meeting to select our new chairman.**

MR. MANCHESTER: I'll second the motion.

DR. CHEUVRONT: Any discussion?

MR. RAU: The motion passes.

DR. CHEUVRONT: One of the things that I neglected to do is let's start with Howard and the AP members, if you can state your name so we can get a voice recognition because we are recording what is going on here.

MR. RAU: Howard Rau, golden crab fisherman.

MR. BETHELL: Chip Bethell, golden crab fisherman.

MR. MANCHESTER: Randy Manchester, golden crab fisherman.

MR. ULRICH: Glenn Ulrich, fishery biologist.

MR. NIELSEN: Dave Nielsen, retired golden crabber.

DR. CHEUVRONT: Right now Howard is chairing the meeting, but we have the issue of – we have other people who are here who may want to be able to comment at some point. We can allow that. As the AP member you can decide that they can make comments when it seems appropriate at that time. You can wait until later. We do have a couple of other people here and I would like to have them give their voice identification as well.

MS. QUIGLEY: Kate Quigley, South Atlantic Fishermen's Association.

DR. CROSSON: Scott Crosson, Southeast Fisheries Science Center.

MR. PHILLIPS: Charlie Phillips, council member, Georgia.

MR. WHIPPLE: Brad Whipple, golden crab fisherman.

DR. CHEUVRONT: Okay, basically this is a small meeting. You can decide how you want to let other people participate. Just know that AP members have the priority for speaking, and I think it's a good idea to set how you want to handle that at this point. Howard, do you guys have any comments about that?

MR. RAU: I don't have a problem with anybody coming in and making a comment to any of our things that we are going to be going through today.

MR. BETHELL: Brian, I would think that the comment should be heard at the time that they want to be heard; and maybe just if somebody raises their hand and we call on them, would that be good?

DR. CHEUVRONT: Sure, it's what you guys want I guess is what we're trying to get at. Two other people have just come in the room; could you state your names and your affiliation for us, please.

MR. ALMEIDA: Nuno Almeida.

MR. PAIVA: John Paiva.

DR. CHEUVRONT: Okay, we've gotten through the third agenda item. The third agenda item was the election of chairman and vice-chairman, which you've decided to wait until your next AP member – presumably to wait until the open seat is appointed. How would you like to handle it from here, Howard?

MR. RAU: I was wondering, Brian, if you would be able to handle the meeting.

DR. CHEUVRONT: Okay, it would be helpful if you would say why you would like me to do that.

MR. RAU: So I can make comments throughout the meeting on the motions.

DR. CHEUVRONT: Okay, what is going to happen here is I need to take notes as well as helping to run the meeting so if there happens to be a little bit of pause here and there, it's because I'm trying to type up things that you are saying that are pertinent. If there are specific recommendations and actions that you all have for the council, it would be preferable that you put them in the form of a motion that comes from the AP so that it's very clear in the direction to the council where the AP stands on the different issues.

There is a public hearing summary document that I think everybody here now has a copy of. For those who have just come in, there are some copies down towards that end of the table. Let's jump right into this. Currently under Action 1 within the public hearing summary document, which is on Page S-4 of the printed document, is to establish eligibility criteria for a Golden Crab Catch Share Program.

Currently the preferred alternative is Alternative 4, to restrict eligibility to valid commercial golden crab permit holders. Eligibility for participation in this catch share program is defined as having a valid commercial golden crab permit as of the effective date of the final rule. Do you have any comments or anything you want to say about that preferred alternative?

MR. RAU: Should we comment on these? I mean –

DR. CHEUVRONT: Well, if you would like to and if you are in agreement with that, you don't need to make another motion. Particularly if you don't agree with some aspect of it, we definitely need to get that on the record. If you all seem to be okay with that, if there is silence after I read the preferred and nobody comments, we'll take that as meaning that you're in agreement. There is no comment so we'll assume that there is agreement with this preferred alternative.

The second action is on Page S-6, and the current preferred is Alternative 5, Preferred Subalternative 5B; to receive catch shares distributed equally among eligible participants, aggregate golden crab logbook landings from 1997-2010 associated with an eligible participant's

current permit must equal or exceed 50,000 pounds. Are you all okay with that? I see a few heads nodding so I'm going to put yes. Page S-9 is Action 3. Are you asking to speak there, Brad?

MR. WHIPPLE: Yes, I have a question. Before you guys move to Action 3, I had a question about the expected effects that are written about Action 2. Under economic impacts a scenario was assumed where individuals get higher proportions than current landings, and under social impacts a scenario is assumed where fishermen receive less than what they need. I was wondering why the impacts assume different scenarios.

DR. CHEUVRONT: I believe what is happening here is that under the economic impacts, they were talking about those who are remaining in the fishery. The social impacts, they're talking about the fact that some people will not be able to get shares because they don't receive an allocation. There are some alternatives in allocation distribution alternatives that could be chosen where some people get very, very small or perhaps none in terms of allocation if they don't meet the criteria that the council selects.

MR. WHIPPLE: It seems like if you have a permit, which is Action 1, that you could still have access regardless.

DR. CHEUVRONT: You have access but if you have a permit and don't get allocation, you would have to buy allocation from another participant. In essence that can cost you economically to have to buy your way in if you wish to continue to participate or increase your level of participation above what you would or would not receive in an initial allocation.

Okay, Action 3, establish criteria and structure of an appeals process; currently the council's preferred subalternative is 2A, and that would be to have 3 percent of the golden crab shares would be set aside for appeals. I believe if you look at all the rest of Alternative 2 is that after the appeals process has been terminated any amount remaining from the set-aside will be distributed back to the remaining shareholders.

They want to hold some back for the appeals in case that there have been some errors made in determining how people are supposed to get the shares, and then what they will do is whatever is left will be distributed proportionately among the shareholders. Any comments?

MR. RAU: I would like to make a motion to change that from Subalternative 2A to Subalternative 2D, which would change it from 3 percent to 2 percent.

DR. CHEUVRONT: So the motion is to change the Preferred Subalternative 2A to 2D; correct?

MR. RAU: Correct.

MR. BETHELL: I'll second.

DR. CHEUVRONT: Seconded by Chip. Okay, is there any discussion on the motion? Charlie.

MR. PHILLIPS: I just have a question. Typically how long does it take before any appeal process to go through?

DR. CHEUVRONT: I don't know. I have not been through this so I don't know.

MR. PHILLIPS: Well, what I'm wondering is if you've an appeal process that takes three or four months, whether you tack on 2 percent or 3 percent, at the end is probably not going to matter much because you're not going to need that extra few pounds until the end of your fishing year, anyway. It may not matter is what I'm saying. I was just curious how long the appeals process takes.

MR. RAU: It says there 90 days.

MR. PHILLIPS: Okay, so I can't see anybody fishing up 99 percent of their quota within 90 days and needing that other 1 percent within 120 days. That's kind of the point I was going through. I don't have a dog in this fight; it was just a question.

MR. RAU: This 2 percent was the AP preferred.

MR. PHILLIPS: Okay, that's fine; it was just a question.

DR. CHEUVRONT: Do you want to give any rationale of why you prefer 2 percent over 3 percent. As Charlie was saying, the council's current preferred is 3 percent; and to get them to change it, it would help them if they knew the reasoning behind why you would like to change from 3 to 2 percent.

MR. RAU: I don't recall why we did that at the last AP.

MR. MANCHESTER: I'm not sure if we were just looking at that number as scary.

MR. RAU: The three?

MR. MANCHESTER: Yes, and I don't know if that was our reasoning or not. The higher the number, I think the more scared that we are. We want to keep that number low is what I was thinking.

MR. RAU: Yes, I think that would give more shares to everybody.

DR. CHEUVRONT: So you wanted to just –

MR. RAU: Maximize.

DR. CHEUVRONT: – maximize distribution initially.

MR. RAU: Yes.

MR. BETHELL: And since this is an unknown quantity, nobody knows how long the appeals process could take, so that could tie up shares for a substantial amount of time. It was stipulated it has to be allocated within – or adjudicated within 90 days.

DR. CHEUVRONT: It is 90 days, and the burden of proof for any appeal falls on the appellant. It is pretty strict as to what they have to have to do that. If they can't provide the documentation within the guidelines that NMFS uses, then the appeal would not be even considered.

MR. MANCHESTER: And that's just the trip tickets?

DR. CHEUVRONT: Well, I believe it's NMFS logbooks; but if they're not available they could use state landing records which is in essence a trip ticket. All right, you've got a motion on the floor to change the preferred subalternative 2A to 2D. **Is there any objection to the motion? Seeing none, the motion carries.**

Okay, the next action is Action 4, to establish criteria for transferability, and on this one the council does not currently have a preferred alternative. I don't know what you guys are thinking about this and let's have some discussion.

MR. RAU: I'd like to make a motion for Alternative 2, share of their annual pounds can only be transferred to golden crab permit holders.

DR. CHEUVRONT: Okay, is there a second to the motion? Okay, Randy?

MR. MANCHESTER: Yes.

DR. CHEUVRONT: Okay, discussion on the motion? I think it would be good if you could give the council some rationale for why you feel –

MR. RAU: I think we're kind of worried about somebody from outside come along and buying up the shares and holding the shares. It's speculation of the fishery, I guess, outside of the fishery. This was also the AP's preferred.

DR. CHEUVRONT: Previously.

MR. RAU: Yes.

DR. CHEUVRONT: Is there any discussion on the motion?

MR. BETHELL: I kind of think that goes along with the council's rationale to keep experienced fishermen in the business and kind of keep the inexperienced away from the coral and the fragile environment. I think it should be good.

DR. CHEUVRONT: Okay, any other discussion? Brad.

MR. WHIPPLE: Again, when I was reading the page as opposed to just the action, I was bothered by the characterization of the alternatives in the description here. Again, under social impacts it refers to Alternative 3 as allowing buyers to purchase shares without intent to harvest, which I think is correct, but in economic impacts it says that Alternative 3 would decrease the risk of speculation. I don't think that's right because it reflects the permit ownership as opposed to share ownership in my opinion on the description of the economic impact.

DR. CHEUVRONT: The permit ownership, which is what – okay, is not part of this action. There are actions in here that I believe we will require to own allocation you also have to have a permit.

MR. WHIPPLE: Right, which I think is what the AP wants, but the description here under economic impacts, the way I'm reading it – and maybe I'm mistaken, but the way I'm reading it, it has it flipped.

DR. CHEUVRONT: Okay, I'll look into that.

MR. MANCHESTER: I have a question. Can you own a permit but not have any shares on it?

DR. CHEUVRONT: That's possible.

MR. MANCHESTER: Where will it state that one?

DR. CHEUVRONT: I don't see why it wouldn't. Okay, we currently have a motion on the table to make Alternative 2 as the preferred. Is there anymore discussion on that motion? **Any objection to the motion? Seeing none, the motion carries.** Action 5, to define quota share ownership caps; currently the preferred alternative is no person, including a corporation or any other entity, may individually or collectively hold catch shares in excess of 49 percent of the total shares. Any discussion on that action?

Okay, not seeing any, my guess is that you're all okay with the preferred alternative. Action Number 6, the use-it or lose-it policy, which is on Page S-15; the council currently does not have a preferred alternative here, and so hopefully you guys can give some direction to the council as to what you would like to do. Any discussion?

MR. RAU: I would like to make a motion that we use Subalternative 2A, landed crabs only.

DR. CHEUVRONT: So your motion is to make Subalternative 2A the preferred?

MR. RAU: Yes.

DR. CHEUVRONT: Is there a second to that motion?

MR. BETHELL: I'll second.

DR. CHEUVRONT: Okay, seconded by Chip. Any discussion on that motion? If you could provide some rationale to help the council, that would be good, too.

MR. NIELSEN: Well, it's the working man; the working man is going to stay in it and it's good.

MR. RAU: It would make it difficult to track these transfers if you went to Subalternative 2B.

DR. CHEUVRONT: Okay, and is there a reason why you prefer the 10 percent over the 30 percent between Alternatives 2 and 3? Is your comment related to that?

MR. WHIPPLE: It answers the question.

DR. CHEUVRONT: Okay, I just wanted to see if the AP had something they wanted to say about that first, and obviously they didn't, so, okay.

MR. WHIPPLE: I think the concern is to, as David said, make sure that the shares are utilized by requiring landings as opposed to possibly just transferring shares and be able to keep your shares that way. We want to maintain the utilization of the shares. We also want to provide a cushion for that same working man in case of situations such as illness or vessel breakdowns or other hardships that might come along with the fishing life.

MR. NIELSEN; With Subalternative 2B, the landing of the crabs or transfer of pounds, it gives people their chance to play monopoly, also, so that's pretty much why we like that.

DR. CHEUVRONT: What do you mean by that, play monopoly?

MR. NIELSEN: They can now. They can hold onto the pounds. They don't have to use them, right? We want the working guy out there and use them.

MR. ULRICH: I think it's important from another standpoint as well as far as maintaining your catch level where it's at now; because as happened in the wreckfish fishery, they had those people that were just basically sitting on shares and not fishing, and they came up with a provision where they reduced the annual catch level to something that hardly anybody can live with now. I think that's a good rationale for keeping these things in active utilization.

MR. RAU: Is that because they sat on their shares or didn't –

DR. CHEUVRONT: A lot of people had wreckfish shares that never got fished and then there was no stock assessment and the Science and Statistical Committee had nothing to go on but actual landings in determining what the ABC should be, so they had to make their recommendation based on landings. There were many shares that had not been fished in many years; therefore, the wreckfish ABC ended up being about 10 percent of what the quota had been before, so suddenly people had shares that were now only worth 10 percent of their original value.

MR. ULRICH: Of course, I wasn't on the SSC, but my feeling is that they probably should have gone with the original stock assessment until the next one was conducted. It wasn't my call.

DR. CHEUVRONT: All right, we still have this motion on the table to make Subalternative 2A the preferred. Is there anymore discussion on that motion? **Any objection to the motion? Okay, the motion carries.** Okay, Nuno.

MR. ALMEIDA: On the landed crabs only with the share, was there any discussion yet as to how they're going to work the logbooks? It's the logs from the permit holder or the one buying the shares; which logbook?

DR. CHEUVRONT: I think it's going to be based on the time of who owns the shares at the time that it was calculated.

MR. ALMEIDA: So David would have to log in the poundage?

DR. CHEUVRONT: Yes. Randy.

MR. MANCHESTER: I've got a question. If you come in with 2,000 pounds of crabs at an estimated guess weight and you land 1,919, the 1,919 will be the landed crabs which will count as your quota?

DR. CHEUVRONT: What goes into the logbook. What gets recorded as your landings on your logbook is what will be used to determine it.

MR. MANCHESTER: It says estimated; that's like an assumption.

DR. CHEUVRONT: If it actually says estimated in the logbook?

MR. MANCHESTER: Yes.

DR. CHEUVRONT: Then that's a NMFS call on how to handle it and I can't answer that.

MR. MANCHESTER: Okay, that's my question.

DR. CHEUVRONT: Okay, because that's going to probably be the number that NMFS would use because they would not have any other more accurate number. I can't imagine what else they would do. I don't know if they account or apply a shrinkage factor or something to that, I don't know.

MR. MANCHESTER: If I recall, somewhere in this paperwork there was a 10 percent shrinkage factor because they're full of water and then they dry out. There has got to be some kind of a –

DR. CHEUVRONT: Yes, is it based on what they weigh when you caught them; that's something I can't answer. I don't know how NMFS handles that, but I think you can always be

able to tell by checking with NMFS what they recorded your landings as and see if it matches your logbooks. I mean that's the same thing that appeals are going to be based on.

Anytime you have to appeal anything, it's going to be based on logbooks so it behooves you to make sure your logbooks are accurate. Check them once in a while is what I would recommend. Okay, the action is Action 7, and the council has three preferred subalternatives for Action 7. The first one is under Alternative 2, the cost recovery fees will be calculated at time of sale at a registered dealer. Preferred Subalternative 2B is cost recovery fees would be based on standard X vessel value of landings as calculated by NMFS. Alternative 3, fee collection and submission shall be the responsibility of – Preferred Subalternative 3B is the dealer. Alternative 4 is fees submitted to NMFS; the preferred subalternative is that they would be done quarterly. Do you guys want to make a motion to change anything there from what the council has as their current preferred?

Okay, I'm not seeing anything so it's safe to say that you are in agreement with the council's preferred subalternatives. All right, Action Number 8 is on Page S-19 and that is establish the boat length limit rule. The council does not currently have a preferred alternative here and would probably like to hear what you all have to say about that. Randy.

MR. MANCHESTER: I'd like to see this – I would like to make a motion – in CE-BA 3, in the scoping meeting – that we could look at this a little more aggressively and move this percentage up to 35 percent, and we can defer this action to CE-BA 3 for the scoping meeting to discuss it.

DR. CHEUVRONT: Well, it's not going to happen in the scoping. The scoping is going on now, but let's have a little discussion first maybe before you make your motion because that was hard to get in a motion. You would like for the council to consider a different alternative than what they have now; correct?

MR. MANCHESTER: Correct.

DR. CHEUVRONT: Okay, so you would like to have the council consider an alternative that would be similar to Alternative 1 but change the amount to 35 percent?

MR. MANCHESTER: Correct.

DR. CHEUVRONT: Okay, would you like to make that in the form of a motion then?

MR. MANCHESTER: Yes, I would like to make a motion under Alternative 1 to change the replacement size vessel to 35 percent documented length.

DR. CHEUVRONT: Okay, let me write this down and then I'm going to read it back to see if you agree. Okay, let me read to you what I've got here and, Randy, you let me know if you agree with what I've got and tell me any changes you would like me to make before we get a second to your motion. **The motion I have is to create a new alternative that modifies Alternative 1 and changes the percentage to 35 percent.** As a separate note I have the AP also requests that the council consider moving this action with the new alternative to CE-BA 3.

MR. MANCHESTER: Correct.

DR. CHEUVRONT: Okay, anybody who would like to second that motion? Okay, Chip. Is there any discussion?

MR. BETHELL: I have a question. Why does it just apply to the middle and southern zone?

MR. RAU: It's unlimited in the northern zone.

MR. BETHELL: Okay, I wasn't aware of that.

DR. CROSSON: I have a question that just came up before the SSC and we were curious as to what the economic or biological justification is for having the boat length rule to begin with. What is the need for having it? Obviously, it's not economic; there is a biological need for doing this in the south?

MR. MANCHESTER: Safety, probably.

MR. BETHELL: Is he asking the same question you're answering; I don't know? You're asking what was the original reasoning and not –

MR. RAU: There is a lot of history.

MR. MANCHESTER: Yes, because we don't want the big boats to come in. We don't want the hundred footers to come in.

MR. BETHELL: To keep the factory processors out of the deal; you know, the big vessels.

DR. CROSSON: So it's an economic concern that you'll have large vessels in the areas.

AP MEMBER: And vacuum the bottom.

DR. CROSSON: And vacuum the bottom, okay. There is a maximum length, anyway, isn't there?

MR. MANCHESTER: Not really.

AP MEMBER: There is a maximum length of the boat anyway?

MR. RAU: Not for you, not for the northern zone; only for the middle and the southern zone.

DR. CROSSON: So there is a maximum length?

MR. RAU: Yes, so you've got a maximum length, but a lot of gear conflicts between the different vessels.

DR. CROSSON: It's a smaller area –

MR. RAU: It's the smaller vessels versus the larger vessels. That's kind of why you see that southern box, which we will get to a little later. That is when that was put into effect.

DR. CHEUVRONT: Okay, I'm just going to read back what I have in reasoning, because I tried to catch up. With everything that was going on, it got a little lively there for a second. Reasoning for your recommendation on this motion has to do with safety, to keep factory processors from vacuuming the bottom –

MR. NIELSEN: No, don't say –

DR. CHEUVRONT: That's okay; they'll understand what you mean. Dave, don't worry about it. And for gear conflicts among vessels in these smaller areas; is that –

MS. QUIGLEY: To avoid gear.

DR. CHEUVRONT: To avoid; thank you. Okay, we've got the motion still that we haven't voted, so we'll come back to that in a second. Brad, you wanted to say something?

MR. WHIPPLE: I do; if you want to vote first, that's fine. My comment is again relative to the expected effects description.

DR. CHEUVRONT: Okay, let's get the vote out of the way first. Is there anymore discussion on the motion? **All right, any objection to the motion?**

AP MEMBER: Excuse me, would you please read the motion again?

DR. CHEUVRONT: I will read the motion again. The motion is to create a new alternative that modified Alternative 1, which is currently at 20 percent, and change that percentage in the new alternative to 35 percent. **Any objection to the motion? Okay, the motion carries.** And, of course, then we have also the request by the AP to ask the council to put it into CE-BA 3 to be conveyed along with the motion. Brad.

MR. WHIPPLE: Reading again the comments regarding social and economic impacts, the second paragraph under the first heading of social and economic impacts, when it begins the explanation of eliminating size limits allowing fishermen to fish closer to home, I don't follow the connection between eliminating vessel length allowance and –

DR. CHEUVRONT: Well, most of the guys are home ported here, and it's further to get to the northern zone and so your trip costs are going to be higher to have to go to the northern zone to fish. If you eliminated the size limit here and allow any size vessel to fish in the middle or southern zone, trip costs would be less because they would not have to travel as far to fish.

MR. WHIPPLE: From where?

DR. CHEUVRONT: Because it's less time on the water to get to the fishing zone – for you guys to get to the middle and southern zone, right? If you had a large vessel and currently had to fish and required to fish in the northern zone, if any restrictions on the size of the vessels was taken away in the middle and southern zone and somebody with a large vessel had a permit for the middle or southern zone, the trip costs to use that vessel would be less if they fished in the middle or the southern zone. For example, gas, they wouldn't have to travel as far to fish. Do you not agree? This was the discussion that the SSC had?

MS. QUIGLEY: That's true if you actually had people who were making those decisions, but you don't have people with large vessels that have permits in northern, middle and southern zones who are needing to make that, so that situation actually does not exist.

DR. CHEUVRONT: Okay, it doesn't exist now but it could.

MS. QUIGLEY: So that might be true theoretically. That could occur but it still is very confusing.

MR. WHIPPLE: But if you had a big boat and you wanted to fish all three zones, you can't have a home port in three areas. You're still going a long way to get somewhere. That's only true if your home is – if your home is in North Florida and you want to fish in South Florida, I would say you should move.

AP MEMBER: To the middle of Florida.

DR. CHEUVRONT: Are not most of your vessels home ported here in this area?

MR. WHIPPLE: Yes.

MS. QUIGLEY: Nuno's are not.

MR. RAU: Tony isn't.

MR. WHIPPLE: But eliminating this rule doesn't allow them to fish closer to home; he would be going further from home.

DR. CHEUVRONT: But theoretically, for example, though, if you guys were home ported here, if somebody gets a larger vessel – I mean, there is a lot of theoretical stuff happening here because the council could choose to eliminate the boat size limit rule altogether. If they did that, then there wouldn't be anything to stop any of you guys from buying as big a vessel as you wanted to and go out there and fish.

Again, this is all theoretical. If you could obtain a permit for a middle or southern zone with a large vessel and you're home ported here with a larger vessel, it would cost you less to run that vessel than having to motor all the way up to the northern zone to fish. Again, that's theoretical. It doesn't exist now.

MR. WHIPPLE: Okay, so the theory of this is relative to something else happening on a different action. I just don't get the line of – I mean, we can postulate all kinds of theoretical stuff and this one action goes one way and then this action goes another way. I don't know. It just seems we're –

DR. CHEUVRONT: That's part of the issue with some of this is that a lot of these actions are contingent on each other and we don't know exactly how they're going to play out, and that's part of the issue. I appreciate when you point out it currently exists, and that helps to clarify those comments that are in there so that they can be clarified further in the document, so I appreciate that.

Okay, Page S-21 is Action 9, which is restrictions on where permitted vessels can fish for golden crab. Currently the preferred alternative is a vessel with a permit to fish golden crab can use annual pounds in any three of the golden crab fishing zones. I believe this was a new alternative that the council added and would you like to have some discussion on this?

MR. RAU: I would like to make a motion on this one. I would like to make a motion that we accept Alternative 2 as the –

DR. CHEUVRONT: How about recommend?

MR. RAU: Recommend Alternative 2.

DR. CHEUVRONT: As the preferred?

MR. RAU: As the AP's preferred, yes. That was already the AP's preferred at one time.

DR. CHEUVRONT: Okay, I have as the motion right now is motion to recommend Alternative 2 as the preferred and then we will have to have some discussion after that so that we can hear what you all think. Chip is seconding it. Randy.

MR. MANCHESTER: I have got a question.

DR. CHEUVRONT: That hopefully I can answer.

MR. MANCHESTER: If you can only use your quota in the zone that you're permitted in, if you were to lease your quota out or something, they wouldn't be able to use it in the southern zone or northern zone if you had a middle zone quota?

DR. CHEUVRONT: I don't think so.

MS. QUIGLEY: You can use it anywhere; quota can be used anywhere.

DR. CHEUVRONT: Oh, it can, okay.

MR. MANCHESTER: It can, so this is a quota in any zone for which they possess a permit. The person would have to possess the permit?

DR. CHEUVRONT: Right, the allocation. Okay, that makes sense, then.

MR. MANCHESTER: All right, now I understand.

DR. CHEUVRONT: And so the council's current preferred in essence does away with the zone program. The current motion is saying, no, we prefer to have the zones. I think what help the council is to understand your logic of why you want to keep the zone system, and we need to convey that to the council.

MR. BETHELL: I think the original intent was to eliminate as much as possible gear conflict because this is the type of fishery where if one set of traps is laid on top of another set; and that depth with that current, it's going to be a real dangerous operation to retrieve them. I think the original intent was to eliminate as much as possible gear conflict, and I think that's still a good intent to work for, because there is a lot of danger in hauling that tight line with other traps on top of you. It just makes everything more dangerous and more miserable out there.

AP MEMBER: And costly when you lose your gear because of it.

MR. BETHELL: Yes, if gear loss is the result, then there is cost involved.

MR. RAU: If you do tangle up with somebody, too, where you could be drifting, to clear yourself out. I don't know how long it would take, hours, probably, and by that time you may drift into some of the sensitive areas of the coral.

MS. QUIGLEY: What would happen under Preferred Alternative 3; would everyone go to the middle zone?

MR. BETHELL: Everybody could if they wanted to, I guess, right. There would be no limit.

AP MEMBER: I can't really say, if there is not enough room, whether I would even go there, anyway.

MR. PHILLIPS: How was it decided how each person got their zone, anyway, in the beginning? How was all that decided? When you let new entrants in eventually, how are you going to decide which zones they get and which zones they don't get?

MR. RAU: If they would buy a permit, then that permit would be licensed for that particular zone.

MR. PHILLIPS: But if they end up auctioning off excessive shares or something, there is not a zone associated with that. I'm thinking from –

MR. RAU: I don't get that. For each permit –

MR. BETHELL: The shares would have to go to a permit; a permit is tied to a zone.

DR. CHEUVRONT: Shares could go anywhere, and you have to have both to be able to fish.

MR. PHILLIPS: How would you split it up between you've got this zone and you've got that zone? How did they originally set that up?

MR. BETHELL: That was historical fishing.

MR. RAU: That's where we historically fished.

DR. CHEUVRONT: And so you guys basically just agreed among yourselves how that was going to work?

MR. RAU: We went to the council and we told them where we were all fishing and we went through the whole deal.

MR. NIELSEN: I think what Charlie might be saying there is when this all first started, you know, commercial fishermen are kind of territorial and they have their spots, and also there is a pecking order and seniority and stuff like that that comes into play with commercial fisheries not only here but elsewhere. It is so deep and it's so dangerous that you don't want to tangle. When we things started, we were in an area and you couldn't come into that area because you're going to tangle, so the right thing to do was to go to your area.

We wouldn't come into your area and don't come into ours. Years ago I could tell you stories that my father told me how you get out the knife. If that doesn't work, you sink the boat. If that don't work, you burn the traps. That's also in the lobster wars there in the books, but that is how this goes. You don't want to tangle. You're going to get into big, big trouble. The crabs are out there. Crabs are from the Carolinas all the way down. The crabs are there and everybody can fish. You've just got to keep that room.

MR. RAU: That's what we did. I went down south of you.

MR. NIELSEN: Yes, I'm going to cut you out of the water if you didn't. (Laughter) Do you know what my dad would have called it; northern haircut. It's the truth, but it's stuff like that.

DR. CHEUVRONT: We still have this motion on the table, the motion to recommend Alternative 2 as the preferred. Anymore discussion on the motion? **Any objection to the motion? Seeing none, the motion carries.** Action Number 10 is to modify the small vessel subzone restriction, and again the council has no preferred alternative. Clearly, they would like to hear from you guys.

MR. RAU: I would like to make a motion that we recommend that we go with Alternative 2 and get rid of the small vessel subzone in the southern zone.

MR. MANCHESTER: I'll second that motion.

DR. CHEUVRONT: Okay, could we give the council some rationale as to why you want to do that? I would like to hear from the AP first.

MR. RAU: I don't think we really need it anymore because now that we have the boat length limit rule in effect that should take care of it. The people that fish don't really pay attention to that anymore. The big boats are gone.

MR. MANCHESTER: How big were the big boats, Howard?

MR. RAU: Hundred.

MR. MANCHESTER: 120.

MR. RAU: Yes.

MR. MANCHESTER: King crab boats?

MR. RAU: Yes.

MR. BETHELL: What defined a small vessel?

MR. RAU: Sixty-five and under.

DR. CHEUVRONT: What I wrote down as part of your reasoning is that the rule is not needed anymore because the boat length limit rule is in effect and the big boats are gone, and larger vessels like king crab vessels are no longer an issue. That kind of captures it.

MR. NIELSEN: Yes, but now doesn't it also open up the area for Robert Palmer? Doesn't he have a big boat?

MR. RAU: I think it is 65, but he is fishing outside the box when he is supposed to be fishing inside the box.

DR. CHEUVRONT: And if you get rid of it, he can fish anywhere.

MR. RAU: Anywhere he wants, yes.

MR. MANCHESTER: It's a good rule for him.

DR. CHEUVRONT: Yes, basically it would reserve –

MR. MANCHESTER: Or Brad.

MR. NIELSEN: This can help him out.

MR. RAU: Because I know Bruce Irwin was doing the same thing, totally ignored it.

DR. CHEUVRONT: Okay, so some vessels basically are ignoring the rule right now, anyway.

MR. RAU: Yes, right.

DR. CHEUVRONT: Brad, did you want to say something?

MR. WHIPPLE: Not anymore, thank you.

DR. CHEUVRONT: Okay, I just wanted to make sure that they had captured what you were going to say, but I always have to defer to the AP first. I hope you understand. I'm not trying to shut you down or anything. All right, the current motion on the floor is the motion to recommend Alternative 2 as the preferred, which is to get rid of the small vessel subzone. **Is there any objection to the motion? All right, seeing none, the motion carries unanimously.**

MR. MANCHESTER: Did you say Alternative 2?

DR. CHEUVRONT: Yes.

MR. BETHELL: We're not on 11 yet.

DR. CHEUVRONT: We're not there yet; don't worry. I'm still trying to catch up to you. Okay, Action 11 is establish the criteria for permit stacking – and I just want to make one comment here is that the council would like some help from you to perhaps come up with a term other than stacking. They had difficulty wrapping their heads around that. They didn't think that the term was clear enough as to what was meant.

That's the term that you guys used, but they would like to get something that is a little more descriptive of what you really mean by that, so if we could have a discussion about that as well. Currently the council has no preferred alternative, and so they would like to hear what you have to say.

AP MEMBER: I believe that's a term they use up north the same way, if that makes any difference.

DR. CHEUVRONT: Okay, when you say "up north", like lobster fishing or something?

AP MEMBER: Yes.

MR. WHIPPLE: I would like to say that we could change the language to maybe say establish criteria for number of permits on vessels. If the term "stacking" is in fact the hangup here, then some language like that might be good. Could I elaborate on the reasoning at this point or we'll wait on that?

DR. CHEUVRONT: Well, why don't you go ahead and give your reasoning and then we have to hear from the AP if they would like to endorse that.

MR. WHIPPLE: The reason for allowing any number of permits on a single vessel is because we want to maintain the zones but also allow vessels to be able to fish more than one zone in one trip. This is kind of tied in with Action 9. They're linked. My understanding of the regulations right now is that you're only allowed to have one golden crab permit on any vessel; so if a guy has a southern and a middle zone permit, he needs two boats, one for each zone.

DR. CHEUVRONT: If I'm not mistaken, can't you come in and then switch permits off the vessels?

MR. RAU: Yes.

DR. CHEUVRONT: Yes, I think you can do that.

MR. WHIPPLE: You can switch the permit that you're fishing on but you still need – the permit needs to be attached to a vessel and you can't have more than one permit on one vessel. If you had two middle zone permits right now, you could do that. I guess you could change the –

DR. CHEUVRONT: But say you have a middle and a southern zone permit and you have one vessel and you just said that the permit must be tied to a vessel.

MR. WHIPPLE: Right.

DR. CHEUVRONT: And you just said that the permit must be tied to a vessel; well, theoretically if you've only got one vessel and two permits, you've got one permit that currently isn't tied a vessel. You would have to –

MR. WHIPPLE: No, it's tied to someone else's vessel and it's not being used.

MS. QUIGLEY: They want to use it in one trip.

DR. CHEUVRONT: Right, I understand that is the goal.

MR. RAU: It has to be tied – each permit has to be tied to a vessel.

DR. CHEUVRONT: So you either have to tie it to your vessel –

MR. RAU: Only one permit.

DR. CHEUVRONT: Only one permit and then you either have to own a second vessel or get somebody willing to let you put your permit on their vessel.

MR. WHIPPLE: On their vessel. What we really want is ease of administration.

DR. CHEUVRONT: And then what you would have to do is since you only have one vessel but you own two permits and one is put on somebody else's boat, you're fishing middle zone and you want to now fish southern zone, you've got to switch those permits?

MR. RAU: Exactly, and it can be done.

DR. CHEUVRONT: It can be done; yes, I know it can be done. I didn't realize that it actually had to be tied to a physical vessel.

MR. WHIPPLE: Administrative ease is really what we're shooting for with this as far as Action 11 goes.

MR. BETHELL: Would there be cases where it be advantageous to fish like if you were near the border of the two zones, be able to fish and have gear in both zones on a given trip?

MR. WHIPPLE: If you have permits for both zones, yes, absolutely.

DR. CHEUVRONT: And they could let you put multiple permits on one vessel.

MR. WHIPPLE: On one boat.

MR. BETHELL: That would be a good rationale for allowing multiple permits on a given vessel.

MR. WHIPPLE: Yes, definitely. That's addressed more so in Action 9, I believe; and as far as Action 11 goes, they're linked. Like I said, the one-trip provision that I read is in Action 9, and Action 11 is necessary to make Action 9 be relevant, really.

DR. CHEUVRONT: Okay, I understand what you're saying now. I didn't realize until we just had this discussion that other permit had to be tied to a vessel that perhaps you don't even own.

DR. CROSSON: Brian, do you remember in North Carolina some of the guys were sticking licenses on rowboats because you had to have it attached to a boat. They needed to bank it somewhere so it is on a rowboat right now.

MR. RAU: But this needs to be put on a vessel of the right size; because if you don't, you're going to lose your – let's say you had a permit for a hundred footer and you put it on a sixty footer, you're going to lose that forty feet.

DR. CHEUVRONT: Okay, that's good. Thanks, Brad, because I got a little education there and I understand that issue a little better now. I didn't realize it really was that crazy.

MR. WHIPPLE: Yes, it's a mess.

DR. CHEUVRONT: Okay, I'm not sure all the council members understood that either, so I think that might help to clarify this issue for the future.

MS. QUIGLEY: Yes, in this fishery it's different from the snapper grouper fishery because it's very common to have multiple permits in this fishery because there are multiple zones, but they don't have multiple vessels here, so it makes sense to be able to put more than permit on a vessel

whereas it wouldn't make sense for the snapper grouper fishery or other things because they're zone-specific permits.

DR. CHEUVRONT: Okay, so we've had some discussion about some rationale here, but we don't actually have a motion for a preferred alternative.

MR. RAU: I'd like to make a motion.

MR. NIELSEN: Excuse me for a second. Are we going to stick with the wording "numbers of permits"?

MR. RAU: I would like to make a motion that we recommend that we use Alternative 3, but I'd like to add some language to that. This would be our preferred.

DR. CHEUVRONT: Okay, what is the modified language?

MR. RAU: I would like to allow an unlimited number of golden crab permits on a single vessel to increase administrative ease for fishermen.

DR. CHEUVRONT: Are you finished?

MR. RAU: No, I've got to change it because I need to leave the other part in that; so allow an unlimited number of golden crab permits on a single vessel so that any zones for which the vessel has a permit can be fished in one trip to increase the administrative ease for fishermen.

DR. CHEUVRONT: So what you want to do is basically you want to add to the – okay.

MR. RAU: Yes.

DR. CHEUVRONT: So let me get something down and I'll read it back to you and let me know whether you agree with this. Okay, Motion 3 is to select Alternative 3 with the modified language as the preferred. Add the following language to the alternative; this alternative would ease the administrative burden on fishermen. Does that capture it?

MS. QUIGLEY: Read that again.

DR. CHEUVRONT: **The motion is to select Alternative 3 with modified language as the preferred. Add the following language to the alternative; "This alternative would ease the administrative burden on fishermen." Basically we're saying keep Alternative 3 as it is; just add this one sentence to the end of it.** That's your intention?

MR. RAU: Yes.

DR. CHEUVRONT: Okay, do we have a second to that motion?

MR. BETHELL: I'll second it.

DR. CHEUVRONT: Okay, Chip seconded. Any discussion on the motion? Nuno, do you want to say something?

MR. ALMEIDA: Back I saw here that under one entity you can only have a maximum of 49 percent, so now what happens there if they stack – you know, amount of permits on one vessel; does that still correspond to –

DR. CHEUVRONT: These are actually independent actions because regardless of how many permits they have, that action which says that any one entity is limited to 49 percent ownership of shares would still be in place. That would not be affected by this action. All right, we have the motion; is there any other discussion on the motion? **Is there any objection to the motion? Seeing none, the motion carries.**

There is still one issue that we need to talk about with this action. We already did but we need to get some agreement from the AP. It doesn't necessarily need to be in the form of a motion, but we had talked about changing that language. Brad offered some suggested language to change it "to establish the criteria for the number of permits on a vessel", change the use of stacking to "number of permits on a vessel".

I would like to hear some discussion from the AP. Since Brad is not part of the AP and he offered that as a suggestion, I would like to hear from the AP whether you all agree with what Brad has said so that we can go ahead and move that suggestion forward to the council to use that terminology instead.

MR. BETHELL: I'll agree with Brad on that change in the wording. I think it's appropriate.

DR. CHEUVRONT: Okay, do you all pretty much feel the same way about that? Any other discussion or disagreement with that?

MR. RAU: I agree.

MR. NIELSEN: Doesn't multiple permits – establish criteria for multiple permits on vessels; you don't want to use the word "packing"; it's like "stacking".

MR. BETHELL: I thought it was number of permits?

MR. NIELSEN: I know but that sounds kind of –

AP MEMBER: The action doesn't really – we're not really establishing criteria. We're just giving alternatives to, yes, you can do it or, no, you can't do it.

DR. CHEUVRONT: Well, if you keep with the language – and this is my opinion and I'm just going to throw it out there. If you keep with the language that Brad recommended, then what that does is that applies to all of the alternatives that are here, which one of the current alternatives is the no action alternative which is allow only one permit per vessel, and that would still be covered under the language that Brad had suggested.

I'm not saying that's what the council is going to choose, but to me that sounded generic enough like it would cover all the alternatives that are under consideration. I think we kind of need at this point – we just need to have something other than stacking. To say multiple permits, that doesn't cover all the alternatives that are here because at least one alternative is you allow one permit. Is everybody okay with that? I don't hear any other disagreement.

Okay, let's move on to Action 12, which is monitoring and enforcement. The council currently does not have a preferred alternative and would certainly like to hear what the AP has to say about that and what you'd like to see happen here. Randy.

MR. MANCHESTER: I would like to see no action on this. I think the hailing in and the hailing out would be appropriate. Down the road I would like to see some pingers on some traps, where our traps are located, because the VMS doesn't really work for this type of operation. Law enforcement can't really enforce it. I think we need to look a little bit more into – down the road a little bit about some pingers and some other issues.

DR. CHEUVRONT: Okay, so your motion then is to make Alternative 1 the preferred?

MR. MANCHESTER: Yes.

DR. CHEUVRONT: Okay, let's put that out there now and then we'll come back with the rationale. I'll make sure I capture the rationale of some of the things that you just said if this motion should carry. The motion is made by Randy.

MR. BETHELL: I'll second his motion.

DR. CHEUVRONT: Okay, Randy, if you can help me out with some of those rationale again. You said something about hailing in and hailing out.

MR. MANCHESTER: Yes, hailing in and hailing out.

DR. CHEUVRONT: So you prefer to do hail in and hail out. Okay, and something about VMS doesn't accurately track where your gear is located.

MR. MANCHESTER: Right, we've been over this with law enforcement and where the boat is isn't where the traps are. We need to know where the traps are on the bottom because a lot of misconstrued can happen in a half mile distance with line out there or even a mile line out.

DR. CHEUVRONT: Okay, I'm going to give you something here in just a second. Okay, here is what I have for the rationale; if you all could let me know whether you agree with this or whether I got it straight or if there is anything else that needs to go in there. You prefer to do hail in and hail out and VMS doesn't track where the gear are located. What you really need to know is where the traps are on the bottom. You would recommend that in the future the council consider requiring pingers to go on the traps. Does that pretty much capture it? Brad.

MR. WHIPPLE: Just to kind of add to the rationale there, you could conceivably be transiting zones but not actually fishing so the VMS would tell you where the boat is but not necessarily – it doesn't mean you're actually fishing there. VMS wouldn't necessarily work to enforce that.

DR. CHEUVRONT: Right, so, for example, say you're permitted in the middle zone; and if you had VMS on board, you basically wouldn't be able to transit through the southern zone.

MR. WHIPPLE: Say my home port was in a place where I had to transit through the southern zone to get the middle – I have a middle zone permit but my port is somewhere in the southern zone and I have to transit the southern zone to get to my fishing grounds, so VMS shows me in the southern zone but I'm not doing anything wrong there. It's just an example of the inadequacy of VMS to regulate this fishery. I can only speak for myself, but I don't have any problem with hail in or hail out or pingers or anything that would accurately reflect our activity.

MR. RAU: I think law enforcement is going to do what they want to do, anyway, so just let them implement what they need to implement instead of asking us.

DR. CHEUVRONT: Well, I think part of it, though, is that the council has some authority I believe in determining whether there is going to be some VMS or not. I don't know how far their authority extends on this, but there are some administrative issues associated with enforcement that NMFS gets to control.

MR. ULRICH: Brian, who monitors all this? When vessels have VMS systems, who is sitting at the boards there doing, oh, okay, he is –

DR. CHEUVRONT: I think it's some NMFS guys. Law enforcement is doing it but the fishermen are ones who are paying for it for the communications cost and all that.

MR. ULRICH: It seems to me to be a really expensive fix for not a big problem.

MR. ALMEIDA: I agree with what Brad was saying; getting caught in a zone and not really being at fault or not have any gear. There was an incident up north – I had mentioned this in the past – a dragger had drifted out of his area. They were out on deck mending their net and they got pinged and they got fined \$10,000 for not being in their area. They had drifted.

DR. CHEUVRONT: Right, and drift is a big issue in this fishery. (Laughter) Okay, that was an understatement, but that's another good reason for arguing against VMS for this fishery. Okay, I think we've pretty much captured that.

MR. WHIPPLE: It doesn't tell you where the gear is.

DR. CHEUVRONT: Right, and I think we have mentioned this with the council before that we need to focus on where the gear are. The council has heard that discussion before. Okay, we've got the motion to make Alternative 1 the preferred and your rationale behind it. We don't have a vote on this yet. Is there anymore discussion from the AP on this action?

MR. ULRICH: Were you going to add additional wording to Alternative 1 to reflect the –

DR. CHEUVRONT: Well, I think the way to handle that is to give them the reasoning behind why you prefer Alternative 1 because this action really is about VMS.

MR. ULRICH: It simply rejects VMS.

DR. CHEUVRONT: It basically is explaining why you reject VMS, and you're offering other alternatives that should be considered. The problem is that those alternatives are not currently in the document that they have already chosen. We think that administratively they could probably handle some of these things like hail in and hail out and don't necessarily need to be in there.

You guys would just like to avoid VMS if at all possible and you're offering some alternatives to VMS and hopefully that's what will happen. I think that's the way we're trying to present this to the council. **Is there any opposition to the motion? Okay, seeing none, the motion carries.** All right, Action 13, to establish criteria for a new entrants program; there are five alternatives there. The council currently has no preferred alternative.

I do know that Alternative 2 has some problems with it because it actually is in conflict with another action that is in here that refers to – I think it was Action 6 that talks about use it or lose it. Yes, the lost quota and so what that says is that use it or lose it I believe would have the shares that would be taken away and redistributed among the current shareholders, and in Action 13 it says that they would be taken and given to new entrants. That is a conflict there so the council is going to deal with that issue, but they may not need to deal with it depending on whatever alternative they choose as their preferred. What do you all have to say about this action?

MR. ULRICH: Wouldn't this action to provide for new entrants have to focus on issuance of new permits and not additional quota because in one of the previous actions to get any quota you have to have a permit.

MS. QUIGLEY: It depends on what your definition of new entrant is.

DR. CHEUVRONT: Right.

MR. ULRICH: Well, my definition of new entrants is somebody new coming into the fishery.

DR. CHEUVRONT: So what are you saying is the issue here?

AP MEMBER: I think what he is trying to get at is it new meaning trying to obtain a federal permit or is it a permit with no landings trying to get into the fishery.

MR. ULRICH: Action 13, the way I read it is that you've got quota set aside but they can't utilize the quota unless they have a permit and there is no provision for new permits.

MR. RAU: They would buy a permit.

DR. CHEUVRONT: They have to buy a permit.

MR. RAU: An existing permit.

MR. BETHELL: You have to buy an existing permit.

MR. ULRICH: Okay, well, that assumes somebody gets out.

DR. CHEUVRONT: They would have to buy it, yes, from one of the current and then –

MR. BETHELL: Yes, it would have to be available, right.

MR. ULRICH: So essentially it's a reallocation of existing permits. It was more of a question than anything, really.

DR. CROSSON: I just was curious about that myself in terms of the northern zone being so large. I guess technically it goes all the way up to the northern jurisdiction of the South Atlantic Council's area.

MR. ULRICH: It does.

DR. CROSSON: So that's a lot of room for –

MR. RAU: It's not as large as you think because a HAPC goes way up there and it takes a lot of the territory. I'm going to guess there is only – and this is a guess – about only 120 miles of grounds; maybe not even that.

MR. ULRICH: Golden crab kind of drop out once you get above Charleston pretty much. Once you get up into that more northern zone there on exploratory stuff, we weren't finding too many.

MR. RAU: Well, there is not a lot of territory if you look at the charts. With the HAPC now, that fine bottom is all taken away.

MR. ALMEIDA: There are three of us there now; and if they don't communicate, they tangle.

MR. ULRICH: Now what part of the northern zone, the southern extremity or where are you working out of?

MR. ALMEIDA: Yes, just north of the line there, right? We only got so many boxes and what have you – you can't even attempt to fish in there because you will drift or be into that coral, anyway.

MR. RAU: You're all closed up, though, beyond what line?

MR. ALMEIDA: I would say probably –

MR. RAU: Thirty?

MR. ALMEIDA: – somewhere out of the Florida line, maybe.

MR. RAU: Thirty; no, you can't go that far.

MR. PAIVA: No, to only about 28.

MR. RAU: Twenty-eight?

MR. PAIVA: Twenty-nine.

MR. RAU: Twenty-nine, yes, so you can figure all the way up –

MR. PAIVA: Most people aren't getting beyond 29.

MR. RAU: That's a lot of bottom.

MR. PAIVA: I know but they're not allowed.

MR. RAU: I know.

DR. CHEUVRONT: So what you're saying then is that all the areas above 29 latitude basically is closed. The crabs are there but the area where they are is encompassed in the HAPCs that are already there so you couldn't fish that above 29; you're agreeing with that, right?

MR. PAIVA: We already had a problem there, because new fishermen come in and we already got caught up four times. We lost a lot of gear there. They were on top of us and we've been there for years.

MR. ALMEIDA: His gear will grapple ours. We try and communicate. The captain does in fact communicate. They do communicate with each other and give each other their numbers, but you're drifting, you're dragging your gear, and the next thing you know the stuff gets moved and lost.

DR. CHEUVRONT: Brad, did you want to say something; I know you had your hand up earlier.

MR. WHIPPLE: No, I was just going to respond initially to Glenn's thought. I don't think anyone as far as new entrants purchase – right now if you want to be in, you have to buy a permit. This doesn't change that. What it does is make – it actually adds value to permits that might not get much share allocation initially by setting aside some percentage for that, for what we are titling new entrants, I guess. That could be helpful, but I don't think anyone wants to see anymore permits than what currently exists.

DR. CHEUVRONT: And I don't think the council is thinking about increasing the number of permits in this fishery.

MR. WHIPPLE: Right, I was trying to thoroughly respond, I guess.

DR. CHEUVRONT: Charlie, you wanted to say something?

MR. PHILLIPS: Yes. The Bulldog back in the eighties fished just outside of our golden tile bottom. I'm not sure exactly how deep he was fishing but it wasn't far. I would have thought that bottom was not in the closed areas.

MR. ULRICH: It shouldn't be because there is not much coral there on that Carolina Sea Channel there.

MR. PHILLIPS: And I know he used to catch crabs out there because back in the eighties they thought they could pick it to get a lot of jumbo lumps out of it; and they found out when they picked it, it all came out special so the value wasn't there. The crabs were there and I don't think they were in the coral areas. They were east of Savannah, out of Sapelo.

MR. ULRICH: Well, we surveyed down there as far as Brunswick and found crabs in about 1,200 to 1,500 feet primarily, not great depth, on the outside of the golden tile bottom.

MR. PHILLIPS: I used to tile fish –

MR. ULRICH: It's mud bottom and then as you got further to the east, then you started getting into the coral mounds where you start to come up onto the Blake Plateau.

MR. ALMEIDA: I first started in the mud and those were Jonah crabs.

MR. ULRICH: Well, when we were doing it, it was Jonah crabs starting at about 900 out to about 1,200; and then from there on out you would get mostly golden crabs as you got deeper; a mixture and then primarily golden crab.

MR. RAU: I don't know if it coordinates the same with down here or what you're talking about, 750 feet, I guess, you're crabs were there, and there was a phenomena down here which we had – when was that, David, when the crabs were in shallow, you could catch crabs in 800 feet to a thousand feet. And then they were dragging them down in the Keys; the draggers were down there in shallow water. That didn't last; they've moved out since then. Now you go back to those grounds, there is nothing there, but there used to be a lot of crab there.

AP MEMBER: Yes, we started at 780 and just kept going out.

MR. RAU: Yes, but I mean at one time there were a lot of crabs and it seemed to be a phenomenon. I even caught it in my lobster trap one time and that was in 160 feet.

MR. NIELSEN: The Jonah crabs were in there, too.

MR. RAU: So I don't know if the north corresponded to the south at that time, but that was back quite a while ago.

MR. PHILLIPS: Well, I guess my point is just how much bottom, and you're saying there is not a lot of bottom, but I know the Bulldog was working north of where you were working. Whether they're there now or not, it may be a possible place for – quote-unquote – new entrants, whether it's a new entrant with a permit or a new entrant that has just bought a permit. I'm just trying to figure out where the bottom or the scope of the fishery is or may be.

MR. WHIPPLE: It seems to me like there is a lot to talk about in terms of a new entrant's program. I don't know if we could necessarily establish all of that right here today.

DR. CHEUVRONT: Well, I was kind of hoping that we could come up with some ideas for a new entrant's program. It may or may not be able to be in this amendment, depending on what you all come up with, but it would be nice to have you state what you would like to have as a new entrant's program. Let's get that on the record.

I know Howard has presented some stuff to the council before. If you want to talk about what Howard has presented before, that's fine if you're all in agreement with it. I think the thing to do is to come up with something about new entrants if we can and then let the council work with that. They'll decide whether that is similar enough to what they have in this amendment; and if they want to consider it, then council can decide how they want to deal with it.

They could take this action out of the amendment. You had already made that recommendation earlier that the council take an action out of this amendment and put it into another amendment. They may have to decide – I forget what action it was, but you had said you wanted to change the boat length limit from 20 percent and increase to 35 percent.

They may decide that the legal advice is that is not a big enough change and that they're okay with that and they can do that if they wanted to, and they could leave that in that amendment, if that's the legal advice that it is okay if the council wants to do that. I think you guys probably would be okay that, too, but you would really like to get that changed to 35 percent. It's up to the council to decide basically and the legal advice that they get to determine whether this action stays in the amendment or comes out.

What we would really like for you all to do is to help us get on the record and make some motions, if it's appropriate, as to what you like to see in the new entrant action, and then we'll let the council figure out whether they need to pull this action out of this amendment, which I think they may be amenable to doing.

They would like there to be a new entrant action somewhere, but it is not an action that is absolutely necessary at this point to establish a catch shares program, but we need something for the future. I would like to see if we could move towards that direction of getting some ideas for what you want in a new entrant because it's not going to go away. I think the council would really prefer that you guys deal with that today if at all possible.

MR. RAU: Well, should I go ahead and talk about what I had proposed to the council before? What it would be is each permit would be given a set amount of shares; and wherever that permit went, those shares would go to the new buyer. In other words, you could never sell those shares.

They would always be in that particular permit. Now, what is the reasoning of that? I heard that it might make the permits too expensive because you had the shares involved, but that would certainly give people a start, the people with a permit.

DR. CHEUVRONT: So what you're saying is that shares are required to be transferred; the shares that are on permit –

MR. RAU: Every permit would get – we would have to decide on what number of shares –

MR. ALMEIDA: A minimum amount.

DR. CHEUVRONT: A minimum amount is what you're saying?

MR. RAU: Yes.

DR. CHEUVRONT: Okay, that's different from what you said because it sounded to me like you were saying all the shares on the permit and that was a little scary.

MR. RAU: No, I didn't mean that; I meant a minimum number.

DR. CHEUVRONT: Okay, I forgot, I think you had several different percentages. Scott.

DR. CROSSON: Is that going – whatever the council chooses for the allocation process; then is the council going to be required to make a choice that will provide at least that minimum? Well, I guess not now since it's not being part of this amendment.

DR. CHEUVRONT: Well, you could. I mean, if this is an idea that you wanted to go, is that either all of the shares go with the permit, that the permit currently has, up to – well, I have to figure out the wording on how to say this. But if there is a minimum number – let's say you decide that a thousand shares had to go with the permit; but if the person only owned 750, all 750 shares would have to go with the permit, so the permit would take all the shares; or, say if you 2,000 shares and you sold the permit, you would have to sell at least a minimum of a thousand shares with the permit. Now, I'm not quite sure how to put that into words, but that's the concept that I'm thinking about.

MS. QUIGLEY: I think the idea was to have a set-aside of like 2 percent and that's equally allocated among all permits, and that percentage share stays with the permit and doesn't go anywhere. Anything above and beyond that can be transferable that you have.

DR. CHEUVRONT: Okay, that's clearly another way to do that. That makes a lot of sense.

DR. CROSSON: That is going to impact the use-it or lose-it, then wouldn't it?

MS. QUIGLEY: That would not count towards – it would either count towards use-it or lose-it or it wouldn't. Because it can't be taken away, it probably would not count towards use-it or lose-it. That is what Howard had proposed originally.

MR. PHILLIPS: Are you talking about 2 percent of the shares or 2 percent of –

MS. QUIGLEY: No, 2 percent of the ACL would be distributed equally among the 11 permits; so 0.2 divided by 11, whatever that is, that is the percentage share that would stay with each permit.

MR. PHILLIPS: Is that 4,000 pounds or so?

MR. ALMEIDA: That's off the top, are you saying?

MS. QUIGLEY: Yes.

DR. CHEUVRONT: Well, right now the council's current preferred for the distribution is that 25 percent of the initial catch shares will be distributed equally among eligible participants. If there are 11 permits, that accounts for 22 percent of the total ACL.

MS. QUIGLEY: No, you say 0.02 divided by 11 gives you a certain percentage times 2 million pounds is 3,636 pounds; so 3,636 pounds would go to each permit. Then you would go into the initial allocation. First, you would do this right off the top and then you would go into the initial allocation.

DR. CHEUVRONT: I'm not sure the council is seeing it that way right now. I'm not sure that they're seeing that there is a percentage that is already going to the permit.

MS. QUIGLEY: It would be a set-aside. Right here it says set aside 2 percent. This is just Howard's thinking was that it would come right off the top and then the initial allocation would take place, so that every permit would have some pounds associated with it; so if a new entrant bought in and purchased a permit, at least they'd have something to fish and they would not have to purchase shares at least for the first trip or the first two trips.

MR. PHILLIPS: I guess I'll be a little bit of a Devil's Advocate so you can explain why this would work. 3,600 pounds is not even going to give you –

MS. QUIGLEY: One trip.

MR. PHILLIPS: It wouldn't even give you a trip. I mean if you're going to spend the money on the gear and boat, it's like sending somebody across the desert with a canteen of water. You need to send them with a five-gallon can of water. It's not enough. If you're going to go down this road, you're going to have to give them enough where it's a couple of trips or maybe you can pay for a significant part of the gear changeover or something.

You either need to give them enough where it puts them in the category of a part-time fisherman that they may have a boat that they're catching swordfish with; that it's big enough to go do it and that handle the gear, it can handle the weather, you've got crew that is familiar with that kind of stuff or somebody that's had some experience sea scalloping or wreck fishing. Do you see

what I'm saying? You need to have enough where it's worthwhile having and do with the administrative part.

MS. QUIGLEY: Well, I don't know that you need to. I mean the other programs across the world that have used catch shares, when they have a new entrant program, it's to see if people want to get started and if this is a fishery that they want to participate in. Typically they do it on a part-time basis to see if this is something they're interested.

Then they buy quota if they are interested, so it gives them a little start. I don't know that you need to give someone enough to go on multiple trips. Sure, that would be nice for that person, but no other new entrant program has ever been able to accomplish that because you need to give the majority to the people who are participating in the fishery.

MR. PHILLIPS: Like I say, I'm just being the Devil's Advocate. I don't have an opinion one way or the other. I just want to hear the explanation because you all are going to have to make it.

DR. CROSSON: To maximize the catch share system and not entangling yourself and not conflicting with things like the use-it or lose-it provision and those other things, I think it would be simpler to just require that a certain percentage or a certain number of pounds or a certain percentage of the ACL would be attached to a permit when it is sold. It doesn't have to be a reserve.

You could have several permits and you could use all of your shares that you own along with your two or three permits and you can use one or two of the permits and not have to use that third one. I don't think you'd want to have to keep a certain percentage of it reserved to that permit. The simplest thing to do would to say that if you're going to sell a permit, it has to have whatever percentage you define of shares tagged along with it. I think that would probably address the issue of new entrants.

What Charlie is saying is 3,636, I agree, it's not a realistic number. For somebody that especially chooses to invest in a permit, it's not a realistic number for them to go into business. But if you start putting that number up, then you guys are going to start tangling up with other things, and so I think you want to make sure that is something that's attached to point of sale.

DR. CHEUVRONT: Right, I agree with what Scott is saying, and I believe there are two ways that you could look at this. You could either say the share is equivalent to a certain poundage or just say a certain percent of shares, because you don't want to tie this to the current ABC, which could change over time. You could say that if you sell a permit, it must include this minimum percent of the overall allocation or the allocation is equivalent to a specific poundage. You guys might want to be able to choose what you think perhaps that poundage might be; because if the allocation goes down for some reason in the future –

AP MEMBER: Yes, like with wreckfish.

DR. CHEUVRONT: Yes, God forbid, like something happened in wreckfish and suddenly something happened and you're down to a million pounds and you could end up with a permit

transfer allocation requirement that is only equivalent to half a trip, that would make it hard for somebody to sell a permit. You might want to think how you want to deal with that.

MS. QUIGLEY: I think that's an interesting idea just as an economist. I have to just say, though, that when you sell a permit and it has quota share or pounds attached to it, the price of the permit will likely be more than it would be if it was not, so I'm not sure it really matters. Also, when you sell a permit – very often in the snapper grouper fishery and in other fisheries when you sell a permit, very often it comes with a vessel or comes with gear.

When you sell a vessel, it comes with the gear or something like that, so I'm not sure you need to have this requirement in there. It might be a nice thing that these guys choose to do. I don't know that you need to because usually, a comment, I would think it would come with some shares if that person has any shares. Otherwise, the permit is pretty much useless if you've been a fisherman.

I'm not sure you need to have that; so for someone who is allocated 4 percent of the resource, saying that they must tack on 2 percent or 1 percent is a lot. So for some people it's going to be no big deal to say a 1 percent or 2 percent requirement for a permit sale and for other people it is going to be a big deal, and it could prevent someone who doesn't receive anything in the initial allocation from being able to sell their permit at all. They might just have to hang on to it for years – hang on to the permit for years because they don't have money to purchase the quota share. That could be problem. You might be better off not doing anything at all. I do like the idea, but I don't know if it's going to work for everybody.

DR. CHEUVRONT: Well, maybe what needs to be done is to craft some alternatives for an action that would include these different sorts of things for consideration. I think that would be really helpful to do that. Nuno, do you want to say something?

MR. ALMEIDA: Has it ever been brought up where they took and analyzed and said – in our case we've got one that has landings and one that doesn't, one may not have any and however we have some with and without – have they ever brought it up and said what if we took 300,000 right across the board for each and every permit?

MS. QUIGLEY: Yes.

MR. ALMEIDA: And then just take the ones that are not active and have a permit with 300,000 pounds, you take and just lease that whole permit to whoever needs more landings; you know, more than 300,000, they'll take and have six. I mean this is – I'm going based on a 3 million pound quota.

DR. CHEUVRONT: Two million.

MR. ALMEIDA: So there is two, so I can see how that doesn't work; 200,000 may be a little tight, but in our situation we have, like I said, a permit with landings and one without – Howard may have some with and without, that he could probably take and lease a permit to someone else

and make it easier than having to buy these shares and having to use them and what have you. I mean, if it's going to come down to it, you know –

MS. QUIGLEY: Yes, it's a another system.

MR. ALMEIDA: If we have to eliminate a boat, we have to eliminate – do you know what I mean? I'm just kind of overall looking at the picture here if Brad doesn't have any landings and has a permit that is useless and we have another guy that's a neighbor of ours that is going to have a useless permit as well.

MS. QUIGLEY: Equal allocation has been analyzed as an initial allocation methodology. That was done. I know you're suggesting something slightly different than that.

MR. ALMEIDA: Well, I'm just hearing that one permit may be worth X amount of dollars and another one is not going to be worth anything.

MS. QUIGLEY: That's only if it has shares attached to it.

MR. ALMEIDA: Right.

MS. QUIGLEY: Which people can choose whether to put shares with it or not just like you might sell a car with a trailer or not with a trailer.

AP MEMBER: A permit is only worth what you can get for it, anyway.

MR. ALMEIDA: But if it has landings, it's –

DR. CHEUVRONT: Well, in the snapper grouper fishery, when you sell a snapper grouper permit, you have the right to sell the landings history with that permit or not or sell part of the landings history, so the value of those permits change based on whether or not somebody buys the landing history that goes with it.

There is really nothing – I see the issue here as not how much allocation you can sell with your permit; but as the seller and buyer you should be able to be allowed to trade as much as you want to. The issue here is, is there a minimum amount that should go with the permit, and I think it would be helpful if you guys could help us figure that out.

Should you keep some allocation tied to every permit or should the permit be separate from the allocation and you have to decide between the buyer and the seller whether you want to sell some of your allocation along with that permit. If you need to get rid of a permit, one of the ways that you might be able to do it is be able to find somebody who might be thinking about getting into the fishery, but then they've got some leverage with you in terms of saying, "Well, I need this many pounds", and you have to decide whether you're willing to transfer that many pounds with the sale of your permit and then you would have to agree on the value of that permit and allocation that go together.

MR. ALMEIDA: I don't know if we can come up with that number until people know what they have and we don't –

MR. ULRICH: Wouldn't that be primarily market driven because –

DR. CHEUVRONT: Yes, it would be market driven; purely market driven.

MS. QUIGLEY: Do you think it would be better to leave it market driven? Some people are going to need more quota than other people. I strongly caution against having a minimum requirement because as I said some people are only going to own 1 percent or 2 percent and they might have to purchase shares in order to sell their permit; and if you don't have them, then your permit is going to sit there and not be used and then you're going to be out a participant.

MR. ULRICH: It's not very realistic, is it, if you think you can sell a permit with no quota attached to it.

MS. QUIGLEY: Right, that wouldn't be allowed and I think that should be allowed because that's all someone might have and they don't have the money to buy the quota, so I would strongly caution against doing that.

DR. CROSSON: From an economic standpoint you don't like to –

MR. MANCHESTER: Well, we're really not sure what the council is going to do. They can take our advice and they can do the exact opposite.

DR. CHEUVRONT: They can do what they want to do.

MR. MANCHESTER: They can do what they want so we might be talking this now and they might change the whole thing on us. They probably won't but –

DR. CHEUVRONT: Yes, I was going to say they probably won't. Part of the reason why they have not chosen preferred alternatives at this point on some of these actions is because they clearly want input from you guys.

MS. QUIGLEY: New entrant's programs are very difficult to come up with. They've never been come up with within one meeting. It usually takes several meetings to come up with something, and there are really no administratively easy new entrant programs yet that have been invented that I have seen in catch share programs. This is a good discussion to have and maybe staff can listen to this discussion and come up with some ideas, but I don't think you're going to come up with anything today that's going to be a perfect fit.

DR. CHEUVRONT: That may be true and I think the council has some concern that they would not want to put into place a catch share program in this fishery without having new entrant criteria coming pretty closely behind it. I think they would probably want some indication that you are headed in that direction very soon or else they may not want to approve a catch share

program that is going to leave the fishery limited only to those participants who currently get initial allocation. I think the council sees some difficulty with that.

MS. QUIGLEY: They need to have a true consideration of a new entrant program. They don't have to adopt it necessarily, but they need to really sincerely consider a new entrant option.

DR. CHEUVRONT: Yes, they don't have to adopt it here, but they're going to want one very quickly behind this amendment if we can't get one in this amendment. Charlie.

MR. PHILLIPS: Yes, I definitely think the council is going to want to know what the new entrants' program is going to look like. If you don't know what that is and then you go down the road and say, okay, we're going to give a share to the new entrants or something, but you've already split the quota in the previous amendment, then what do you do?

MS. QUIGLEY: Well, in the Pacific what they did was they set aside a certain percentage for a new entrant program or a community program, and then they decided later how exactly to flesh that out. One option is to have a set-aside and to work on fleshing that out in the future.

MR. PHILLIPS: And that's fine, but I think the council as a whole is going to want to know where the road is going and they're not going to just endorse a black hole.

MS. QUIGLEY: Well, I think you have some options here. You've got Howard's options and then we've got the option that we just talked about that Scott brought up. You've got a number of new alternatives that could be incorporated into the document if the AP wanted them to be incorporated.

MR. RAU: I'll make a motion for that, to incorporate these.

DR. CHEUVRONT: Okay, we're going to need some help with crafting some of these additional alternatives, too. I think we could do a motion somewhere along the lines that has to do with the AP recommends that the council ask the staff to create alternatives that meet the following criteria.

If you guys could help us come up with some criteria, then council staff could come back with something like, you know, tell us basically what you described, Howard, and then we could pretty much incorporate a lot of what you have. The council staff will need to look at that and see if there needs to be any modifications to it and bring that before the council and all that, but at least, as Kate was saying, moving forward on what we could have for a new entrants' program.

MS. QUIGLEY: Could the AP recommend to the council that they incorporate the intention of Howard's suggestions for a new entrant program.

DR. CHEUVRONT: Right, I think that would be part of it.

MS. QUIGLEY: And they would refer to the written document.

MR. PHILLIPS: I don't know how far you want to go, but they may want to consider new entrants with the current TAC and do what they would do if the TAC goes up; are they going to make more permits, are they going to split that? That discussion would be nice to hear, too.

DR. CHEUVRONT: Yes, the TACs going up, it doesn't happen very often. This is one fishery that is outside the norm of what the council typically has to deal with. This is actually a really good place for this fishery to be compared to what the council typically has to deal with when not only the pie gets real small. I mean, you've got a situation here where your pie got over twice of what you have ever caught in this fishery and you're dividing that up. Imagine now when you have to ratchet down to maybe only 60 percent of what you had been already catching and you have to figure out how to divide it.

MR. NIELSEN: And there is no recreational sector here, either.

DR. CHEUVRONT: And there is no recreational sector to want some of your crabs. Okay, what we're really kind of talking about right now is that you would like to see some alternatives to be developed that incorporate some of the things that Howard had recommended before. Have you all see copies of the recommendation that Howard had? I don't have copies of that.

MR. ULRICH: I don't think I do.

DR. CHEUVRONT: And I think that needs to be distributed to everybody on the AP. Again, they're only alternatives. Scott, can you help out maybe in characterizing –

DR. CROSSON: Which requires a certain percentage of the ACL be transferred with any sale of a permit.

MR. ULRICH: Transfer of their permit.

DR. CROSSON: My suggestion was that you would require a certain percentage of the ACL be transferred with the sale of any permit, so that no one can buy a permit and not have sufficient landings to make a go of it. I agree with Kate that it is going to cause some trouble on its own from an efficiency standpoint. I'm just pointing out that it will reduce the entanglement with other provisions of some of these other ideas.

MS. QUIGLEY: There is also the option of an apprenticeship program.

DR. CHEUVRONT: And how would conceivably incorporate –

MS. QUIGLEY: We don't know.

DR. CHEUVRONT: – an apprenticeship program into a new entrants' action?

MS. QUIGLEY: In order to buy a permit there would be certain requirements that you would have some experience in the fishery.

DR. CHEUVRONT: So, for example, as a mate or something like that?

MR. RAU: Yes, with so many years.

DR. CHEUVRONT: Well, while we're all talking, somebody might want to make a motion that they might want to look at some of –

MR. RAU: Write that whole thing?

DR. CHEUVRONT: Well, I think that kind of captures some of the things that you were all saying so read it first, but I think this might capture some of the things that everybody was saying.

MR. RAU: Motion to incorporate new alternatives based on the previous recommendations made by Howard Rau; require a certain percentage of the ACL be transferred with the sale of a permit; not allow a permit to be sold without some shares as it reduces some of the issues with the other actions in the amendment. In order to buy a permit a person would be required to have some experience in the fishery and work as a mate on a golden crab vessel for a certain number of years for an example.

DR. CHEUVRONT: Do you want to make that motion?

MR. RAU: I'll make that motion.

DR. CHEUVRONT: Okay, to make sure that everybody understands, that is actually three separate types of requirements that additional alternatives would be developed in each of those concepts. Then, for example, I can see potentially the council could choose more than one alternative in there as a preferred.

For example, they could require, regardless of what other thing they chose, that they could require that you have that apprenticeship background before you could buy a permit. That does not in any way affect whether or not you have to have a certain number of shares go with the permit if that is what the council should choose or one of those alternatives that had been recommended by Howard earlier. I think that gives folks some things to work on to help develop a list of alternatives, and we've got to start, I think. Charlie.

MR. PHILLIPS: Well, I'm going to talk about the apprenticeship. I remember a council member made a comment off the cuff about North Carolina fishermen not being professional B-liner fishermen and got chastised very quickly. Okay, so that being said – and I know that this is not an easy fishery but neither is sea scalloping, calico scalloping, wreck fishing or a lot of other stuff that takes basically the same kind of boat, a lot of gear and a lot of experience.

The Georgia Bulldog was out there doing it. Those guys are – you know, they don't have the expertise you all did, but they could go and short of tangling up gear with somebody, which I'm sure is a neat trick untangling, but they went out and set traps and caught crabs, and it wasn't a problem.

If somebody like the Bulldog and Lindsey can go do it, I don't know that you can do – you'd have a hard time I think telling some other fishermen that have expertise in other areas that they're not professional enough to go do what you do. They may have to go through a harder learning curve –

MS. QUIGLEY: It's not that they can't catch it; it's that they need to stay off the corals.

MR. PHILLIPS: But still if you're setting a lot of gear, you have to stay off of this and you have to stay off of that. I would –

MR. RAU: But they don't fish in the tide and they don't fish in the Gulf Stream.

MR. PHILLIPS: If you're golden tile fishing you are up north. I'm not saying it's the same, but you have to have some experts who know what they're doing.

MR. RAU: Sure, you have to know the Gulf Stream. You have to know something about the Stream.

MR. PHILLIPS: Yes, but again the point is telling a professional fisherman that he is not professional enough to go do something might be a problem.

DR. CHEUVRONT: Well, Charlie, this is just my opinion here and you all might disagree with me and that's fine. I think the discussion you're having and your comments are probably things that are going to happen at the council level should this go forward. I think it's probably a discussion that needs to happen.

MR. PHILLIPS: Well, it's going to come back to they want to know why the AP is going to defend that position; and so if they can defend it here, then they can defend it at council. It's just something that is going to come out. I'm not necessary saying, yes, it would be great if you could get the expertise and then who is going to set the criteria, who is going to tell you how many years, who is going to do all of that and say this is enough and that's enough. I'm not really sure that you want to do that. I think that is going to come into some serious issues.

MS. QUIGLEY: Right, we looked into it and there are articles, and we've looked into other areas in the U.S. that have an apprenticeship program.

MR. ULRICH: The issue is what your permit is worth here; you know, sell it to the highest bidder basically. I mean I think that I kind of agree with what he just said, that fishermen are not going to invest in this kind of money and gear and everything if they don't have a really good chance of fishing it successfully.

MR. RAU: You should have told the Alaskans and the guys from the north all about that.

MR. ULRICH: I heard some of that in the early stages of when the fella came down from – he was an offshore lobster fisherman and came down and started fishing.

MR. RAU: Bobby Brown.

MR. ULRICH: I think that's what his name was, and he came down and was fishing off of South Carolina and he lost a lot of gear. He put it out and he'd have his string buoyed and he'd go back and no more buoy.

DR. CHEUVRONT: Okay, just back up a second on a little procedural thing, we have a motion that was made by Howard, but we don't have a second to it yet, but I think some of the discussion that needs to occur is perhaps what is the appropriate experience that somebody would need to have to be able to buy the permit. It was suggested, for example, work as a mate on a golden crab vessel for a certain number of years, but there may be other ways to get appropriate experience and that needs to be worked out.

I think the intention wasn't that you had to work on a golden crab vessel. That was offered as an example, but there might be some other like experiences that will have to be worked out. Maybe there are and maybe there aren't but that has to be worked out.

MR. MANCHESTER: I think some of the guys in the northeast that go in the canyons for the deepwater lobster fisheries come close to experiencing some of the same issues we have with a little less tide.

DR. CHEUVRONT: So that kind of stuff could be worked out, but really what I'm searching for now is can we get a second to this motion because I think we really shouldn't be getting any further because we've gotten into the weeds in the discussion and we don't even know whether this motion is going to get carried yet.

MR. BETHELL: I will second it.

DR. CHEUVRONT: Thank you, Chip.

MR. ULRICH: Maintaining your record.

DR. CHEUVRONT: Okay, I just wanted to make you all were okay that we're going to consider this fully as motion before we go any further. Brad, I know you had your hand up; would you like to add to the discussion?

MR. WHIPPLE: We've gone a long way and I was just wondering why are we not satisfied with the set-aside. Is the set-aside not enough for the council to understand that we want a new entrant program?

DR. CHEUVRONT: If you guys left this like this, the action the way it is; and, one, if you didn't tell the council that you wanted something else, they could vote on a preferred and this is what it would be. It doesn't mean they couldn't change it in the future; but as far as the council is concerned they've dealt with new entrants and they might move on.

I could not guarantee you how soon before the council would want to come back and deal with this issue again. There are a lot things that they're facing besides this; so if you've got things that you want in a new entrant program, I think it behooves you to say so now and let's get working on it now so that we don't have to come back later to deal with this because you get stuck with a new entrants' program that you do for the sake of expedience that will have the council do this to get the amendment through, but you're not really happy with that. I think it's important to get what you want now.

MS. QUIGLEY: But if you're fine with this, that's okay.

DR. CHEUVRONT: Yes, that's okay, too. If you're fine with that, fine, let the council know and help them choose a preferred alternative if you're fine with that, but that has got to come from the AP. If you are not a member of the AP but you're fine with that, then you need to have public comment that needs to say that.

MR. WHIPPLE: But not right now?

DR. CHEUVRONT: Because you're not part of the AP, Brad, so it has to come from the AP. If one of the AP members isn't on board with you and willing to do this, then you're going to wait until public comment.

MR. WHIPPLE: Can I tell the AP what I think?

DR. CHEUVRONT: Sure, you can tell the AP what you think, but the idea of whether they want to carry it forward or not has to come from the AP.

MR. WHIPPLE: Well, I just think that it's important to get enough done relative to Action 13 and not to hinder allocation.

DR. CHEUVRONT: Initial allocation?

MR. WHIPPLE: Yes, whatever that is, whatever it is that needs to get done.

DR. CHEUVRONT: Well, I understand your concern. I think the council and the discussion that we had about this before, they seemed to be willing to consider pulling this action from this alternative as long as we're on the road to developing a new entrant's program. If you came up with something today that we could recommend – and actually you have come up with something here in what has been discussed, some additional alternatives you want to have the council consider.

The council could say, wow, this is really different from what we had before and we need to pull this out, and they had talked about wanting to put it under CE-BA 3. A lot of work would need to be done on this because it needs to go for public hearings in August, which is when CE-BA 3 will go out to public hearing. This has already been scoped.

CE-BA 3 is being scoped right now. We just need to take any new alternatives out to public hearing, so a lot of work needs to happen between now and probably June when the council will want to make up their minds about this. Now I do know that the council is having a round of AP meetings in April to follow up from the March meeting where hopefully some decisions will be made about some CE-BA 3 issues and some other stuff, so that we can get it together and ready to go for their final approval for public hearings at the June meeting. We would need to get on board with that, so there needs to be a fair amount of work that needs to happen between now and if we have to have another AP meeting, assuming that is going to happen, towards the end of April.

MR. WHIPPLE: Good, I like meetings; that's why I'm here.

DR. CHEUVRONT: Well, we did this one down here because this is where – except for Glenn and myself, this was easy for you all to get here. Do you want to take a break? Okay, let's take a break. We'll have to come back and deal with this motion when we come back.

DR. CHEUVRONT: Okay, we're back from the break and we still have a motion on the table. Now realize that this doesn't preclude you guys from adding additional motions to add other stuff later on. Let me go ahead and read the motion to refresh everybody's memory so we can then decide how you want to handle this motion. Okay, the motion that is on the table right now is to incorporate new alternatives based on the previous recommendations made by Howard Rau; to require a certain percentage of the ACL be transferred with the sale of a permit; that is to not allow a permit to be sold without some shares as it reduces some of the issues with the other actions in the amendment. In order to buy a permit a person would be required to have some experience in the fishery and work as a mate on a golden crab vessel for a certain number of years as an example. Now, we had a lot of discussion about this before we took the break, but do we want to go ahead and vote on this motion and then continue some discussion?

MR. RAU: Brian, can I withdraw that motion?

DR. CHEUVRONT: You can withdraw it, you can modify it, you can do whatever you want to do.

MR. RAU: I would like to withdraw that motion.

DR. CHEUVRONT: Chip, are you okay with that as the seconder of the motion?

MR. BETHELL: I'm okay with it, yes.

DR. CHEUVRONT: **Okay, so the motion is withdrawn.** What would you like to do now?

MR. NIELSEN: I would like to make a motion on Action 13 that we set aside 1 percent of the golden crab ACL each year to be auctioned off to permit holders that do not possess shares; change it from 2 to 1.

MR. RAU: Alternative 2.

MR. NIELSEN: Alternative 2.

DR. CHEUVRONT: No, you're talking about Alternative 3.

MR. NIELSEN: Alternative 3.

DR. CHEUVRONT: He wants to add a new alternative that is the same as Alternative 3 except to make it 1 percent instead of 2 percent; is that correct?

MR. NIELSEN: Right.

DR. CHEUVRONT: Okay, let me get that text.

MR. QUIGLEY: Brian, that would probably be fine for public hearing?

DR. CHEUVRONT: This is probably close enough that they may not even have to take this out of the amendment. That will be a legal call. They may decide it's close enough; and if they do, then they can just leave it in there and it could stay in this amendment. The motion is to actually add an alternative. I'll read it back when I get it done so you know that this is what – so you can tell me whether you agree. **The motion is to recommend adding an alternative that says set aside 1 percent of the golden crab ACL each year to be auctioned off to permit holders that do not possess shares.** That was by Dave Nielsen; is there a second?

MR. RAU: I'll second it.

DR. CHEUVRONT: Okay, is there some discussion of that motion?

MR. NIELSEN: I believe that the 2 million pounds, the ACL is high enough to where this might work. It just gives them another avenue for this entry thing. That's kind of my reasoning.

MR. MANCHESTER: So that would give the person 2 percent of the entire ACL?

DR. CHEUVRONT: No, it gets held back and then is auctioned off.

MS. QUIGLEY: 1 percent.

DR. CHEUVRONT: 1 percent is held back to be auctioned so anybody could buy that 1 percent or actually new entrants could buy the 1 percent.

MR. NIELSEN: This is strictly for the new entrants.

MR. MANCHESTER: And what would be the value? Who would set the value of that?

DR. CHEUVRONT: It's an auction so it goes to the highest bidder.

MR. MANCHESTER: But if you only have one entrant, he buys it.

MS. QUIGLEY: Yes.

DR. CHEUVRONT: If you only have one person who has got a permit, but there are going to be some years where there is not going to be anybody who wants to get into the fishery.

DR. CROSSON: Is that permanent transfer to that – I don't quite understand.

MR. BETHELL: And what defines a new entrant; how long are they new?

DR. CHEUVRONT: Well, the new entrant, it's a one-time deal because you're now an entrant in the fishery. Once you've gotten in, you're no longer a new entrant.

MR. BETHELL: If I buy a permit –

MR. MANCHESTER: You're new.

DR. CHEUVRONT: If he buys a permit – for example, he buys a permit and he is new, that first year there would be an auction, so somebody has got to figure out how to –

DR. CROSSON: But it's not a permanent transfer to that person; it's just a one-year sale?

DR. CHEUVRONT: It is a sale; a 1 percent sale if that is what the council has decided to go with.

MR. MANCHESTER: It's simple and easy, I can tell you that.

MR. PHILLIPS: I'm lost on the math because you're going to have 99 percent gets split up. You're going to auction off 1 percent. The next year you're going to change the quota because the 99 percent is going to be 99 percent minus that 1 percent, so you're going to keep 1 percenting away from the total TAC.

MS. QUIGLEY: That's if you do it every year.

MR. PHILLIPS: If you do it every year.

DR. CHEUVRONT: But if there isn't somebody with a new permit that needs to come into the fishery, then there is no reason to do that.

MR. PHILLIPS: So it's just for the one-time new entrant?

DR. CHEUVRONT: Yes, and the council needs to be clear on that, that what they're saying is that you're not going to keep chipping away 1 percent every year whether or not there are new entrants.

MR. PHILLIPS: That's what I'm asking.

DR. CHEUVRONT: And that's what you need to make sure – as a council member you're going to need to make sure that is your intent, but that's clearly what the AP's intent is if they went along with this is that they don't want to get chipped away at 1 percent a year no matter what.

MR. MANCHESTER: It's only going to happen once in a blue moon, anyway.

DR. CHEUVRONT: Exactly. There are only 11 permits, let's face it. There are 11 permits and I just don't think they're going to change hands all that often.

MR. PHILLIPS: Okay, say Kate is that person. She bids on the 1 percent and she gets it. She sells her shares to Howard, sells her permit to Scott, Scott bids as a new entrant; do we do another 1 percent?

DR. CHEUVRONT: Okay, you caught on real fast. It would be difficult legally to – you would want to try to somehow limit this as a one-time thing for a person in the legal definition of a person, which also is a corporation, but it's nothing to stop somebody from creating a new corporation.

MS. QUIGLEY: I think NMFS would develop some sort of –

MR. MANCHESTER: Wording.

MS. QUIGLEY: – wording to propose to the council.

DR. CHEUVRONT: Criteria to keep that from happening.

MS. QUIGLEY: But you might want to say if you only want this to happen three times or you can't repeat a person, you might want to say that now.

MR. ULRICH: The way the alternative is written it says they would auction to permit holders that do not possess shares. What about in the case of somebody that buys a permit, it has a minimum number – it has not enough shares to really make in the fishery; would he be eligible for this 1 percent set-aside as a new entrant?

DR. CHEUVRONT: That's real interesting because we've talked about –

DR. CROSSON: If I had quota share and I don't want 1 percent of the quota share to get reallocated, then I'm going to sell the permit but I'll make sure that it has attached one pound to the permit. That way I can be sure that I'm not going to lose anything from the rest of my ACL to anybody else.

MR. WHIPPLE: Under this scenario that we're talking about, the shares aren't attached to the permit so you buy a permit, you're a new entrant and you get the 1 percent, and any other shares you could also buy.

MR. ULRICH: Well, I was just going by the fact that it was written that it can be auctioned off to permit holders that do not possess shares. Now if there are no shares attached to that permit, they get this allocation; but if they had shares attached to the permit, then they don't get the new entrant allocation even if –

MR. WHIPPLE: The shares aren't attached to the permit. If you buy a permit, you're eligible for the percent. Buying some shares is a separate transaction.

AP MEMBER: Right, but if you own shares, are you allowed the auction; that's what he's saying. You are new but you get ten shares –

DR. CHEUVRONT: Hold it a second, let's get a little bit under control here because they've got to figure out who is talking here. The way it is worded now is if the council was to choose in a previous action that you can get a permit and own a permit without shares, then this makes sense; but the way this action is worded now is that if you buy a permit and there are shares associated with that permit when you buy it, there is no auction. There are potential criteria or whatever the council chooses there is the potential that an auction could never occur if the council should choose that when you sell a permit a certain number of shares must go with that permit.

MR. WHIPPLE: Well, if they choose that, then do we have new entrants, anyway, if the shares go with the permit?

DR. CHEUVRONT: That's one way you can handle the new entrant is that if they're required a number of shares or something –

MR. BETHELL: But that was the original motion, though.

MR. NIELSEN: Okay, so I'll withdraw that motion and I would like to make another motion.

DR. CHEUVRONT: Okay.

MR. NIELSEN: Okay, let's set aside 1 percent of the golden crab ACL each year to be auctioned off to new permit holders.

MR. BETHELL: Period?

MR. NIELSEN: Period.

MS. QUIGLEY: The question is what does new permit holders mean?

DR. CHEUVRONT: Right, and there would need to be a definition of a new –

MR. BETHELL: You've got to be highly skilled and professional.

DR. CHEUVRONT: Well, I think what we're looking at is the definition of "new" as opposed to a – is there a time limit for which you are going to be considered new? Is it one within one year of ownership of that permit?

MS. QUIGLEY: Or do you want to say first-time permit holders or any kind in the golden crab fishery?

MR. BETHELL: That sounds even better.

MS. QUIGLEY: Do you want to say the first time because you've owned something in the past.

MR. MANCHESTER: But you already have a golden crab permit here.

MS. QUIGLEY: You could even say new purchases of permits.

AP MEMBER: This is so hard.

DR. CHEUVRONT: It is but it's what we have to go through.

MS. QUIGLEY: I think you might want to say people who make new purchases of permits.

MR. BETHELL: So if somebody that has a permit in the southern zone and then buys a permit in the middle zone; is he a new entrant?

MS. QUIGLEY: He would be a new entrant. Do you want that or not? Decide what you want and then we'll figure out a way to word it. Do you want someone who already owns a southern zone, someone who already owns a permit?

AP MEMBER: I wouldn't think so.

MS. QUIGLEY: Okay, so you want someone who has never owned a golden crab permit – who does not now own a golden crab permit and has just purchased a permit. They can own one in the past, but you want someone who right now doesn't own one, then they go and buy one; someone who purchases a golden crab permit that did not previously own.

MR. NIELSEN: Well, the council is going to do something and I'm just trying to give them avenues. That's what they're asking for us to do. Howard has mentioned some things and we have a bunch of alternatives now, right?

MS. QUIGLEY: That was withdrawn.

DR. CHEUVRONT: Well, that was withdrawn.

MR. NIELSEN: Okay, so we're back to one alternative now to go back to the council, correct?

DR. CHEUVRONT: Possibly.

AP MEMBER: We have five more.

MR. NIELSEN: And they're going to do something whether we like it or not.

DR. CHEUVRONT: Well, there are a lot of different things that they could do including removing this action.

MR. NIELSEN: Right and tabling it until later, correct?

DR, CHEUVRONT: Well, they're going to want to have something to go on because it could delay this amendment if they don't see that there is something in the works for new entrants into this fishery. Let's keep talking through the issues and see if we can make it work out. What it sounds to me like is what we need to do is try to figure out how we can define a new permit holder is considered as someone who did not own a permit at the time of which they purchased a permit, right?

Does that not kind of capture what we're talking about? If you own a southern zone permit and you buy a north or a middle zone permit, you would not count because you already owned a permit; but if you don't own already one permit, then you should be able to participate in this.

MS. QUIGLEY: But you can have owned permits in the past and left the fishery and then come back.

DR. CHEUVRONT: Correct, that would not exclude you from doing this.

MS. QUIGLEY: You would be a new entrant.

DR. CHEUVRONT: Right, you would be a new entrant, but I think it would also help the council if you can help define in a time period in which you must buy those – what you can participate in that auction. You could make it within that first year, so let me fuss at the language here a little bit and see if I can come up with something.

MS. QUIGLEY: Does the AP want to say set aside 1 percent of the golden crab ACL each year to be auctioned off to new permit holders for the first five years of the program or for the first three years of the program or do you want it to be a permanent thing because that's going to chip away. What you want to do is have all 11 permits utilized. Just a question; you might want to say for the first five years of the program, for the first three years. Otherwise, it will be 1 percent every year.

MR. RAU: Yes, so that would be a total of 5 percent.

MS. QUIGLEY: Five percent; you could do it for first five years. That lets in five new people for the permits that aren't being utilized.

DR. CHEUVRONT: What are you going to do about –

MR. RAU: Would it be five times or five – because let's say it's not used one year.

MR. WHIPPLE: What if six years from now someone buys it?

DR. CHEUVRONT: Right, I think what we're talking now is something that could be handled in a separate motion because I think Kate has got a good point, determining how long you want this new entrant thing to go on. You may just want to say that in years where there are no new entrants or no new permit holders that there is no auction and all the allocation goes to the current permit holders, which probably is what you would like to see happen.

At any point in the future the council is going to want to look to not just five years. They want to look at how we're going to keep this going to get people in, so you might want to have to consider something that would allow this to go beyond that. Well, let's deal with the motion that we've got here, and let me read to you what I've got now. I'm trying to help you, Dave, craft this motion.

The motion is to recommend adding an alternative that says set aside 1 percent of the golden crab ACL to be auctioned off to new permit holders. New permit holders are considered to be persons who did not previously own a golden crab permit for any zone at the time of purchase. A new permit holder must participate in the first auction that occurs after the purchase of the permit.

MR. BETHELL: I like it; it's good.

DR. CHEUVRONT: So it gives a time limit under which you must get in that auction and buy your shares. If you don't, then you've got a permit with no shares, but it allows somebody to get in who has no other permit, so a southern zone permit holder can't buy a middle zone permit and then get into the auction. That won't work, so you have to have had no permits. Charlie.

MR. PHILLIPS: Is the auction open for everybody or is it –

DR. CHEUVRONT: No, it's only for new permit holders.

MR. PHILLIPS: Well, if you've got one new permit holder and he is the only person that gets to bid on the shares –

DR. CHEUVRONT: He could bid a dollar auction.

MR. PHILLIPS: He could bid a dollar and get all that 1 percent.

DR. CHEUVRONT: He'd get 1 percent of shares.

AP MEMBER: That is what will happen.

MR. RAU: That's it.

DR. CHEUVRONT: That's exactly what is going to happen.

MS. QUIGLEY: Unless NMFS makes a requirement there has to be –

MR. NIELSEN: But that gives him a start without having to put out an arm and a leg to go crabbing.

DR. CROSSON: Why are you doing it as an option to begin with? Why don't you just –

DR. CHEUVRONT: Allocate.

DR. CROSSON: – just allocate 1 percent.

MR. WHIPPLE: Because what if there are multiple sales –

DR. CHEUVRONT: Sales in one year?

MR. WHIPPLE: – in the same year?

MR. PHILLIPS: Howard told me to bring that up.

DR. CHEUVRONT: If there are multiple sales in a given year, then that really means there is going to be a bidding war for those shares; but if it's one guy, that one guy can bid a dollar and get 1 percent of the shares to get into the fishery.

MR. NIELSEN: Which is the whole idea is to give him a start without putting out an arm and a leg to get started and that way you can lease shares from these guys or you can buy shares. This fishery is hard enough; it costs a lot. You want to give him a chance. You don't want to put him in the hole from the get-go. Of course, you will be but not too bad.

DR. CHEUVRONT: You want to minimize, okay.

MR. ULRICH: I think the closer that you can come to landing 2 million pounds, the better off you're going to be over the long haul in terms of maintaining that ACL.

DR. CHEUVRONT: Until there is a stock assessment, that's definitely the way it is. It can be a two-edged sword because if it turns out you're overfishing going with 2 million pounds, then there could be a reduction in the ABC in the future, but we don't know.

MR. MANCHESTER: How do they do a stock assessment?

DR. CHEUVRONT: Well, that's going to be very difficult. A crustacean stock assessment is not an easy thing.

MR. ULRICH: You take the average over the last ten years of landings?

DR. CHEUVRONT: Well, see, like they did with wreckfish; we don't want another wreckfish. Okay, that's a motion that sort of as a group has been crafted. Somebody needs to make that motion. So moved would work but somebody needs to make that motion if we decide that we like that idea. Does somebody want to move that? You can do it if nobody else wants to do it.

MR. NIELSEN: Would you reiterate that and go through it one more time?

DR. CHEUVRONT: Okay, the motion is to recommend adding an alternative adding that says set aside 1 percent of the golden crab ACL to be auctioned off to new permit holders. New permit holders are considered to be persons who did not previously own a golden crab permit for any zone at the time of purchase. A new permit holder must participate in the first auction that occurs after the purchase of the permit.

MR. BETHELL: I so move.

DR. CHEUVRONT: And would somebody like to second that? Okay, second by Randy. Would you like to have anymore discussion on that or have we discussed it pretty well?

MR. NIELSEN: So let me get this straight; all these alternatives are now in there, okay?

DR. CHEUVRONT: The ones that are in there now and we're asking them to add this one.

MR. NIELSEN: Okay, and now we're asking for that so they could throw it back at us and tell us to work on it more or they could make a decision?

DR. CHEUVRONT: Conceivably they could make a decision.

MR. NIELSEN: Or they could do whatever they want?

DR. CHEUVRONT: The council can always do whatever they want within the law.

MR. NIELSEN: Believe me, I know that.

DR. CHEUVRONT: Okay, but this is what you're saying; you're asking to add this. I would like to suggest that if you vote on this now and it passes, that you have another motion to recommend to the council they make this their preferred alternative.

MR. RAU: Can we make this first?

DR. CHEUVRONT: But then we have to go back and modify. Let's just go ahead and vote on this one and then have a second motion. That would be cleaner than having to go back and change all this wording right now. **Is there any opposition to this motion? Seeing none, he motion carries.** Now, would somebody like to make a motion to have the council consider this as their preferred alternative for this action?

MR. RAU: I'll make a motion that we consider this as the preferred.

DR. CHEUVRONT: Okay, let me read what I have here; motion to recommend the council consider the new alternative as the preferred. That was made by Howard Rau and seconded by Chip. Any discussion on that motion? Any objection to the motion? Okay, seeing none, the motion carries. Actually, I think that is really very helpful. You simplified it, you have given something I think that the council might be able to get through in this amendment and we can move right along, so let's hope. Let's see how it goes.

Frankly, I think that's a very realistic and workable alternative. That's my impression; I'm not on the council anymore. I just lead the discussions for this. Okay, we have two more actions and I think they're not going to be problematic at this point. The first is we have Action 14 dealing with annual pounds overage. The council has no preferred alternative.

It was a new action to them at their December meeting. I think they would just like to hear some more discussion about it. They wanted to hear what the public had to say about it. If you would like to have some discussion and maybe somebody could make a motion, however you want to handle that.

MR. RAU: I would like to make a motion for a preferred; Alternative 3, a person on board a vessel with the shareholder's only remaining golden crab annual pounds may exceed by up to 20 percent of the shareholder's annual pounds remaining on the last fishing trip of the year. Shareholders who incur an overage will be required to pay back the annual pounds overage in the subsequent fishing year.

DR. CHEUVRONT: We have a motion; do we have a second to the motion?

MR. BETHELL: I'll second it.

DR. CHEUVRONT: Okay, it would help the council if you can give some rationale why you would choose 20 percent over 10 percent. I think I could probably add something myself, but it would be good to come from you.

MR. RAU: I'm thinking that if you get in the middle of a trawl, a 50-trap trawl, and you're down 20 percent, you know, it could be like 5,000 – well, let's say 3,000 in a trawl; so you go 10 percent, you're dumping half the trawl overboard.

DR. CHEUVRONT: And there is also the consideration for those who have a small allocation.

MR. RAU: Sure.

DR. CHEUVRONT: This would have a bigger impact on them.

MR. RAU: And your last trip.

DR. CHEUVRONT: So it's basically to reduce wasting the resource and is of benefit to fishermen with a smaller allocation. Basically, what you're doing is trying not to waste crabs.

MR. BETHELL: And I don't see any possible objection when the overage is going to be taken off the next year.

AP MEMBER: Paid back.

DR. CHEUVRONT: It's to be paid back.

MR. BETHELL: It's not like a freebie or anything like that.

MR. RAU: No, agreed.

DR. CHEUVRONT: Okay, that motion is on the table to recommend Alternative 3 as the preferred. Anymore discussion on the motion? **Any objection to the motion? Seeing none, the motion carries.** Okay, we're now down to Action 15. Action 15 has to do with approved landing sites. The council's current preferred is Subalternative 2A under Alternative 2. It's establish approved landing sites for the golden crab catch share program. All participants must land at an approved landing site to participate in the program.

Subalternative 2A says approved landing sites will be selected by fishermen but must be approved by NMFS Office of Law Enforcement in consultation with the appropriate state law enforcement agency prior to use. Is there any discussion on that? Are you all happy with that one?

MR. RAU: Yes, but we should have a little discussion on it.

MR. NIELSEN: Many years ago we were all crabbing and we filled the boat up so full of crabs that we actually had crabs on deck. We had to build a pen. We were right out front of Miami there. We were out from Miami Beach. We had crabs on deck with very little ice on them and had them covered up. Of course, it was the biggest day we ever had and we almost had to fill the cabin up.

But we come into Haulover Inlet and my dad met us there with ice and with boxes; saved the catch. We were able to unload the catch that was on deck and get that catch off the boat and get it to market to save that catch. Otherwise, we would have went all the way up to the dock, which is the preferred site. I just wanted to get that into the record. There has got to be some kind of something there, right?

DR. CHEUVRONT: I understand what you're saying. I think from the law enforcement perspective is how are they going to know that you're not bringing the crabs in, for example, with the scenario you described. And you're dealing legitimately, I'm sure, and everything with that, but what is happening is that under the catch share they need to make sure that you're not bringing in more than you're supposed to, so they need to have the option of having a law enforcement officer there when those crabs hit a dock somewhere.

MR. RAU: But if you contact them ahead of time.

MR. NIELSEN: Yes, but that comes under hail in when you –

DR. CHEUVRONT: But what you can do, though, for example, you can choose sites because it says here that the fishermen recommend the sites. You should recommend every possible site you think you could ever use, whether you're actually going to use it or not, so then you hail in and hail out and you tell them where you're going to land it, and then it's up to them to decide if they're going to be there if they approve it.

MR. NIELSEN: You know, when we broke down with the steering and we come into Haulover Inlet, we unloaded the boat there, and I steered the boat all the way by foot to Tugboat Annie's and we had to stop and tow it the rest of the way because we didn't want to go through the tunnel.

MR. RAU: But that would have been mechanical; that would have been all right. What you're bringing up about the catch is something different.

DR. CHEUVRONT: But I would really recommend that you list as many sites as you possibly think you can and get them approved. It doesn't mean you have to land there; you just get all the sites approved.

MR. ULRICH: You're not locked into landing at only one site, right?

DR. CHEUVRONT: No, that's it; you just get a list of approved sites. The concern for OLE is that you're not landing in a site that is behind a chain link fence with rothweilers there keeping somebody from getting in to see it. That's their concern, so they just need to make sure that somebody will go out and visually inspect, can we come and see if somebody lands their grabs here; would we be able to get there and see that?

As long as the state agrees to it, OLE agrees, it's fine; it doesn't mean you have to land there. It just means that you're not trying to do something to land crabs at a place where an enforcement officer couldn't get to if they needed to. That's my understanding of this.

MR. RAU: Law enforcement did say that they would work with us on this.

DR. CHEUVRONT: Right. Well, the fishermen are going to recommend the sites.

MR. RAU: Yes, but even on these different idiosyncrasies that happen.

DR. CHEUVRONT: I think that could be worked out. They're not totally heartless.

MR. RAU: I would go along with that.

MR. MANCHESTER: I just don't know how they're going to know how many crabs are sitting in the hold. You're could say 5,000 and there could be 5,500. You're going to guess.

MR. RAU: You'll figure that out, Randy.

MR. MANCHESTER: Yes, when I weigh them.

MR. WHIPPLE: I don't think that matters at the time. The trip ticket is going to be what shows that.

DR. CHEUVRONT: So is it fair to say that the AP supports the council's preferred alternative? Since it's up to you guys to recommend the sites, recommend away. I think you should recommend everything you could possibly –

MR. RAU: I'll support it.

DR. CHEUVRONT: So in general, okay, I'm not hearing anybody saying, no, I don't want to support that. Okay, that's it for all the actions and alternatives. I really appreciate that. I think we've really got through stuff and I think there is really a good chance that – you did recommend that the council remove one action – a different action from the amendment, which they may just go ahead and do and put it in CE-BA 3, who knows.

I think what you have recommended today for the new entrants is really very close to what they already have there. Personally when I came in today, I thought we were going to come out of here with something that would be a lot different than what you came up with, so I think there is a good chance that this could stay in there and that would solve that issue as well.

Does anybody have anything else that they – only on the AP have something that they would like to bring before the AP? Okay, I wanted to give Scott Crosson an opportunity to be able to talk about some of the stuff he has been doing with you and golden crab. Scott.

DR. CROSSON: Just to let you know, the guys who do the economic surveys – I know that is always a little intrusive – I've done most of the analysis and I have a rough estimate. It's stuff that I need to go back and double-check my numbers because I did them this last week. There will be stuff in the amendment that will have the economic status of the fishery basically and show the results in very big broad terms.

Of course, this fleet is so very small that you can't disclose much of anything beyond just what we did as an aggregate economic performance. That stuff is getting finalized and I know the deadline for the regional office in terms of getting it into the amendment and I will have it to them before then.

The second thing is that I know I've contacted all you guys or you're heard from me at some point and we want still want to do this focus group and talk about the history of the fishery and the relationship with the council. I'm currently trying to balance that between making sure that federal headquarters has sent the money to the focus group center because the focus group center definitely would be like to be paid before they host you all. I think it's going to be either the 6th of February or the 13th, so that's either the Monday after the Super Bowl or the Monday after that as a backup. It will be like around six o'clock at night.

It's in the contract for you guys to get – you know, the focus group center will pay you \$200 apiece to come in and chat with us, so it shouldn't be too bad. There will be myself and Brent Stoffle, who is the anthropologist from the Miami Office, and also Tracy Yandle, who is an Emory professor who is on the SSC and has an interest in this. Tracy is trying to fly down from Atlanta. I'm trying to coordinate Tracy's schedule with this as well.

That's the current status. I have all your contact information so you'll hear from me this week. I tried to get hold of the person at the headquarters about the contract and I couldn't get hold him, so I need to make sure that the money has been sent down. It's WAC – I don't know what that stands for – at Fort Lauderdale, but it's a focus group center. It's near the executive airport and two miles north of here. Are those dates okay with you guys, the 6th and 13th?

MR. MANCHESTER: I guess.

DR. CROSSON: At any rate, I'll be in touch with you, and I appreciate it. That's it.

DR. CHEUVRONT: Okay, anything else to come before this AP?

MR. NIELSEN: Scott, what do you want us to bring, everything and anything we've got?

DR. CROSSON: That's a good question. You said you've got some interesting stuff. Brent is probably is going to talk to you guys individually and he may be driving up. I'll talk to Brent and see if there is anything.

MR. NIELSEN: Who was the other scientist that was on the boat; it was Doug Gregory – I know they went out with you, too. I can't remember either.

DR. CROSSON: What we're really interested in is just the history and what it's like to work on the boats, what it's like finding crew, what it's like finding markets for the product. I know at some point it has been a substitute for other crabs. This information today was fascinating. I know you are trying to avoid laying traps on each other and what a giant mess that can be.

I didn't know that; that's history to me. I know that you probably have encountered NMFS people over the decades and they knew some of this stuff and a lot of them are not working for the agency anymore, and so now it's trying to piece all of that back together and have that as a document and have this history. That's the best answer I can give you right now.

DR. CHEUVRONT: Okay, anything else to come before the AP? Seeing none, the meeting is adjourned.

(Whereupon, the meeting adjourned at 4:30 o'clock p.m., January 29, 2012.)

By: _____ Date: _____

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