

DRAFT
MEETING REPORT
WRECKFISH ITQ SHAREHOLDERS AND WHOLESALE DEALERS
SOUTH ATLANTIC FISHERY MANAGEMENT COUNCIL
Webinar
October 26, 2020

Wreckfish Individual Transferable Quota (ITQ) Shareholders and Wholesale Dealers met to discuss potential actions being considered by the South Atlantic Fishery Management Council (Council) resulting from the 2019 Wreckfish ITQ Program review, including timing of amendment development and their thoughts on actions they think the Council ought to consider including in the amendment. A summary of all viewpoints relevant to each topic are included.

Wreckfish Shareholders and Wholesale Dealers

Mike Freeman, Sea Farmers of America
Jim Freeman, Sea Farmers of America*
John Polston, Kings Seafood*
Paul Reiss, Stonebass Fisheries
Pete Boehm, Boehm Seafoods*
Cole Richards*
Charlie Phillips, Fish Hound Seafood
Scott Vaeth, Grey Ghost Fishing*
Ollie Burwell, Cherry Point Seafood*

Council Members

Melvin Bell
Jessica McCawley
Chris Conklin (Head East II Seafood)
Kerry Marhefka (Abundant Seafood)

Council Staff

Dr. Brian Chevront
Christina Wiegand
Myra Brouwer
Dr. Mike Schmidtke
Cameron Rhodes

*Not in attendance.

The Wreckfish Shareholders and Wholesale Dealers approved the meeting agenda.

Potential topics to be addressed in Snapper Grouper Amendment 48 (Modernization of the Wreckfish ITQ Program)

Council staff provided the shareholders and wholesale dealers with an update on the recently finalized Wreckfish ITQ program review and Snapper Grouper Amendment 48 which will address recommended changes to the ITQ program. In general, the program has been relatively successful in achieving its stated objectives, but there is still room for further improvement. For example, improvements could be made with respect to confidentiality and related constraints; moving away from a coupon-based program to an electronic one; cost recovery; wreckfish permit requirement; allocation issues; offloading sites and times; and economic data collection.

The wreckfish shareholders and wholesale dealers discussed the following topics:

Wreckfish ITQ Goals and Objectives

- Shareholders believed the current program allowed fishermen to be vested in the fishery (goals one and six) but expressed concern about giving fishermen an unrealistic expectation of the fishery.
- Additionally, the current program is successfully meeting goals two through five.

- However, regarding goal six, shareholders were hesitant to make any program modifications what would encourage new entrants outside of a leasing program. Wreckfish is a small fishery is already at maximum capacity with the current effort.

Sector Allocations

- Stakeholders discussed two options for sector allocations: considering the recreational sector to be *de minimis* as long as catch remains low, resulting in 100% of the available catch being allocated to the commercial sector or allocating 1% of the available catch to the recreational sector and closing their season if their catch limit is reached.
 - Concern that the *de minimis* status may encourage the development of a recreational fishery and the potential dangers outweigh any potential benefit to the commercial sector.
- Generally, shareholders preferred the 1% allocation to the recreational sector and felt it would sufficient cover all recreational landings without resulting in a closure.
 - While current management measures for the recreational sector keep landings low, management measures can change over time and recreational fishermen should have accountability measures in place that would close the fishery should they exceed the catch limit.
 - The recreational season is July/August with a bag limit of 1-fish per trip.
 - Currently, most recreational landings occur off southern Florida or in Bahamian waters. Farther north, recreational fishermen do not have the capability to go far enough out to catch wreckfish. They are not targeted for that reason; rather they are occasionally caught when targeting other species.

Migration to an Electronic System

- The individual fishing quota (IFQ) electronic monitoring system used in the Gulf red snapper fishery could function well as a replacement for the current wreckfish paper coupon system.
 - Much of this program mirrors how the wreckfish fishery currently operates.
- Electronic reporting would be more efficient than paper coupons. However, the actual different in cost between the two programs is unknown until incremental differences in cost are identified and calculated.
- Using an electronic system, fishermen would need to have an allocation in their account prior to catching wreckfish (technically prior to landing at the dock – but takes time to do the paperwork).
- Even with an electronic reporting system, fishermen would still need to report a duplicate entry with their state. However, SERO is aware of the issue and is actively working on reducing duplicative reporting
- When asked if they would be supportive of a vessel monitoring system requirement (VMS) in the wreckfish fishery, stakeholders indicated that why they were not a fan of VMS they felt it might be useful in preventing quota fraud.
 - Related, a shareholder also expressed hesitancy to remove the requirement of needing to own quota to lease quota because, in the absence of the requirement or a law enforcement presence, a vessel that has leased quota may choose to sell their fish without reporting landings so that they don't have to lease more quota to

support their fishing. A VMS requirement to participate in the fishery may help with this potential problem.

Commercial Fishing Year

- The current closure was implemented to protect spawning fish. Shareholders expressed concern regarding how adjusting the dates would affect the benefits of the closure to the wreckfish stock.
 - NMFS staff indicated that scientific literature suggests that peak spawning is January through March.
 - Changes in Gulf Stream and water temperatures due to climate change may impact optimum spawning dates.
- Shareholders would like to look at possible changes but are cautious about moving forward with any changes.
 - Some shareholders participate in the golden tilefish fishery early in January, so they rarely fish for wreckfish prior to January 14th.

Offloading Sites and Times

- Shareholders felt the time requirement should be removed, especially if they fishery moved to requiring VMS.
 - If time requirements were not removed, they should become more flexible. Fishermen are often unable to predict exactly how a day of fishing will go and time requirements for offloading can result in missed orders.
 - Changes to fishing infrastructure availability can make it challenging for fishermen to make it to the dock at a specific time due to tide restrictions.
- Some shareholders felt the fishery was small enough to do away with approved offloading sites, while others felt that approved sites help hold fishermen accountable.
- The issue of offloading sites and times for wreckfish should be discussed with the Law Enforcement Advisory Panel at their Spring 2021 meeting.

Wreckfish Permit Requirement

- Shareholders requested that the Council consider whether the agent requirement would serve any purpose in an electronic reporting system. Additionally, the Council should consider the potential implications of decoupling the wreckfish permit and the snapper grouper permits and/or removing the requirement for a wreckfish permit.
 - It would be problematic to have wreckfish shares tied to snapper grouper permits, especially if/when those snapper grouper permits were sold.
 - The current cost of snapper grouper permits, the two-for-one requirement, and the cost of shares makes it difficult for interested fishermen to get into the wreckfish fishery. Removing wreckfish from the snapper grouper permit requirement may encourage new entrants.
- It was noted that the electronic reporting system could be developed in a way that would limit participation based on specific eligibility requirements.
- A SERO representative noted that assigning shares to a permit, which comes with consequences (different permits have different value, the wreckfish permit is still open access and would need to be made into a limited access permit in this scenario) would

require the wreckfish permit to remain because it would not be ideal to tie shares to snapper grouper permits.

Mandatory Economic Data Collection

- Shareholders are comfortable providing the economic information needed by managers, however they would like to avoid reporting duplicative information. They would like to report either trip level information (which can be burdensome) or annual information, but not both.
 - A SERO representative noted that trip level information requests focus on expenses related to an individual trip (ice, groceries, bait) while annual questions focus on overarching expenses such as vessel insurance and repairs.

Cost Recovery

- Law enforcement officers are rarely present when wreckfish are offloaded at the dock or on the water and shareholders were concerned about cost recovery funds going towards efforts not directly aimed at wreckfish.
- SERO noted that in order for law enforcement (and other eligible entities) to receive cost recovery funds from the wreckfish ITQ program, they would have to submit a memo justifying their need for reimbursement. This can change from year to year based on program developments.
- Shareholders were uncomfortable with the dealers paying cost recovery because they are not benefit from the fishing privilege. Rather, the allocation holder or the shareholder should be responsible for paying the cost recovery fee.
- Shareholders had different options on the timing of cost recovery payments, with some preferring to pay quarterly and others preferring to pay at the last quarter of the fishing year.
 - It was noted that pay.gov limits the amount that can be charged to a credit card with larger payments requiring checking account information.
- SERO noted that fishermen are not allowed to deduct the cost of ice, bait, or other products from the dealer they may have purchased before leaving the dock. The percentage is applied to the total monetary sale amount of fishermen receives (ex-vessel value).

Other Business

- In the past, wreckfish fishery participants have covered the cost needed to prepare a wreckfish stock assessment. Ideally, a new stock assessment would be conducted and would get away from using historic landings to set an acceptable biological catch/annual catch limit for the fishery.

Webinar Attendance Record:

Attended	Last Name	First Name
Yes	Bell	00Mel
Yes	Boehm	Peter
Yes	Brouwer	01Myra
Yes	Conklin	00Chris
Yes	DeVictor	Rick
Yes	Foss	Kristin
Yes	Freeman	Michael
Yes	Gray	Alisha
Yes	Hudson	Rusty
Yes	Jepson	Michael
Yes	LaVine	Britni
Yes	Marhefka	00Kerry
Yes	McCawley	00-Jessica
Yes	Mehta	Nikhil
Yes	Phillips	Charlie
Yes	Reiss	Paul
Yes	Rhodes	01Cameron
Yes	Schmidtke	01Michael
Yes	Spurgin	Kali
Yes	Stephen	Jessica
Yes	Taylor	Alexandria
Yes	Travis	Michael
Yes	crosson	scott
Yes	pugliese	roger