

Summary of Wreckfish Shareholders Meeting

March 29-30, 2010
North Charleston, SC

Participants:

Sam Ray, Shareholder
John Krall, Shareholder
Vicki Harrison, Dealer
Robert Harrison, Shareholder
Paul Reiss, Shareholder
John Polston, Shareholder and Dealer
Mike and Rita Merritt, Shareholders
Mike Travis, NMFS staff
Nikhil Mehta, NMFS staff
Janet Miller, NMFS staff
Kate Quigley, Council staff
Gregg Waugh, Council staff

Purpose of Meeting

The purpose of the Wreckfish Shareholders Meeting was to bring together shareholders to discuss the Amendment 20 Options paper and Review of the Wreckfish Fishery. The outcome of the discussions will be provided to the South Atlantic Fishery Management Council at their June meeting.

Handouts

Several documents were handed out to meeting participants including: 1) the most recent wreckfish stock assessment (Vaughan et al., 2001); 2) explanation of the Overfishing Limit (OFL), Annual Catch Limit (ACL), Annual Catch Target (ACT); 3) letters from three shareholders that could not attend the meeting (Pete Boehm, Scott Vaeth, Chris Walter); 4) Amendment 20 (Wreckfish) Options paper with Review of the Wreckfish ITQ Program and Informal Survey of Wreckfish Shareholders Report as appendices; 5) listing of wreckfish actions contained in the Comprehensive ACL Amendment; 6) economic surveys developed by the Southeast Fishery Science Center and the Southeast Regional Office for collecting economic information about wreckfish fishing (voluntary); and 7) wreckfish landings vessel and dealer confidentiality release forms (voluntary) that would enable aggregate landings of wreckfish to be shared with the Council members and the public. Currently, aggregate wreckfish landings are confidential due to less than three dealers reporting wreckfish landings. NMFS staff noted that the information collected through the economic surveys was needed to more accurately assess the economic effects of the actions and alternatives under consideration in Amendment 20 and the Comprehensive ACL Amendment. The collected information would be considered confidential. Completed surveys were to be returned to Kate Q. using the provided pre-addressed envelopes.

Summary

Initial Reactions to wreckfish actions in the Comprehensive ACL Amendment and the Amendment 20 Options Paper

- Rita Merritt asked why an ACL greater than 2 million pounds has not yet been considered.

- John Polston remarked that he had invested in 200,000 pounds worth of shares. Newer entrants will raise landings.
- John Krall stated that when the ITQ was implemented, fishermen were told that this percentage share would be permanent. NMFS staff pointed out that Amendment 5, as well as the re-authorized MSA stated that shares are not to be meant in perpetuity, and the topic could be addressed if there was a violation and/or the Council voted on changes to the program.
- John Polston suggested that the council look at wreckfish to see if a snapper grouper catch share will work.
- Sam Ray stated that he does not favor auctions and he disagrees with their use in the wreckfish fishery.
- Rita Merritt suggested that the Council have the following alternatives analyzed as part of Amendment 20: No Action, Mandates Required as a Result of the Reauthorized MSA, Redesigned Wreckfish ITQ, and Alternative to the Current Program. Staff stated that the reauthorized MSA does not require changes be made to the current wreckfish ITQ program. However, if changes are made, the wreckfish IFQ program might be viewed as a new ITQ program and would then be required to adhere to some of the requirements laid out in the reauthorized MSA. NMFS staff stated that “cost recovery” and “identification of excessive shares” did apply to the current wreckfish IFQ program, and that no cost recovery has been collected to this date.
- John Krall asked what the Council’s objective was for the Wreckfish ITQ program. Staff stated that the objectives had been reviewed by staff and guidance given to the Council on how to better evaluate the objectives and/or how well they had been met.
- Sam Ray stated that the CPUE will decrease with new entrants because they are unfamiliar with how to catch wreckfish and give the incorrect impression that the stock is at a lower level than it actually is.

Confidentiality Waivers

- A discussion was held regarding the Scientific and Statistical Committee (SSC) looking at landings data to provide an Acceptable Biological Catch (ABC). Confidentiality waivers distributed at the meeting need to be signed and turned in, so the SSC, SAFMC staff, and NMFS staff can analyze the landings data for the Council.

Reaction to Current Program

- John Krall stated that he likes the current ITQ program and sees no need for change
- Mike Merritt stated that he sees no need for change but that illegal fishing of juveniles and highgrading needs to stop. He stated that recreational fishing should continue to be disallowed.
- John Polston stated that he likes the current program and sees no need to fix something that is not broken. He sees no need for change.
- Robert Harrison stated that he sees no need for change. Recreational fishing should not be allowed.

Reactions to Specific Actions under Consideration by the Council

- *Online Reporting*: John Krall, Vicki Harrison, and John Polston all agree that this is a good thing that should be done.
- *Vessel Monitoring System (VMS)*: Robert Harrison stated that VMS is better than video monitoring. John Krall stated that VMS is useful for tracking where landings occur but that is all.

Sam Ray stated that he is opposed to VMS unless wreckfish fishermen are restricted to specific latitude and longitude lines. John Polston stated that his boats already have VMS and costs are \$50-\$150/month.

- *Approved Landing Sites* – John Krall stated that this would likely not be a problem.
- *Spawning Season Closure* – Sam Ray stated that the market was disrupted when the spawning season closure first went into place but that the market has changed a lot since then and that the current spawning season closure is not a problem for the market now.
- *Caps*: Several people asked how caps would work in a fishery where 2-7 people take the entire annual landings.
- *Cost Recovery*: Several people asked questions about how cost recovery would work. Paul Reiss expressed his preference for cost recovery to be assessed equally (not on a percentage basis) on all shareholders, not just those participating in the fishery.

Votes were tallied on each of the wreckfish actions contained in the Comprehensive ACL Amendment

Votes were tallied for those in favor. In some cases, individuals chose not to vote on particular actions because they did not feel they had sufficient understanding of the action. A rationale is included when it was given.

- Wreckfish MSY Options:
 - Alternative 1 – No action, there is no MSY specified for wreckfish (1)
 - Alternative 3 – MSY=1.946 MP (7)
 - *Rationale: The CPUE has been consistent. With this MSY, the industry has the potential to thrive. There has been little fishing pressure in recent years. The industry has not taken the TAC.*
- Optimum Yield
 - Alternative 1 – No action (6)
 - *Rationale: No change is justified until we have newer data.*
- Wreckfish OFL Options
 - Alternative 1 – No action (2)
- Overfished Threshold
 - Alternative 1 – No action, MSST equals $SSB_{MSY}((1-M)$ or 0.5, whichever is greater) (1)
 - *Rationale: Lack of current stock assessment*
- Wreckfish ABC Control Rule Options
 - Alternative 1 – No action, do not establish an ABC for wreckfish (2)
 - *Rationale: Pressure on fishery is minimal. More entrants are coming in and need something to fish.*
 - Alternative 3 – ABC=1.75 MP (2)
 - Alternative 4 – ABC=1.5 MP (1)
- Annual Catch Limit
 - Alternative 1 – No action, ACL=TAC=2 million pounds (3)
 - Alternative 3 – Top end of the ABC range (2)
 - Alternative 4 – Low end of the ABC range (1)
- Wreckfish Allocation Options
 - Alternative 4 – 100% commercial/0% recreational (6)
 - *Rationale: Recreational discard is unknown and not able to be accurately monitored or tracked. There is therefore no place for recreational fishing.*

- Spawning Season Closure
 - Alternative 1 – No action, keep Jan 15-April 15 spawning season closure (6)
 - *Rationale: The spawning season closure has done a good job for us. It helps the fishery. It was enacted by fishermen. It has been very successful.*
- Wreckfish Management Measures
 - Alternative 1 – No action, do not implement management measures for the recreational fishery (6)
 - Alternative 4 - Implement a one wreckfish per angler per day bag limit for the recreational fishery (1)
 - *Rationale: Only do this if recreational fishery gets an allocation.*

Votes were tallied for each of the actions contained in Amendment 20

Votes were tallied for those in favor. In some cases, individuals chose not to vote on particular actions because they did not feel they had sufficient understanding of the action. A rationale is included when it was given.

- Changes to the Wreckfish ITQ
 - Alternative 1 – No action, maintain the current Wreckfish ITQ program (6)
 - *Rationale: No change with exception of online logbook reporting and unloading times increased to 24 hrs*
- Substantial Participants
 - Alternative 1 – No action, do not define substantial participants (2)
 - Alternative 2 - Wreckfish shareholders are considered substantial participants (4)
 - *Rationale: Shares were given or earned and promised to us for life. Any other alternative chosen would at least require advance notice to all fishermen.*
- Eligibility for ITQ Shares under a Redesigned ITQ Program
 - Alternative 1 – No action, maintain eligibility for ownership of Wreckfish shares by current shareholders (6)
- Reapportionment of ITQ Shares
 - Alternative 1 – No action, maintain share ownership by current shareholders. Do not issue new shares under a redesigned Wreckfish ITQ program (1)
 - New Alternative 6 (3): Equally redistribute shares belonging to deceased shareholders to remaining shareholders.
 - New Alternative 7 (2): Equally redistribute shares belonging to deceased shareholders and shareholders who cannot be contacted to remaining shareholders.
- Transfer Eligibility Requirements
 - Alternative 1 – No action, maintain current transfer eligibility requirement under the existing Wreckfish ITQ program which stipulate that ITQ shares can be transferred to anyone but that coupons can only be transferred to persons with quota share and a commercial wreckfish permit (6)
- Caps on ITQ Share Ownership
 - Alternative 1 – No action, maintain the current regulations on share ownership which do not identify any ownership caps (6)
- Caps on ITQ Annual Pounds Ownership
 - Alternative 1 – No action, maintain the current regulations on coupon (annual pounds) ownership which do not identify any ownership caps (6)

- Adjustments to Annual Allocations of Commercial TACs
 - Alternative 1 – No action, maintain the process used under the current Wreckfish ITQ which annually allocates adjustments in the commercial quota proportionately among eligible ITQ shareholders (e.g., those eligible at the time of the adjustment) based on the percentage of the commercial quota each holds at the time of the adjustment (6)
- Establishment and Structure of Appeals Process
 - Alternative 1 – No action, if reapportionment of quota share occurs (Action 4), do not specify provisions for an appeals process (6)
- Set Aside
 - Alternative 1 – No action, no set aside (6)
- Use it or Lose it Policy for ITQ Shares
 - Alternative 1 – No action, do not specify a minimum landings requirement for retaining ITQ shares. The current Wreckfish ITQ program has no minimum landings requirement (6)
 - New Alternative 4 - If needed, set a control date for a time in the future, whereby fishermen would need landings to qualify (4)
- Cost Recovery Plan
 - Alternative 1 – No action, no ITQ cost recovery plan will be implemented. The current Wreckfish ITQ program does not have a cost recovery plan (2)
 - Alternative 2b - Implement an ITQ cost recovery plan. All ITQ cost recovery fees shall be the responsibility of the recognized IFQ shareholder. The fee collection and submission shall be the responsibility of (i) the ITQ shareholder or (ii) the ITQ dealer (4)
- Guaranteed Loan Program
 - Alternative 1 – No action, do not establish an ITQ loan program (6)
- Approved Landing Sites
 - Alternative 1 – No action, do not establish approved landing sites for the Wreckfish ITQ program. The current Wreckfish ITQ program does not specify approved landing sites (4)
 - Alternative 2 - Establish approved landing sites for the Wreckfish ITQ program. All ITQ participants must land at one of these sites to participate in the ITQ program (2)
- Annual Pounds Overage
 - Alternative 1 – No action, do not allow fishermen under the current or redesigned Wreckfish ITQ to exceed their annual pounds (6)
- Collection of Royalties from Resource Use
 - Alternative 1 – No action, do not collect royalties from shareholders for use of the wreckfish fishery (6)
- New Entrants Program
 - Alternative 1 – No action, do not create provisions that assist new entrants in entering the fishery. There is no such provision in the current Wreckfish ITQ program (6)
 - *Rationale: There is already a process in place for new entrants and that is purchase of shares. These are in smaller quantities than a snapper grouper permit.*
- Incidental Catch Provisions
 - Alternative 1 – No action, do not establish incidental catch provisions for wreckfish landings for commercial snapper grouper permit holders that do not possess annual pounds. Under the current wreckfish ITQ, no one may possess wreckfish without wreckfish shares, coupons, a commercial wreckfish permit, and a commercial snapper grouper permit (6)

- VMS Requirement
 - Alternative 1 – No action, Do not require commercial wreckfish vessels to be equipped with VMS (6)
 - *Rationale: We do not need this (VMS). It is not necessary.*